

POV

Content Yield Optimization

Strategic Revenue Maximization Approach for Movie/Episodic Content

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Yield Optimization or management is an industry-known variable pricing strategy, based on understanding, anticipating, and influencing consumer behavior 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 a similar strategy (offering right content to the right audience at the right time for the right price).

Role-Based Bots

As per PwC, revenue for global entertainment and media industry is forecasted to reach at \$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 and media industry will reach at \$2.5 tn. in size by 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 \$13.5 bn. in 2019 will grow at a 12.7% CAGR to reach \$24.5 bn. 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 pandemic.

With the emergence of ubiquitous connectivity that is fuelled by the emergence and widely acceptance of 5G, consumers are now mobile and consuming content 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 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. Mosaic 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

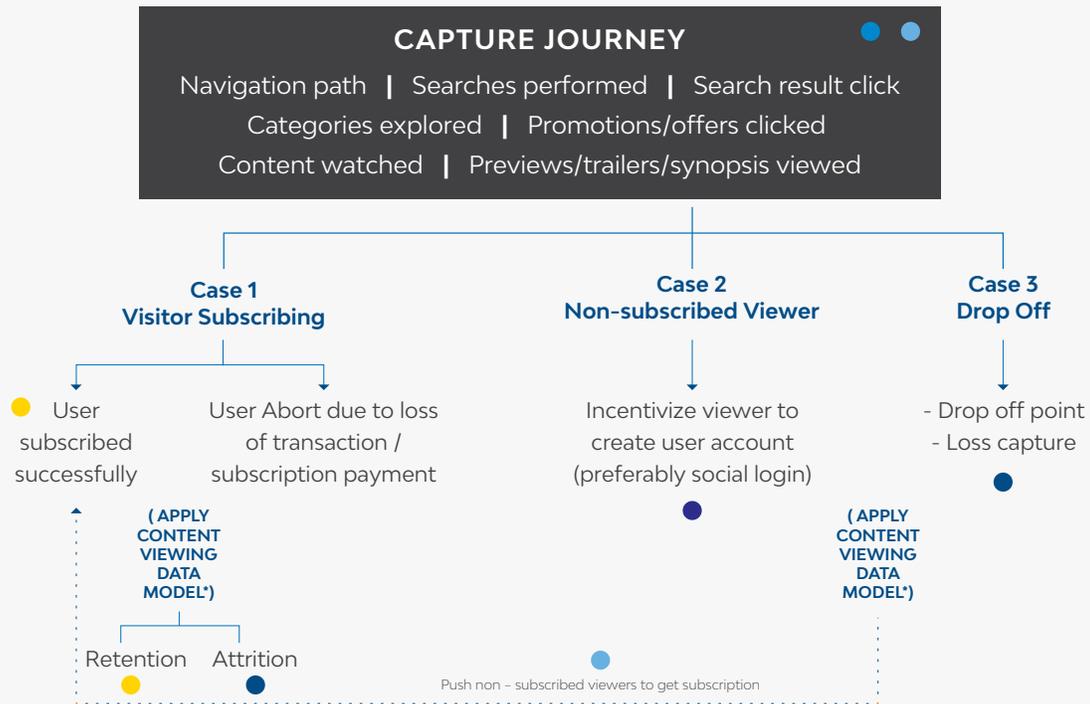
persona-based insights. The summation of all these will provide actionable insights required for Yield Optimization.

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 behavior, 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 consumer preferences and behavior is extremely important to come up with a demand-based dynamic pricing model for media content. 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 behavior and content preference, but also will eventually help them retain their customers.

Understanding Consumer Preferences and Behavior

● VISITORS



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

* CONTENT VIEWING DATA MODEL

- Content Watched
- Content Watched Sequencing and 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 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 AND OPTIMIZATION

Schedule Optimization

Automate and democratize the audience insights schedulers and 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.

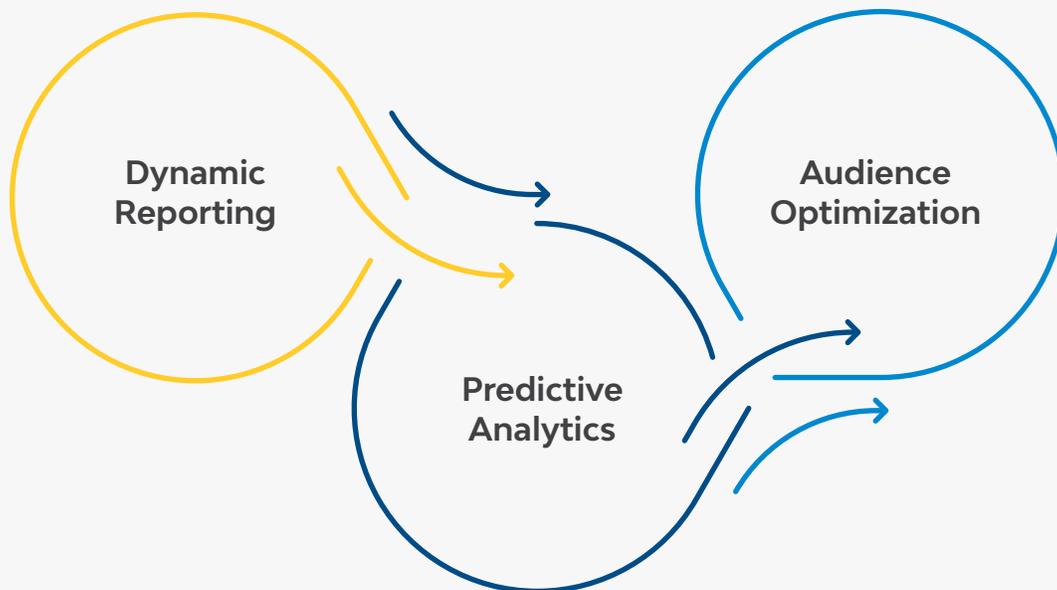
Content Optimization

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

Placement Efficacy.

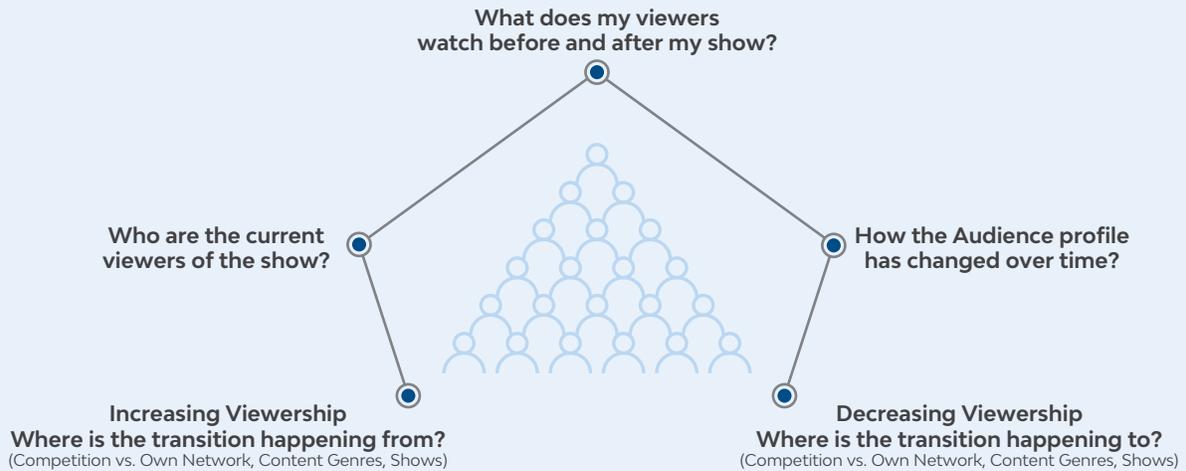
Dynamic Pricing Adjustment.

Cross-Channel Yield Optimization Planning.



Content producers and broadcasters can strategize their yield optimization of content, once they have a solid insight of 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



Digital Persona 1



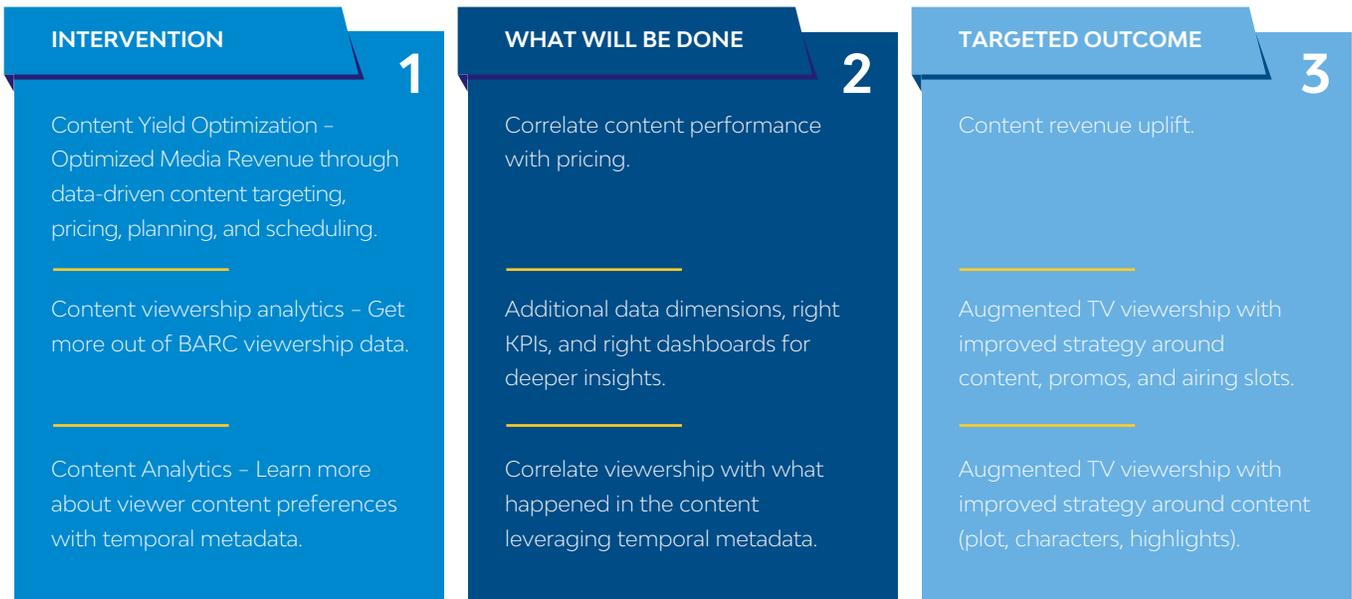
Digital Persona 2

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

Calculate ROI on Content Spends



Media players would be able to tailor content to the personas derived from the viewership audience profiles. On the 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	LTIMindtree / Partner Experience
Fan model-driven digital customer growth	Digital revenue uplift	//OTT Platform //Web and Social Media //Content Temporal Metadata //ComScore	FANDOM Framework, ACT   	India's fastest growing entertainment networks, American premium broadcaster, Global media and entertainment company, American diversified multinational mass media, and entertainment conglomerate.
Audience Analytics – Schedule and Content Optimization	Maximizing viewership growth	//Scheduling System //BARC //Content Metadata	Media Mantra   	// India's fastest growing entertainment networks. // Leading mass media conglomerate.
Channels for increasing TV viewership	Increased content viewership	//BARC //Web and Social Media //Sampled Surveys //ComScore	  	Partial use case experience.
Content Analytics – Learn more about viewer content preferences with temporal metadata	Higher viewership and engagement	//Content Temporal Metadata //BARC //OTT Platform	ACT   	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 three 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 and 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 and 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 keeping 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.

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 and Entertainment at LTIMindtree, 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 and 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 and Strategy Consultant for Communication, Media and Entertainment, and Information Services at LTIMindtree. He is a media enthusiast, anchoring consultative strategy across Sales and 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.

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