Game Changer: Innovating Now For Consumers

Innovation that matters
In today’s multi-screen world, consumers have more choices — and more control — than ever before. For decades, we have lived in a world of professionally produced content delivered on closed distribution platforms to dedicated devices. Broadcast television is the classic example. But enabling technology has changed all that. Now powerful production and distribution ecosystems can support a media-rich, direct-to-consumer experience on various open platforms and devices.

The result — new consumer-focused business models have exploded on the scene, like content syndication on the Web, dynamic ads embedded in networked video games, and social networks such as Facebook and MySpace. And although these “new media” businesses are young and growing compared to their traditional media brethren, they clearly represent the future.

**Change is everywhere**

The shift in consumer behavior is well underway. Teenagers watch TV and simultaneously play fantasy football, instant message and check scores on their mobile phone. Middle-school kids text-message friends on cell phones while playing video games on the Internet. Younger children split time between animated movies on DVD and cartoons on TV. Adults listen to podcasts while trading stocks on cell phones.

While the scenarios play out differently in every home, the commonality is how diverse the consumption habits are. In this multi-screen, media-rich world, consumers are driving the market by demanding “what they want, when they want it.” At home, work and play, the consumer is controlling their media experience.

So, what is the impact on the media and entertainment industry? What capabilities are needed to support the digital consumer? How do you, as a business enterprise, transition from traditional to new media — and profit from it?

---

**Today’s “audience of one” wants a personalized experience. But first you need to find your audience — only then can you interact with them on an individual level.**
IBM: Innovate > Differentiate > Grow

Tomorrow’s media and entertainment leaders need to innovate today, through areas such as multi-platform content distribution and permission-based advertising, to keep pace with increasing consumer demands. Second, they need to differentiate content and services that everyone wants to experience — and be able to do it quickly — to gain a competitive advantage. Finally, media enterprises need to grow revenue and develop new business models that are more responsive to viewers’ demands, and that can interact securely and effectively with new and old partners inside and outside your business.

If you’re a media and entertainment company, or supplier to the industry, there’s a certainty of diminishing revenues from traditional business — and an opportunity for growing revenues from emerging businesses. To win new business in a customer-focused new media world, there are three keys to success:

**Innovate for the consumer**

*IBM’s advice to media:* Put your customers at the center of your business. Your first step: Replace assumption and guesswork about who they are and what they want by investing in information-gathering tools. Then become an organization that can act on that knowledge. This will help you tailor content, advertising, pricing and reach based on customer preferences. By being great at converting consumer knowledge into customer insight, you gain competitive advantage. Another demand of audiences today is to participate in the creative process, through self-production in entertainment and ads. It’s not just for fun — it is also driving revenue spend.

**Innovate business models**

*IBM’s advice to media:* You need to aggressively experiment with new revenues and operating models, including the use of partnerships and acquisitions, and reassess underlying economics such as subsidized advertising, subscription, pay-per-use and licensing. In innovating business models, design new models that respond to market needs — and test, test, test. You might also consider accelerating the innovation process and sharing risk and investment with partners and even competitors.

*Case in point:* Two traditional media giants joined forces to create “the largest Internet video distribution network ever assembled.” Along with distributing hit TV shows and video playlists, they opened the site to other major distribution partners, instantly guaranteeing a huge audience and showing their willingness to partner with — rather than fight — their online competitors. Clearly, the infrastructure to support this model requires sophisticated processes and systems — for content tracking, payment and billing across multiple disparate platforms — which IBM provides.
Create flexible business infrastructure
IBM’s advice to media: Be open and willing to adapt quickly to changing business models. Flexibility is the watchword for traditional media looking to segue into newer media technologies. You want the kind of infrastructure flexibility that will allow your company to sense and respond rapidly to competitors’ moves and stay in sync with consumer behavior shifts.

Case in point: Self-selecting advertising on demand is a good example. Several media networks allow individualized advertising to be created and selected as an alternative to payment. This allows the ad-on-demand provider to gather important feedback on preferences of the person watching the ad. In this scenario, the business infrastructure (of technology, applications and processes) must support the ability to serve relevant ads by tracking and correlating consumer behavior. IBM solutions support this model of sense and respond—the cornerstone of an agile new media enterprise.

The impact of interactive, immersive media experiences—where users can participate, customize, create and distribute content—will rocket markets and business models between now and 2010. (Source: IBM Research)
IBM solutions for going from here to there

To transition to the new media world, companies need to be able to produce content in various forms and deliver it directly through any number of devices, channels and formats. Virtually anyone can grow and thrive and serve the digital consumer if the business is scalable, flexible and open. Here are the IBM solutions to help you make that journey.

**IBM Media Hub**

The Media Hub Solution Framework is key to the most successful digital media projects implemented today. It is a standards-based, Service-Oriented Architecture (SOA) approach to integrating applications within your organization, and allows you to respond with speed and flexibility to the realities of a complex marketplace. Media Hub goes beyond what is available in any other technology by providing the means to integrate business and media production applications into a single, productive workflow.

Adopting SOA is an imperative that every media organization needs to examine as they explore how to make change. IBM has used its deep expertise to take SOA to a new level for media companies. Media Hub has made SOA content-aware, metadata-aware and media-transaction aware. As a result, it allows you to move content where it needs to go and when it needs to be there, while reducing production costs and ensuring greater visibility into your operations.

**Production Planning & Scheduling**

All production requires effective planning and scheduling of resources such as people, skills, equipment and facilities. You need the most productive match between operational needs and resources available. IBM technologies help integrate sophisticated scheduling and planning solutions with the rest of your systems and applications. This allows you to drive real-time, important data as far up into the planning process as possible, giving the visibility to planners that they need.

**Business Rights Management**

Business Rights Management combines business rights contracting with the royalties accounting functionality of ERP platforms. It provides rights metadata into Broadcast Asset Management metadata records so that content use, reuse and editing can lead to automated rights and royalty payments to rights holders. It also supports the multi-platform exploitation of content by rights holders to maximize revenues and return on investment in business rights.
**Sports**
IBM and our Business Partners have unique technologies that help you get those key highlights to air even faster in your sports production. IBM understands the data-driven world of sports and can bring our considerable experience in broadcast sports to bear in providing solutions that make the programming that keeps the fans hooked. IBM helps you succeed in every area of sports, from HD television broadcast technologies to the latest in how to bring compelling sports content to the Web, mobile devices, and more.

**Long-Form Production**
Long-Form Production, more so than any other style of production, makes extensive use of technologies that track and manage assets. IBM recognizes that high-quality media, such as High Definition or Digital Intermediates, requires best-in-class applications to manage and process those assets. IBM technologies allow you to bring together those applications into an integrated environment that provides for the most creative and productive long-form workflow for your organization.

**Digital Media Center**
Enable a collaborative broadcast production process, where materials can be easily accessed from large and diverse repositories by researchers, writers, producers, journalists and editors. From their desktops or at stations wherever they are, staff can reduce the time it takes to find content and make decisions about using particular video clips on demand.

---

**Newsroom — Digital Workflow Transformation**
There is no area of production more in need of flexibility and adaptability than news. IBM and our Business Partners work with key news solution providers to put together the most agile and operationally efficient approach for the newsroom. IBM applies a componentized approach to solutions in these environments that makes no compromises on editorial quality and helps you beat the competition to air.

*Whether you are a content owner/creator or a distributor, IBM has the tools and solutions to create a powerful environment where innovation allows you to attempt to gain a share of the new action.*
Multi-Platform Distribution

IBM technologies are designed to enable the most efficient and effective re-use of your valuable content. IBM and our Business Partners can help you automate the transformation of your assets and position your business for new opportunities. IBM technologies bring together all your most important business data into a dashboard. This dashboard gives you role-based views of information that can inform critical decisions, providing greater visibility into all aspects of your business.

Web

The Web is a dynamic and important part of the media distribution strategy for any media company today. IBM and our Business Partners create secure solutions that support the full end-to-end process for acquisition, management, marketing and distribution of digital content to online viewers.

Mobile

Mobile Distribution is a critical new revenue stream for many organizations today. IBM and our Business Partners provide innovative solutions to enable media companies to securely market and deliver any content to mobile devices while maximizing profits. A common user interface on any device as well as optimization of images and text for each device are key features provided by IBM.

Video-on-Demand and Ad Insertion

IBM applies open architecture designs in working with best-in-class Business Partners in video-on-demand and ad insertion. IBM knows how to bring these rich revenue streams into your organization quickly with flexible, scalable and reliable solutions.

Customer Care and Analytics

As media and entertainment models change and the relationship with the customer evolves, companies are being forced to look at their customer care operations, from sales and marketing to customer interaction and business intelligence. IBM technologies give media companies the ability to gather information to better understand the consumer and deliver what they want.

Why IBM?

The move to the new media world is highly complex, and IBM has vast experience to help you make the journey — innovating business models, driving growth and gaining competitive advantage — all while delivering innovative content when and where consumers demand.

---

**IBM has the world’s largest Media & Entertainment consulting and services practice with over 2,500 consultants working on projects around the globe.**
As a leader in the development and support of industry standards enables, IBM is committed to developing solutions that help drive down costs and enable media companies to avoid dependency on proprietary technologies. IBM has helped shape the industry through our participation in industry standards committees, including MPEG1, MPEG2, MPEG7, MPEG4, HDTV Broadcast Technology Project in Digital Video ATP, Secure Digital Music Initiative (SDMI), Rights ML, and others.

No single application or provider can supply all of the solutions and services that our clients require in this rapidly evolving marketplace. That's why we've built an extensive IBM Business Partner network that provides additional opportunities for our customers in the media and entertainment industry.

We have also established long-standing client relationships in every major entertainment and media segment — from film, music, games and interactive entertainment, to publishing, advertising and broadcasting. And at our IBM Global Innovation Centers, media companies can observe firsthand the very latest technologies from our interactive design and development studios, where applications are tested in real-world settings.

In a media world where business-as-usual is no longer, IBM offers many ways to compete and grow. With our industry experience and solutions, we can help you apply innovation to realize a strategy that thrives and profits in the new media order.

Find out more
To learn more about IBM solutions for the media and entertainment industry, contact your IBM representative or visit:

ibm.com/industries/media