

CTAM Think Recap March 3, 2016 | New York



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Digital disruption:

Digital disruption happens because the economics of producing and distributing are going down.

How to build a monopoly that customers want access to:

- A real or perceived monopoly gives you power as a preferred provider to the customer.

No one is saying “darn that Taylor Swift for making so much money” because they are thrilled to be getting monopoly access to her.

- Tentpole events establish the monopoly, which is why movies have become so formulaic. TV, books, music all follow the same winning formulas.

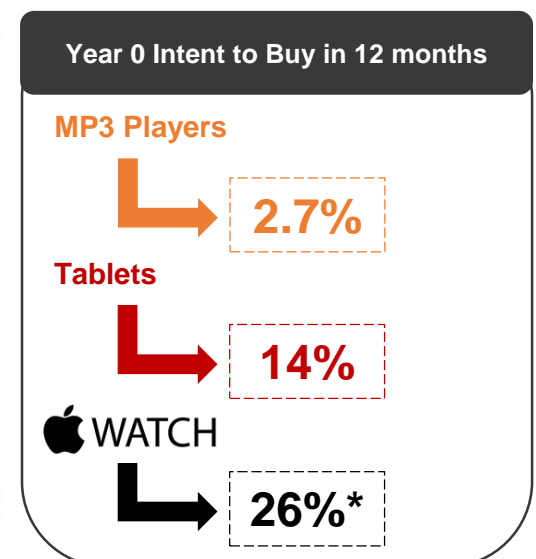
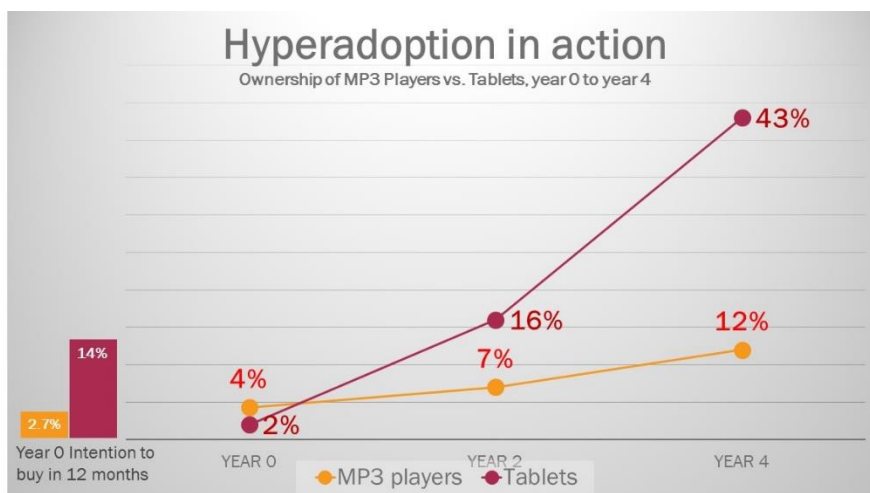
Hyperadoption:

- New ideas are being adopted rapidly worldwide.

As a world, we are in a stage of hyperadoption

People are in a “try me out” mode.

- Tablets grew over three times as fast (43% adoption) in their first four years as MP3s did (12% adoption).
- The “intention to buy” MP3 players when they were first announced was 2.7%. When the AppleWatch was announced, 26% in the US (52 million), said they intended to buy one.



*includes intent to own any smartwatch

Becoming a lifestyle partner:

- Cord-Nevers (6%) enjoy mainstream content but do not have the habit of mainstream media consumption. They spend more time on snapchat than on mainstream media.
- Cord-Cutters (7%) are mainstream media consumers who want to access the big brands in a way that is more convenient to them.

Important for Cable Industry to Understand ----->

What are the kinds of relationship that viewers want to have with content?

What you are delivering is a **lifestyle partner**.

Examples of lifestyle partners -



You need something?
I'll get it for you.

Sees video as a complement to how it really sees itself
– your personal assistant



Automatically detects and replenishes laundry detergent when depleted.



What this means for the future of cable:

- Customers will have **access anywhere**, using whatever device available to them
- Content will be **delivered on-demand**, over IP
- **Content ownership** is becoming more important than ever before
- Companies are developing **mobile-first experiences**



This leads to a content relationship that follows the viewers.

Content relationships are part of a lifestyle.

Help customers get what they want out of life rather than just delivering video product

Create the opportunity to expand horizontally with services that support the lifestyle

Collect data that helps the company understand and serve the customer

There are relationship experts already headed here.

Re-appealing to the viewers who are wandering away:

- **Live and other tentpole events** create monopoly interest that fits into a viewer's total lifestyle
- Where possible, **stimulate the idea of linear viewing** in alternative platforms like Sling TV and CBS All Access
- Cord-cutters and young cord-nevers generate 25% of mobile minutes viewed – **meet them where they are**
- Prepare for **virtual- and mixed-reality entertainment**