databricks

Winning the Battle for Consumer and Advertiser Attention with Data + AI

Steve Sobel – Global Industry Leader – Communications, Media & Entertainment

Databricks
The Data + AI Company

Inventor and pioneer of the
data lakehouse

Gartner recognized leader in both
- Database Management Systems
- Data Science and Machine Learning Platforms

Creator of highly successful OSS data projects: Delta Lake, Apache Spark, and MLflow

Raised over $3B in investment

3000+ employees across the globe

Global adoption
Over 6000 customers, from F500 to unicorns

Trends driving transformation in media

Rise of subscription economy

Direct-to-consumer now most important revenue channel for most media companies; traditional distribution under pressure

Dominance of digital triopoly in advertising

Google, FB, Amazon now own two-thirds of all money made in digital advertising; privacy regimes advantage their dominance

Privacy and compliance

"Cookie-less world" and doubling down on first party data strategy; SNOW creating lots of noise around data clean rooms
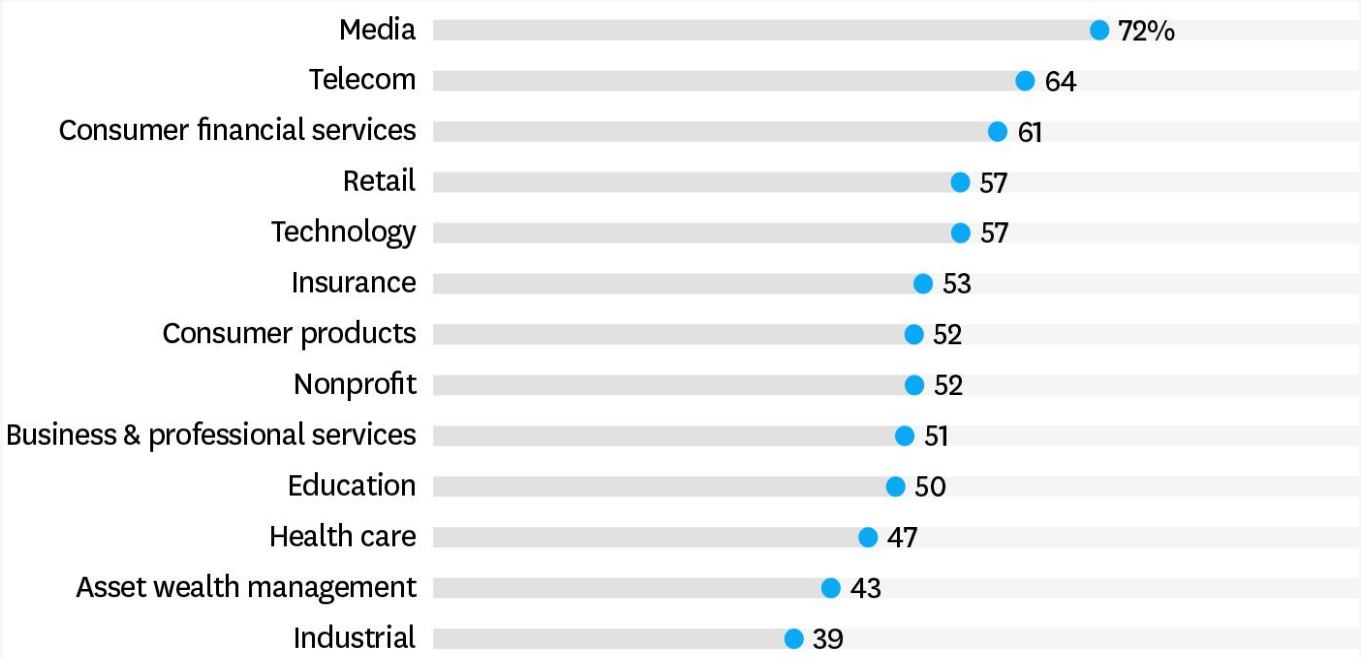
Focus on consumer experience

Incumbents investing in gaming, gambling with increased consumer engagement lever for monetization

Industries that are being disrupted the most by digital

EXECUTIVES WHO ANTICIPATE MODERATE OR MASSIVE DIGITAL DISRUPTION IN THE NEXT 12 MONTHS, BY INDUSTRY

Industry	Percentage
Media	72%
Telecom	64
Consumer financial services	61
Retail	57
Technology	57
Insurance	53
Consumer products	52
Nonprofit	52
Business & professional services	51
Education	50
Health care	47
Asset wealth management	43
Industrial	39

Harvard Business Review

Since this survey was conducted

Disney **BUYS** → FOX

Comcast **BUYS** → SKY

AT&T **BUYS & SELLS** → TimeWarner

verizon **BUYS & SELLS** → YAHOO!

Dotdash **BUYS & SELLS** → meredith

CBS **BUYS** → VIACOM pluto tv

Discovery **BUYS** → scripps networks interactive / WarnerMedia

Televisa **BUYS** → univision

SiriusXM Satellite Radio **BUYS** → pandora®

amazon **BUYS** → Metro Goldwyn Mayer

Entercom **BUYS** → CBS RADIO

FOX **BUYS** → tubi

Disruption brings the future forward...FASTER

Covid Speeds Up Shift to Digital Consumption in Media Sector
VARIETY

The Coronavirus Has Torn Open the Pandora's Box of Ad Tech
ADWEEK

Movie Theaters Rushed to Reopen But Now There Are No Blockbusters to See
CNBC

The TV Industry Will Never Recover from the Coronavirus
Bloomberg

Coronavirus Will Change the Media Industry Forever
VANITY FAIR

Coronavirus Rattles Media Buyers In the Ad Industry
BUSINESS INSIDER

twitter

Google

Data, analytics, and AI enabled tech's leaders to disrupt industries

facebook

NETFLIX

New entrants winning the market based on ability to execute on data first, consumer centered strategy

85% of US households have at least one OTT subscription

Digital is the primary revenue stream for recorded music

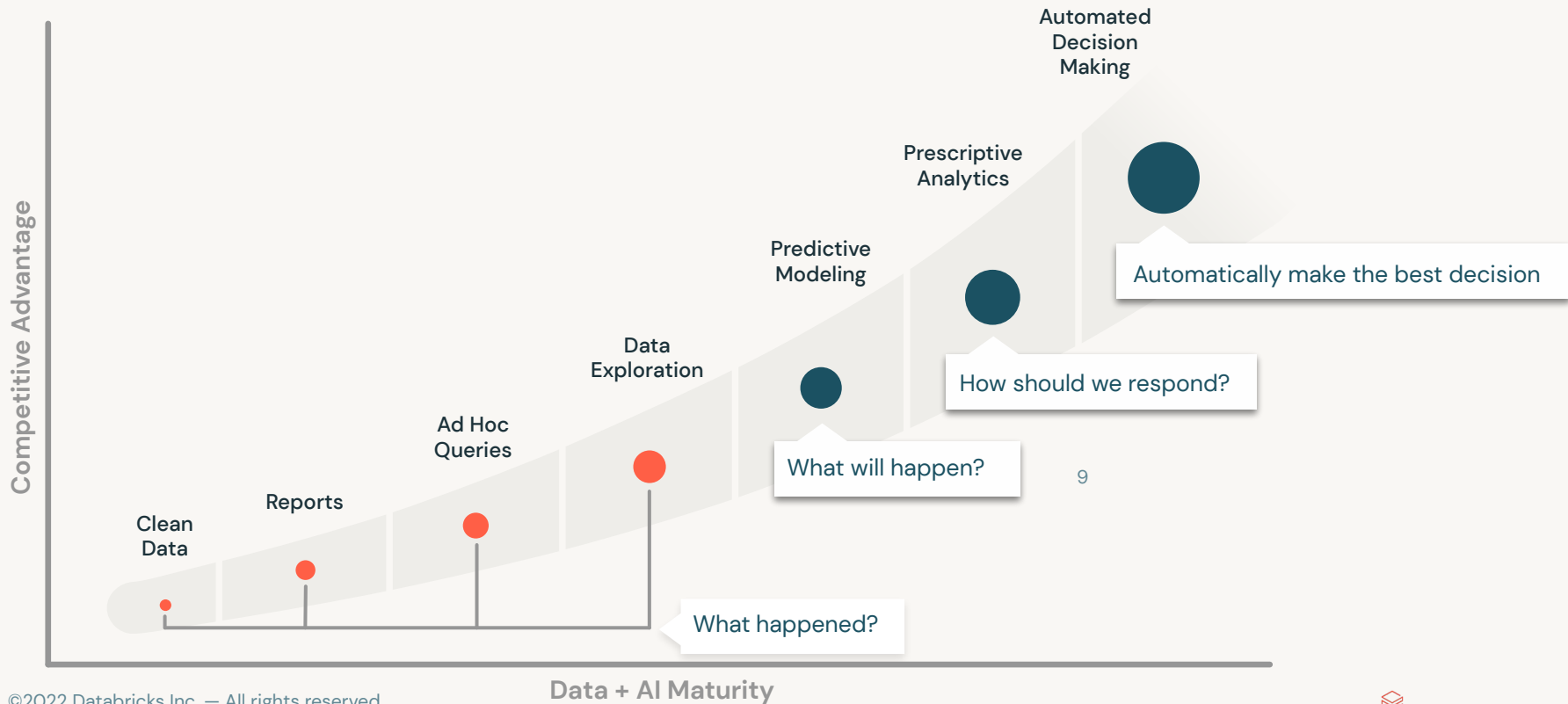Amazon Prime members now outnumber non-Prime customers

Facebook and Google own 61% of all digital ad spend

Tech leaders are to the right of the Data Maturity Curve
From hindsight to foresight

Competitive Advantage

Clean Data

Reports

Ad Hoc Queries

Data Exploration

Predictive Modeling

Prescriptive Analytics

Automated Decision Making

What happened?

What will happen?

How should we respond?

Automatically make the best decision

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Data + AI Maturity

How does industry respond?

Shift Towards D2C
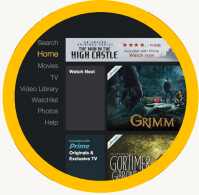Incumbents moving model from wholesale to consumer based retail experiences

Personalize
Driving Smarter, 1:1 Experiences at Scale

Increased Competition for Ad Revenue
Duopoly crushing digital market and legacy revenue undergoing massive shift

Monetize
Optimizing advertiser and content company outcomes across channels

Finding Cost Synergy and New Revenue
Scaling to compete means leaning out organization and finding new rev streams

Innovate
Being a data centered organization where IT agility drives business agility

M&E companies need a platform to connect disparate data sources, apply intelligence, scale governance, and use data for competitive advantage

Content Metadata
Web Analytics
DMP
MOBILE DATA
Timesheets
CRM
ERP
Traffic
Campaign Performance
VIDEO DATA
DAM

Content Acquisition?
Churn Reduction?
Price and Schedule?
Campaign Performance?
Return on Ad Spend?
Projected Revenue?
Quality of Service?
Social Sentiment?

Data Driven Media Enterprise

Data anywhere	**+**	AI to drive business decisioning	**=**	Data–directed self–service for analytics

The habits of highly effective data-driven organizations

Fully embrace ML and AI as the future

Build for the future with optionality

Leverage open formats and standards
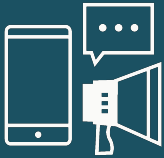
Plan for multi-cloud

Find the easy button

Use Cases Enabled By a Data and AI FIrst Strategy

Audience Experience

Create a personalized, frictionless journey to move consumers from anonymous to advocate

Personalization Engines
GDPR/CCPA Compliance
Churn Management
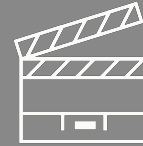Forum Moderation
Streaming Quality of Service

Advertising Performance and Optimization

Give sales and operations teams the right insights to increase advertising performance and targeting

Attribution
Inventory and Yield Management
Audience Segmentation & Targeting
Campaign Performance
Ad Verification

Content Lifecycle

Advanced insights on content pricing, crew scheduling, content metadata extraction and more where IT agility drives business agility

Product Development Lifecycle
Content Pricing and Analytics
Crew/Resource Optimization
Image/Profanity Recognition
Slate Management and Monetization

How Media Companies Are Building Their Business Around ML/AI

CONDÉ NAST

How to scale a personalized experience across 100M+ unique monthly users

AI at the core of the business with over 1,200 ML models in production across personalization and ad business

HBO max

How to drive real time personalization at scale across multiple engagement channels

Real time personalization engine core to churn mitigation strategy across 70+ million consumers

SHOWTIME

How to glean insights consumer engagement insights to increase subscriber LTV

Using ML to understand viewer behavior, predict churn and better schedule releases to elongate LTV and engagement

Nuggets of Advice

Databricks insights from well over 5,000 customers, including the most successful AI companies.

Prioritize by Speed & Value

Pursue the most impactful use cases that are most attainable.

It is far better to get value today than to get possibly perfect tomorrow.

MVP and Iterate

Nobody begins at perfect.

The best AI companies commit to starting small, getting quick wins, and constantly iterating and refining their recipes over time.

And frequent iterations are the fastest way to learn.

Test & Learn

The leading companies are constantly innovating, but they are also constantly learning from their innovations.

Embed measurement into your AI.

CONDÉ NAST

DOW JONES

Pearson

ELSEVIER

McGraw Hill Education

sanoma

WARNER MEDIA

LaLiga

nielsen

NBCUniversal

VIACOMCBS

Disney+

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Thank You