



Building a Data-based Marketing Team: Five Ways for Media Companies to Avoid Speed Bumps

The vast data volumes available to media and entertainment companies is putting a premium on converting raw bits and bytes into actionable knowledge. Here's how analytics teams and data scientists can embrace best practices and avoid common pitfalls.

Executive Summary

The avalanche of data that consumers generate annually shows no signs of slowing. In fact, IDC predicts the market for big data technology and services will increase at a 23% compound annual growth rate (CAGR) through 2019, with the media industry ranking in the top-three sectors for fastest growth, at 25% CAGR.

From a media and entertainment (M&E) industry standpoint, this robust growth can present significant hurdles for sifting through the piles of big data to uncover meaningful consumer insights that effectively drive business strategy. The number of tools for analyzing data has also blossomed, as have the touchpoints for M&E companies to reach consumers. In concert, these factors are making it more complex for M&E companies to leverage the sea of available information.

However, by following a set of key best practices in data science and analytics, media companies can mitigate the risks associated with big data and avoid the most common pitfalls.



Guarantee Accurate Conclusions by Validating/Confirming Initial Findings

As analytics tools increase in both automation and sophistication, the gap between what the raw data looks like and what end users see is growing, as well. It is tempting to step back, let a vendor install its standard analytics package, and segue directly into reviewing outputs from the new tool. Many of our partners use a data-driven approach, in which they "let the data speak for itself." Indeed, removing user bias is a hallmark of a sound data strategy. Randomly distributed data, representative samples and "clean" data are gold standards of academic statistical research. However, they

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are also incredibly rare in most business use cases. Given this, it is critical to ensure that bias is not baked in at the outset by understanding your organization's raw data and the nature of the audience being evaluated.

For example, one of our clients applied data from its customer-facing website to better understand how to market its entertainment products, by analyzing that data to develop strategic recommendations for its marketing stakeholders. However, the company did not account for the bias inherent in the audience that regularly patronized this particular website, leading to recommendations accidentally tailored to only one customer segment. By helping the company understand its base audience, we were able to filter out the behavior endemic to the site audience from the behavior related to the products the company wanted to evaluate.



Ensure Customer Loyalty by not Overwhelming the High-Value/High-Touchpoint Segment

In years past, all surefire marketing efforts and initiatives were led by simply identifying the company's most valuable customers. Today, knowing your customer is only the first step, a bare minimum requirement. To effectively recognize, reach and retain customers, companies now require a complex customer data cocktail that enables knowledge of:

- Where your customers are, demographically and geographically.
- Which channels they are most active in.
- When they are most engaged.
- What content resonates most with them.
- Which products they're interested in.

Almost equally important is understanding the inverse of these questions to avoid unnecessary marketing spend. In other words, where *aren't* your core consumers? If your target audience is young male gamers, for example, your marketing spend would probably be more effective in Twitch.TV or YouTube Game pre-rolls vs. a generic Facebook feed promotion.

Another key consideration is the notion of cadence: How much communication is too much? This is a trickier situation. In 2015, despite ridicule regarding the flood of FanDuel and DraftKings advertisements during the first few weeks of the NFL season, the daily fantasy sports sites drew hundreds of thousands of new customers each week and posted many record-breaking weeks in terms of entry fees. While speculation continues to surround the future of fantasy sports sites, it would appear that, for now, the sites are comfortable with their advertising strategy, especially given the positive reviews of the products and significant demand for them.

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Once a user is acquired, special care should be taken when directly targeting them via e-mail or in app/SMS messaging, as consumers can quickly tire of direct communications. A robust communication preference center is essential for enabling core customers to adjust the volume. The best bet is to have a consistent sense of how customers are reacting to your communications. A balanced measurement method of acquisition, churn and engagement will enable you to better understand the story behind the data.



Protect Data and Secure Your House

Data security breaches have affected many well-regarded companies. In 2014, the very unfortunate hack at Sony Pictures reminded the industry that customer trust is hard to win, and easily lost.

To start, find a partner with an established track record and strong industry reputation. However, often a good partner may not be enough, as many of the most common issues in recent years have had less to do with technology or security gaps and more to do with failures regarding security training or institutionalized protocols. In some cases a “one-size-fits-all” security approach works. In others, complex security policies and security architectures may make more sense.

Measure the volume and frequency of incidents over time to better define and evaluate security processes as your business divisions and teams evolve.

Multifactor authentication is a great practice for protecting data, whereas storing passwords in Excel sheets is not. In other words, if your security system becomes so complex that it directly inhibits employees’ ability to do their work, they will find a way around it – security notwithstanding. Therefore, design with end users in mind, using detailed requirements sessions and security workshops that are routinely revisited. It is especially important to measure the volume and frequency of incidents over time to better define and evaluate security processes as your business divisions and teams evolve.



Carefully Align Vendors/Platforms with the IT Foundation

Not too long ago, a studio exec told us, “It’s easier to ask me what BI and analytics tool I *don’t* have since the list is much shorter.” With the very crowded and fragmented market that has developed over the years, the variety of vendors and strategic partners emerging in the analytics and business intelligence spaces can be overwhelming. In building your program, it’s very important to clearly define your expectations for any new partner, using a variety of measurable and comparable categories (technology, support, cloud, training, etc.).

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Across motion picture studios, we’ve seen different departments use the same tool with entirely different account management teams (and often in very different ways). A little collaboration can go a long way in driving efficiency and best practices. Using a rubric to measure vendors and strategic partners can prove invaluable when drafting requests for proposals, not to mention more direct meetings with technology partners at conferences and events.

Additional questions to ask a potential partner include:

- What is the company’s product roadmap?
- Is there any talk of acquisition?
- Is the company engaging with any other clients in your industry?

Remember, the best technology vendors are those that act as strategic partners.



Avoid Rushing to the Perfect End-Solution by Starting Small and Iterating with Pilot Initiatives

“Just find me the data that supports our decision.” Sound familiar? It can be frustrating when the data the team has worked so hard to develop and understand does not return expected results to support the current strategy. However, this is the point of a data strategy – to understand the reality of the business case, not to support a pre-determined conclusion. Data operates in an agile state of mind – it throws curveballs that often lead to unimaginable insights.

With this in mind, it is advantageous to operate in a way in which *data drives strategy*. Start small: Understand the information flowing in, create hypotheses, test, iterate and – with the new findings in hand – iterate again. Initially,

most hypotheses will lead to more questions. However, by applying a structured process to your line of investigation, these questions will lead to the answers that end up becoming the foundation of your analytical model.

For social conversation, many of our clients start with Twitter; analyzing the conversation around an upcoming film, game or show is much easier when each comment is 140 characters or fewer (although that may change in the near future), not to mention the massive trove of historical data that exists for building training sets. By attacking this single platform with its condensed messages, you can refine your approach, realize immediate results and better understand the nature of your audience before diving into more lengthy articles, blogs and other media. These pilot test cases will lead your team to new and unexpected sources of truth and to discard prized data sets for heretofore undiscovered sources of insight.

Looking Ahead

As the growth of data, analytics vendors, security risks and consumer touchpoints washes over the M&E landscape, it is becoming increasingly vital to observe best practices to create standard operating procedures to remain competitive. Along with the challenges, the big data revolution also introduces substantial opportunity for film studios, broadcasters and other media companies to understand their consumer base and develop campaigns that efficiently target their markets.

While the final impact of big data on media remains to be seen, past experiences can serve to establish current and future best practices that define and advance a data-driven strategy.

About the Authors

Alex Akers is a Senior Consultant within Cognizant's Business Consulting's Media and Entertainment Practice. Over the past five years, Alex has led engagements for many of the major motion picture studios, often working between business and technology teams to deliver transformative digital initiatives. A self-proclaimed wearer of many hats, his primary areas of focus include digital media and technology, marketing analytics, process analysis, and the customer journey. Alex holds a BA from the University of California, Los Angeles. He can be reached at Alex.Akers@cognizant.com.

Kurt Stuve is a Senior Consultant in Cognizant Business Consulting's Media and Entertainment Practice, and is focused on technology strategy and digital product development for film studios, television networks and media broadcasters. Prior to joining Cognizant, he worked in technical operations for video post-production, specializing in evolving technologies and digital workflows. He is an Associate Member of the Television Academy in the Interactive Media Peer Group, and holds a bachelor's degree in philosophy from Boston University and an MBA and Business of Entertainment certificate from the University of Southern California. Kurt can be reached at Kurt.Stuve@cognizant.com.

Jason Ott is a Senior Consultant within Cognizant Business Consulting's Media and Entertainment Practice. He has 12 years of experience working on both the creative and corporate sides of the entertainment divide, and in that time has worked with four of the major studios. He holds a BS in Theatre from Northwestern University and an MBA from the University of Southern California. Jason's main areas of focus include business innovation, business intelligence, analytics and growth strategy. He can be reached at Jason.Ott@cognizant.com.

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Cognizant

World Headquarters

500 Frank W. Burr Blvd.
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277
Email: inquiry@cognizant.com

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102
Email: infouk@cognizant.com

India Operations Headquarters

#5/535, Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060
Email: inquiryindia@cognizant.com