

Cloud-based services powering transformation in media and entertainment

The 451 Take

The digital transformation of the media and entertainment business is well underway and is being broadly felt by both media companies and consumers. This is most evident in the widespread consumer engagement with modern media services, such as digital media streaming of music, television and movies, but its impact is being felt throughout the industry. Cloud-based technologies are driving the transformation of business processes across the media and entertainment supply chain, enabling new systems and methods for creating, processing, securing and distributing media.

Cloud-based tools are playing a significant role in streamlining and democratizing content production, storage and distribution of media, making it easier for businesses traditionally focused on creating content to deliver their material directly to end users. The transformation in the delivery and consumption of media is leading to new competitors, creating fundamental shifts in consumer expectations for how they interact with entertainment services – on-demand access, personalized recommendations and availability across a variety of endpoints are the norm.

In order to compete effectively in this evolving media and entertainment market landscape, existing media companies, studios, broadcasters and other incumbents must evolve to become next-generation media organizations. This evolution will include greater engagement along the full media supply chain, including the use of cloud-enabled tools for production, using cloud to store, manage and monetize content libraries, applying advanced analytics tools to user and usage data to create personalized engagement, and delivery strategies that reach mobile and other new channels. For media and entertainment companies, successfully transforming means deeper and better engagement with larger audiences on a global scale.

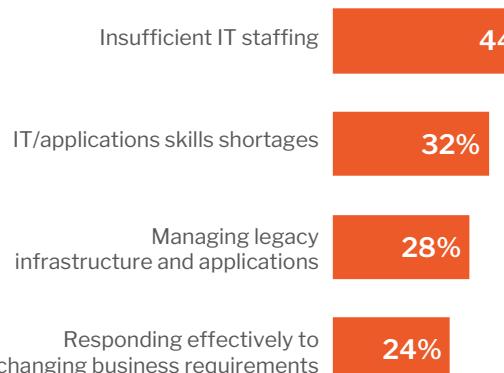
Media and entertainment IT pain points and skills gaps

Source: 451 Research's Voice of the Enterprise: Digital Pulse, Organizational Dynamics 2018

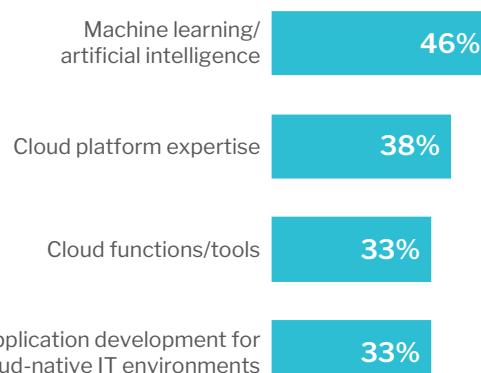
Q. What are the top IT pain points in your organization? Select up to 3.

Q. In which of the following IT categories, if any, is your organization currently facing an acute skills shortage? Please select all that apply.

IT Pain Points



Skill Gaps



The 451 Take (continued)

Although media and entertainment companies are broadly expressing their intent to embrace cloud, they must overcome hurdles associated with execution, including both general limits to IT staffing and specific skills gaps associated with cloud platforms and their native features. In 451 Research's Voice of the Enterprise: Digital Pulse study, media and entertainment businesses identified both IT staffing and skills shortages as top IT pain points, while AI/machine learning, cloud platforms and their native tools represent specific gaps in skills (see figure).

Cloud marketplaces are an important part of addressing these challenges as media and entertainment companies implement cloud. Skills gaps can be addressed in part by expertise baked into applications, configurations, managed services and other offerings. Marketplaces also offer an avenue for enterprises to obtain these skills because they include educational material, as well as case studies outlining how comparable organizations have implemented cloud successfully.

Business Impact

CLOUD IS ACCELERATING AND MODERNIZING THE SUPPLY CHAIN FOR PRODUCING AND DELIVERING CONTENT. Media organizations are taking advantage of cloud to access resources for content creation and pre- and post-production, as well as tools that enable delivery, storage and digital asset management. Access to this full breadth of tools is enabling both new competitors and traditional media organizations to deliver content directly to end users via over-the-top services and other means.

CLOUD TOOLS EXTEND THE REACH OF MEDIA AND ENTERTAINMENT SERVICES. Cloud-based services enable media companies to take advantage of advancing endpoint and network technologies, including 5G and various mobile devices, to create new and personalized ways for users to experience content.

AI IS ENABLING ASPECTS OF THE NEXT-GENERATION MEDIA AND ENTERTAINMENT USER EXPERIENCE. As modern media services gather increasing volumes of data about usage and preferences, cloud-enabled artificial intelligence and analytics functions can drive content curation and personalization components of direct-to-customer services. AI-powered analysis is also being used to enhance live broadcasts of content such as sports and news.

CLOUD IS ENABLING OPERATIONAL IT BENEFITS TO MEDIA AND ENTERTAINMENT ORGANIZATIONS. In addition to the benefits that directly impact the delivery of content, media and entertainment businesses are experiencing the broader impact of cloud on the operation of IT. These include increased flexibility and business agility, reductions in operating costs, datacenter consolidation, and the migration of core back-end business applications to cloud platforms.

Looking Ahead

The transformational impact of new and cloud-enabled technology on the media and entertainment industry presents traditional M&E businesses with both a large opportunity and a looming threat. The technology to create new efficiencies and capture new markets is already available; however, it is empowering new market entrants whose disruptive impact is already being felt broadly. Making the shift to embrace cloud as a key component of their IT operations is a critical step for continued success in the media and entertainment industry. Traditional media businesses need to make this shift quickly, but doing so will require them to overcome the limitations they face in IT staffing and the skill-set gaps they have in cloud platforms and tools.

Cloud marketplaces are likely to play an essential role in facilitating the fast and effective implementation of cloud technology. They offer access to software tools, AI templates, managed services and other offerings specifically designed or configured to support media and entertainment use cases, reducing the time to implement and alleviating the need for some skills. Successfully implementing cloud technologies will enable media and entertainment companies to streamline and optimize their existing IT operations while expanding into new content-related capabilities that will position them as next-generation media companies, capable of addressing the evolving expectations of consumers.