

IDC MarketScape: Worldwide Media and Entertainment 2023 Vendor Assessment

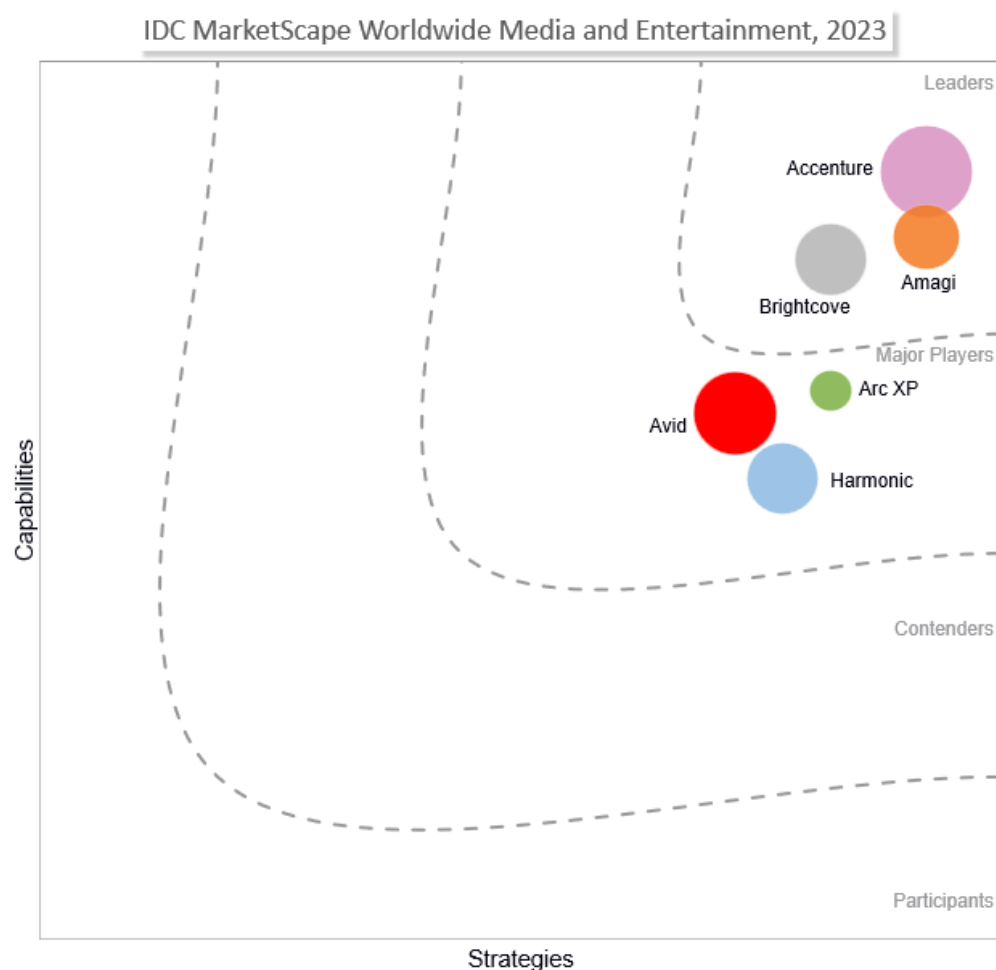
Alex Holtz

THIS IDC MARKETSCOPE EXCERPT FEATURES AMAGI

IDC MARKETSCOPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Media and Entertainment Vendor Assessment



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Media and Entertainment 2023 Vendor Assessment (Doc #US49647122). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

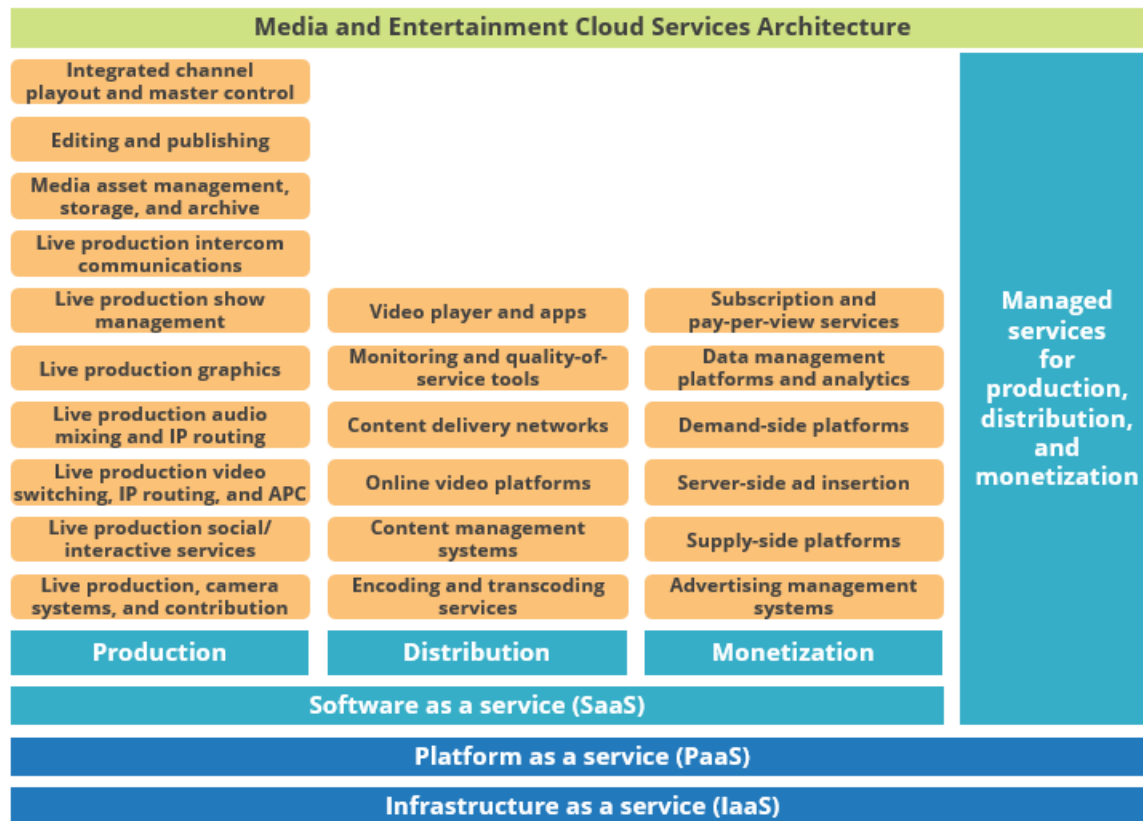
According to International Trade Association for Broadcast & Media (IABM) industry research, 54% of media businesses have already adopted cloud services as of August 2022. Much of this adoption is due to the 2020 impact of COVID-19 as the industry scrambled to continue with content programming leveraging remote production cloud services allowing them to utilize decentralized personnel working from their homes. While some have returned to facility-based production, the majority have elected to take advantage of lessons learned and have adopted a hybrid approach, eventually moving to a 100% media factory in the cloud. The objective is to transition the facility-based business cycle of production, distribution, and monetization and all its subcategories into native cloud services.

The Media and Entertainment Cloud Services Architecture Challenge

There are multiple challenges getting the industry to a 100% cloud-based media factory. The business cycle needs to be as seamless and reliable as that of traditional broadcast television. Figure 2 presents the complexity of the media factory cloud-based ecosystem.

FIGURE 2

IDC's Media and Entertainment Cloud Services Architecture



Source: IDC, 2023

The base is made up of *infrastructure as a service (IaaS)*. IaaS contains the basic building blocks for cloud IT and typically provides access to networking features, computers (virtual or on dedicated hardware), and data storage space. Infrastructure as a service provides the highest level of flexibility and management control over IT resources. For those who want to know more about IaaS, a detailed taxonomy with definitions is provided in *IDC's Worldwide Public Cloud Infrastructure as a Service Taxonomy, 2022* (IDC #US49017222, May 2022).

The next layer of *platform as a service (PaaS)* removes the need for organizations to manage the underlying infrastructure (usually hardware and operating systems) and allows them to focus on the deployment and management of applications. This helps organizations be more efficient as they don't need to worry about resource procurement, capacity planning, software maintenance, patching, or any of the other undifferentiated heavy lifting involved in running applications. All the major public cloud IaaS vendors also provide PaaS, providing media and entertainment (M&E) customers business model flexibility. For more information on IDC's PaaS Taxonomy, see *IDC's Worldwide Software Taxonomy, 2022* (IDC #US48990921, April 2022).

Moving into applications that are developed on and supported by PaaS, you have business cycle workflows for production, distribution, and monetization each supporting multiple use cases that are defined within *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2022: Media and*

Entertainment (IDC #US49531122, October 2022). Both *software as a service* (SaaS) and *managed services* are defined and discussed within this document as they pertain to all the M&E use cases.

Finally, it's important to know the major technology vendors that are leaders in their field of expertise and/or innovators that will drive enhancements to business cycle workflows and consumer user experience/user interface (UX/UI) advancements. IDC updates quarterly *IDC Market Glance: Media and Entertainment Cloud Platforms and Services Vendor Ecosystem, 2Q23* (IDC #US50721422, June 2023) to reflect additions, deletions, and new entrants into other categories of services.

Now that we understand the M&E cloud services architecture, it's paramount that the content creators and programmers work in concert with technology vendor suppliers to offer cloud-based services for the entire business cycle. Regularly scheduled vendor customer councils can be leveraged to provide feedback on road maps, trends, and product/service needs. Working with vendors in the planning stages provides a heads-up alert for what needs to be accomplished and by when, and most importantly, what other vendors will be involved to make sure that interoperability testing and validation of the solution is performed in advance of deployment. In addition, does the integrated solution meet all requirements for latency, reliability, and security.

Now let's discuss the customer viewpoint. While tier 1 customers "may" have the funds to support internal development teams to organically integrate best-of-breed services, others require more support expecting turnkey solutions and even complete managed services for their cloud deployments. Therefore, it's important for customers to know the cloud services architecture, what vendors participate in it, and what they offer, including validation between disparate systems. It's paramount that both customers and technology vendors meet regularly to discuss road maps so that they are both synchronized in expectations. Market trends can impact road maps and therefore alignment with forecasts is also essential. For this, IDC offers the Digital Advertising Market Model published annually with the latest *Worldwide and U.S. Digital Advertising Spending Forecast, 2022-2026* (IDC #US47731622, July 2022). This takes us into a discussion on the latest headwinds affecting the M&E industry.

Technology and Market Trend Challenges

The other challenges include the high rate of adoption of connected television (CTV). CTV defines an entirely new entertainment experience combining traditional TV with interactive services with an operating system that supports a UX/UI interface to navigate the platform like a mobile app but with much more real estate. This lends itself to having a video window along with other interactive services such as social media, gaming, and data that complements what the consumer is viewing or provides multitasking capabilities making it more personalized. This challenges the industry as workflows must address the convergence of these cloud-based platforms to support interactive elements, metadata, social, gaming, and other functions yet to be envisioned.

A technology that is front and center being utilized in cloud-based workflows is artificial intelligence (AI) and machine learning (ML). AI/ML is being adopted within the industry by studios, broadcasters, publishers, and media planning and advertising, impacting data-driven decisioning, operational and content production cost reductions, monetization improvements, accelerated content localization, and improved content engagement. Furthermore, one of the largest applications is sports, where AI/ML is used to enhance solutions such as content archiving, player tracking and auto highlights, player performance analytics and injury management, and video analytics for smart stadiums. With a host of partnerships being established, major vendors and cloud service providers such as Google Cloud,

Amazon Web Services (AWS), Nvidia, and Snowflake and smaller innovators such as Quantiphi will expedite adoption just as the media and entertainment industry grows with cloud services.

For M&E customers, data is the new currency. Compiling an audience data set with attributes that drive content-type decisioning, production, distribution, and monetization is a key differentiator for content creators and programmers. According to IABM, the top 2022 investment category is data analytics throughout the entire content chain. Data collection, management, and analysis are constantly being cited as key to monetization as the industry moves to a direct-to-consumer business model where data is paramount to success.

Other than monetization and especially ad targeting, data is used extensively in live sports. As live sports transitions over time from traditional TV to OTT, the expectation is that through convergence, data will be used for player performance tracking, game statistics, fantasy gaming, and sports betting. In addition, data will be used extensively for content discovery and engagement as broadcasters seek ways to attract and increase viewership.

Security is also front and center with discussions on infrastructure compute and storage solutions from air-gapped storage to policy-driven applications requiring strict sign-on capabilities. Changes to distributed infrastructure regarding security connectivity, low visibility, and lack of automation have been cited as key issues for broadcasters implementing cloud-based workflows. The Motion Picture Association of America (MPAA) established content security best practices for storage and processing workloads in the cloud, and these guidelines are to continue to be used in cloud environments such as datacenters with applicable policies and procedures. Everyone in broadcast is on the "zero trust" bandwagon and wants to make sure that as the industry transitions to cloud workflows that security remains a topic of concern that must be addressed and trusted. The emphasis was placed on the fact that it's not just a technical challenge, but that policies and procedures must be in place, monitored, and strictly followed for compliance. While all major cloud service providers offer high-level security connections to the cloud and from the cloud, they must be monitored and audited accordingly to protect the security integrity of the end-to-end solution. Having a staff at the facility to constantly monitor and patch the interconnections of different vendor solutions together is cost prohibitive, the public cloud must be held accountable to a higher security level as the business depends on it, and broadcasters must "trust" this shift to be in their best interests.

Throughout 2022, IABM trade show (NAB and IBC) sessions for cloud collaboration pointed out the importance of open standards-based application programming interfaces (API) for the current and future adoption of cloud services from a combination of best-of-breed or application-specific preferred vendors and workflows. The cloud has enabled not only existing workflow improvements but also new workflows that must be "glued" together collectively for effective multivendor collaboration. Interoperability testing and API standardization are must. Whether private or public cloud, the adoption of cloud services will continue to move forward at a rapid pace and will only exacerbate the need for standardization as the industry builds "trust" in cloud solutions. Cloud service deployments must be infinite, interoperable, and self-sustaining and, as the industry moves forward, must allow for growth across infrastructures via standards and protocols to connect, entertain, and inform.

Major Headwinds Moving into 2023

The media and entertainment industry moving into 2023 is experiencing headwinds that are impacting investment decisions by motion picture studios, broadcasters, and streaming platforms alike. Inflation is impacting the consumer, resulting in budget cuts to discretionary spending impacting many businesses and especially those associated with M&E in categories such as:

- **Subscriptions.** Inflation continues to affect consumer spending for entertainment. Many are fleeing to free ad-supported streaming TV (FAST) on connected TV platforms.
- **Content.** Subscription cuts cause a slowdown in content investment, yet demand continues, so creators must review and assess performance metrics before moving forward with a project.
- **Advertising.** Advertisers reduce budgets as consumer spending slows down. Yet connected TV continues to grow rapidly, presenting highly targeted audiences and advertising opportunities.
- **Technology.** Spending on technology slows even as businesses realize they must invest to transition to cloud services, automate workflows, and streamline operations to achieve profitability.
- **Resources.** Investments in technology and especially cloud services require a highly skilled workforce. Retraining existing staff is paramount as its difficult finding and attracting skilled labor.

The perfect storm results, whereby the M&E industry is forced to lower operating expenses while seeking ways to monetize more of their content cost effectively. Customers can no longer focus on in-house solutions as investors continue to apply pressure on ROI results. As a result, customers must seek out a handful or less of key strategic vendor partners that are aligned on road maps and vision.

Customers can no longer afford to spend time gluing together and maintaining integrations with a multitude of technology vendors. Customers are challenged to lower operating expenses while maintaining or increasing quality content throughput more efficiently through automated processes and creating new or augmented revenue streams to reach sustainable profitability goals. This can only be accomplished with one or a select few technology vendors that can become true strategic partners with both current and future deliverables with aligned road maps. In addition, the complete solution must be accounted for in the total cost of ownership model. Business models must also be discussed depending on what's best for the customer between a SaaS versus managed services model or hybrid. In a hybrid model, it may be in the customer's best interest to maintain control of facility and/or cloud-based production but offload the distribution and/or monetization pillars of the business cycle to a managed service provider. That said, vendors that provide both internally or through a partnership are best positioned to succeed assuming they can deliver within budget and provide a clear-cut total cost of ownership model that helps the customer achieve their business profitability objectives.

This IDC MarketScape provides a handful of key vendors that have native cloud products and services that can provide many of the aforementioned requirements either on their own or through strategic partnerships. The highlighted vendors in this first release of the IDC MarketScape for media and entertainment are Accenture, Amagi, Brightcove, Arc XP, Avid, and Harmonic. The IDC MarketScape for media and entertainment will be released once a year moving forward to highlight the most innovative technology vendors that meet the criteria as defined within this document.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

A critical point in this research effort is to meet the following inclusion criteria:

- Any vendor participating in this IDC MarketScape should be able to showcase that it generates at least \$15 million revenue from its M&E-native cloud services practice only.
- A vendor should also be able to showcase that at least 10% of its services revenue and 10% of resources belonging to its M&E cloud services practice serve across each of the three IDC-defined macro regions namely Americas, EMEA, and APAC representative of a global company.

Facility-based hardware and/or software solutions are not included in this assessment.

ADVICE FOR TECHNOLOGY BUYERS

Start with a vision. The media and entertainment industry are at an inflexion point that requires a new way of thinking. Rather than stepping into it with existing tools, processes, and business models, an opportunity exists to create a new vision that includes new tools, workflows, technologies, knowledge base, business models, and cloud-based services.

Focus on the foundational components first for the infrastructure and overall orchestration layer to manage all aspects of the business cycle including production, distribution, and monetization. Make sure you have a strategy that includes the management of the entire ecosystem with both a current and outlook road map three to five years out that addresses all financial business, operational, and consumer expectation QoS and quality of experience (QoE) metrics.

IDC has an abundance of documents as cited throughout this IDC MarketScape and under the Related Research section. Take the time to download, read, and understand the details of the entire ecosystem as you plan out your road map toward the adoption of cloud services and an eventual 100% media factory. Seek out vendors that address key industry drivers to improve the adoption and success rate of cloud services. Look for products and services that take advantage of advanced AI/ML and data analytics technologies to improve efficiencies and monetization throughout the content chain.

Seek out vendors that adopt standards-based APIs that provide higher levels of interoperability with less risk and easier-to-service solutions. Make sure that vendors place "security" at the top of the list for the design of their products and services. Further:

- **Total cost of ownership (TCO).** Set a goal for the TCO that works for your business plan now and into the future aligned with your road map.
- **Team realignment.** Set a goal of convergence with a unified team focused on new advancements in technology, systems, workflows, and operations in cloud services to move away or defaulting to the traditional approach of the past.
- **Establish a road map with a 100% cloud adoption time frame.** Focus on the foundation first for infrastructure and overall orchestration for entire business cycle including production, distribution, and monetization.
- **Set new cloud-based engineering principles.** Make sure that all partners adhere to specified development and deployment engineering principles.
- **Set a new transformation culture and vision.** Hire or retrain staff, establish a new culture with agile work approach, and set road map vision.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Amagi

Amagi is positioned in the Leaders category for the 2023 IDC MarketScape for worldwide media and entertainment vendor assessment.

Founded in 2008, Amagi has established itself as a cloud technology pioneer and leader enabling TV networks and content owners to launch, manage, distribute, and monetize live, linear, and on-demand channels across cable, OTT, and free ad-supported streaming TV platforms worldwide.

Amagi offers three business models for customers to choose from – software as a service, "bring your own license," and a fully managed service. Through these models, Amagi serves the full spectrum of the content and broadcast value chain, including broadcast-grade 24 x 7 linear channel creation, distribution to linear TV, and free ad-supported streaming TV and other OTT platforms, server-side ad insertion, programmatic ad sales for TV and OTT, and cloud-based disaster recovery. Today, Amagi provides services and support for over 150 customer sites representing over 2,400 cloud playout channels in over 50 countries.

Customers

At Amagi, customers span broadcasting local TV stations and networks, content owners, and digital-first streaming platforms. It also has many media companies that have adopted the Amagi channel creation, distribution, and monetization platform.

Products, Services, and Solutions

The Amagi product line includes channel creation and planning, distribution, and content monetization systems defined as follows:

- **Amagi CLOUDPORT** is software as a service for linear and video-on-demand (VOD) channels on efficient cloud infrastructure. CLOUDPORT allows customers to manage and deliver rich content on automated playout channels. It leverages the latest cloud technology to bring customers extensive functionality and reliability, so they can increase revenue while reducing costs. Customers can manage and play out broadcast or OTT channels over IP, satellite, and FAST OTT platforms. Customers can also send different content and ads based on distribution needs. Amagi CLOUDPORT provides seamless media ingest, content management, scheduling, playout, caption support, advanced graphics insertion, ad placement, and monitoring – all accessed remotely through a web-based user interface. CLOUDPORT reduces complexity so customers improve workflow efficiency, deliver superior performance with low latency, high-quality HD/UHD video, and the right level of redundancy to ensure a customer's viewers always enjoy the best experiences.
- **Amagi LIVE** is the cloud-based solution to dynamically produce news, sports, entertainment, and other live event segments. LIVE is available as a software option with CLOUDPORT to manage a range of live events for linear and VOD channels from any location, helping customers optimize revenue opportunities.
- **Amagi PLANNER** is a cloud-based application for agile television channel programming. PLANNER is a content planning and scheduling application for streaming TV channel programming and is a viable alternative for organizations that do not utilize a dedicated traffic system. Amagi PLANNER works together with Amagi automation/playout platforms to convert schedules into playlists and electronic programming guides (EPG). An easy-to-use web interface for programming and managing scheduling reduces time, effort, and errors. All the necessary content and advertising for one or more channels on a daily, weekly, or long-term basis are fast and easy to plan out. Whether it is for long-form, short-form, episodic, or non-episodic content, Amagi PLANNER is the solution designed for scheduling with linear and VOD channels.

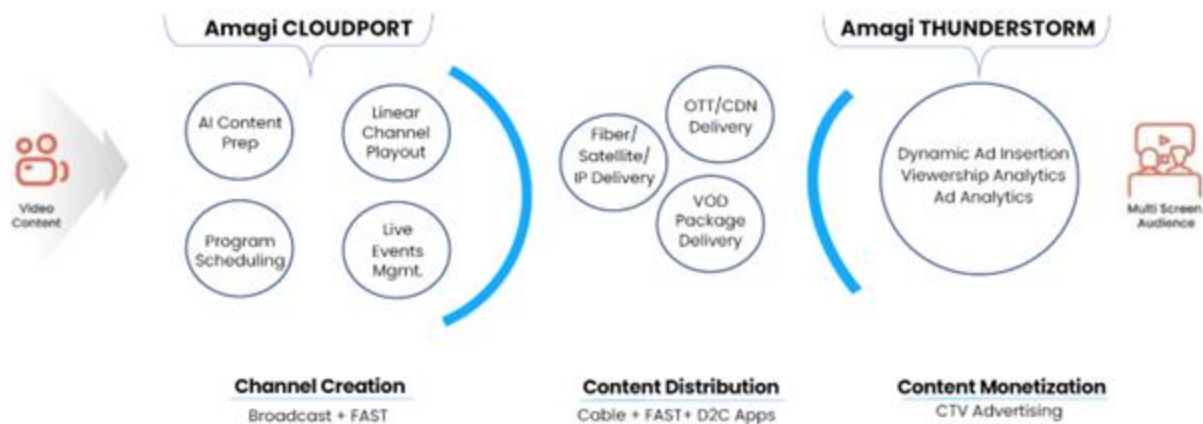
- **Amagi ON-DEMAND** is a cloud-based orchestration platform that can seamlessly manage the entire video-on-demand asset processing workflow, right from content ingest to VOD asset delivery across a multitude of OTT and ad-supported platforms. Users can access key workflow processes and view specific assets within a workflow, easily monitor system health, and get real-time alerts, with the ability to quickly dive into specific issues. Amagi ON-DEMAND can ingest all industry standard formats for audio, video, and subtitles. Its automated QC capabilities can validate feeds, ingest sources, and delivery packages to ensure there are no SLA violations. With ON-DEMAND customers will be able to generate delivery outputs in multiple formats and distribute broadcast-grade VOD assets simultaneously to multiple vMVPD and ad-supported platforms, all with a unified web-UI.
- **Amagi THUNDERSTORM** is an automated ad detection and dynamic ad-insertion as a service to monetize live, linear, and VOD content. THUNDERSTORM expands the possibilities of truly personalized advertising for streaming TV with content monetization at scale. THUNDERSTORM brings customers a range of options for contextual video advertising, dynamic brand insertion, and nonlinear ad formats, such as overlay graphics and interactivity. With Amagi technology, customers will be able to display ads on all devices, including those that do not support time-based discontinuity (TBD) on streams. Customers will also be able to insert personalized, in-stream ads without the need to customize streaming applications on the user's device. Amagi THUNDERSTORM supports automated ad detection using advanced machine learning to detect and replace ads, even when ad triggers are not available. The solution addresses the latest privacy regulations and data protection laws and supports digital rights management (DRM) for content protection and token-based authentication. THUNDERSTORM is integrated with Amagi ANALYTICS to provide a robust data set of performance metrics on content viewership and ad performance across devices and geographic dimensions. With OTT platform, player, and device partnerships across the ad tech ecosystem, Amagi THUNDERSTORM is a complete DAI as a service for linear, live, and VOD channels and platforms.
- **Amagi ANALYTICS** is a comprehensive viewership and ad analytics platform. ANALYTICS gives customers a clear view of their audience's viewing patterns and provides them with the key data they need to make strategic programming and monetization decisions. The Amagi ANALYTICS platform provides deep insights into key metrics essential for content owners and streaming platforms to make the right business decisions. Critical attributes related to content owner, geographical region, streaming platforms, devices, channels, content assets, ad operations, and more are analyzed and detailed to help customers with forward planning. When it comes to viewership metrics, Amagi ANALYTICS supplies customers with important data points such as unique views, sessions, average viewing time, total viewership, concurrent users, and content load time. The platform also highlights advertising metrics such as ad breaks, ad requests, responses, total number of ad assets received, impressions, completion rates, and ad drops.
- **Amagi CLOUDPORTXpress** is a cloud-based, channel playout platform that enables both broadcasters and streaming networks to launch and manage broadcast-grade, linear TV channels on a "pay-as-you-go model." Using an intuitive web UI, customers can ingest media files in multiple formats directly to the Amazon Web Services cloud and manage media libraries, generate playlists, create schedules, add dynamic graphics and subtitles, play out channels, and deliver feeds to cable, satellite, and OTT platforms. The entire broadcast workflow can be managed from any remote location. With Amagi CLOUDPORTXpress, customers can easily scale operations, add new channels, and deliver content to operators and platforms anytime, anywhere.

- **Amagi CONTENT PLUS** is Amagi's end-to-end marketplace that connects content owners and platforms. While content owners get to expand their global reach by adding new revenue streams, platforms get to strengthen their content lineup to build an engaged, loyal audience. Customers can leverage a large and fast-growing inventory of channels and platforms spanning the CTV universe, driven by Amagi's cloud-native technology stack for creation, distribution, and monetization.
- **Amagi ADS PLUS** is one of the largest first-party ad platforms that grants TV ad buyers and sellers access to coveted audiences in entertainment, sports, live events, and more from the most trusted brands in TV. Amagi ADS PLUS provides brands with a unified path to reach thousands of premium CTV channels around the world. ADS PLUS metrics include 200+ million reach of CTV households, 2,000+ channels, and 98% completion rates, at 99.98% fraud-free performance.

The Amagi glass-to-glass workflow solution is shown in Figure 4.

FIGURE 4

Amagi Glass-to-Glass Workflow Solution



Source: Amagi, April 2023

Amagi Differentiators

Amagi focuses on the following differentiators, including cloud born, low cloud cost, end-to-end workflow, and one solution for broadcast, OTT, and disaster recovery.

Strengths

Amagi is one of the key native cloud-first vendors in the media and entertainment industry with its extensive platform of products and services that span the entire business cycle including production, distribution, and monetization. The modularity of the platform and its tools allow for flexibility with customers. Amagi's strength in time to market and innovation has quickly amassed a large installed base in North America and is also growing substantially in international markets. It's turnkey capability through CLOUDPORT, LIVE, ON-DEMAND, PLANNER, THUNDERSTORM, and ANALYTICS

provides a very comprehensive solution that scales from the smallest to the larger tier 1 customers. As a native cloud-first provider with no legacy baggage, Kubernetes orchestration, and processing on demand (no dedicated hardware resources), Amagi is an easy choice for customers seeking a partner transitioning to a 100% cloud media factory over the next 5-10 years.

Amagi also has a strong go-to-market strategy with a mix of building thought leadership and consultative sales for customers – educating customers on cloud migration and FAST, building a strong relationship of FAST distributors/aggregators, enabling networks/content partners to get additional distribution, building capability to distribute and monetize content with its CONTENT PLUS and ADS PLUS offerings focused on the double-digit growth of CTV, and building a strong partnership model with cloud vendors such as AWS and Google, resellers in specific regions, and ecosystem partners to provide a comprehensive solution. This strategy has worked well for Amagi as it has grown triple digits over the past five-year period.

Today, Amagi provides services and support for over 150 customer sites representing over 2,400 cloud playout channels in over 50 countries, which means that localization requirements are not an issue. This provides validation and confidence especially for multiregional customers with an international footprint.

Challenges

While Amagi can offer a turnkey solution that is value priced including low cost of ownership as a SaaS or managed services offering, it still needs to offer a deeper toolset regarding production, especially in live and postproduction. While partnering can address this limitation, it may not be able to control and support customers guaranteeing total cost of ownership for a 100% media factory. Therefore, partner selection and pricing must be negotiated in advance to properly position a TCO model to a customer. Finally, success has huge benefits but also drawbacks if the support infrastructure doesn't grow as rapidly as it is to support customers in their native languages globally. This is an area it must keep a close eye on as it grows quickly, expanding internationally.

Consider Amagi

Consider Amagi when seeking a strategic partner, consultation, comprehensive business cycle, and technology platform for cloud services solution from initial vision through execution. Amagi along with its business and technology partners can deliver on the entire business cycle from playout to distribution and monetization. Amagi is known for its validated experience and innovation in native cloud playout and offers customers both a SaaS and managed services model for the entire business cycle.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The market is defined as vendors that provide native cloud services for production, distribution, and monetization applications and platform-as-a-service (PaaS) in the media and entertainment industry.

The IDC MarketScape for media and entertainment will focus on cloud-based production, distribution, and monetization, including live integrated and automated video switching, audio mixing, graphics, and source selection, and newsroom computer systems (NRCS), media asset management (MAM), editing and storage, channel playout, online video platform, and supply- and demand-side platforms, including server-side ad insertion, ad servers, ad management systems, and consulting services. The coverage will be worldwide and only focuses on major market share technology vendors that offer solutions worldwide. Vertical markets served include broadcast television stations, networks, and media programmers for over-the-top (OTT) distribution in addition to motion picture studios with direct-to-consumer business models.

LEARN MORE

Related Research

- *Advertising on Connected TV* (IDC #US50483823, March 2023)
- *Transitioning to Cloud Services Use Case – Sky Group Limited* (IDC #US50244823, February 2023)
- *The Convergence of Media and Retail Use Cases* (IDC #US50291923, February 2023)
- *Media and Entertainment – How Companies Are Using AI in 2022* (IDC #US49840522, December 2022)
- *Media and Entertainment Architecture for Cloud Services Media Factory 2022* (IDC #US49833322, November 2022)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2022: Media and Entertainment* (IDC #US49531122, October 2022)

- *IDC Market Glance: Media and Entertainment Cloud Platforms and Services Vendor Ecosystem* (IDC #US49082723, September 2022)
- *IDC TechScape: Worldwide Adoption of Major Technologies in Media and Entertainment, 2022* (IDC #US49082222, September 2022)
- *IDC's Worldwide Public Cloud Infrastructure as a Service Taxonomy, 2022* (IDC #US49017222, May 2022)
- *IDC's Worldwide Software Taxonomy, 2022* (IDC #US48990921, April 2022)
- *IABM State of the Industry – NAB 2023 Report*, April 2023
- *International Trade Association for the Broadcast & Media (IABM) M&E Adoption Trends Cloud Report*, August 2022

Synopsis

This IDC study provides an assessment of key vendors that have native cloud products and services in the media and entertainment (M&E) industry. Media customers are at an inflexion point driven by key technology and market trends, new cloud-based products and services offerings, and general discussions about the overall health of the M&E industry. That said, there is optimism about the industry and the new opportunities yet to be developed and/or discovered.

Over-the-top (OTT) distribution, free ad-supported streaming television (FAST) cloud channel payout, and direct-to-consumer (DTC) business models are popular with the adoption of cloud services for M&E. Technology vendors are addressing these challenges with new offerings of native cloud solutions for parts or all the business cycle including production, distribution, and monetization. Shared risk, strategic partnership, and alignment of both engineering principles and road maps are the keys to success.

Alex Holtz, research director, Worldwide Media and Entertainment Digital Strategies at IDC, remarked, "It is no longer about should customers adopt cloud services but rather how fast can they deploy solutions to drive more business as competition heats up and consumer adoption of streaming and interactive services continues to grow placing increased demands on content creation, production, and distribution all with the metadata necessary for discovery and automated suggestions to facilitate the user experience. FAST-based OTT business models will dominate monetization strategies; live interactive sports programming will accelerate cord-cutting and drive viewership to OTT and technologies including AI/ML, data analytics, and security; and open standards-based APIs will drive industry growth for the foreseeable future. Vendors that account for these trends and address more of the business cycle and price products and services as SaaS and/or managed services to deliver excellent value and lowered total cost of ownership for the customer will succeed."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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