

Leading Through Connections

Insights from the
Global Chief Executive
Officer Study

Media and Entertainment

By Saul Berman and Bob Fox

The IBM Global CEO Study 2012, “Leading Through Connections” comprises face-to-face conversations with more than 1,700 CEOs in 64 countries and 18 industries. The study reveals three imperatives impacting geographies and industries: Empowering employees through values; engaging customers as individuals; and amplifying innovation with partnerships.

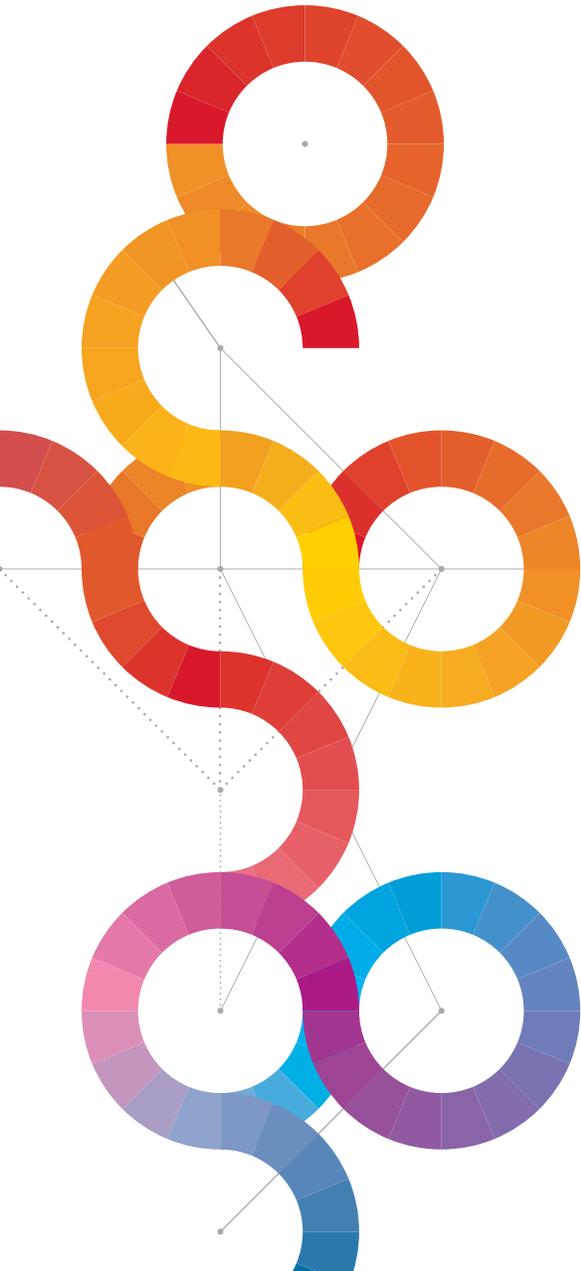
CEO Study customer imperatives are particularly relevant to the Media and Entertainment (M&E) industry. Today’s connected consumers are empowered and they demand instant access to personalized content on their own terms. In fact, our latest IBM industry research, “Beyond digital: Connecting media and entertainment to the future” shows that because consumers crave connectedness more than ever, M&E providers throughout the ecosystem are exploring ways to move beyond merely providing content in digital formats.

Of the 70 M&E CEOs interviewed for the CEO Study, 84 percent identify *customer insights* as the most critical investment area, compared to 73 percent of the global CEO sample. Seventy-eight percent of M&E CEOs aim to improve their understanding of individual customer needs, compared to 72 percent of the global sample.

M&E CEOs told us they can certainly do better in their use of customer insights. When CEOs were asked how good their organizations are at deriving value from data, 54 percent of outperformers in the global CEO sample rate themselves well, compared to 49 percent of M&E CEOs. When it comes to translating insights into action, 57 percent of outperformers in the global sample give themselves high marks versus just 39 percent of M&E CEOs.

When it comes to pursuing disruptive innovation, M&E CEOs lead the way. Forty-five percent of M&E CEOs are creating entirely new industries. By comparison, of the full global sample, just 18 percent of underperforming CEOs and 35 percent of outperforming CEOs are doing so. A similar pattern is evident when CEOs predict how much future revenue will come from new revenue sources: M&E CEOs expect 33 percent of revenue to stem from new sources, compared to 26 percent for outperformers and 19 percent for underperformers.

To excel in the connected consumer era, one important objective is to develop more strategic and tailored relationships with consumers. M&E providers – wherever they sit in the industry value chain – will need to act like B2C companies and they must deliver holistic, relevant content experiences that appeal to consumers’ specific digital personalities.





All of this will require new flexibly integrated, cross-channel digital revenue models that can deliver value comparable to traditional models. Getting the new multiple business models right will be the ultimate challenge, but for M&E providers, the work truly has to start with greater customer understanding.

To reach an IBM industry expert, contact iibv@us.ibm.com and for more information about the IBM CEO Study, please visit ibm.com/ceostudy.

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July 2012
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