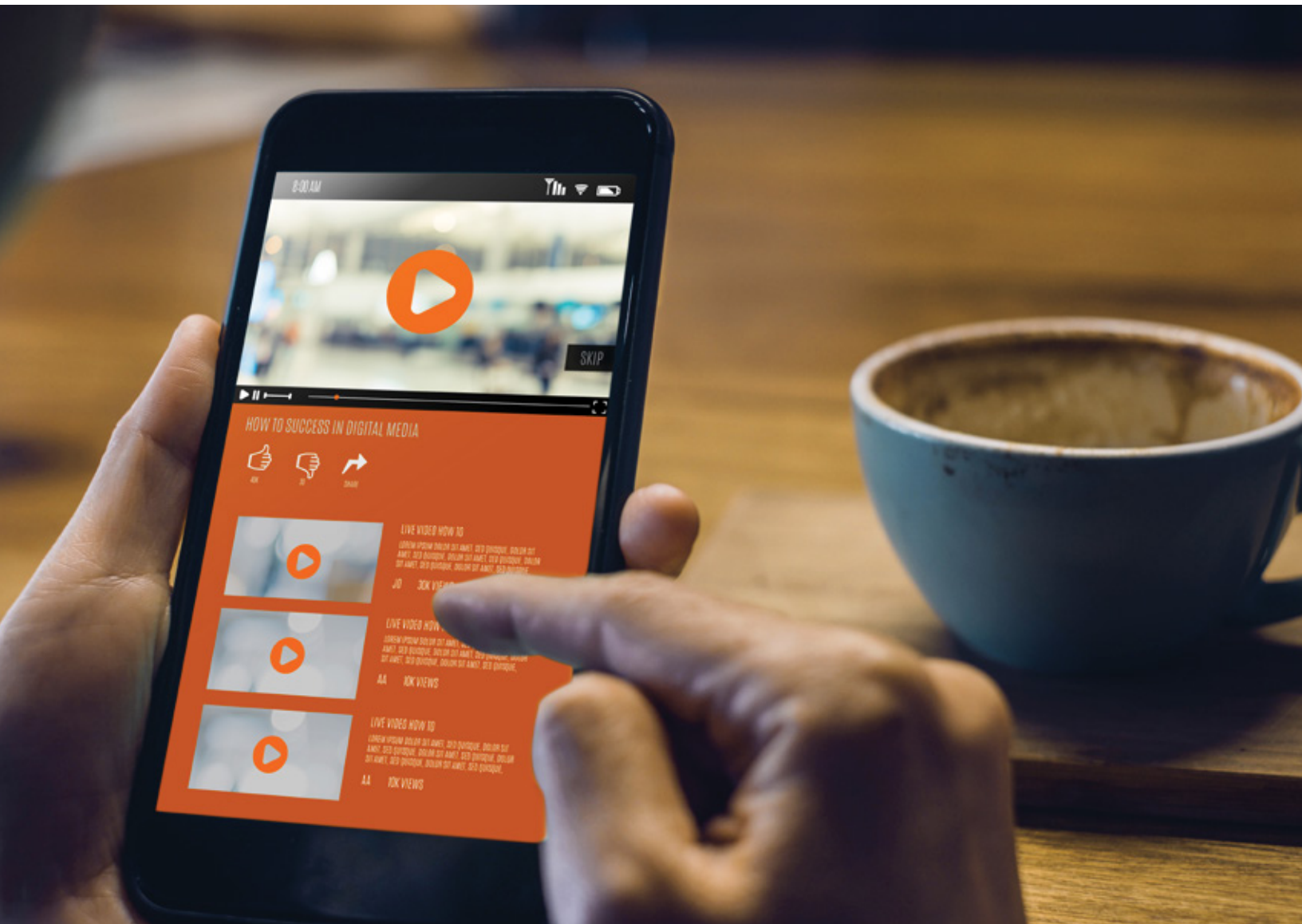


POV

Content Yield Optimization

Strategic revenue maximization approach for movie/episodic content

Author **John Missale** | **Arko Mukhopadhyay**



Yield Optimization or management is an industry-known variable pricing strategy, based on understanding, anticipating and influencing consumer behaviour in order to maximize revenue or profits from a fixed, time-limited resource. Yield Optimization involves strategic control of inventory to sell the right product to the right customer at the right time for the right price, and as we are focusing on Content Yield Optimization for movie or episodic content, we will also approach media players adopting the similar strategy (placing of right content to the right audience at the right time for the right price).

Role-based bots

As per PwC, revenue for global entertainment & media industry is forecasted to reach at US\$ 2.2 tn. in 2021 and the pace will continue with a CAGR of 2.8% from 2019-2024. PwC is confident in their recent outlook, that the global entertainment & media industry will reach at US\$ 2.5 tn. in size at the end of 2024.

With the increasing trend of Direct-to-Consumer, disruptive players and content producers like Netflix, Amazon Prime, Hulu etc. as well as the traditional players like Disney (Disney+), WarnerMedia (HBO Max), Comcast (Peacock) etc., are directly connecting with their consumer in digital platforms. In 2020, the entertainment and media industry absorbed the historic shock of COVID-19, which toppled long-standing business models, amplified existing trends and forged new opportunities in the space of non-linear media distribution / OTT Video.

Subscription VOD revenue of US\$13.5bn in 2019 will grow at a 12.7% CAGR to reach US\$24.5bn by 2024, due to a surge in new, well-funded streaming offerings coming online combined with an increase in consumer

demand as a result of COVID-19, as per PwC. Providers that were already well positioned to meet customers where they are, such as over-the-top (OTT) video companies, have thrived largely during the time of pandemic.

With the emergence of ubiquitous connectivity that is fuelled by the emergence & widely acceptance of 5G, consumers are now mobile and consuming contents anytime, anywhere. This is further strengthening the importance of Content Yield Optimization in the area of filmed entertainment.

In the next section, we will briefly discuss about how we will solve this business problem and help media players optimize their content yield for revenue maximization. We will be focusing more on the Content and Customer Experience part, as media players already have knowledge on cost of the content (internal factor) and by leveraging insights on other two factors, they could be able to easily derive the approachable cost to the consumer.

How are we solving?

Demand-based content optimization requires advanced analytics from different angle of the production and consumption cycle of content. AI/ML is another important technology component here, that will eventually help understanding consumer demand and place the right content to the right audience at the right time. And, this demand could essentially help content producers and broadcasters to upgrade to a demand-based pricing model. If media players can place their content in the same way they are placing ads, it will no doubt maximize their revenue, but also open-up opportunity to monetize their content better and improve audience flow.

For the advanced analytics, we will leverage our pre-built next-gen analytics platform Mosaic platform. Mosaic platform is a converged Digital platform focused on simplified 'Data-to-Decisions' with Smarter DataOps, AI-logistics, automated content tagging and actionable Insights. It takes into consideration multiple possible areas where advanced analytics needs to be applied, includes pre-built data models, data pipelines (for 1st, 2nd, 3rd party data), key KPIs and

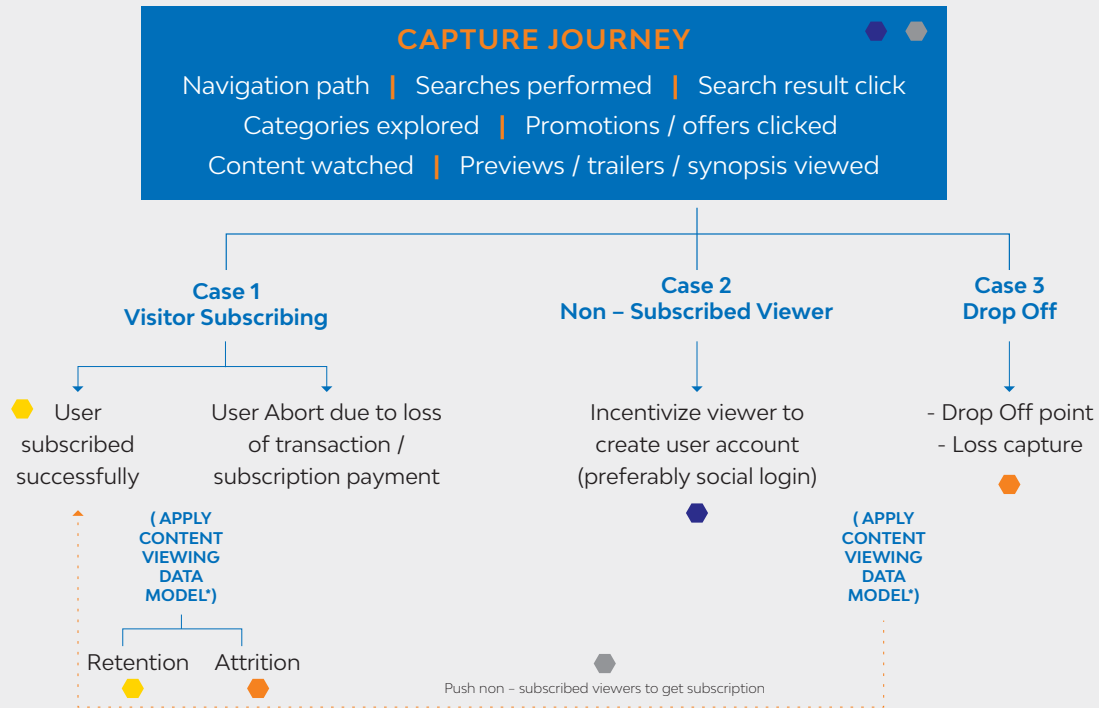
persona-based insights. The summation of all these will provide actionable insights required for Yield Optimization.

The output of this advanced analytics will cover the fan persona on a large scale and will provide insights not only on content, i.e. trend, seasonality, consumer segment, content genre etc., but also insights on customer experience, i.e. customer journey, audience flow, co-creation, content behaviour, viewing environment, etc. The content provider can have a dashboard with levers that can dial in and control optimizations for cost, content and customer experience that can affect daily, weekly, monthly, quarterly and yearly ROI.

Understanding of consumer preferences & behaviour is extremely important to come-up with a demand-based dynamic pricing model for media content. And, here is an example how this is possible. We are essentially talking about how we can help media players not only with insights on customer behaviour and content preference, but also will eventually help them retain their customers.

Understanding Consumer Preferences & Behavior

VISITORS



- ◆ **Acquire** – Campaigns based on micro-segments derived from Fan Model
- ◆ **Engage** – Fan Model based Personalization & Recommendation
- ◆ **Convert** – Right offers and customer touchpoints
- ◆ **Engage & Retain** – Fan Model based Personalization & Recommendation, Predicting & Preventing Churn

* CONTENT VIEWING DATA MODEL

- Content Watched
- Content Watched Sequencing & Clustering
- Content Viewing Pattern
- Binge Viewing
- Recommendation Response
- Fandom
- Conversion Driver
(Trailers, Previews, Recommendation etc.)

By knowing their customer's content consumption with the help of analytics, media players could be able to maximize their viewership growth in a better way by optimizing their content, as well as scheduling the content.

Audience Analytics – Deep Audience Insights for Maximizing Viewership Growth

INSIGHTS, FORECASTING & OPTIMIZATION

Schedule Optimization

Automate and democratize the audience insights schedulers & researchers require

Create machine learning optimizers to generate audience growth, organic audience flow from program to program within dayparts and create competitive schedules to grab and hold audiences from competitors.

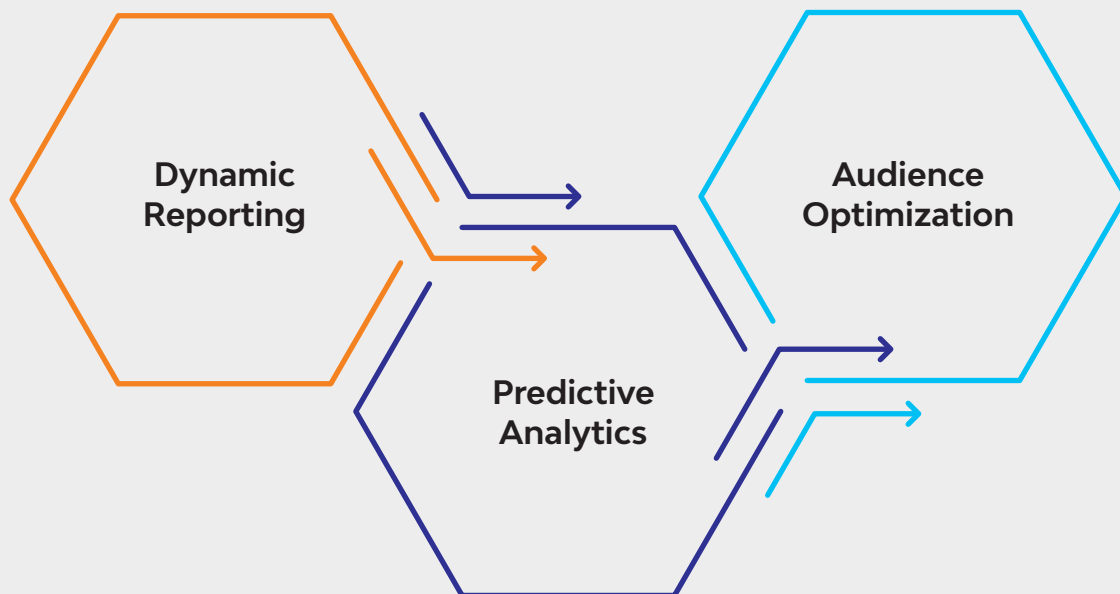
Content Optimization

Create machine learning optimizers to micro-target audiences and behaviors to maximize reach and conversion:

Placement Efficacy

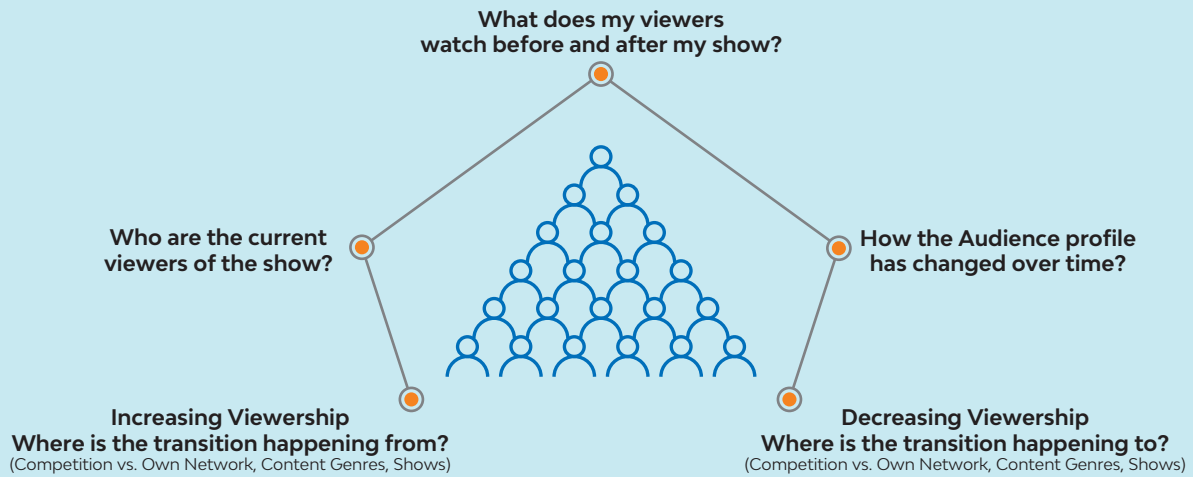
Dynamic Pricing Adjustment

Cross-Channel Yield Optimization Planning



Content producers and broadcasters can strategize their yield optimization of content, once they have a solid insight content consumer behavior, preferences and placement-aware tailored content to the right customer, at right time, in the right channel.

Approach for Yield Optimization with Increasing Content viewership

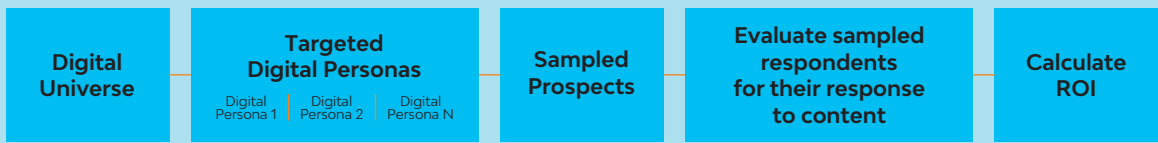


AUDIENCE PROFILES
to be targeted for
RETAINING & INCREASING VIEWERSHIP



For every audience profile, build a corresponding Digital Personas leveraging web & social analytics

Calculate ROI on Content Spend



Listen, Monitor, Analyze -> Design and Produce Content -> Publish and Amplify -> Listen for Effectiveness & Change -> Fine Tune Content Targeting

Media players would be able to tailor content to the personas derived from the viewership audience profiles. In other hand, it could help them calculate ROI on content spends and eventually fine-tune their content targeting.



And, we will be leveraging our below IPs and experiences to help media players generate the targeted outcome.

| Use Case | Target Outcome | Data Sources | Solution / Accelerators | LTI / Partner Experience |
|--|--------------------------------|---|-------------------------------------|---|
| Fan model-driven digital customer growth | Digital revenue uplift | <ul style="list-style-type: none"> //OTT Platform //Web & Social Media //Content Temporal Metadata //ComScore | <p>FANDOM Framework, ACT</p> | India's fastest growing entertainment networks, American premium broadcaster, Global media & entertainment company, American diversified multinational mass media and entertainment conglomerate. |
| Audience Analytics – Schedule & Content Optimization | Maximizing viewership growth | <ul style="list-style-type: none"> //Scheduling System //BARC //Content Metadata | <p>Media Mantra</p> | <ul style="list-style-type: none"> // India's fastest growing entertainment networks // Leading mass media conglomerate |
| Channels for increasing TV viewership | Increased content viewership | <ul style="list-style-type: none"> //BARC //Web & Social Media //Sampled Surveys //ComScore | | Partial use case experience |
| Content Analytics – Learn more about viewer content preferences with temporal metadata | Higher viewership & engagement | <ul style="list-style-type: none"> //Content Temporal Metadata //BARC //OTT Platform | <p>ACT</p> | Partial use case experience |

The whole content placement and consumer experience will be served by the concept of Fandom and our in-house FAN Model Micro-personalization solution can help increase consumer engagement and experience by leveraging our AI-based Micro personalization. This micro-personalization solution keeps consumers highly engaged with fan-persona based recommendations and extreme personalization across multiple dimensions including micro-consumption content capsules, custom content categories, artwork, synopsis, offers and communication channels and includes the concept of Content Yield at a large. This recommendation will essentially taking into consideration the 3 broad pillars we have mentioned in the initial section, i.e. Cost, Content, and Customer Experience.

Fan Personas-based Micro-Segmentation

Consumers identified and clustered based on journey mapping, content viewing pattern, interactivity, social media and web behavior.

| Metric/ Reports | Content preferences & behavior and demand patterns | Conversion drivers | Response to various touch-points/ communication | Consumer scoring |
|-----------------|---|--|--|--|
| Insights Around | Content genres, top shows, average video minutes watched by genres/ shows/ day-time, binge watch, pre and post watch behavior, previews/ trailers/ synopsis/ artwork as influencers | What are the conversion drivers for given fan persona segment | Consumers (fan personas) response to communications (ads, add-on offers, free trials, friend references, quizzes, communities, surveys etc.) made through various modes (social media, email, in-app interactions & alerts etc.) | Extension on fan persona based on consumer's social media and other web behaviors |
| Use For | Serving the right content (personalization and recommendation) to the fans and keep them interested and engaged | Identifying the right offers/ channels, content (free access content, trailers, previews etc.) that can help with higher conversions | Reaching out to given fan persona with right marketing and communications through the right medium | Help identify key fans who can be leveraged as marketing channels by enabling them to actively and easily rate/share their views on content/ experience, incentivize them for business they enable |
| | Serve the content that Serves the Fandom | Higher hit rate with customer acquisition | Build stickiness with regular & personalized connect | Consumer as Marketing Channel |

Concluding thoughts: What it means to the media players?

The digital on-demand content market is still evolving, and the players are experimenting with multiple monetization models. Differentiation in terms of pricing and overall value proposition is becoming an utmost need for the media players. Content Yield Optimization is an important monetization

model that could effectively leapfrog what is possible in digital advertisement optimization, which will certainly help media players maximize their revenue with the same inventory. Media players need to find the best way to take advantage of this opportunity and start thinking today.

About the Author



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John is the Senior Advisor, Principal and Chief Architect for Media & Entertainment at LTI, providing architectural solutions for media clients in Digital Transformation, Cloud, Software Technology, and Emerging technologies. John worked as a CTO for four leading global media companies. He was also the Founder & President of Rant Technology, Inc. and implemented Cyberstar, the first global CDN for Loral Space and Communication. He developed the 31 David Sarnoff patents for MPEG 4 and H.264 for the eVue Corporation. John's work on streaming digital video distribution over a public fiber optic network received the Technical Emmy Award from SMPTE in 1996.



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Arko is the Business & Strategy Consultant for Communication, Media & Entertainment, and Information Services at LTI. He is a media enthusiast, anchoring consultative strategy across Sales & Business Development and Solution Planning. Arko focuses on enabling business transformation for global customers by bringing-in the right set of industry insights and the latest technology solutions to help them achieve desired business outcomes.

LTI (NSE: LTI) is a global technology consulting and digital solutions company helping more than 400 clients succeed in a converging world. With operations in 31 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, our unique heritage gives us unrivalled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 33,000 LTIites enable our clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders. Find more at <http://www.Ltinfotech.com> or follow us at @LTI_Global.