

A Content Everywhere Game Plan

Research into media organizations' adoption of and satisfaction with media asset management

Summary

Research Methodology

Avid commissioned Ovum to develop and conduct a top-level sentiment and viewpoint survey of media and production asset management (MAM & PAM) technologies. Ovum interviewed 125 senior management executives across 21 countries to assess the adoption and relative satisfaction related to the technology, revenue leakage, pain points, core deployment objectives, ROI perception, and likely budget trends in the next 5 years. The survey encompassed nine sub-media verticals including broadcasting (TV and radio), publishing, post-production, advertising agencies, music labels, internet streaming, film studios and sports franchises. The core respondents for this survey were C-level executives including CEO, COO, CFO, CTO, CIO and Managing Director. The research paper aims at the most commonly cited questions pertaining to core value and ROI of MAM technology to media enterprises in the emerging content everywhere era.

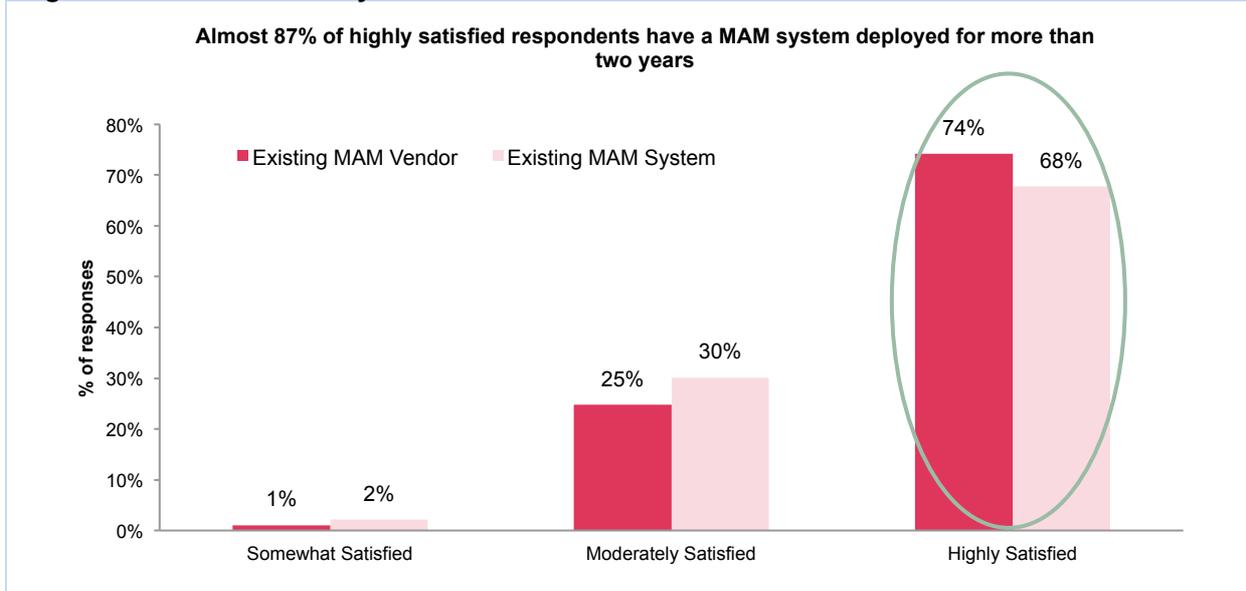
MAM view

In 2015, media enterprises face a herculean challenge of unification, collaboration, production, and distribution of personalized content on connected devices across diverse geographies. The content production and broadcasting infrastructure of traditional media enterprises is often built on multiple third party solutions. Systems typically lack agility, scalability, and efficient workflows for end-to-end multi-platform asset monetization. Ovum's survey addressed the pivotal challenge of how new age media enterprises not only leverage MAM to centralize their digital assets into a single repository, but also how they maximize their content value via a collaborative production and distribution ecosystem.

Primarily, MAM technology is synonymous with facilitating the centralization and protection of premium rich media assets for content aggregators, producers and owners. This can be witnessed from the positive sentiments expressed by senior management executives in North America when asked what they see as the core benefit of MAM technology:

- CIO of one of the "Big six" film studios worldwide: "Cost effective system to manage your audio, media content and videos."
- CTO of one of the largest cable operators in United States: "Maintenance of premium media content."
- CTO of world's leading internet streaming company: "Effective cataloguing and retrieval of your high value media assets."

Figure 1: Vendor & MAM System Satisfaction Index



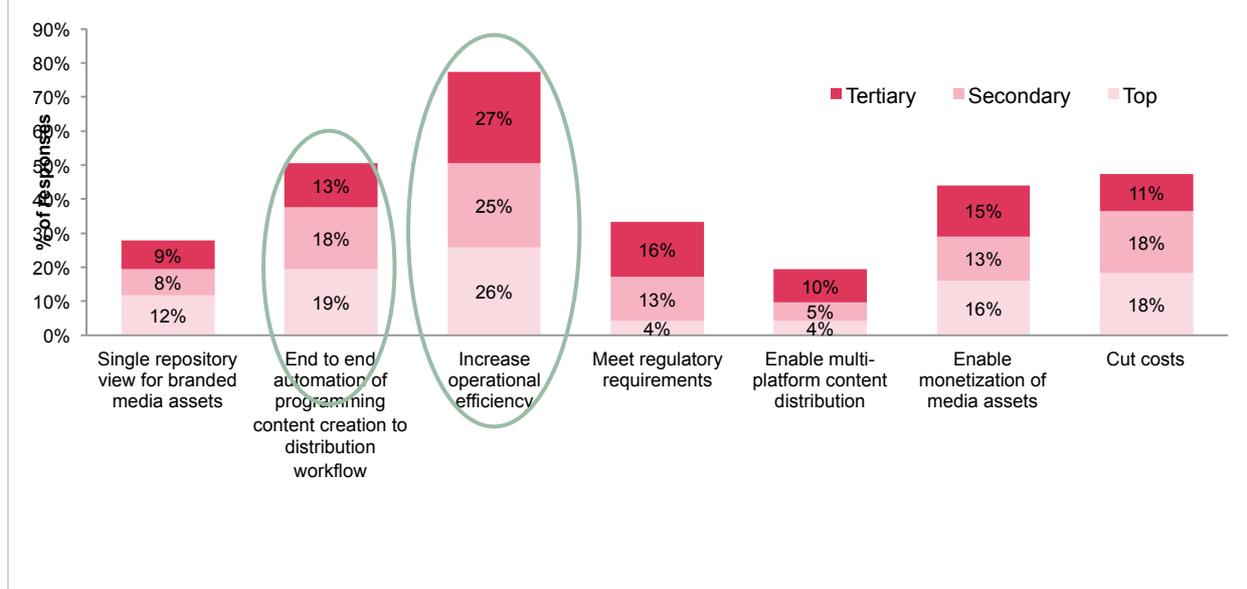
Source: Ovum (March 2015) n=93

A comprehensive portion of senior management executives in EMEA have positive views of MAM technology's add-on value of streamlining of production workflow and improving media asset accessibility for internal workgroups across multiple devices.

- Deputy CEO of a leading regional radio broadcaster: "MAM facilitates better scheduling, traffic and user management. Ensured of receiving deep insight into digital content metadata. Collaboration across workgroups is the core advantage."
- CEO of leading UK based film production enterprise: "Faster collaboration across multiple sites."
- CEO of a major French football club: "MAM is built keeping flexibility and scalability in mind during the development stage. It has the distinction of being able to quickly sync with multiple studios. MAM can be configured to strengthen production across multiple locations and platforms."

As indicated in Figure 2, 78% of senior executives highlight the importance of the convergence of MAM and PAM modules to enhance operational efficiencies (26% mentioned this is a top priority); Ovum's survey also found that 50% of executives cited packaged automation of content creation and distribution as one of the primary objectives of MAM deployment worldwide (19% mentioned this as the top priority).

Figure 2: Primary Objective for Deployment of MAM System



Source: Ovum (March 2015) n=93

Key messages

In today's rapidly changing content monetisation and digital advertising markets, technology vendors should align their solutions towards reducing business challenges for media enterprises. Further, in a competitive landscape, margin-pressed media enterprises are prioritizing solutions and systems that deliver operational efficiencies and a higher return on investment (ROI) through the provision of a tightly integrated, low-cost digital value chain. Ovum's survey addressed the following research questions:

- What are the primary and secondary pain points addressed by MAM technology?
- How is the rise in premium content repositories expected to impact perceptions of MAM ROI in the next 5 years?
- What are the core key performance indicators used by media enterprises to determine the ROI of a MAM solution?
- What factors might impede investment in MAM technology over the next 5 years (2015-2020)?
- How can MAM vendors provide a higher operational efficiency and seamless multi-platform content distribution workflow to media enterprises?

Key findings

MAM streamlines workgroup collaboration and multi-platform media asset distribution

MAM technology has a strong adoption and deployment rates across the media sector attributed to shift of enterprises towards rich media centric multiple screen content delivery proposition. The changing multi-platform content consumption pattern has slightly changed the perception of the MAM technology value proposition.

- Two-thirds of respondents stated MAM technology facilitates low cost multi-platform media asset distribution.
- Half of senior management executives asserted that MAM facilitates real-time workgroup collaboration across multiple locations.

MAM systems perceived as offering strong ROI due to rise in premium and ultra-HD content repositories

As media enterprises steadily invest and transition to premium UHD content repositories (4K/8K), senior management executives hold positive sentiments about the value of MAM systems.

- 82% of respondents believe that MAM delivers ROI of 10% or more.
- In 2020, almost half of media enterprises surveyed will increase their content inventory value by 5x.
- In 2020, executives expect 4K/8K content value to account for almost 5% of total repositories.

Multi-platform distribution costs and reduced lead-time for new digital services launches are vital KPIs

In a connected world, protection and monetisation of digital assets on multiple devices and platform is the core business strategy of media enterprises worldwide.

- Almost 30% of senior management executives stated that reducing operational and multi-platform distribution cost was the their primary MAM and PAM KPI.
- More than a quarter of media enterprises with multi-platform distribution cost reduction as their primary PAM KPI stated that having an effective fully-integrated unified solution, helped drive, on average, a 19% increase in their multi-screen video service revenues due to having a faster go-to-market strategy and access to media assets across business departments.
- Almost a third of media enterprises with a focus on operational cost as the primary MAM KPI reasserted that an effective MAM system helped reduce, on average, 17% of operational overhead for traditional and non-linear services.

Poor third-party integration, metadata issues, and lack of process improvement programs impede MAM adoption

The traditional myth that lower adoption of MAM technology is attributed primarily to costly requisite infrastructure is slightly neutralized with improved confidence in the systems across North America and EMEA in the next 5 years.

- Sixty-seven percent of respondents stated poor integration with broadcasting systems as important pain points.
- In the next 5 years, almost 35% of respondents will increase spending on MAM technology by 1-5% annually.
- In North America, lack of collaboration with a process improvement program was identified as a major challenge for higher enterprise-wide adoption.

Managing complex digital value chain to push MAM platform business process outsourcing (BPO) offerings

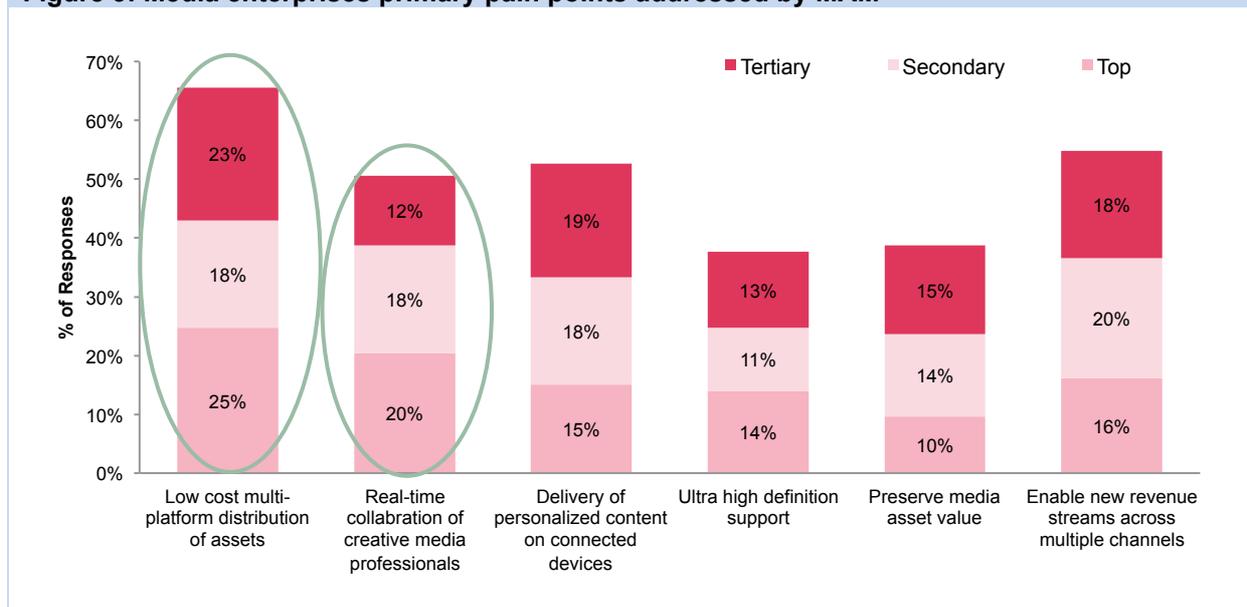
In 2015, media enterprises demand vertically (tightly embedded MAM & PAM modules) and horizontally integrated value.

- Forty-two percent of surveyed enterprises are moderately to highly interested in piloting a MAM platform BPO proposition, i.e. pre-packaged professional and project management services integrated with the MAM solution.

Survey Insights

MAM streamlines workgroup collaboration and multi-platform media asset distribution

Figure 3: Media enterprises primary pain points addressed by MAM



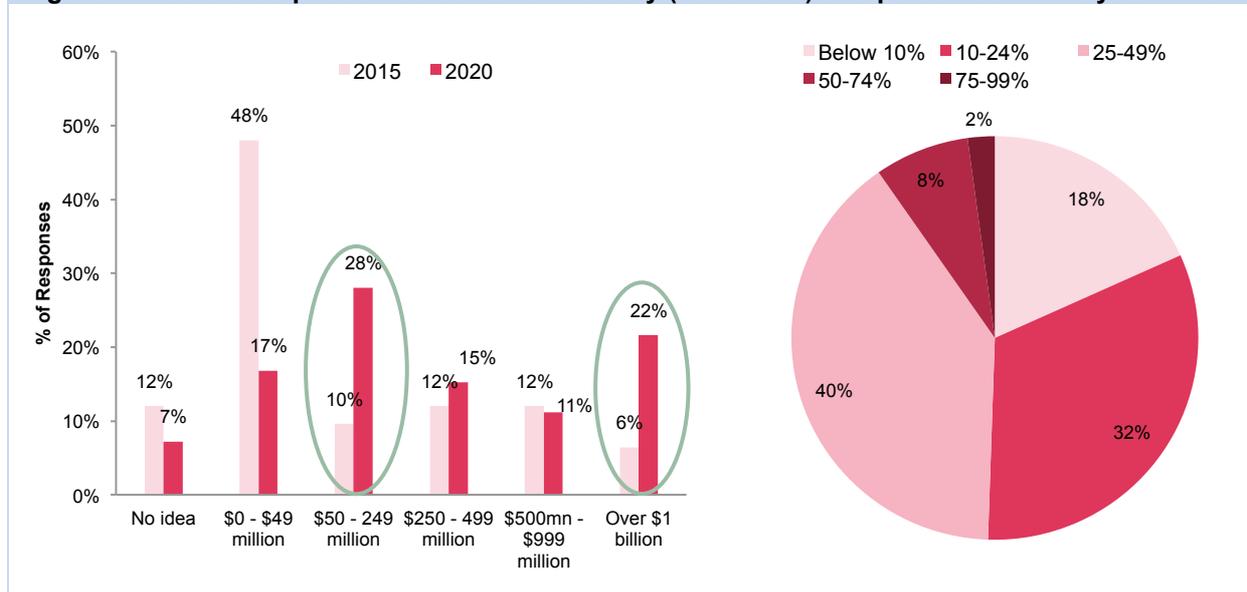
Source: Ovum (March 2015) n=30

In a highly fragmented digital media space, media enterprises need to monetize premium time-based media assets on multiple non-linear channels to offset steadily declining core business streams. Further, the online video platform segment is highly fragmented and competitive with traditional content aggregators; and thus, owners must distribute personalized, interactive content on connected devices in real-time, in order to compete. The changing market dynamics are eventually moving digital media enterprises towards platforms providing cost effective, end-to-end internal collaboration capabilities and a packaged multi-platform media asset distribution ecosystem.

Ovum’s survey results found that 66% of senior executives considered MAM to be a low cost multi-platform distribution ecosystem. General lack of awareness and the erroneous perception of MAM systems as a centralized media asset repository have inhibited, at least in part, the ability of enterprises in emerging markets to realize its benefits, particularly lowering multi-platform distribution costs. Ovum believes that as the multi-screen video services segment matures, the majority of media enterprises will use a unified MAM system primarily to streamline their cross platform asset distribution workflow. One-half of surveyed media enterprises leverage MAM technology to improve real-time workgroups collaboration and accelerate the launch of new multi-screen video services. As personalization of content on multiple screens is essential to reduce churn rate in a competitive non-linear video segment, 52% of surveyed media enterprises highlighted this as one of the core benefits from MAM technology.

MAM systems perceived as offering strong ROI due to the rise in premium and ultra-HD content repositories

Figure 4: Media enterprises Est. content inventory (2015-2020) and perceived MAM system ROI



Source: Ovum (March 2015) n=125

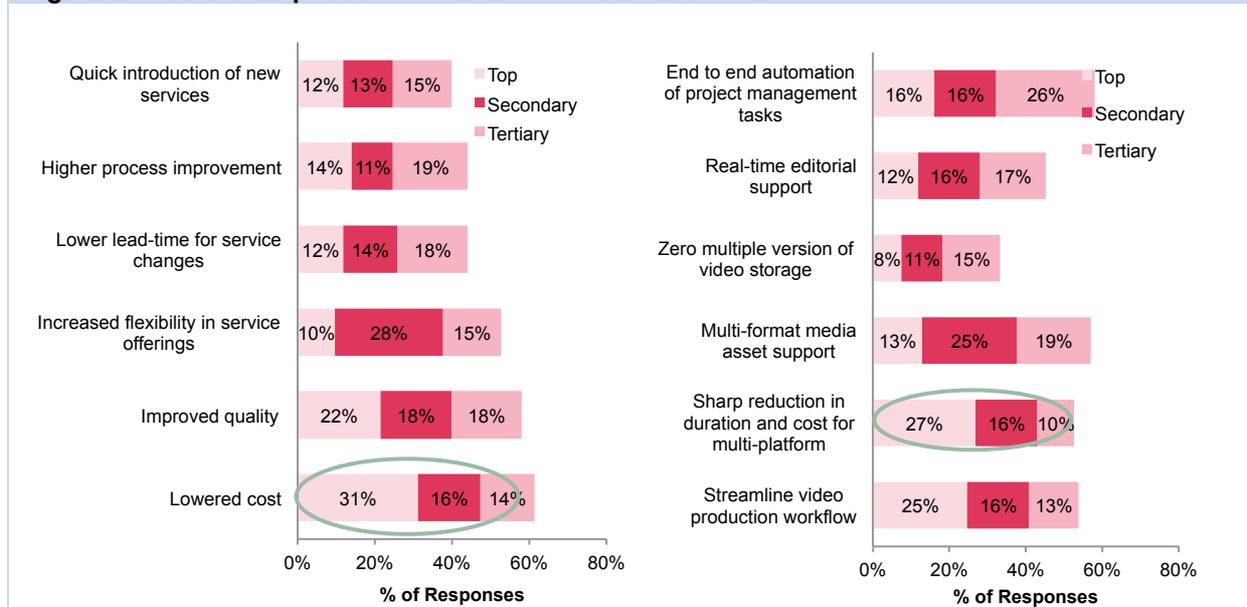
In 2015, Ovum estimates that there are 550 multi-screen video services worldwide; with the majority of broadcasters, film studios, and publishers moving towards using disruptive non-linear channels to offset declining linear business models. Traditional media enterprises have built their infrastructure, including media asset storage capabilities, on multiple integrated solutions and platforms. In a multi-screen video services arena, consumers demand uninterrupted, real-time access to premium and new, and localized (local and regional multi-lingual titles) content. This is paving the way for

enterprises to invest heavily in building and securing unique content repositories in different formats (SD, HD, 4K/8K). The market driven rise in multi-resolution content repositories will push media enterprises towards the adoption of modular unified archiving systems facilitating multi-platform content monetisation and distribution expenses.

In 2015, nearly half of the media enterprises surveyed have an estimated content repository value of less than \$50m, although a similar proportion of the media enterprises surveyed will increase their content inventory value by 5X. Further, as media enterprises embark on the journey towards high quality resolution-based multi-platform content distribution, 4K/8K titles will account for almost 5% of total content repositories in 2020. The changing MAM perception from standalone rich media storage to end-to-end integrated media asset production and distribution workflow enablement is rapidly changing ROI expectations. Half of senior management executives surveyed associate MAM systems with a minimum ROI of 25%.

Multi-platform distribution costs and lead-time for launching new digital services are vital KPIs

Figure 5: Media enterprises' MAM and PAM Business KPIs



Source: Ovum (March 2015) n=93

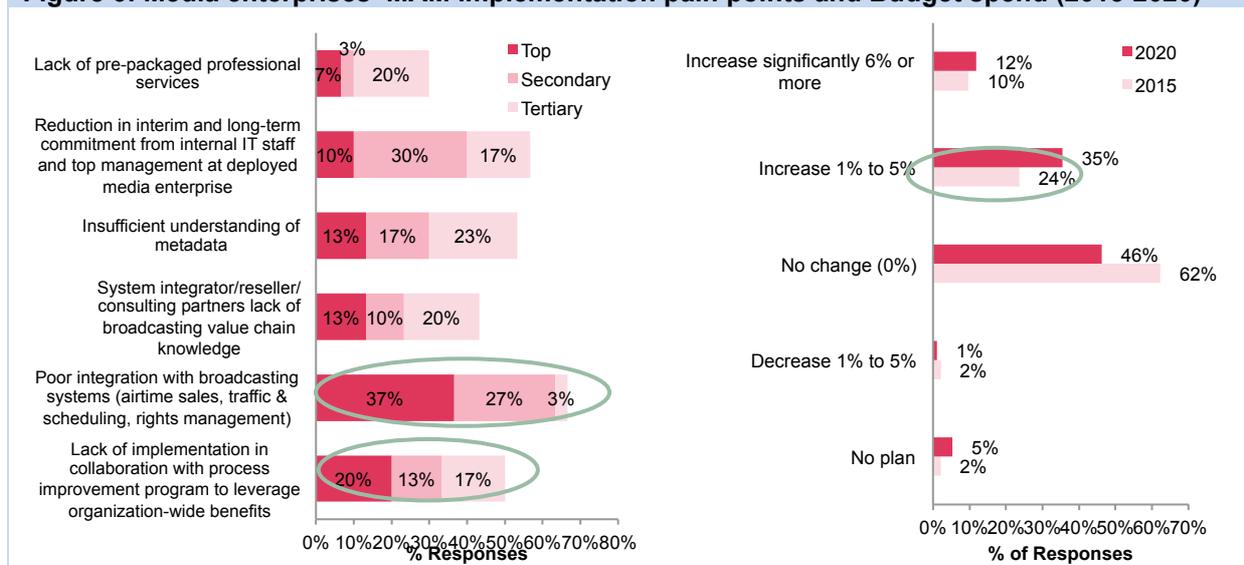
MAM projects are synonymous with complex, longer implementation cycles, costly requisite infrastructure, and uncertain return on investment. As media enterprises are on the verge of transformation, IT deployments with longer deployment cycles and complex architectures are bound to increase overhead expenses and hamper operating margins. The traditional myth centric to MAM projects is pushing enterprises to focus on operating and multi-platform distribution costs reduction as the core key performance indicators for this technology in 2015.

This is confirmed by the survey that almost close to one-third of surveyed enterprises point out that reducing operating (61%) and multi-platform distribution (53%) costs with the deployment of fully integrated MAM is important to generating positive ROI. More than a quarter of media enterprises leverage scalable and tightly integrated PAM module to reduce almost 19-20% of multi-platform content distribution overhead costs. With enterprises being driven to introduce new multi-screen video services more rapidly, senior executives highlight that fully integrated MAM facilitate into quicker go-

to-market strategy i.e. an average increase of 17% of revenues for these new platforms. Connected consumers demand for real-time new content on the go and thus, delaying the launch of multi-screen video services may adversely impact the linear subscription base in form of increasing piracy, P2P viewership, and migration to other non-linear platforms. Yet less than 10% of surveyed enterprises surveyed identified the potential of integrated MAM platform to accelerate the launch of multi-screen video services due to its ability to deliver real-time access to media assets.

Poor third party integration, metadata issues, and lack of process improvement programs impede MAM adoption

Figure 6: Media enterprises' MAM implementation pain points and Budget spend (2015-2020)



Source: Ovum (March 2015) n=30 & n=93

The core business model of media enterprises revolves around generating tangible benefits for advertisers and viewers in the form of contextual advertising and maximizing content monetisation respectively. These enterprises are primarily dependent on third-party system integrators, resellers, and consultants for the deployment of large-scale systems including MAM. Lack of in-depth broadcasting knowledge and poor data configuration hinders sustainability and the ROI of large-scale transformation projects. These large-scale deployments further require robust enterprise-wide support across the implementation cycle, i.e., the need to embrace a change management program. The majority of MAM deployments have not generated sufficient ROI and resulted in an increase in overhead expenses, primarily due to the lack of enterprise-wide adoption and change management failures. In 2015, almost 25% of media enterprises surveyed lacked a MAM system.

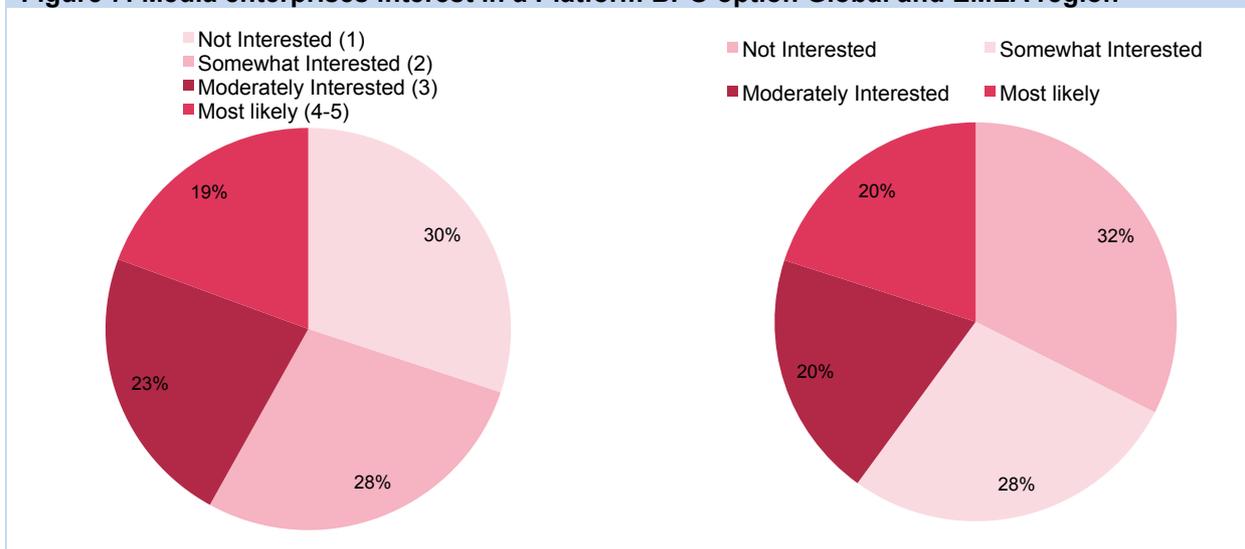
Ovum's survey registered similar insights on MAM implementation pain points with more than two-thirds (67%) of senior management executives highlighting poor integration with broadcasting system as a deployment bottleneck. Globally, the survey revealed that almost a quarter of media enterprises have not embraced enterprise wide change management with MAM system deployment (27% of respondents rated low adoption rates of changing workflow by MAM system in 2015). Traditional broadcasters, film studios and publishers still run on legacy systems lacking standardized third party integration documentation, fuelling metadata issues (53% respondents cited this as a bottleneck). The pain points might have a negative impact on the MAM technology market on a short-term basis (24% of respondents will increase budget spend by 1-5% in next 12 months).

Finally, almost half of the surveyed enterprises will be increasing their spend on MAM technology in the next 5 years (2015-2020). As US and UK respondents represent 54% of the survey sample, their lower incremental spend is not surprising, as these markets are further along the adoption curve for MAM technology as the availability non-linear video services is more pervasive. The strong investment in non-linear video services across France, Germany and Middle East is pushing MAM spend by more than 6% in these markets, accounting for one-sixth of indicative sample for this study.

As MAM vendors steadily move down the learning curve, this will result in improved confidence in the technology in the next 5 years (12% of media enterprises plan to increase spending by more than 6% in 2020).

Managing complex digital value chain to push MAM platform BPO offerings

Figure 7: Media enterprises interest in a Platform BPO option Global and EMEA region



Source: Ovum (March 2015) n=93 & n=40

One of the core objectives when deploying a MAM system is to improve operational efficiencies (26% of respondents cite this as the top priority). In order to realize high ROI from MAM, these solutions should be an integral part of the end-to-end video media workflow, i.e., facilitate content creation, distribution, reuse, and archive. Seamless integration of video media workflow from library management, production, editing and distribution using a multi-vendor strategy might increase complexities and reduce productivity. Thus, it is essential to carefully evaluate vendors offering horizontal and vertical integrated value propositions as a unified platform and tight third-party integration program.

There is a difference of opinion across multiple geographies with respect to adoption rates for platform BPO offerings including the MAM solution, professional and project management services. Globally, one-fifth of media enterprises might prefer vendors offering pre-packaged platform BPO option. On a regional basis, the adoption rates show a low of 11% (most likely) in North America and high of 20% across the EMEA region.

Conclusions

An integrated digital content lifecycle platform is the way ahead

Media enterprises have complex infrastructure with MAM as one of the components. It should be vertically integrated with traffic & scheduling, rights & royalties management, airtime sales and financial modules for the enterprise to enhance operational efficiencies. On the other hand, tight horizontal integration with content production and distribution functionalities improves media asset lifecycle workflow. Roughly 40% of respondents highlighted poor integration with broadcasting systems as the primary MAM pain point in 2015. Finally, almost 20% of media enterprises surveyed stated pre-packaged professional services as one of the critical MAM pain points. Thus, in a connected world, a vertically and horizontally integrated digital content lifecycle platform proposition might provide competitive advantage with prepackaged platform BPO offering.

Media enterprises leverage MAM to reduce single media asset lifecycle costs

There is a steady shift in the perception of MAM technology from a mere centralized storage system to a unified platform facilitating multi-platform media asset distribution. Media enterprises are leveraging MAM systems to link production and distribution modules to seamlessly integrate the media asset lifecycle management process. Almost a quarter of media enterprises highlighted low cost multi-platform asset distribution as the primary objective of deploying a MAM system in 2015. Globally, 25% of media enterprises leverage scalable and tightly integrated PAM modules to reduce multi-platform content distribution overhead costs. The average multi-platform media asset distribution cost reduction stood at 19-20%.

MAM boost enterprise collaboration and productivity by offering media assets everywhere

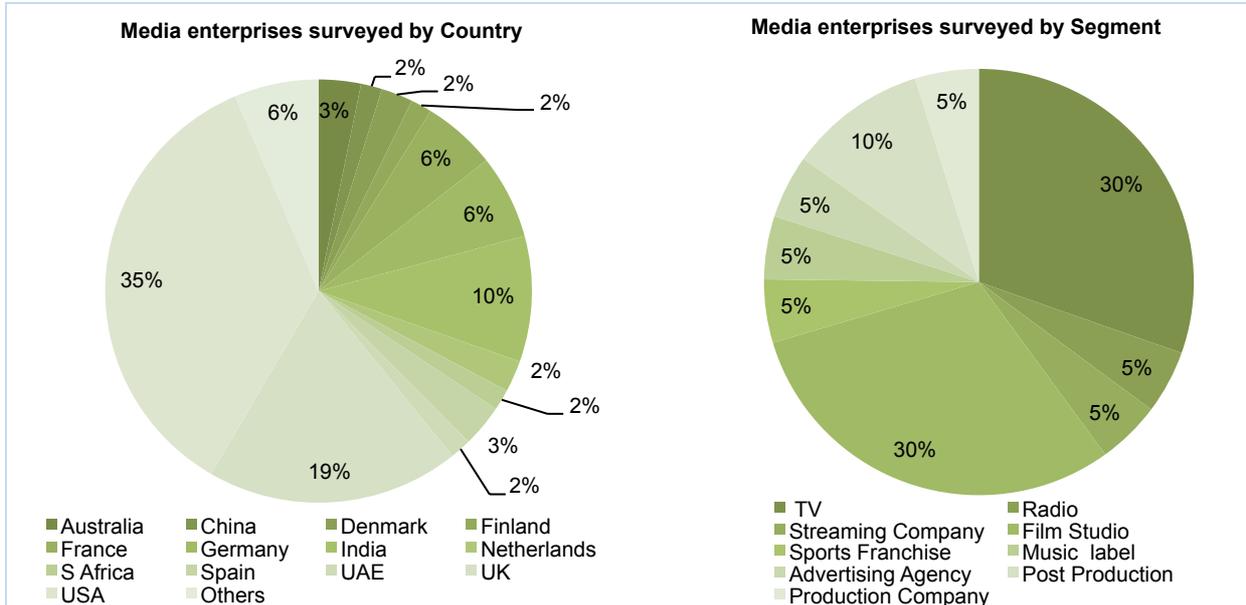
Increased dependency on multi-platform content monetisation was attributed to the rapid emergence of online video services, pushing enterprises towards the consolidation of media assets into a real-time enterprise wide accessible master repository. Uninterrupted access to media assets by creative and press professionals on multiple devices enables the quicker launch of new digital services, enhancing overall enterprise productivity. Half of global enterprises leverage MAM to improve real-time workgroups collaboration – directly accelerating the launch of new digital services. Further, quicker online video service introduction with a fully integrated MAM system has resulted in an average increase of 17% of revenues for these new platforms.

The rise in content libraries to increase MAM budget spend by 1-5% in the next 5 years (2015-2020)

Images and videos are fast emerging as strategic tools for media enterprises to increase online viewership engagement. This is fuelling demand for premium (e.g. sports) and niche (e.g. local and regional) content production and acquisition across the global media landscape. In 2020, ultra-high definition digital assets (4K/8K) are stipulated to account for 5% of total content repositories value. The exponential increase in content libraries (5x in 2020) will push enterprises to increase budget spend by 1-5% annually in the next 5 years (2015-2020). Almost 12% of survey respondents plan to increase investment into MAM technology by more than 6% by 2020.

Appendix

Respondent Demographics



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Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum’s consulting team may be able to help you. For more information about Ovum’s consulting capabilities, please contact us directly at consulting@ovum.com.

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