



Adobe—Deloitte Digital MarketMix for Media Sales Battle Card

Purpose

Adobe Primetime and Adobe Marketing Cloud are the cornerstones of Deloitte Digital's MarketMix product and service stack for media and entertainment (M&E) companies. Partnering with Deloitte Digital will give you faster access to strategic decision-makers at M&E giants—for a strategic conversation that will lead to bigger deals, lower implementation risk, and easier renewals.

Use this battle card to co-sell MarketMix for Media—a complete video technology stack, service bundle, and business solution—with Deloitte Digital. The information here will help you identify and qualify opportunities, develop account plans with Deloitte Digital colleagues, and prep for client meetings. For greater detail, please consult the companion playbook, *Deloitte Digital MarketMix for Media*.

Overview

Deloitte Digital is the full-service digital consulting agency of Deloitte, one of the world's largest and most influential consulting firms. *MarketMix for Media* is their complete technology and business solution for North American M&E companies to offer content direct-to-consumer (DTC) using Internet Protocol (IP) technologies "over the top" (OTT) of traditional distributors. The solution combines Adobe Primetime's multiscreen OTT platform, marketing and media solutions of Adobe Marketing Cloud, and third-party solutions to support any streaming, monetization, and business model.

M&E markets

Participants

Digital technologies are disrupting M&E markets as profoundly as they once did newspaper and book publishing. Even industry giants risk being sidelined into low-profit commodity niches—and marginal players face extinction.

Incumbents

At-risk traditional business models include:

- *Media companies, programmers, and studios* who create, schedule or aggregate premium (not user-generated) entertainment, sports, and news, and deliver it to consumers over MVPDs. (Examples: HBO, ESPN, Sony Pictures)
- *Multi-video program distributors (MVPDs)*, who deliver content over proprietary cable, satellite, or other networks (Examples: Comcast, DirecTV, Verizon FiOS)
- *Broadcast networks (including affiliates)*, who deliver content to consumers over the air and through MVPDs (Examples: NBC, Fox, PBS, Telemundo, affiliate news and sports)

Disruptors

IP-based OTT DTC alternatives like these are multiplying and growing fast:

- *Subscription video on demand (SVOD)*—\$6.4 B in 2015, projected at 6.8% CAGR to \$7.8 B in 2018 (Netflix, Amazon Prime, Hulu Plus, YouTube Red, many others)

- *Ad-supported video on demand (AVOD)*—\$6.9 B in 2015, projected at 12.79% CAGR to \$9.9 B in 2018 (YouTube, Hulu free services)

Rental, electronic sell-through (EST), and download-to-own (DTC) models of iTunes and Amazon's non-Prime streaming video rentals command much lower share.

Trends and pain points

Economics and demographics are driving consumers toward OTT/OTC models:

- *Video spending is up 28% but income only 6%**; encouraging consumers to find substitutes for Pay TV ("cord cutting") or expensive bundles ("cord shaving")
- *Young consumers lead the change*—millennials, many of them "cord nevers" with no Pay TV history—watch most of their content online, including 75% of scheduled TV
- *OTT/DTC offers a real alternative*—60% of Pay-TV nonsubscribers, and 45% of subscribers, will have OTT subscriptions (SVOD) in 2020.†

These trends create an existential crisis for industry incumbents:

- *Media companies, programmers, studios, and broadcasters*—companies that create content for other companies' subscribers—face risks to every revenue source:
 - *Content licensing fees* drop as MVPDs lose subscribers to their services or premium bundles
 - *Audience engagement* erodes as they "fly blind" while Amazon and Netflix create content for customers whose viewing and buying habits they know
 - *Advertising revenues* fall because even if their content appeals to valuable audience segments, they can't prove it
- *MVPDs* lose revenue and margins as OTT/DTC competitors steal:
 - *Revenues*, as cord-cutters leave, older viewers go digital, and cord-nevers enter the market in increasing numbers
 - *Margins*, as cord-shavers abandon bundles for à la carte OTC offerings

Responses

Traditional media companies know they're in trouble, and are rapidly adopting defensive strategies matched to their business models:

- *Media companies, programmers, and studios* are scrambling to build DTC relationships over the top of MVPDs whose value to them as distributors is rapidly deteriorating
- *MVPDs and networks* are adding IP-based "video anywhere" services to their core offerings to hold off revenue and margin erosion as much and as long as possible

Both of these strategies create video-player and business-model transformation opportunities for Deloitte Digital MarketMix for Media featuring Adobe Primetime and Adobe Marketing Cloud.

* Per household since 2010.

† Estimates by M&E industry analyst SNL Kagan.

Adobe references

Adobe Systems (US—D.C. Metro Area)

Lisa Beaman
Alliance Manager
lbeaman@adobe.com
+1 571.419.7988

Adobe Systems (US—Boston)

Andrea Cordova
Partner Sales Manager, Media and Entertainment—North America
ancordov@adobe.com
+1 617.838.8212

Adobe Systems (US—San Francisco)

Edouard Lafarge
Partner Sales Consultant
elafargu@adobe.com
+1 415.535.6242

Adobe Systems (US—San Francisco)

Campbell Foster
Director of Product Marketing
Adobe Primetime
cafoster@adobe.com
+1 415.832.7550

Deloitte Digital references

Deloitte Digital (US—San Francisco)

Michael Delahousaye
Senior Manager, Business Development Manager, Adobe Alliance Contact
mdelahousaye@deloitte.com
+1 415.702.5710

Deloitte Digital (US—Los Angeles)

Danny Ledger
MarketMix for Media Principal and Lead
dledger@deloitte.com
+1 310.435.2178

Deloitte Digital Consulting (US—New York)

Robert Aitken
Product Owner, MarketMix for Media
raitken@deloitte.com
+1 646-342-0267

Adobe resources

Explainer video:
<https://vimeo.com/150350293>

Facebook: <https://www.facebook.com/adobespp>

Twitter: <https://twitter.com/AdobeSPP>

LinkedIn: <https://www.linkedin.com/grp/home?gid=1161317>

Deloitte Digital resources

Website: www.deloittedigital.com

MarketMix/Adobe Alliance page:
www.deloittedigital.com/us/alliances/adobe

Blog: <http://www.deloittedigital.com/blog>

Twitter: <https://twitter.com/deloittedigital/lists/deloitte-digital-global>

Deloitte Digital MarketMix for Media

Overview

MarketMix for Media is a complete DTC/OTT business solution—not just a video player—with all technologies and services needed to:

- *Deliver live, linear, and on-demand video content* under any business model—SVOD, AVOD, rental, EST, and more
- *Acquire and retain audiences* through seamless integrations with Adobe Marketing Cloud solutions
- *Transform M&E business models* through partnership with Deloitte Digital, to minimize execution risk and time-to-market

Modular capabilities

Most M&E companies will have some of these capabilities already in place, so MarketMix for Media uses a modular design based on these components but able to substitute others:

Capabilities	Partners
Video playback	Adobe Primetime
Experience management	Adobe Experience Manager
Customer relationship management	Salesforce
Customer acquisition and retention	Adobe Marketing Cloud
Video asset management	Kaltura, thePlatform, Ooyala
Digital video advertising	Compatible with most solutions
Video ad insertion	Adobe Primetime
Content delivery	Akamai
Transaction processing (all types)	Zuora
Media measurement	Nielsen and Adobe
Consulting and implementation	Deloitte Digital

Segments and buyers

Target segments

The market for MarketMix for Media is large, North America-based Media and Entertainment companies who are Deloitte clients:

- *Content providers*—to acquire and maintain direct consumer relationships, media companies, programmers, and studios need:
 - *Playback, delivery, and management* for premium content, with ad insertion for AVOD and hybrid models
 - *Customer acquisition, retention, and management*
 - *Monetization tools* for subscription management and transaction-processing
 - *Consulting and implementation services* to transition to a new and completely unfamiliar business model
- *MVPDs*—to extend established customer relationships across new delivery platforms, these distributors need:
 - *Playback, delivery, and management* for new platforms
 - *Market segmentation tools* to retain disaffected customers without resorting to across-the-board discounting

- *OTT content aggregators*—to retain subscribers and reduce churn in the face of competitive pushback, aggregators require:
 - *Higher-quality video experiences* across multiple platforms
 - *Personalization capabilities* to optimize content for high-value customer segments

Target buyers

Most of these engagements constitute strategic changes of direction, involving the CEO, strategy officers, or Boards of Directors. Tactical decisions, for example to improve analytics or media buying, can be made at the Marketing or IT departmental level.

Objections	Responses
Cost and risks of new business model	<ul style="list-style-type: none">• Old M&E models are eroding• Modular solution minimizes cost• Consulting services minimize risk
OTT/DTC services yield less revenue	<ul style="list-style-type: none">• Transition is certain—don't wait• Only OTT captures cord-nevers• Use segmentation to optimize
Content providers: audience acquisition and measurement	<ul style="list-style-type: none">• Adobe Media Optimizer• Adobe + Nielsen metrics
Content aggregators: discovery, conversion to premium	<ul style="list-style-type: none">• Adobe Marketing Cloud promotion and conversion• Adobe Primetime premium video

Working with Deloitte Digital

Get to know Deloitte Digital

Deloitte Digital is already in the door with 80% of the Fortune 500, and engages at the highest levels with US M&E giants, including:

- Top 7 cable/satellite providers
- Top 5 gaming companies
- Top 6 film studios
- Top 8 telecom carriers
- Top 10 media streaming services
- 3 of the top 5 radio broadcasters
- Top 6 TV station groups

Deloitte Digital deals are typically larger than Adobe's, and renewals carry lower risk. MarketMix for Media brings Adobe into client discussions earlier, so displacement by competitors is also less likely.

Keys to success

Keys to success are to see MarketMix for Media as a way to extend client business models, not just stream video—and to open a business transformation conversation that is much larger than a standard Adobe Primetime sale.