Everything an I.T. Channel Partner Needs To Know When Selling Into *The Media Sector*

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Media matters

The media market is in a constant state of evolution and is one of the biggest multi-platform content creating industries in existence. Selling technology to these companies can be challenging, but how should the channel be approaching these customers? What are their priorities when it comes to technology? How has the market changed over the years? This Redpaper will examine what is keeping media industry managers awake at night and how the channel can help them stay ahead of their competitors.
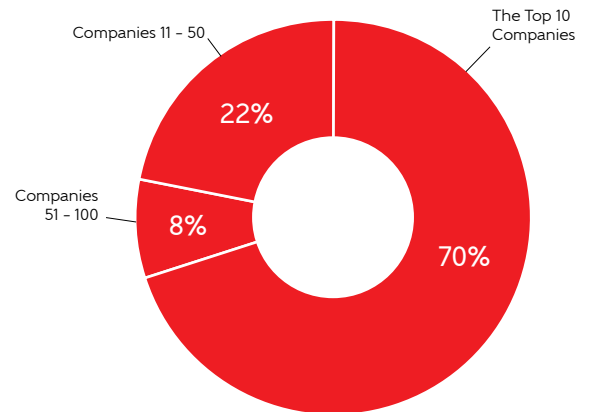
About the Media market

The UK media market used to be a fairly straightforward one before technology came along and transformed it out of all recognition. The industry is a textbook example of digital transformation at its best.

Before the days of online content, streaming media, always on channels and social media; print publications came out either daily, weekly or monthly; there were three TV channels in existence and organisations were raking it in through advertising. There were no websites to keep updated, no internet to steal attention away, no bloggers or vloggers to steal market share and devalue trained journalists. Audiences were captive.

However, fast-forward to today and the market is vastly different. According to a Deloitte report – Media Metrics 2017 (source 1) – which lists the top 100 media players in the UK, the market has grown by £10bn since 2016 to £96bn overall, with the largest player, Liberty Global generating £14.8bn in revenues. WPP is second with £14.4bn and Sky in third place with £12bn. **However, the share of revenues is definitely top heavy with 70 per cent of revenue going to the top 10 companies, 22 per cent to the next 40 companies, and the remaining 50 companies in the top 100, accounting for eight per cent of total revenues** (source Deloitte). Profit for the sector was actually down a significant 52 per cent year on year to £4.8bn from £9.9bn last year, which Deloitte attributed to a huge decline in profitability in the information publishing and events sub sector.

Revenue share

Companies 11 – 50 — 22%

The Top 10 Companies — 70%

Companies 51 – 100 — 8%

A pressure cooker environment

The media market is under huge pressure, not only is there an incessant increase in competition and an insatiable appetite for content from their readers/viewers; but traditional advertising revenues have fallen off a cliff, and media companies are having to find new ways to encourage their clients to part with their cash. This has meant many of them have branched out into new territories as they try to hang onto their market share and keep audience figures high, and it is technology that is enabling them to do this.

The days of their advertising customers paying vast amounts of money for weekly page ads or monthly print supplements, or televised campaigns have long gone. These advertisers want value for money, they want to see outcomes and quite often they want a mix of different advertising strategies to incorporate social media, paid for content and the more traditional types of advertising. In short, customers are more demanding than ever and they want more for less. Plus they want leads of their own.

A far more discerning audience that consumes media content either at home or on the go, from a range of different devices, has made life even more difficult for media companies, particularly news outlets. With the rise of citizen journalism thanks to smart phones and other enabled devices, many media firms have had to rethink their entire content strategies and go in a direction that their employees are not always comfortable with just to keep the advertising revenue coming in. They are also battling to get to know their

What is the 'media' market? (source Deloitte):

- **TV Production and Distribution**
- **Advertising**
- **Information publishing and events**
- **News publishing**
- **Film production and distribution**
- **Video gaming**
- **Magazine publishing**
- **Book publishing**
- **Music publishing and distribution**
- **Social media**

audiences, but because these are changing so frequently, it is a constant moving target.
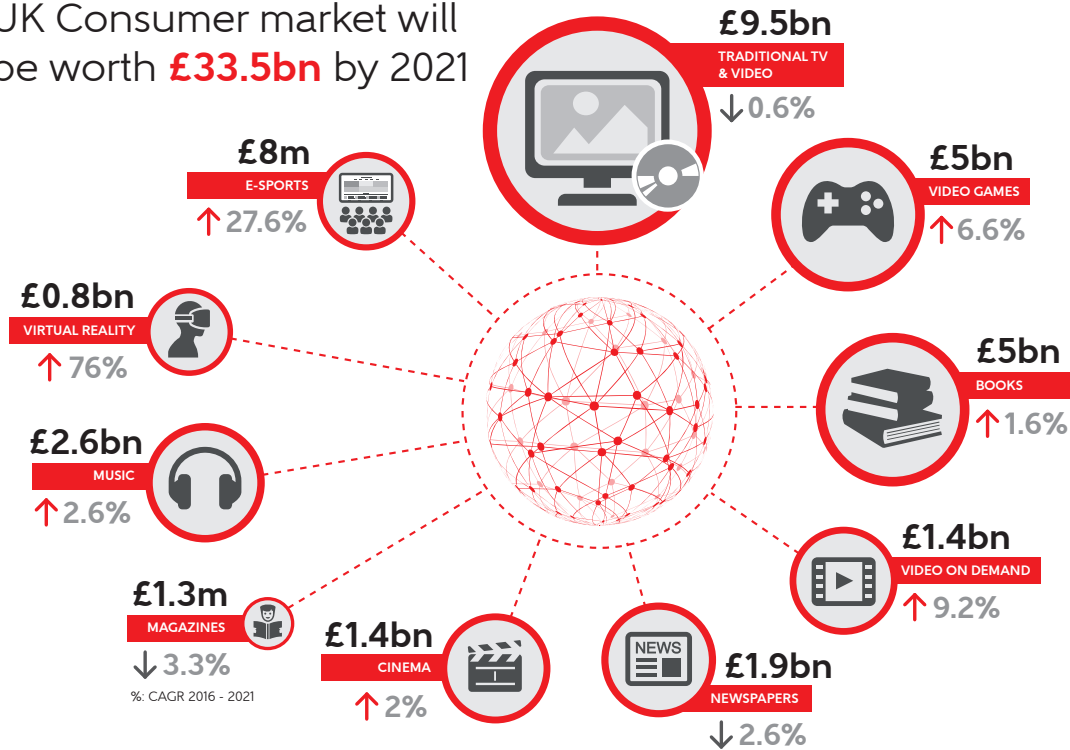
And unlike some vertical industries, where a skills gap is causing significant problems, media often has the opposite problem. It is an attractive industry to job seekers. There are an abundance of people wanting to become part of the industry at a time when existing teams and budgets are being cut relentlessly. These days media firms want multi-skilled individuals that can not only do the basic job they are paid for, but can adapt to work on commercial projects in multi-media environments. The people working in the UK media sector are some of the most highly skilled and adaptable in the country.

So many companies in this sector are vying for the same audience that they really have to stand out to be in with a chance of capturing their desired audience's attention. This can mean branching out into bespoke events, or investing in a strategy that keep them top of their game.

Opportunity for growth is certainly there. According to PwC report – *The 2017 UK entertainment and media outlook* - the UK consumer market will be worth £33.5bn by 2021 *(see infographic).* It claims the digital entertainment and media sector will grow twice as fast as UK GDP. Spending habits will be dominated

UK Consumer market will be worth **£33.5bn** by 2021

£9.5bn
TRADITIONAL TV & VIDEO
↓ 0.6%

£8m
E-SPORTS
↑ 27.6%

£5bn
VIDEO GAMES
↑ 6.6%

£0.8bn
VIRTUAL REALITY
↑ 76%

£5bn
BOOKS
↑ 1.6%

£2.6bn
MUSIC
↑ 2.6%

£1.4bn
VIDEO ON DEMAND
↑ 9.2%

£1.3m
MAGAZINES
↓ 3.3%
%: CAGR 2016 - 2021

£1.4bn
CINEMA
↑ 2%

£1.9bn
NEWSPAPERS
↓ 2.6%

Source: PWC The 2017 UK entertainment and media outlook

by a love of video content, according to the market watcher, and they will spend more on video content than cinema admissions thanks to the Netflix effect.

But the written word is still of interest to a vast audience. So much of the traditionally popular content – particularly news - has become a commodity, that organisations are now hiding their more in-depth quality content behind paywalls and charging their readers to access it. Paywalls are growing in popularity among publishing media companies, because it allows quality journalism and content creation to thrive and actually brings in revenue from the audience rather than advertisers.

So where does technology fit in?

With all the above comes a desire and need to have the shiniest technology that is able to cope with audience demands. After all, the customer is firmly in the driving seat in this industry; without audience interaction, advertising potential falls and the company's future is at risk. With audience demographics getting younger and increasingly technology driven, the user experience has to be of a standard that will keep them coming back for more. It has to be smooth, consistent and reliable.

As with many markets, technology is the driving force behind the success of individual companies, but there are so many solutions on the market, many media IT managers are not always sure where to turn. They

need that help and guidance that trusted IT suppliers can provide.

To run a content-centric media company successfully, a decent content management system (CMS) is needed. Some smaller players rely on WordPress or other blogging-type sites, but the bigger players have their own custom-built CMS systems that enable the creation of multi-platform content and can scale with the company. Channel partners that can help build a bespoke system that has all the bells and whistles needed to ensure a smooth CMS experience, will do particularly well.

The websites of these firms are their lifeblood, and keeping them bang up to date, secure and reliable is often easier said than done. It also has to be able to cope with live-streaming and vast archived resources. However, competition is absolutely rife in the industry, and despite ongoing budget restraints, many media firms are willing to spend the necessary funds to keep them ahead of the competition and keep their website cutting edge and able to cope with audience demands.

Hackers will target large media outlets on a regular basis, and any downtime means fickle audiences will just go elsewhere to get their daily or hourly fix of content, meaning visitor numbers will fall and the site is less valuable as an advertising platform. Security is an absolute necessity, and those suppliers than can guarantee security, will also prove popular.

The other side of security is the number of endpoints deployed in these companies. Employees do not just stay in the office, they are mobile, on location, interacting with the public and covering events all over the world. They are creating written and video-based files on a regular basis that need to be securely delivered, quite often live, and they use a range of external devices that also need securing. It is a constant juggling act.

And this is where the need for reliable bandwidth and connectivity services also come into play. Journalists and media industry employees need anytime, anywhere access to their core systems, and they need to be able to communicate with head office and stream content to their audience at all times of the day or night. They are always on, and they expect their technology to be the same.

With all this comes the need for 24-hour support services. Should anything go wrong, these companies will rely on channel players to be on hand when needed through helpdesk services that can ensure they can hit constant and moving deadlines. It is also a guaranteed service revenue stream for channel partners.

And of course, with all the content creation comes the need for vast reserves of storage, that is easily accessible and above all within budget. Again, trusted advisors need to help media companies figure out where exactly they will be storing all their files and videos and how much they need to invest in keeping

up with the level of content creation each year. Scalability is absolutely key.

Top Technology picks

As with most industries, certain technologies are really driving the direction the media market is heading.

According to a report by *CXOtoday.com (source 2)* cloud technology is at the top of the list. As cloud infrastructure becomes more affordable, more and more media and entertainment companies are switching to a hybrid cloud environment. Enterprise video management is also a growing area, with a demand for solutions that allow media and entertainment firms to store, upload, catalogue, review, share and archive video content based on not only metadata tags, but also words that appear in the videos.

The report also points to an ERP system that is localised across the whole company, so all resources can be accessed quickly and easily across a system that can deliver both speed and scalability.

All this can be pulled together by a smart artificial intelligence (AI) solution that not only brings content together at the back end, but can work to improve the user experience at the front end, collating content a viewer/reader might like to see, using speech recognition technology to help make searches easier, and personalising the experience for each individual

user. Because audiences often switch between phones, computers and TVs, or sometimes use all three simultaneously to access content, video clips etc – it is important that media companies have the technology to maximise that consumption, and encourage further interaction via social media. It is a constant challenge to keep up.

This coupled with machine learning technologies that use analytics to suggest further content to explore, or allows them to buy particular products or clothing seen in video clips just at the click of a button, certainly helps to keep an audience engaged.

Media these days is all about the user experience and ensuring they keep coming back for more. If a viewer/ reader is unhappy with the content of one provider, they have a multitude of options to choose a different one. Nothing is guaranteed in this industry. But the more personal a user experience can be, the more likely they are to visit a particular site again.

Selling to these companies

As with most industries, keeping costs down is a priority. Creating content is an expensive business in terms of investing in the right people with the right skills, so they rely on technology to keep operating costs as low as possible.

For the channel, offering them a regular billing option, as opposed to a huge up-front investment, is a smart

move, and all the technologies above fit perfectly into the recurring revenue model.

And importantly – outcome-based selling is also paramount. Those channel companies that can not only devise bespoke content management systems that incorporate storage, AI, ERP and analytics, but can show the customer how they will actually benefit their business, will always win. Media firms don't have the time to waste on lengthy installations – they cannot afford any downtime – and if a solution can be proven to work instantly and make their lives better, and is also simple for their employees to use, they will more likely invest.

Keeping in regular contact is also vital. Because the media industry moves at such a fast pace, they are often focused inwards, and could be unaware of technology developments that would make their lives easier. By keeping in touch, and talking through new technology developments, it could mean more business. For an industry that relies so much on communication, maintaining communication with their IT suppliers is something many would appreciate.

Understanding their challenges and frustrations can also not be downplayed. A supplier that takes the time to listen to their needs, will always triumph over those that try and tell them what they should be investing in. Just as media companies are trying to personalise the experience for their audiences, a personal experience for them when it comes to IT investment, makes a refreshing change.

As with many industries, technology is not the core focus of media companies – their audiences and advertisers are, but they know they cannot run effectively and stay ahead of the competition without the right technology in place.

It is a market filled with opportunities for the right channel players, and by learning how the market works, listening to the customer and understanding their frustrations and challenges, there is no reason why it wouldn't create a lucrative revenue stream for many years to come.

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- **Telemarketing**
- **Salespeople-as-a-Service** (in partnership with Sales Gym 360, Westcoast, and the Raw Talent Academy)

To learn how Boost can help you improve your business performance, contact us today.

020 3740 4074
contactme@boost-performance.co.uk
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Sources:

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