Cognizant

The Work Ahead in M&E: Scaling a Three-Dimensional Chessboard

Media and entertainment businesses have been playing the digital game for years. Post-pandemic, however, the rules have intensified, and competing will require even bolder moves and investments in digital, according to our research.

THE WORK AHEAD

Executive Summary

The industry's ever-accelerating variables have become so unrecognizable in a post-COVID world that M&E executives might feel they're being forced to play *Star Trek's* futuristic, three-dimensional chess game – without knowing the rules.

The media and entertainment industry (M&E) was among the first to digitize its products and services. Whether it was "talkies," Cinerama, Betamax, DVDs, Napster, the Kindle, Netflix, MP3s or augmented reality/virtual reality (AR/VR), M&E businesses have continuously embraced technological advancements to innovate their platforms.

Enter the 2020s: The industry was steadily moving into the "second half of the chessboard,"[1] in which an exponentially growing factor (in this case, digital technology) begins to significantly impact business strategy. Then along came the virus, which acted like a supernova for direct-to-consumer entertainment on-demand. Any media property that could go online, did go online. E-sports (temporarily) became the *only* sports on ESPN. Back to the couch for Netflix-and-chill after yet another goofy cocktail party on Zoom.

Today, the second half of the chessboard's ever-accelerating variables have become so unrecognizable in a post-COVID world that M&E executives might feel they're being forced to play *Star Trek's* futuristic, three-dimensional chess game – without knowing the rules.[2]

To help leaders foresee their next moves, we relaunched our [Work Ahead series], begun in 2016, on how organizations are evolving to the next stage of the digital world. For our current study, we surveyed 4,000 senior executives across industries and globally, including 285 M&E respondents, to gauge how work – and jobs – continues to evolve in a digitally dominant, pandemic-disrupted world (see methodology, page 23).

We found that even as dominant disrupters pull further and further ahead in outperformance, laggard companies are still competing with yesterday's industry conventions (and rationalizing to themselves that 3-D chess is an imaginary game or that they'd rather play "Hungry Hungry Hippos."). Being a laggard is dispiriting, aptly expressed by the character Jolene in the breakout pandemic hit *The Queen's Gambit:* "You've been the best at what you do for so long, you don't even know what it's like for the rest of us."

Five key findings underscore the critical lessons learned by M&E businesses in their gambits so far:

1 **Too many M&E companies lag – badly – in digital content efforts.** Just 7% of M&E respondents feel they've achieved either "widespread" or" good" technology-based augmentation in their digital content supply chain. At a time when nothing short of digital-everything is required, this is a shocking admission that requires urgent attention for future success.

2 **AI – and data – powers the future of M&E.** Entertainment and experiences are rocketing into the digital realm. But to understand how consumers react to these offerings requires deep insights, which will be powered by data-fueled AI. Over three-quarters of M&E respondents (76%) named big data/business analytics or AI as technologies they'd implemented at some level or embarked on a pilot.

3 **The industry demands more when it comes to digital revenues.** Today, 21% of M&E respondents' revenue comes through digital channels, on average, and this will reach 30% by 2023. Given the competitive pressures, it's clear, however, that any less than one-third of revenues through digital channels is not enough to be "a player."

4 **The force multiplier of smart technology is smart decisions.** Whether it's script writing, creating special effects or perfecting soundtracks, digital investments are the M&E industry's "extra pair of hands." Over the next few years, respondents will realize large or very large gains from their digitally driven improvements in the areas of operational efficiency and decision making.

5 **Got (hyper) connectivity? Get ready for regulation.** Digital regulation in response to everything from misinformation to content addition looms large in the M&E industry's future. Respondents named digital regulation (47%) as a high-impact driver of change on their work (second only to hyperconnectivity, at 48%).

Taking action in light of these trends is critical for all media and entertainment executives. By doing so, leaders can navigate their way through the necessary work ahead and level-up to digital grand mastery.

Today, 21% of M&E respondents' revenue comes through digital channels, on average, and this will reach 30% by 2023. Any less won't be enough to be "a player."

Going viral in a viral age

Sixty percent of M&E respondents believe the pandemic will accelerate the adoption of new, digital working practices.

For M&E players that were un(der)prepared, the damage wrought by the COVID-19 pandemic was sobering, humbling and/or punishing.

From empty movie theaters to concert halls, to unoccupied billion-dollar sports stadiums and virtual production and awards shows, the lockdowns shattered new norms everywhere in the media and entertainment industry with breathtaking speed. (Just witness the cautionary tale of Quibi, the mobile-first subscription video service. It was an epic failure that tried to take on the streaming giants with quick-hit content just as TikTok incinerated preconceived concepts of short-form entertainment with the arrival of an algorithm.[3])

For M&E players that were prepared (think: massively scalable platforms, with beautiful, easy-to-intuit interfaces, and, of course, great content offerings), the new normal offered a silver lining: a digitally captive audience numbering in the hundreds of millions, all tethered to their sofas as bars, restaurants, arenas, theaters and cubicles gave way to living room couches as places of work, play – and perpetually changeless lunchbreaks. As the world prepared to say goodbye to 2020, a certain Los Gatos, CA-headquartered digital giant quipped the following gratitude on Twitter: “To everyone who felt like they finished Netflix this year ... thanks for watching it all!”[4]

As seen in Figure 1, this is the clear path forward, with 60% of M&E respondents believing the pandemic will accelerate the adoption of digital ways of working.

The pandemic drives more digitally-aligned work practices

Respondents were asked whether they agreed or disagreed with the following statements about the pandemic’s impact on their business and workforce in the medium term. (Percent of respondents who agree or strongly agree)

Response base: 285 M&E senior executives
Source: Cognizant Center for the Future of Work
Figure 1

‘Content is king’? Most M&Es are only making their first moves

Rather than passively seeking to be entertained, consumers will look for – and, soon enough, demand – mind-blowing moments catalyzed by digital tools, opening the door for creativity, self-actualization and immersive experiences.

As Bill Gates said, "Content is king."[5] And from an M&E industry standpoint, competitive differentiation through content will lead to winning checkmate moves. Witness Netflix's $30 billion war chest for content investments; even in the short-to-medium term, survival on the changed chessboard is impossible without that investment.

To get there, the modern M&E digital content supply chain needs to encompass the design, development, management and posting of (lots and lots of) digital content like images, video and music to specific audiences and channels. But as shown in Figure 2, only 7% of M&E respondents feel they've achieved either "widespread" or" good" technology-based augmentation today for their digital content supply chain.

This is a shocking admission that requires urgent action, given the existential requirement over the last several years for M&E companies to "go digital, or go home." There is also a seemingly "magical" belief that one in two of our study respondents (51%) will surge to "widespread" or" good" digital augmentation by 2023. But as organizations planning and executing in the M&E industry know, there is no magic wand that can be waved to turbocharge gains like these. In reality, the work ahead demands big bets, hard yards and accretive gains.

Enter data and AI

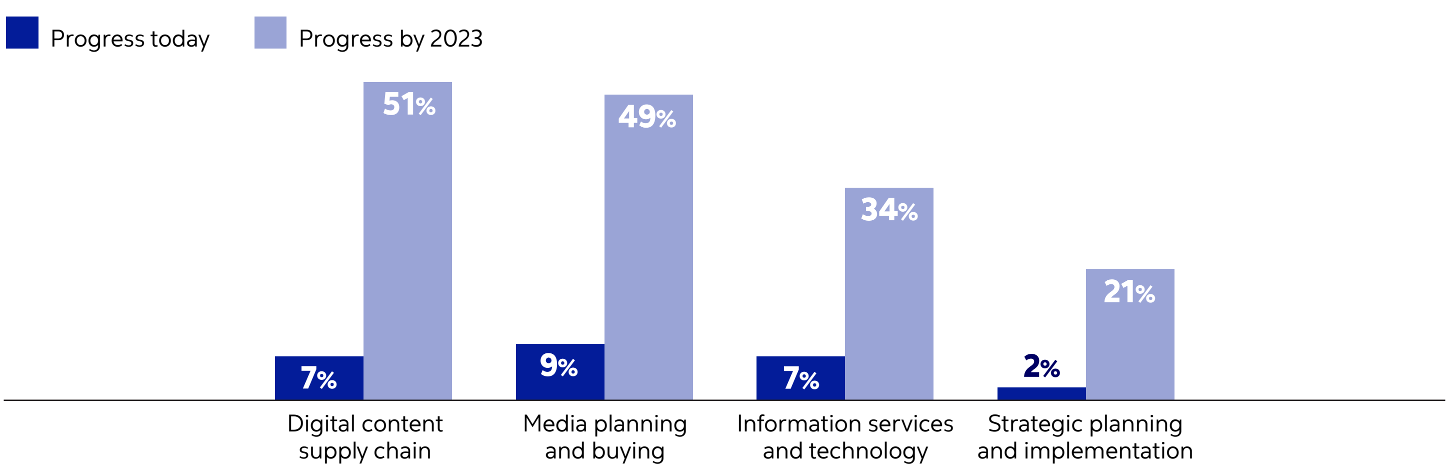
This is especially true when it comes to highly competitive and highly targeted direct-to-consumer initiatives. Media outlets today walk a fine line between being present in consumers' lives and being a nuisance. Gathering as much data as they can about consumer preferences, outlets curate content that is most likely to keep customers clicking and send push notifications to pique their interest. Soon, AI-derived insights will help media companies get closer than ever to the consumers they target.

At the same time, the lines are blurring between traditional media organizations and tech companies like Google, YouTube and Facebook. YouTube already sells its viewing trends to traditional media channels to help enhance understanding of what consumers really want to see and hear. This trend will only grow as technology enables companies to turn this data into personalized insights about consumer preferences.

Digital media and the high degree of personalization it can achieve are transforming how people find, share, watch, influence – and even pay for – the plenitude of available content. Many M&E senior leaders may have cut their teeth on products and services that are considered "entertainment." Yet the term "entertainment" is likely to give way to far less passive and far more captivating M&E offerings as digital technologies, including AI, big data analytics and AR, usher in the "experience economy." Rather than passively seeking to be entertained,

Process augmentation: from minimal to magical

Respondents were asked about the progress they'd made using technology to augment processes, now and in 2023. (Percent of respondents achieving widespread or "a good level" of augmentation)



Response base: 285 M&E senior executives
Source: Cognizant Center for the Future of Work
Figure 2

consumers will look for – and, soon enough, demand – mind-blowing moments catalyzed by digital tools, opening the door for creativity, self-actualization and immersive experiences.

Even for stalwarts like Facebook, LinkedIn and Twitter, experience economy upstarts like TikTok have changed the competitive model by using *algorithmic* graphs, not social graphs. Said an M&E CMO in China we interviewed in our study, "When we started focusing on implementing AI, analytics and predictive analytics in our wider business process – we were one of the few initial companies that took this bold step – we applied it in our wider business process, specifically in content solutions."

Quick Take M&E goes M&A

A likely near-term impact of the industry disruption is that M&E companies will see lots of M&A activity – in other words, the big will likely get bigger through rampant merger and acquisition activity. Witness newer entrants to the streaming game like Paramount. The company's recent "Paramount Mountain" campaign for Paramount+ underscores that it's really just an agglomeration of unrelated properties (yet you know you've got a weird, if not wonderful, amalgam when *Dora the Explorer* meets *Beavis & Butt-Head* – all under the aegis of the competitive differentiation afforded by the brand).

As innovations like digital personae in gaming or digital twins fuel part of an ever-broadening M&E business-to-business value chain (B2B2X), the stakes here really are higher. Looking further into the future of the diversification sweepstakes, is it conceivable that a player like Twitter, Disney, Spotify or Netflix buys a cable company?[6] (We might say "stranger things could happen," as seemingly weird moves like Square buying a majority of Jay Z's Tidal start to feel reminiscent of the head scratching that first accompanied the announcements of Amazon buying Whole Foods and *The Washington Post*.[7])

It's worth noting that M&E organizations that have traditionally grown organically – and even those that lately have done so through acquisitions – still find themselves structured in silos. Given the importance of streaming, it's become a competitive must to restructure (and engage in risk-taking) to amplify innovation and experience-based offerings. Historically, studios have never been direct-to-consumer, as they were always wholesalers. Change management has never been more important for traditional M&E businesses that are now going head-to-head with digital natives such as Netflix.

In order to fully compete, it's essential to invest in disjointed content to attain bundled content and recurring, subscription-based revenue streams (what NYU Stern School of Business professor Scott Galloway and his fellow "Pivot" podcast co-host Kara Swisher have called "rundles")[8] but at a quality and cohesion of experience that audiences find irresistible. Viewer experience closely correlates to audience retention and needs to be brought into strategic planning early on – aspects like curation, recommendation engines using AI/ML, all done through the lens of human experience. The future of media and entertainment will offer a world of opportunities, but to advance to new levels of the chessboard requires substantial steps and boldness.

Exploding data requires a technological response

Over three-quarters of M&E respondents said they'd piloted or implemented big data/business analytics or AI to some degree. With the combined power of AI and deep analytics, M&E offerings will become more intelligent, less intrusive and more adaptable to individuals' needs.

When we asked respondents about the technologies they've used to augment processes, over three-quarters of M&E respondents (76%) said they'd implemented big data/business analytics or AI to some degree or initiated a pilot (see Figure 3). With increasingly automated processes, data is continuously growing and changing and in need of sifting, organizing and analysis to convey meaning.

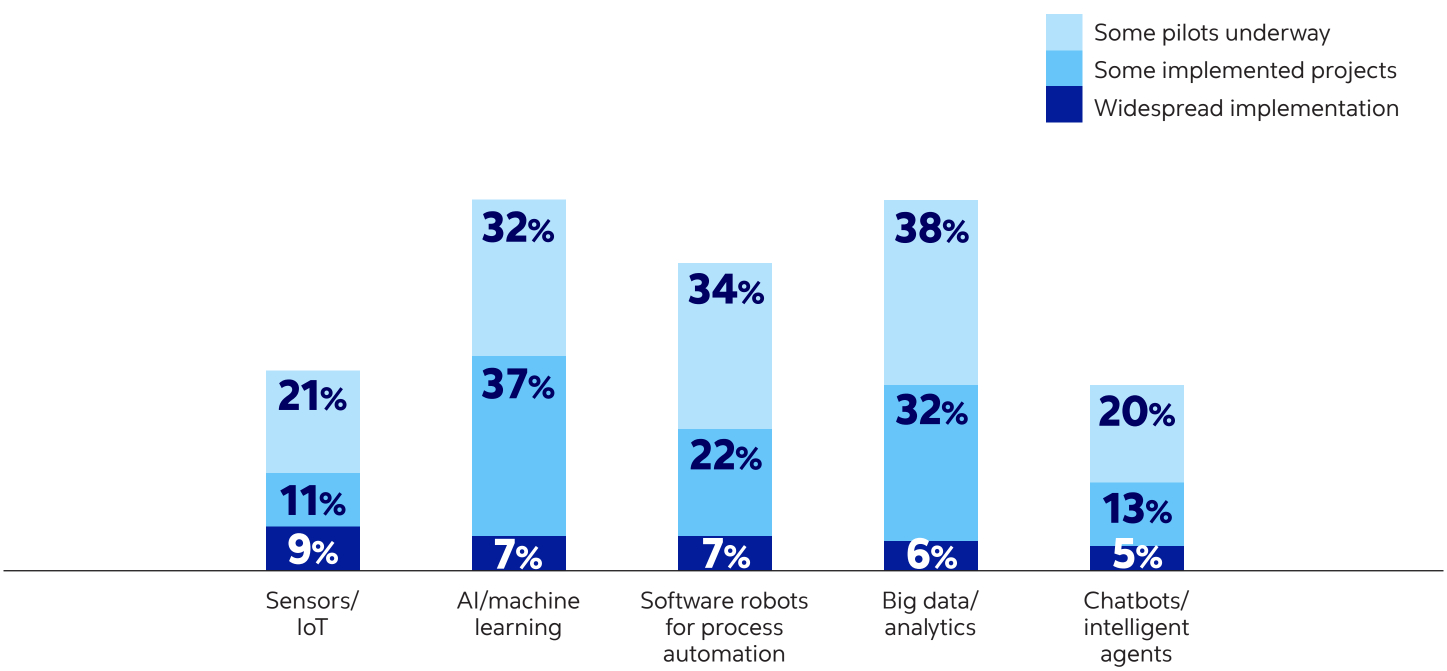
To prep for AI, businesses need to clean up data and digitize process flows. As the saying goes, "some assembly is required," and robotic process automation (RPA) software can help. So, it's no surprise that 63% of respondents are at some stage of implementing software "robots" for process automation.

One senior M&E executive in our study put it this way: "Our data technology teams have been busy driving design and implementation of a 'central intelligent data platform' over the last two years. This platform has automation, analytics, AI, machine learning and robotics integrated [as we] are moving to 'robot journalism.' The entire data is in the cloud and is one click away. It has been made possible with IoT and sensor technologies."

It's also worth noting that 38% of respondents have initiatives in chatbots and intelligent agents. Led by increasing numbers of people interacting with their voice-based personal home assistants, the technology is swiftly expanding to all manner of devices and is improving quickly as an interface for M&E. As the industry moves "from the thumb to the voice," consider: Did you ever see Captain Kirk type? Of course not – he just talked to the computer. In our unending search for convenience, the clickable interface is old hat, replaced by voice-activated interactions with devices that listen to us, enabling M&E operations without touching or even looking at them.

Technologies reflect the data-driven times

Respondents were asked about the progress they'd made in implementing an array of technologies to augment processes.
(Percent of respondents)



Response base: 285 M&E senior executives
Source: Cognizant Center for the Future of Work
Figure 3

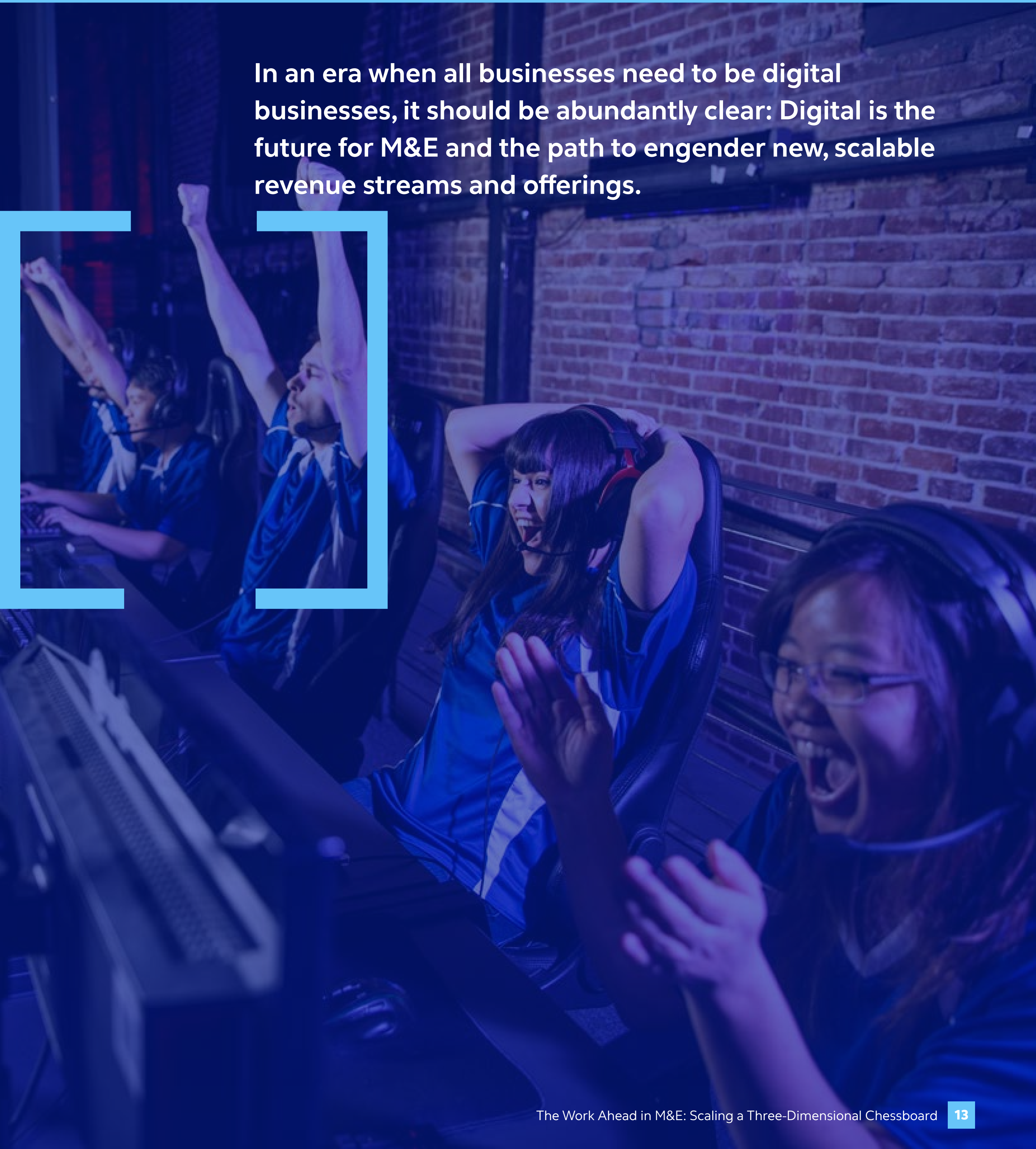
The proliferation of all these increasingly automated technologies continues to generate explosive quantities of data – lots of it – as inexhaustible fuel for algorithms and AI. Customer analytics is the key that unlocks the doors to elegant customer experiences (and powers those of suppliers, partners and employees, too). A challenge today is collecting all this data about the audience in a non-intrusive way, with the goal of meeting the personal needs and wishes of consumers.

But access to data often lies with other companies, like streaming companies. To get access to personal data, direct-to-consumer offerings are becoming critical. While this isn't entirely new, with the combined power of AI and deep analytics, these offerings will become more intelligent, less intrusive and more adaptable to individuals' needs. This is where B2B2X and its intersection with direct-to-consumer gets really interesting, and it takes a best-in-class ecosystem to create a winning direct-to-consumer service.

Spock: I'll have you checkmated your next move.
Kirk: *[chuckles]* Have I ever mentioned you play an irritating game of chess, Mr. Spock?
Spock: Irritating? Ah, yes... one of your Earth emotions.
[Kirk checkmates Spock][9]

– From "Where No Man Has Gone Before," *Star Trek*, 1966, IMDB, www.imdb.com/title/tt0061027/characters/nm0000559.

‘One-third is not enough’: M&E revenues need digital channels for growth



In an era when all businesses need to be digital businesses, it should be abundantly clear: Digital is the future for M&E and the path to engender new, scalable revenue streams and offerings.

To get a read on their digital ambitions, we took a look at how much revenue M&E respondents generate via digital channels, now and by 2023. What we found was sufficient – but barely.

Currently, 21% of respondents' revenue comes through digital channels, on average, and this will reach 30% by 2023 (see Figure 4). This is higher than all other industry sectors except the technology industry, which currently generates 23% of revenues through digital channels and expects that to grow to 33% by 2023.

But even though M&E runs a close second to tech (and the twain are becoming more inextricably linked by the day), given the competitive pressures in play, it's clear: Less than one-third of revenues through digital channels by 2023 is not enough to be "a player." In an era when all businesses need to be digital businesses – and having undergone a year when everything that could go online had to go online – it should be abundantly clear: Digital is the future for M&E and the path to engender new, scalable (dare we say, "pandemic-proof") revenue streams and offerings for media & entertainment businesses.

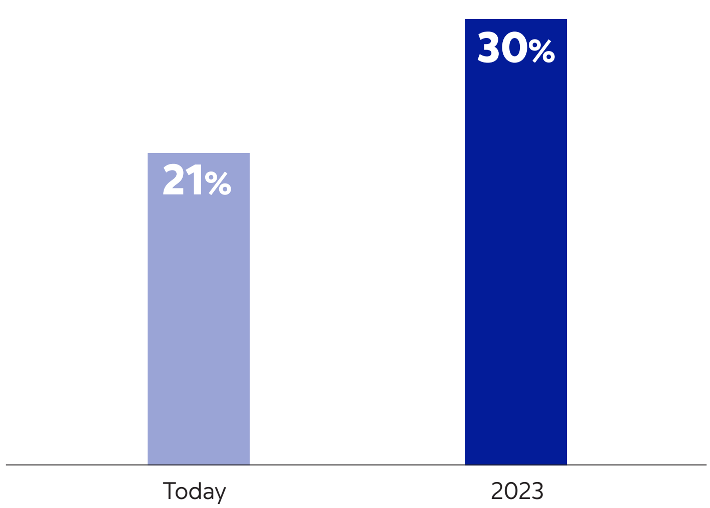
Some may argue that, surely, not all M&E business are totally digital, after all? Consider Disney: COVID didn't exactly kill Disneyland (let alone cruise ships, although the company is scaling back some physical Disney Store locations[10]). But even after the virus, at a time when the future of movie theaters will remain fuzzy (at best), it's pretty clear based on all available evidence that the recurring-revenue, direct-to-consumer streaming digital future is the future for Disney (see Quick Take, next page). When so much is at stake, all M&E companies should be dramatically expanding their digital presence.

Other revenue-driving changes await. Mass targeting will be replaced by contextual content that is driven by, and adaptive to, customers' personal desires and needs. As humans become more connected to the web and their surroundings, media and entertainment will become fully predictive and personalized, ushering in the end of fluff content and the rise of meaningful content. The lesson from digital leaders is to avoid junking up the platform with low-quality content that will largely be ignored. One look at the scroll of content on cable – from the Magic Bullet Mixer infomercial to *Toddlers & Tiaras* – illustrates this vividly. With apologies to Bruce Springsteen: There's 757 channels and nothin' on.[11]

The future is all about entertainment and content that really matters at an individual level. Technology will know our preferences and act on them. Subscription services, driven by technology, will continue stirring chaos to foster new pathways to revenue growth within existing media conglomerates.

Digital revenues on the rise – but is it enough?

Respondents were asked what percent of their company's revenues were from digital channels, now and in 2023.
(Percent of revenues)



Response base: 285 senior M&E executives
Source: Cognizant Center for the Future of Work
Figure 4

Quick Take Disney: late or leader?

For the leaders in M&E, it's clear that it's a content, content, content world – all in the service of maximizing the attention span of viewers. Consider: While it wasn't long ago that pundits said Disney+ was late to the direct-to-consumer game, it has already attracted more than 100 million subscribers to the service, surpassing its goal of 90 million.[12] At its December 2020 investor conference, Disney announced 105 new movies and TV series, with 80% earmarked for deployment to Disney+.[13] (*En garde*, Netflix).

Even the late-to-the-party M&E sector of publishing has seen examples of a digital revenue renaissance in the last few years as a direct consequence of paywalls and content packaging. For example, as of 2018, *The New York Times* pulled in an estimated half of its revenues – $500 million – through online channels. In the words of Scott Galloway, the *Times* became a pacesetter by "launching podcasts, video products, and built a data journalism team that makes data sing with infographics that set the standard for all media."[14]

Steps like this seem more astute today than ever. Key to the strategy: Double-down on digital, stop being transactional and move to subscription-based, recurring revenue bundles ("rundles"). In Britain, *The Spectator* made similar moves; it was so successful over lockdown that it handed furlough cash back to the UK government. It is now consolidating a digital-first strategy (e.g., Spectator TV, podcasts, the new GB News, etc.).[15]

When it comes to the direct-to-consumer strategy of Disney specifically, investor Michael Nathanson put it like this: "The sheer size and quality of the content tsunami headed to Disney+ was mind-blowing and frightening to any sub-scale company thinking about competing in the scripted entertainment space."[16]

Although it's a huge company (with a huge back catalog of content), how did Disney get here? By acquisition, brick-by-brick, of major-league sources of enduring, high-quality, watch-it-again, binge-worthy content, like 21st Century Fox, Lucasfilm, Marvel and Pixar. This strategy has also changed the company's operating model, with special emphasis on producing content for Disney+. And it's likely we'll see Disney+ continue on this path for the foreseeable future, with three content units stewarding the production and delivery of content, with the primary focus being the company's streaming services.[17]

When it comes to Disney's digital mastery, it's pretty clear that its direct-to-consumer game is "Disney-to-consumer." Better late than never.

Augmentation improves outputs across multiple dimensions

Respondents anticipate a large or very large improvement in not just operational efficiency but also decision making.

M&E organizations that make their technology a "partner-in-work" can generate significant opportunities that extend beyond pure efficiency, according to our study; they can begin to fundamentally reshape how the business performs – with benefits for customers and employees, alike.

As shown in Figure 5, when asked about the expected outcomes of their use of technology by 2023, respondents said they anticipate a large or very large improvement in not just operational efficiency (from 16% saying so today to 27% in 2023) but also decision making (from just 9% today to 20% in 2023).

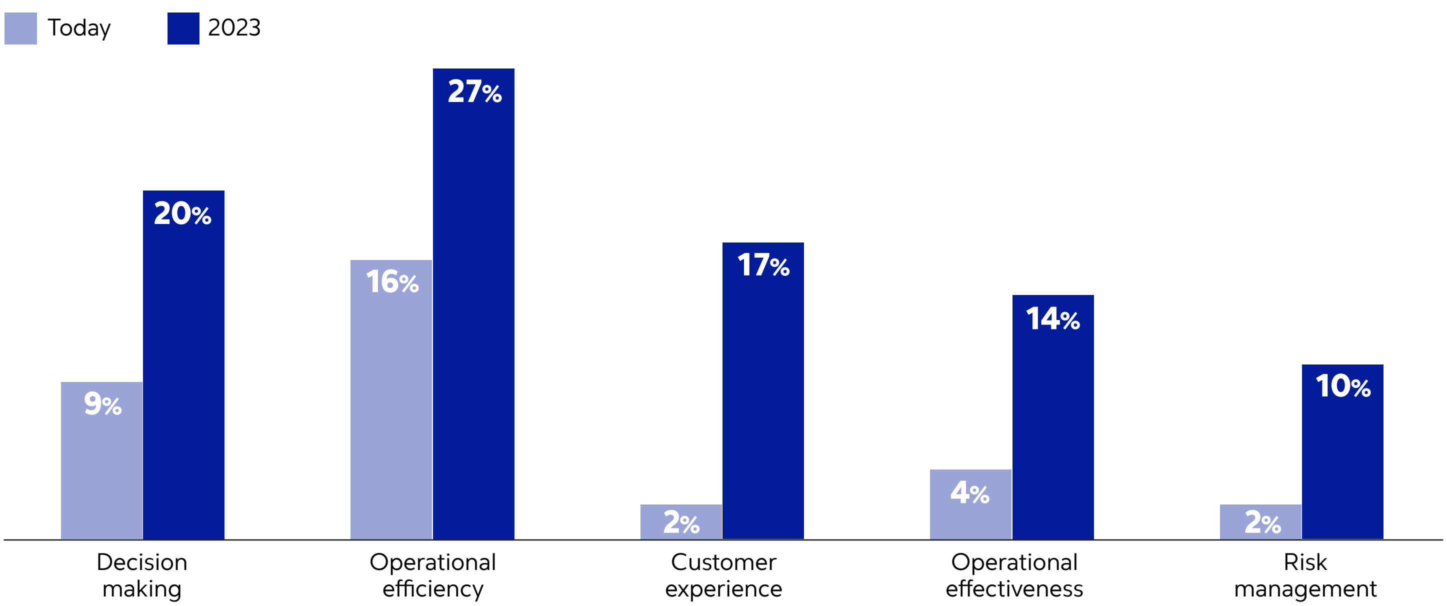
Outcomes like better decision making can really move the needle on revenues. One senior M&E executive in our study put it this way: "We did the feedback analysis and understood what type of content is not liked by the end users. As a result, we started optimizing the number of topics and pushed for those topics customized as per individual interest. If I look at the trend for the last six months of 2020, I think our user engagement and retention rate increased by about 12%."

It's highly unusual for a tech-driven business improvement to increase speed, enhance quality and reduce costs at the same time, but the application of data analytics, AI, automation and IoT offers that possibility.

Even further, technology will make and remake content as AI enhances the creative process of humans. Writing stories, adjusting movies, making trailers or music, the future of media and AI will be fully interconnected. In the near future, fans will not only watch games and entertainment; games and shows will also watch them back.

Efficiency, decision making are top augmentation outcomes

Respondents were asked about the progress they expect to make in a variety of outcomes as a result of process augmentation, now and in 2023. (Percent of respondents saying large or very large improvement)



Response base: 285 M&E senior executives
Source: Cognizant Center for the Future of Work
Figure 5

Drivers of the future for M&E

Respondents named digital regulation as the top driver of change on their work, second only to hyperconnectivity. It's a near-certainty that more regulation is coming to the digital M&E marketplace to address everything from digital addiction to stopping the spread of misinformation.

As media becomes more personal and adaptable, trust is becoming a serious issue. Deep fakes, hoaxes, misinformation and propaganda are increasingly impacting people's perception of media and the messages shared.

As M&E players navigate the evolving layers of three-dimensional chess – emerging from the pandemic, applying advanced technologies, adapting their business models – yet another dimension looms: regulation. As shown in Figure 6, respondents named digital regulation (47%) as a high-impact driver of change on their work (second only to hyperconnectivity, at 48%). It's a near-certainty that more regulation is coming to the digital M&E marketplace to address everything from digital addiction to stopping the spread of misinformation.

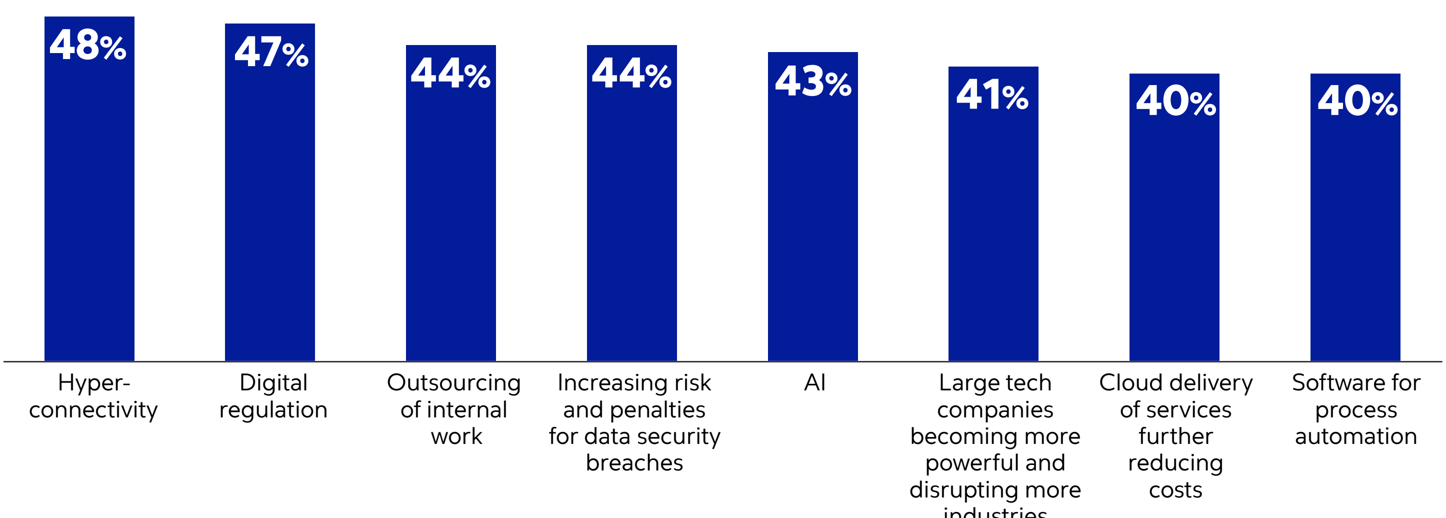
It's also clear why hyperconnectivity is seen as the top driver of change, given the primacy of experience to M&E competitive differentiation. From today's "experience economy," it's just another step further to interactive, fully immersive media and entertainment, all made possible by our always-connected lives. For example, in the UK, AI Music is making the listening experience a totally interactive one, by using modular and proprietary AI engines that enable real-time alteration of music tracks.[18] Customer interactions like this (fueled by AI) will foster a seamless, self-service system completely in tune with each individual user. (Why just "listen" to the music, when you can "be" the music?)

Going a step further, witness the dawning of the mixed-reality experiences of AR and VR, which will bring entertainment to new thresholds in finely pixelated, immersive 3-D detail. As Ernest Cline's book *Ready Player One* and Steven Spielberg's film adaptation of it both envision, AI-driven "journey-building services" will suggest – like Pandora or Spotify do today with music – the perfect "genome" of the things you see, interact with, decide and experience. In this incipient arrival of entertainment in virtual space, activities that rely on humans – not machines – will be even more important. (For more on this topic, see our report "**Launching into Virtual Space**.")

From a future of work perspective, it's not difficult to imagine myriad teams needed to design, write, create, calibrate, gamify, scene-set and – most importantly – personalize the next generation of stories and entertainment experiences. Consider the advent of new jobs of the future like XR journey builders who will personalize mixed-reality stories and vignettes. Want to raid the Death Star in your living room? Want to jam next to your favorite popstar? Journey builders will arrange it. Already, the UK's O2 Academy Brixton is planning a series of "pick your own camera angle" VR performances.[19] And in response to COVID-19, from Garth Brooks to Metallica,[20] a range of bands have leveraged journey builders for gigs using drive-in movie theaters.[21]

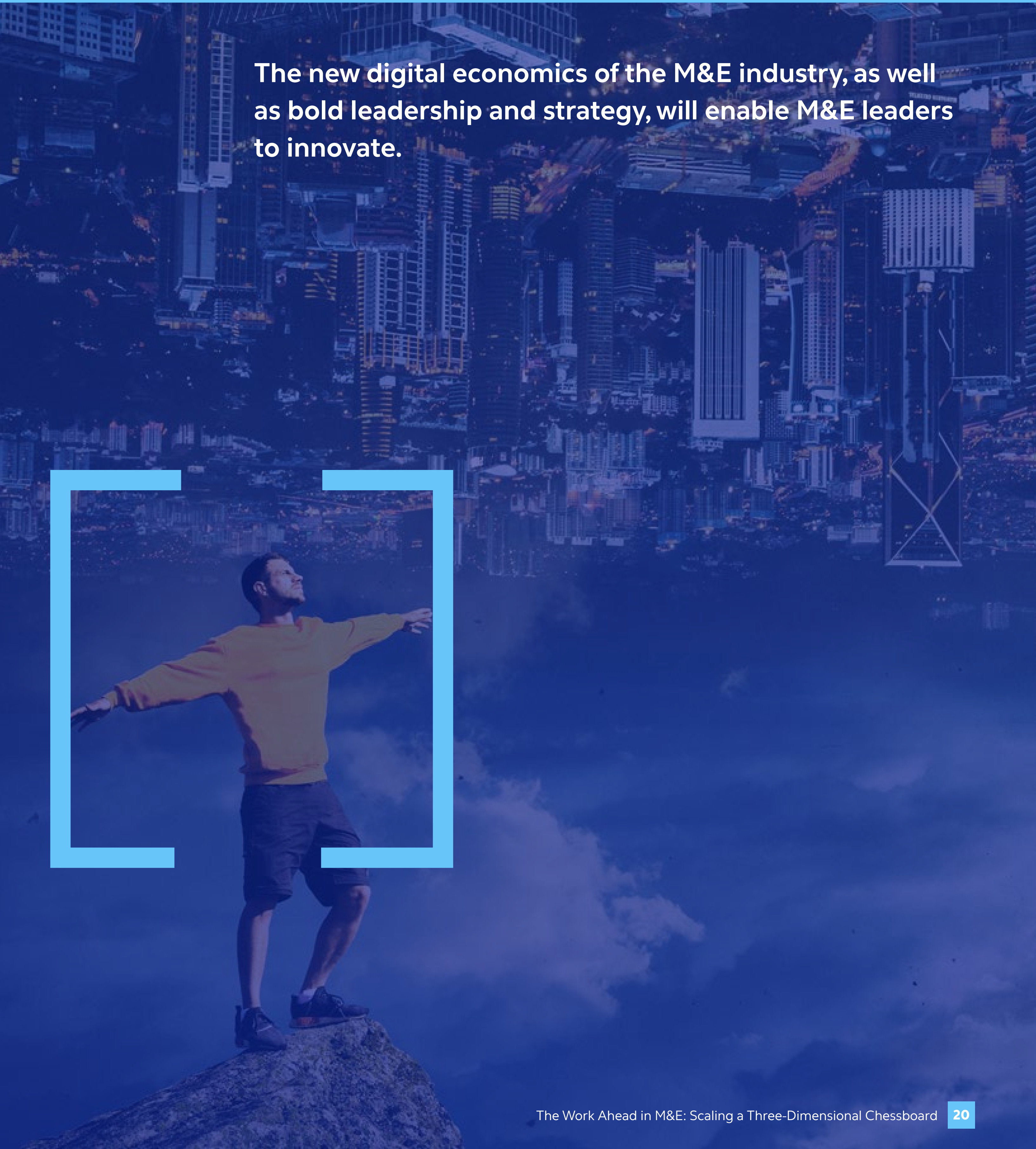
High-impact drivers of the future

Respondents were asked which of the following technologies and trends would have the biggest impact on their work by 2023. (Percent of respondents saying high impact)



Response base: 285 senior M&E executives
Source: Cognizant Center for the Future of Work
Figure 6

Getting ready for the M&E work ahead



The new digital economics of the M&E industry, as well as bold leadership and strategy, will enable M&E leaders to innovate.

Our research reveals the need for traditional M&E companies to make the shift from providing entertainment to offering experiences. Many are already ascending to new levels and are onto the next critical phase.

Much work awaits, for established titans and born-digitals, alike. The new digital economics of the M&E industry, as well as bold leadership and strategy – from linking customer interfaces to operational core functions, to preparing for the advent of the "experience economy" – will enable M&E leaders to innovate.

In a post-pandemic world, these initiatives can – and must – be done. Here are some of the next moves for organizations to make:

- **Make direct-to-consumer initiatives the heart of your digital brand – with small steps and bold moves alike.** A winning strategy needs to combine data, AI, ML, digital engineering and automation-centric solutions to bring forward a differentiating experience that maps directly to consumers' needs. Unfortunately, a lot of these systems today are disjointed. In combination with other advanced technologies, even "pedestrian" RPA/IPA initiatives can automate rote and repetitive work processes, fueling clean data to power next-gen AI. The payoff: the ability to recognize market trends that will lead to the next breakthrough direct-to-consumer experience that scales seamlessly across the value chain.

- **Use data to drive powerful, customer-centric outcomes.** Whether it's adoption of a 360-degree view of the customer, an intuitive user interface and/or powerful personalization capabilities by enabling dynamic content, it all stems from one critical resource: data. Data-driven insights can also increase the effectiveness of advertising to boost ROI, optimize sellable inventory, eliminate deficiencies and reduce sales costs. Smart data monetization is also a part of the mix; outcomes like retaining, converting and expanding subscriptions, while broadening revenue streams through data-led advertising offerings, can drive M&E companies to outsized performance.

- **Prioritize the B2B2X value chain.** Even though Amazon Prime entered 2020 with over 150 million members, the industry behemoth is really almost an afterthought to a much larger corporate parent, where AWS is the cash-cow. But Amazon makes its money from having an inbuilt customer base (delighted by what they perceive as being "for free" on Prime Video), the ability to invest a *lot* in the digital content supply chain, and white-hot analytics to understand customer behaviors and the content they really want, like and crave watching, thus avoiding the *ennui* issue that's decimated traditional cable bundles.

- **Look downrange at a post-COVID field of customer expectations.** The media and entertainment industry has been a saving grace for many during the weeks of COVID-induced lockdown. At no time in history has society consumed as much media as we've done in the 2020s. However, the post-COVID media consumer will be an acutely more discerning individual following this vastly increased consumption. Media providers with sub-standard or minimal content will be judged harshly, while those that can provide a wide array of timely, high-quality content will flourish. Also, the post-COVID media consumer will be all too aware of the television trance induced by hours of Netflix binging and, therefore, will seek adaptable and engaging content that they can influence (think of the *Black Mirror* "Bandersnatch" episode, which allowed viewers to determine plot outcomes.) In a post-COVID world, media providers will face ever-increasing pressure to up their game for their most discerning customers yet.

At no time in history has society consumed as much media as we've done in the 2020s. However, the post-COVID media consumer will be an acutely more discerning individual, and media providers with sub-standard content will be judged harshly.

- **Begin now to experiment with technologies that foster hyperconnectivity and hyper-personality.** As "entertainment" morphs into "experiences," digital winners will leverage game-changing technologies like IoT to start blossoming into a ubiquitous environment of smart, "sensate" computing that can enhance entertainment experiences. From IoT endpoints, sensors and smart street monitors, to mesh, edge and the AR cloud, if we don't build experiences based on these technologies, they'll be for naught. According to thinkers like Joseph Paradiso of the MIT Media Lab, "The cognitive engines of this everywhere-enabled world will be deaf, dumb and blind to the real-world events that they aim to augment."[22]

- **Embrace the notion of digital ecosystems that need cultivation.** Rather than thinking they can develop everything themselves – particularly a mindset of traditional players – M&E companies need to be strategic in forging partnerships that will bring agility and speed to their go-to-market strategies. Legacy companies will find this to be a challenge because of the layers of approval or organizational barriers that discourage collaboration, inflexible systems and a lack of partnerships that can quickly fill skill/ability gaps. Digital ecosystems will be a key advantage going forward. A trusted partner can help coordinate and orchestrate the players and integrate the pieces.

A whole new game

At shift points like this, the old rulebooks no longer apply. If your organization feels it is doing "well enough" now, sustaining or redoubling those efforts may still not be enough moving forward. In the words of Beth Harmon, the lead character in Netflix's *The Queen's Gambit*, "I analyze games. What actually happened, not what could have happened."[23] Similarly, digital mastery of the M&E chessboard today and tomorrow requires situational awareness, patience and bold moves.

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Methodology

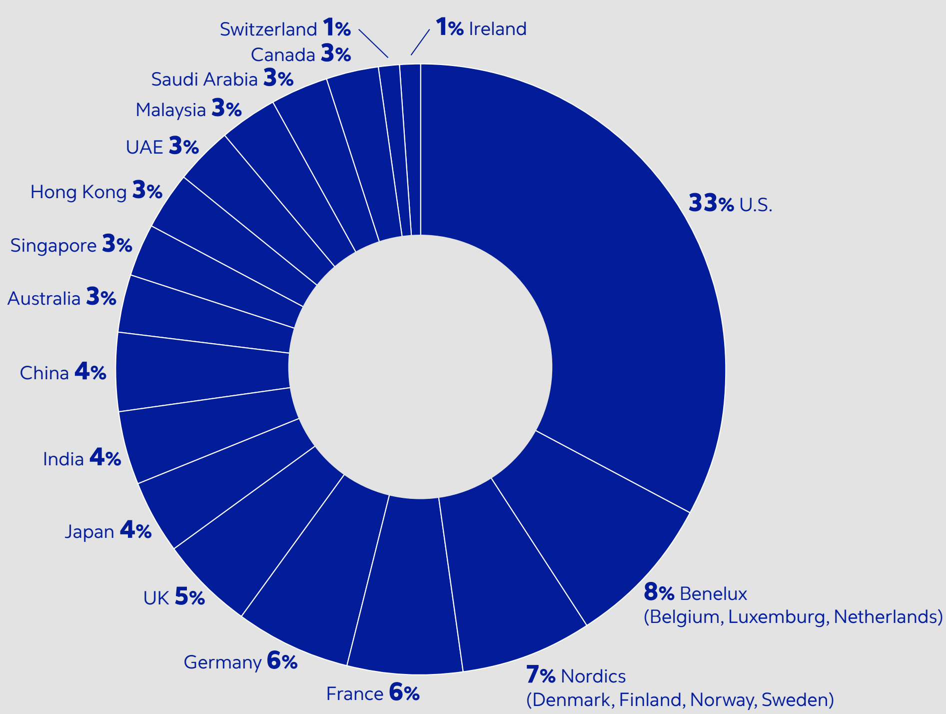
Cognizant commissioned Oxford Economics to design and conduct a study of 4,000 C-suite and senior executives, including 285 from the media and entertainment industry. The survey was conducted between June 2020 and August 2020 via computer-assisted telephone interviewing (CATI). Approximately one-third of the questions were identical to those included in the 2016 Work Ahead study, allowing us to compare responses and track shifting attitudes toward technology and the future of work.

Respondents were from the U.S., Canada, UK, Ireland, France, Germany, Switzerland, Benelux (Belgium, Luxemburg, Netherlands), Nordics (Denmark, Finland, Norway, Sweden), Singapore, Australia, Malaysia, Japan, China, Hong Kong, India, Saudi Arabia and UAE. They represent 14 industries, evenly distributed across banking, consumer goods, education, healthcare (including both payers and providers), information services, insurance, life sciences, manufacturing, media and entertainment, oil and gas, retail, transportation and logistics, travel and hospitality, and utilities. All respondents come from organizations with over $250 million in revenue; one-third are from organizations with between $250 million and $499 million in revenue, one-third from organizations with between $500 million and $999 million in revenue, and one-third with $1 billion or more in revenue.

In addition to the quantitative survey, Oxford Economics conducted 30 in-depth interviews with executives across the countries and industries surveyed. Interviewees who responded to the survey have a track record of using emerging technology to augment business processes. The conversations covered the major themes in this report, providing real-life case studies on the challenges faced by businesses and the actions they are taking, at a time when the coronavirus pandemic was spreading around the world and companies were formulating their strategic responses. The resulting insights offer a variety of perspectives on the changing future of work.

The following figures represent the demographics of the 4,000 respondents from the full global study.

Respondents by geography



(Percentages may not equal 100% due to rounding)

Respondents by role

13% Vice President
13% Chief Operating Officer
13% Director reporting to senior executive
13% Senior Vice President
12% President
12% Chief Executive Officer
12% Chief Financial Officer
12% Other C-suite Officer

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Cognizant

World Headquarters
500 Frank W. Burr Blvd.
Suite 36, 6th Floor
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters
1 Kingdom Street
Paddington Central
London W2 6BD England
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

India Operations Headquarters
#5/535 Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060

APAC Headquarters
1 Changi Business Park Crescent,
Plaza 8@CBP # 07-04/05/06,
Tower A, Singapore 486025
Phone: + 65 6812 4051
Fax: + 65 6324 4051

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