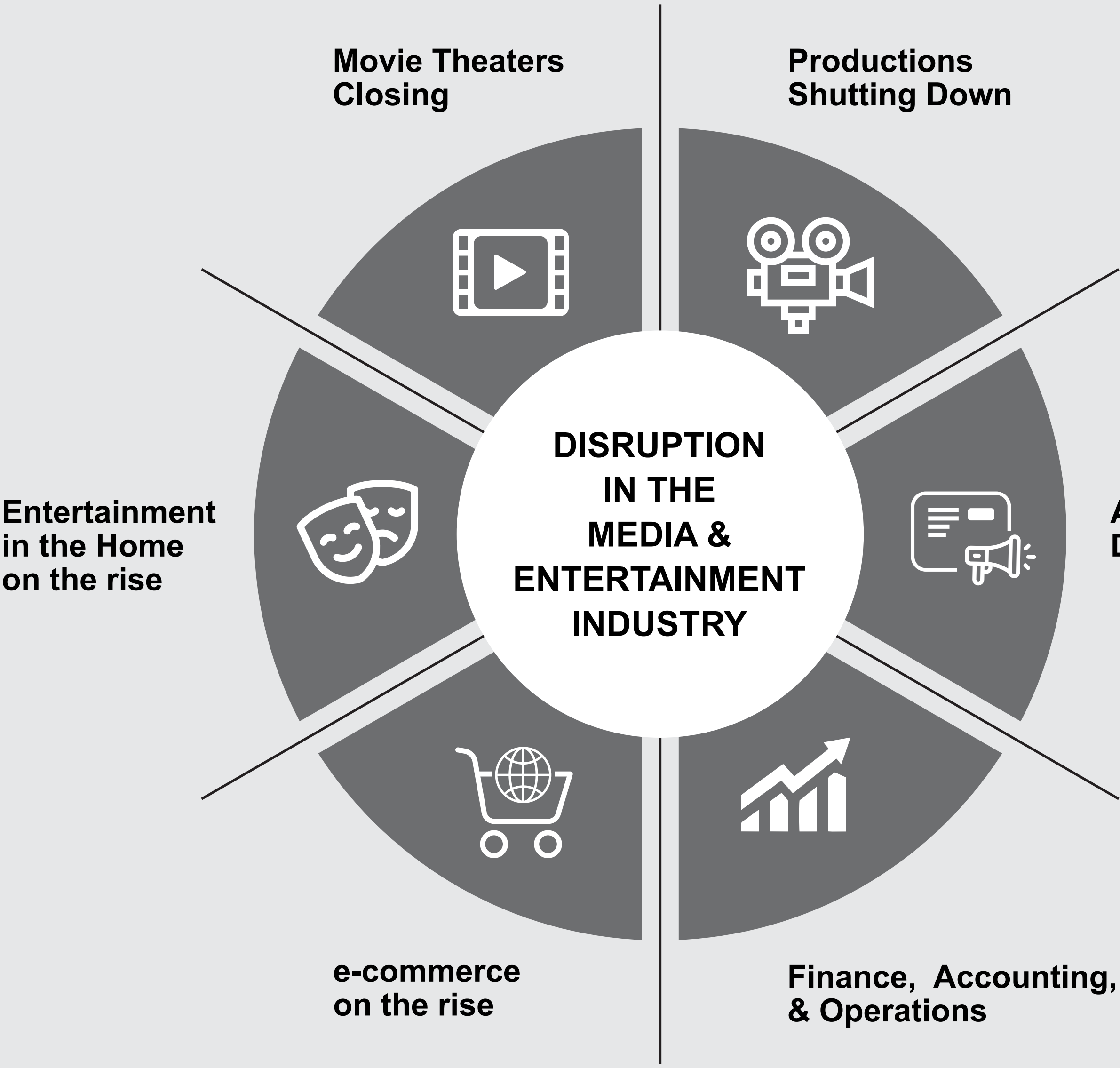
IMPACT OF COVID-19 ON MEDIA & ENTERTAINMENT INDUSTRY

A look into how the industry is reacting to Covid-19 in the immediate future; The rise of new disruptors; and adapting to the new normal

Executive Overview

The impact of COVID-19 on the Media and Entertainment (M&E) industry is felt as business disrupts at a scale and speed that is unprecedented. Many of the services offered by our industry have sharply diminished or even halted, while other services are booming in ways never expected. In all cases, every business process, product, and consumer segment served by the M&E industry has been impacted by the onset of this global pandemic in some way.

In this report, we will focus on six examples of disruption in the M&E industry, and give a perspective on how businesses are likely going to respond to these disruptions:



The premise of this report is that Digital Transformation – often considered to be a secondary strategic business goal – is suddenly brought into sharp relevance, and needs to become a top priority with the onset of the COVID-19 crisis. The fundamental purpose of Digital Transformation is to enable a company to react quickly to changing business and market conditions – rapidly and at scale. **M&E firms that take advantage of emerging or already built digital capabilities** will be in the best position to emerge as leaders in the post-COVID-19 era.

In the 2018 Forbes Digital 100 list, Tech Mahindra ranked 15th - the top non-US company in the list! Our leadership team has a strong focus on building solutions to help our clients, our industry, and our society to fight this COVID-19 crisis and emerge as strong as possible. Our goal in this report is to share our observations regarding the immediate impact of COVID-19, and project what the best industry responses will be in the near and distant future.

The **six impact areas** are presented in this report as self-contained modules. We invite the reader to jump directly to the areas that they find most relevant. For each of the impact areas, we found that companies will need to address three planning horizons simultaneously. **Immediate Response** demands will be experienced in parallel with **Rapidly Emerging Disruptors.** At the same time, accelerated strategic plans for **The New Normal** must be set in motion so that the execution can begin in the immediate next quarter. These planning horizons, and the business imperatives that we would expect to see in each time frame, are described as follows.

Immediate Response:
What must we do today?

M&E companies are responding in real-time to the rapidly changing situation, significant government regulations impacting businesses and consumers, and the dramatic changes in consumer behavior concerning M&E products and services. On this front, companies are responding with reactive planning and execution in less than 24 hours. Access to workforces that are now required to be remote, or already equipped for off-premises working, are a critical factor for success.

Past investments in agile digital environments (e.g., DevOps, Scalable Cloud Capacity, Virtual Networks) should be showing a pay-off as companies meet unprecedented demands and respond to the immediate need for changes to service and business models. In all cases, the demand for new analytics will be driven by the need to assess the success of these immediate response programs rapidly. For example, disruptive impacts such as the shift towards increased use of home entertainment, and the rapid shift towards online promotion and shopping will drive the need for faster development of digital products and services, and consumer analytics aimed to satisfy the new modes of consumer behavior.

Rapidly Emerging Disruptors:
What is the new “New”?

Unexpected innovation will be ignited by radically changed market conditions and consumer demands. New capabilities and business models that might have been sitting in the wings, waiting for investment and business priority, will now be propelled into reality by broad and robust demand, or the necessity to deliver to now-unreachable audiences.

These disruptors will be the platforms for the newest business models that will exist in the wake of COVID-19. Cutting edge Digital Transformation capabilities such as Consumer Digital Experience (DX/CX) design and development and adoption of emerging digital technologies like AR/VR, advanced home entertainment technology, new modes of instream and interactive advertising and new content creation and management platforms will be critical enablers for this wave of innovation.

The New Normal:
What is our accelerated strategy?

M&E businesses must immediately plan strategic changes that need to be undertaken for long term business survival and future leadership in the industry. These sweeping changes need to be executed in the oncoming quarters. Digital Transformation programs aimed at cost-optimizing the business (such as Cloud Migration, Process Automation, and Data Management Consolidation) must be maintained and accelerated to meet strategic profitability goals, but with investments that fit the reality of the new economy. Cost-effective and capable workforce partners will be a necessity for succeeding with constrained budgets in a shortened period to achieve these strategic goals.

Strategic plans that previously might have been expected to run over the course of twelve to eighteen months must now be executed in one or two quarters. The primary benefits of Digital Transformation (accelerated change and increased agility) must be considered as critical enablers.

To get the most from this report, please refer to the table of contents to navigate to the areas that you find most critical:

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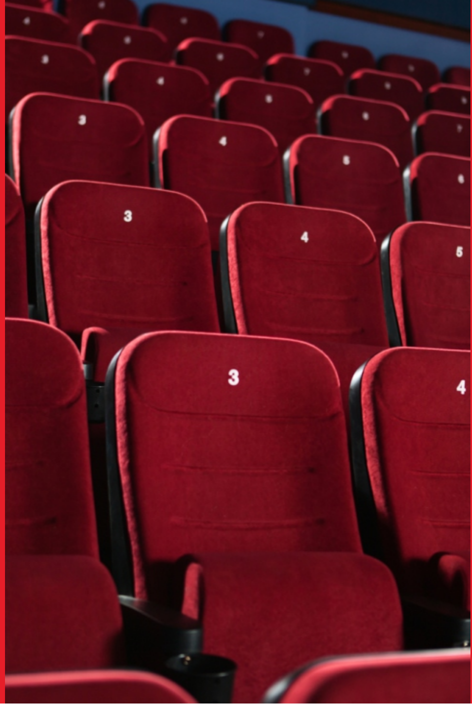


Movie Theaters Closing

COVID-19 calls for overt intelligence – and deep insights. Looking at China for clues, a region where the impact of the virus was the most advanced, is imperative. Knowing that China recently closed theaters and then reopened, but then immediately shut again speaks loudly to the rest of the world. What will the distributors in the U.S. do in the meantime is the real question at hand, and how will their decisions impact the exhibitors?

General Observations:

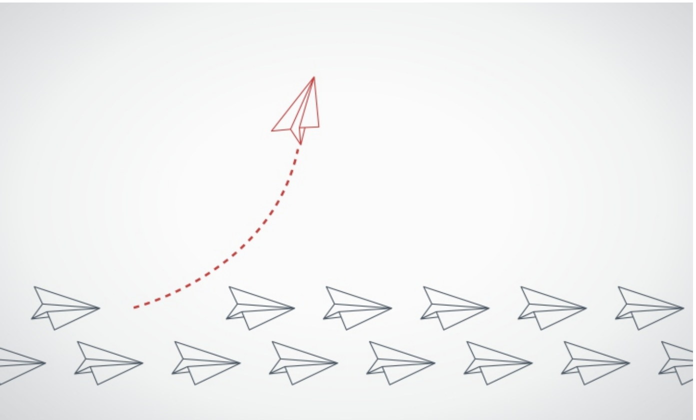
- According to the National Association of Theater Owners (NATO), the theatrical business made $15 billion a year ($11 billion in ticket sales and $4 billion in concessions) but could now go down to nothing
- Closures are drastically impacting the financial health of the box office grosses
- Government aid will likely determine the survival of theaters beyond COVID-19
- Willingness, or the positive anticipation of consumers to return to theaters is unknown
- Studios are either postponing openings or streaming VOD services to deliver major films
- NATO is asking distributors to commit to delaying launching their films until the theaters reopen
- Releases that will now be pushed to the fall might create a bottleneck and oversupply, followed by a period of low supply in 2021/2022 due to the lack of current production activity

Even though workers have been let go, theaters still have to pay rent and utilities and are looking at the possibility of bankruptcy without government aid. For instance, insiders have said that unless AMC can extract severe concessions from its landlords, a Chapter 11 filing may be hard to avoid. In a supportive move, a government loan guarantee fund was approved, which could help the big exhibitors, as well as the mom and pop cinemas, manage their fixed costs. As of April 17, there are talks of some theaters opening in smaller markets which begs the questions… "Is it too early, will people put their health at risk, will their temperature need to be taken before entering, will they stagger seating, will distributors launch films now in C and D counties rather than in the major markets?"

Immediate Response

The immediate and right response to protect the public was to close the US theaters. This quickly reached the point that all cinemas shut down, causing an estimated 150,000 workers to be furloughed or let go entirely. Advertising campaigns for upcoming films were halted, having a distinct effect on the entertainment category of the advertising industry (discussed later in this report). In a radical response – enabled by the existence of digital delivery channels, studios such as Universal and Lionsgate, launched a few first-run films in-home destined originally for theater debut.

Rapidly Emerging Disruptors



As expected in the spring season, the annual slate of films is filled with the much-anticipated tentpoles that have been promoted for some time now. Methods to sell and deliver these very high-value blockbuster films to strong audiences – enabled by Digital Transformation technologies – will emerge as alternatives to theater attendance. This delivery model could accelerate in adoption to the point of no return unless the theater industry determines how to counter with a comprehensive and compelling plan to bring audiences back to the big screen.

In response to this, theaters who adopt emerging technologies, such as AR/VR-enabled "experience zones," could create a unique differentiator to draw back audiences when they are allowed to leave their homes. The most aggressive strategies will involve reaching into the homes to engage audiences where they are, and then bridge them back when the time comes to provide the ultimate experience in the theater.

The New Normal

The entire movie business is feeling the pressure and could struggle if COVID-19 conditions last longer than expected. Given the financial and production challenges (treated elsewhere in this report), there will be fewer films ready for 2021/2022 and possibly fewer theaters. When theaters open again, the new business models that have been created as "emerging disruptors" are likely to persist. Companies who have embraced the changes enabled by Digital Transformation are likely to have a strong strategic advantage in this New Normal era.

Once the theaters reopen, the question arises, will streaming theatrical releases the same day they're in theaters become the new normal? Most likely not, especially if the theaters have anything to do with that decision. When this is all over, and screens are back up and running, people will be craving for social interaction, which will be the strong driver for a return to the theater. The theaters offering the most positivity-differentiated experiences for these returning audiences will capture the lead in the New Normal.

Productions Shutting Down

As the production world shuts down, so do the pilots for fall, mid-season replacements, the new slate for 2021, and the compensation for a large portion of the industry. However, there is good news as there are still projects underway using remote capabilities. The word "remote" will undoubtedly become the new buzzword in Hollywood!

General Observations:

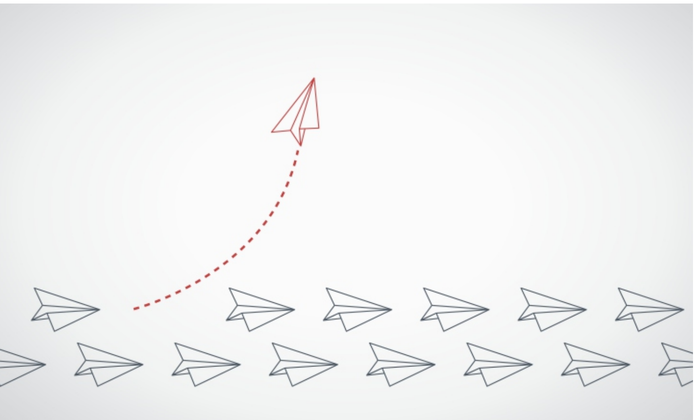
- As of March 18, an estimated 120,000 below-the-line entertainment industry. Shortly after that, with the TV shows and movies coming to a halt, tens of thousands of people have now lost their jobs
- The current lack of production could make 2021's pipeline look dismal let alone this fall
- Even film festivals that try to go online will have fewer films, or no films at all
- Post-production companies are turning to cloud-based and other remote production capabilities to help filmmakers continue their work and collaborate with their team while self-quarantined
- Chinese production coming back online shows signs of recovery, but it'll be inhibited by the production shutdown in entertainment and stagnation of the hospitality industry
- It is critical that the entertainment industry is included in the federal relief package

Immediate Response

The Media and Entertainment industry's response to the COVID-19 impacts in this area are positive indicators for success in continuing and restoring production. The use of remote collaboration tools had been steadily increasing before the pandemic, and will accelerate as the industry figures out how to produce content post-COVID19. This is also a time for the writers to do their best creative work as they hunker down at home using readily available collaboration tools to simulate a writer's room. As viewing is up, the night-time talk show hosts are taping from home, which offers a new type of content that is being widely embraced by the consumers. This takes user-generated content (UGC) to another level and establishes a new norm.

AT&T's Warner Media CEO John Stankey committed to more than $100 million to fund production crews. Also, Sony announced a $100 million relief fund to benefit those around the world most affected by the pandemic, including musicians, music industry professionals, and other creative communities. Netflix has also created a $100 million relief fund to help members of the creative community with the bulk of the funds going towards supporting laid-off crew members.

Rapidly Emerging Disruptors



Innovation around the consumption of cloud technologies will be one of the key aspects of digital transformation. With this, creativity will not be limited to a specific geography or location, but talent can be assembled anywhere and everywhere. Also, cloud services will enable everything from transporting high-resolution files to reviewing footage to editing, to color grading, to sound post-production. In the production process, the ability to securely transmit, view, and annotate content is available today, and will only improve as demand surges.

Advances in post-production technology have been disrupting this traditionally human-centric business process. These new capabilities will be adopted more aggressively due to the volume of content and the finite limits in the current personnel-based models. These technologies address processes from encoding, conforming content, meeting broadcaster and streamer requirements, etc.

Production companies are being creative with new formats that can be produced in a more virtual, remote environment. For example, Fox/FS1 is broadcasting a "season" of virtual races that pit current, past, and the rising stars of NASCAR drivers against each other on the simulation racing platform, iRacing.

Artificial Intelligence (AI) and Machine Learning (ML) will also emerge as a mainstream technology for post-production. As an example, AI/ML will be used to generate metadata, and scouring content will ensure it meets the censorship requirements of any given country.

The New Normal

The COVID-19 pandemic will accelerate the use of technology to facilitate the new production and post-production models. As these technologies become more widely accepted, the new model will prove to be more resilient and efficient. This New Normal will further facilitate untapped creatives to produce content, bringing much-needed diversity and will ultimately increase the amount of finished product.

As in all the Media and Entertainment fields that we are considering in this report, Digital Transformation capabilities in the area of consumer analytics will ensure that decisions to create content will be tightly connected to in-depth insights on consumer preferences. Real-time feedback is available to measure consumer response to film previews, social sentiment, and in-home consumption patterns. Third-party data can be integrated into the analysis to look into unexplored segments, and to find and evaluate indirectly influencing factors.

As we can already see, new remote production capabilities are already changing the type of content/ format that consumers are interested in viewing. It will be interesting to see how it all pans out in the future.

Home Entertainment on the Rise:

There is good news! Streaming services and the broadcast networks are potentially one of the very few sectors that are set to withstand or even benefit from the coronavirus as it continues to spread.

General Observations:

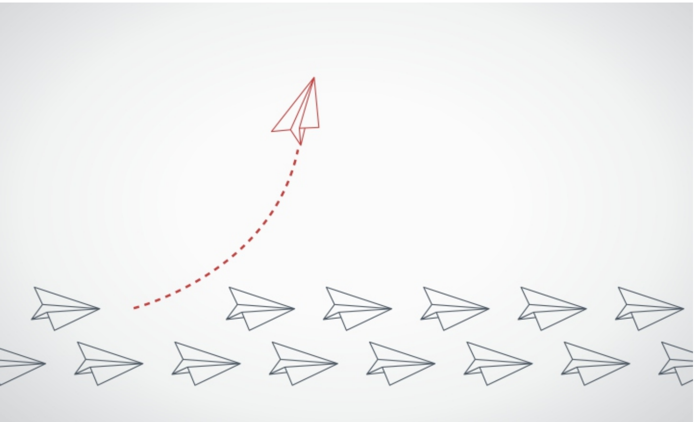
- In-home viewing is on the rise on multiple devices and various distribution outlets
- TV viewership growth is at an all-time high for News (298%) and Movies (56%), according to Nielsen - the week starting March 21 compared to Jan 11-Jan 31
- Over the first three weeks of March 2020, the total estimated number of minutes streamed to the TV was 400 billion, up 85% compared to the comparable three week period in 2019, according to an analysis by Nielsen Global Media
- Overall, 30% of US consumers subscribe to three or more video streaming services
- Netflix's YoY subscription growth in US/Canada is now expected to reach more than double as compared to the previous estimates
- Network TV ratings will spike again to shock everyone until they start running reruns and when there are only a limited number of pilots for the fall
- All of this activity will spike the internet data consumption, and there are worries about the internet speeds that could take a hit
- COAI Cellular Operators Association of India are asking Hotstar, Netflix, Amazon, etc. to request streaming content in Standard Definition vs. High Definition

Immediate Response

The streaming wars have been going on for some time now, but with COVID-19, stay-at-home has become a way of life. Home entertainment and news consumption is at an all-time high. CNN is even up by 167% in primetime since March 9. All viewing options will be competing more than ever. A decisive plan for a top-notch Content Recommendation Engine with 1st, 2nd, and 3rd party data capturing the attention of new subscribers is the need of the hour.

Advanced AI/ML-based operational analytics - to predict and mitigate the impact of spiking consumer demand viewing quality, is going to be of paramount importance. Dynamic cloud resource allocation can help ease demand spikes, but optimized cloud allocation cost control must be implemented to prevent run-away operational costs.

Rapidly Emerging Disruptors



With the upcoming launch of two more disruptors, HBO Max and NBC's Peacock, the technology teams from these respective firms have had to work through unprecedented times, from home. In parallel, significant shifts in marketing efforts are undertaken to reach subscribers via innovative means. To take the content recommendation engine up a notch and developing other personalization products tapping more into consumers' interests will also prove to be necessary. Being nimble and responsive during these times is paramount. For example, Netflix allows you to download titles onto your PC and watch offline – an innovative way to ease network bandwidth issues. Another example is the film distributors who are launching selected motion pictures on OTT/VOD.

The New Normal

While streaming providers ramp up offerings and consumers ramp up consumption, IP carriers will inevitably respond by increasing distribution bandwidth. The technologies that came with Digital Transformation will provide dynamic network configuration and bandwidth allocation to meet shifting demands. Networks and consumers who are already equipped for 5G will immediately be reaping the benefits of the highest possible bandwidth, driving 5G adoption at a highly accelerated rate.

Advertising Disrupted

Immediate observations would indicate a downward impact on advertising. Leading indicators show the magnitude of effects on categories that are immediately hit.

General Observations:

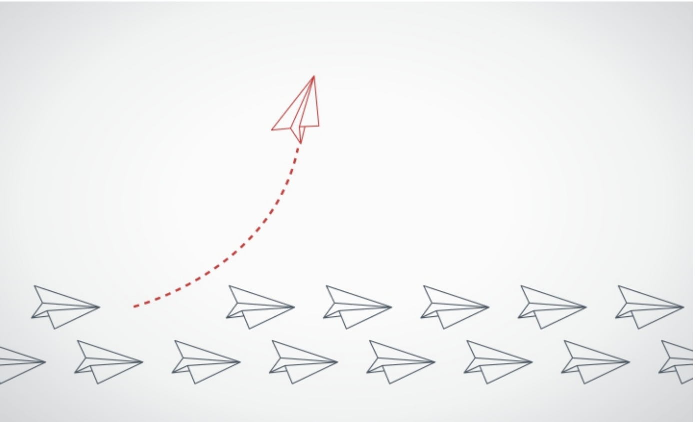
- Sectors such as entertainment and retail show immediate declines as normal consumer outlets are closed
- Reduced or delayed plans for new manufactured products might dampen the competitive drive for advertising
- Major events such as the Olympics are delayed, removing large ad spend based on predictable audience spikes
- Product ad spending is being shifted to public service purposes (e.g., Coke reallocation and regulation in India)
- Postponement or the cancelation of New fronts and Upfront events, coupled with the disruption of new show production, will upset the seasonal dynamic of the advertising trade

However, there are offsetting factors that are already at work that point to a new value of advertising. Audiences for all forms of electronic media are at all-time highs, including broadcast TV, online digital, and social media. Consumer segmentation is shifting as all demographic groups are forced to stay near home and are dependent on electronic channels for shopping, purchasing, and planning. The heightened demand for real-time and relevant news has revitalized outlets such as local broadcast TV.

Immediate Response

Companies that have pulled back from the current advertising environment need to be moving to the best use of media for the Emerging and New Normal horizons. Campaign messaging will shift to themes such as home and family to build brand loyalty. Companies who have made AI/ML part of their Digital Transformation programs should already be reacting to the shifts in their machine learning algorithms and making the most use of AI/ML-driven campaign automation. Changes in consumer behavior will be immediately recognized by these models, adjusting the priority of various campaign messaging and demographic targets to meet rapidly shifting consumer conditions.

Rapidly Emerging Disruptors



New modes of highly engaging digital advertising will now have a larger and more engaged consumer base. Emerging technologies such as in-stream commerce will engage consumers who have been disrupted in their buying patterns and are currently seeking knowledge of the products and channels that they need to use to match their altered lifestyle.

Effective advertising will leverage the opportunity to engage the consumers in learning and activities while considering product purchases. Advanced media, such as Augmented and Virtual reality (AR/VR), will find stronger audiences and relevant applications. This will be immediately useful to implement virtual shopping and product exploration. Fully-engaging advertising modalities will gain a definite advantage over passive exposure advertising as the audience has more time and a higher interest in interacting with advertising. Companies that have these advanced advertising methods in development and Adtech/Martech solutions as part of their Digital Transformation roadmap will be in the best position to launch into this opportunity and to capture a lead in share of voice.

The New Normal

Businesses that have been disrupted by the immediate loss of major product categories and audiences will be planning for recovery in a new economic environment, addressing radically modified consumer behaviors and new media channels.

Plans for new campaign strategies must be determined and executed quickly, in weeks rather than in seasons. Predictive modeling used to 'game' and validate expected consumer response will be critical to the successful execution of these strategies, as market conditions for which there is no baseline experience will have to be considered.

Companies who have built a robust platform for automation, and are leveraging AI/ML technologies will find an increased and critical demand for both the technology and people resources. Data Scientists to develop new predictive models and Data Engineers to process and churn data to derive insights will be in critical demand. Partners supplying elastic cloud-based capacity and efficient data science staffing models will be vital to enable companies to accelerate to the lead position in The New Normal.

e-commerce on the Rise

A quick attempt to purchase a few household items on Amazon during the height of the COVID-19 crisis shows, as expected, that most items are out of stock. Availability is equally low on other online shopping portals such as Target and Walmart. It is evident that COVID-19 is changing the e-commerce buying behavior, driving crushing traffic to online retail sites of all sizes.

Since the coronavirus pandemic began, online sales have increased by 52% year on year, and the number of online shoppers by 8.8% with that number growing daily.

The e-commerce giant Amazon will hire 100,000 additional employees in the US to meet the increased demand. There is a significant rise in online shopping since most of the stores are shut down. Some interesting highlights:

- 20% jump in digital purchasing power
- In-store -pick-up has risen by about 62%
- Sales for fitness equipment has surged by 55%
- Groceries as a percentage of total sales has gone up from 6% to 8%
- Hand sanitizer, gloves, masks sales have jumped 807%, whereas toilet paper sales are up 231%

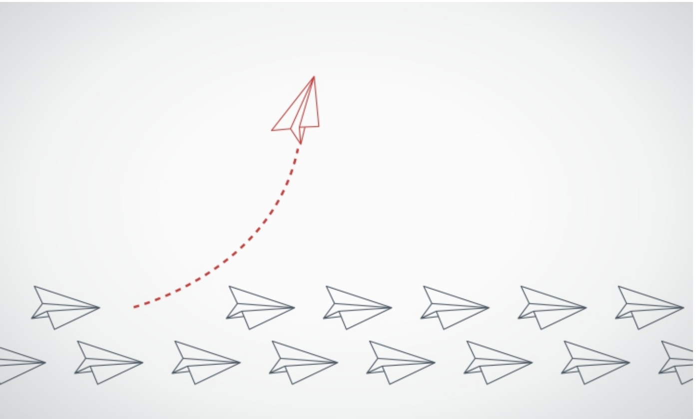
It is clear – to keep up with the surge in demand for several categories, the retail merchants will have to change the way they have been operating today. For example, Lululemon recently announced its plans to step up its technology and omnichannel efforts as its physical stores in North America and Europe remain closed due to the COVID-19 pandemic.

Immediate Response

Many companies have decreased ad spend, and are switching from acquisition to retention-based tactics and adjusting their brand communications to reflect their empathy towards their communities. While an overwhelming 72% believe the economy will worsen in the next 12 months, data shows people who buy groceries and general goods online are likely going to buy 30% more in the next 12 months. But it's important to note that the increase in sales will be centered around key essentials, at least in the near future.

New retail delivery modes must be implemented with lighting speed, leveraging Digital Transformation capabilities for e-commerce that were in place before the pandemic. For example, BestBuy has moved totally to an online order and curbside, "contactless" fulfillment model at its brick-and-mortar stores – a radical process change that was implemented within hours of seeing government mandates to close non-essential retails stores.

Rapidly Emerging Disruptors



From history, we can see that the SARS crisis was often credited with accelerating the adoption of e-commerce in China. On those lines, some firms in e-commerce are already getting ahead of this disruption. Looking to China for leading examples of radical and rapid change, we find the example of Master Kong, a leading instant noodle and beverage producer. They used real-time insights from operational analytics, and reviewed market dynamics on a daily basis to reprioritize efforts regularly. It anticipated hoarding and stock-outs, and it tilted its focus away from offline, large retail channels to O2O (online-to-offline), e-commerce, and smaller stores. All e-commerce firms will get an obvious boost from the stay-at-home mandates.

This lift should be very evident, and should be sustained in the long term, in high engagement commerce models typically used by the "digitally native vertical brands" (DNVBs). The DNVB websites often host at-home activities such as cooking, exercise, and do-it-yourself hobbies as a free engagement offering, while selling related high-end products to the participants. Since these companies also typically have private vertical supply chains for their focused product lines, they should be less impacted by shortages as they fulfill orders for their products to more focused consumer bases. With limited product lines, the DNVBs will be in the best position to offer new engagement technologies such as AR/VR with the least cost, and to the greatest advantage. The success of DNVBs will be a textbook example of Digital Transformation business models thriving and growing during the COVID-19 crisis.

The New Normal

Post COVID-19, and for long term survival, e-commerce firms will make shifts in the product mix, especially with the addition of items such as proactive health-minded buying, reactive health management, pantry preparation, and quarantine prep. One of the biggest challenges to overcome will be supply chain issues. Product shortages and potentially declining consumer demand could also blunt e-commerce growth – if the economy falters or goes into recession.

The surge in online orders heaped pressure on businesses to fulfill them. In some instances, this pressure has threatened business' e-commerce operations. To mitigate these risks, we see the opportunities for companies to use Digital Transformation technologies to make strategic improvements in e-commerce: to build extensive, stable infrastructure, to achieve dynamic supply chain load balancing, and to enhance the customer experience.

Finance, Accounting, and Operations

With the COVID-19 shutdown, the impact on the Media & Entertainment Finances has been severe and complicated. The complexity is built around the impact on the different front-facing business lines. The theatrical exhibition has been shut down for what will be at least three months, with some of that revenue being made up by accelerating the licensing of theatrical products into the broadcast, cable, and direct to consumer models.

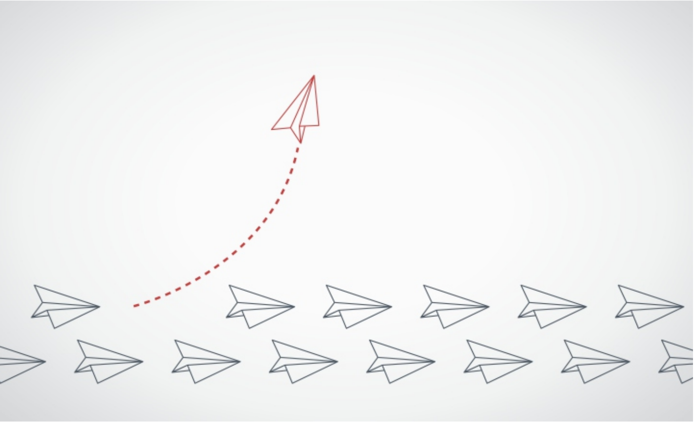
Even more impactful is the shutdown of production and post-production: figuring out how to ramp production up and understanding the capacity of internal and external post-production facilities will be vital in-studio recovery. Underlying all of this is the effort involved with looking at your supply and support chains. It is important to see if they failed and what measures are needed to shore them up to cope with future disruptions.

Immediate Response

As Finance & Accounting personnel return from isolation and begin to focus back on work, they will be met with a flood of new deliverables on top of their pre-virus load. They will need to execute on what the new financial landscape will be for their company. Immediately they will need to assess the true impact of the pandemic on the revenue and cost, above and beyond dealing with any operational backlogs. They will then need to model to what degree and at what pace the impact created by the COVID-19 shutdown will rebound and how much of any short-term upside in license sales have become the new normal.

Immediate attention will also be needed to adjust budgets, most likely to cut costs to minimize the impact of the business disruption. This will involve working from the top down and driving the appropriate reduction target into each operational area. The art of this will be to understand that some areas will have to reduce by more than the overall objective to maintain or increase work in business-critical areas. Careful consideration must also be given to understanding services and project contracts with vendor partners. Reducing numbers below a contract guarantee will reduce services while not returning any fiscal benefit. Beyond the purely financial aspects, the finance, sourcing, and operational management will have to ensure that they do not burden a trusted vendor to the point where they are out of business.

Rapidly Emerging Disruptors



Supply and Support Chains - COVID-19 has been a true test of all existing supply and support chains associated with the production, marketing, and distribution of content. Finance and accounting personnel will play an integral part in re-engineering these processes to be more resilient and to operate with less disruption in chance we face another localized, regional, or global event. One lesson learned from COVID-19 is that the pandemic ran in waves around the globe. This pattern needs to be considered when thinking about strengthening supply and support chains. Having business support models that are operating out of one location can easily put a company out of business. The business impact of this is exacerbated if major markets are returning to normal while the location of a support team is entering the peak of the virus period. Building a model with geographic diversity and redundancy is essential in surviving similar future events.

Inventory Readiness - One issue that has been highlighted during this pandemic, is the state of readiness of studio libraries. There are large percentages of existing studio content inventories that do not meet the full range of customer requirements (broadcaster, cable, or streaming). This is typically due to the cost of labor associated with formatting a given title, with meeting these ever-changing requirements. Leveraging automation and Digital Technology to perform "Just in Time" content conformance will be critical in ensuring that your complete library is able to be fully monetized.

Automation - For finance, accounting, and operations, this is the time to double down on automation. Being realistic, productivity from staff working at home is understandably lower at crisis times. Employee's time has to be split between caring for their children or parents, keeping themselves healthy, and where to buy toilet paper and sanitizing wipes. As companies re-engineer processes, it is necessary to identify candidates for automation as well as processes that are broken or are simply not needed. For example, considering the typical approval process – one question a company should explore is how many times an item is disapproved in the approval chain. Where you find the answer to be never, you probably have an unnecessary approver.

The New Normal

The importance of finance, accounting, and operations is evident, more than ever, in the monetization of content and the success of a studio, broadcaster, or streamer. After the smoke clears from the COVID-19 crisis and the New Normal starts to take shape, successful companies will be ever more diligent in ensuring a tighter and more resilient supply and support chain.

Making lasting strategic improvements in these areas will be critically important to be better prepared to face a similar event in the future. The best advice we could give is to imagine a conversation you are having with your CEO after all is said and done and business is back on track. How would you respond to "What were your mistakes?" "What were your most successful tactics?" Perhaps start there and then plan a strategy

Summary

Throughout this report, we've observed how the COVID-19 crisis has driven the need for sudden adaptation to changes in the Media and Entertainment business environment. Companies that have been investing in Digital Transformation are in the best position to affect an agile and rapid response. Emerging capabilities enabled by Digital Transformation programs in Media and Entertainment companies are suddenly brought into real relevance as consumer behavior patterns suddenly shift. Long term strategies to improve the cost and scalability of IT infrastructures are now key to the long-term survival and leadership of companies in this new economy. To recap the advantage that companies must obtain from key Digital Transformation technologies, we recommend considering the following priorities:

AI/ML and Advanced Analytics

Investments made in Big Data and AI/ML must be harnessed to get immediate insight into shifting consumer patterns. Emerging AI/ML enabled capabilities could provide an advantage that deserves immediate investment, or would be found to be a competitive threat. Advanced analytics will provide the key to predicting, testing, and proving a company's forward-looking plans to emerge as a leader in the New Normal.

Cloud Infrastructure Strategies

The move to Cloud will provide the critical capacity to scale up or to scale back, to adapt to the shifting demands from consumers. Cloud-based capabilities to work in the virtual realm must be exploited immediately. Companies who have already moved to a Cloud infrastructure must focus on making that investment come to fruition. Companies who are in the process of migrating to Cloud should double-down on that investment to get the most immediate gain in the upcoming quarters, and to emerge with optimized staffing and cost structures.

AR/VR, In-Steam Commerce, and Engaging Consumer Technologies

Emerging technologies that have been previously thought of as futuristic are suddenly relevant as consumers find more time to engage. The best of these will be adopted permanently by consumers to become part of the New Normal.

Cloud-Native Development/DevOps

Companies that have an established position in Cloud-Native development are already reaping the benefit of continuous development and deployment to rapidly adapt to the new demands and opportunities of the new consumer market. Older development methods will not withstand the pace of change driven by the COVID-19 crisis. Companies must make Cloud Native development a mainstream practice team up with partners who are equipped to undertake this with them.

CX/DX Excellence

A primary impact of COVID-19 is a shift in the 'customer journey'. Using AI/ML to understand this, using Cloud infrastructure to enable a response, using Cloud-Native development to create the new experience, sets the stage to rapidly deliver the best customer digital experience (CX/DX). Utilizing best practices in customer journey analysis and UI design, coupled with these enabling technologies, will put the Media and Entertainment Company in the best position to survive and emerge as a leader in the New Normal.

Tech Mahindra – Digital Transformation Partner

Tech Mahindra offers expertise, scale, and efficiency in all of these Digital Transformation practice areas. Our Media and Entertainment experts can align our capabilities to the most pressing and long-term needs triggered by the COVD-19 crisis.

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Sources

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