Adapt for Change: Analysis of Media Technology Business Transformation

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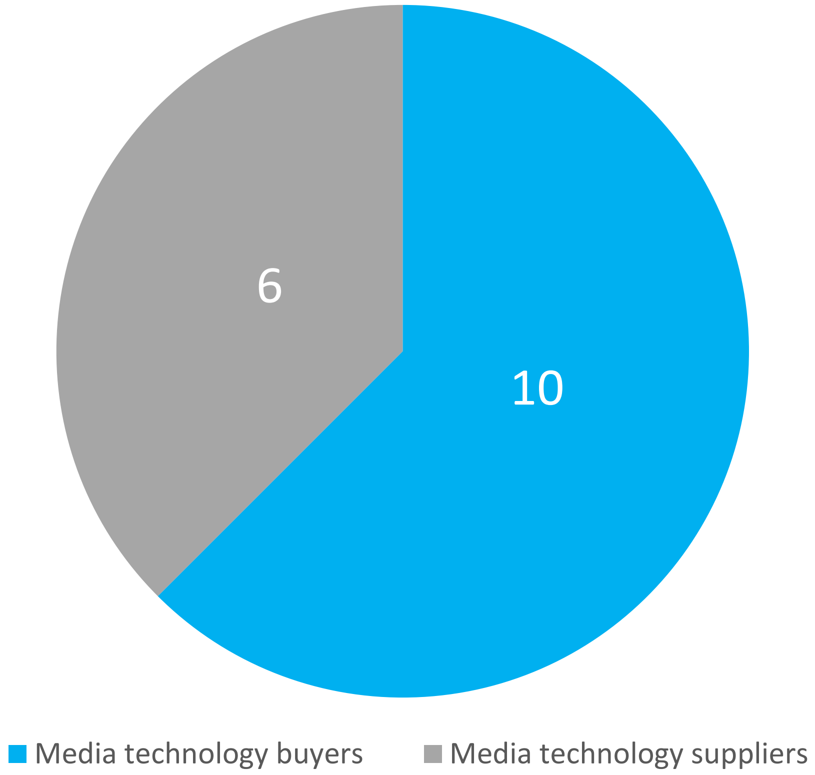
Adapt for Change

Some background information

Breakdown of Open-Ended Qualitative Interviews



Highlights

16 interviews carried out for this report

+ desk-based research and IABM data

More updates to come in 2020

Visit https://theiabm.org/iabm-adapt-report/ for Adapt for Change Report

Sources: IABM

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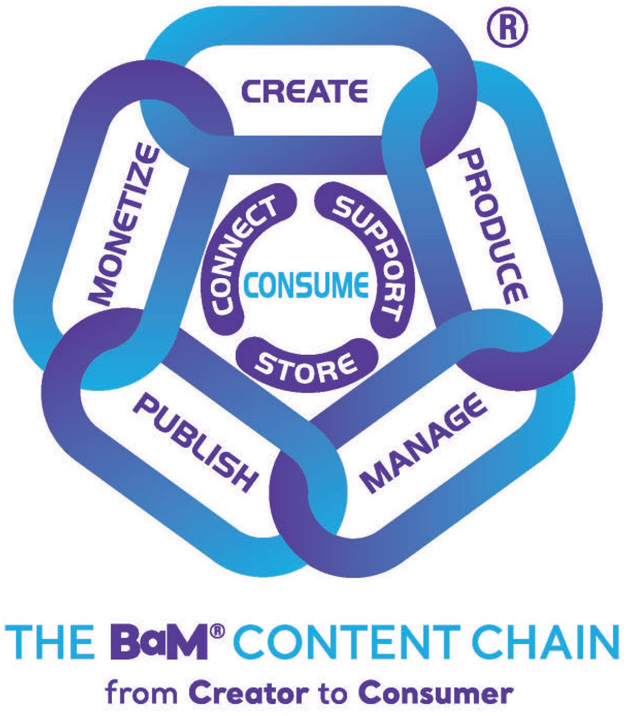
Next-Generation Content Chains

Some background information



Why?

Best practice reference for technology buyers

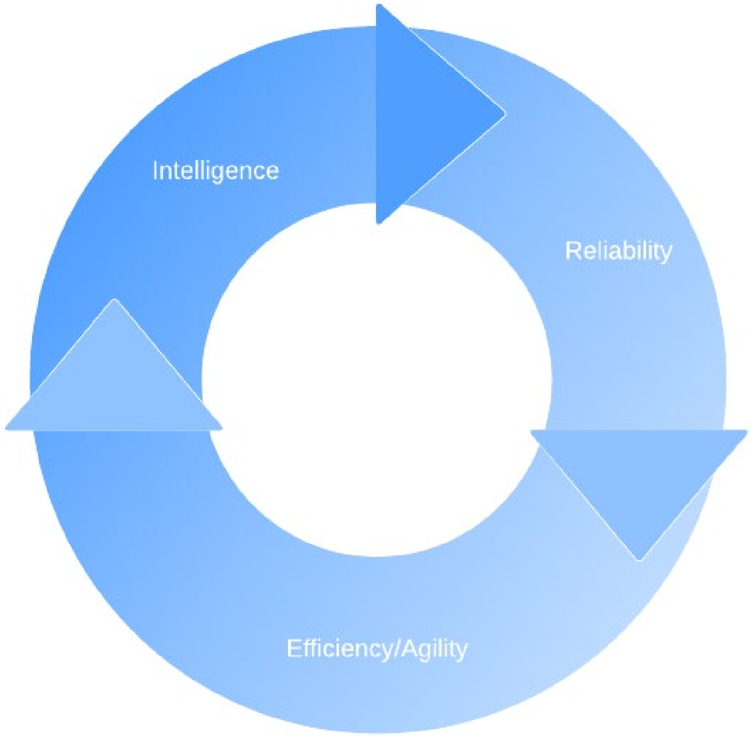
Technology development reference for suppliers

Common language and maturity framework

Sources: IABM

Next-Generation Content Chains

Structure of the model



How?

Start from buyers' main objectives

Go deeper with dimensions of maturity

Test model with users and suppliers

Sources: IABM

Next-Generation Content Chains

Structure of the model

Buyers' Objectives		Model's Layers
Intelligence	→	Data
Efficiency/Agility	→	Infrastructure
Reliability	→	Control

Sources: IABM

Next-Generation Content Chains

Structure of the model

Data

Gather
Data on content, rights, operations, audiences

Analyze
The data gathered to power decision-making

Predict
Unknown variables and events

Infrastructure

Optimize
Resource utilization and avoid effort duplication

Automate
Workflows and liberate resources

Access
Content and technology tools

Control

Govern
Managing risk, security and contracts

Sources: IABM

Next-Generation Content Chains

Maturity steps & indicators

Dimension	Low Maturity	Medium Maturity	High Maturity
Gather	*Data infrastructure is still separated in silos with no blending of relevant data points*	*Data infrastructure is reasonably integrated but littile blending of different data types*	*Data infrastructure is well integrated with varied mix of data used to drive content chain activities*
Analyse	*Little reliance on data-driven dashboards and KPIs to drive decision-making. No data analytics department*	*Moderate reliance on data-driven dashboards and KPIs to drive decision-making. No data analytics department*	*High reliance on data-driven dashboards and KPIs to drive decision-making. Established data analytics department*
Predict	*No reliance on predictive capabilities but qualitative assessment of future needs*	*Some reliance on predictive capabilities to understand future needs and no data analytics team*	*Moderate to high reliance on predictive capabilities and investment in data analytics team*

Maturity Indicators

Data integration, diversity and scale

Data analytics and BI usage

Data analytics and AI/ML usage

Sources: IABM

Next-Generation Content Chains

Maturity steps & indicators

Dimension	Low Maturity	Medium Maturity	High Maturity
Optimize	Qualitative evaluation of operational optimization and low reliance on cloud-based resources	Objective evaluation of operational optimization with moderate reliance on cloud-based resources	Data-driven optimization of operational resources and high reliance on cloud-based resources
Automate	Broadcast-level automation of workflows but no reliance on smart automation techniques such as AI/ML	Some reliance on smart automation techniques such as AI/ML but no process in place to measure their effectiveness	Moderate to high reliance on smart automation techniques such as AI/ML and process in place to measure their effectiveness
Access	Disconnected content chain with limited access to content and technology resources	Reasonably connected content chain but some holes in terms of technology integration	Well connected content chain with easy access to content and integrated technology solutions
Govern	Qualitative risk assessment and control driven by post-accident evaluation of both security and legal risks	Objective risk assessment based on established security policies but low focus on legal risks	Data-driven governance based on clear rules and automated control from both a security and legal persective

Maturity Indicators

Data-driven optimization and cloud focus

AI/ML automation

Shared content & tech ecosystem

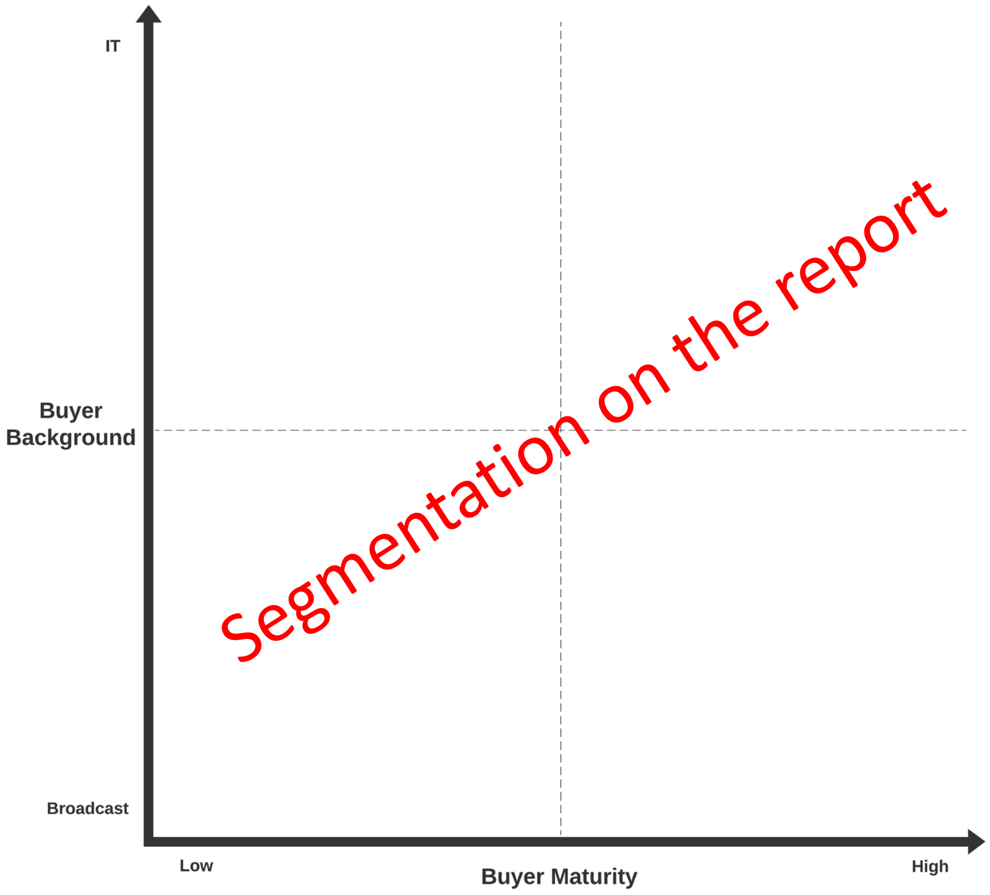
Automated control

Sources: IABM

Next-Generation Content Chains

Maturity factors

- Higher focus on business outcomes
- Higher focus on operational flexibility and consumer-facing systems
- Higher focus on the Data layer
- Higher propensity to BIY and deeper relationships with vendors
- Higher investment in cloud-based operations and as-a-service models
- Higher investment in data-driven workflows



Sources: IABM

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#1 Next-generation content chains:
Progress to BaM Content Chain Maturity™ entails the increased use of data to power operations, reliance on an efficient and agile infrastructure and a clear strategy to manage risk

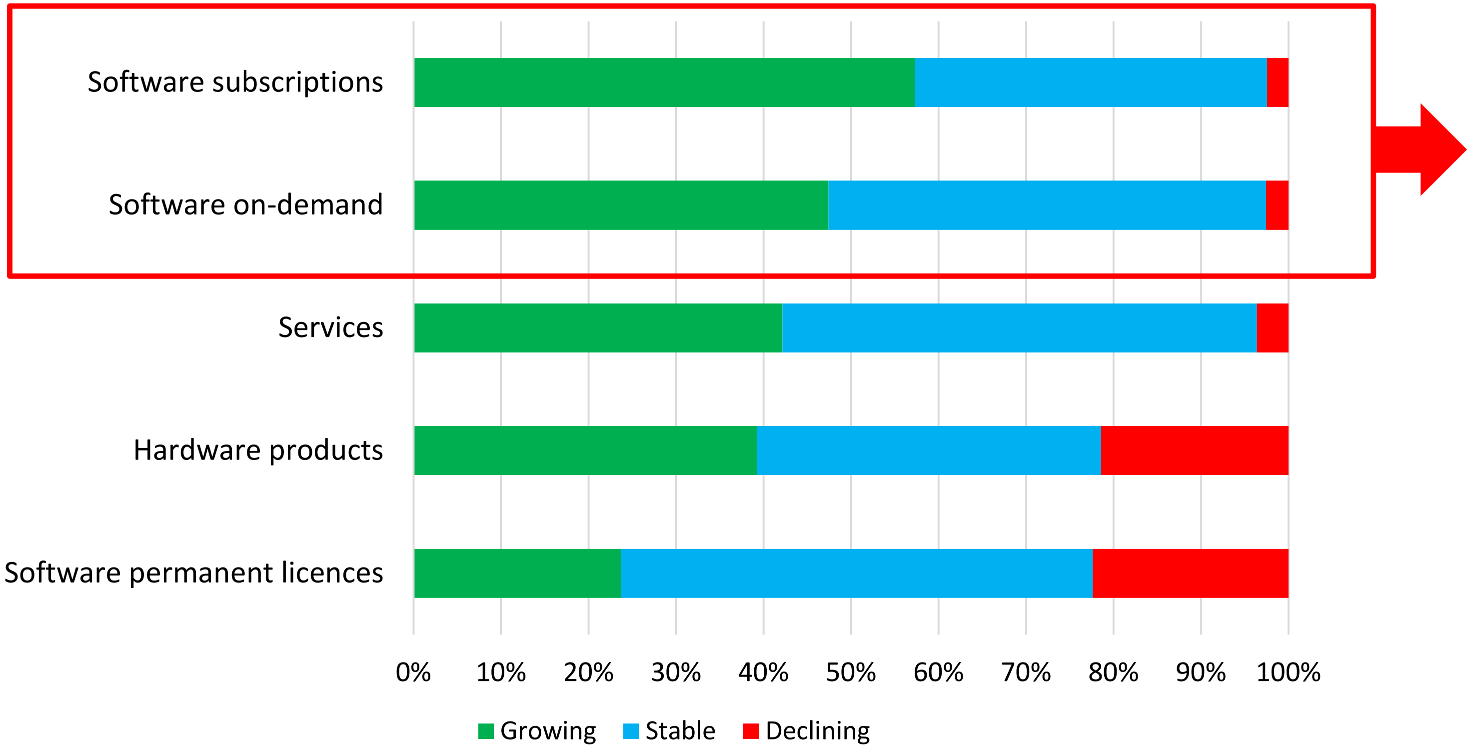
#2 Move to as-as-service models:
IABM research shows that media technology buyers are shifting their investment towards more flexible technology payment models such as SaaS offerings

#3 Move to collaborative technology models:
New market dynamics and technologies require different engagement models, prompting buyers to increase collaboration between themselves and with their suppliers

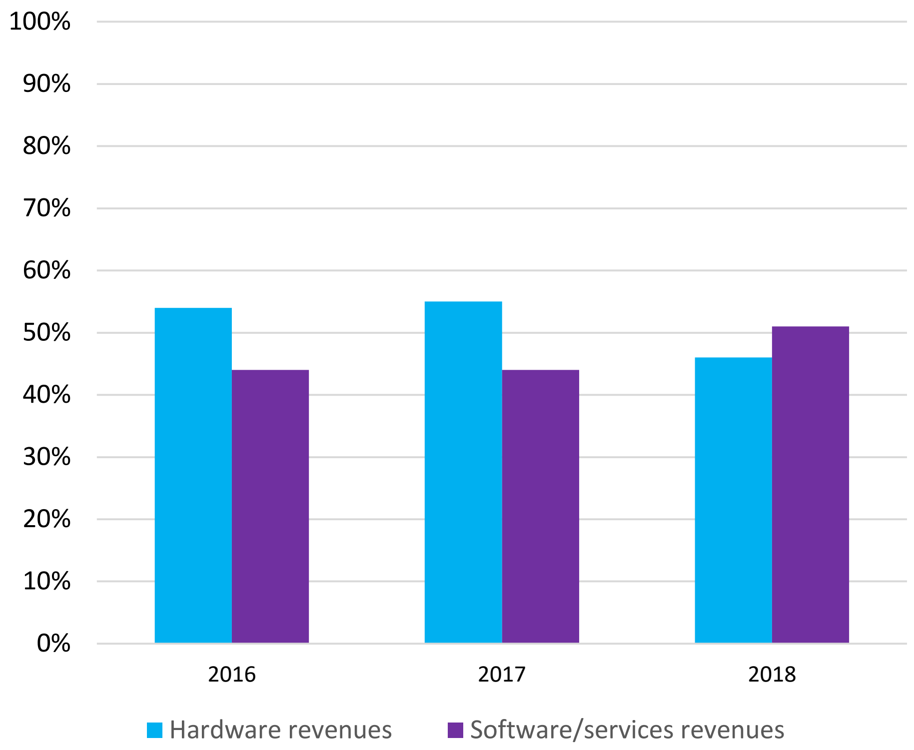
Move to as-as-service models

Demand for flexibility is there, supply is coming

Buyers' Investment Outlook



Primary Sources of Revenues, All Suppliers



Sources: IABM

Move to as-as-service models

Why?

Market is chaotic and increasingly unpredictable

Technology business models need to adapt accordingly

"Challenging times and things move fast. A lot of small-scale buys and a lot of SaaS systems in use. But the times for buying multi-million external systems are over"

European Broadcaster responding to our Buying Trends Survey

Sources: IABM

Move to as-as-service models

Major supply-side implications

Financial shift

A radically different financial balance that prioritizes subscriptions and consumption-based models over up-front payments

Agile technology development

Technology development becomes more agile, thus more collaborative, dynamic and responsive to customer feedback

Continuous customer engagement

As the buying cadence moves to monthly or metered payments, engagement with media technology buyers becomes continuous

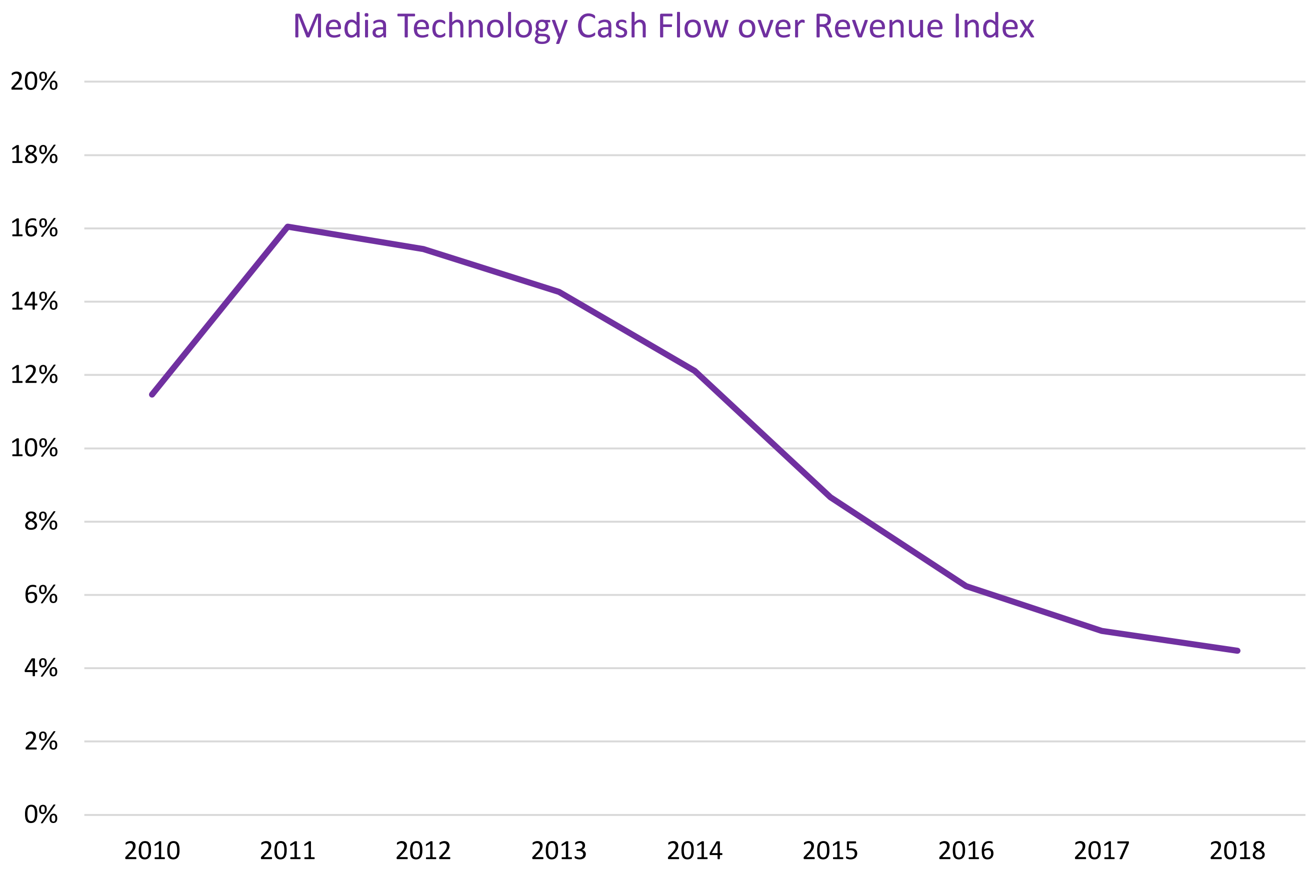
The importance of Data

Data should drive all of this. A data-driven approach is key in SaaS models

Sources: IABM

Move to as-as-service models

Financial shift



Sources: IABM

Highlights

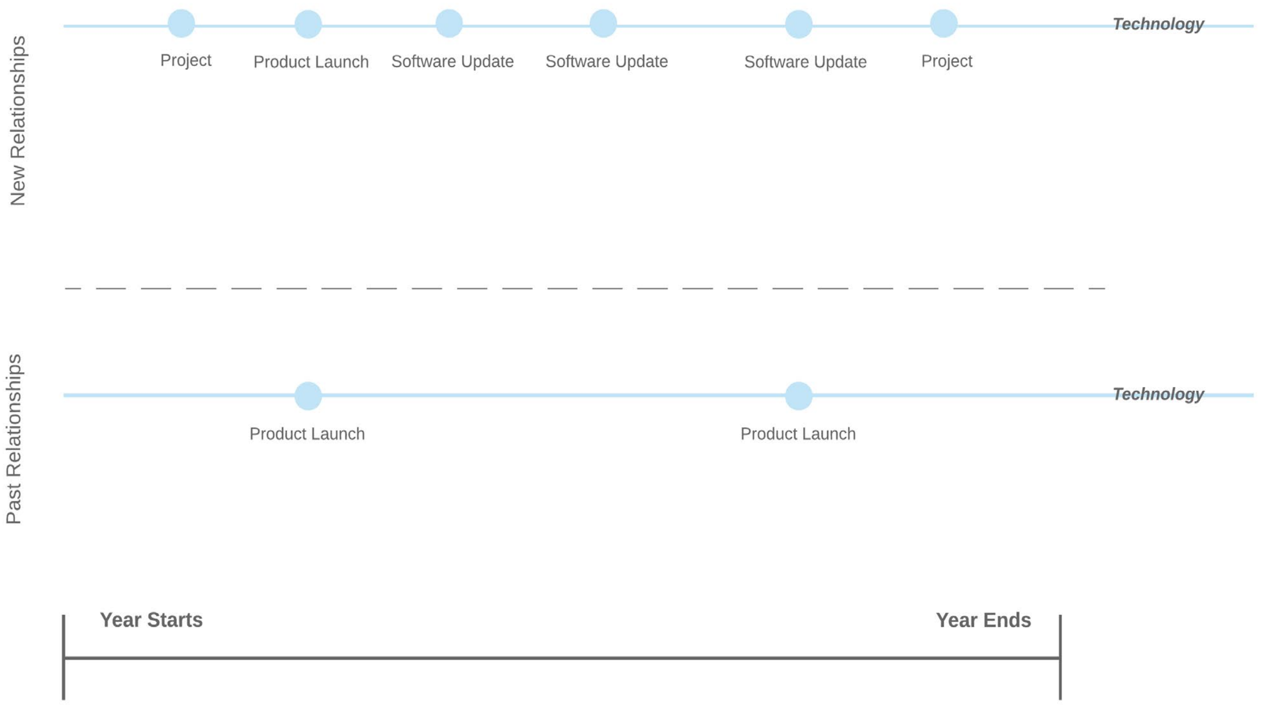
<u>Cashflow crunch</u>

<u>Atomized tech development financing</u>

<u>Flexible pricing and risk-sharing</u>

Move to as-as-service models

Agile technology development



Highlights

Atomized SW updates rather than big bang launches

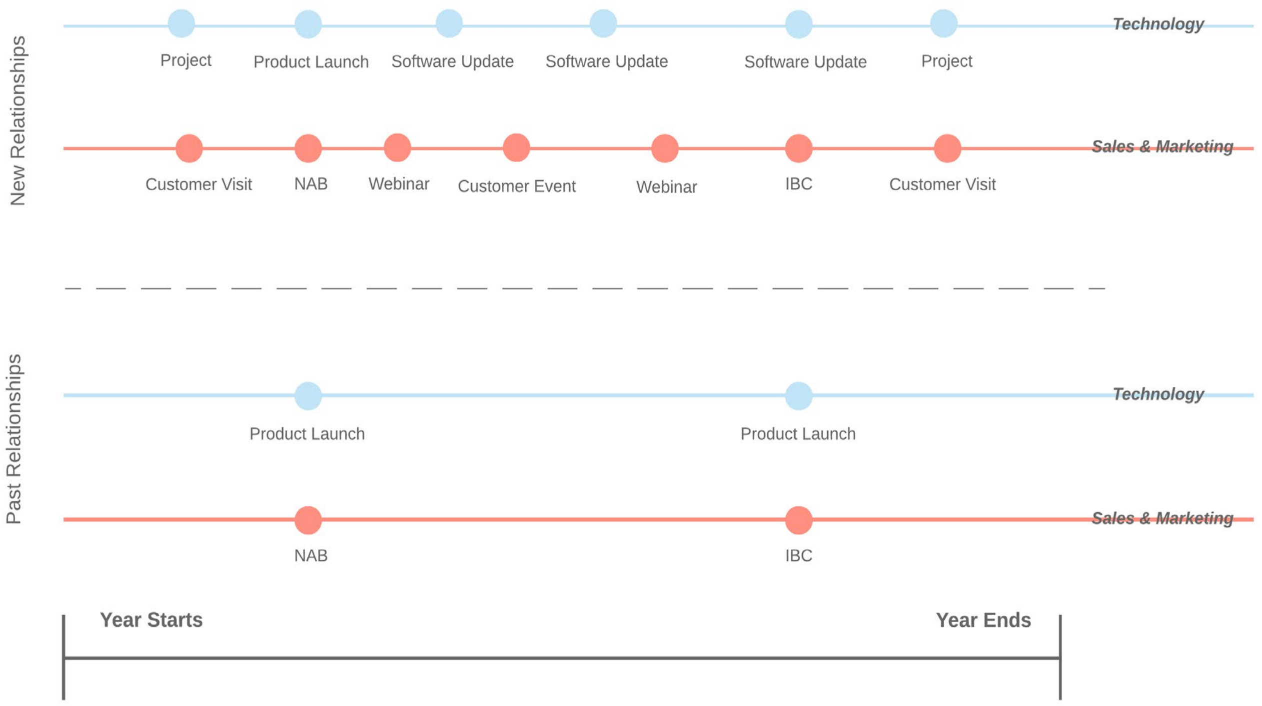
Flexible statements of work & deployment options

Constant flow of communication with customers

Sources: IABM

Move to as-as-service models

Continuous Customer Engagement



Highlights

Digital presence: webinars and virtual support

Customer events and tech deep dives

New customer success figures

Sources: IABM

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Move to collaborative technology models

Why?

<u>Market is chaotic and increasingly unpredictable</u>

<u>Deeper collaboration on tech and business outcomes is needed</u>

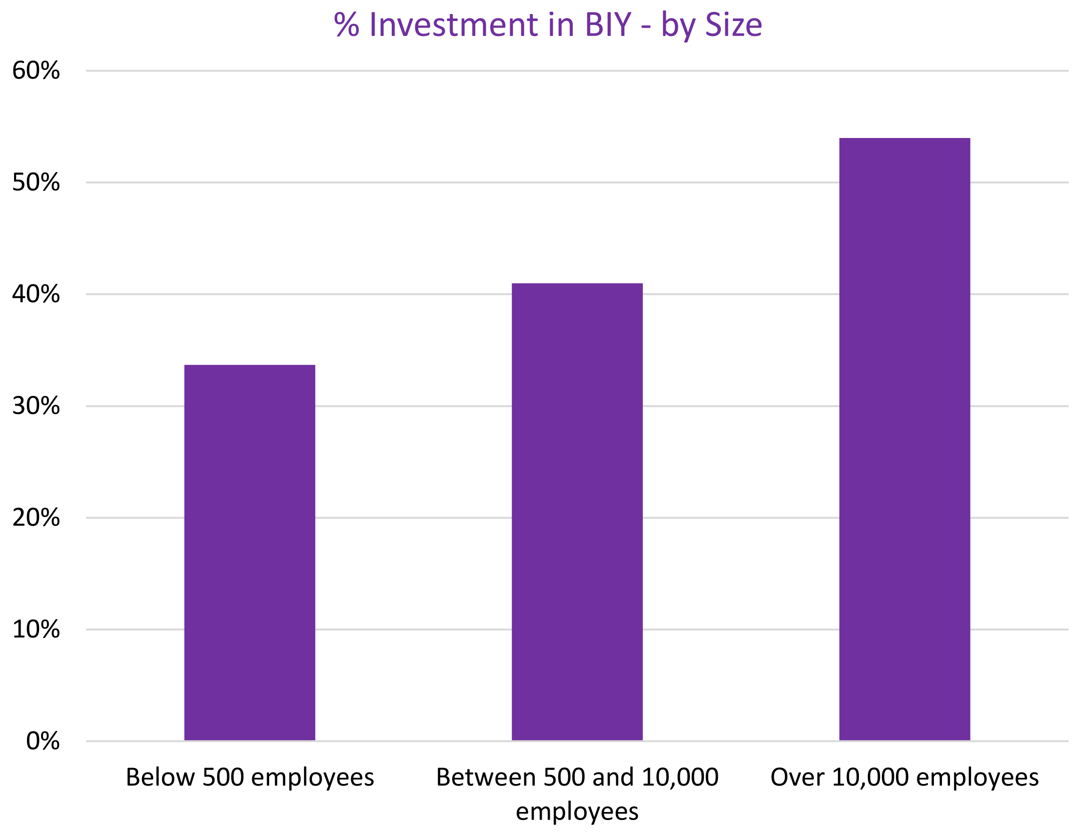
“We are not looking for products anymore, we are looking for partnerships where product development is driven by our requirements”

European Broadcaster responding to our Buying Trends Survey

Sources: IABM

Move to collaborative technology models

Build-it-yourself (BIY) trends – Who, Where and Why?



Geography plays a role too…

Highlights

<u>Large and developed organizations more likely to do it</u>

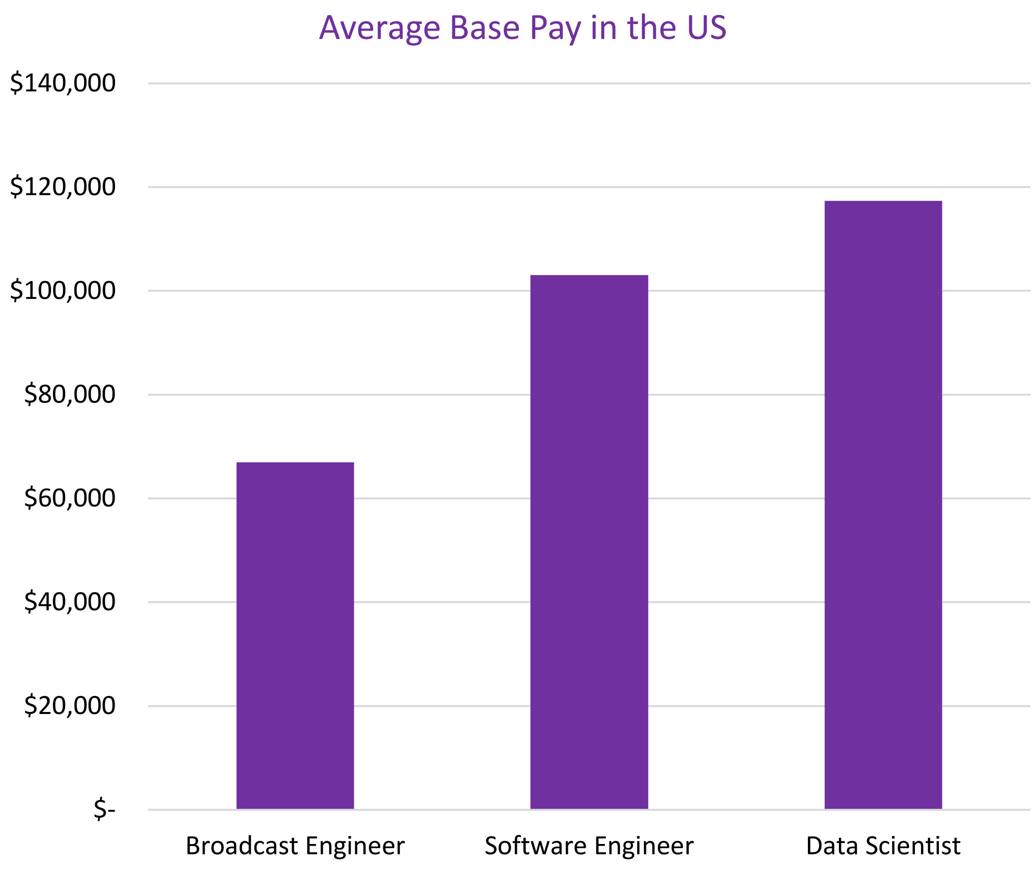
<u>Investment focusing on Manage and Frontends</u>

<u>Objectives are customization, integration, control and speed</u>

Sources: IABM

Move to collaborative technology models

Build-it-yourself (BIY) trends – challenges & opportunities



Sources: IABM, Glassdoor

Highlights

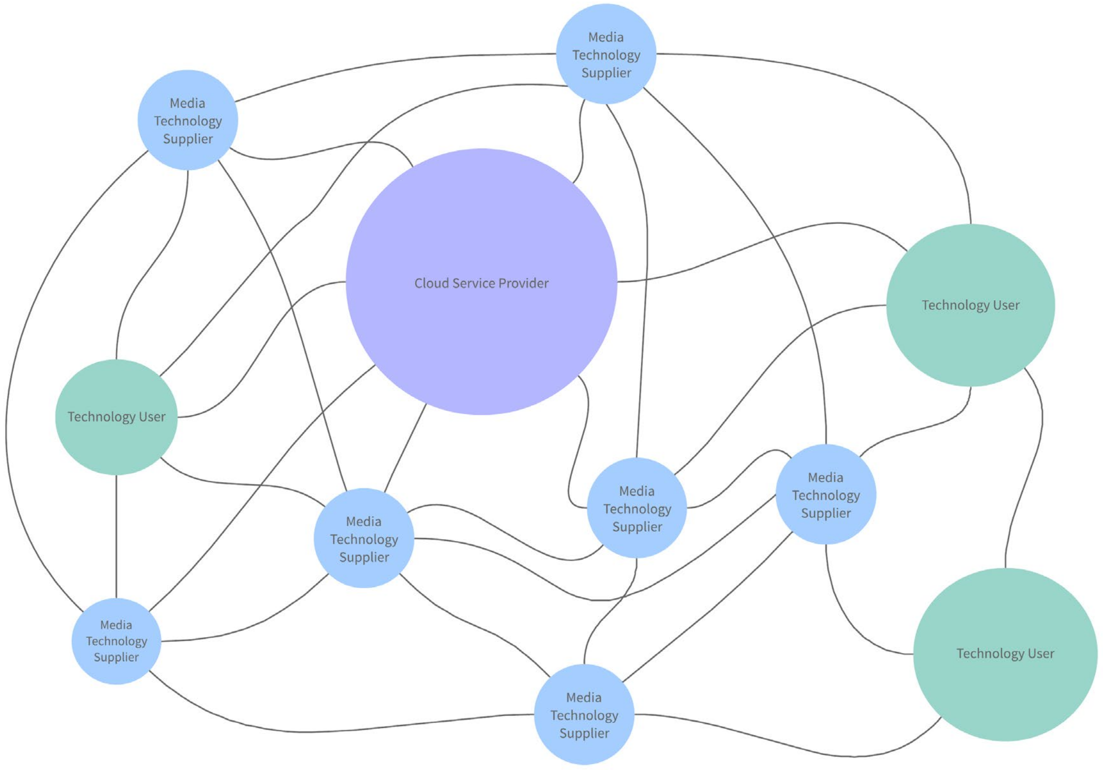
Maintaining an in-house technology solution is very costly

High costs allow suppliers to step in and support

Or provide flexible platforms enabling users' development

Move to collaborative technology models

The cloud ecosystem



Highlights

Cloud investment is rising significantly

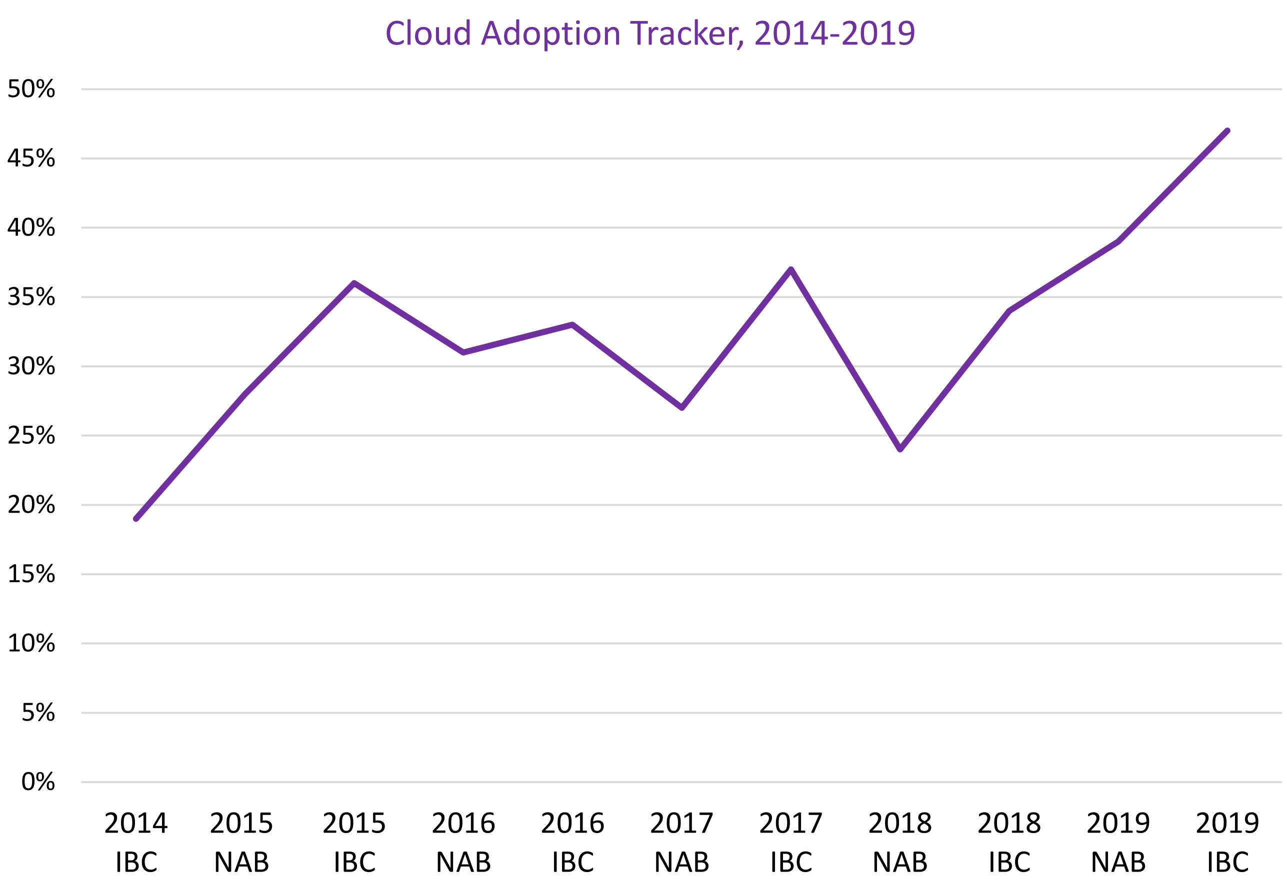
Co-development projects and partnerships also rising

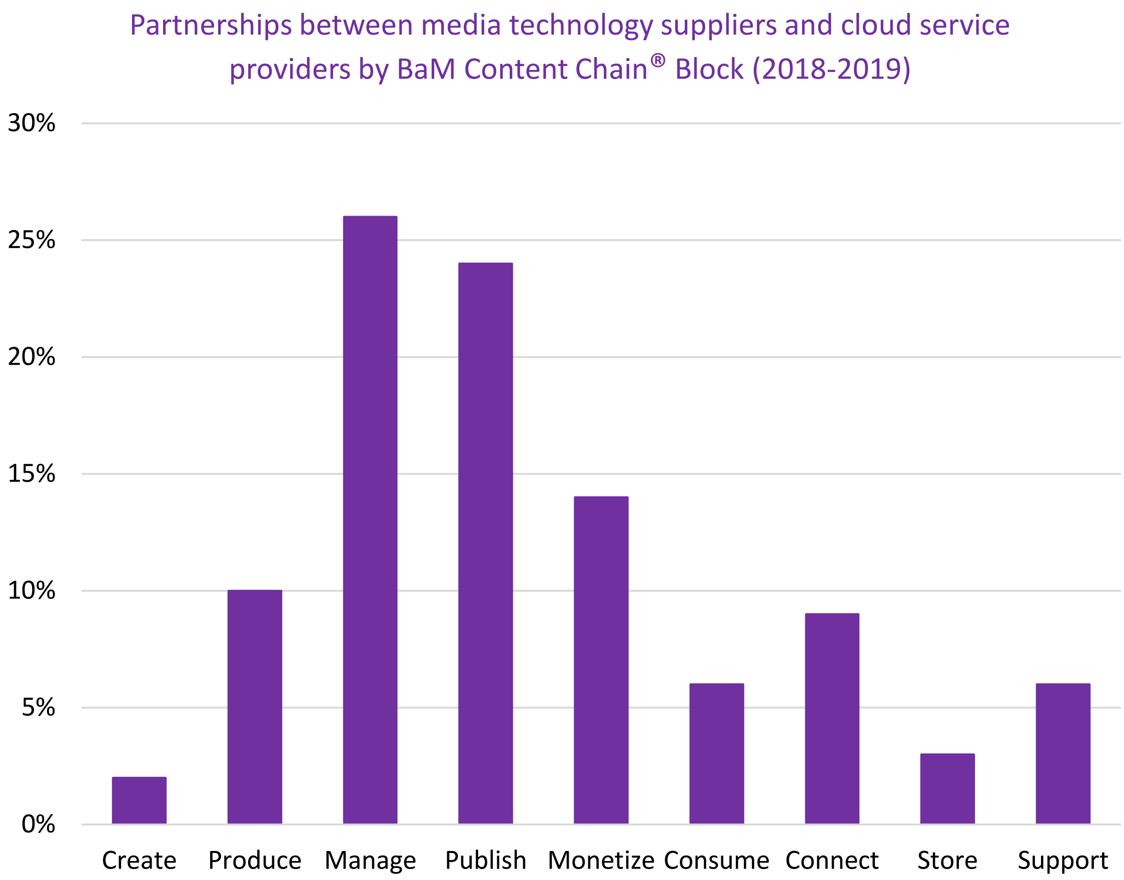
Partner ecosystems provide opportunities

Sources: IABM

Move to collaborative technology models

Cloud investment is rising





Sources: IABM

Move to collaborative technology models

Cloud service providers' investment in the media industry

	CREATE	PRODUCE	MANAGE	PUBLISH	MONETIZE	CONSUME
AWS Elemental Media Services	AWS Kinesis Video Streams *Streaming video from connected devices to AWS for analytics/processing*	AWS MediaLive; AWS MediaPackage *Ingesting, cloud editing, implementation of popular video features*	AWS MediaConvert *File-based video transcoding, format/compressing of VOD content*	AWS MediaPackage *Packaging of incoming live/VOD video streams, encoding, DRM, delivery to output devices*	AWS MediaTailor *Dynamic ad insertion (DAI), targeted ads, viewer behavior analytics (AI/ML)*	AWS Kinesis Video Streams *Computer vision, video recognition, UX&UI omptimazation*
Google Cloud Platform (GCP)		GCP Anvato *Ingesting, cloud editing, automatic clips from live streams, integration with GrassValley/Avid*	GCP Anvato *Live transcoding, archiving in the cloud*	GCP Anvato Live to VOD Bridge *Broadcast integration, syndication, content delivery*	GCP Anvato Real-Time Analytics *DAI, ad transcoding, ad sponsorships, hyper-personalization (AI/ML)*	GCP Anvato *Close captioning, 360 degree video, adaptive bitrate technology for smooth playback, recommendations*
Microsoft Azure Media Services		Azure Live Broadcast / Premium On-Demand *Ingesting, cloud editing, implementation of popular video features*	Azure Video Indexer *Automatic extraction of metadata, close captioning, recommendations, automatic creation of clips, topic inferencing, acoustic events, speaker statistics, translations*	Azure Media Player *Live encoding/converting digital video/audio files, dynamic packaging*	Azure Media Player Analytics *Video recognition, motion/emotion detection, (linear) ad insertion*	Azure Media Analytics *Video recognition, motion/emotion detection, content moderation, video summarization*

Sources: IABM

Move to collaborative technology models

Multi-cloud: challenges and opportunities

Preference for multi-cloud is strong to avoid lock-in

BUT

Optimal multi-cloud workflows not achievable for egress charges and lack of interoperability

SO

Most buyers addressing this by using separate cloud providers, side by side, for different sets of workflows

As the cloud market matures, interoperability may become a tool for differentiation

Demand for multi-cloud management solutions, including orchestration and billing, is on the rise

Activity in multi-cloud management market is testimony of this

Sources: IABM

Thank you!

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