



Accelerating the marketplace

As new technologies accelerate how supply and demand intersect in all industries, the dynamics of media and entertainment (M&E) marketplaces – for both consumers and advertisers – are becoming “superfluid,” placing new pressures on all parts of the ecosystem to move more quickly. The dynamics of programmatic transactions are now expanding to other aspects of the business, which increasingly embrace data and automation. As digital dynamics are increasingly infused into all media (even traditional), the opportunities to accelerate superfluidity will continue to grow.

Tech accelerates superfluidity

“Superfluidity,” a term borrowed from physics, in essence is about frictionless interactions, in this case between all players in the M&E ecosystem. Because of the ease and speed with which products were digitized, media content was at the vanguard of realizing a superfluid reality. It results in lower transaction costs, simplified payments, frictionless interactions and geographic borders becoming less relevant.

It is clear how, like so many innovations in this era of disruption, superfluidity is powered by technology – cloud storage delivers infinite scale, exponentially faster processing performance is amplified by artificial intelligence (AI) and machine learning, the supply chain is digitized, new interfaces are enabled by voice and data, and the potential of blockchain illustrates innovations in payments and highlights how much further disruption is likely.

Industry implications

Superfluidity changes how markets operate, in many instances disintermediating existing relationships: for example, the rise of programmatic advertising or the discovery of new creative talent via social media. From a consumer perspective, the evolution of digital content streaming gave rise to new, digitally native disrupters in video, music and other M&E sectors. The

second implication is a consequence of the first. Superfluidity changes the nature of M&E companies. It refocuses the enterprise toward value creation instead of efficiency, and it emphasizes the ecosystem rather than traditional linear value chains.

Superfluid M&E

Among M&E subsectors, nowhere is superfluidity more evident than in advertising sales. The ease of interaction has spawned new platforms, exchanges and marketplaces that quickly aggregated both supply and demand. Global technology giants are illustrative of this change and concentration. Yet, the same is true in other M&E subsectors where new supply dynamics enable media publishers and content producers to reach infinitely greater numbers of consumers. Over-the-top (OTT) providers boast of how many countries in which they operate. Their ability to connect global supply and demand breaks down borders and enables multinational media companies to become aggregators of content and services as well as facilitators of global transactions.

The upside of superfluidity

Throughout M&E, superfluidity is bringing about a new level of intimacy where companies and consumers are able to “communicate” with each other. By

knowing more about their consumers, M&E companies can quickly reassign resources to the best sales channels, optimizing sales and eliminating excess capacity by linking demand directly to supply. They can innovate products and services throughout the product cycle and in real time, creating everything in-flight, including windowing, playlists, content recommendations, ad campaigns and even pricing.

Data is the oil of the superfluid engine

To excel in a superfluid marketplace, M&E companies continually need to question the capability of their data management platforms. These need to be flexible and dynamic to manage their first- and third-party data and to be connected directly into their marketplaces. They also each need to establish a single organization-wide view of the customer and to leverage that understanding through excellence in predictive analytics.



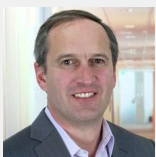
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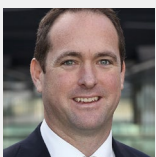
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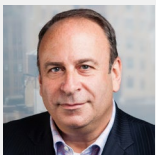
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