Traditional media can claim back its edge with innovation

By Shane Radford

IBM believes that traditional media and entertainment companies that move fast to embrace and monetise digital channels stand to win back their audiences and their advertising revenue, despite doomsayers who say it is dead.

Traditional media and entertainment players may be entering crisis mode, as digital channels erode their advertising revenue; bloggers and social media divert their audiences; and the rising cost of content generation puts them at a disadvantage in an age of citizen journalism and content aggregation. There are rising operational costs and an onslaught of competition on the digital front but it is not the end of the road for traditional media.

The company's media and entertainment (M&E) division sees a slow but steady return of audiences to trusted news providers in the global context. After the initial scattering of audiences amid an explosion of new sources of news and entertainment, audiences in developed markets are slowly regrouping around selected, trusted content providers - there will always be a place for quality content.

M&E companies need to focus

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However, this does not mean traditional media players should sit back and wait out the initial flush of digital excitement. Media and entertainment players have to change. They cannot ignore the changing content delivery models and the new audience expectations. Print players simply cannot compete with digital channels on time to market with the news - they need to innova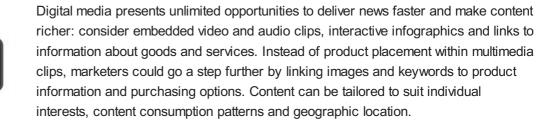te and develop complementary services that ensure there is a place for both their print and digital news. In addition, traditional players are competing with a proliferation of new players for the attention of an increasingly distracted audience.

The company's M&E division is focusing on supporting local M&E companies, as they grapple with the changes brought about by the internet, social media and mobile. The largest need is for customer and market insight tools; commerce and marketing optimisation solutions; and business and supply chain optimisation tools.

Many M&E companies in South Africa have been too slow to optimise the new channels available to them. As a result, they are losing ground to non-traditional M&E players such as Telcos, marketers and individuals that are producing rich, interactive and targeted content and eroding traditional players' advertising revenue.

Many traditional M&E companies still regard digital channels as an afterthought to their primary channels. In many cases, they simply reproduce their print content in digital form. This does not harness the potential for digital media. It's akin to scanning Gone with the Wind and making the pages available online, which doesn't come close to bringing it to life the way producing a movie of the book does.

Unlimited opportunities

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Digital media presents unlimited opportunities to deliver news faster and make content richer: consider embedded video and audio clips, interactive infographics and links to information about goods and services. Instead of product placement within multimedia clips, marketers could go a step further by linking images and keywords to product information and purchasing options. Content can be tailored to suit individual interests, content consumption patterns and geographic location.

M&E is one of the fastest-growing industry sectors across Middle East and Africa. However, much of this growth is coming from a proliferation of new, non-traditional players. Meanwhile, digital revenue streams have yet to deliver value that is comparable to traditional models. This means that traditional media not only needs to catch up in terms of the digital experiences it can offer its audiences, but it also has to devise innovative new revenue models. It needs to optimise the use of disruptive technologies such as big data analytics, cloud and social media solutions to weather the change, taking place now.

Realising value of digital dollars

Traditional players need to adopt a comprehensive digital strategy across the entire enterprise; looking to ways new technologies can help them maximise the value of their IP, improve processes, better target their audiences and move faster.

They need to understand their audience and tailor content accordingly to deliver innovative personalised content, so allowing them to innovate with revenue models and realise the true value of the digital dollar.

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