How Direct to Consumer is Changing the Rules for M&E
February, 2018
Attention spans are shortening and choices are almost unlimited – the game has changed.

1. **WOW, THAT WAS A COOL TV SHOW, WHAT DID YOU THINK?**
2. **LET'S WATCH EPISODE 2 RIGHT NOW!**
3. **NO, THIS IS REGULAR TV. WE HAVE TO WAIT A WEEK BEFORE THE NEXT EPISODE IS ON.**
4. **THAT'S NOT HOW IT WORKS. JUST HIT PLAY.**
5. **NO I'M SERIOUS. WE HAVE TO WAIT A WEEK.**
6. **A WEEK?! WHO CAN PLAN THAT FAR INTO THE FUTURE?**
7. **WHOMEVER CAME UP WITH THIS IDEA IS GONNA GET FIRED. THERE'S NO WAY THIS IS GOING TO CATCH ON.**
Streaming video subscription services by US household

![Graph showing the percentage of US households with multiple OTT service subscriptions from 2012 to 2016: 31%, 43%, and 49% respectively.]

Sources for streaming video content

![Pie chart showing the distribution of sources for streaming video content: Free video streaming services (40%), Paid video streaming subscription (35%), Other (25%).]

OTT Engagement - Across Screens

- Devices used to watch OTT by OTT Users:
  - 2012: 31%, 2014: 43%, 2016: 49%

- Access OTT once a week or more:
  - Overall: 65%
  - By Generation:
    - Gen Z (14-19): 41%
    - Millennials (20-33): 59%
    - Gen X (34-50): 41%
    - Baby Boomers (51-69): 41%
    - Matures (70+): 35%

Streaming video subscriptions

- Percentage of respondents, by generation, who pay for a streaming service:
  - Gen Z (14-19): 57%
  - Millennials (20-33): 55%
  - Gen X (34-50): 67%
  - Baby Boomers (51-69): 58%
  - Matures (70+): 36%

OTT Consumption by 2020

- Over 100 million additional households will subscribe to an OTT video service.
- The total number of subscriptions will more than double.
- The OTT video service industry will reach $30 Billion, achieving a 5-year CAGR of 15%.

SAP’s point of view is that Media companies need to provide unique, personalized content driven by a deep understanding of the individual.

- What they may want to watch
- What they are watching now
- What they have watched

Presentation of relevant content
Across touch points
(sites, apps, ads, e-mail, video)
We are dealing with a different type of Media Consumer
To understand what Sarah will like in 6 months you have to manage the complexity of multiple touchpoints, both physical and digital.

Rich consumer profile to reach your customer with the right message at the right time.

Single view of consumer across fragmented customer identities.

Responsibility to build trust by personalization that is restricted by data privacy and compliance regulations - GDPR.
However, it is essential to build consumer trust and loyalty if you are seeking personal information to drive this personalized experience.

Customer experience
- Omnichannel customer experience
- Personalization and customization

Customer trust
- Regulatory compliance and data security
- Preference and consent management
From unknown to known: building identity progressively
Moving through Lite Registration to full registration allows media companies to enrich “first-party data.”

Key capabilities
- Anonymous interactions
- Lite Registration
- Full registration
- Progressive profiling
Sarah is tech savvy and socially active, and she is “in the know” with the latest media trends.
She usually uses a video review site to discover new movies. She is interested in “The Last Journey”
Sarah agrees to a Lite Registration to watch “The Last Journey”
In return, Sarah becomes thrilled about getting exclusive content and updates her registration with her social media account.
Sarah’s continual engagement builds her profile as she enjoys the OTT service

Welcome back, Sarah! We hope you enjoyed your last site experience! Please tell us a little about yourself so we can provide you with more relevant and personalized recommendations.

- News
- Adventure
- Science
- Action
- Reality
- Humor
- Travel
- Drama
- Other

Click here to manage all your preferences.
We can pull social activity to further increase level of personalization or allow Sarah as an “advocate” to encourage her friends.
Sarah could receive a personalized subscription offer and up-sell/X-sell based on her video consumption and social media activity.
But this is just the start. By engaging with Sarah across the enterprise, you can really start to maximize impact.
Let’s look how. SAP helps you use first-party data to drive this personalized experiences.
Thank you.

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Appendix
Proof Points and Customer Stories
## Customer case studies

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<thead>
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<th></th>
<th>Consumers</th>
<th>Sites</th>
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<tr>
<td>Nestlé</td>
<td>100 million</td>
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<tr>
<td>Turner</td>
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<td>ASOS</td>
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Media and entertainment customers
158+ Gigya customers in media and entertainment

Media customers

- CBC News
- Discovery Networks International
- Forbes
- A&E
- NBC Universal
- Harvard Business Review
- Turner
- Hearst
- Sony Pictures
- Telegraph
- CBN
- Cavin
- Bonnier Corporation
- Bell Media
- Scripps Networks Interactive
- Tribune
- Mediaset España
Large UK publisher

Objective
- Enhance customer experience for registration and login process
- Drive customer retention
- Increase number of registered users from 1% to 10% of overall audience
- Improve ad revenues

Benefits
- Achieved **250% more PI** per month for registered users
- Boosted click-through rates on ads for premium audiences by 300%
- Increased CPMs anywhere from 200% to 700% for premium digital audiences

Solution
- SAP Hybris Identity
Large US publisher

Objective

- Enhanced customer experience for registration and login process
- Improved scalability
- Personalized user experiences
- Faster integration with existing marketing or service applications

Solution

- SAP Hybris Identity

“Gigya has delivered a viable, solid product for RaaS and social login, which were the primary reasons we went with them.”

Business Project Manager, US News Company
Large multimedia company

Objective

▪ Faster integration with existing marketing or service applications
▪ Personalized user experiences
▪ Enhanced customer experience for registration and login process
▪ Better segmentation of target audiences
▪ Consolidated data from a variety of sources

Solution

▪ SAP Hybris Identity
▪ SAP Hybris Profile

“Probably the biggest thing Gigya has helped with is simply changing the attitude of our organization. We consistently talk about “data” and the need to collect information about our consumers. With Gigya, we’re putting our money where our mouth is. It’s helped tremendously, especially with our sales team – we’ve never had such an accurate look at our audience, and that’s helped us in that regard. Additionally, we’ve only scratched the surface on how to continue to integrate third-party APIs, and we’re really excited about the scalability of the product.”

Executive, Enterprise Multimedia Company
The SAP platform, combined with an industry focus, is uniquely capable of delivering the win.