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IBM and IBC Report: Increased Viewing of Mobile Video Content is Driving Consumer Demand for Better Content Experiences

- More than half of consumers watch videos on mobile devices - expected to grow 45 percent in three years
- 92 percent of media and entertainment executives say cognitive will play an important role in the future of their business

ARMONK, N.Y., and AMSTERDAM, Sept. 14, 2017 /[PRNewswire](#)/ -- Digital video consumption is viral and, according to a new study released today by IBM (NYSE: [IBM](#)) and International Broadcasting Convention (IBC), more than half of the 21,000 consumers surveyed are using mobiles every day to watch streaming videos, and that number is expected to grow 45 percent in the next three years.

Today, the explosive growth of new digital content available via online video distribution networks such as YouTube competes directly with traditional broadcasting creating a new connected landscape with data at the center. With this shift in industry competition, media and entertainment companies aim to maximize content investment and return while providing a differentiated and exceptional customer experience. Ninety-two percent of surveyed media and entertainment executives say cognitive technologies will play an important role in the future of their business.

Released this week at IBC's annual conference, the "[Creating a 'living' media partner for your consumers: A cognitive future for media and entertainment](#)" study, conducted by the IBM Institute for Business Value, is based on findings from two studies. The first is a survey of nearly 21,000 consumers in 42 countries about their video consumption habits, and the second offers insights from 500 global media and entertainment executives about the impact of cognitive computing on their industry.

Globally, the study found 51 percent of surveyed consumers--and 67 percent in emerging markets—access free, over-the-Internet video from providers such as YouTube, Facebook and Snapchat, whereas 48 percent access video through regular subscription services from traditional pay-TV providers. Among the 55 percent of surveyed respondents who watch video regularly on mobile devices, about a quarter spend one to two hours using mobile broadband instead of WiFi. Despite consumers' drive to go mobile, many respondents say the experience leaves much to be desired. For example, 65 percent of surveyed consumers very often or regularly experience buffering problems and 62 percent have long waiting times to start a video.

Although media companies have advanced in recent years, most lag digital disruptors in the application of data, machine learning and advanced automation to deliver next-generation experiences at scale. Cognitive capabilities can play a critical role in this transformation by unlocking and interpreting previously

inaccessible data, yielding audience, content and contextual insights that can help media companies reach viewers with compelling, personalized experiences.

To deliver audience-tailored services in the moment, broadcasters must gain actionable, relevant insights from large amounts of data, leveraging advanced data tools and cognitive systems. In fact, organizations such as the All England Lawn Tennis Club who organize the Championships, [Wimbledon](#) are already using cognitive computing and artificial intelligence (AI) to create, acquire and program content, personalize services, manage advertising inventory management, streamline production and enhance staff productivity.

Cognitive tools can also be applied to interpret video and audio content in terms of sentiment and automating the identification of key moments of interest. Applied at major events such as the Masters and [the U.S. Open](#), these tools help streamline the editing process and support customization at scale to better serve individual fan interests.

"The proliferation of video platforms and services are enabling more dynamic social, short-form, and immersive content formats that creates cross-platform competition for traditional licensed and original content," says Michael Crimp, CEO, IBC. "This is a challenge for advertisers and content providers to reach target audiences with relevant, personalized offerings and messages--to succeed they need to embrace technologies and innovations in the marketplace, such as cognitive computing."

"With an ever-increasing array of devices and over-the-top direct-to-consumer platforms, connected consumers are now clearly demanding high quality and personalized anytime, anywhere content experiences," said Steven Canepa, Managing Director, Global Telecommunications, Media & Entertainment Industry, IBM. "The challenge is to use the data emanating from this connectedness for competitive advantage. Cognitive computing allows media companies to better understand their audiences, to enhance customer choice and engagement, and to derive the insights necessary to better connect the right content with the right audience member."

With the rapid evolution of customer preferences and demands, media companies face immense pressure in a hyper-competitive market. The IBV and IBC recommend organizations embrace the opportunities that the marketplace is currently presenting by:

- **Applying cognitive technology to achieve personalization.** Delighting and engaging each individual consumer by understanding the personalized, in-the-moment experiences each customer craves is critical. Cognitive applications in media and entertainment can help do just that, by delivering audience insights and content enrichment, as well as content prediction to create a compelling customer experience based on audience preferences, affinities and tastes.
- **Revamping infrastructure to meet the coming demands.** Moving from several hundred channels to several million "cable channels for one" that predict and serve individual needs in real time will require

much more flexible and scalable processes. Companies will need to implement hyperscalable systems to manage the ever-expanding data processing necessary to analyze, personalize, and distribute video content. Such a platform must be scalable to accommodate growth, resilient to support uninterrupted service and secure to manage identities and protect valuable assets. Content value chains —from acquisition through production to distribution —need to be unified, requiring workflow automation, which must consider the media content, associated rights and technical and descriptive metadata. Media workflow systems must monitor system infrastructure, the location of content and distribution channel characteristics. By applying cognitive methods to both audience insights and content distribution, media companies can create an architecture that scales automatically based on predictions of audience demands and peak loads, helping to match costs and resources dynamically to changing market conditions and business or operational needs.

- **Reengineering business models to profit from in the new media landscape.** Media companies will need to make backend systems and processes more intelligent to fully monetize the new opportunities while cutting costs and refocusing investment on content and customer experience. As media companies look to the future, those that apply data to optimize revenues and costs and strip out non-core activities will free up funds to reinvest in content and enabling technologies, driving further growth and success. Emerging technologies like cognitive solutions and blockchain may play a key role in that future. Industry leaders will be those who can institutionalize such capabilities as part of their Digital Reinvention efforts and focus their companies on investing in great content and delivering superior customer experiences.

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