

IN POSITION



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Engaging the Digital Consumer: Leveraging Data for Greater Product Relevance and Personalization

Ever wonder how your company can tap into the expanse of digitized content, ubiquitous Web access, and firestorm of social media to mine and analyze consumer data for details and contextual information? Blake White, director of PwC's Entertainment Media and Communications, helps companies answer that question and understand the business implications of emerging technologies. He discusses how, by better understanding consumer preferences, companies across all industry sectors can more effectively personalize services, content, and ads for more-intimate customer engagement, in a privacy-assured manner.

"The winners will be those companies that can most effectively enhance the customer experience and unify multiple channels of interaction in the evolving global digital economy."



BLAKE WHITE
DIRECTOR OF PWC'S
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Q: What has been the impact of the digital transformation of business?

A: The adoption of digital technologies for communications has changed the business landscape. Industries are adapting to the expectations of the digital customer. Regardless of the industry, the digital persona as presented via a Web presence, and as reflected on social media sites by customers, is a concern. Digital marketing is about engaging customers with products and services in a more personalized and interactive fashion. Companies will conduct themselves as dynamic, interconnected, and continuously engaged enterprises.

Q: What does the digital transformation mean to the media and entertainment industry?

A: Digital technology has changed the entertainment product, the way in which companies engage consumers, and the basis of competition. Every aspect of the media product can now be digital, putting the consumer in control. It disrupts established business models and creates new opportunities. Consumers expect a variety of digital products, they want them immediately, and they want these products tailored to the device on which they're consuming them.

Q: What opportunities does this new reality present?

A: In the digital realm, each transaction can tell us something. If companies have the permission of their customers, we can find out about their interests on a granular level, and create new products that meet those interests. We can use digital technology to break down existing products, and offer customers smaller portions or products grouped differently and based on their interests.

Q: What are the business challenges of the digital transformation?

A: The digital commerce footprint opens up privacy issues. The industry needs to offer opt-in services that consumers see as a value-add to their experiences, not just value to advertisers. Business models need to change since margins are smaller on digital products. This change requires not just conformance to privacy and piracy laws, but consideration of ethics and the consumer's perspective of marketing. It means changes in people, processes, and technology to support and enable the new business model.

Q: What can companies do to leverage this transformation?

A: Companies need to develop solutions that track the delivery of digital products, [and] aggregate usage statistics and financial metrics for future product/service decision-making. Second, companies need to adopt a strategy of mass personalization. Finally, they need to make consumers a part of the product development process.

Q: How can technology help?

A: Technology such as data warehousing/data mining collects and parses information about consumers. Analytics help companies make better decisions, rights-management helps companies reduce risk and ensure compliance with legal contracts, and security technologies protect investments.

Q: What will a winner look like in this era of digital transformation?

A: The digitally empowered consumer is forcing industries to adapt their business models to a digitally enabled, services-based relationship model. Consumers will have more-intimate, real-time, and transparent relationships with companies. The winners will be those companies that can effectively enhance the customer experience and unify multiple channels of interaction.