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ADVANCED ADVERTISING TECHNOLOGIES

IGNITING

GROWTH



As digital continues to disrupt the media industry, a slew of challenges are forcing media companies to fundamentally rethink their approach to advertising. To continue to grow, they need to be able to deliver increasingly targeted campaigns, more accurately measure campaign performance, and unearth deeper insights about their inventory and audiences to generate a higher return from their properties.

New tools are helping. For instance, a growing number of media companies are using advanced analytics to reshape their advertising to better meet the needs of marketers and compete more effectively with alternate digital channels—and in the process, substantially boost ad revenues and margins.

But there's even more on the horizon that promises to create compelling new opportunities for media companies and their advertisers. Senior Accenture consultants have identified two particularly influential advancements that will help define the next generation of digital advertising:



ARTIFICIAL INTELLIGENCE

A collection of multiple scientific disciplines, supported by technologies, that enables machines to sense, comprehend and act—and learn, either on their own or to augment human activities.



VIRTUAL REALITY

Technologies that replicate images, sounds and other sensations found in a real environment (or create a new or imaginary one), and simulate a user's physical presence in this environment.

As these two advancements take hold, forward-thinking media companies will embrace them to dramatically enhance the advertising experience, substantially boost ad performance, and drive robust sales for themselves and advertisers alike.

MACHINE LEARNING

ARTIFICIAL INTELLIGENCE'S COMING OF AGE

Artificial Intelligence is not new. But it's only recently that the media industry has begun to recognize the potential in new AI systems that can sense, comprehend, act and learn.

By extending the capabilities of what either humans or machines can do on their own, AI may become the most disruptive emerging technology on the horizon. It will create remarkable new opportunities for media organizations, their advertisers, and their audiences.

An important branch of AI, Machine Learning, will be especially significant. Machine Learning extracts features from data to execute different predictive tasks. It can be used in many business functions where data is abundant and predictions can help streamline processes or operations, or provide

valuable insight that would be otherwise undiscovered. For example, marketers and media companies can leverage the latest Machine Learning technologies—and the vast quantities of digital data they process—to accurately predict what to sell, how to sell it, and at what price. Machine Learning also can forecast what content a media company should invest in, to whom they should show it and when, and what return that content investment will generate.

The advertising industry is just beginning to dabble with Machine Learning. But because the technology is now ready for prime time, we expect to soon see wider adoption of Machine Learning as companies recognize its potential to dramatically improve key aspects of digital advertising—and, in the process, give revenue a much-needed boost.

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One company that's benefiting from Machine Learning is M6 Group, a €1.6 billion French media company. M6 implemented a big data platform that includes Machine Learning, predictive modeling, and data visualization to find new ways to generate more revenue from big data—with a key focus on advertising.

The platform's advanced analytics capabilities enable M6 to better understand the company's audiences across all channels and digital touch points, from web to mobile. With these insights, M6 can design and deliver relevant and personalized content and services for its consumers and advertisers and more effectively monetize its data. For example, these analytics helped the company design the most effective incentives for mandatory sign-on for M6's digital services, which generated a wealth of insights for M6 to harness in driving incremental revenues.

M6's new analytics capabilities also enable the company to manage advertising yield more effectively and enhance its data forecasting capabilities to make more compelling offers to current and future advertisers. And they underpin business process reporting, data discovery and predictive/prescriptive analytics to support audience and inventory management—which drives higher advertising ROI.

M6 is just one example of how Machine Learning is making inroads into advertising—numerous other use cases exist. For example, Machine Learning can help media owners much more accurately forecast a wide range of variables, including revenue, traffic, customer profiles, price, demand, inventory availability, audience, salesperson performance, ad product, inventory type, and new product/content launch.

Using a Machine Learning inventory dashboard, decision makers can get a real-time, single view of the inventory across properties and channels. They also can gain access to accurate inventory forecasting by audience segments and manage spikes caused by special events or seasonality. This enables media companies to optimize prices, reduce response time to clients, and minimize manual activities.

And with Machine Learning, media owners can create an appropriate and data-driven price for every campaign based on the true value of inventory and customer, as well as control pricing rules and discounts the sales force can apply for each client upfront during sale negotiations—all while balancing demands along a time continuum. The result: 10 percent to 20 percent potential revenue uplift through maximized inventory sell-through at the highest price, and optimal campaign results and user engagement.

VIRTUAL REALITY

ADVERTISING IN THE NEW DIMENSION

While far less-developed than Artificial Intelligence and Machine Learning, Virtual Reality (VR) promises to be a marketer's dream.

It will enable brands to supplant “product placement” with “product immersion,” giving advertisers the opportunity to shape rich, interactive customer experiences in context in a virtual world. Limited only by creativity, the possibilities are endless.

For instance, consider how different user engagement with ads could be in a VR world. Today, all ads are flat—a picture or video—and they either interrupt the content a user is consuming or appear to the side of the content (unless it's a product placement). With VR, consumers can actually interact with an “ad,” which is especially helpful to marketers selling experiences—such as a stay at a resort or a trip to a beach—that are more difficult to convey in traditional ads. VR will enable prospective buyers to see what a resort's rooms, spas and restaurants are like, or to feel the sand between their toes and sea spray on their faces. Indeed, the whole paradigm changes: Instead of watching or listening to an ad, you physically experience it. And that's much more effective in converting prospects into buyers.

VR also could enhance the marketing of products. Giving prospects the opportunity to virtually “test drive” items before buying can create greater excitement and reduce uncertainty—thus fast-tracking actual purchases. It also can cut down significantly on returns because fewer customers will end up getting something that's not exactly what they expected.

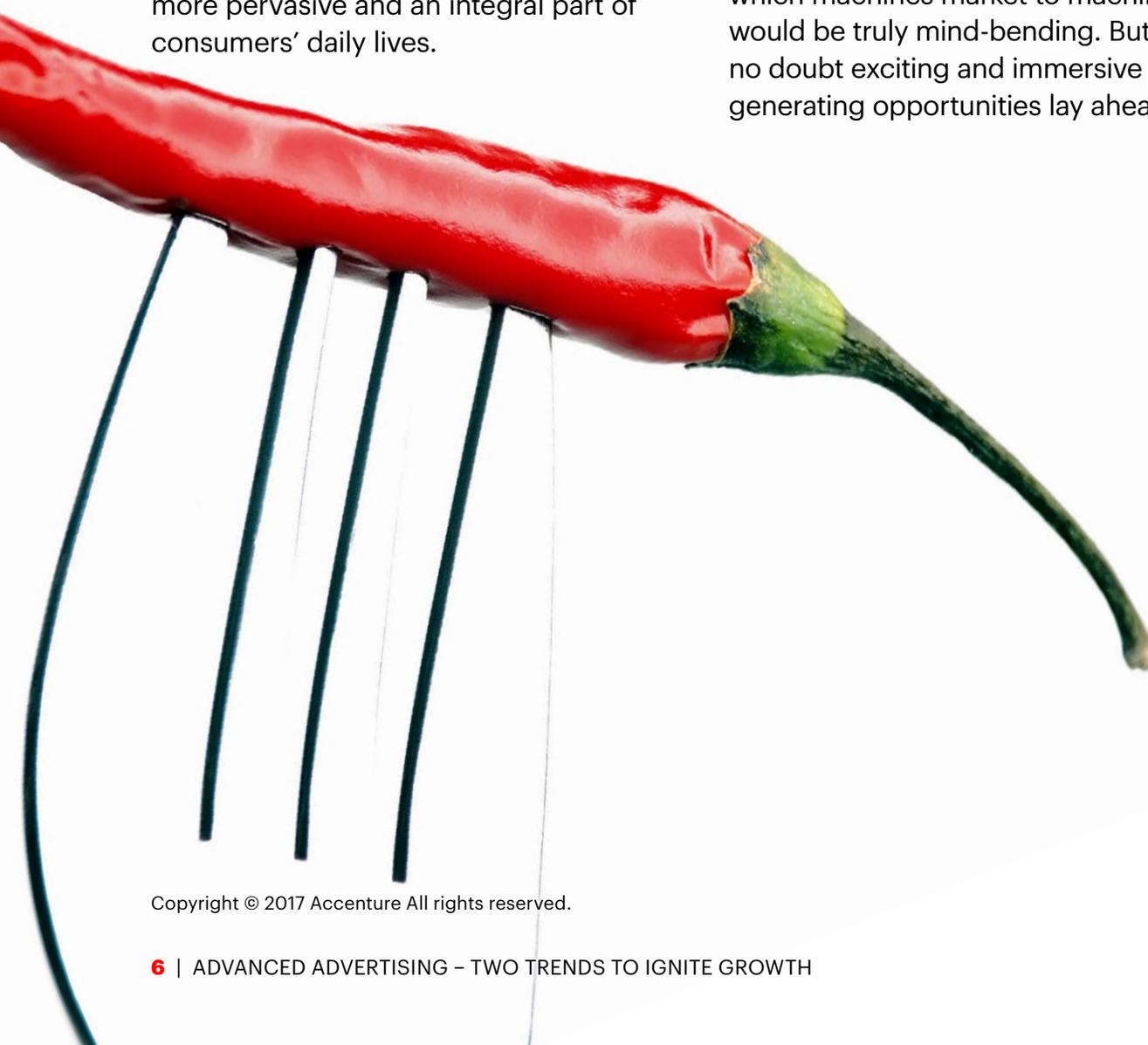
It's possible VR could eventually underpin sharing on social media. At least that's what some top social media companies have been thinking that recently invested billions of dollars in VR technology. Imagine users pinning their own virtual experiences on Pinterest, or interacting with other users or even avatars that look and feel as if you're talking to someone on the street. In this world, “word-of-mouth” advertising becomes something far more compelling: “Look at and buy what I have” advertising.

And VR could streamline commerce, which would be a boon for advertisers. For instance, an advertiser could embed in the ad a virtual sales associate that helps prospective customers find what they're looking for, and customers could pay for their purchase without ever having to leave the VR ad.

However, there's more to be done before virtual advertising becomes a plausible reality. First and foremost, the technology to bring these ads to life still needs to become commercially viable at scale. This will be an evolving, R&D-intensive journey as advertisers learn about the psychology and science behind customers' virtual advertising interactions—and adapt their approach to optimize the experience. Regardless of specific technologies that emerge or how they're used, one thing is highly likely: In the future, technology advancements will minimize users' dependency on traditional hardware—they won't need expensive headsets or high-end computers. This will make VR more pervasive and an integral part of consumers' daily lives.

At a more advanced level, VR analytics that track viewers' gaze, eye movement, and what they're looking at could give advertisers deep insights into which aspects of their products or stores customers are most attracted to—and tailor their ads accordingly. And food marketers take note: It's not a stretch to think that not far off is technology that enables users to experience taste and smell in addition to sight and sound.

No one is sure yet what the future of advertising in a virtual reality world will look like—or how it will impact ad inventories and creative processes. It's possible that we could even see a world in which machines market to machines—that would be truly mind-bending. But there's no doubt exciting and immersive revenue-generating opportunities lay ahead.



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TAKE THE LEAP INTO AN EXCITING FUTURE

As technology continues to fundamentally reshape the advertising industry, one thing is certain: The industry's players must dramatically and quickly evolve—not only to avoid being “disrupted out” of existence, but also to capitalize on the significant opportunities being created.

We've already seen in the past decade the impact digital has had on advertisers, agencies, media companies and consumers themselves. But while these impacts have been dramatic, the next 5 to 10 years promise to be even more transformative. Emerging advancements such as AI and VR—as well as those that no one has thought of yet—will create a whole new world for the advertising industry. And while that world is certain to cause some level of trepidation, it's also ripe with promise for companies that approach it with a desire to experiment and adapt, to embrace what these advancements make possible.

We believe there's an exciting future ahead for advertisers and media companies looking for new ways to engage, delight and inspire consumers. And that's fitting for an industry that, at its core, is all about creating excitement.

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