



Technology Disruption is Rapidly Changing the Landscape in the Media & Entertainment Industry

The Media & Entertainment industry is fast reshaping as a result of changing trends in technology and customer behavior. The pandemic has undeniably accelerated the innovation process creating both new services for customers and revenue streams for many players. As video streaming takes over, revenue growth from voice and data is slowing. The enormous investment that is required to mobilize new technology, such as 5G connecting the IoT, poses both a threat and an opportunity to the industry.

Providers need to maintain and grow their customer base as well as monetize their content while simultaneously managing their costs in order to create financial strength ahead of 5G. Encouragingly the outlook looks strong. In August 2021, the telecom sector generated \$80bn in deal value, an increase of 65% compared to the same period in 2020¹. By offering video streaming and other entertainment options, in addition to providing connectivity and content, the sector hopes to demonstrate the potential and value of 5G.

While media usage has grown through the pandemic, the types of media consumed have diverged hugely. Video game usage has grown as well as podcasts, downloaded music, subscription video on demand (SVOD) and advertising paid for video streaming (AVOD). New services like shopping within content are also growing.

Recognizing changes in customer behavior

While most US consumers are benefiting from the greater choice of media offered in an increasingly fragmented media landscape, they are also experiencing increased costs. Additionally, consumers are faced with multiple and often complex offers, so they need to figure out what content combination works best for them. Research has shown how the pandemic has impacted the market:

- Pre-Covid-19, the average US consumer had 12 paid for Media & Entertainment subscriptions, rising to 17 amongst millennials.
- Since Covid-19, almost a quarter of consumers added at least one new paid for video streaming service (such as Netflix).
- Disney+ was rolled out in November 2019. Within a year, the channel had 86m subscribers (now 118m), outperforming Netflix who took 5 years to reach this level.
- There are already more than 300 direct to consumer (DTC) streaming services in the US.²



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The multitude of offers increases the time it takes for consumers to become familiar with new media options. Customer service then becomes a key differentiator, while at least matching reliability and security expectations remain very important. There are four areas of focus for the Media & Entertainment industry:

- 1 Building customer understanding, brand loyalty and revenues through better use of data
- 2 Providing exceptional customer service at the right cost
- 3 Shaping hybrid work success
- 4 Keeping data secure

Media & Entertainment		
Strategic priorities	How Avaya helps	
Building customer understanding, brand loyalty and revenues through better use of data	Single AI-powered view customer journey	Avaya OneCloud
Providing exceptional customer service at the right cost	Personalized customer experiences	
Shaping hybrid work success	Secure Workstream Collaboration	Avaya Composable Experiences
Keeping data secure	Digital identity verification and authentication	

1. Building customer understanding, brand loyalty and revenues through better use of data



Media & Entertainment companies are almost uniquely placed to benefit from the huge amounts of data which are generated when customers use their services.

It enables understanding of customer needs and the targeted development of new products and services. In addition, the data allows the sector to personalize Media & Entertainment offers to customers, by matching interests and social demographics with other data factors, to generate revenue and create loyal customers.

More and more customer data

The shift to streaming has meant a rich and continuous flow of customer behavioral data, providing useful insights to drive improvements across different facets of business operations. Through the subscription model that many businesses use, there is a strong direct relationship with customers and with the right technology tools, companies can develop a good understanding of their customers' key characteristics and profiles. For instance, over 75% of Netflix viewer activity is claimed to be the result of personalized recommendations and the company can boast a market leading consumer retention rate of 93%.³ Data insight is also used to direct commissioning and production choices through an improved understanding of which content will engage and capture audiences.



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Using data to build relationships

Accessing databases and using predictive analytics to profile customers to match them to the most relevant offer can help cross-selling during phone calls and targeting marketing communications. This technology can also enable segmented service levels including concierge depending on the customer profile. Streaming platforms are keen on attracting different customers with varying interests, indeed Netflix produced over ten different versions of the trailer for House of Cards to promote it to different target groups.

Additional ways to attract and maintain customers include targeted monetary discounts, free video streaming, additional mobile data, mobile speed upgrade and fixed speed upgrades. Recommendation algorithms powered the success of many services now considered digital giants such as Netflix, Spotify and TikTok. AI has the capacity to enhance current capabilities with features like mood-matched recommendations which are not only right for a customer, but they're also right for the customer at the exact point they are offered.

AI-powered analysis

Further in the future, intuitive and responsive technologies will elevate everyone's daily interactions by anticipating needs and desires using AI-powered analysis. Voice assistants are already told what song to play, but eventually environments will know each person well enough to know what to play, and when. The metaverse and immersive entertainment will imbue all environments.



Avaya delivers experiences that matter

Avaya OneCloud builds memorable customer experiences for Media & Entertainment companies across the world.

Having a single, AI-powered view of the entire customer journey helps Media & Entertainment companies create exceptional experiences. The millions of customer contact interactions that Avaya OneCloud handles provide unmatched insight into the behaviors and needs of customers.

Making use of data and AI to deepen customer relationships

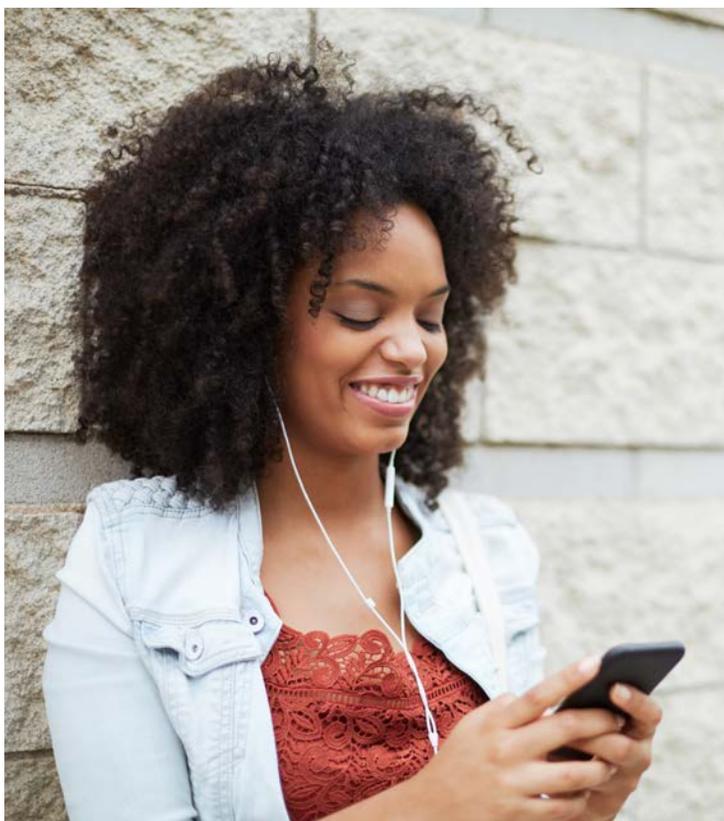
Using a combination of AI and data sources Media & Entertainment companies have the capability to evolve with their customers.

The use of omni-channels in processes and workflows provides broader customer insights which generate opportunities to build stronger customer relationships, increase brand loyalty, generate new revenues, and protect long-term earnings. However, digitalization also gives customers a greater ability to switch providers if they find a better offer.

Personalization is key to a strong customer relationship and Media & Entertainment companies are investing in data collection and storage, as well as analytics and AI, to build this functionality. This investment creates a better understanding of individual customer personas and customers' journeys across all channels. In return, this garners opportunities to:

- Send prompts to customers
- Make customer help available when and where needed
- Route calls and chats from customers to the best resources
- Enhance identity verification and authentication security and fraud protection
- Give next best actions to agents and employees when serving customers.

Avaya's voice and sentiment analytics enables both real-time and aggregated views of customer behaviors and needs. This enables team leaders to support agents in the provision of service, through alerts and opportunities to intervene where necessary. Also, it ensures that business teams have the most up-to-date insight into customers' reactions to new offers, products, and marketing campaigns through aggregated reporting.



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2. Providing exceptional customer service at the right cost



The transformation of the industry, with the investment in new 5G and video on demand services, is creating cost pressures on the industry. At the same time providers need to maintain a great customer experience.

Managing cost pressures while delivering exceptional customer service is a priority

The industry already deals with millions of customer service calls, emails, and other contacts each year regarding contract changes, services, or technical problems. In addition the emerging products and services create new and complicated customer journeys from information provision to on-boarding, education and dealing with customer service issues.

Many companies already use self-service solutions to deal with the basics of customer care including automated IVR, chatbots, online digital processes, and FAQs. The experience of one Media & Entertainment executive interviewed indicates the need for further development in this area, “Internally we are ensuring that the most contextual data about our customers is available to agents answering the calls, but we are avoiding using pseudo AI. Unfortunately, our experience so far with bots has not been successful”.

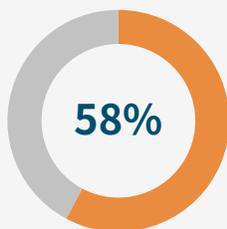
Omni-channel remains popular with customers

The aspect of customer experience which is consistently viewed as most favorable by consumers is the quality of the mobile app. Even so 80% of US consumers in Avaya’s Life and Work Beyond 2020⁴ study agree there should be a phone number on every web page or app although one telecoms executive admitted, “Our objective is to contain the call by analyzing what happens between the agent and customer”. An omni-channel approach could be more appropriate and it is vital to support older as well as younger generations. While some people are more likely to require human interaction, the younger generations are more likely to prefer digital options. It is important to find a solution that works for all demographics particularly as current ASCI average net promoter scores put telecom operators in the 20s whereas this metric for digital powerhouses sits in the 50s.⁵

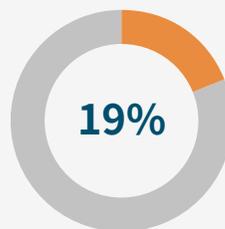


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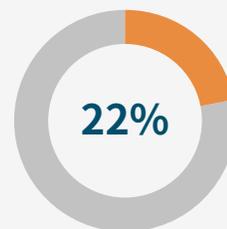
Avaya's Life and Work Beyond 2020 study revealed US consumers' preferences when dealing with the Media & Entertainment industry as:



want omni-channel



want a traditional face-to-face, phone and paper service



want fully digital⁶

Since the Covid-19 pandemic, the following channels have become more important



Equally important as channel availability, is an ultra-easy user experience. A seamless, intuitive interface with simple wording and communication is essential. Design professionals must work closely with customers to create and test the user interfaces, and user experiences, each step of the way, making sure customers navigate as few screens as possible to accomplish a task.

Avaya composes a total customer experience

Avaya supports Media & Entertainment businesses with a range of technology that allows them to compose a personalized customer experience while balancing cost and efficiency objectives.

The technology enables businesses to leverage available context, insight, and AI to pair and match customers to the best resources. In this way objectives for customer self-service can be achieved while allowing agents to deal with complex and emotional customer queries. Seamless transfer from self-service to agents is available with a single customer view from all channels.

Attribute-based routing enables Media & Entertainment businesses to match customers to the best possible agents, providing better service and lowering cost. Attribute routing uses AI to successfully align the characteristics of the customer with the contact center agent. There are benefits for all key metrics such as:

- Improving average handle time
- Reducing average afterwork time
- Improving first call resolution
- Raising transfer rate
- Enhancing service level and customer satisfaction scores
- Improving phone etiquette and adherence to procedures.

Avaya's omni-channel technology means channel choice is delivered to customers in a way that improves service and reduces costs.



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3. Shaping hybrid work success



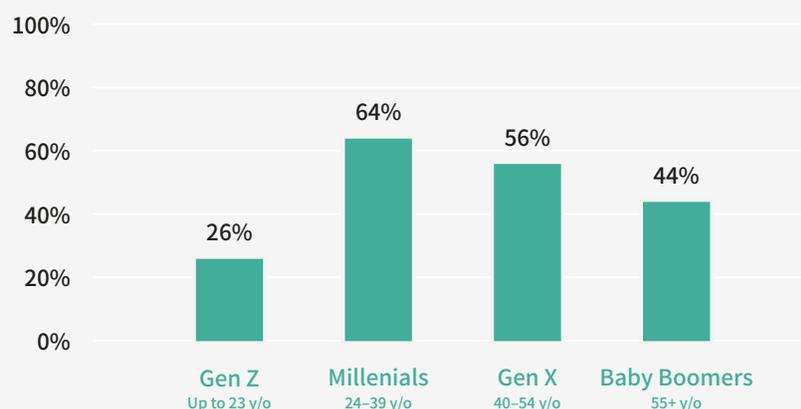
Even with the everyday impact of the pandemic subsiding, hybrid working remains in many Media & Entertainment companies.

Although businesses will have different strategies, the goal for many organizations is to enable flexible and hybrid working for their employees. For example, one company is considering having employees work from home on Mondays and Fridays and being in the office Tuesday through Thursday. This means all employees need to have the same seamless and efficient experience at home, and access to the right information and people, as they have in the office.

Avaya's Life and Work Beyond 2020 research indicated that 65% of US workers agree a hybrid work model is better for their happiness while 84% say they are more productive at work when they are happier⁷. With thousands of employees who usually work in contact centers now working from home, it is crucial for companies to invest in secure collaboration technologies. As one of the executives interviewed reflected, "Due to the pandemic, customer service representatives couldn't go to contact centers as they got sick. So, they have had to work from home and now about 50% of agents are working from home. We need to ensure they are supported".

How do you feel about flexible working (e.g. home, office, worksite, on the move)?

Saying they love it:



Employees are increasingly demanding hybrid working and companies can benefit from the cost advantages. Less office space and recruitment from lower-cost talent pools free up resources to invest in comprehensive digitization. Companies need to prioritize the implementation of faster and more effective systems, including IT and analytics, in order to become more agile, responsive, and connected across their workforce. Our research has shown that many managers are lacking the right systems, as one interviewee lamented, “All workers will be hybrid, but a lot of senior managers are struggling to adopt cloud and new ways of working”.

Avaya composes personalized employee experiences

Avaya OneCloud enables Media & Entertainment businesses to scale hybrid working for contact center and related employees as and when needed.

Lowering costs and building productivity are further benefits of Avaya’s technology. The need to manage agents effectively and enable supervisors to monitor and train agents, whether they are at home or in the office, is particularly vital when the agents are dealing with more complex or potentially brand-tarnishing queries.



Avaya enables secure, effective, and efficient hybrid working for Media & Entertainment businesses

Media & Entertainment employees will continue to be geographically distanced and connecting them into collaborative environments is essential for productivity. Today, many hybrid employees struggle with fatigue from managing too many separate applications.

Avaya’s workstream collaboration applications can replace disparate tools and integrate video meetings, chat, posts, file sharing and task management in one application. This technology empowers teams to communicate in context, in a persistent virtual workspace built on top of workflows and is accessible with any device. Unlike traditional face-to-face environments, workstream collaboration tools like Avaya’s provide persistency, ensuring that work continues to progress across time and location, allowing an expert-centric approach to business and customer problem solving, ensuring that the right subject matter experts can flow in to and out of teams and customer interactions as required.

With an always-on collaboration-based workflow, things get done faster, easier, and more completely through in the moment sharing, as much as during formal meetings. Collaboration happens organically in response to shifting priorities, the availability of team participants, and the information they're currently sharing, unbounded by time or geography.



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more complex and important queries. Avaya's Workforce Engagement Management technology improves agent engagement and allows for supervisor monitoring, coaching and enablement of agents, wherever they are working. Its suite of tools helps supervisors manage agents more effectively with real-time intelligence.

All content needed to kick start or progress a project or discussion is organized, time stamped, securely stored, and easily retrieved from within a virtual workspace, enabling true workflow orchestration where all participants are informed, up-to-date and understand the decisions and knowledge that has been shared. The contextual insight provided with workstream collaboration applications is crucial to improving the way colleagues work.

The power of workstream collaboration can be the bridge across the entire organization. It's a way of bridging siloed Unified Communications and Contact Center applications into one powerful tool with one application.

The need to manage contact center agents effectively and enable supervisors to monitor and train agents is vital to agent development and empowering them to respond to



Avaya OneCloud enables:

- **Planning, forecasting, and scheduling employees to meet service level and cost objectives**
- **Balancing shift patterns and service level goals with employee skills, proficiencies and preferences**
- **Monitoring intra-day trends and adherence**
- **Supporting inbound, outbound, blended media, in-house, outsourced, and virtual operations**
- **Developing long-term plans for capacity, staffing, hiring and vacation.**

In addition, Avaya Conversational Intelligence can help organizations comply with internal and external rules and regulations using supervisor initiated or automated business rules. Supervisors can enhance compliance practices with internal policies and external regulations in real-time. Sentiment and sales triggers draw the supervisor's attention to critical moments in calls. Supervisors can then act, coach, or join the calls.

The future of work is hybrid and Avaya, along with our partners, offer industry leading communications and collaboration security for employees wherever they are, using our collaboration tool Spaces.



4. Keeping data secure



Customer and organizational data security needs improvement

Media & Entertainment businesses are increasingly focused on keeping customer data secure particularly as their industry lacks consumer confidence in this area. In fact, McKinsey & Co. put Media & Entertainment companies amongst the least trusted sectors to protect privacy and data, with telecommunications companies slightly ahead.

Research has shown that 90% of consumers agree they would not do business with a company they don't trust with data security and consumers agree that companies aren't doing enough to protect their data⁸. The pandemic has highlighted this issue as there has been an acceleration in the growth of big data, digitalization and cybercrime which has intensified privacy concerns.

The shift to cloud-based environments and API-based ways of working helps this mature sector to be more agile and innovative, however, this also means more devices, applications and data are no longer contained within an organization's official security perimeter.

It is getting harder to protect against breaches with interconnecting systems and services, while balancing appropriate identification verification and authentication is more complex.



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Avaya helps build security strategies

For too long, companies have been forced to make a trade-off between customer experience and security, while digital privacy has become a new complication. The time has come to change the nature of customer-to-agent interactions and transactions, and the technology exists to make it happen.

Avaya has teamed with Journey AI, a digital identity verification and authentication platform provider that is blazing a trail in this field with award-winning innovation. The company is redefining customer identity verification, authentication, and security by leveraging the sensors on a user's phone or laptop (i.e., location services, cameras, keyboards, QR code scanning) to prove the identity of a person faster and with far greater accuracy. The technology provides a highly secure, biometric-based, identification verification and authentication system wherever the agent is located, so Media & Entertainment companies can be sure only the right people see and hear the necessary customer information required to complete any transaction.

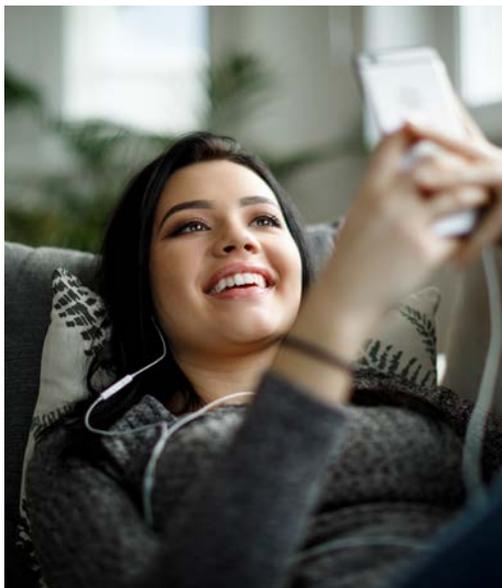
One of the Avaya solutions supports a sophisticated verification technique with 3D face mapping (which is so reliable it has only a 1 in 12 million chance of being ineffective). This process is combined with a purpose-built identity network that keeps customer data private and reduces the time it takes to establish identity thus eliminating redundant, and often ineffective, security questions creating a simpler and more satisfying customer experience.



When it becomes time to transfer a customer to another agent, to maybe add a new streaming service, a set of digital certificates that detail what has or hasn't happened allows the next interaction to start without hesitation. Verifying and authenticating a customer in a contact center using today's methods typically takes 60-90 seconds but can take as long as two and a half minutes. Research shows eliminating this time can save as much as \$3 a call or more, depending on which third party vendors are used. This reduction can translate into annual savings in the millions, as well as providing a better user and customer experience.

Avaya and our partner Journey AI make it possible for agents, regardless of their location, to see the results that matter to them without needing to see or hear a customer's personal, identifiable, financial, or other sensitive information. Using Journey's zero knowledge identity network, the company enables zero knowledge proof of identity or sensitive credentials, verifying that something is true or accurate without actually revealing the data. This vastly improves the customer and agent experience by keeping the interaction clean, simple, streamlined, and fortified.

The process of collecting and verifying a customer's information is dramatically improved and information is better protected. The data itself can't be seen or stored by anyone in transit, including Journey.



Prospects for the future

The Media & Entertainment industry is rapidly evolving as it undergoes continuous and significant technological change.

While the implementation of 5G is currently on the rise, experts predict that by 2030 6G will be fully established and the concept of 7G is already being contemplated.

Media & Entertainment providers will want to maintain and grow their customer base as well as monetize the emerging technology as effectively as possible. However as these developments unfold, Avaya can help deliver total customer experiences that build success in the future.

Methodology

Avaya combined its knowledge of the Media & Entertainment industry with research from Davies Hickman Partners to understand the key drivers of change. This report is the result of this research and analysis:

- A full survey of published sources on the Media & Entertainment industry
- Depth interviews with senior executives working in the Media & Entertainment industry
- A survey of 1,000 consumers carried on a near nationally representative sample using online surveys
- Workshops and discussions with Avaya executives based on their insight around the Media & Entertainment industry.

The report was written in November 2021.

Avaya is a leader in Contact Center, Unified Communications & Cloud Business Solutions, more information about Avaya can be found at www.avaya.com.

The research was carried out independently for Avaya by Davies Hickman Partners. The data and views in this report have been prepared in good faith but neither Avaya nor the authors of the report can be held responsible for any actions or otherwise taken by those reading it.

Notes

- [1 PWC, Global M&A Industry Trends, 2021](#)
- [2 Deloitte, 2020 Telecommunications, media, and entertainment outlook, 2020](#)
- [3 HBS MBA Student Perspectives, Netflix: Your data, your show, your experience](#)
- [4 Avaya, Life and Work Beyond 2020, 2020](#)
- [5 A battle plan for telcos' digital-attacker brands](#)
- [6 Avaya, Life and Work Beyond 2020, 2020](#)
- 7 Ibid.
- [8 McKinsey, The consumer-data opportunity and the privacy imperative, 2020](#)