

How Hollywood Can Save the Day in a Streaming World

Traditional media companies must fix their data and branding problems to compete against digital natives.

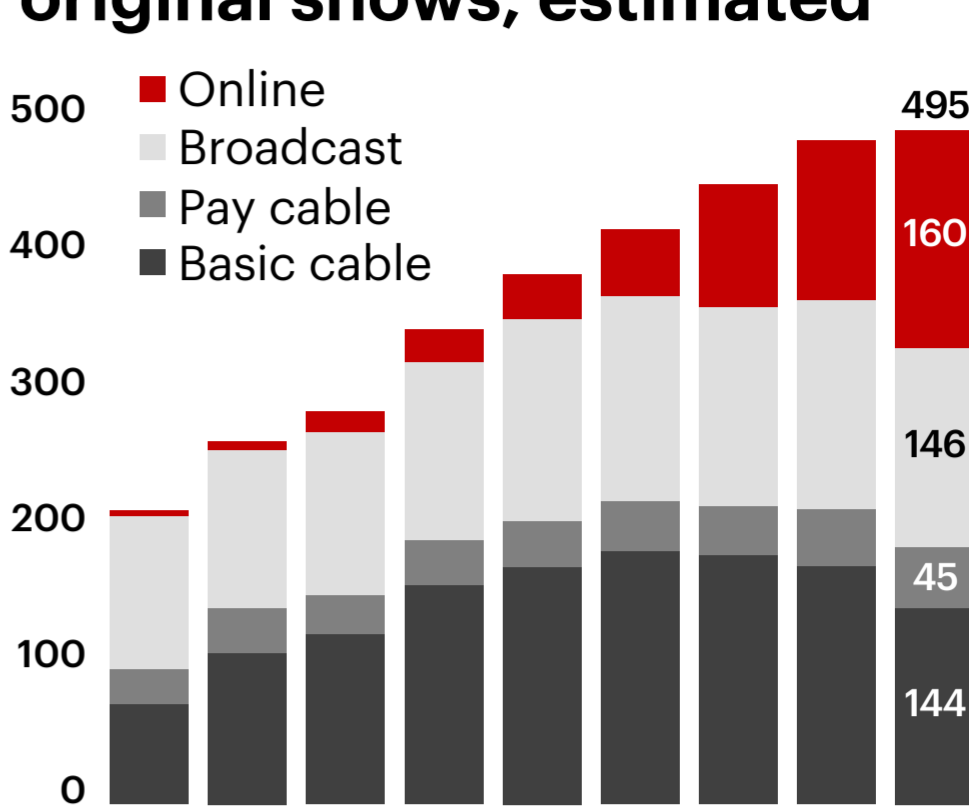
Digital natives are spending a lot on original programming

In the past, companies like Netflix and Amazon grew by licensing movies and shows. Now, they aggressively invest in their own content.

⚡ Amazon is on track to spend **~\$7 billion** on video and music content in 2019, including production and licensing costs.

⚡ Netflix spent an estimated **\$8 billion** on content in 2018, with 85% of that going toward original series and movies.

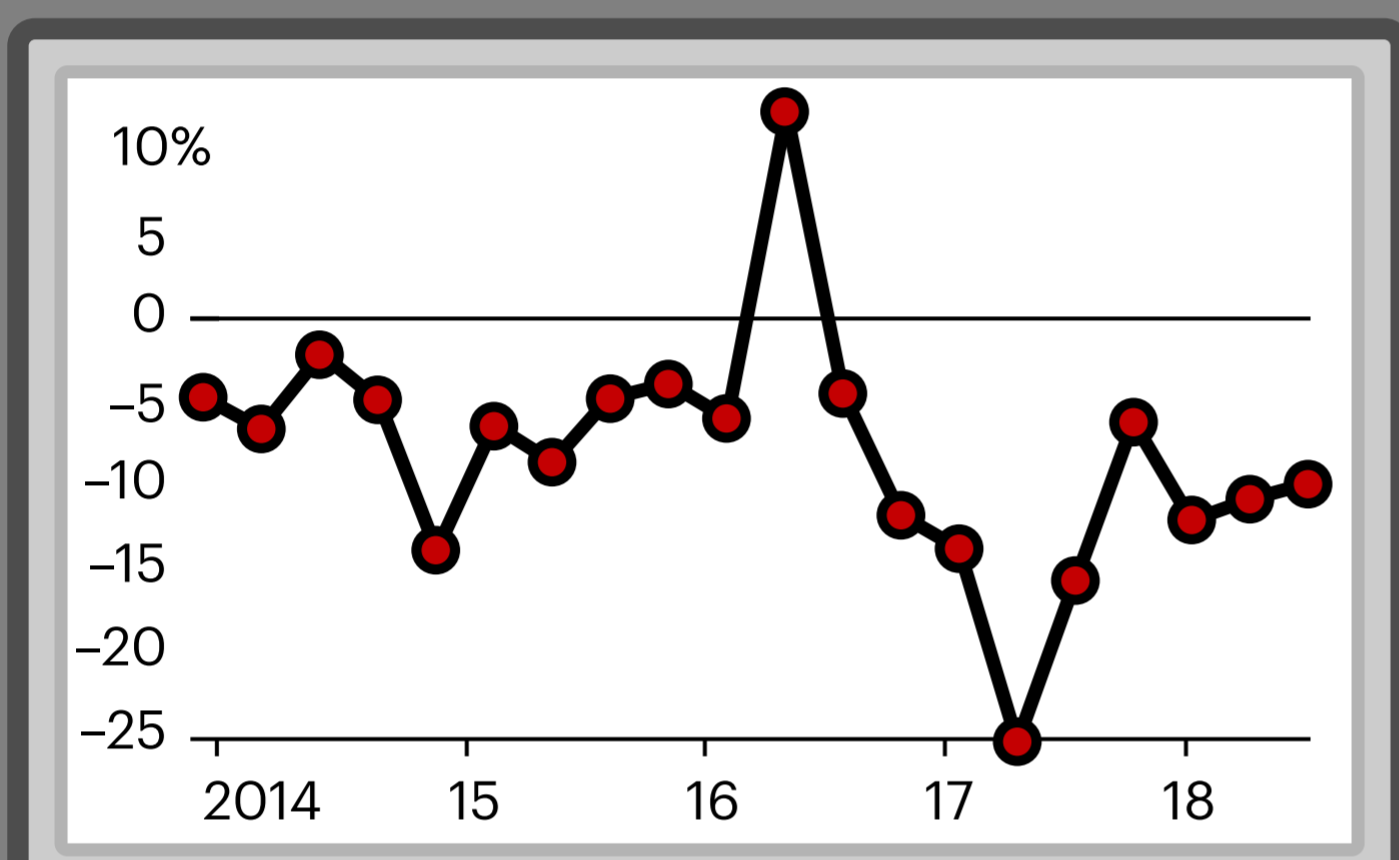
Number of scripted original shows, estimated



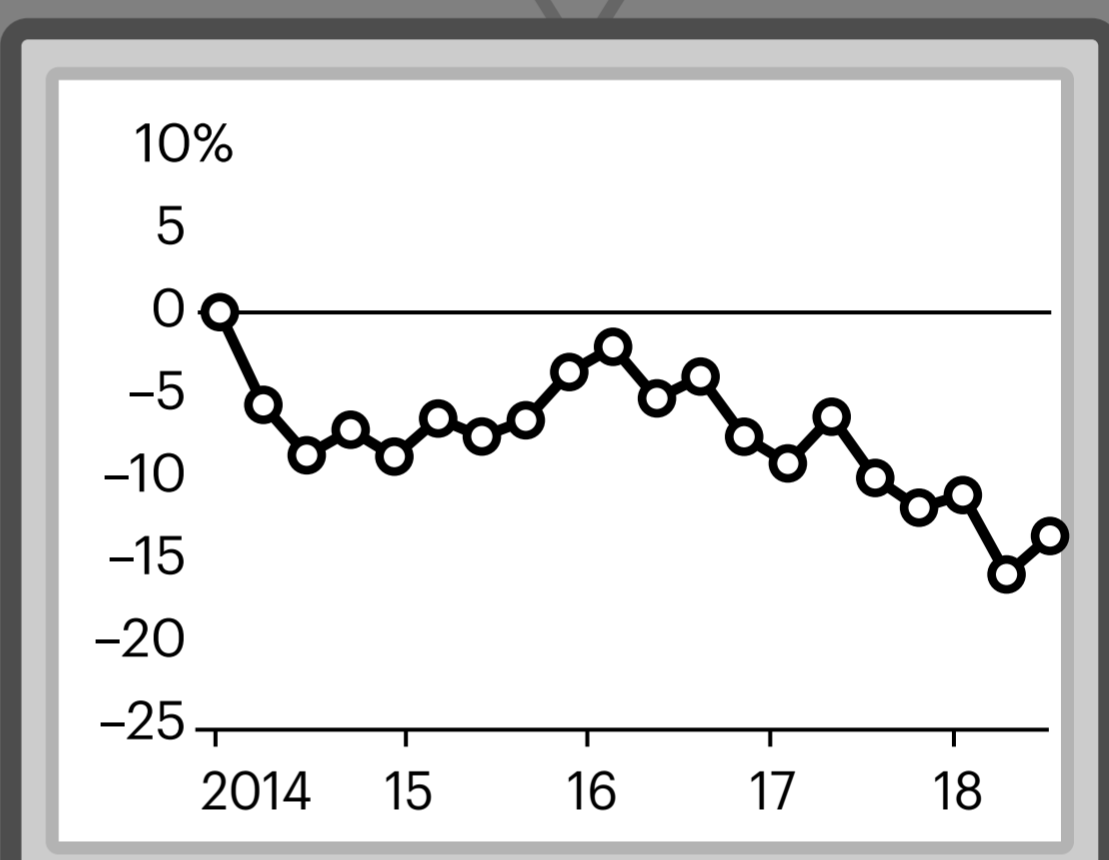
Sources: FX Networks research; MoffetNathanson analysis

Traditional media faces declining viewership

Broadcast networks ratings growth, quarterly, year-over-year



Cable networks ratings growth, quarterly, year-over-year



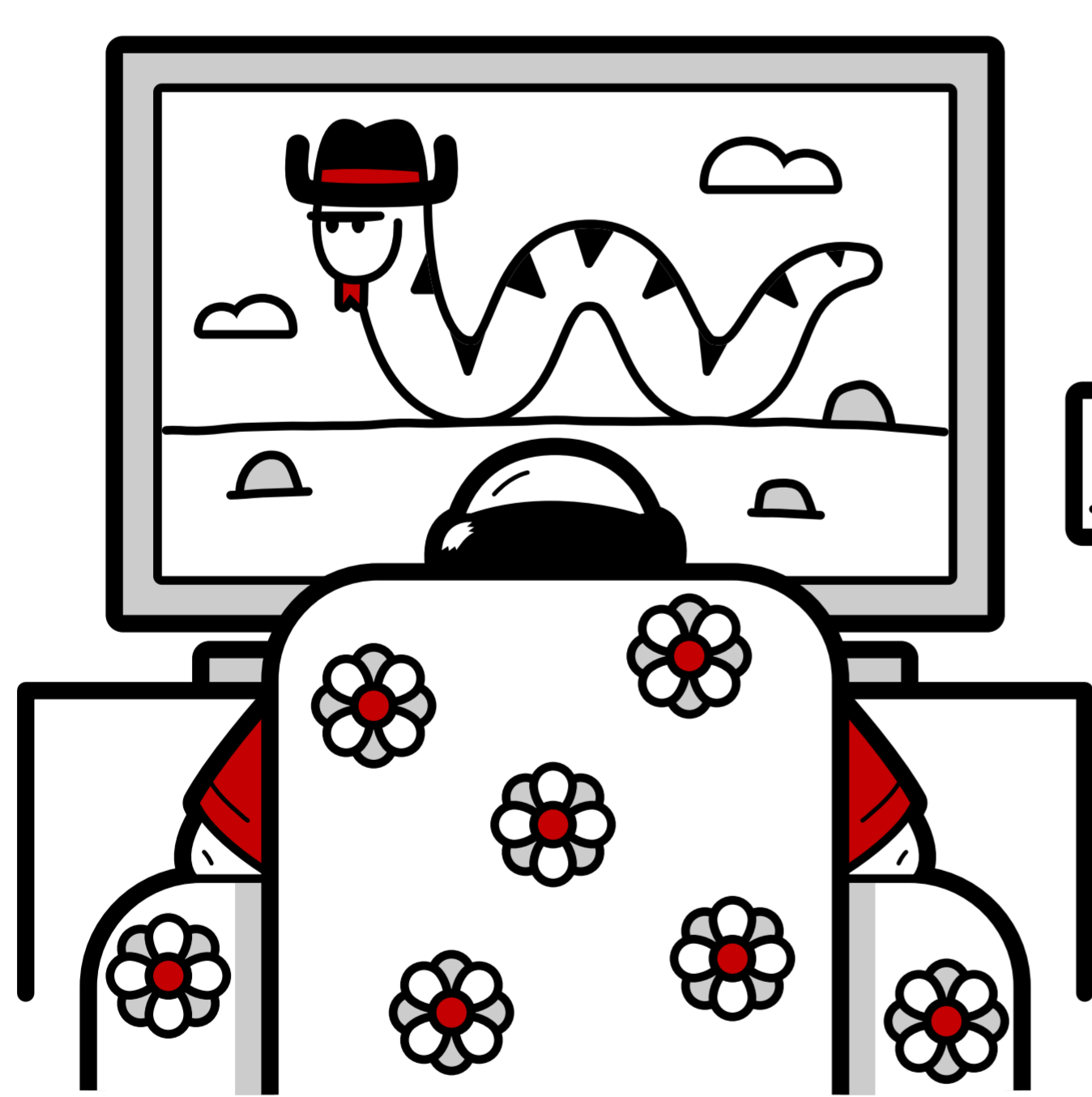
Sources: Nielsen; MoffetNathanson analysis

Two keys to success: analytics and branding



Analytics

- Systematically acquire and use first-party data.
- Deploy data to make decisions, not justify decisions.
- Use data to inform more targeted, personalized marketing and content delivery.



Branding

- Studios and networks must build brand equity for themselves, not just with specific shows and movies.
- To do so, understand which Elements of Value® matter most to consumers.
- Develop a strong brand to draw customers back year after year, escaping the boom-bust cycle of one-off hits.



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Read more:

Hollywood's Streaming Angst
www.bain.com/media-streaming