

Engaging the Digital Consumer

Leveraging data for improved targeting & profitability October 3, 2011



Objectives of this session

- 1. Discuss how the widespread adoption of digital media and mobile communications devices is transforming industries
- 2. Show how data aggregation and analysis can improve consumer engagement and product profitability
- 3. Explain how Oracle and PwC support the digital ecosystem

How the widespread adoption of digital media is transforming industries

Digital technology has changed personal and group communications

Remember when computers were about calculations... and phones were about communications?





Now, they are mobile media devices with collaboration capabilities

Digital engagement is changing the overall business landscape

The **New Normal**

Digital is the central driver of future operating models, consumer relationships, and revenue growth









Most industries have crossed a psychological and behavioral tipping point







Success in the digital environment lies in harnessing three industry-wide dynamics

1 Digital

- Accelerated digitization of content, business processes, and product innovation
- Profound impact of social media, mobility, and apps

2 Demand

- Consumers are empowered, connected, and able to influence large communities of people
- Consumers are ready to play a collaborative role in developing new products and services

3 Data

 Proliferation of digitized content, web access, and social media give companies the ability to mine and analyze detailed/contextual information never previously available

PwC believes that industries need to focus on:



Collaborative digital enterprises

• Total recast of how companies conduct themselves as dynamic, interconnected, and continuously engaged enterprises within their customer, employee, and supplier ecosystems

Empowered consumers

- Adapting to the enhanced expectations of the "Digital Customer"
- Engaging with consumers is becoming the principal driver of brand, content, and device

Engaged marketers

- Companies want more verifiable ROI from their ad spending
- Companies are also listening to—and engaging directly with—their consumers via digital platforms, enhancing marketing effectiveness
- Technology affects the digital "persona

Engaging the Digital Consumer

Media & Entertainment industry examples

Digital technology disrupts the Media & Entertainment value chain

Content Producers

Programmers-Aggregators

Distribution Systems

Consumer Devices

The **Old Normal**











Bloggers, Citizen Reporters, Independents, App & Game Developers On-Demand services, Mobile App Stores, Websites, Portals, Search Engines, Social Media

Telco, Wireless, Broadband HD TV, PC/Laptop, Tablet, Smartphone, 3D Game Platforms, Blu-ray, Mobile Media Player

The **New Normal**













Media & Entertainment industry issues drive three priorities M&E Digital Transformation Strategy

- Declining audiences with scarce time
- Non-compelling content and irrelevant advertising
- Subscriber churn and lower RPUs
- Higher consumer expectations for participation and interactivity
- Consumer privacy concerns

Sustain Profitable Engagement of Consumers Manage Product
Portfolio Across
Channels &
Platforms

- Profitable mix of digital vs. traditional media
- Lower revenues and margins on digital products
- Clearing complex legal rights

Manage Media Supply Chain as a Collaborative Digital Enterprise

- Siloed legacy IT infrastructure
- Insourced / outsourced / co-sourced services
- Managing ecosystem of supply chain partners
- Piracy of digital products

Manage Product Portfolio Across Channels & Platforms

Growth requires sustaining the profitability of digitallymediated relationships with consumers

Personalize content and advertising for greater consumer relevancy



Opportunities for the industry

- Better understand consumer preferences
- Personalize services, content, and advertising
- Engagement instead of just eyeballs
- Address privacy concerns

"What I want,
when I want it,
where I want it,
on the device of my choice,
on pricing terms that I want...
and I want to share with my
friends, globally"
October 3, 2011

Manage Media Supply Chain as a Collaborative Digital

Engaging the Digital Consumer

While the world of data-driven customer interaction has not yet reached the vision portrayed in *Minority Report**, companies are leveraging data for greater product relevance and personalization



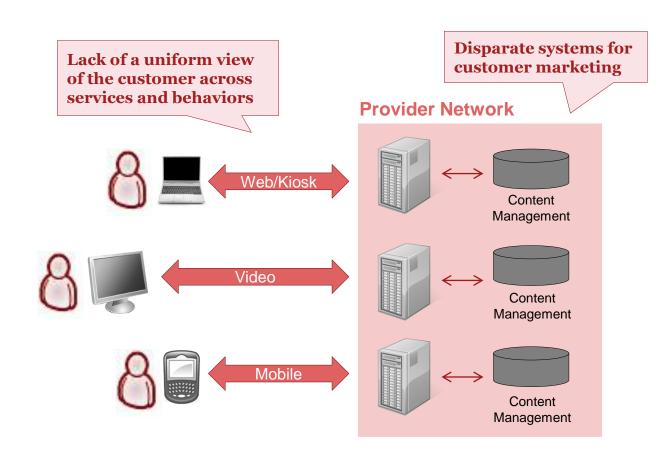
Addressable Content & Advertising

What we are currently seeing around the industry

Manage Media Supply Chain as a Collaborative Digital Enterprise

Providers often do not have a unified approach of targeting campaigns to their customers, resulting in missed sales

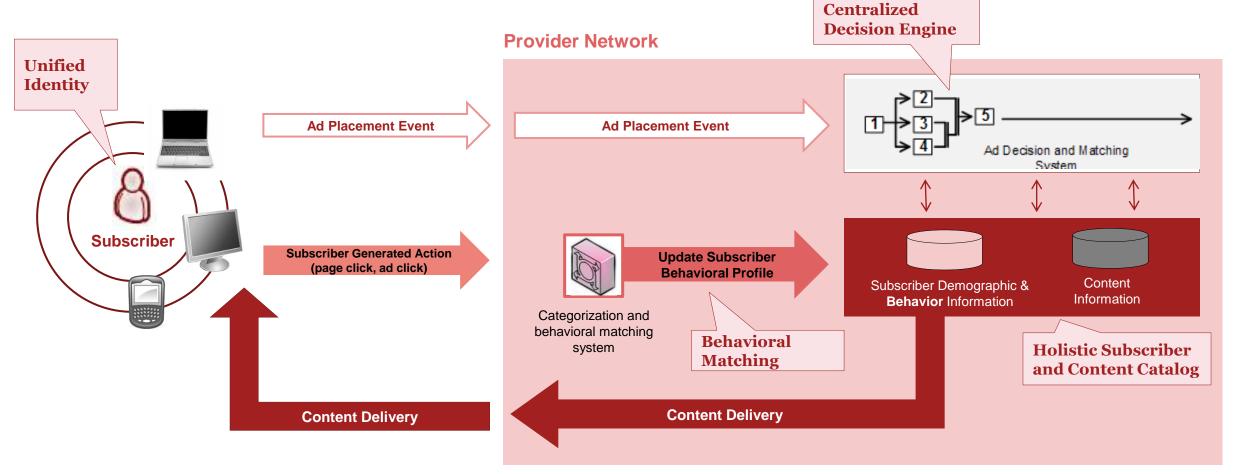
- Inconsistent customer experience
- Missed opportunities to engage and retain the customer
- Missed opportunities to cross-sell / up-sell the customer
- Missed opportunity for greater personalization and optimizing the value of each customer



Addressable Content & Advertising

Industry needs a holistic approach, with knowledge of the consumer + choice by the consumer

Manage Media Supply Chain as a Collaborative Digital Enterprise



Digital products are high-growth opportunities Constant consumer change demands continuous experimentation

The sum of all forms of video will account for over 91% of global consumer Internet traffic -- Cisco*

Market Share Growth (2011-15 CAGR)



Source: PwC Global Entertainment and Media Outlook: 2011-2015 * 2009 Cisco Visual Networking Index

PwC

Revenues & margins remain with traditional products

How to profitably optimize product decisions across business units, channels, geographies, and media platforms

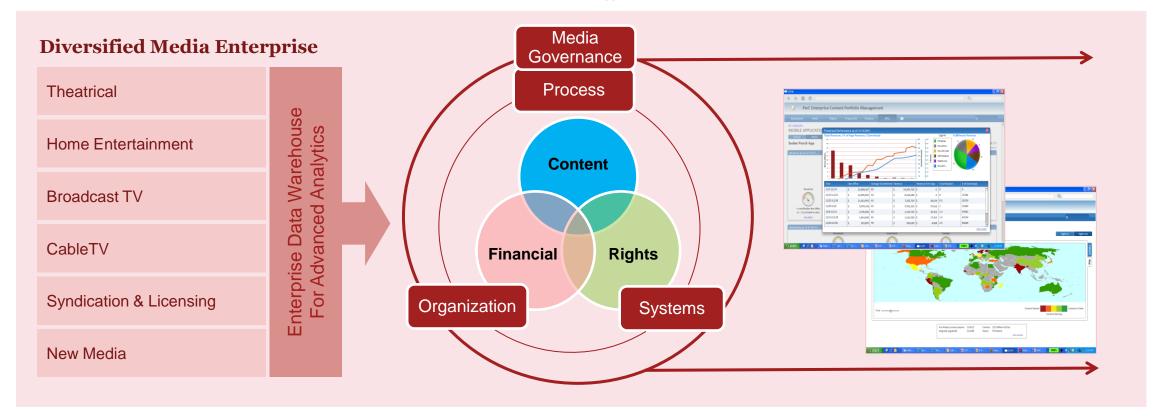
Global 2015 market share (% rev)



Enterprise Content Portfolio Management

Decision-support framework helps content owners manage digital profitability across business units, channels, and platforms

Aggregates and correlates content, its intellectual property rights and associated financials in a dashboard that can be tailored to various executive and staff audiences

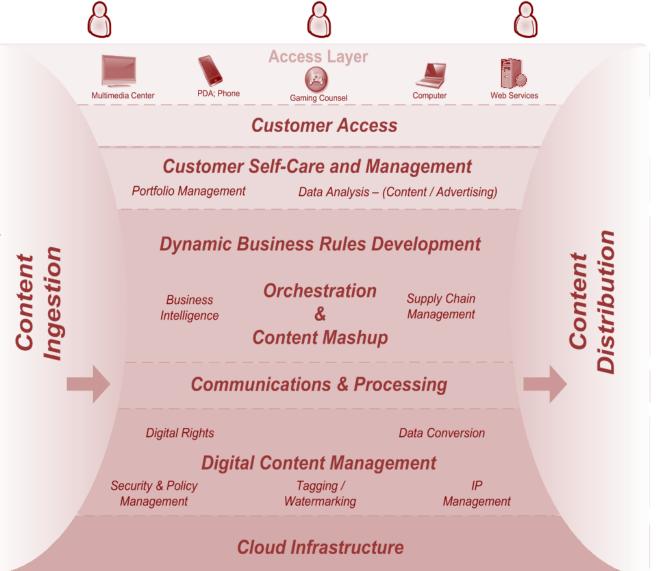


Digital Media Supply Chain Management

Sustain Profitable Engagement Of Consumers Product Portfolio Across Channels & Platforms

Manage Media Supply Chain as a Collaborative Digital Enterprise

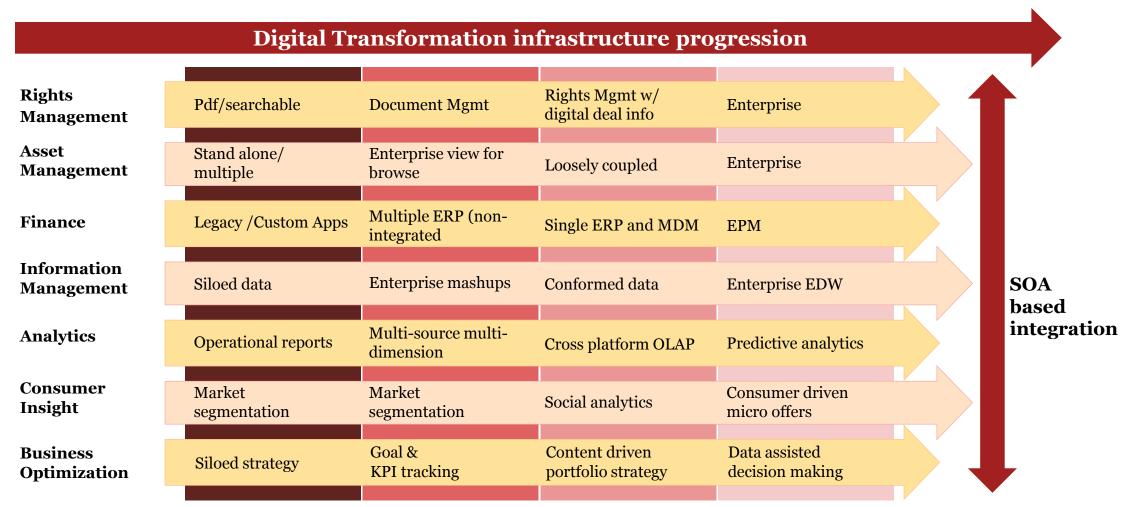
Companies are making judicious use of scarce resources for core operations, while partnering with an ecosystem of trusted parties for non-core infrastructure and services



... creating a horizontallyintegrated, industrywide, flexible infrastructure for digital business

Companies are at different places on the maturity curve

PwC can help you assess, plan, and implement your roadmap



Engaging the Digital Consumer PwC

PwC's services complement Oracle's products

Visit the PwC and Oracle booths to learn more about the technologies and services that enable the solutions highlighted in this presentation

PwC Consulting Services:

- Consumer Analytics
- Business Intelligence
- Social Media Analytics
- Privacy Policies
- Rights Management & Contract Compliance
- Information Management
- Content & Media Asset Management
- Business Integration Consulting
- User Experience Design
- Program Management











Oracle Products:

- Exadata
- OBIEE and OBIA
- Oracle Media Intellectual Property Management/Rights Management (OMIPM)
- Enterprise Content Management
- Oracle Communications
 Marketing and Advertising suite (OCMA)

Summary

Winning strategies for the digital future

PwC

Impact of the Digital Customer on your business

Your company will need a more intimate, real time, flexible, and transparent relationship with customers

- Force each industry to adapt their business models to digitally enabled, services-based relationships
- The winners will be those who can most effectively leverage data to:
 - enhance customer experience
 - unify multiple channels of interaction in the evolving digital global economy

Benefits of leveraging data to better engage customers

Empowered consumers

Engaged marketers

Collaborative digital enterprises



Engaging the Digital Consumer

To learn more, visit **booth 911** for more on how PwC and Oracle can help you

Blake White blake.l.white@us.pwc.com (408) 817-5838

Darin Yug darin.yug@us.pwc.com (216) 875-3505 Joe Tagliaferro joseph.tagliaferro@us.pwc.com (973) 236-4226

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.