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## Highlights

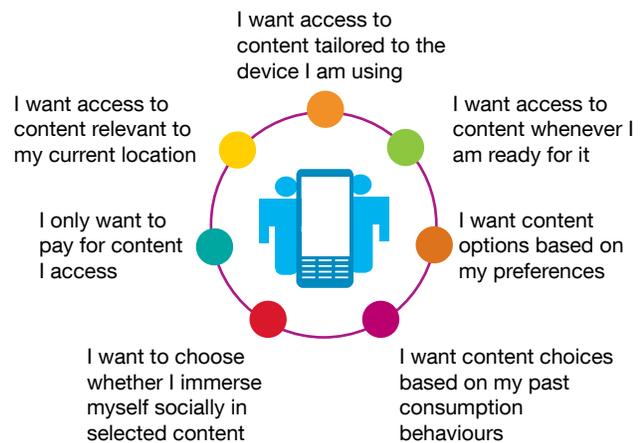
- In today's world, content control has shifted from the content provider to the consumer
  - The changing face of media consumption now demands that pricing be more flexible and dynamic
  - Advanced analytics can enable producers and distributors of products to assess content value by combining an in depth analysis of historical performance metrics by content type, with social media analysis of consumer views and recommendations
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# Optimise content value through advanced analytics

## Content consumption is undergoing radical transformation

The digital supply chain for content such as movies, TV programmes, and music, is very different from what it was even five years ago. In today's world, content control has shifted from the content provider to the consumer. The average consumer is being informed through online and social media recommendations and viewpoints, and wants to consume content wherever they may be, on any device, at any time of their choice.

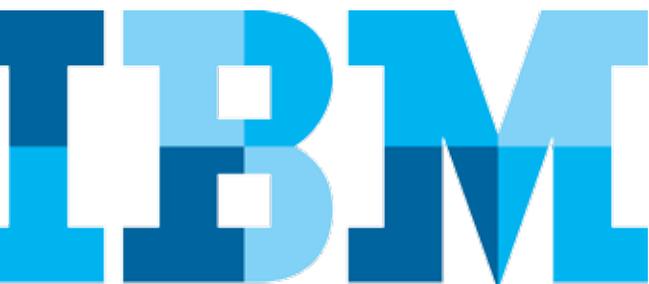
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Source: IBM Global Business Services.

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Figure 1: Today's consumer demands.



## Optimising the digital supply chain

Responding to this demand, content supply has evolved from a relatively straightforward model of production and distribution, with prices set by the content producers, to a far more complex digital supply chain, incorporating different formats and consumption models, on the fly transcoding, bundling and associated merchandising.

Additionally, user generated content is growing, and with content made available direct to the consumer by the artist or studio, this has the potential to add yet more challenges for content providers.

As for pricing and bundling, the traditional means of assessing the value of media content and the effectiveness of the associated spend has usually been somewhat hit and miss, with assessment through a mixture of experience and 'gut feeling'. Unlike the retail supply chain, where sophisticated pricing and bundling scenarios and consumer targeting is common.

The changing face of media consumption now demands that pricing be more flexible and dynamic, and as margins are squeezed, profitability becomes more challenging. As a result, media companies need to have a much better handle on value, margin, demand for their content and the effectiveness of promotions.....and above all, the effect on their bottom line.

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### How can content producers and distributors answer questions like:

- What is the optimum price for highest profitability?
  - Where should I sell? What is the right place, the right time and the right price?
  - Which products, channels and regions should get what level of investment?
  - How do we assess what content will help drive what type of advertising?
  - How can Twitter and social media help in predicting future sales?
  - Am I noticing any trends in performance drop-off and do I know why?
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## Deriving insights from demand analytics

At each stage of the digital supply chain, consumer demand is traditionally measured by using viewership statistics from companies such as BARB and Neilson, the latter now incorporating online measurements.

New entrants in the market, such as Mediamorph, are also starting to prove their value, in being able to tap into key reporting points of the digital supply chain.

In addition, online and over-the-top (OTT) providers have comprehensive consumption data from their own portals, and cable operators can tap into set top box data.

Aside from this, there is a mass of information in the public domain ranging from promotional material and news releases to blogs and social media comments, views and recommendations.

## So we can access the data, in fact huge volumes of it, but how do we make sense of it all?

This amount of 'big data' can be interpreted through advanced analytics and is already used effectively in the fiercely competitive online retail supply chain market.

Near real time analysis of Twitter, for example, can provide early warning as to whether pre-launch promotions are hitting the mark or, in time to action, if there needs to be any essential messaging changes.

Advanced analytics can enable producers and distributors of products to assess content value, immediately view the effects of promotional activity and optimise both price and promotion to drive maximum profitability.

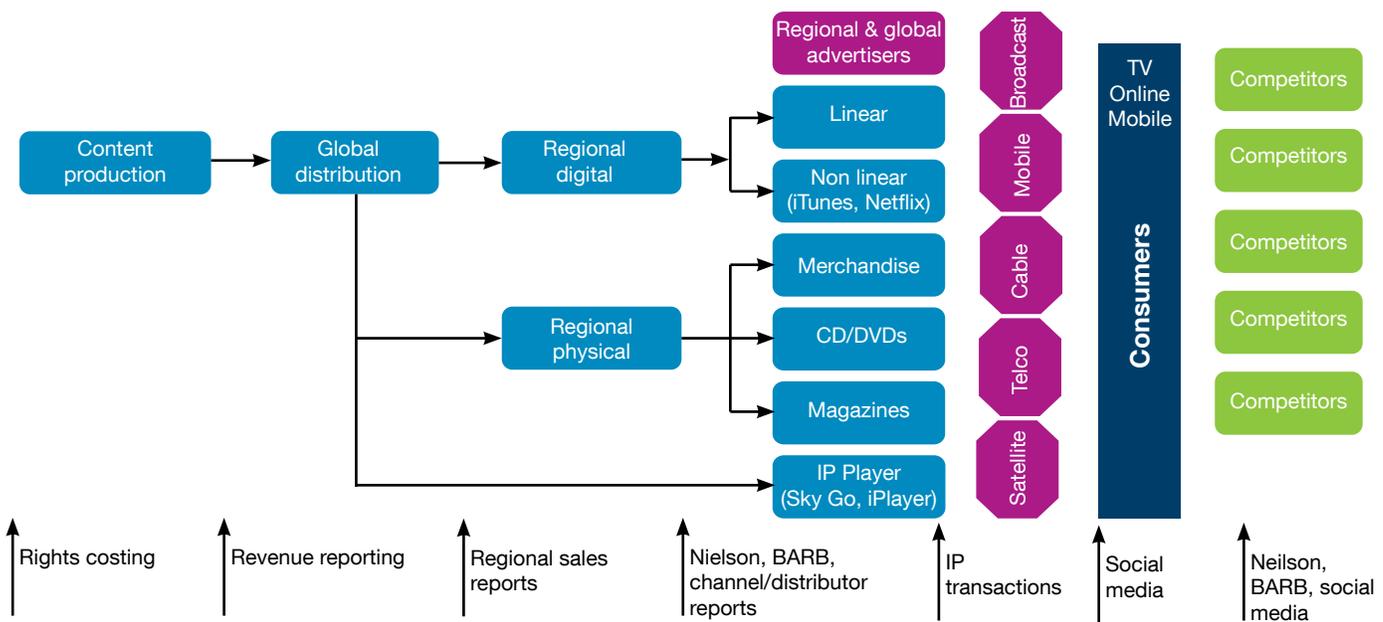
This can be achieved by combining an in depth analysis of historical performance metrics by content type, with social media analysis of consumer views and recommendations. The combination leads to a far better understanding of the end to end view of content performance and consumer demand, by genre, geography, demographic, time of day and device.

Further in-depth analytics then addresses the much bigger question, 'why?'; for example, why is this series performing so much better/worse than similar competitive content?

### Social media analysis can provide a good proxy of consumer demand and perceived value

Analysing the social media sentiment as a proxy for content appeal can also inform on competitive offerings, provide early indication of the success or otherwise of new launches, provide insights into the effectiveness of pre-launch marketing activity and assess the success of associated advertising.

A recent example, the Oscars 'Senti-meter' where more than 10 million tweets were analysed over the course of the Oscar Social Sentiment project, provided an up to the minute social view of the actors, actresses and movies leading up the 2012 Oscars.



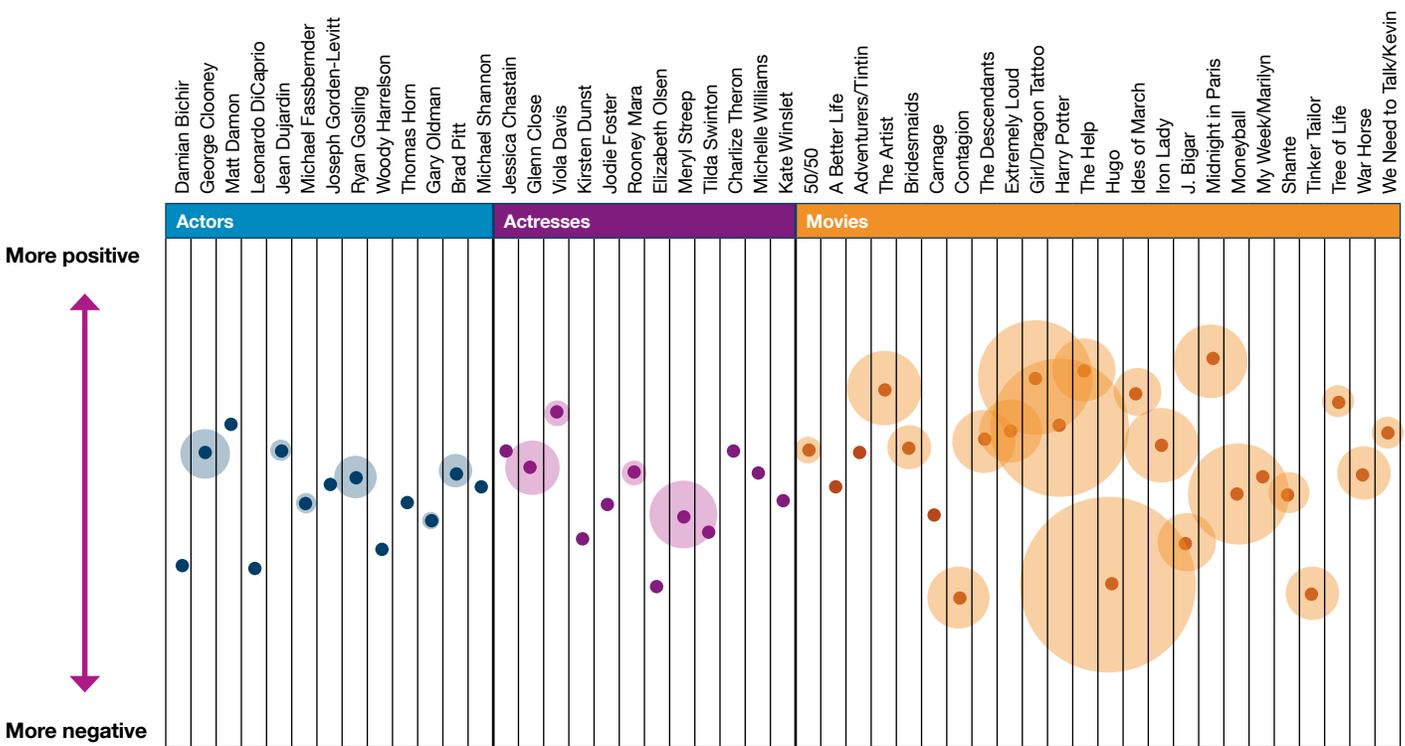
Source: IBM Global Business Services.

Figure 2: Typical digital supply chain.

This first-of-its-kind analysis was conducted by IBM in conjunction with the University of Southern California Annenberg Innovation Lab and the Los Angeles Times.

The three month effort, dubbed the ‘Senti-Meter’, illustrated the power of analytics in leading advancements in the way organisations can extract customer insight in near real time from a massive quantity of ‘big data’.

## Oscars Senti-Meter



Sources: USC Annenberg Innovation Lab and IBM Corporation.

How we did it: The Oscar Senti-meter is a tool developed by the L.A. Times, IBM and the University of Southern California Annenberg Innovation Lab to analyse opinions about the Academy Awards race shared in millions of public messages on Twitter. Focused on the best actor, actress and picture categories, the Senti-meter combs through a high volume of tweets daily and uses language-recognition technology, developed in collaboration with USC's Signal Analysis and Interpretation Lab, to gauge positive, negative and neutral opinions shared in the messages. It also tracks the number of tweets, Cataloguing these tweets over time gives insight into the vox pop surrounding Hollywood's awards season and gives a voice to average fans who may endorse – or abhor – the selections made by Tinseltown's elite. While the Senti-meter has some ability to capture tweets in languages other than English, such as Spanish, it is not equipped to rate such tweets on a positive/negative scale. Such tweets are included in the total volume of tweets but are not scored for sentiment. The search terms and key words are also being continuously updated so as to capture the most relevant tweets about movies, actors and actresses and their Oscar buzz.

Figure 3: Oscars senti-meter results.

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**Advertising age:**

“Now of course the influence of the sentiment analysis extends far beyond just identifying the People’s Oscar. By applying analytics to the rich information coursing through the social networks, movie studios can add a new layer of insight compared to traditional research and marketing tools like exit surveys at the end of test screenings. This marriage of science and social media will allow studios to better understand their audience preferences and improve both their marketing programmes and box office results as effectively as Oscar himself.”

John Squire, IBM Director of Digital Marketing & Analytics

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## Combine social media with ‘big data’ to provide the whole picture

The ability to analyse huge volumes of near real time social media, including blogs and news, and then combine with the actual measured viewing and revenue data all along the digital supply chain, now allows content producers and distributors to extract valuable insights from this near real time and historical information.

They can then utilise predictive sensitivity analysis to dynamically optimise the price at which they sell their content and associated merchandise: by region, format, rental, download and bundle to help maximise profitability.

## For more information

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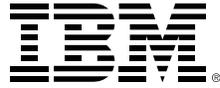
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