revenue analytics

Dynamic Pricing & Revenue Management Trends in Media

2019

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Executive Summary

The broadcast media sector is under increasing pressure to adapt its more traditional, linear media-oriented revenue models and operational practices to compete against resource-rich and revenue-hungry challengers like Google and other tech-driven players, making an already competitive market even more so.

Using insights gained from proprietary research conducted with television and radio executives from across North America as well as industry sources, this annual report sheds light on five trends that continue to shape the broadcast media sector, as well as the five strategies that many companies are using to respond to the shifting marketplace.

Confronted by disruption and facing threats from tech-driven competitors, traditional broadcast media leaders have some difficult yet crucial decisions to make in order to create consistent revenue streams amidst the current volatility of North America's television and radio sectors today.

5 TRENDS

1. Digital Dominates
2. The Personalization Imperative
3. Programmatic Platforms Proliferate
4. Consolidation Gives Rise to "Supercompetitors"
5. The Evolution of the Sales Organization

5 STRATEGIES

1. Wait and See
2. Hire Management Consultants
3. Do It Yourself
4. Use a SaaS Solution
5. Utilize a Hybrid Model

Introduction

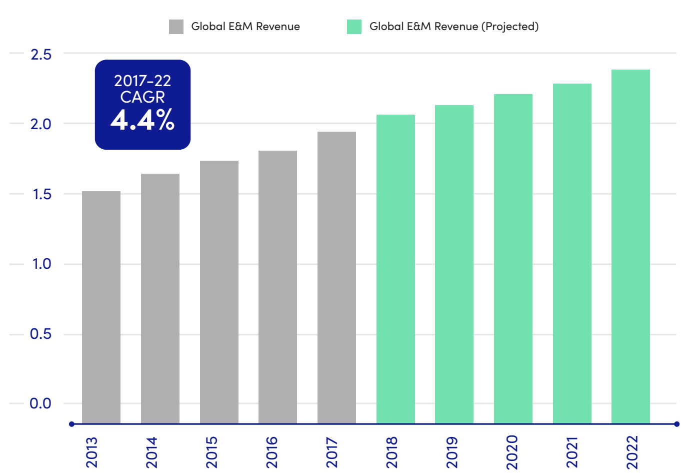
The global broadcast media marketplace is rife with disruption at every turn. Broadcast advertising revenues have been under pressure for years amidst the rise of digital competitors and widespread expansion of platforms for how consumers access content.

Now, television and radio revenue leaders are increasingly competing with technology-driven players for their fair share of ad dollars from an ebbing tide of brands who are struggling to get the best return on their media investments—many of whom see digital as their best hope for brand-building and sales generation.[1] This is exacerbated by the widespread notion that many broadcasters just can't keep up with the digital marketing innovations embraced by bigger networks, most of which have formed through acquisition and consolidation efforts.

However, even amidst this market instability, there are signs on the horizon that the broadcast sector could be turning around: In the face of slow and steady growth of global entertainment and media (E&M) revenues, typified by a Compound Annual Growth Rate (CAGR) of 4.4% between 2017 and 2022[2] (see Exhibit 1), radio has been able to hold onto its audiences and its advertisers[3]—in contrast to other media sectors, such as newspapers, that have been slow to adapt to changing times.[4] Meanwhile, Accenture research from mid-2018 indicates that television ads continue to deliver strong lower-funnel brand performance, compared to display, video and other digital channels.[5]

EXHIBIT 1 : Global E&M Revenue (US$ Tn)

Growth rates remain steady even as the industry is being transformed.



Source: PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

The purpose of this trends report: Using insights gained from leading industry sources from around the world, in tandem with proprietary research conducted in late 2018 with television and radio executives from across North America, this report sheds light on five trends that continue to shape the television and radio sectors:

- Migration of ad dollars to digital driven channels of engagement
- Increased focus on ad personalization and targeting
- The proliferation of programmatic platforms in the broadcast sector
- Consolidation activity, which has given rise to a class of resource-rich and revenue-hungry "supercompetitors"
- The evolution of the sales organization to allow for a more efficient and effective metrics-driven approach to media sales.

Then, we detail the five main strategies being used by many companies to respond to market disruption, consolidation and incursion from other media channels, in an effort to shift focus to more agile business models that have the potential to help broadcast players compete in the volatile media market of the future.

What's the difference between linear and nonlinear broadcast media?

Linear media refers to traditional TV and radio broadcasting, where consumers are able to watch and/or listen in real-time to a scheduled program.

Non-linear media refers to broadcast services that can be interacted with by consumers (e.g., selecting TV shows to watch through a video-on-demand-type service; playing a video game; clicking on a website; following on social media). Non-linear content is often consumed on devices other than a radio or TV, such as a smartphone.

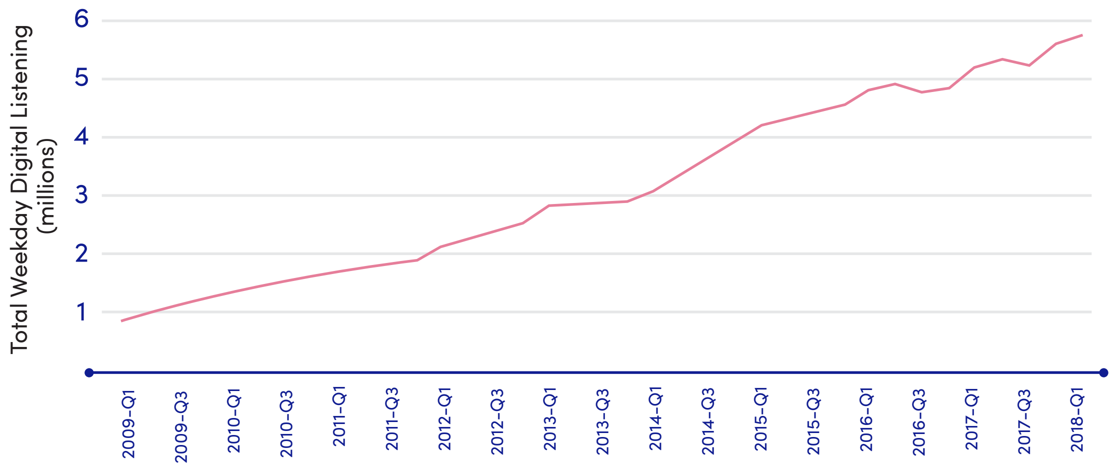
TREND

01 Digital Dominates

Across the board, media consumption patterns continue to favor digital. This includes broadcast media, where non-linear radio listening—particularly, streaming—has grown at a six-fold leap over the past eight years, from an average of about a million concurrent listening sessions on weekdays in 2010 to almost six million at the start of 2018 (see Exhibit 2).[6]

And where the people go, ad dollars tend to follow: Digital advertising spend in the U.S. overtook TV for the first time in 2016, and by the year 2020, TV ad spend is expected to make up less than one-third of all marketing budgets, down 16% from four years ago.[7] Meanwhile, social media companies like Facebook and tech powerhouses like Google continue to experience exponential growth in ad revenues (see Exhibit 3), while at the same time, streaming services like Hulu continue to gain revenue from direct-to-consumer and performance marketers—raking in more than 50 million ad-supported viewers per month and raising revenues by 85% year over year.[8]

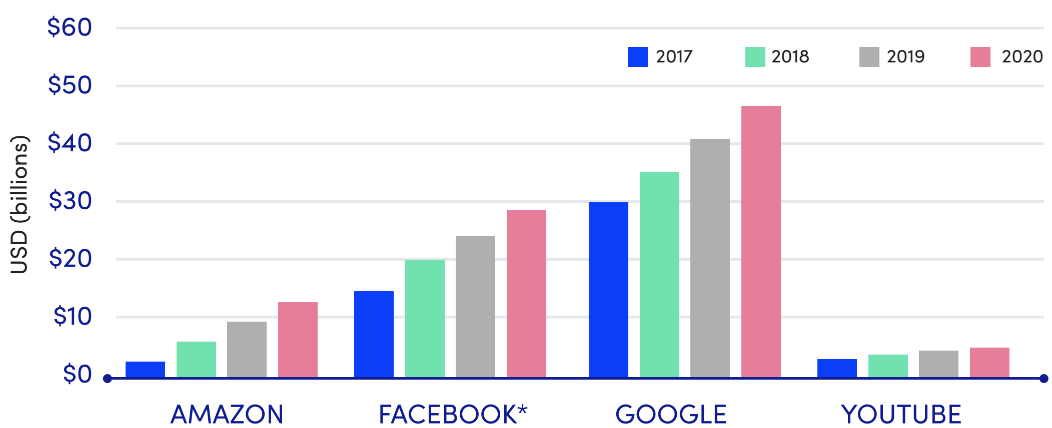
EXHIBIT 2 : Growth of Digital Radio Listening Total



Source: Triton Digital

What's driving this momentum? More advertisers are looking for greater audience targeting ability and at cheaper rates. They're gaining these benefits more and more in digital platforms like Facebook and YouTube, along with tech hubs like Google, that continue to improve their native ad personalization capabilities, while simultaneously charging lower rates for digital display than for traditional broadcast advertising spots. Moreover, it's an easier process today to purchase, turn on and turn off digital advertising, set thresholds, and obtain granular reporting through these digital platforms, the likes of which traditional television and radio companies have historically struggled with delivering. There is, however, good news for broadcasters. According to Celine Matthiessen, VP, Analysis and Insights for BIA Advisory Services, "There's an opportunity around digital that [traditional media] sellers might be overlooking.... Buyers of traditional media are extremely comfortable purchasing a myriad of digital ads from their local salesperson, so sellers should be prepared to sell offers across multiple platforms."[9]

EXHIBIT 3 : U.S. Digital Ad Revenue by Company, 2017-2020



Source: eMarketer, 2019
*includes Instagram advertising revenues.

Forward-looking broadcast companies will need to continue to diversify their revenue streams, putting additional emphasis on their digital platforms to woo advertising dollars away from ad-targeting powerhouses like Facebook and Google, into omnichannel campaigns that include broadcast as well as digital streaming opportunities.

> Today, profitable growth increasingly depends on having five, six, or even more revenue streams—an often fluid portfolio of bets on businesses and products that extend beyond traditional sources of monetization.
>
> Christopher Vollmer, "The Revenue Stream Revolution in Entertainment and Media," Strategy + Business, May 7, 2018.

EXECUTIVE TAKEAWAY

Avoid the spiral down effect by actively managing rates and channel conflicts across digital streaming and traditional broadcast services.

TREND 02 The Personalization Imperative

In our digital age, consumers are increasingly willing to provide personal information about themselves to their favorite brands if it means that they'll receive a more targeted, relevant and meaningful customer experience (CX)[10], and are no longer content with one-size-fits-all media. Instead, they expect to be able to access targeted content across an ever-expanding universe of distribution environments and platforms—anytime, anywhere and from any device.

In this era of the empowered consumer, the need for increasingly personalized CX is fueling a race to target customers at the ultra-micro-level—perhaps finally fulfilling the "1:1 marketing" *promises* that segmentation software developers have been making for a decade or more.

All of that personalization has the potential to drive significant revenues for those forward-thinking media companies that are set up to be able to use their audience data to its greatest advantage—to understand what advertisers are willing to pay for access to this depth of granularity and then, to accurately predict future demand for ad inventory that delivers the most targeted reach.

> "Big data...can tell us more about our audiences, and the more we know about audience, the better job we can do helping advertisers target their messages. In the old days, we knew very little about listeners, beyond age and gender. With big data we know tons—age, gender, education, taste in music, favorite brands, what sports they follow, and it goes on and on. Advertisers can use that data to craft their messages, with the end result of maximizing a campaign's effectiveness.
>
> John Russo, President, Triton Digital, quoted in "For Traditional Radio, It's All About Harnessing the Power of Digital," Forbes, May 18, 2018.

Attribution guarantees are changing the rules of the game. Over the past two years, we've witnessed A+E Networks[11] and NBCUniversal[12], among other large media companies, stepping up with claims that they can achieve the kinds of audience engagement that drives real business results—a huge leap forward from the traditional ratings guarantees typically offered by TV networks.

Such attribution guarantees rely on analytical models that allow advertisers to get to know their customer base in ways that simply weren't possible even five years ago. Armed with these insights, they're then able to better shape key factors that are increasingly critical to success in the media marketplace, including content choices, distribution and monetization models,[13] as well as off-network user experiences.

Yet, many traditional broadcast companies simply aren't set up to be able to offer such guarantees—including 50% of the respondents of our study of media executives from across North America, who said that their company's ability to monetize targeted audience profiles was either "okay" or "totally ineffective."

Whether it's due to operational silos, behavioral inertia or otherwise, too many organizations continue to focus on ratings alone, rather than drilling down into the goldmine of first-party data they've collected on their most valuable audience members. A main issue is that few of these companies have made the necessary investments in their people, processes and technology to be able to effectively mine their data at the necessary operational scale. And the unfortunate result is that those organizations are missing out on channeling that granular understanding of their audiences into better pricing, inventory management and sales models that help to maximize revenue streams over time.

Faced with the "personalization imperative," more linear-driven companies will be forced to make some tough business decisions: Either adapt their targeting methodology to deliver more personalized brand messaging, or risk losing consumer engagement for the sake of maintaining "business as usual."

> Advertisers want...full insights into consumer behavior on their path to purchase like knowing websites and social pages they have visited and product searches they have used to purchase products and services. This shift in advertising priorities puts the obligation on ad sellers to successfully demonstrate how their channel reaches the right customers throughout the buying process in a manner that can be tracked.
>
> Radio Online, "Local Advertisers to Maintain 2018's Overall Ad Spend," February 28, 2019.

Major TV Players Put Their Data to Work with OpenAP

Launched in 2018, the television industry's first open platform for cross-publisher audience targeting and independent posting is intended to support advanced data-driven marketing, while maintaining the integrity and transparency of traditional media buying and measurement. This is accomplished through an audience segmentation model that's informed by behavioral, attitudinal and lifestyle data from comScore and Nielsen, to deliver better engagement, brand affinity and purchase intent, and ultimately, to drive in-store traffic.

The goal, according to Donna Speciale, president of ad sales for Turner, is to "help advertisers devise a standard definition of various consumer segments" that replicates the targeting and precision of digital media in more traditional channels like TV—especially important as non-linear, mobile and on-demand streaming continue to erode consumption rates of linear media.

EXECUTIVE TAKEAWAY

Make use of your data goldmine to capitalize on addressable audience premiums while avoiding overfragmentation and excessive remnant inventory.

TREND 03

Programmatic Platforms Proliferate

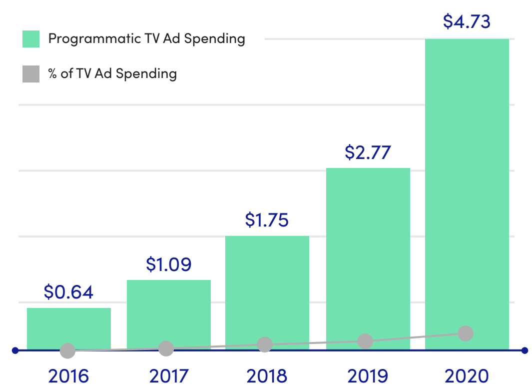
The influence of easy digital buying from ad tech companies and the rise of buy-side programmatic[14] platforms has forced broadcasters to re-think the ad-selling process in order to enable a more automated exchange.

Though programmatic advertising currently accounts for only 2.5% of all U.S. linear TV ad spending (see Exhibit 4), this technology has already taken over a huge proportion of digital ad buying, selling and fulfillment—making up at least 72% of the $27 billion accrued from U.S. digital display-ad spend in 2017[15] and forecasted to reach $4.7 billion by 2020.[16] And so, by 2020, it's been projected that nearly $5 billion in TV ad spending will transact via automated means.

Yet, though interest is there from the buyer's side, programmatic still faces some significant challenges in the context of the broadcast arena:

- **The ongoing disconnect between sellers and buyers makes it too easy to cherry-pick inventory:** While the supply-side works to entice new advertisers to purchase net-new unused/unsold inventory, the demand-side remains focused on maximizing their ROI by buying targeted inventory for the lowest price that will still offer decent engagement rates. This often leads them to cannibalize their own campaigns in search of ever-lower investments, and in the process, making it very difficult for the supply-side to manage their inventory and make revenue-maximizing decisions while doing so. Not surprisingly, this is one of the key reasons that the majority of the participants in our study of North American broadcast media executives specified that it's critical to have automated dynamic pricing and revenue management systems in place for programmatic buys—to maximize revenue and prevent cannibalization.

EXHIBIT 4 : US Programmatic TV Ad Spending, (Billions) 2016-2020



Source: eMarketer, July 2018

- **Integration issues** between Traffic systems, proposal building applications, and ratings data sources on the supply-side17 mean that true end-to-end automation of broadcast transactions is still three to five years out, according to eMarketer.[18]
- Because from the outside, programmatic seems reasonably friction-less, buyers think it should be cheaper. But **programmatic still requires human intervention** to get from RFP to campaign launch and beyond. So, while it's true that a targeted campaign is aiming more for the quality of the audience than the quantity (because targeting means that the conversion rate should be higher), that doesn't necessarily mean that the cost to reach that audience will be lower. In fact, the supply-side thinks this audience should be even more valuable.

When balanced against the resource investment required to shift to a programmatic buying and selling model (and the perceived revenue risk), more linear media–focused companies are relying on the old-fashioned, manual media buy. But in so doing, they're missing out on the longer-term gain of cost efficiencies and targeting potential offered by the industry's more advanced programmatic platforms.

Audio is the Next Natural Frontier for Programmatic Buying, Selling & Fulfillment

Research conducted by WideOrbit of nearly 9,000 radio industry professionals indicated a threefold rate of growth in the number of U.S.-based ad buyers who used programmatic to purchase radio and digital audio advertising between 2017 and 2018.

Even so, only time will tell whether programmatic audio can move past issues that are tied to the legacy nature of the ad business—including dependency on metrics like click-throughs and views, which are relatively meaningless to audio buyers—to truly bridge the digital–physical audience divide.

EXECUTIVE TAKEAWAY

Protect rate integrity and avoid demand-side inventory cherry-picking by implementing supply-side centric algorithms that can help to balance the ROI equation in the seller's favor.

TREND 04

Consolidated Gives Rise to "Supercompetitors"

The North American broadcast media industry has been actively consolidating over the last 24 months, with at least three large-scale mergers approved (AT&T-Time Warner[19], DiscoveryScripps[20] and Entercom-CBS Radio[21]) and one rejected by the U.S. Justice Department over concerns of divestitures (Sinclair-Tribune[22]). A major implication of this M&A activity is the ascent of mega-conglomerates, or what PwC calls "supercompetitors," that "combine content, commerce and communications with massive financial resources...to expand globally in a world that's balanced between Eastern and Western behemoths."[23]

Looking into the future, what DP/RM trends do you see happening in the near (1-2 years) & long term (5+ yrs) in the ad sales media space?

> **Short term:** Media Conglomerates are consolidated and with that, will aim for driving higher CPM.
>
> **Long term:** There need to be more tools and standardized metrics that allow for greater transparency.

Vice President, Large Enterprise Media & Entertainment Company

> The rise of the supercompetitors has created a deep-pocketed class of market participants that can buy content, invest in startups and serve as buyers for maturing businesses.

PwC, Global Entertainment & Media Outlook, 2018–2022.

Supercompetitors tend to enter new marketplaces for three main reasons: Efficiency, share and scale. In other words, mega-conglomerates' deeper financial resources allow them to capitalize on new dynamic pricing and inventory management technologies that allow for more granular targeting of consumer audiences, while also flexing their scale to gain efficiencies and market share not achievable by regional or local players.

Interestingly, while consolidation has typically been considered a negative for more traditional media players, there's hope in the industry that further consolidation could help traditional broadcasters to fight erosion from the likes of Google, Facebook and other digital upstarts. Galaxy Media CEO Ed Levine, for instance, argues that "radio needs to be set loose to compete with the two digital giants, which, being unregulated, have an unfair advantage that's allowed them to siphon off radio's ad dollars."[24]

Consolidation is especially valuable when it runs across markets, because when companies spread a larger footprint across markets, they're less susceptible to the usual peaks and valleys experienced in any specific market. At the same time, they can build the scale necessary to compete with the largest players—taking advantage of economies of scale to defray costs, while at an intra-organizational level, develop centralized pricing and inventory strategies that no single station would be able to muster on its own.

Keep in mind, though, when considering cross-market consolidation: There's much to be gained from thinking globally about pricing and inventory, while acting locally. Why? Simply put: While consolidation can help broadcasters define corporate objectives and standardize processes to increase overall revenues, leveraging local insights will allow them to take advantage of market nuances and respond quickly to changes.

EXECUTIVE TAKEAWAY

Optimize the value of your entire portfolio without sacrificing local market intelligence with a global pricing and inventory strategy executed locally.

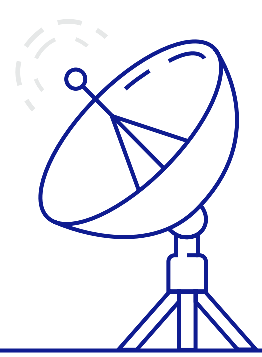
TREND
05

The Evolution of the Sales Organization

One doesn't have to think back too far to a time when media organizations were still being run a bit like some of the best scenes depicted on the TV show *Mad Men*. To a certain degree, sales still depended on relationships and plenty of manual work still went into closing a deal—from identifying new prospects, making connections and wining and dining clients, to tabulating ratings and putting together the most cost-effective campaigns based on an advertiser's budget. Not to mention the moving target of inventory that was tracked on paper and later, in makeshift spreadsheets (and maybe, in larger organizations, via computer programs that were custom-built for the purpose), to placing the spots and waiting for the ratings to come back, and so on...

But times have definitely changed, and so have the structure and functioning of the media business as a whole. In order to stay in sync with all of the trends we've covered to this point—the industry's digital transformation; the increased need for targeting; the influence of consumer data and the growth of programmatic buying and selling; as well as the consolidation of the broadcast marketplace—media companies have had to rethink the way their sales organizations do business.

So, while a certain degree of media activities still require in-person, relationship-based sales, the traditional ways of buying and selling broadcast media are giving way to what we believe is a more efficient and focused approach that prioritizes customer metrics, real, demonstrable results, and uses technological tools to take a lot of the guesswork and some of the manual labor out of the sales process.



Technology can remove friction from the sales process. While no company is going to be able to eliminate 100% of the friction (after all, we're still talking about human interactions here), when you eliminate some of the major sources of misalignment between the buyer and seller—including legacy processes and organizational inefficiencies—you'll be able to spend more time on the strategic work, allowing you to serve as a business advisor to your clients, rather than an old-school "salesperson." And, in helping your advertisers to grow their businesses, your business will have a better chance for growth too.

EXECUTIVE TAKEAWAY

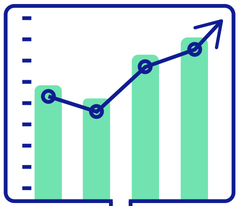
Build a metrics-driven sales team that's empowered by efficient tools and prospecting guidance to spend more time selling and less time transacting.

RISING TO THE CHALLENGE:

Five Strategies Being Used to Respond to Disruption in the Broadcast Media Sector

Disruptive forces continue to influence the broadcast media sector, shaping every facet of an advertising business that's been around for almost a century.[25]

In response, key media players are taking steps to rise to the challenge, including enlisting these five main business strategies. In fact, in our study of North American broadcast media executives, we learned that 45% of respondents' firms have been using DP/RM practices for six or more years.



STRATEGY 01 Wait and See

The majority of broadcast companies—up to 75% of the market today, by some accounts—aren't doing anything at all to stem the tide of revenue flowing away from their brands, preferring to take a "wait and see" approach.

PROS: No additional work required.

CONS: In a volatile marketplace, "wait and see" won't provide a competitive advantage unless your peers falter in a meaningful way based on their actions. But while there's some risk with moving before the competition, it's almost impossible to gain an advantage by waiting.

STRATEGY 02 Hire a Third-Party Management Consultant

Experts take a deep-dive into a business issue (e.g., antiquated processes) and provide tactical recommendations on how to get past the roadblock. Ideally, the experts work specifically within your industry and/or sector, but most management consulting firms maintain a cross-section of knowledgeable professionals who can flex their expertise to suit the ins and outs of most industries.

PROS: Expertise at your fingertips on a wide range of issues, from helping develop new pricing, inventory management and sales processes to providing longer-term strategic guidance.

CONS: Expensive, and often, once the engagement period ends, the expertise leaves the premises with the expert. In other words, they focus on process transformation and one-time recommendations, rather than providing an ongoing solution.

STRATEGY

03 Do It Yourself

Investing in your organization's operational capabilities makes good sense and can improve your business's scalability and sustainability during times of disruption. (That's if you've got the bandwidth and/or financial resources to support it.) Two of the most common tactics that broadcast companies consider are:

a. Investing in Data Scientists.

Some companies take initial steps to amp up their internal analytics capabilities by hiring a handful of data scientists to crunch the available audience ratings and other first-party data into meaningful insights that they then hope to translate into better pricing and inventory management practices.

PROS: Takes the pressure off other team members to pull, crunch and analyze data—which is likely not their priority or area of expertise in the first place. Plus: Modern-day data scientists are well versed in the latest technological advances, like machine learning and artificial intelligence, which have been game-changing innovations for other industries and are starting to make their way into the E&M industry.[26]

CONS: More than half of all internal analytics projects fail,[27] whether it's because they're ivory tower–type projects that lack business context and thus, tend to die on the vine. Or, as in many cases, because they're treated as just another IT project. This inevitably leads to turning high-priced data scientists into tactical workers who are alienated from their true purpose and will tend to deliver poor returns on that initial HR investment.

b. Building a proprietary platform.

Because they're built from the ground-up to a company's particular specifications, custom platforms are a good choice for businesses with many moving parts.

PROS: Offers the opportunity to design and build a custom Dynamic Pricing/Revenue Management (DP/RM) solution based on your specific needs. Plus: Integration with legacy systems is pretty much guaranteed because the platform is built to order.

CONS: Requires significant initial investment to design and build, only to get basic features working correctly. Typically, high total costs of ownership (i.e., the sum of all costs and expenses related to designing, implementing and managing a software solution for the lifecycle of the platform) make it difficult for lean-and-mean broadcast organizations to justify. What's more: Building a new platform to connect to outdated legacy systems and processes just doesn't make good long-term business sense.

Looking into the future, what DP/RM trends do you see happening in the near (1-2 years) & long term (5+ yrs) in the ad sales media space?

> **Near term:** Building tools internally.
>
> **Mid/Long term:** Enhancing abilities and strategies.
>
> Financial Analyst, Large Enterprise Media & Entertainment Company

STRATEGY 04

Enlist an Off-the-Shelf Dynamic Pricing/ Revenue Management (DP/RM) Solution

The most commonly used automated DP/RM solutions are off-the-shelf Software as a Service (SaaS) products, which are designed to plug and play with most up-to-date CRM systems.

PROS: Flexible licensing models allow companies to buy into the services at a level that's right for their business needs and budgets.

CONS: While there are two types of core media SaaS offerings, both have shortcomings when it comes to delivering a full solution. (1) Old-guard SaaS systems are based on a foundation of media knowledge, but they haven't aged well and were not built to support the everchanging media buying and selling models. (2) Newer systems leverage the latest and greatest technology and innovative ideas; however, they were built off other industries and are not specific enough to address the requirements of the media ad sales industry. Plus: Integration can be a challenge since today's best of breed SaaS solutions are built to connect to more advanced CRM platforms, not the legacy systems typically used by most local TV and radio broadcast companies.

STRATEGY 05

Invest in A Hybrid Model That Combines SAAS and Third-Party Consultation

Brings together people with specialized skills, media-specific knowledge and process-minded expertise with technology that's built to address each company's current and future business needs.

PROS: Takes the best features of Strategies 2–4 above, while avoiding the pitfalls of investing in your own staff to build and maintain a proprietary platform or paying "hired guns" to bring in new processes that may not be a good fit for your organization. Some hybrid-services companies even offer a tiered approach, to make sure that they're providing the right amount of ongoing support at an investment level that makes sense for all sizes and types of organizations.

CONS: Depending on how mature the media company is and the state of the available data, it can take some time to get hybrid solutions up and running. And though this is still often a much faster route than internal DIY initiatives, it's not turn-key.[20]

CONCLUSION
A Look to the Future & Rallying Cry for Broadcast Media Executives

The broadcast media industry is chock-full of Titanic-sized challenges—including innovation-driven disruptors around every corner, the incursion of digital into linear media's revenue streams and the empowerment of consumers to make or break station ratings based on their wavering media consumption patterns.

To rise above these challenges, the participants in our study of North American broadcast media executives foresee a time in the not-too-distant future when DP/RM solutions will be a fully functioning element of broadcast media sales systems, "controlling every sales opportunity and integrated with the [sales-facing] user interface so the seller can provide a proposal on the spot."[28] Others see the potential for no-holds-barred functionality, including "proposal optimization, customer-centric pricing, impressions-based selling (where the media schedule automatically adjusts based on forecasts and higher yielding sales), dynamic inventory allocation across business lines (vs. static allocations to specific business lines)" and more.[29]

Top E&M executives from across North America predict better integration, increased functionality, growth in personalization & improved standardization of DP/RM systems & solutions:

Looking into the future, what DP/RM trends do you see happening in the near (1-2 years) & long term (5+ yrs) in the ad sales media space?

" Proposal optimization, customer-centric pricing, impressions-based selling (where the media schedule automatically adjusts based on forecasts and higher yielding sales.

In the long term, dynamic inventory allocation across the business line (vs. static allocations to specific business lines).

Senior Executive, Fortune 500 Media & Entertainment Company

Looking into the future, what DP/RM trends do you see happening in the near (1-2 years) & long term (5+ yrs) in the ad sales media space?

> Short term: DP/RM will be adapted and developed in our system but not ready to deploy.
>
> Long term: DP/RM will control every sales opportunity and should be integrated with UI system so the seller can provide a proposal on the spot.
>
> Financial Analyst, Large Enterprise Media & Entertainment Company

Ultimately, this much is clear: Legacy systems and processes just won't cut it in the long run. Today's media companies are going to need to improve their pricing and inventory management systems and practices, for the sake of their businesses' efficiency, performance and sustainability.

You may choose to make use of one of the five strategies outlined above: Whether you invest in off-the-shelf SaaS solutions, build custom in-house models, or take a hybrid approach that combines artificial intelligence with human intelligence, there are plenty of DP/RM options to choose from to help your business overcome the biggest challenges facing the industry today.

> Continued growth in personalization, Dynamic Pricing awareness and Revenue Management.
>
> Senior Executive, Large Enterprise Media & Entertainment Company

If you've enjoyed this year's report and would like to participate in next year's study, please email us: **research@revenueanalytics.com**

Participants will gain access to more data and insights.

Want to keep learning about Dynamic Pricing and Revenue Management? Check out our Media Resources page for up-to-date news, research and more.

1 https://www.accenture.com/ca-en/insights/communications-media/insight-television-turns-the-channel-on-brand-roi

2 https://www.pwc.com/gx/en/industries/tmt/media/outlook.html

3 https://www.ibj.com/articles/68255-iheart-cumulus-bankruptcies-cloud-radio-industry-future

4 As of December 2017; see report here: https://www.magnaglobal. com/wp-content/uploads/2017/12/MAGNA-Global-Forecast_ Winter-Update_Final.pdf

5 https://www.accenture.com/ca-en/insights/communicationsmedia/insight-television-turns-the-channel-on-brand-roi

6 https://www.tritondigital.com/

7 https://www.emarketer.com/Article/Digital-Ad-Spending- Surpass-TV-Next-Year/1013671?

8 According to Sahil Patel, DigiDay UK: https://digiday.com/media/conventional-tv-has-hit-its-ceiling-and-the-ceiling-is-comingdown-hulu-looks-to-build-on-its-1-5-billion-ad-business/

9 Quoted in https://news.radio-online.com/cgi-bin/rol.exe/headline_id=b15753

10 See EY research on this subject: https://www.ey.com/gl/en/issues/business-environment/ey-megatrends-empowered-customer

11 See https://adage.com/article/special-report-tv-upfront/a-enetworks-sell-guarantee-tv-ads-drive-business-results/313401/for more details.

12 https://www.mediapost.com/publications/article/331837/nbcustrikes-deal-with-data-plus-math-for-tv-attri.html

13 https://www.pwc.com/gx/en/industries/tmt/media/outlook.html

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