



## **NAB 2022 Transcript**

### **Future of Marketing Discussion**

#### **Greg Jensen (Managing Director, Accenture):**

Good afternoon! Welcome to a conversation on the future of marketing and media at NAB 22. My name is Greg Jensen. I'm a managing director and Accenture's media and entertainment West Coast practice. I spend my time helping media companies think through what's happening in the industry and how they can best evolve to prepare themselves and see change. Now at NAB this year, you've heard us talk a lot about the future of streaming, whether that's aggregation or knowing your customer a bit better than you have in the past, seeing the whole persona versus just what you know on your service. You've also heard us talk about the evolving advertising landscape, whether linear is changing, or a VOD subscriptions are hitting all of the streaming services. But what you haven't heard a lot about is what we see from the sea change inside of the marketing function of media companies. And so I'm delighted to have Sarah Alebachew with me this afternoon. She's a senior manager in our media and entertainment consulting practice on the West Coast. And she's here to share a bit about what she and her team have been doing from research and insights perspective around the future of marketing and media. Sarah, thank you for being here.

#### **Sarah Alebachew (Senior Manager, Accenture):**

Thanks for having me.

#### **Greg Jensen:**

I'd love for you to introduce yourself a bit more to the crew. And let them know why now is the time for CMOs in marketing teams to really think through what comes next for their function.

#### **Sarah Alebachew:**

It sounds great. Sarah Alebachew, as you mentioned. I'm a senior manager in the media practice at Accenture. So, I've worked with a lot of great media brands over the past few years. And I've witnessed their pivot to streaming. So, it's really interesting to see how marketing is such an important

function of that pivot. And it really starts with the customers. So customer expectations are shifting faster than we've ever seen before. They want you to meet them right where they are, with the content that they want to see, right when they want to see it. And that's all been accelerated with the pandemic, the shift of streaming and marketing organizations are going to have to lead that change. So, they're going to be expected to manage every single point of interaction with those consumers through this new digital journey. And so, the time to evolve is right now!

**Greg Jensen:**

I love that, the time to evolve is now! And the question that I have to start out with is how do these companies evolve given that recent research that Accenture provided that 70% of marketing executives feel exceptionally burned out, whether it's the fatigue of being on Zoom calls all day, or the plethora of M&A activity that's happening or just the reorganization of their functions on a daily basis. They're just sort of trying to get ahead. So, I know you're going to talk a bit about what we recommend from an Accenture perspective and marketing. But before we get into that, can you share with us the trends that we're seeing in the industry? And then more specifically, how are those trends impacting the media function?

**Sarah Alebachew:**

Yeah, definitely! So, we're really seeing 5 key trends across the media industry. And this is not unique to marketing organizations. It's across all functions. But I'll talk about those trends. And then, I'll talk about how marketing organizations can stay ahead of these trends and be the guiding factor for their organizations. So the first one we have is a hard pivot to streaming. There's nothing new here. We've witnessed a lot of these traditional media companies staking their claim on the direct-to-consumer market. And traditional media is seeing a steady decline. So, the way that content and distribution are going to be more digital, so will the marketing functions. And they'll have to shift to more digital methods to talk to their consumers. So, there's going to be an increased pressure to generate ROI. The new platforms are going to require new marketing methods. But they might have legacy technology, legacy data, and a lot of cases of legacy people and legacy teams. The next one is death of cookies. So, there's an increased pressure for maintaining data privacy. The way that companies are collecting and using their data is going to need to be reassessed. There's a battle to create the biggest walled garden. And a lot of companies are going to have to figure out how to use that first party data more effectively than they have before. And marketing organizations are going to

actually have to spend probably 10 to 20%, to act to reach customers outside of those walled gardens. So, they'll have to leverage a lot of new modeling capabilities and new analytical methods. And they're going to have to have some really clear KPIs if they want to stay relevant and measure their campaigns effectively. The next one is rise of new empires. So, the goal is to scale. As you're scaling, a lot of companies are approaching that with acquiring new companies or aggregating their content libraries. And that is creating new bundles. and new ways to interact with users. But it's getting really complicated for users, and more competitive for businesses. Even more so for marketing organizations. It's difficult to segment and target those user audiences across those multiple brands and multiple bundles. And they really don't have a true voice of the customer. The next one is battle for engagement. So as subscriber growth plateaus with the global population being the max that they can reach, they're going to have to look at new models. They're going to have to shift and have the most engaging content or the largest selection to stay relevant. So interactive media is going to be very important. And we've seen companies do this like Netflix and Amazon. So, staying ahead of the curve is going to be interesting. And using new modeling methods and emerging technologies like NFTs, Metaverse, or even Social to interact with those users is going to be important. And then, the last is scaling at the speed of light. So, we're still in the middle of the global expansion of a lot of these new direct-to-consumer brands. And marketers are having to think about multi-channel coordinated releases and campaigns across these different markets, where they previously had to really focus on one market at a time in some cases. The other way to approach scale is going to be shifting to AVOD from their traditional SVOD models. So, companies are going to have to achieve a higher return. And they'll be able to actually get to know their customers a little bit better with these AVOD models. But it's getting increasingly complex and competitive with a lot of new entrants into the AVOD industry. So, those are the 5 different key trends we're seeing, and how it's impacting marketing today.

**Greg Jensen:**

Excellent. Thank you, Sarah. So just to recap, that was a hard pivot to streaming, followed by death of cookies, the rise of new empires, the battle for engagement and scaling at the speed of light. And it seems like at the heart of all of these is the business-to-consumer relationship that media companies haven't traditionally had. If I think back to call it even four to five years ago, you would launch a blockbuster

title, you would run marketing across every corner of the globe. And folks like the Walt Disney Company weren't concerned with how do I get someone to see my movie. Because everyone saw their movies. It was how I get someone to see my movie twice? And now, they're pivoting and moving to a world where it's not about how do I get someone to see my movie. Or even how I get someone to see my movie twice? But more about how I create the content and actually provide visibility to it, even either at the individual household or even the individual viewer angle. And so as I think through as a media company, as I'm marketing, instead of sort of that blanket campaign going towards the individual customer, that shift is immense. And it's really complicated. And I know that you spend a lot of your time thinking through how might these companies step up to the challenge, reorient themselves, and be successful in this ever changing landscape? And I'd love it if you could just share a bit of what you're seeing from a recommendations perspective, and then really where you're seeing companies doing this well.

**Sarah Alebachew:**

Yeah! It sounds great. So, we're releasing 5 focus areas where we think CMOs and marketing teams will really need to focus if they want to stay ahead of the curve and stay ahead of their competition, and even get more impact out of their achievements. So the first is connecting the fragmented experience. Second is focusing on customer lifetime value, optimizing for time spent, and rediscovering their purpose, and then embracing dynamism.

**Greg Jensen:**

Okay! So just to repeat that, it's connecting the fragmented experience, focusing on customer lifetime value, optimizing for time spent rediscovering your purpose, and embracing dynamism. Perfect! Now, those sound like really great consulting buzz terms. So, let's take it a little bit deeper and actually tell folks what we mean by saying those things.

**Sarah Alebachew:**

Yeah! It sounds great. So, we'll start with the connecting fragmented experience. As companies are pivoting again, to DTC models, customers are having a disjointed experience. So with new acquisitions and new bundles, it's more important to find that true voice of the customer. And many companies have a lot of different lines of business, whether it's theatrical, broadcast, networks, consumer products, you name it, but they sometimes struggle to have that unifying brand that's targeting the customer through every single type of line of business that they interact with. Not only that, but looking at your customers in a silo is also going to be difficult for you. If you're not thinking about the customer as a multifaceted person, maybe they're a parent,

maybe they're a sports fan, or they're into comedy. So, interacting with them at every single point and making sure that you know them as an entire human and not somebody who's watching a single piece of content is going to be important. And the place where we've seen this and done this really well is with the Golden State Warriors. So, you were part of this as well to help the Golden State Warriors develop the chase center mobile app that really connected that physical and digital world for the fans. And this was an interesting experience because it was not just the chase center in terms of the arena. It was entire property. So, connecting fans and letting them talk to or interact with their favorite team player was one piece of it but also figuring out what other local dining experiences or musical performances or other things happening across the property help them connect that fragmented experience. So, it's not just attending a game. It's more than a game. It's an experience.

**Greg Jensen:**

And that's really fascinating. Because if you think about what television used to be specifically in a linear perspective, my favorite show would be on at seven o'clock, I would go. I would watch it. I would sit through all of the commercials. And that would be the beginning and the end of the experience. And what we're seeing customers do now in an increasingly interesting way, is actually connecting my activities before I engage in a particular experience. And then following up after. And I remember sitting with the warriors and thinking through how might a trip to the chase center, feel like a trip to Disneyland so that there would be pre-arrival engagement while you're in the experience. And then, of course, after you leave, and the one thing that companies, as an aside, may need to make sure they get right is making sure that the experience is still wonderful. And so what I mean by that is, when we were looking at the Warriors Mobile App, it wasn't a great idea for us to do a lot of interactivity or virtual reality during the game. Because if folks are going to watch the Warriors, they're fans of the warriors. And that needs to be the majority of what they spend their time on. But making sure they have one place to go to be able to get their tickets, to be able to look at stats, to be able to book dining prior to going to the event, it was a really cool experience. And I think, what it's done is it's enrich the relationships, certainly, that the Warriors have with their fans, and help them not only to know their fans better but also to provide a better experience. All right! Now connecting the fragmented experience, that's very clear. What do you have next?

**Sarah Alebachew:**

So, another area that we're focusing on is focusing on customer lifetime value. So, as we're building these new brand powerhouses that have a lot of different experiences, they need to focus on how to maximize that customer engagement. Because that's really going to be key. And not just through one point of interaction, but through their entire lifetime of interacting with that brand. So, loyalty is a big factor here. How do you keep them coming back? How do you make them choose you over and over all the other options they have in terms of streaming? So, marketing teams are going to have to think about how to tie revenue back to each individual user, and measure that long-term impact. Another place where we've done this before is Sky. So with Sky TV, we help them transform a lot of their static email communications into more digital interactive marketing. So, we developed in a multi-channel and operate their multi-channel Marketing Communications. So it's better understanding their customer. It's measuring that long-term impact and increasing engagement long-term. So that's how we've been approaching customer lifetime value.

**Greg Jensen:**

Fascinating! And if I think about it, that's a really big difference from measuring profitability at the title level. For the longest time, media companies had the ultimate model. And they were able to say, based on a couple of characteristics, this is what we expect to make both in the box office and then through all of my lifetime theatrical or post theatrical licensing agreements. And now that has gone away. And so instead of looking at how much will a title do I actually look at how much could your household do. And then, I start to think about what you said in the beginning of connecting the fragmented experience. And it becomes a really difficult way to wrangle my data so that not only do I understand you, but also I'm sort of maximizing both the affinity that you have to my brand, and how you're choosing to place your economic vote. And it's exciting. But I have to imagine it's also really tough for these organizations, specifically, those that have just spent their careers maybe 20 to 30 years oriented toward a different purpose. All right! So we talked about focusing on customer lifetime value, what comes next?

**Sarah Alebachew:**

Next is optimizing for that time spent. So, we touched on this a little bit. Engagement is going to be a huge factor in success. And if companies don't have the most enjoyable content, or the largest library, it's going to be... They're going to lose out on that I share compared to other streaming services. So marketing teams will need to be that driver, and getting their organization to that next level, and

gathering that data and telling them what content people want to see, where they want to see it, and when. And properly segmenting that data is going to be key! So personalizing that experience for each and every consumer is going to be a key driver, which will give them more pricing power and give them a higher return on their investment. A place where we've seen this as well that we've done... We've helped a client as Warner Media. So, they wanted to drive their engagement and digital subscriptions with their fans. So we help them create... We use blockchain to create a digital loyalty program that not only rewarded watching content, but sharing it, playing with other users, and engaging with content in a completely different way. So, that was really optimizing for that time spent, and not only thinking about how are we getting them on the platform, but how to stay in the platform.

**Greg Jensen:**

Interesting. It brings me back to the idea of the digital native companies because a lot of them make meaningful capital investments in things that don't directly generate revenue. I think, most public example of that in the moment is probably Netflix, and its extension into gaming. And of course, they've just begun to release those second screen gaming experiences. But it's really something that they believe will drive their platform forward. We've seen other companies that are digital natives do the same thing by expanding either the products that they offer, or just the depth of those products. And yesterday, John Peters actually gave a talk around going beyond delivering video content with your service, whether it's podcasts, whether it is digital books, whether it is games, or virtual reality, or augmented reality experiences. And the interesting thing about a lot of these are, instead of having a direct P&L impacts on an experience by experience basis, what you're really looking to do is just have folks engaging with you versus whoever else they could be engaging with down the street. And it harkens back to the old travel industry, where if you listened back in the day to Bob Iger talk about the Walt Disney Company, if you asked him who his competitors were, he would basically say anyone that spends time on anything, anywhere across the world. And so that really is what these companies are facing. And it'll be fascinating to see how marketing agencies become the signal through marketing organizations, rather become the signal through the noise, and get folks to engage more deeply on their platforms. So, we've talked about optimizing for time spent. You've told me a whole bunch of things that I've had to do. I have to focus on customer lifetime value, and reconnect my fragmented experience. I

have to optimize for time spent, maybe my organization has just gone through 3 mergers. Maybe we are actually launching a whole new business, or we're relaunching a streaming service. How do I figure out what I should be spending my time on, and what I should look like in the future?

**Sarah Alebachew:**

So that's where we recommend to rediscover your purpose. And this is about the organization. We haven't really touched on this. But I think it's a really important piece. Because a lot of these organizations are pivoting rapidly to a new direct-to-consumer business. But they haven't really thought about how their teams need to catch up with that change. So, it doesn't necessarily mean bring all new talent to revamp your entire organization, but rather training folks on new marketing methods, using new capabilities, and new technologies to enable them. And you also have to align with the customers. So, you're charting that new path in alignment with what the actual consumer wants. So, you can't just keep the old ways of working and expect to pivot completely into a new business model. And interesting place where we've done this before is actually a travel experience platform. So with covid-19, a lot of expectations of consumers are rapidly changing. And flexibility is a key driver and what's important to them. So, we helped them create a new flexible cancellation campaign that required their marketing team to work directly with product. And PM teams, data science teams, and a lot of other areas to make sure that they're serving the customer through every point of interaction. And they're making sure that if the customer needs to cancel at the last minute, every team is involved, and every team knows how to respond and change what they're doing to make sure the consumer needs are met.

**Greg Jensen:**

So if I were a CMO, and I were trying to think through how I might focus or rediscover my purpose, do you have any tips on how maybe I would get started or what I should be thinking about first?

**Sarah Alebachew:**

So, I'd say just embrace dynamism. That's the key driver here. You can create a new business model. You can change your entire team. And if it doesn't work, after 6 or 12 months, and you're still doing the same thing, you're probably going to be in a tough spot. So adopting a fail-fast method, footfall-fast culture, and really looking at how you can adapt all the new changes in technology, in people is going to be critical. So, marketing teams can use experimentation to make sure that they're using smaller segments of users testing different campaigns to figure out what actually works best. And that way, you can place your



big bets where you know that you've seen success. And that's a really important area to focus on even... A great place where we've done this before is with Hulu. So, we established an experimentation center of excellence that helped their teams adopt a new experimentation culture, which was a huge change for them. And they were able to actually process the results much faster and see what worked best for their users. And it worked well over the years.

**Greg Jensen:**

Awesome. Okay! So, can you real quickly recap those 5 recommendations for the team?

**Sarah Alebachew:**

Absolutely! So the first is connecting the fragmented experience, focusing on customer lifetime value, optimizing for time spent, rediscovering your purpose, and embracing dynamism.

**Greg Jensen:**

And I think it's clear to see that doing these things will have a sea of benefits for marketing organizations, and the companies that, of course, they serve. From the first perspective, you'll see a great increase in efficiency. And when we say efficiency, we don't necessarily mean cost takeout. Here's what we mean, media companies are creating more and more titles. There's an absolute explosion of title counts. And so when that happens, any process that you had that was manual, or something that just took a little bit of time, maybe it's a creative review, it just becomes not scalable. And being not scalable makes you uncompetitive in this new landscape. And so, certainly increased efficiency is something these companies should be striving for. The next thing is, if they're able to really understand that customer journey, they can develop that 360-degree view of the customer, which is something they've historically lacked. And what that allows is observed behaviors for the first time to become actionable data that you can actually use to measure, and then ultimately increase the lifetime value of a customer. And what an exciting opportunity that is for marketing organizations? And then the third piece, which is of course, important, is there will be measurable ROI. You will be able to track the impacts that the marketing organization is making on subscription growth, or reduction of attrition, increased retention, or even getting folks to actually see their content and choose to engage with it versus the options that are out there that are basically limitless today. And so increased efficiency, 360-degree view of the customer, and measurable ROI sound pretty great to me. And it sounds like what we're doing is removing these organizations from mass advertising, getting blanketed advertising campaigns

that everyone sees to an audience of one through precision targeting. And going from manual insourcing of content to doing quality at scale through automation, and outsourcing. If I can't scale things myself, I probably need to bring in partners. And then last, we will have less tactical execution and get to more strategic orchestration, which will bring that CMO organization to its right frame of relevance and prominence in these organizations. And all of those things are just super exciting. So, Sarah, that was a lot. And I appreciate your time today. I do want to know, or ask and see if anyone in the audience has any questions or anything they'd like Sarah to expand on more. Is there anything come to mind? Okay! Seeing as there is nothing, if there are folks that want to learn more, what should they do?

**Sarah Alebachew:**

Accenture is releasing a digital magazine of "The Future of Marketing" in media. And the first issue will be released soon. So take a look! Just look out for it online. You can search Accenture, Media and Marketing. And we'll dive into each of these issues and each of these recommendations in a lot more detail. And it will give you some tactical business results, and benefits and ways to get started as well.

**Greg Jensen:**

Wonderful! Well, Sarah, it has been an absolute pleasure to be here with you today. Thank you to folks who spend some time with us thinking through a bit more what will happen in the future of marketing and media. Again, I'm Greg Jensen. I'd be happy to stick around and answer any questions that you have. And I look forward to continuing this conversation in the future.

**Sarah Alebachew:**

Thank you!

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