

A Reference Guide For

# Entertainment & Media Marketers

# 8 Trends Driving Person-Level Unified Measurement In Entertainment & Media

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# Why This Guide?



Advancements in technology are driving consumers to think, behave, and purchase in ways unthought of even five years ago. And in this era of drastic change, entertainment and media (E&M) marketers struggle to stay current about industry marketing trends and how modern technologies can help marketers leverage insights to better interact with consumers on their terms and capture more customers and revenue.

E&M marketers have typically been on the leading edge when it comes to embracing modern technologies. But now, consumers are embracing these technologies and “going digital” faster than ever. If you expect to create a stand-out customer experience, you must be an innovator who leads the marketplace, not follows it.

As a leading provider of next-generation marketing measurement models, Marketing Evolution has developed this reference guide for E&M marketers. Here we explain how key industry challenges and trends are driving this industry to develop new marketing attribution models and provide recommendations on how your organization can address these trends to outmaneuver your competition, grow your business, and delight your customers.

# The Industry Challenge: Deliver Personalized Experiences



The E&M industry has led the digital transformation charge, with digitally native brands being the first to market with the use of ground-breaking digital technologies. To compete in today's environment, digital must be your business, and as a marketer, your mission is to blend digital efforts together in innovative ways to improve brand awareness and grow advertising and subscription revenue.

But today, consumers are easily distracted and overwhelmed with advertising, no matter how astonishing, amazing, and stunning the digital experience might be. When you deliver a message that does not resonate, consumers are easily distracted, bored, and frustrated. This is why your mission is to deliver hyper-personalized customer experiences—both online and offline—to create a true customer relationship. As recently [stated](#) by Ernst & Young, “Digitally native technology companies have taken products and services that consumers crave and delivered them in a seamless, frictionless and personalized experience. Since consumers compare experiences across providers, the digital leaders have set a benchmark for everyone. As a result, media and entertainment companies are no longer valued solely for the video, music or information they provide, but for the customer experiences they wrap around their core offerings.”

*“It is critical to unify customer data to achieve a 360-degree view, deploy an agile and connected technology stack, and transform the operating model to break down organizational silos”*

[EY Article: How do you turn disruption into transformation?](#)

Indeed, EY [reports](#) that “obsessing about the customer” is one of the top ten themes for 2019, but many companies lack the IT systems and infrastructure to gather relevant information from multiple channels and feed it back into their ecosystem.

In an age of digital disruption, E&M marketers must deploy sophisticated marketing measurement and optimization technologies. The following statistics and observations clearly demonstrate that E&M organizations are ready for unified marketing measurement:

- The U.S. entertainment industry is expected to reach more than \$825 billion by 2023—with the fastest growth in virtual reality (VR), over-the-top (OTT) content, and e-sports.<sup>1</sup>
- Time spent on mobile devices continues to increase and is the primary way people access content.

<sup>1</sup> <https://www.selectusa.gov/media-entertainment-industry-united-states>

- Advertising spending is an important factor in E&M; a large proportion of the industry's top line is derived from ad expenditures, on both the national and regional levels.
- Technological advancements play a major role in the industry. Digital media and high-definition (HD) content have widened consumer choice, which has spurred competition. Because of this, subscriber acquisition costs—consisting of programming, production, distribution, and marketing expenses—are increasing.
- Consumer preferences often change, and successful media and entertainment companies must periodically review their portfolios and take action to improve their product mix. The creation of quality content as well as international expansion is becoming increasingly important.
- The E&M industry changes rapidly. Thus, the ability to foresee trends, maximize marketing ROI, and capitalize on expansion opportunities is key to long-term growth.

Let's review some of the leading industry trends that are driving E&M organizations to develop marketing attribution models and embrace person-level unified measurement platforms.

# Omni-Channel Measurement and Marketing ROI

*With Marketing Evolution, you can employ brand tracking without paying for a separate brand-tracking vendor.*

The data available from digital channels has redefined CMO and CFO expectations for marketing accountability. To meet these new marketing expectations and better compete, marketers must have visibility across all channels to assimilate one coherent narrative.

High-performing marketers must figure out how to link all this data together into a coherent narrative—showing specifically what is working and what is not. With Marketing Evolution, you can:

- **Deliver ROI analysis and reporting:** Demonstrate the real value of marketing investments to the finance team and feed data into financial reporting systems.
- **Integrate and optimize online and offline activities:** Optimize media and messaging within and across all online and offline channels while campaigns are live.
- **Track your brand performance:** Get the most accurate information about your brand health—including awareness, purchase intent, and engagement—with a comprehensive, always-on survey that informs decision-making across the customer journey so you can maximize ROI.
- **Link your brand to consumer behavior:** Prove the effectiveness of marketing activities at all stages of the buyer journey with brand-to-performance measurement that shows how brand investments directly impact sales.

With Marketing Evolution, you can analyze person-level data, which consists of offline and online interactions, to uncover purchase drivers, behaviors, and attitudes for each individual and aggregate that information to better understand the customer and their journey. You can then optimize creatives and media for every customer interaction at the person level or for any microsegment in real time.

E&M marketers need tools and services to reach and speak to consumers as individuals rather than segments of audiences. However, many are falling short and deliver an experience that can only be described as inferior. The reason: many E&M marketers are using traditional, outdated marketing measurement platforms.

## Marketing Mix Modeling

One such traditional example is marketing mix modeling (MMM), which uses regression analysis to determine the relationship between marketing mixes and their overall impact on sales performance. When used effectively, MMM can provide valuable insights into the marketing effect on sales volume, the broad media impact on sales, and the overall return on investment (ROI). Prior to digitization, MMM was effective because marketers only needed high-level insights at that time.

But in today's digital world, MMM has limitations. For example, MMM has limited online-offline coverage; it only measures the performance of traditional media (e.g., TV, radio, and print). It also provides high-level insights based on high-level segmentation and the analysis of high-level media allocation. It cannot analyze content effectiveness or measure the impact on brand. And with MMM, results are typically available weeks or months after a campaign has run, so you cannot make in-campaign adjustments. These limitations make it impossible for marketers to optimize marketing's effectiveness across all channels.

## Multi-Touch Attribution

While MMM was originally about evaluating offline marketing efforts, single-touch and multi-touch (MTA) models evaluate digital marketing efforts, such as email, display ads, and paid search.

MTA takes a bottom-up, more granular, user-centric approach to marketing measurement; it evaluates the touchpoints a consumer encounters on their journey to purchase and determines which touchpoints, channels, and messages have the greatest impact to influence a desired outcome, such as a conversion.

MTA models let you adjust digital tactics in-flight and give marketers insights into how well touchpoints engage with customers so you can adjust your budget. However, MTA does not evaluate the impact of offline marketing activity, provides a limited understanding of content effectiveness, and cannot effectively analyze the impact branding activities have on consumer behavior. These models are also limited to segmentation at an aggregated level, and results can be influenced by correlation-based biases.

MMM delivers a macro-level view of your offline marketing efforts, while MTA provides a bottom-up, granular view of your digital marketing efforts. Neither can measure multi-channel interactions, evaluate all ad media and cross-channel activities, or tie brand, behavior, and sales transactions together.

## Person-Level Unified Measurement

Unlike MMM and MTA, person-level unified measurement combines multiple data sets, techniques, and approaches and assigns a business value to each factor affecting marketing performance across all offline and digital touchpoints. With this holistic view, E&M marketers can identify purchase drivers, behaviors, and attitudes for each individual and optimize creative and media for every customer interaction at the person level or for any microsegment in real time.

While many marketers are attempting to personalize their message via marketing optimization techniques, their results are compromised because they don't know their customers on the most granular level. With many marketing measurement platforms, the software makes assumptions when aggregating data for segment-based marketing. With Marketing Evolution, no assumptions are made because the platform aggregates the actual person-level details, providing more accurate insights at the segment level.



## Industry Convergence and Consolidation

According to Deloitte, the E&M landscape “will continue to be reshaped in 2019 by mergers and acquisitions—particularly as media companies attempt to strengthen their content libraries, quality, distribution, and value.”<sup>2</sup> For example:

- Streaming services, TV companies, and social networks are now competing over both conventional sports and e-sports rights.
- TV companies, telecoms, tech companies, OTT operators, and movie studios are competing to provide TV content.
- Radio stations, podcast companies, and streaming services are competing to provide radio and podcast content.
- Many big brands are creating content to engage the same audiences that E&M companies are pursuing.<sup>3</sup> Some of these big brands include Mountain Dew, GE, Marriott, BMW, and Red Bull.<sup>4</sup>

With a person-level unified measurement model, your teams can view all marketing channels holistically, ensuring you focus on the specific areas where you will get the most impact. Your teams can then make data-driven decisions across your entire enterprise—all brands and lines of business—and get campaign and creative optimization recommendations at the portfolio level. This approach to centralized decision-making helps break down your organizational silos.

Typically, home entertainment providers do not need in-campaign media optimization but do need the ability to change and optimize creative.

<sup>2</sup> <https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/media-and-entertainment-industry-outlook-trends.html>

<sup>3</sup> <https://www.cmo.com/features/articles/2018/6/12/5-industry-trends-shaping-the-future-of-media-and-entertainment.html#gs.lf8mrl>

<sup>4</sup> <https://www.forbes.com/sites/baldwincunningham/2015/09/09/how-every-brand-became-a-media-company/#17037ceb3159>

# The Growth of Streaming and New Advertising Opportunities

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Access to high-quality broadband is a major catalyst that has contributed to the growth of the entertainment industry. But while bandwidth increases, so do cable bills. As a result, consumers are turning to [streaming video and audio streaming](#), which is also becoming a more diverse field with the growth of music services and podcasts. This gives marketers the ability to target niche audiences. Additionally, as voice technology becomes more popular, new strategies for optimization are emerging. Those marketers who can test and optimize faster to reach their audiences will win.

With Marketing Evolution, you can:

- Measure and optimize online and offline media and messages within and across all channels while campaigns are live. This is a key requirement for CMOs.
- Understand the entire customer journey, including details on where, when, and how your customers are interacting with your brand as well as the mix of media exposures common among converters.

## Individuality Will Be Rewarded

With an increase in niche live experiences including e-sports, marketers need to use data analytics and artificial intelligence (AI) to customize offerings to consumers. According to PwC, consumers want to exert greater control over the media they experience and how and when they experience it. For example, consumers want:

- Media experiences that are tailored to their own personal preferences, contexts, and schedules
- To manage their media consumption via smartphones and other devices
- To curate their personal selection of channels via OTT services
- To bring more digital media content into their lives via smart homes and connected cars<sup>5</sup>

With the person-level data provided by Marketing Evolution, your team can deliver more accurate personalized content and messages with creative and media recommendations at a granular level. You can analyze person-level data to uncover purchase drivers, behaviors, and attitudes for each individual and aggregate that information to better understand the customer. You can then optimize creatives and media for every customer interaction at the person level or for any microsegment in real time.<sup>6</sup>

<sup>5</sup> <https://www.pwc.com/gx/en/entertainment-media/outlook-2019/entertainment-and-media-outlook-perspectives-2019-2023.pdf>

<sup>6</sup> <https://cdn2.hubspot.net/hubfs/1878504/Gartner-Regions%20Case%20Study%20-%20July%202017.pdf?t=1539808894759>

## Trend #5:

# The Need for Speed



Today's entertainment marketplace is extremely fragmented and moves at a frantic pace. Most brands are facing increased competition, and consumers can be distracted by thousands of online and offline ads. To be successful, marketing professionals need right-time insights to make the best decisions on where to invest—especially when events or shows last only a few days or weeks. Traditionally, decisions on media spend have been backward-looking, mining data from past campaigns rather than in real-time. But with today's frenetic environment, marketers need powerful AI and machine learning (ML) tools that can analyze disparate data and identify the best levers to pull while a campaign is live.

Marketing Evolution's approach to campaign optimization provides timely refreshes of results so you get early reads on what works best so you can test and make timely changes on the fly.

## Trend #6:

# Location, Location, Location

Total US cinema revenue is expected to achieve consistent growth through 2022, reaching \$11.87 billion.<sup>7</sup> With increasing competition from streaming services, it's more important than ever that US theater chains understand how their marketing is driving consumers to their brick and mortar locations.

Marketing Evolution partners with location tracking solution providers to match person-level location data to other data sets, including digital and mobile ad exposure, traditional media ad exposure, third-party segment data, and custom survey response data for attribution analysis. Through these partnerships, our platform can match media exposure data to foot traffic data for attribution to discover how your marketing is driving consumers to visit your brick and mortar locations.

7 <https://www.google.com/url?q=https://www.statista.com/statistics/491813/cinema-revenue-usa/&sa=D&ust=1561571475511000&usg=AFQjCNEvohTbHkRZnYD6KrIkq4Q0QeR6Fg>

# Predictive Analytics and Machine Learning

Predictive analytics and machine learning are completely redefining marketing by providing the ability to hyper-personalize ads to individual consumers. Marketers know that those who can leverage these technologies the fastest will be way ahead of their competition.

The Marketing Evolution platform incorporates advanced analytics and modelling to provide the most accurate recommendations. The platform measures consumer choice after exposure to an advertisement and then applies AI and ML to identify patterns, predict future outcomes, and recommend actions based on budget and media mix scenarios. This is a key differentiator for Marketing Evolution. In fact, Marketing Evolution was named the leader in Marketing Measurement and Optimization Solutions by Forrester—receiving the highest score for the “current offering” and “innovative roadmap” categories.

**Media Effectiveness:** Statistical attribution techniques and ML are employed to determine the impact response for each marketing element. The platform analyzes exposures, target audiences, and business outcomes along with external factors when evaluating the contribution of each component of your marketing plan.

**Creative Impact:** An advanced creative effectiveness model is used to pull out relative effectiveness by creative, which results in detailed creative rotation recommendations.

**Brand Performance:** Person-level data is analyzed over time to identify the brand perceptions that drive sales and profits. The platform analyzes leading indicators, such as propensity to purchase, brand awareness, and brand consideration, which is correlated to business outcomes to make in-campaign optimization recommendations.

**Customer Journey:** The platform analyzes how your customers are impacted by media exposures throughout each stage of the buying cycle—from awareness to evaluation to purchase.

## Trend #8:

# Continued Investment in TV



Entertainment brands accounted for nearly \$7B in US TV advertising from August 2017 through July 2018—making it the second highest spending industry behind technology.<sup>8</sup>

Marketing Evolution's Upfront Strategic Planning service provides data-driven upfront buying recommendations including identifying the most impactful networks, new programs that will likely perform best, and the right budget allocations. The service also provides insight on where you can more aggressively spend based on your own proprietary data, showing you what programs to add or drop and how to approach the market differently.

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<sup>8</sup> <https://mediaradar.com/blog/top-3-tv-advertisers-by-product-category/>

Marketing Evolution is a powerful platform that can meet your organization's most stringent attribution requirements. However, there are many other ways our team can help you optimize the platform.

**Our Entertainment and Media Domain Expertise.** Marketing Evolution's superior person-centric approach is derived from 15 years of online and offline data stitching and correlation experience serving many of the nation's largest entertainment companies. Our subject matter experts have deep experience in E&M, marketing, and media performance analytics. The proof of our experience is a long-standing track record helping E&M companies understand creative and media impact in the marketplace, make data-driven decisions rather than intuition-based decisions to grow the business, and discover new opportunities. Marketing Evolution offers an easy-to-use platform that translates your data into action, as well as professional services to ensure you are making the most of your data and building a competitive advantage.

**Our Committed Team.** We encourage you to consider our team an extension of your own. We are eager to collaborate, ready to assist with personal attention and best-in-class service and dedicated to helping you exceed your expectations and business goals. To that end, we are committed to regular business and system reviews and ongoing meetings and communications. Our team is here to help you better understand your customers and potential customers using data-driven insights so you can anticipate market needs, ensure delivery of the best services, and achieve higher levels of loyalty, retention, acquisition, and revenue.

Each one of our customers has implemented the Marketing Evolution platform in different ways, but at the end of the day, they are all striving to achieve the same goals: making better decisions with real-time insights into person-level data and the brand to deliver the best possible customer experience. Meeting these goals is not a one-and-done activity but a continuous journey to capture more customers and market share.

We at Marketing Evolution hope you find this guide useful as you plan your company's journey to create personalized experiences.