
Thriving in the new media & entertainment world order

7 steps to success for media &
entertainment companies post-Covid-19

Atos

Foreword

For the media & entertainment industry there is no going back: the changes triggered by Covid-19 have had a profound and permanent impact. In some ways, the pandemic massively expanded and accelerated trends that were already underway. In others, it has devastated the creative and business evolution of venues and events that have existed for decades. What does all this mean for different parts of the industry as the sharpest and most immediate effects of the pandemic begin to fade? This paper explores new opportunities and challenges and some of the choices and strategies now open to companies.



So, what just happened?

The media & entertainment world was profoundly impacted in different directions by the challenges of lockdowns. Requirements for social distancing put some live shows completely on hold while severely limiting others. Regular programming made with short turnarounds such as soap operas quickly ran out of content as production was halted.

Binge-watching box sets fast became an acknowledged pass-time and the transmission of vintage and sporting events and reruns became increasingly acceptable. News and interviews delivered from people's homes created new opportunities for viewers to peek into their private living spaces, spawning a whole new social media frenzy.

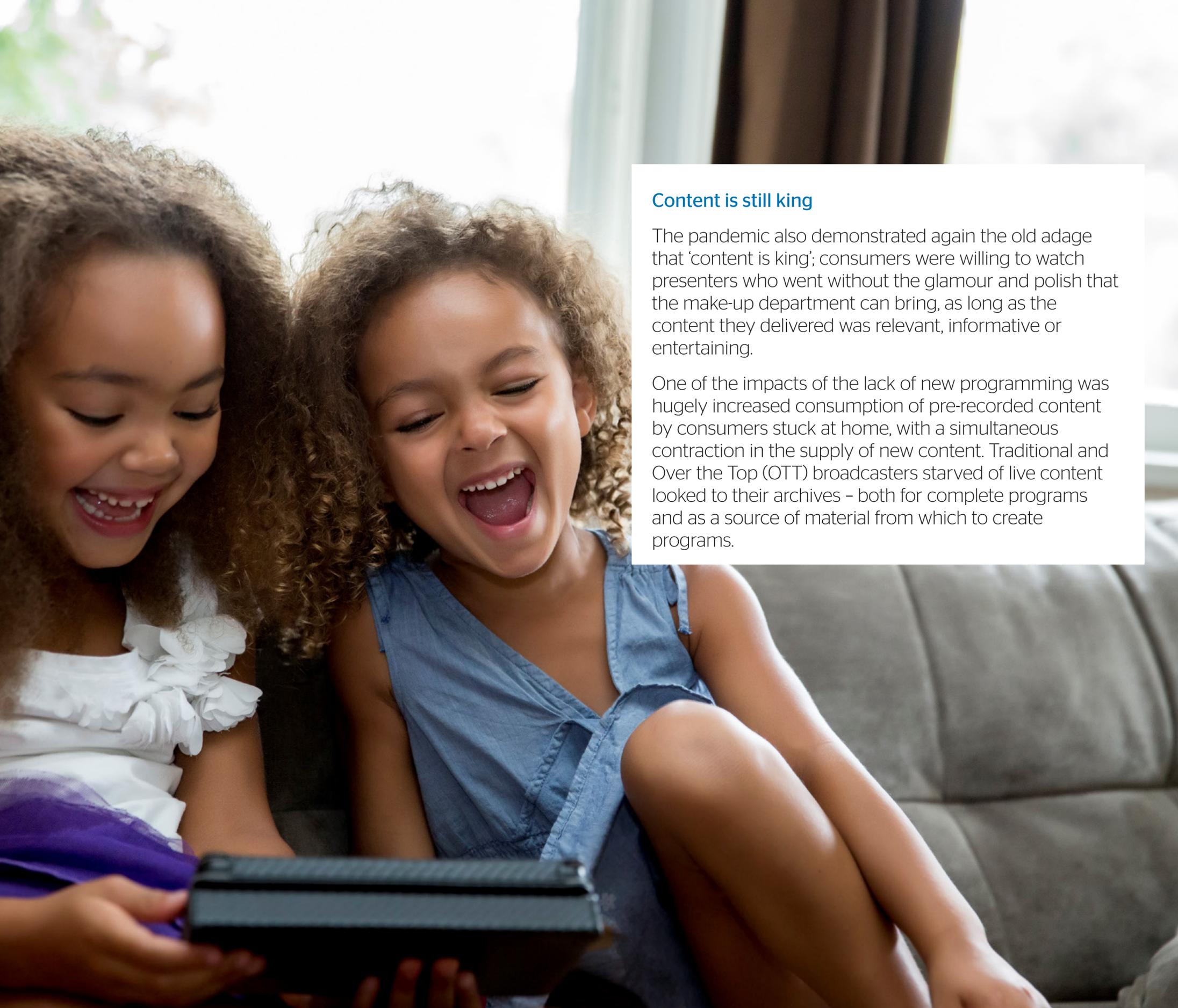


Delivering with less

Live broadcasts of studio-based content have long been a staple of successful broadcasters across the world, from talk shows to newscasts. All have required a significant number of people behind the camera: camera operators, production teams, make-up, hair, wardrobe, grips, floor managers, sound engineers, show runners, and the list continues – all operating in close proximity and most working in a freelance capacity.

The pandemic, however, has devastated the media production and freelance market and given accountants in media organizations the chance to prove what they may have already believed: you don't need that many people to make a great production. As live sport began to return in limited ways, remote production evolved into distributed remote production, with team members located at home or in various locations controlling a live broadcast.

All of these emergency measures have accelerated a transformation in production. While not all of these changes will be permanent, many will undoubtedly have long-lasting effects. Creative ways of delivering live content amidst the disruption have acted as a proof-of-concept for new ways of working, which will ultimately result in cost savings that will be hard to forgo. Less real estate, fewer resources and lower capex, together with more flexibility and more liquidity: the argument is compelling. But can the quality of content and production be maintained?



Content is still king

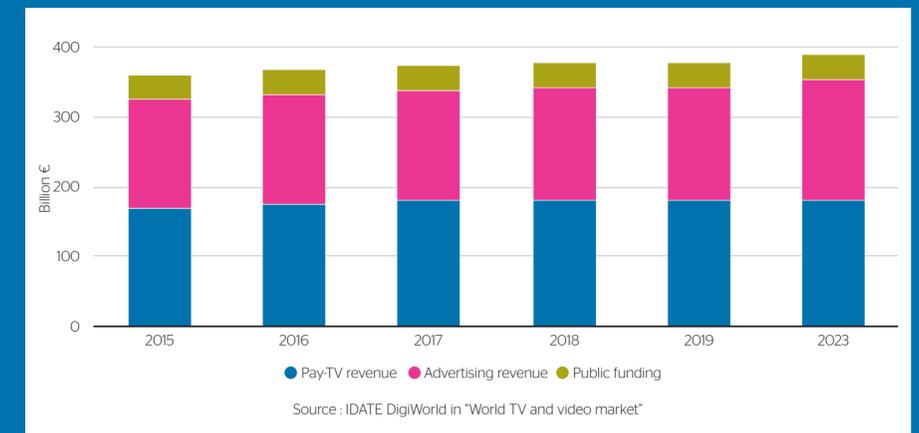
The pandemic also demonstrated again the old adage that 'content is king'; consumers were willing to watch presenters who went without the glamour and polish that the make-up department can bring, as long as the content they delivered was relevant, informative or entertaining.

One of the impacts of the lack of new programming was hugely increased consumption of pre-recorded content by consumers stuck at home, with a simultaneous contraction in the supply of new content. Traditional and Over the Top (OTT) broadcasters starved of live content looked to their archives - both for complete programs and as a source of material from which to create programs.

New business models

Just as viewers settled down to consume large volumes of content, advertising spend across the board dipped as a result of the shutdown of travel, hospitality, retail and so on. According to PWC, the under-delivery of episodic content could result in \$3.5 billion in lost advertising revenue.

Consumers learned to hunt through the catalogues of a multitude of providers and platforms; from news sites, to entertainment streaming services and podcasts, the range and volume of content consumed increased dramatically. If content is king, then distribution is prince. And as a result of the huge diversification in content, channels and platforms, the business models that support them, from subscriptions, to pay-per-view, to advertising, have all come into play.



What now?

As a more normal version of life returns, there is likely in the short term to be a drop in viewing as people can meet once social distancing laws are relaxed. Then, as a new balance is struck between our virtual and physical worlds, consumers' high expectations both of choice and quality will only continue.

More content, faster

This will likely increase demand for diverse and engaging content as the battle for eyeballs steps up. In addition, the willingness of consumers to look further and more widely to be informed and entertained will create a market for more niche content providers.

When media production picks up again, there will be a surge, partly to catch up on the backlog of committed productions and partly as a result of pent-up demand for new high-quality content. This will place even greater demands on a disrupted industry that's in the middle of a digital transformation.

Short 'concept-to-screen' times will be crucial to enable producers and providers to compete, leading to an increased need to automate, streamline processes and provide the ability to scale up and down as rapidly.

With demand for engaging content going up, the effect of the pandemic on freelancers and small production support entities may mean there is a shortage of these skills and resources, which in turn will drive up prices.

Digital engagement is emperor

Increasing engagement with consumers is beginning to create new directions, especially in the area of live content. Most movie viewers tend to watch them uninterrupted, then share their opinions afterwards. Live content is different: the nature of live content means that most consumers are engaging with it simultaneously, which creates an invisible and spontaneous synchronicity between consumers, with shared ideas and opinions - especially on social media - available to them all in the same instant.

This enables consumers also to be contributors; and they can take actions related to unfolding events in real time, such as voting for a favorite participant, or complaining about a refereeing decision. These are typically done on an OTT device (smartphone, tablet or PC) and require synchronization with live content.

Harnessing that desire to participate in live content is key to consumer engagement and will enable content providers to develop a new level of intimacy with consumers. But why is this so important now? Put simply, after months of isolation and with a more digitally savvy consumer base willing to share and interact online, when people do start to attend live events again, they will expect a rich accompanying digital engagement experience.

Thriving in the new world order

So, what does this mean to media & entertainment organizations and how can they address the challenges of this massively accelerated evolution? While most of the challenges will require strategic changes to the way organizations operate and meet their customers' needs, here are seven key opportunities and enablers.



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Digitize archives

In the media world, archives tend to be large stores of magnetic tapes and films of analogue content. Identifying the content stored on these tends to rely on detailed knowledge of the taxonomy used to describe the content. Once it has been identified, it then needs to be digitized in order to be usable. The value of digitized archives came into its own when content started to run out during the pandemic. Looking forward, digitized archives will create opportunities for monetization as niche content becomes increasingly attractive and in demand. In the B2B world, increased demand for factual content will often require access to archive content.



Digital distribution strategies

While a digital archive has innate value, this can only be realized if consumers can engage with its content. In the B2C space, digital distribution strategy can encompass all engagement, with streaming models funded through subscription, advertising or transactions. In the B2B space, content is not distributed as a streaming service, but as downloaded files - which simplifies the strategy in one way while adding complexity in another because more metadata is needed. For example, a consumer searching for a movie starring Bruce Willis is easier to orchestrate than a business customer looking for a 30-second clip of Nelson Mandela shaking hands with a particular celebrity. So, digitize it, tag it, and make it available according to demand and type of use.



Maximize resource utilization

One of the big drivers for remote production of live events is the need to ensure effective utilization of key resources. Outside broadcast (OB) trucks are expensive assets that are not productive when they are being transported and configured. In contrast, remote production sends camera and audio signals back to a production center, removing the need for equipment and teams to physically move. This principle does not only apply to OBs; just as important is the effective utilization of studios and onsite production facilities or galleries, and with the speed with which they can be configured for new productions. The complexity of today's operating environments means that sophisticated and integrated orchestration and control systems are the only option if resource use is going to be maximized.



Content supply chain automation

With pressures both on production and content intensifying, less time can be spent on manual low-value tasks; these tend to be processes that are either administrative or repetitive, or those that do not require skilled resources or do not enhance the content. A simple example would be the process to identify determine a transcode required for a particular platform, request it, monitor it until completion, then copy the file to a shared location and notify a function of the availability of the file. These simple steps are often managed by people instead of robotic process automation. Where artificial intelligence (AI) comes in - in other words intelligent automation - is to accelerate processes that require a degree of context and skill; this too is possible and delivers significant efficiency, speed and cost benefits.



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Consumer engagement

More content being demanded, more ways to reach more digitally savvy and discerning consumers, more competition for those consumers' attention - all this drives the need for deeper consumer understanding and engagement. Understanding a consumer and engaging with them are two very different things. An organization can understand and therefore target its customers at a macro level, at the segment level, or at the individual level. Common examples of this are forms of advertising targeted at particular groups based on key traits or individually based on individual behaviors. Engagement requires a more intimate relationship, in which the consumer is in a direct feedback loop that suits their needs, wants, likes, dislikes and preferred engagement model. This kind of engagement develops a relationship from a one-way broadcast into a dialogue. This model is increasingly relevant for live content in which the experience is as important as the content. Once engagement is established, organization's ability to monetize the relationship increases dramatically, as does consumers' experiences and loyalty.



Journey to cloud

There's little doubt that most organizations aspire to have a proportion of their business in the cloud as a way to reduce cost, increase scalability and agility, and foster more collaboration. Cloud technology and hyperconnectivity have driven the adoption of cloud-based systems across sectors and the media industry is no different. From production to distribution, cloud clearly has a role to play, be that as a means to provide flexible computing for a new production, or as a transcode point service for distribution to a set of platforms. The key with cloud is to understand each technology and business landscape and the benefits of adoption; and while cloud promises a highly cost-effective OpEx model, cloud choices must be blended according to the needs of the organization.



Focus on the business

If content is king, distribution is a prince and engagement is emperor, then technologies are the enabler. Media organizations' value-add lies not in the technology they use, but in the imagination, creativity and talent of their people - and the intimacy and understanding they build with their consumers. As competition in the media & entertainment world increases, media organizations could focus more on what they do best and less on being technology organizations. Outsourcing of non-differentiating services has been a key theme for many organizations in the media & entertainment industry as they strive to reduce costs not directly associated with talent and creativity.

Conclusion

The media world as we knew it no longer exists in the same form; the way content is created, delivered and consumed has changed forever. Ultimately, much of this will be change for the better: for consumers of media, there will be more choice - of content, of delivery platforms and experiences. For providers, there will be more diversified business models and opportunities to monetize content and data. Tomorrow's generation will demand more and tolerate less; their loyalty will need to be won and while they will be willing to pay, payment may be with their information as much as with cash, which will ultimately provide organizations with a much better understanding of how best to serve them.

The influence and power of media & entertainment will be as great as ever; and with a renaissance, the lines between consumer, contributor and provider will blur. While content will always be king, as sources and choices expand diversify, and some of that content is generated by the very consumers it serves, it's consumer engagement that will become emperor.



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