Seeing the BIG Picture

Harnessing digital to drive M&E growth

March 2023

BCG

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders — empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

Meta

Meta builds technologies that help people connect, find communities, and grow businesses. When Facebook launched in 2004, it changed the way people connect. Apps like Messenger, Instagram and WhatsApp further empowered billions around the world. Now, Meta is moving beyond 2D screens toward immersive experiences like augmented and virtual reality to help build the next evolution in social technology.

THE ORIGINS OF THE STUDY

Media & Entertainment (M&E) players around the world have embraced digital-forward practices to become future-ready. They recognize the power of digital to influence every stage of the consumer's media consumption journey, from discovery to interest to engagement. Yet Indian players have been hesitant to embrace digital.

BCG and Meta have come together to present a view on how digital can drive growth for M&E organizations in India.

We connected with 30+ industry leaders from LTV, OTT and Movie Studios to get the complete industry perspective. We complemented this with a quantitative survey of ~2,600 consumers and in-depth discussions with 50+ viewers, for a holistic customer perspective.

We are grateful to these industry leaders and consumers for their invaluable contributions.

Shaveen Garg

THE TRAILER

Think full funnel

High consumer involvement post content discovery

Digital plays a critical role across the content consumption journey

- **50–60%** of consumers actively research and engage with content
- Of these, **50%+** are **digitally influenced**

Deploy digital as a complementary medium

Significant consumer involvement on digital channels beyond LTV/OTT network

Ideate, create and share digital-forward content

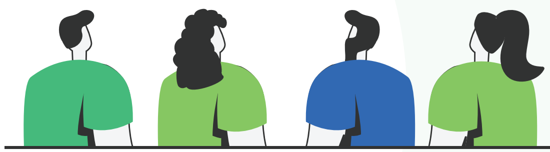
- **~50%** off-network activity happens on digital
- **3 digital touchpoints** between content discovery and consumption

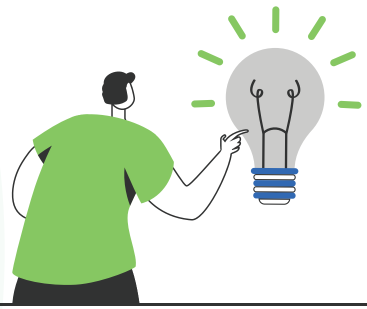
Ramp up digital engagement

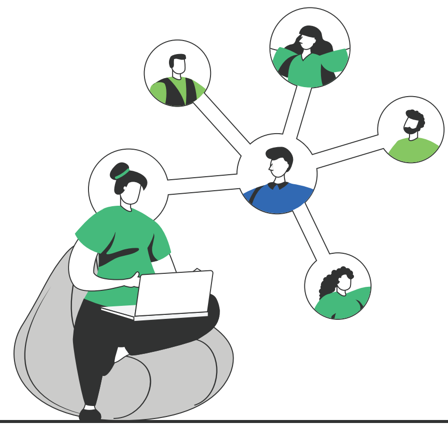
Word of Mouth (WoM) increases appointment viewing and reduces churn

Design and execute targeted campaigns to nudge WoM

- **Up to 40%** higher watch times for digitally engaged audiences
- **40%+** viewers discover content on digital via WoM



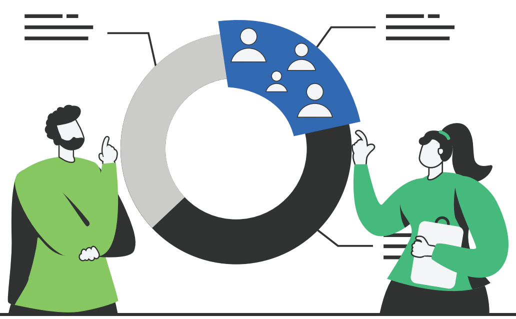




Identify pockets of innovation

Urgent need to re-think and formulate business, content and marketing strategies to accelerate growth

- Nurture **Test and learn** culture with agile teaming
- **Re-allocate marketing spends** basis incremental returns
- **Tailor digital activations** basis digital maturity



Build capabilities to match global peers

Best-in-class companies build an ecosystem to design and execute digital activations

Content factory

Measurement toolkit

Organizational

Technology and data

Flywheel for user engagement

Unlock significant value with digital

Strategic digital activations expand the viewer base and drive top-line growth

- **2.5–3x** higher active user base
- **1.5–2x** higher time spent
- **30–40%** sales uplift for LTV and Movie Studios
- **35–40%** marketing spends efficiency for OTT

SHOOTING SCHEDULE

01

LIGHTS

Understanding the power of digital and evolving consumer behavior

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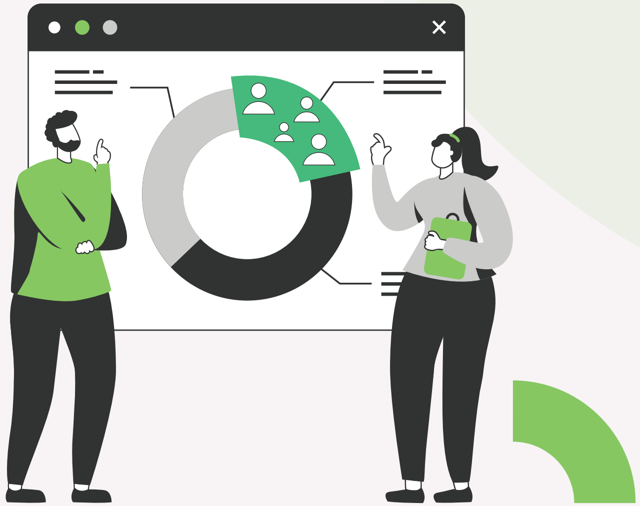
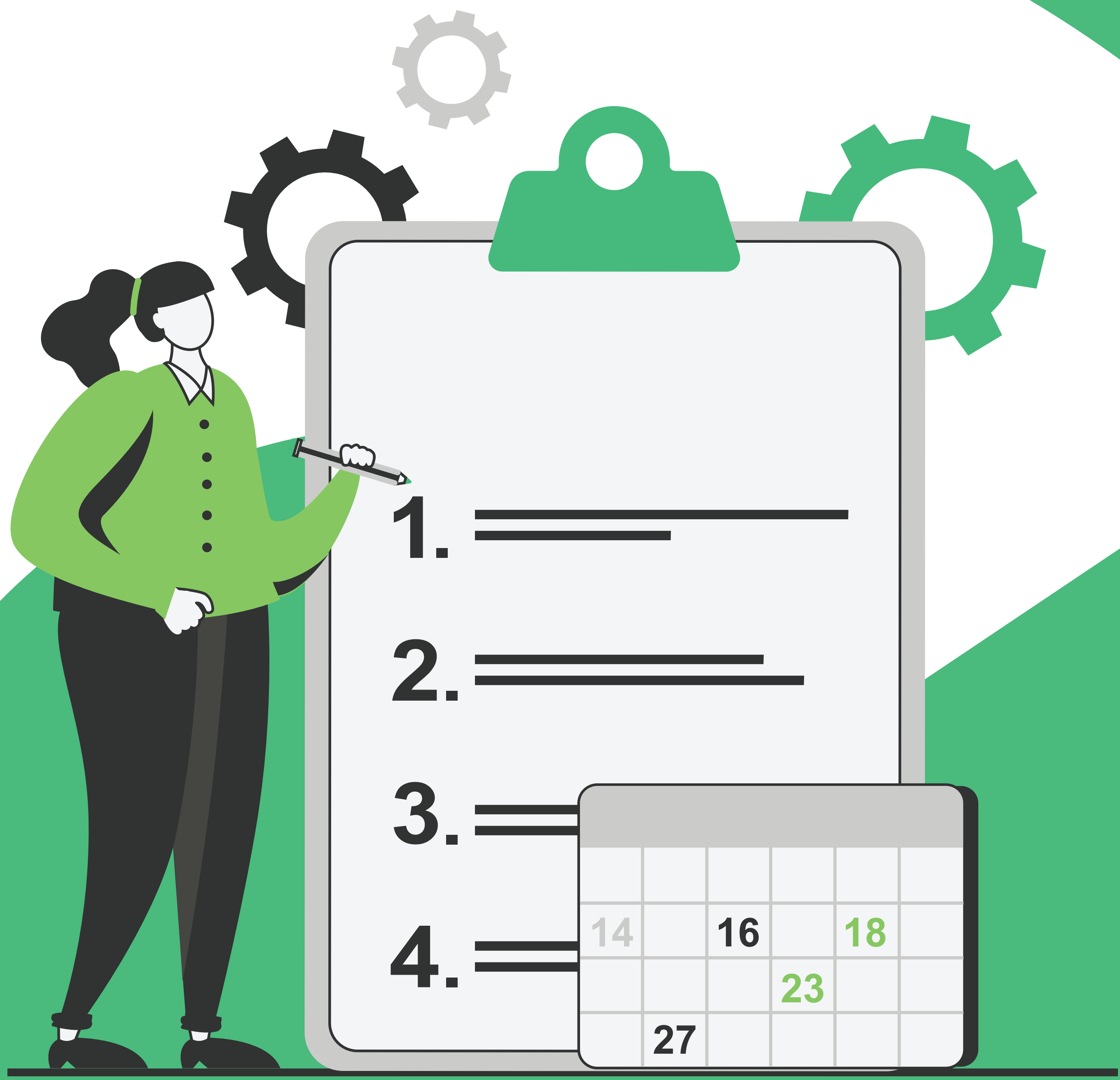
CAMERA

Attracting and engaging the viewer

Page 24



01
LIGHTS
Understanding the power of digital and evolving consumer behavior


1.
2.
3.
4.
14
16
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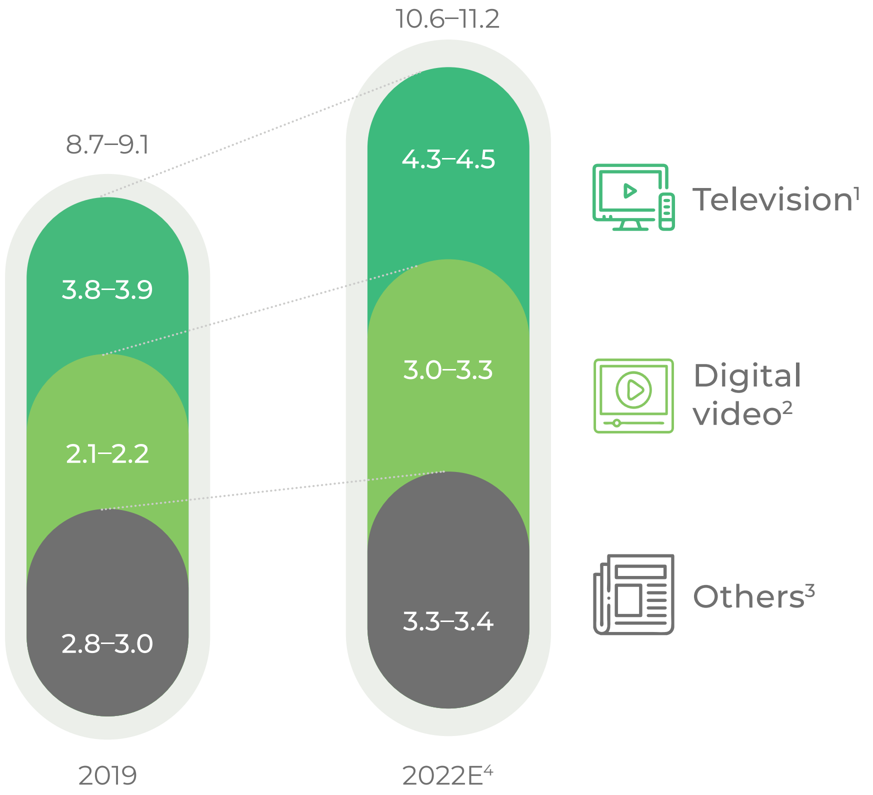
27

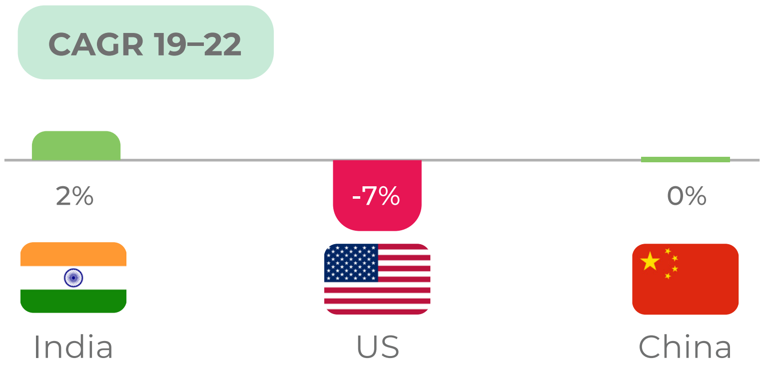
India is an entertainment-hungry nation – and growth in digital is driving new content consumption

Growth in digital consumption outpacing all other segments

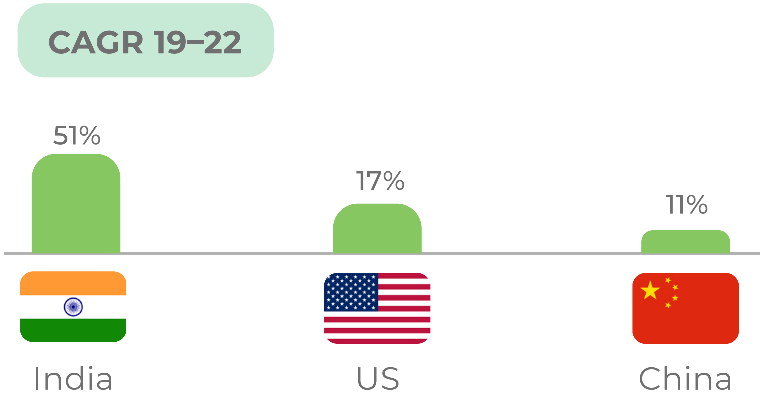
Number of hours of consumption/day/viewer



PayTV households in India continue a growing trend while the US and China are static or declining...



...and the number of OTT SVoD subscribers is growing 3–4x faster than in US and China



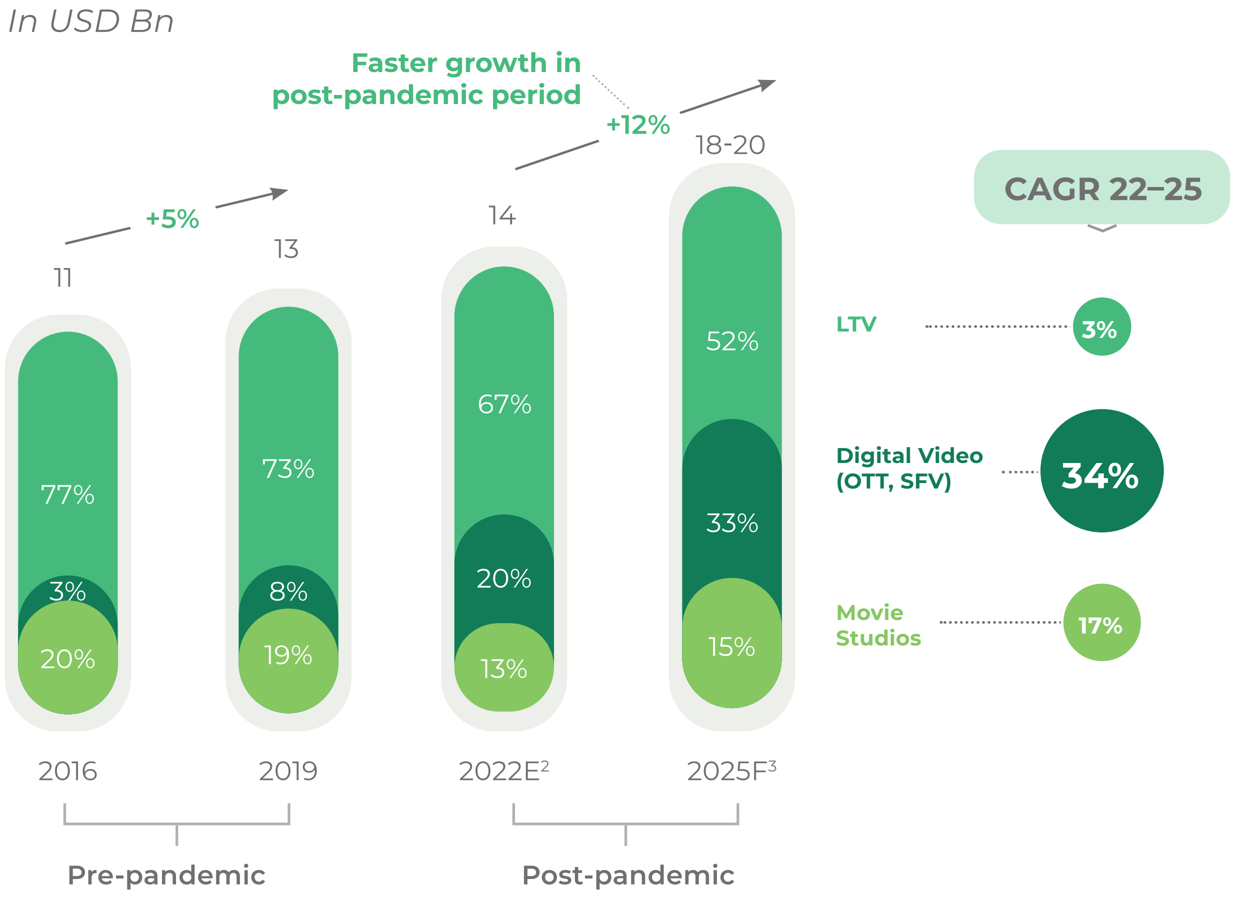
1. TV: ages 18+ who use at least once per month; includes live, DVR, and other prerecorded video (such as video downloaded from the internet but saved locally); includes all time spent watching TV, regardless of multitasking. If all population with age 18+ is considered, average hours per day is 3.28 hours as of 2022; **2.** Digital: ages 18+ who use at least once per month; includes all time spent with online video activities, regardless of multitasking; includes viewing via desktop/laptop computers, mobile (smartphones and tablets) and other connected devices (game consoles, connected TVs or OTT devices); **3.** Includes gaming, print and radio **4.** Estimated

Source: Media consumption in India 2022 from E-marketer; Industry Reports; BCG Analysis

Video verticals are catering to this appetite and expected to grow at 12%+ CAGR for next 3 years

This report is focused on the LTV, OTT and Movie Studios sectors

Video-based media and entertainment market size in India



~600Mn online video viewers in India (50% up vs. 2019)

Original content on OTT to reach 4,000 hours by 2024 (2x vs. 2019)

50%+ of all time spent on OTT by 2025 will be on **vernacular content**

1. Short form video apps **2.** Estimated **3.** Forecasted
Source: India Media Market Size, 2022 from Magna Global; Tuning Into Consumer, March 2022 by EY & FICCI; Press Articles; BCG Analysis

Digitally active users are growing and expected to be 85% of internet users

	2020 *In Mn*	2022E[2] *In Mn*	2025F[3] *In Mn*	2030F *In Mn*
Internet users aged 18+	515	624	743	894
Digitally active users[1]	224	366	545	757
Share of digitally aged populations among internet users	43%	59%	73%	85%

Internet users aged 18+, 2020–2030F: 6% CAGR

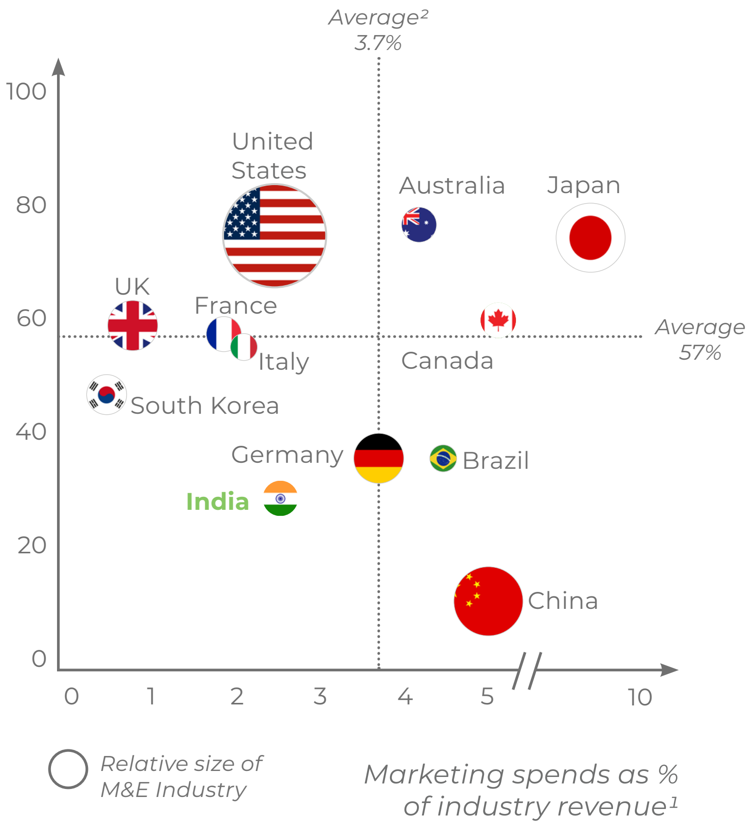
Digitally active users, 2020–2030F: 13% CAGR

1. Users using internet for more than 4 years **2.** Estimated **3.** Forecasted
Source: BCG analysis

However, Indian media companies are under-indexed on marketing spends and digital capabilities

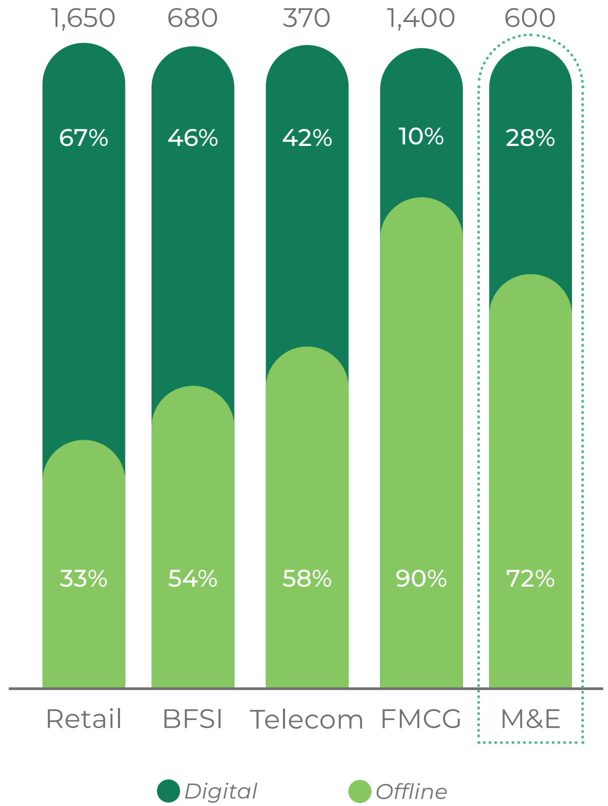
Indian M&E industry spends lower than international peers

Share of digital in marketing spends[1]



Even domestically, digital spends lower than other B2C industries

In USD Mn



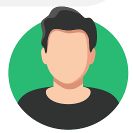
Urgent need to invest in internal digital capabilities

"Majority of our efforts are on own network, digital is seen as a secondary driver of reach"

"Digital is growing but our LTV network still has majority of the eyeballs"

"Lack of clarity on the impact of digital activations puts a lot of resistance in executing these"

Industry speak



1. For 2021 **2.** Average of 11 countries other than India

Source: Media Market & Advertising Overview, 2021 from Magna Global; Industry Expert Interviews; BCG Analysis

We looked at consumers across demographics...

Gender

53% Male

47% Female

Income

45% Less than INR 10 lacs[1]

55% More than INR 10 lacs

Age groups

57% Less than 35 years

43% More than 35 years

City tier[2]

53% Large town

47% Small town

Language

Hindi	57%
Regional	41%
English	2%

Digital maturity

44% **High:** Typical app usage: SVoD OTT, app-based cab booking, internet/mobile banking

56% **Low to moderate:** Typical app usage: social media, search, e-com shoppers, AVoD OTT, mobile wallets

1. Per annum 2. Large towns – metros and tier-1 cities and small town – tier 2 and 3 cities

Source: BCG Consumer Content Consumption Survey, October 2022, N = 2,615

DISCOVERY

Consumer lens

- Getting to **know about a new/existing piece of content** on that respective channel/studio/OTT platform

Business objectives

Drive **awareness among customers** who are

- Not aware about the platform
- Not aware about the content
- Dormant/churned

Consumer voice

"Top 10 trending are a great way to discover good content pieces"

"I came across a meme from a recent release and decided to watch its trailer"

...to understand their content consumption journey and the key drivers

INTEREST

- Gathering information actively to **make a conscious decision to watch/not watch** a piece of content

- **Maximizing subscriptions**
- Generating interest about the content

"We have a group where we review and discuss new shows and movies"

"I search for information about the content online and check out reviews by influencers"

ENGAGEMENT

- Actively **following the content** episode after episode, season after season (incl. catchup)
- **Sharing of related info** (view, feedback, recommendation) while consuming the content
- **Involved with the content** beyond watching it (fandom, discussions on characters / plot etc.)

Engaging with audiences by various marketing initiatives

- Maximizing time spent
- Maximizing frequency of visits
- Reducing churn rate

Social listening to gauge reaction to content

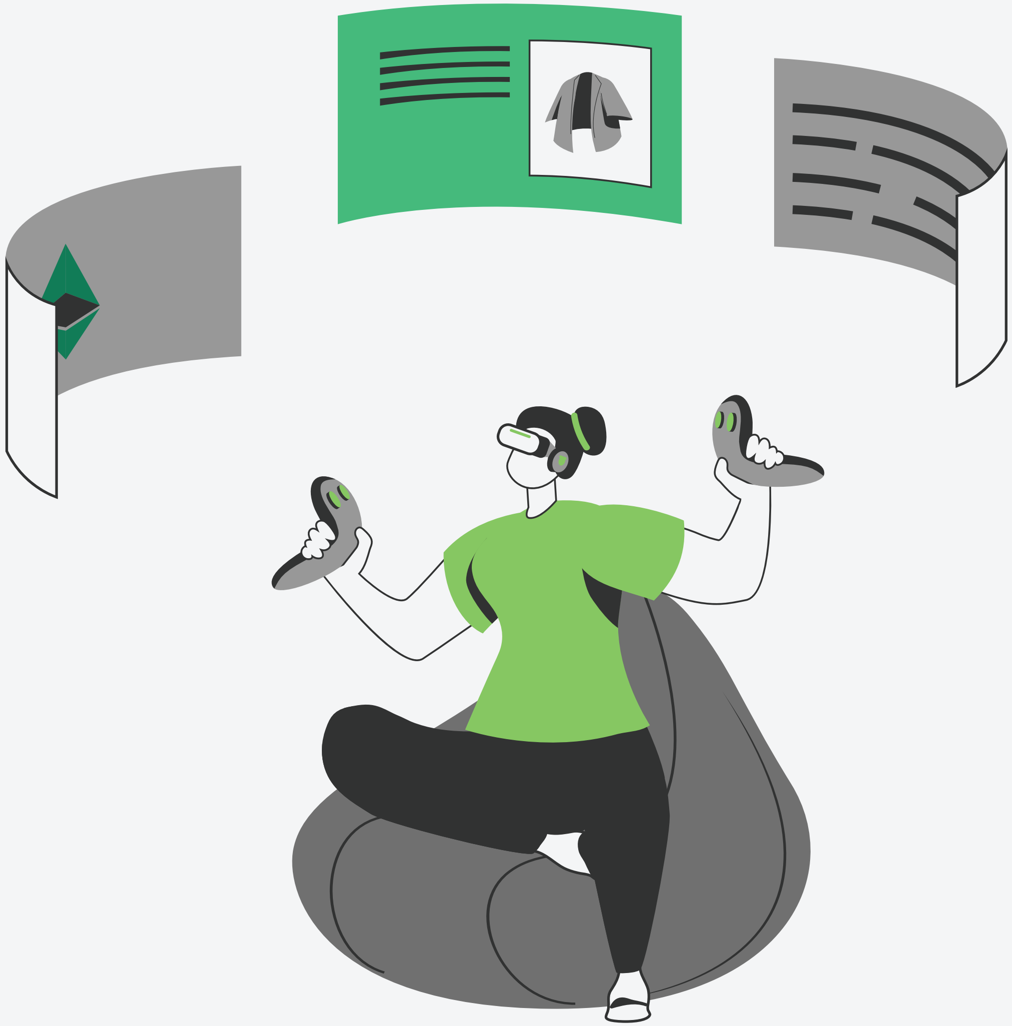
"Whenever I am watching something, I usually take a picture of my laptop screen and post it online"

"I follow official handles of my favorite celebs; at times they have shared my posts on their handles as well"

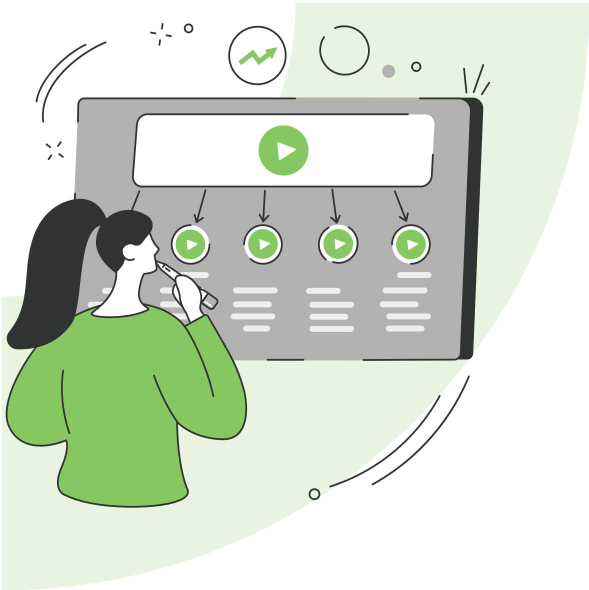
"I usually watch sports highlights on my phone when I am having a meal"

CORE OBJECTIVE OF THE STUDY WAS TO UNDERSTAND...

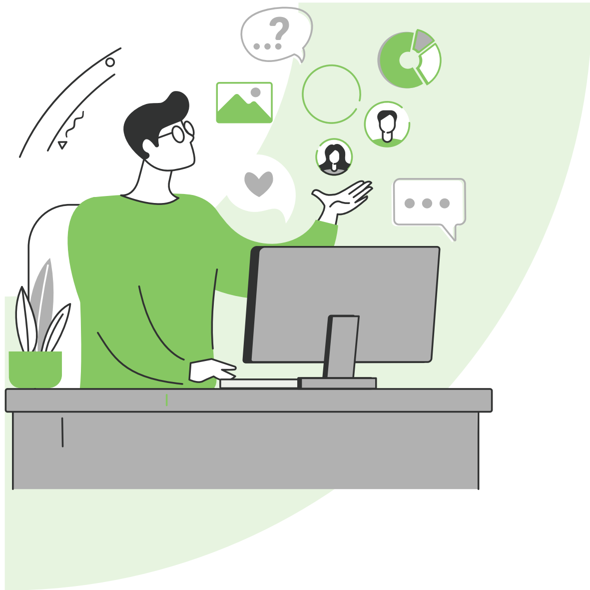
How media companies can catalyze growth through digital...



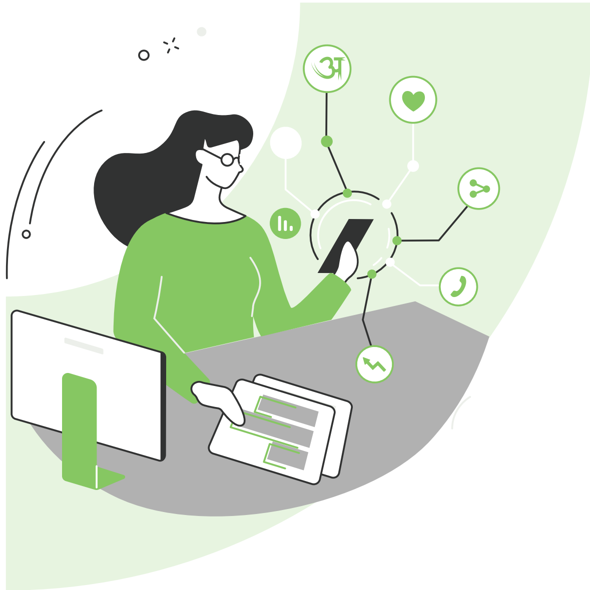
Activations to be designed keeping in mind...



High overlap in content consumption across verticals – blurring boundaries in consumers' mind



Significant **digital influence** observed even for **cohorts generally considered to be digitally passive** (over – 35 years, women, small-town residents)

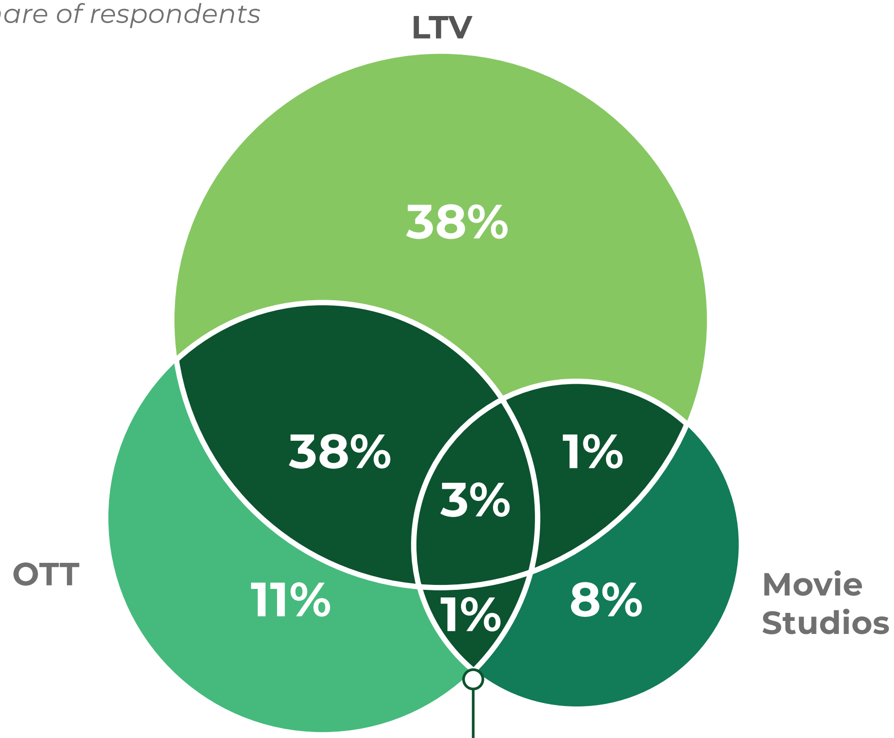


Similar digital influence for Hindi and Regional content content viewers; however, important **nuances in the choice of channels and activities** within them

Consumers seamlessly transition across LTV and OTT

Content consumption is vertical agnostic for 40%+ respondents...

Share of respondents



43% respondents consume content across verticals

...rather, consumers' choice of platform to watch content depends on external factors

"I love watching a particular serial on TV because I like the way the lead acts and dresses"

"I never skip the episodes and have been watching it since the last 2–3 years"

"Sometimes, when I miss an episode on TV, I watch it online the next day"

Priyanka, Patiala, 34 years

"I am a sports lover and sports means Cricket and Kabaddi for me"

"I usually watch them on TV. But, if my family wants to watch something else, I switch to OTT apps on my phone or laptop"

"Whenever I am in office, I watch live cricket matches on streaming platforms on my laptop"

Jugal, Mumbai, 25 years

Source: BCG qualitative research, October 2022, N=50; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

Contrary to industry belief, even cohorts like over–35 years, women and small-town residents have significant digital influence

Digital influence and interaction is age, gender, income & city-tier agnostic

% respondents digitally influenced at each journey stage

		Age		Gender		Annual income		City-tier	
		<35 years	35 years+	Male	Female	<INR 10 lacs	INR 10 lacs+	Large towns	Small towns
PRE WATCHING[1]	LTV	40%	28%	26%	34%	33%	35%	31%	39%
	OTT	78	71%	70%	66%	76%	76%	74%	81%
	Movie Studios	62%	54%	45%	55%	63%	56%	55%	68%
POST WATCHING[2]	LTV	68%	60%	67%	65%	64%	64%	64%	65%
	OTT	72%	70%	78%	77%	72%	71%	72%	72%
	Movie Studios	69%	70%	68%	74%	69%	69%	70%	69%

<25% 25-50% 50-75% <75%

Digital efforts should be planned to target audiences across demographics

1. Includes digital influence in the "pre-watching" stage of media content journey (i.e., discovery and interest) **2.** Includes digital influence in the "post-watching" stage of media content journey (i.e., engagement)
Source: BCG Consumer Content Consumption Survey, October 2022, N = 2,615

Digital influence similar for Hindi and Regional, but driven by different channels and activities

Similar levels of digital influence in Hindi and Regional

% respondents digitally influenced at each journey stage[1]

		Language	
		Hindi content	Regional content
	LTV	40%	25%
	OTT	78%	72%
	Movie Studios	64%	46%
	LTV	70%	58%
	OTT	70%	73%
	Movie Studios	69%	73%

<25% 25-50% 50-75% <75%

However, the most influential digital channels for both differ considerably

Top ranked	Hindi content	Regional content
Source for digital discovery	Short- and long-form videos across platforms	In-app
Research topic	Information on storyline	Information on release dates/launch
Source of research activity	Official page/ account	Influencers
Engagement activity	Discussion on websites/ forums	Following interviews/ official accounts of related celebs

Regional influencers build better connect and, therefore, have high credibility

Pain points for Regional are mainly driven by limited availability of industry-generated content like BTS

Important for media houses to have customized approach for marketing Regional content

1. Sample size of 1,493 for Hindi and 1,082 for Regional content

Source: BCG Consumer Content Consumption Survey, October 2022, N = 2,615

M&E companies must actively and consciously understand evolving consumer behavior and design strategies covering E2E consumer journey to accelerate growth

02 CAMERA

Attracting and engaging the viewer

DISCOVERY | INTEREST | ENGAGEMENT

INDUSTRY MYTH

LTV viewers have low digital maturity; better reached through offline channels

Prevailing view

LTV:

Content discovery primarily driven through promotions on own channels, limited or no digital activations required

LTV audiences only discuss content among themselves and take reviews from their friends and family

OTT and Movie Studios:

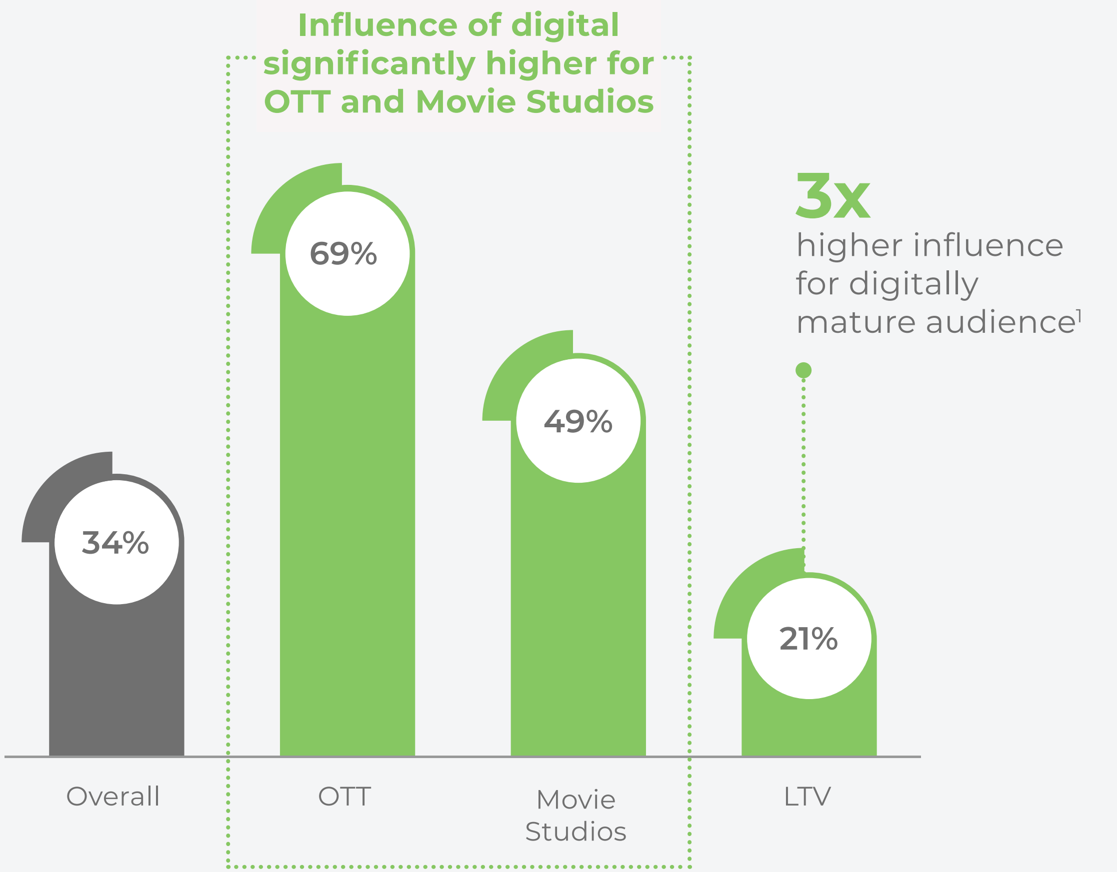
Digital is important, and driving online discovery is a key imperative

CONSUMER REALITY

Digital discovery is on the upswing, even in LTV...

Highest influence seen in fast-growing 'high digital maturity' segment

% respondents discovering content digitally



1. Compared to low digital maturity audience

Source: Industry Expert Interviews; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

...viewers are influenced by digital, but supply is a constraint

Lack of digital content is a pain point for ~80% of non-digitally influenced LTV viewers

% of non-digitally influenced LTV viewers facing the respective issue

Supply driven challenges

46%
Limited info about upcoming content on online platforms

32%
Incomplete info in ads, or promos shown are not for desired content

19%
Too many ads of irrelevant products/ services

LTV players should invest in ideating, creating and sharing digital-forward content to tap into this existing demand

Source: BCG Consumer Content Consumption Survey, October 2022, N = 2,615

INDUSTRY MYTH

No pressing need for digital interventions beyond own networks/channels to drive content discovery

Prevailing view

LTV:

Discovery mainly driven by own network and offline channels

Digital activation not critical since TG is not digitally active

OTT:

CRM channels sufficient to promote content discovery once viewers are onboarded

Recommendation engine, top listings are significant drivers

CONSUMER REALITY

Off-network discovery is hugely underestimated – and 50–60% of it is on digital channels

LTV

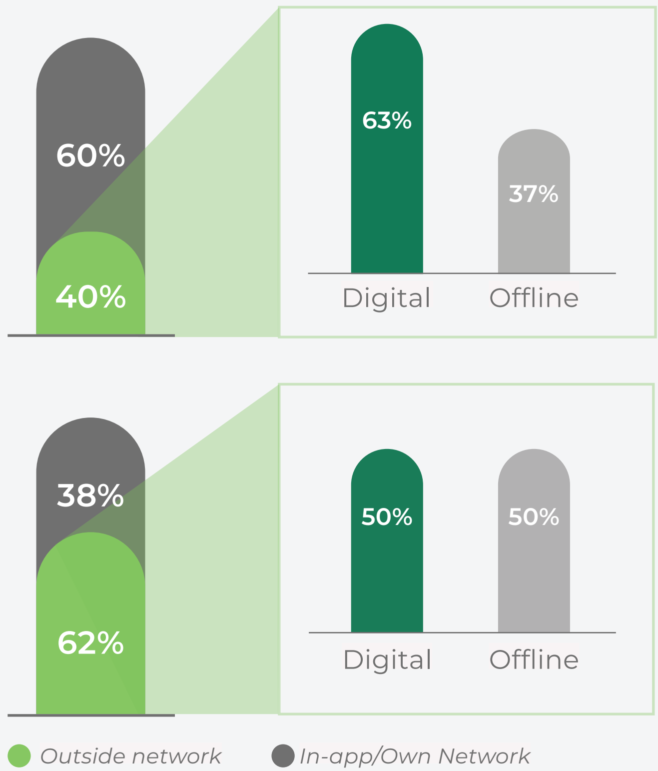
40% of discovery happens outside TV, and more than 60% of that is on digital

OTT

62% discovery happens off the app – and half of it is on digital

Source of discovery

% respondents influenced by respective sources



Recognize the power of non-network digital platforms to drive discovery

Source: Industry Expert Interviews; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

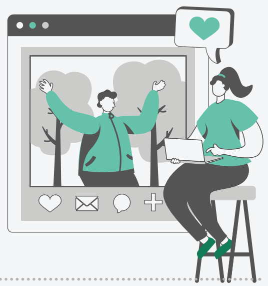
The drivers of digital content discovery

Organic chatter – conversations with friends, family and peers are a powerful engine of discovery

Fan following – online channels like studio/celebrity's official handles etc. can be harnessed to drive discovery

Video nudges – short- and long-form videos across platforms exert strong influence on discovery

Influence of influencers – key emerging channel to build connect and hook viewers to content



60%+ consumers seek out information about content before deciding to watch

Prevailing view

LTV:

Interest can be generated by having higher frequency of touchpoints on own network

OTT and Movie Studios:

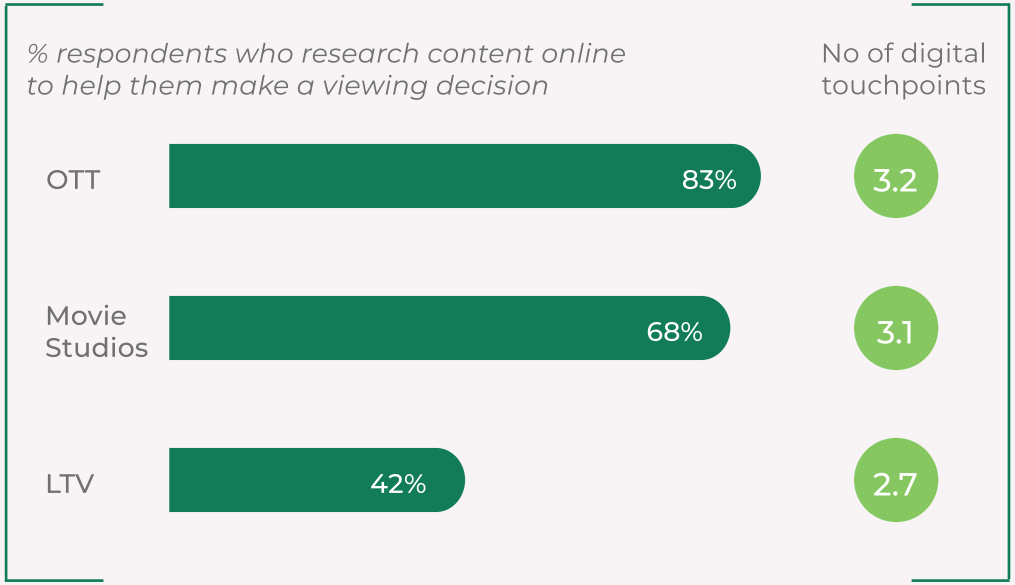
Decisions are often shaped by multiple online interventions

Up to 80% of research occurs online, across verticals

On average, 3 digital consumer touchpoints between content discovery and consumption

62%

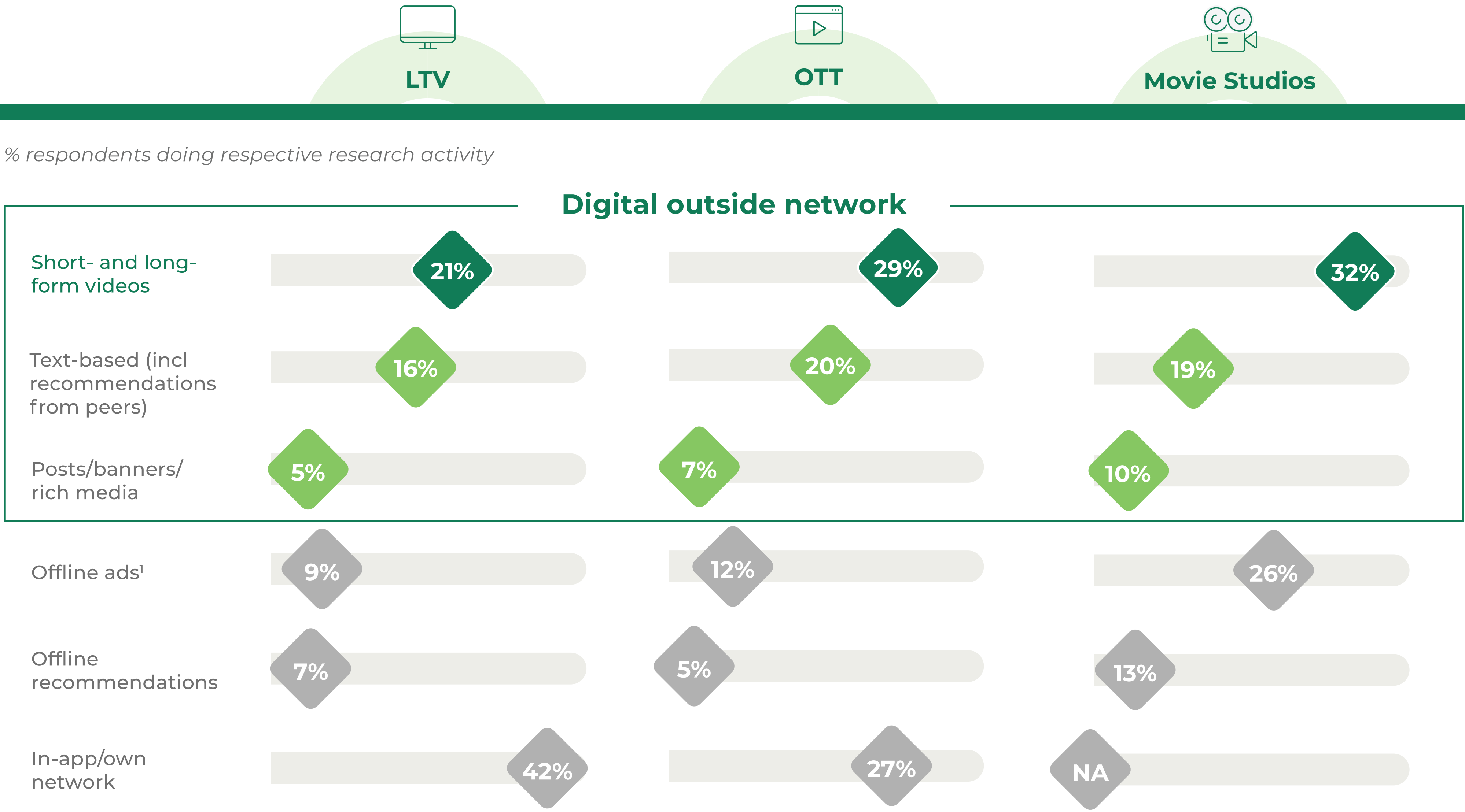
% respondents who research content to decide whether to watch



Leverage digital to nudge viewer decision-making

Source: Industry Expert Interviews; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

Within digital, videos have the greatest influence on viewer decision-making across verticals



1. Includes radio, newspaper, OHH and TV (for Movie Studios and OTT)

Source: BCG Consumer Content Consumption Survey, October 2022, N = 2,615

Consumers seek similar information across verticals, but priorities vary

Content trailers/teasers are most sought-after across verticals

% respondents ranking information area as top

LTV		OTT		Movie Studios	
Trailers/teasers related to content	28%	Trailers/teasers related to content	24%	Trailers/teasers related to content	27%
Reviews and ratings	14%	Reviews and ratings	15%	Reviews and ratings	15%
Ad promos for the content	15%	Ad promos for the content	17%	Info about where the movie is screening	13%
Info about related stars/celebs/players	17%	Info about related stars/celebs/players	15%	Info on storyline	12%

Develop content across high-preference information areas to nudge decision-making

Note: Comparison shown for OTT Movies, TV Movies and Cinema
Source: BCG Consumer Content Consumption Survey, October 2022, N = 2,615

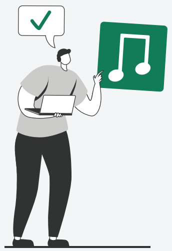
Case study: Indian LTV player

Leveraging external channels in a 360° marketing campaign for a dance reality show

Driving online mentions through the metaverse

Enabled audience to choose their **avatar and dance on virtual stage**

Engaging activities like **photo booth, dance master-class, game zone and BTS**



Publicizing title track using AR dance classes

Harnessed AR to let people **dance to the title track with a celebrity judge**

Video snippets released for participants to **share on their online handles**

Dance challenges for influencers

Top influencers danced with the judges/anchors, performing the hook step to the title track

Snippets **uploaded and promoted as short videos** for easy sharing

Hashtag led challenges across cities

Flash mob organized in Mumbai with children dancing to the title track

Talent show for **select dance troupes** in various cities

2nd highest rated reality show in India

and among top 20 shows within a week of launch

Source: Industry & Press Reports; BCG Analysis

INDUSTRY MYTH

Limited online post-watch engagement for LTV content

Prevailing view

LTV:

Passive consumer involvement after watching content

Limited scope for digital influence as engagement mainly driven by offline discussion with friends/family

OTT and Movie Studios:

Audiences engage online with user-generated content, as well as content shared on official handles

CONSUMER REALITY

~50% viewers engage with content – and 35–50% of this occurs digitally across verticals...

48%

% respondents who engage with content

Digital engagement significant even for LTV

% respondents actively engaged and digitally influenced

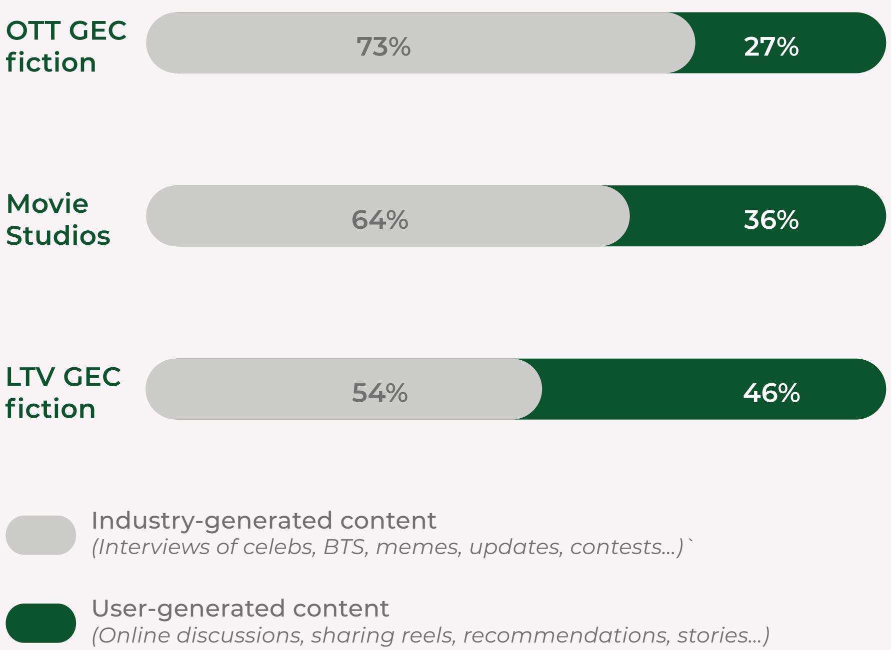
OTT	LTV	Movie Studios
47%	35%	34%

Source: Industry Expert Interviews; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

...though digital engagement in LTV is driven by user-generated content

LTV under-indexed on industry-generated digital engagement activities

Sources of digital engagement activities



Within digital engagement, 85%+ consumers consume short clips of watched shows

55% respondents

"I actively seek out short clips of my watched shows"

32% respondents

"I watch short clips of my watched shows whenever I come across them"

Propagate engagement-driving content and foster online communities for user-generated content

Important to re-engage with audiences and explore scope to monetize content through publishers

Source: Industry Expert Interviews; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

INDUSTRY MYTH

LTV | Watch time depends entirely on content – if the quality is good, users will watch for longer

OTT | High churn rates are inevitable, focus should be on countering them through customer acquisition

Prevailing view

LTV:

Limited digital activations due to difficulty in measuring and attributing the impact

High consumer churn rate for content pieces with a long gap between seasons

OTT:

High churn rate (up to 4%/ month vs 2–2.5% for BIC) eating into profits, despite concerted efforts towards customer acquisition

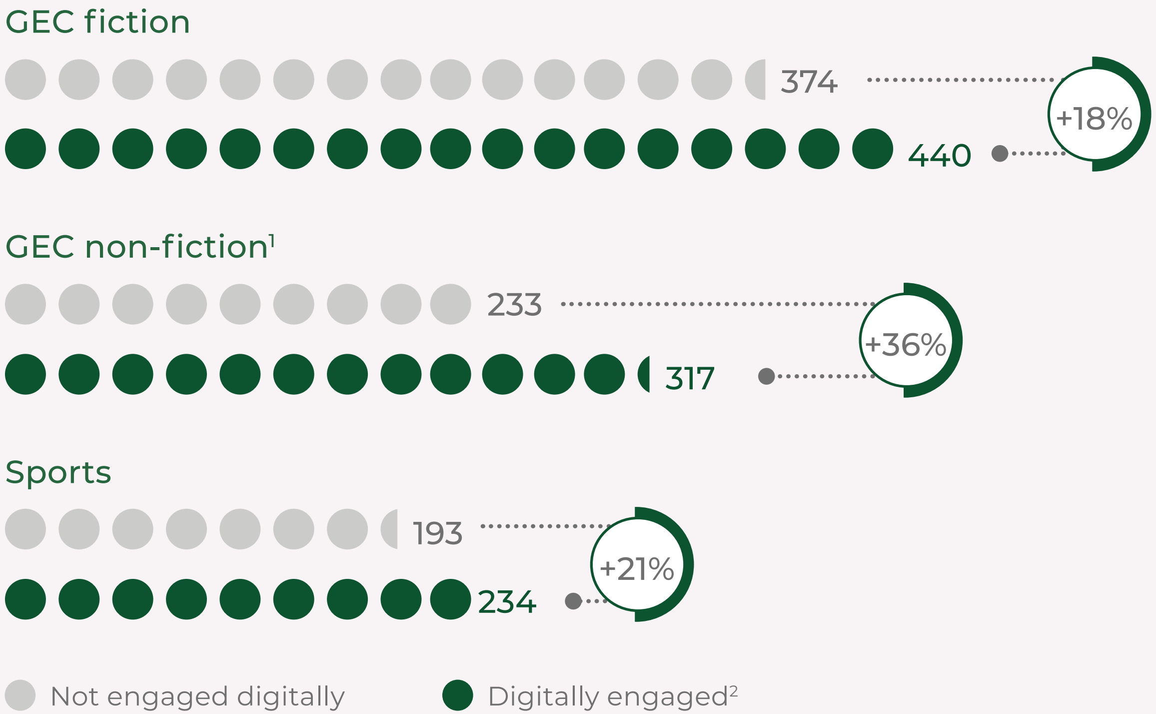
Industry pain point

CONSUMER REALITY

Higher digital engagement correlated with higher watch times on both LTV...

LTV: Digital engagement shown to increase watch time by up to 35%

Watch time/week (in minutes)



Focus on digital engagement to boost appointment viewing and reduce churn; deploy sophisticated measurement tools, incremental lift tests

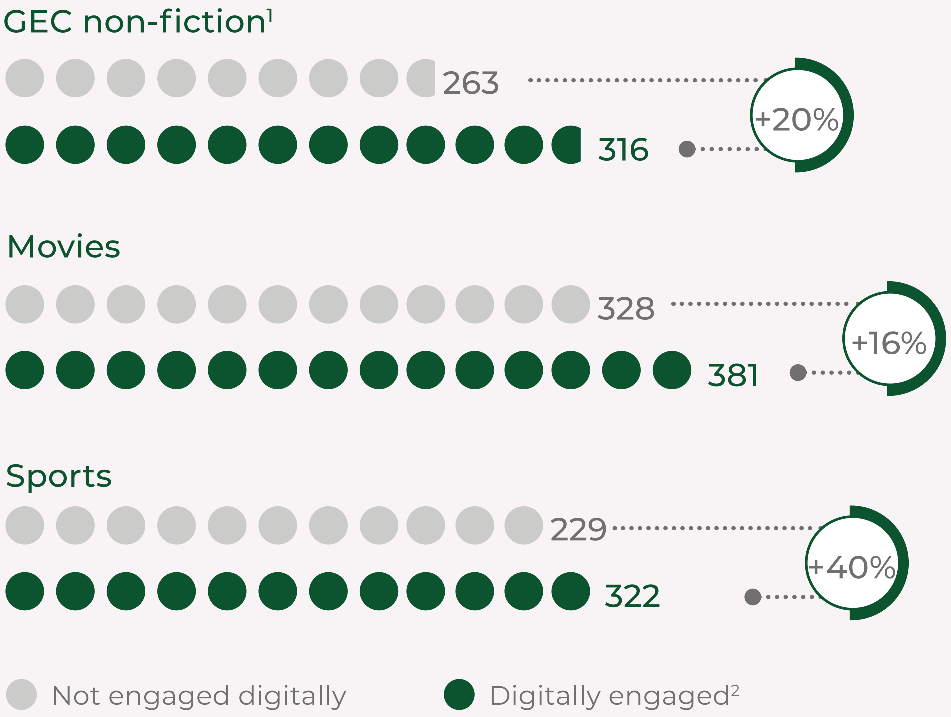
1. Refers to Reality/Talent hunt/Game shows **2.** Includes digital influence in the "post-watching" stage of media content journey (i.e. engagement)
Source: Industry Expert Interviews; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

CONSUMER REALITY

...and OTT; drives churn reduction and subsequent content consumption

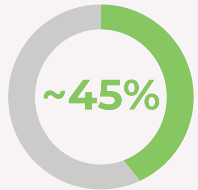
OTT: Digital engagement linked to higher watch times across genre; highest among sports viewers

Watch time/week (in minutes)



Optimize campaigns for deep funnel metrics and deploy 1PD-led churn prediction models

Movie Studios: Digital engagement can drive Word of Mouth (WoM) and entice audiences to watch



of the respondents who discovered a movie via digital, did so through WoM

"I saw a friend's post raving about the movie, we discussed the plot and I decided to buy the tickets"

"I spoke to a friend who'd recently watched the movie and she recommended it to me"

"My friends kept sharing memes about the movie and that sparked my curiosity"

Consumers' voice

Level up on digital engagement to encourage movie viewing

1. Refers to Reality/Talent hunt/Game shows **2.** Includes digital influence in the "post-watching" stage of media content journey (i.e. engagement and digital advocacy)
Source: Industry Expert Interviews; BCG Consumer Content Consumption Survey, October 2022, N = 2,615

INDUSTRY MYTH

Word of mouth (WoM) happens organically – it is entirely consumer-led and driven by content quality

Prevailing view

Rely on organic WoM driven by fans, digital followers of show leads

'Spray & pray' approach to audience engagement, with mixed results

Difficult to measure and attribute impact of activations with top influencers

Case study – Leading OTT player

Piggybacking on a social issue to nudge WoM via offline and online activations

WoM not exclusively organic – OTT ahead of LTV and Movie Studios in nudging conversation

Offline activations evoking the theme of the series

5 statues of sisters overshadowed by their brothers, placed across cities

Amplified the online buzz through multiple interventions

Pre-launch

- Trailer launched one month before release
- Lead actress shared posters on her official handles

Post-launch

- Blooper reel released online
- Reel of deleted scenes released 3 weeks after launch

2nd most watched title in UK within a month of release

Design and execute marketing activations to nudge WoM

Industry pain point

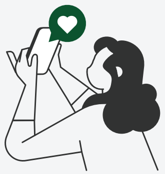
Source: Industry Expert Interviews; Press Reports; BCG Analysis

Case study – Global OTT in India

Leveraging digital platforms to engage audiences for Season 2 launch of fiction show

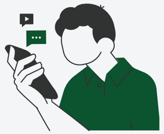
Protagonist-led **content marketing**

Clips on pertinent moments and plot teasers to create online buzz



Shared memorable dialogues combining humor and intrigue to spark interest

'Find the protagonist' **campaign to drive engagement**



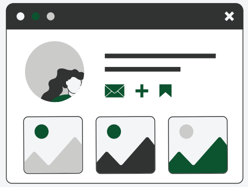
Released a **telephone number** for audiences to dial

The call was **answered by the 'protagonist'** who says he is busy

The caller then receives a link to the **show's official handle** via SMS

Online job hunt **with industry influencers**

Social campaign **seeking job recommendations for the protagonist**



Videos released showing **protagonist's job interviews** with industry leaders

Excuse generator chatbot

Chat bot with **hundreds of excuses** inspired by the protagonist's tactics in the show

Multiple GIF reactions to link the conversation to the show

Always-on **'Stream Now'** button linked to website

4th most popular show worldwide on IMDb by user ratings within 3 weeks of release

Source: Press Reports; BCG Analysis

Case study – Leading global movie studio

Implementing social listening to change movie tone based on reaction to trailer

Prevailing view

Monitor the performance of content through organic views, mentions etc.

Limited scope to analyze the social mood and generate relevant insights

Re-shooting scenes or making last-minute edits is impractical

Digital provides an opportunity to generate actionable feedback from online chatter

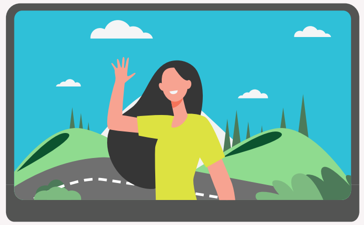
Trailer 1

- Somber, dark and violent setting
- Focus on troubled backstories of characters and how they work together
- Showed mix of abusive and loving relationships

Trailer 2

- Reoriented the plot to lighten the feel and create a more carefree atmosphere
- Enhanced the logo to project a sense of fun
- Edited the trailer to highlight the quirkiness of the characters

Trailer 3



- Further lightened the tone and changed the background music
- Added even more color to the logo
- Further amplified the quirky characters and amusing scenes

$365+Mn Box office collections worldwide in the first week of release

Invest in social listening capabilities to adapt content to user tastes

Industry pain point

Source: Industry Expert Interviews; Press Reports; BCG Analysis

SUMMARY OF KEY INSIGHTS

DISCOVERY

- **Videos** across platforms and **WoM** (both online and offline) are critical drivers for discovery
- **New channels/platforms** to distribute content online (studio and celeb handles, influencers etc.) gaining prominence
- **50–60%** of out-of-network discovery for LTV and OTT happens on digital
- **~80%** of LTV consumers point to supply-related challenges for online discovery

Vertical specific insights

LTV · Movie Studios · OTT

Drive more organic traffic (through own and artists' handles, SEO, CRM...)

Increase the scope and efficiency of external, paid initiatives

INTEREST

- **60%+** consumers conduct research before viewed content
- **3** digital touchpoints, between discovery and watching
- **~30%** viewers prefer digital videos for decision-making
- **25-30%** viewers say trailers/teasers are the most important factors to drive interest
- **Reviews and ratings** and information about screening venues are among the most sought-after info for Movie Studios

ENGAGEMENT

- **85%+** viewers watch short clips of already watched content
- **~50%** audiences engage with content post-watching, significant even for LTV
- **Generate actionable feedback** from online chatter before release
- **WoM can be nudged** by marketing activations
- **Up to 40%** higher watch times for digitally engaged audiences for both OTT and LTV
- **~45%** viewers discovered new movie through WoM

Refine personalized communication via test and learn (ad copies, digital assets and channels)

Build engagement ecosystem (On and off platform activations, with paid and organic initiatives)

Leverage 1PD churn prediction models (higher lifetime value and reduced churn)

03

ACTION

Building a digital-ready organization

The way forward for M&E leaders

Navigating the new digital landscape

Blurring boundaries between media verticals in consumers' minds

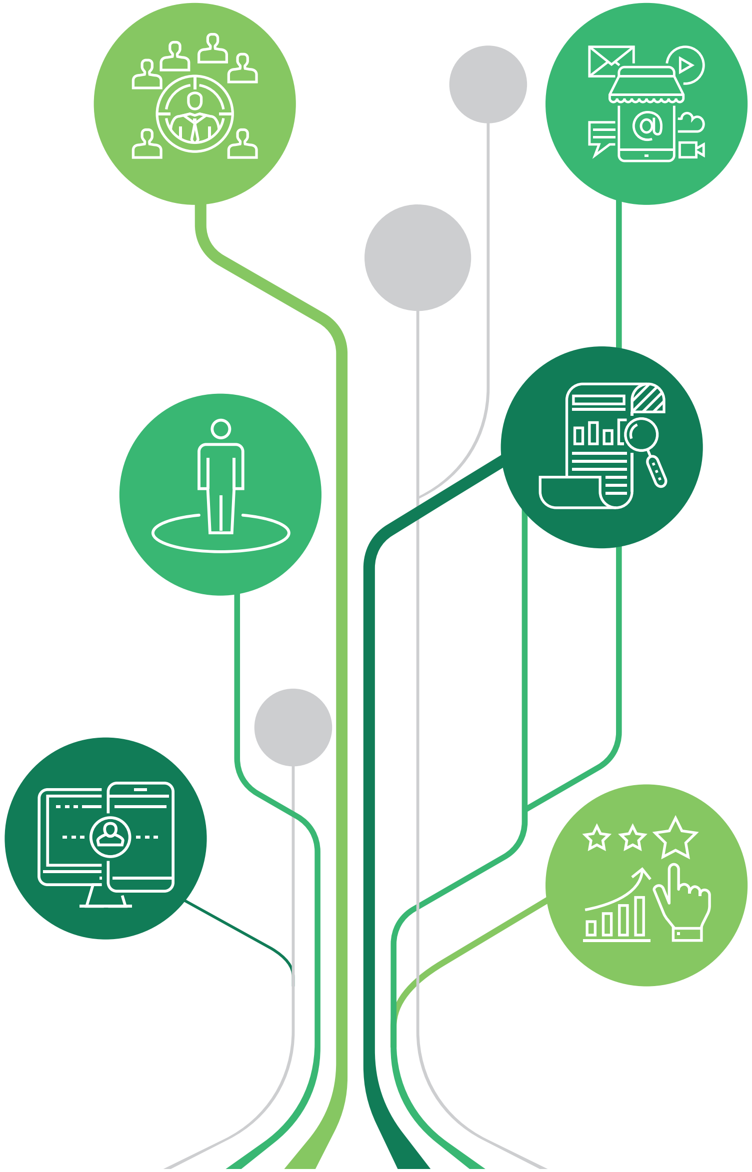
Companies should not define themselves as LTV/OTT/Movie Studios, and reimagine themselves as content creators not chained to a delivery medium

One size does not fit all

Digital marketing effective across demographics, genres and languages, but it must be cognizant of the respective nuances

Digital is a complementary medium, supplementing own network

Digital marketing is a game-changing addition to existing marketing efforts, at every step of the consumption journey



Digital activations are multidimensional

Players should use a wide array of levers, including communities, influencers, personalized reach-outs, short videos...

Focus on E2E media consumption journey

Companies need to make dedicated efforts to generate interest and fuel engagement to maximize watch time

Build capabilities to maximize value generation

Develop in-house muscle - content factory, user engagement flywheel, measurement strategy and impact attribution, organizational capabilities and MADTech[1] stack

1. Marketing, advertising, data and technical stack

Critical new capabilities are needed to maximize revenue generation

Content Factory
Difficult to create quality, multi-format content, at high velocity, and refresh it across platforms and languages

Flywheel for user engagement
Inability to nudge WoM with marketing activations, both digital and offline

Organizational capabilities
Lack of organizational skills to create and execute new-age digital activations

Optimal MADTech stack
Lack of advanced technologies and data capabilities

Measurement toolkit
Difficult to measure the true business impact of marketing activations – especially engagement and branding campaigns

Develop a 'content factory' to generate high-quality content at speed

Create content across multiple themes with varied formats

VIDEO

- Trailers
- Teasers/promos
- Short clips highlighting important scenes/dialogues
- Behind the scenes
- Challenges
- Interviews...

NON-VIDEO

- Posts
- Memes
- Updates
- Contests
- Interactive quizzes
- Blogs/articles
- Audio podcasts...

Robust in-house talent to leverage digital opportunities

Content strategists
- Identify focus topics and formats basis customer preference

Content marketers
- Ideate with and guide content creation agencies

Social listening team
- Identify trending topics/ templates and recommend relevant content

Strategic partnerships with agencies and service providers

Content agency
- Design and execution of the campaigns
- Coordination with influencers/celebs

Creative agency
- Create digital forward creatives
- Adopt creatives for platforms

3P tech platforms
- Content management systems, automated workflows with partners...

Build a flywheel for user engagement, leveled up with paid activations

Non-exhaustive

Combine on-platform activations ...

- Via **app notifications**, top listings, current trending
- Develop **BTS videos**, best moments, exclusive interviews
- Ask for user **voting/polls** while streaming
- **Promote interactivity** via fan corners and hashtag-led activations
- **Run contests** with lucky winner announced during streaming

... with both organic and paid activations off-platform to engage users

Organic

- Increase activity on **own and artists' handles** via posts, news and updates
- **Re-share user posts** from official handles
- **Build online communities/fan clubs** to facilitate discussions and run contests
- **Create shareable and snackable content** via memes, BTS videos, short clips

Paid

- Run **deep-funnel campaigns** to improve consumer lifetime value
- Leverage engaging **influencer-led campaigns** (challenges, meet-ups...)
- Empower **precision targeting capabilities** with 1PD and programmatic DSPs
- Deploy innovative **digital ad-tech enabling** AR/VR, gamification...

Sharpen focus on digital-forward organizational, ...

ORGANIZATIONAL CAPABILITIES

Build full-stack digital growth team with new-age skills

- Data scientists, Content specialists, Audience strategist, MarTech specialists

Develop test and learn culture

- Test innovative use cases, advanced targeting options, CRO pilots
- Agile operating model followed across teams

Align metrics/KPIs across functional teams

- Promote data-driven decision-making

...technological and data capabilities

TECHNOLOGICAL CAPABILITIES

Identify and invest in future-ready media capabilities

- Server-side Ad Integration (SSAI), video analytics, dynamic product placements...

Deploy best-in-class campaign planning, execution and measurement tools

- Creative automation, audience segmentation, personalization...

Clearly defined roadmap for near- and long-term tech requirements

- Based on growth aspirations and global BIC practices

DATA CAPABILITIES

Visibility of end-to-end customer journey

- Digital and offline, across devices/geos
- Real-time data capture and updation

Build signal loss-resilient data deployment capabilities

- Browser-independent solutions
- 1P data collection and usage

Advanced data analytics' tools

- Build 1PD based churn prediction models
- Regression/statistical modeling

Deploy measurement tool-kit with a mix of methodologies to attribute impact

Customized measurement approach for strategic and operational decisions

Decision type	Key decisions	Measurement approach
Strategic decisions	**Media mix, channels, geographies** e.g., ROAS for engagement campaigns, media-mix for reducing churn...	Define media mix based on incrementality Deploy statistical, non-cookie dependent measurement solutions – e.g., Marketing Mix Models Calibrate output of measurement solutions with Incremental lift tests
Operational decisions	**Campaign, channel and creatives optimization** e.g., optimal campaign settings, best creative, ad copy etc.	Calibrate touch-based attribution with incremental lift tests Explore new age, 3rd party token-based, measurement solutions

Measure and track incremental metrics

Discovery
- Incremental reach/frequency
- Cost/Incremental reach
- Cost/incremental install

Interest
- Incremental mentions
- Incremental visits
- Cost/incremental subscription

Engagement
- Incremental revenue
- Incremental ROAS
- Incremental time spent per visit
- Cost/incremental streamer

Metrics that measure incremental impact from a campaign; i.e. impact that would not have happened but for the marketing intervention

Source: BCG-Meta 'Measure to grow', Nov-21

Poised for growth | Digital can empower the M&E industry

INDUSTRY DATA-LED

2.5–3X
Higher active users[1]

1.5–2X
Higher time spent[1]

35–40%
Marketing spends efficiencies (OTTs)

30–40%
Sales uplift for LTV[2] and Movie Studios

RESEARCH DATA-LED

1.2Bn
Digitally influenced viewers (cumulative)

1.3Bn+
View hours from digitally engaged customers

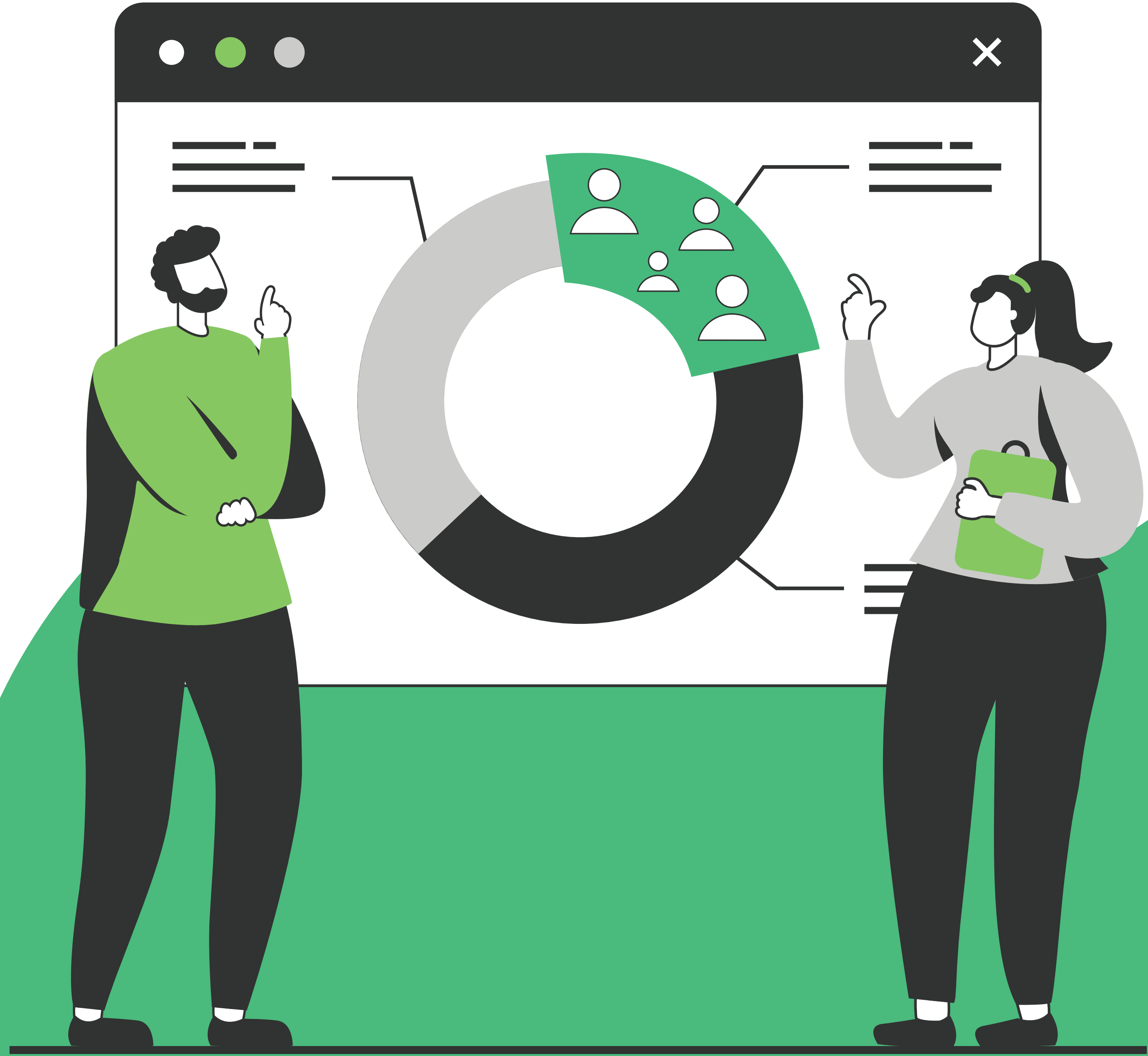
~11Bn+
Annual revenues (USD) from digitally influenced viewers

1. For LTV and OTT; **2.** For focus content
Note: LTV metrics for GEC channels; Higher Time spent on specific content pieces
Source: Expert discussions; App Annie data (Mar, Jun, Sep 2022); BARC data (Jan-Mar and Oct-Nov 2022); Talkwalker (2022); BCG Analysis

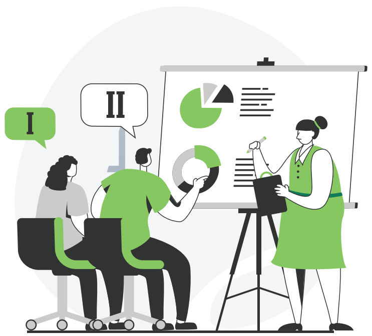
04

BEHIND THE SCENES

Key research data points and Glossary of terms

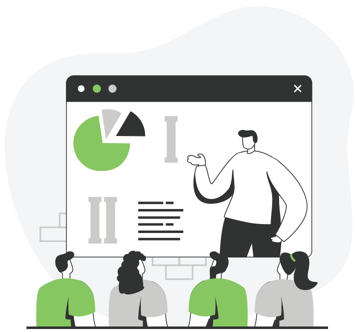


Insights generated by qualitative discussions with industry leaders and consumers along with a quantitative survey covering ~2,600 consumers



Secondary Research

Studied and analyzed best-in-class practices across global M&E industry via **industry reports** and **press releases** to understand and benchmark the **current landscape of India's M&E industry**



Industry connects

Connected with 30+ industry experts to develop an understanding of the **lay of the land and industry beliefs** regarding digital

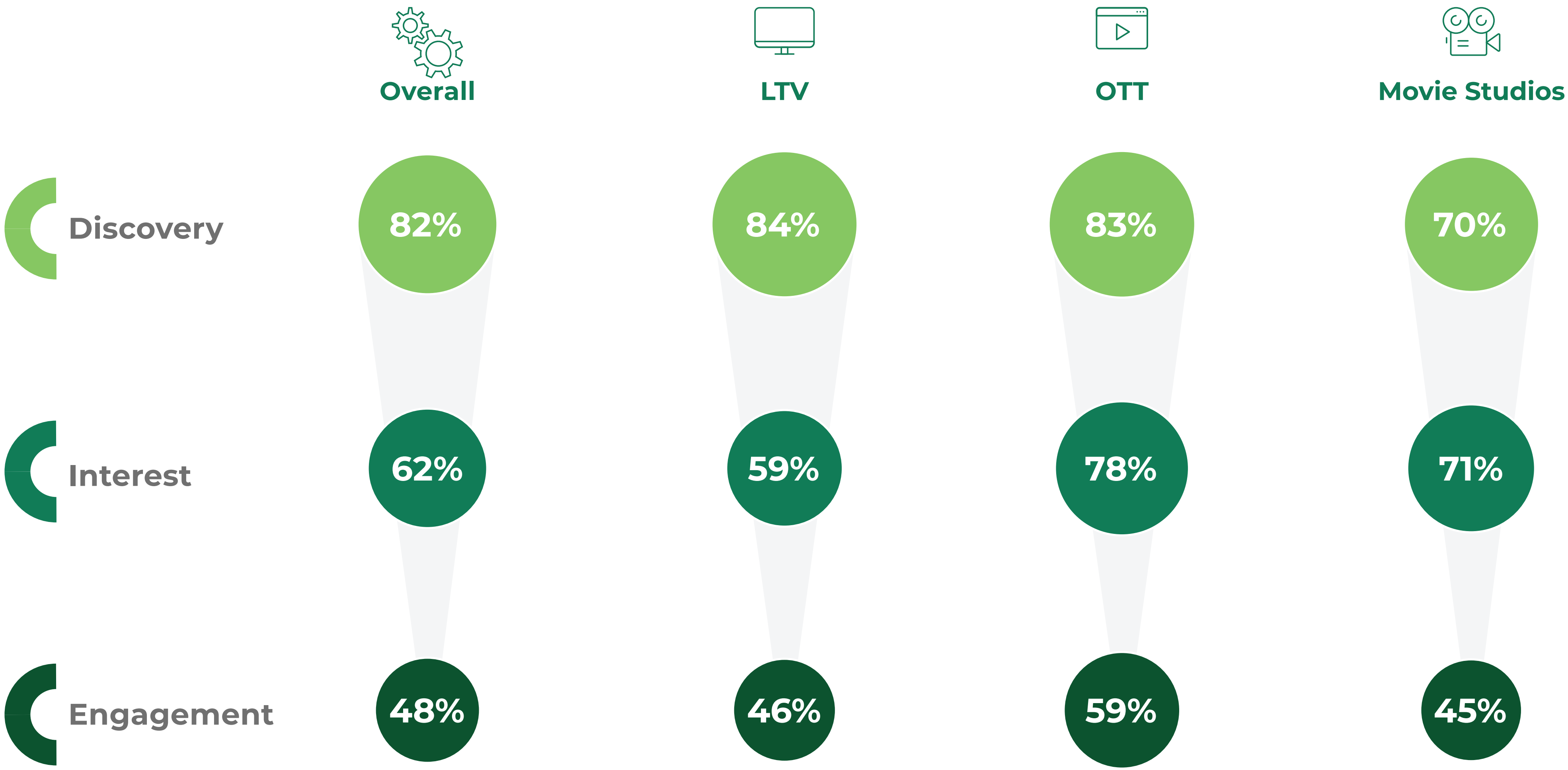
Consumer research

Spoken to 50+ consumers across 6 FGDs and 13 IDIs spread across metros, tier-1s and tier 2/3s to understand **consumers' media consumption journey**

Surveyed 2,615 respondents across India to map the level of **digital influence along the media consumption journey**

Tested industry beliefs against consumer consumption patterns to identify growth opportunities for M&E players

High overall consumer involvement across the media consumption journey



% of respondents who are active across respective journey stage
Source: BCG Consumer Content Consumption Survey, October 2022, N=2,615

GLOSSARY

A

Advanced video analytics
Use cases like analysing scrubbing behavior, watch times, drop-off points etc.

AVoD and SVoD
AVoD is advertising-based video on demand which allows viewers to watch the content for free, while SVoD stands for Subscription Video on Demand which means a user has to pay/ subscribe to watch content.

B

BIC
Organizations that have implemented best-in-class practices.

C

Consumer involvement
Active discovery of content, gathering information to decide whether to watch, following content and sharing content-related information.

D

Digital influence
Level of activities that happen on digital platforms across the consumption journey.

Digital maturity
A measure of the consumer's usage of digital apps. Defined on the basis of app usage for socializing, cab booking, mobile/ internet banking, e-payments and subscription to OTT platforms.

F

FGDs
Focus group discussions among 8-10 consumers to generate insights.

I

IDIs
In-depth interviews of the content consumption journey of a particular individual.

Influencer
An individual who has credibility and followership (both national and regional) among the target audience.

L

LTV
A platform that is used for appointment viewing i.e. only a scheduled program can be viewed.

M

Media verticals
Type of platform through which the content is consumed by viewers.

Movie Studios
A company owning the studio facility used to make movies.

MADTech
Term used to define AdTech and MarTech.

O

Organic and paid activations
Organic activations refer to any activation that does not involve paid ads, while paid activations involve usage of paid ads.

OTT
Means of providing content over the internet as per viewer's requirements for any-time and/or catch-up viewing.

Own and off-network
Own network refers to a player's own inventory on LTV and/or OTT app. Any inventory apart from this is off-network.

S

Server-side ad integration
Seamless delivery of video ads on content streamed on internet-enabled devices.

SFV
Applications that typically offer videos with less than 60 seconds duration.

W

Word of mouth(WoM)
Sharing information with other individuals/ groups via online or offline modes.

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ACKNOWLEDGMENT

This study was undertaken by Boston Consulting Group (BCG) in association with Meta.

We are thankful to Ankit Shrivastava, Mayank Kalia, Prashant Srivash, Raghav Sally, Roshni Lamba and Varuni Shukla for their assistance in writing this report.

We are also thankful to Jasmin Pithawala for managing the marketing process as well as Jamshed Daruwalla, Saroj Singh, Sujatha Moraes, Seshachalam Marella, Subhradeep Basu, Vijay Kathiresan, Pavithran NS and Saanchi Chatwal for their contribution towards design and production of this report.

BCG + Meta