ACQUIA
EXPERIENCE DIGITAL FREEDOM

Media, Entertainment, and Publishing

KEEPING PACE WITH TRANSFORMING CUSTOMER EXPECTATIONS

INTRODUCTION

The ground is shifting rapidly—right under the media, entertainment, and publishing industry's (MEP) feet. It's not an exaggeration to say technological evolution and innovation is fundamentally altering pretty much everything about how everyone consumes and interacts with all kinds of content and information.

Quality content and immersive experiences remain the core offerings of the MEP industry. But loyal and deep engagement seems almost impossible, with today's wide range of outlets, channels, and devices. That engagement now depends not just on what you have to offer, but also on how you deliver those offerings.

Gone are the days of "appointment television," awaiting the evening paper, or eagerly lining up to purchase a newly released album. Today's consumer expects the entertainment, information, and media they want, whenever they want it, on the platforms of their choosing. It's a huge demand. And the ability to provide the content and experiences customers want will be key to survival.

CURRENT MEDIA, ENTERTAINMENT AND PUBLISHING TRENDS

It's hard to think of any industries that have been as hard hit by the deluge of advances in technology and changes in consumer behavior as media, entertainment, and publishing. While these shifts will certainly have upsides for both consumers and MEP companies going forward, they pose plenty of hefty, specific challenges in the short term.
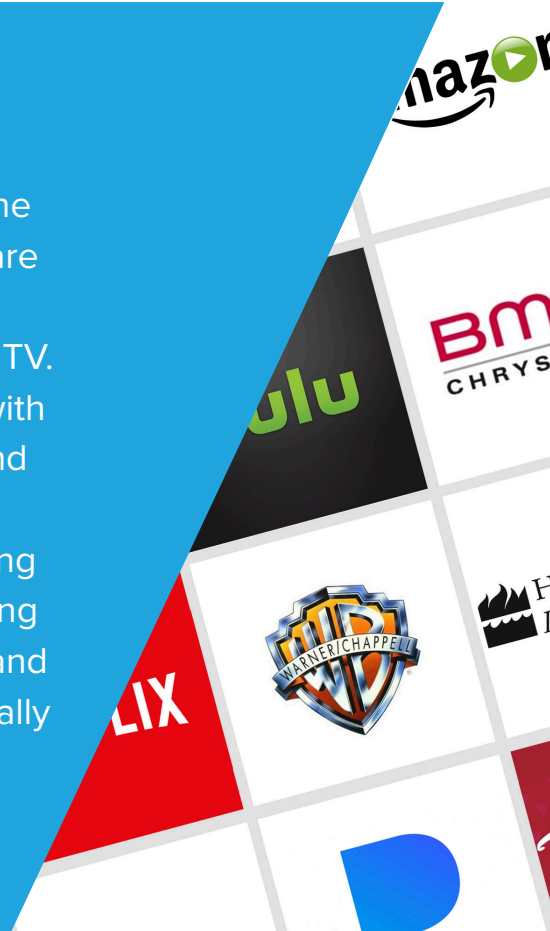
TREND 1

Changing Consumption Patterns are Redefining the Industry

As the transformation of the entire eco-system gathers speed, the media, entertainment, and publishing industry is racing toward an inflection point. Consumers are moving online in droves, and spending much more time there, all but bailing out completely on traditional consumption habits. According to Google, 90 percent of all media interactions are now screen-based.

Traditional books are taking a back seat to eBooks and audiobooks. Print newspapers and magazines are surrendering to online subscriptions. Netflix, Hulu, and others are advancing on network television. Cord-cutting households are menacing cable TV. Cloud gaming services are competing with mainstream streaming video services and putting pressure on OTT pricing. On top of the need to address an ever-expanding range of channels, those quickly changing patterns make it harder to truly understand—and keep up with—what customers really want from these experiences.
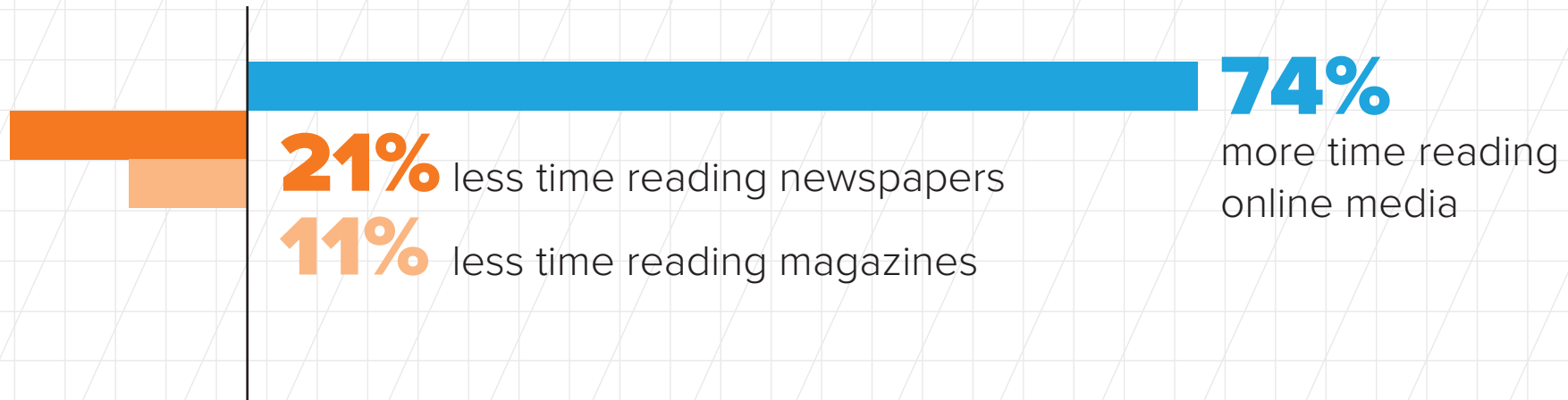
Technology is Evolving

As any MEP business knows, blink twice and you might completely miss the next technological advancement. On-demand, cloud-based services, big data algorithms and analytic techniques, and much more all play their roles in the ever-shifting landscape. It's easier than ever to be left behind, especially with technologies that were developed based on yesterday's needs, clumsily integrated into existing platforms, and likely obsolete almost as soon as they're launched.

The volcanic eruption in the number of delivery choices makes keeping up even trickier. Providers need to meet consumers on the device they choose, and there are plenty of them: smartphones, tablets, e-readers, electronic assistants, and set-top delivery services. And don't forget about what's just over the horizon—more powerful voice-assisted devices, virtual reality, artificial intelligence, and plenty of things we probably couldn't even imagine today.

2005 - 2010

74% more time reading online media

21% less time reading newspapers

11% less time reading magazines

Source: Boston Consulting Group   **4**

Business Models are Shifting

As more consumers choose to prize content quality and experience over ownership, MEP companies are giving their offers, pricing, and overall business models big makeovers, in hopes of syncing up with the new world of opportunities.

Additionally, a wide range of new types of media companies are emerging—seemingly on a daily basis. These include virtual multichannel video programming distributors, which offer pared-down, cheaper subscriptions to select channels or groups of channels. (Sling TV, YouTube TV, and others). These marketplace newbies claim 20% of the U.S. subscriber market. In response, large media companies, like Disney and CBS, are knocking on consumers' doors directly, offering their own digital streaming services.

Source: Deloitte 2018 Media and Entertainment Industry Outlook.

Starring: John Badman, Susan
Philips, Thomas Barry
Action/Drama

Continue Watching

Language/Subs

Add to My List

Security Concerns are Growing

Brand safety is in the news like never before, and becoming an increasingly important issue for aware and concerned advertisers. They're demanding stricter control over who they share space with online. Quality control needs to increase, and brands will expect to be compensated for safety fumbles that could damage their reputations—or worse.

Additional problems include content piracy and illegal file sharing, both of which continue to plague the industry. Creators have gone to the lengths of writing multiple endings to popular series in order to maintain the element of surprise ("Game of Thrones," anyone?!). To top it all off, the appeal of the reach and scale offered by Facebook and Google has been sullied by mistakes and good old-fashioned scandal, potentially offering other publishers an opportunity to benefit.

OTT video is estimated to reach **$30.6B** in 2022 —nearly 3x the size of traditional TV and home video.

PWC

CHALLENGES FACING MEDIA, ENTERTAINMENT AND PUBLISHING

While advances in technology and changes in consumer behavior undoubtedly present significant opportunities to MEP companies, those opportunities aren't without their unique challenges.

Data Management is Difficult

Digging up accurate, actionable audience behavior insights in a timely manner is an increasingly intricate job. To make the most of what's available, MEP businesses need to manage their data throughout the entire value chain, and optimize data analytics. Effective data gathering now also means taking a deep dive into set-top box systems, smart TVs, and lots of other emerging data sources.

Disconnected Platforms are Increasing Complexity

Out-of-date technology, often rapidly implemented without thought to future integration, leads to disrupted customer experiences, production delays, and plenty of challenges to security and scalability. Larger organizations can quickly lose ground to newer, more agile startups that are free from musty legacy technology.

Revenue Streams are Under More Pressure

Obviously, more options for platforms and subscription services mean more choices for consumers. And that's leaving providers to fight to the finish for a share of every subscription dollar. To grab that subscription revenue, providers must make their content more attractive.

At the same time, a shift toward original programming and exclusive content has left consumers feeling the pressure to subscribe to service after service to get to the content they want. And, they're less than enthusiastic about paying multiple monthly subscription fees. That dynamic may lead to pressure to reduce pricing, and could lead to bundling services at a reduced rate.

According to Salesforce, 39 percent of all media consumers are willing to pay more for ad-free content, leaving a gaping hole where reliable old revenue streams used to lie.

Content Discovery is Key

The array of highly fractured media-distribution channels has made it increasingly difficult for MEP companies to promote specific content to the consumers most likely to be interested in that content.

Additionally, consumers are exasperated by the need to remember which content goes with which provider, what they've already watched, and what to watch, see, or read next in the sea of choices available to them. Innovative approaches to showcasing preferred content, and delivering that right content to the right person will be critical to gaining a competitive advantage.

Digital will make up more than half of the U.S. entertainment media industry revenue by 2022.

PWC

5 PRIORITIES THAT ALLOW MEP TO GROW AND THRIVE:

1 Delivering the Right Content on the Right Channel at the Right Time

Giving viewers, users, listeners, and readers the experiences they want and expect starts with building a digital marketing foundation that's powerful, unified, and flexible. Centralizing and automating content and delivery across devices will shrink costs and boost speed, while delivering that consistent experience users crave.

2 Creating a Personalized Customer Experience

The expansive array of channels and content makes discovery a huge challenge, and only adds to the need - and demand - for a super-customized delivery experience. Providers must find new ways to bundle content at a personalized level, not by mass-segment groupings.

3 Acquiring and Retaining New Customers

Building a platform that lets content thrive will give acquisition teams more power to attract new audiences, while deepening those valuable existing relationships.

4 Increasing Speed, Scale, and Stability

By stabilizing uneven demand and performance through a secure foundation, providers can ensure they're offering the consistent experience consumers really want. Full-time support availability, open standards, open API support, flexible workflows, and the ability to publish content to multiple platforms without IT assistance can all serve as a foundation for that experience.

5 Curating Consumer Insight

Consumer behavior that changes almost daily and increasing demands for engagement make it tough to extract accurate, timely behavior insights. Integrating online and offline data sources in a unified language can drive cross-company KPIs. Data tracking must be instituted across the entire customer journey, not just on a singular interaction with one device. Capturing mobile, social, support, and marketing interactions can help to paint the entire picture.

FINDING THE WAY: HOW ACQUIA CAN HELP

Savvy MEP marketing professionals aren't asking whether or not they need to transform their customer experience. They're figuring out what level of investment they need to put into digital marketing platforms, personalization tools, and better methods of engaging with customers.

Moving ahead, customers want an increasingly intuitive, fully personalized digital experience. For MEP companies, the goal is better control of the brand's digital assets, and the effective use of analytics and insight to drive the most efficient journey of prospective and converted customers. Digging for data and insights to understand the true effectiveness of each effort is key. Knowing what's working, what's not, and where the gaps lie are all vitally important.

Acquia is the pioneering partner that can help build those experiences and relationships— on your own terms.

While the focus today is on providing contextual experiences across multiple devices, 61 percent of companies lack the resources to support these experiences.

Forrester

Our web content management and customer journey orchestration have empowered leading brands to create the world's greatest digital experiences. We'll help you establish the more intuitive, personalized digital experiences today's entertainment and media consumers expect—all using open-source technology, all with the required security.

Gain control of your digital assets, deliver the right content at the right time, and tap into the data and insights you need to understand what works, what doesn't, and why. Meet your prospective and converted customers with what they need at every step of the journey.

CONTACT ACQUIA

To learn about how Acquia can help you deliver a consumer-first experience, please contact us at sales@acquia.com.

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