Zinnov Zones 2017
Media & Technology

Media report – June, 2018

This document is solely for the use of Zinnov Client and Zinnov Personnel only. No part of it may be quoted, circulated or reproduced for distribution outside the client organization without prior written approval from Zinnov.

zinnov™ ZONES MEDIA AND TECHNOLOGY

Global M&E Landscape

- Media and Entertainment Industry Landscape
- Market Numbers and Segment Wise Growth

Media and Technology Ratings - 2017

- Verticals Ratings 2017
- Technology Ratings 2017

Media and Entertainment vertical consists of 8 major segments, each comprising of multiple customer groups

New Media

Social Platforms

Online – Audio, Video, Editorial

Education

Education Tech Players

Education Publishers

Online Education

Entertainment

Original Content Creators

Theme Parks

Music

Studios

Gaming

Online Gaming – Betting & Social

Casinos/Slot Machines

Console Gaming

Broadcasting

Broadcast offerings by Telcos, OTT

Cable & Satellite

Broadcasting – Over The Air

Marketing & Advertising

Ad-Tech Players

Marketing Agencies

Information Services

Market Research Providers

Financial Information Providers

Directories

Publishing

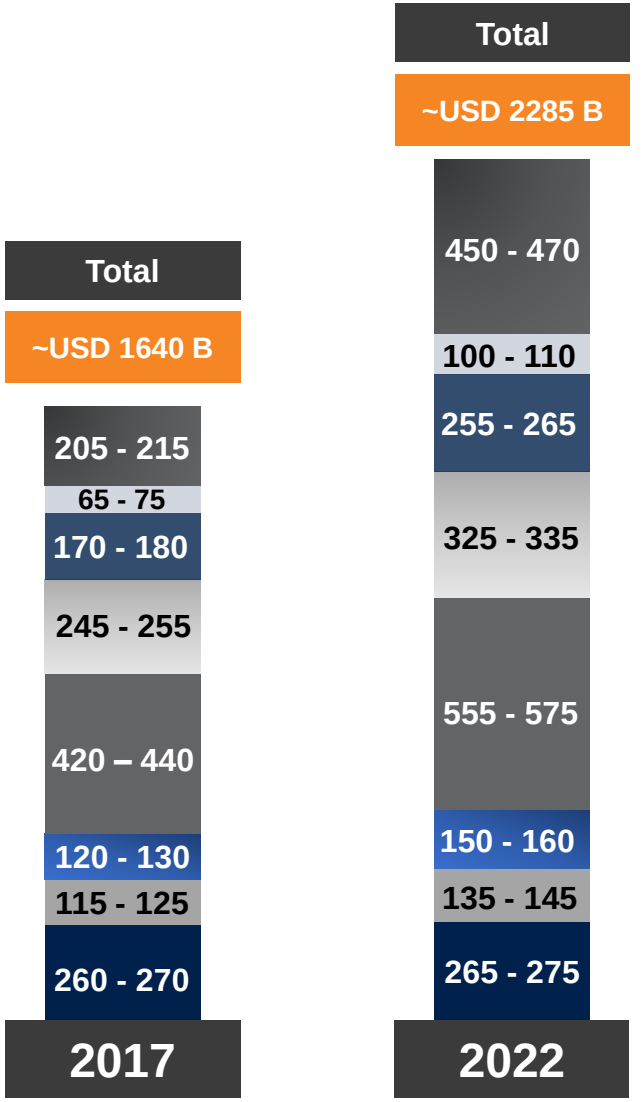
Newspaper Publishers

Magazine Publishers

Book Publishers

Source: Zinnov Research and Analysis

The M&E market is currently pegged at ~USD 1.6 trillion and is expected to touch USD 2.3 trillion by 2022



CAGR 2017 - 2022	
6.5% - 7.5%	Overall
16.5% - 17.5%	New Media
8.0% - 9.0%	Education
7.5% - 8.5%	Entertainment
5.5% - 6.5%	Gaming
5.5% - 6.5%	Broadcasting*
4.5% - 5.5%	Marketing & Advertising
3.0% - 4.0%	Information Services
0.0% - 1.0%	Publishing

- Facebook, Yahoo, Twitter, Google, LinkedIn, Baidu, Huffington Post, etc.
- Pearson, Apollo Group, Blackboard, K12, Laureate, Kaplan, Udemy, Udacity, etc.
- Warner Bros., Sony Pictures, 21st Century Fox, Disney, Universal Pictures, etc.
- King, Zynga, IGT, Las Vegas Sands, EA, Activision Blizzard, Scientific Games, etc.
- Comcast, DirecTV, Disney Networks, Turner, BBC, Sky, Fox Networks, Dish Networks, Verizon FIOS, etc.
- Publicis Groupe, Omnicom, WPP, IPG, Dentsu, Havas, Hakuhodo, Dex Media, etc.
- Nielsen, Kantar Media, Ipsos, S&P Global, IQVIA, Thomson Reuters, RELX Group, GfK, etc.
- Pearson, News Corp., Hachette, Gannett, Time Inc., Conde Nast, Tribune, etc.

* Broadcasting market includes revenues - OTT, cable offerings by telcom companies

Source: Zinnov Research and Analysis

zinnov™ ZONES MEDIA AND TECHNOLOGY

Global M&E Landscape

- **Media and Entertainment Industry Landscape**
- **Market numbers and segment wise growth**

Media and Technology Ratings - 2017

- **Verticals Ratings 2017**
- **Technology Ratings 2017**

Service providers have been rated across individual segments - with all service lines and offerings being considered

The ratings are divided into two sections viz. 1. Vertical Specific Ratings & 2. Technology Specific Ratings

Vertical Specific Ratings

Vertical ratings are across individual segments - with all service lines and offerings being considered for that respective segment

M&E segments

1. Broadcasting
2. Entertainment
3. Publishing
4. Gaming
5. Information Services
6. Marketing & Advertising
7. New Media
8. Education

Service lines

1. ADM - Application Dev. & Maintenance
2. Product/ platforms/ solutions
3. IMS – Infra Maintenance
4. Support – BPO/KPO
5. Consulting

Zinnov Zones: Media and Technology 2017

Technology Specific Ratings

Technology ratings include ratings across capabilities in seven key next gen/ emerging technology areas

Next –gen technology areas

1. OTT
2. Intelligence platforms & solutions
3. Immersive Technologies
4. Content Security
5. Experience Engineering
6. Blockchain

For the aforementioned technologies, the services/ engagements executed in the areas of video/ audio, OTT for the following were also considered

(i) TSPs - telecom service providers
(ii) TEMs - telecom equipment manufacturers
(iii) MSOs - multi service operators

Source: Zinnov Analysis, Zinnov Zones – M&T

The analysis and rating of service providers are based on an a detailed evaluation across pre-identified key performance parameters

Human capital

Human capital is critical in analysis of a company's capability to deliver specific engineering needs. We considered vertical-wise and overall headcount, distribution by product development breadth, experience level, and special/additional qualifications that workforces might have

Capabilities and innovation

Capabilities of an organization are assessed to understand the overall ability of the vendor to deliver on the requirements of clients; it encompasses strengths and advantages across people, operational capability, experience across product lifecycles and emerging areas, business models deployed and innovation and expertise of the organization

Financials

Financial strength of a company plays a key role in the assessment process. Apart from showcasing the financial health of the organization, it also contributes in analyzing the capability to scale and invest along with an assessment of the overall potential of a vendor for business growth

Ecosystem linkages

Strategic partnerships with OEMs and industry leaders, university connects for campus hiring and research, membership and contribution to global forums indicate the partners' capability in harnessing ecosystems in R&D and product engineering.

Infrastructure

Infrastructure investment demonstrates capability and commitment to growth. Geographic spread and expansion throws light on the ability to leverage location-specific advantages. Companies that have invested in infrastructure like Digital Labs and CoEs have strong capabilities in providing product engineering services

Business sustainability

Client relationships, engagement model maturity with customers, the ability to articulate and create a USP and governance risk and compliance status are indicators of sustainability. These parameters were used to assess the sustainability index of the partner, which will help customers differentiate long term players from others

Source: Zinnov Analysis, Zinnov Zones – M&T

Zinnov Zones is based on a proprietary framework that effectively quantifies qualitative data and subsequently uses a AHP model

Methodology

Data Point Classification

Classification of company and segment specific data points available from various RFIs

AHP & Rating Scale

AHP is a statistical model used for assigning weights to the dimensions and the data points. Rating point of 1 to 5 is decided for each data point based on criteria

Data Extraction & Rating

For all data points extracted from RFIs, corresponding rating will be mapped in the Rating Scale

Rating & Zones

Companies will be rated based on the scores arrived from the previous steps, using the parameter based modeler. The vertical specific capabilities will then included to plot the companies in Zinnov Zones

Source: Zinnov Analysis, Zinnov Zones – M&T

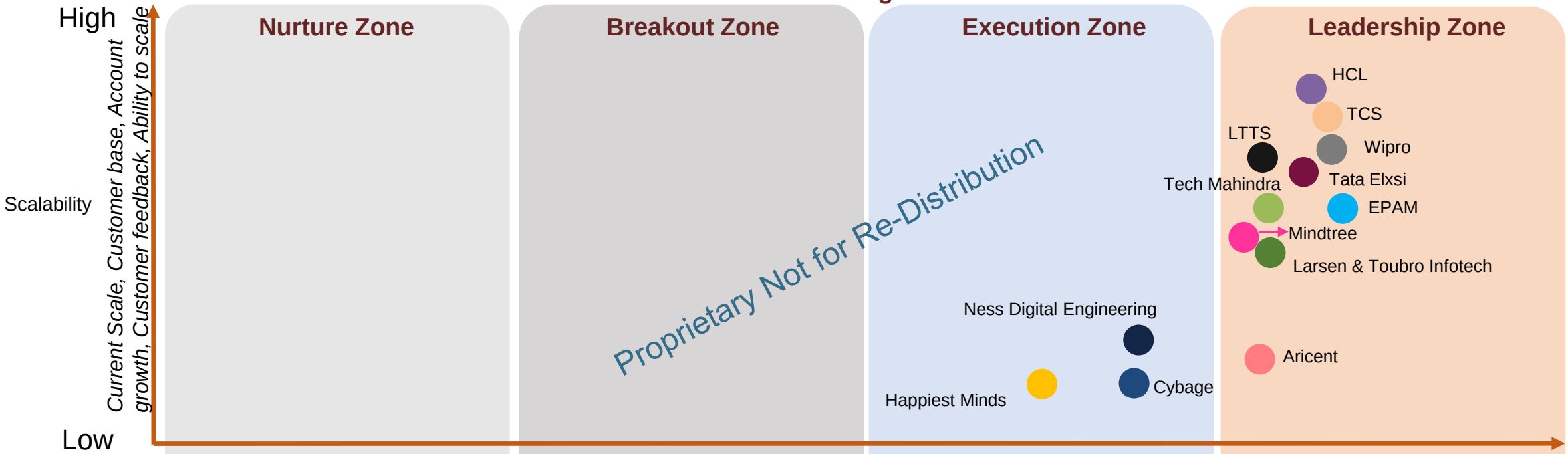
Service providers have been positioned across different Zones based on the detailed analysis

	Nurture Zone	Breakout Zone	Execution Zone	Leader Zone
Attributes	• New entrants, providing skill sets to supplement R&D bandwidth • Presence in only a few verticals: focused growth • Innovation, if at all, in process optimization • Limited number of clients • Typically work in T&M model	• Moving into big league, delivering R&D services effectively • Presence in two or more verticals • Innovation frameworks resulting in tangible benefit to customers • Typically deploy T&M and fixed price models	• Capable of delivering complete product development as a true engineering partner • Presence in almost all verticals • Reusable IP's built with quantifiable benefits • Capable of deploying all models, including risk-reward and revenue share	• Capable of performing concept to go-to-market strategies for products • Presence in almost all verticals • Formal innovation culture, resulting in IP's and numerous tactical innovations • Capable of deploying all models, including risk-reward and revenue share
Challenges	• Acquiring new customers, diversifying revenue • Building product engineering competencies • Developing Engineering Services specific Sales organization • Understanding the differences between PES/ IT Service business	• Acquiring large customers • Growing existing accounts and repeat business • Developing across PDLC competencies • Building domain capabilities • Building a product engineering culture within the organization	• Growing small accounts into deep relationships • Building concept to market capabilities with deep domain expertise • Building relevant IP's • Executing on new & innovative business models • Limited self owned R&D infrastructure	• Succeeding as go-to-market partner in emerging markets • Building end-to-end products • Building product management capabilities • Scaling new vertical practices in R&D services to drive continued growth • Scaling R&D infrastructure
Recommended Initiatives	• Focus on targeted customer segments and vertical • Technology competency in niche focus areas • Focus on building credibility by delivering on initial projects	• Focus on PDLC skill development • Focus on augmenting domain skills and developing the same with existing customers	• Focus on IP creation; create vertical agnostic IPs • Focus on account mining and execution on new business models • Focus on internal and external innovation incubation efforts	• Focus on end customers • Drive customer-led innovation • Build strong go-to-market capability to become viable channel partners for customers

Source: Zinnov Analysis, Zinnov Zones – M&T

Broadcasting - 2017

Zinnov Zones – Leading Service Providers

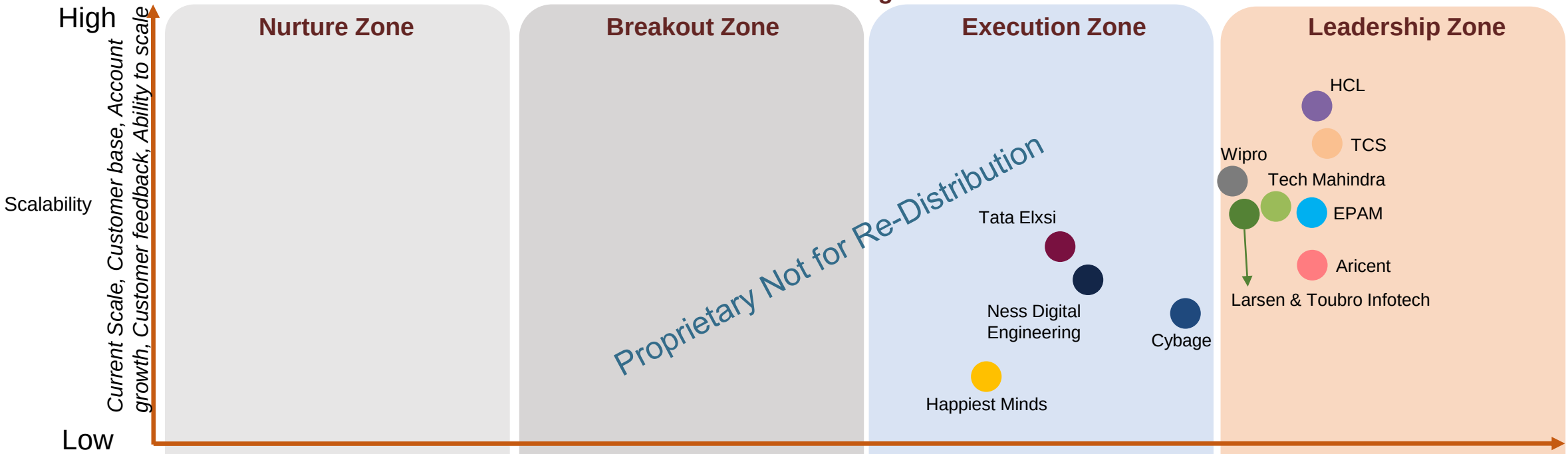


	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (content supply chain, mobility, analytics)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in content supply chain, mobility solutions, analytics platforms
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

Entertainment - 2017

Zinnov Zones – Leading Service Providers

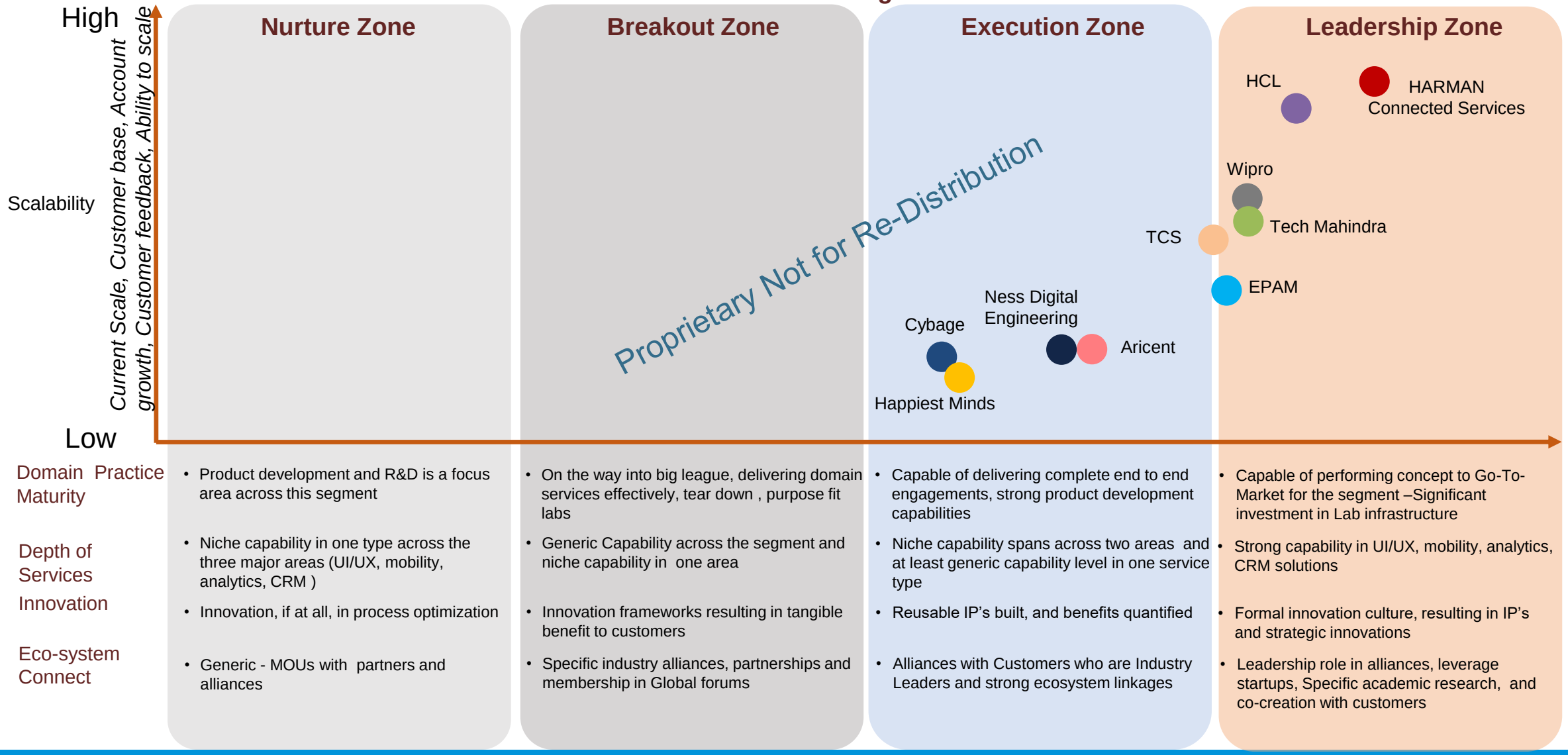


	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (content supply chain, mobility, analytics)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in content supply chain, mobility solutions, analytics platforms
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

Gaming - 2017

Zinnov Zones – Leading Service Providers

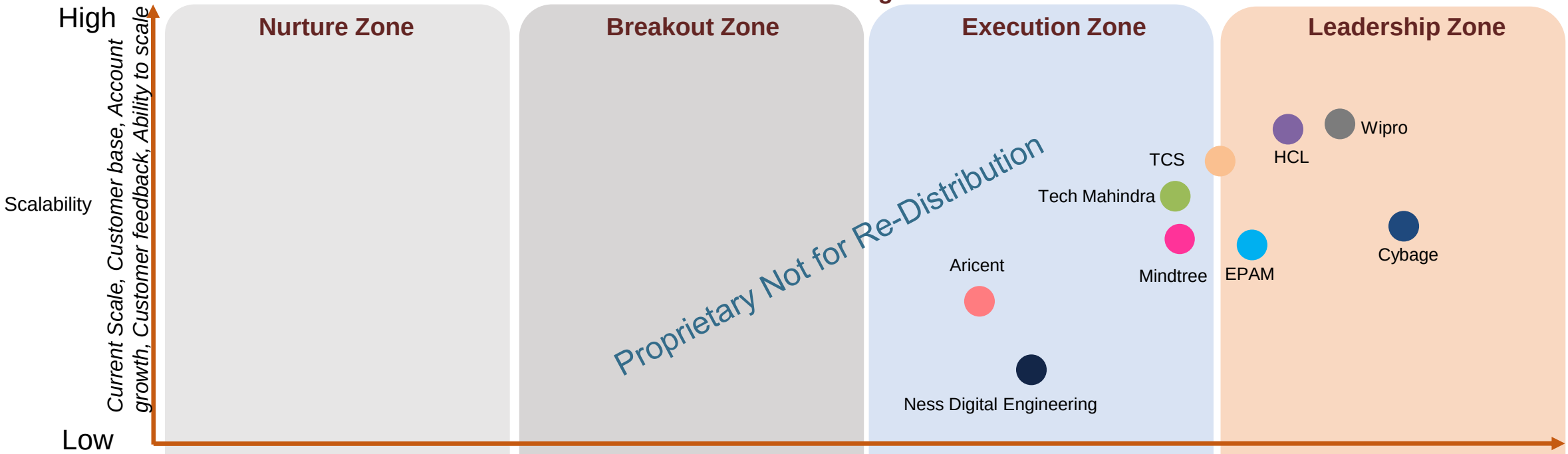


	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (UI/UX, mobility, analytics, CRM)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in UI/UX, mobility, analytics, CRM solutions
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

Marketing and Advertising - 2017

Zinnov Zones – Leading Service Providers

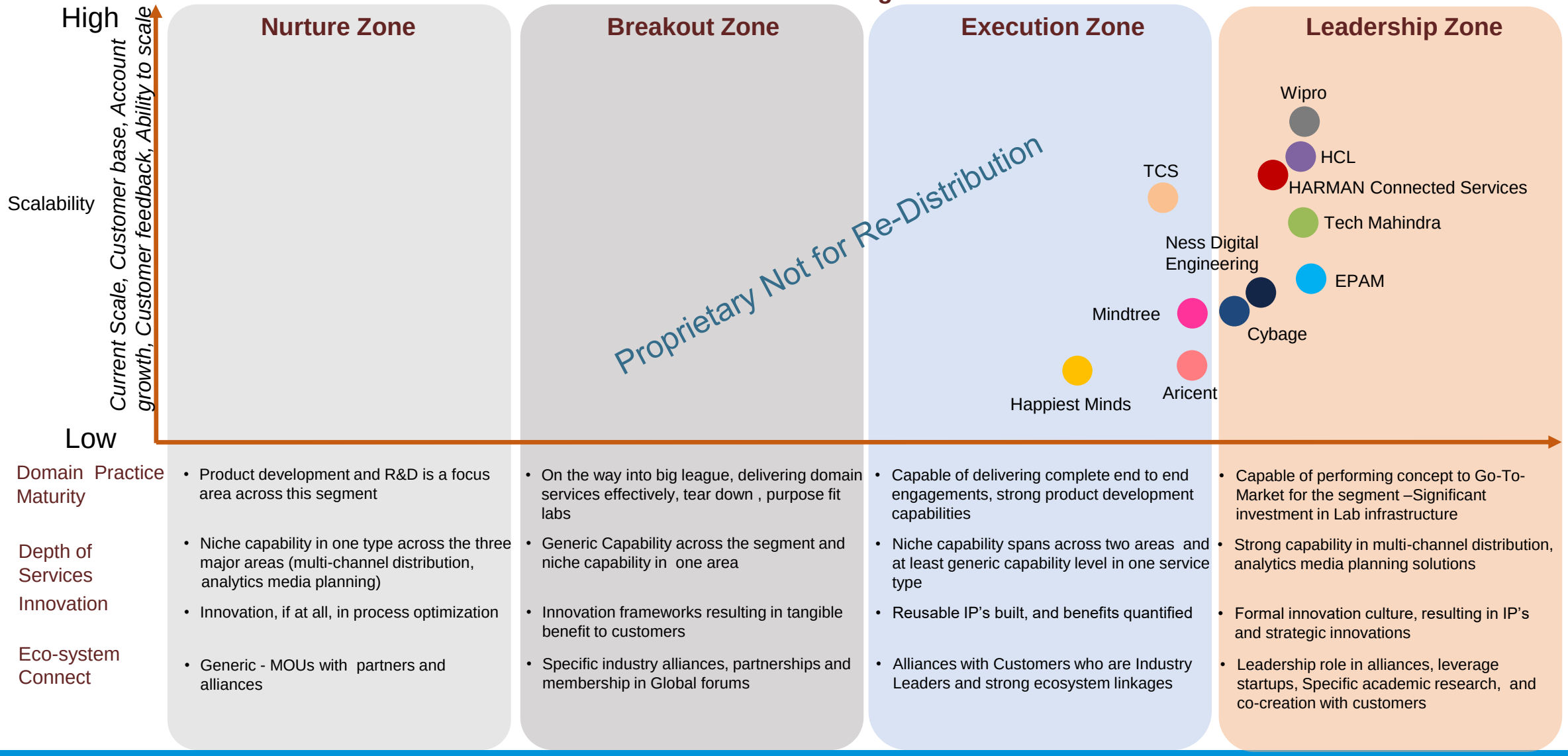


	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (ad Tech Engineering, ROI measurement, marketing tools)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in ad Tech Engineering, ROI measurement, marketing tools solutions
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

New Media - 2017

Zinnov Zones – Leading Service Providers

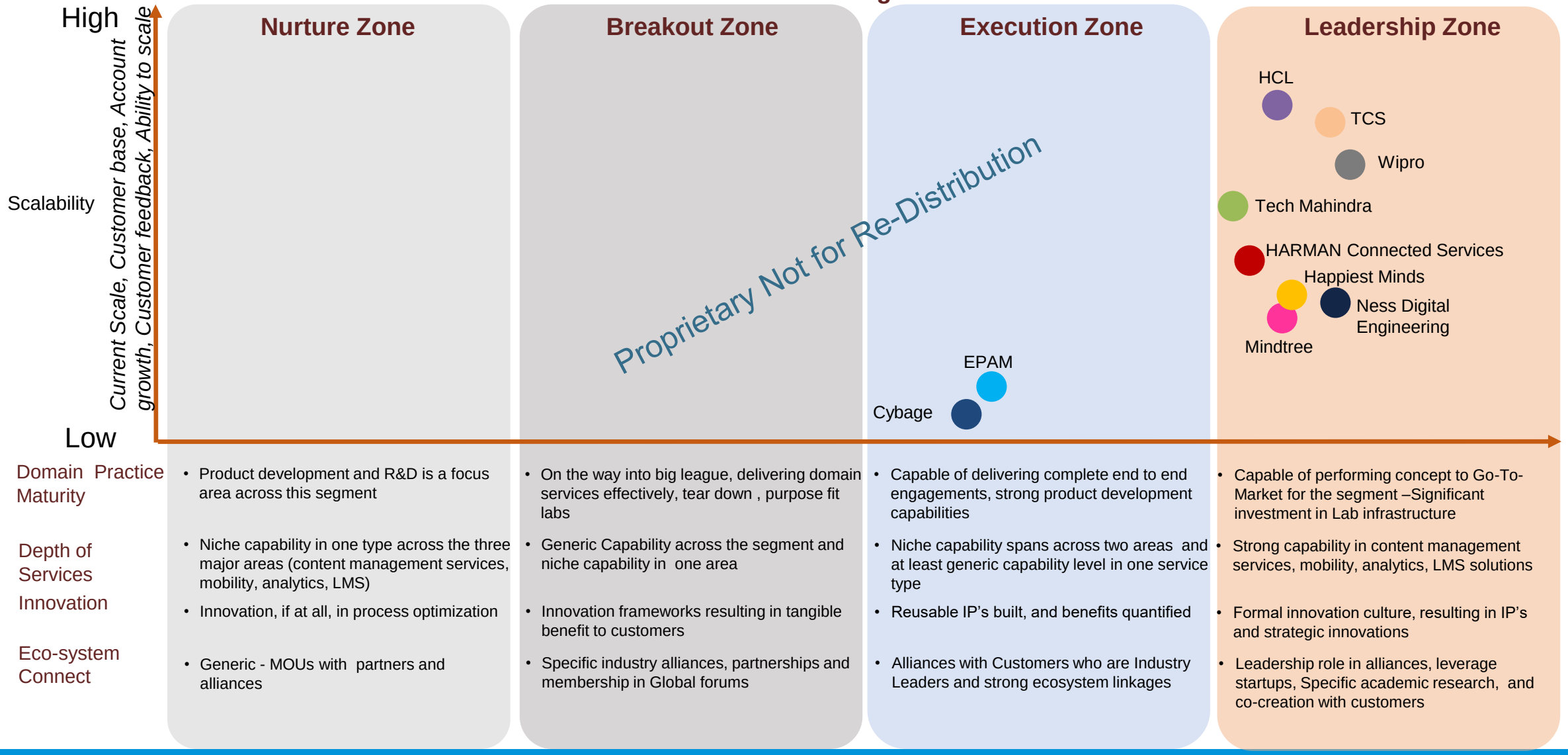


	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (multi-channel distribution, analytics media planning)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in multi-channel distribution, analytics media planning solutions
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

Education - 2017

Zinnov Zones – Leading Service Providers

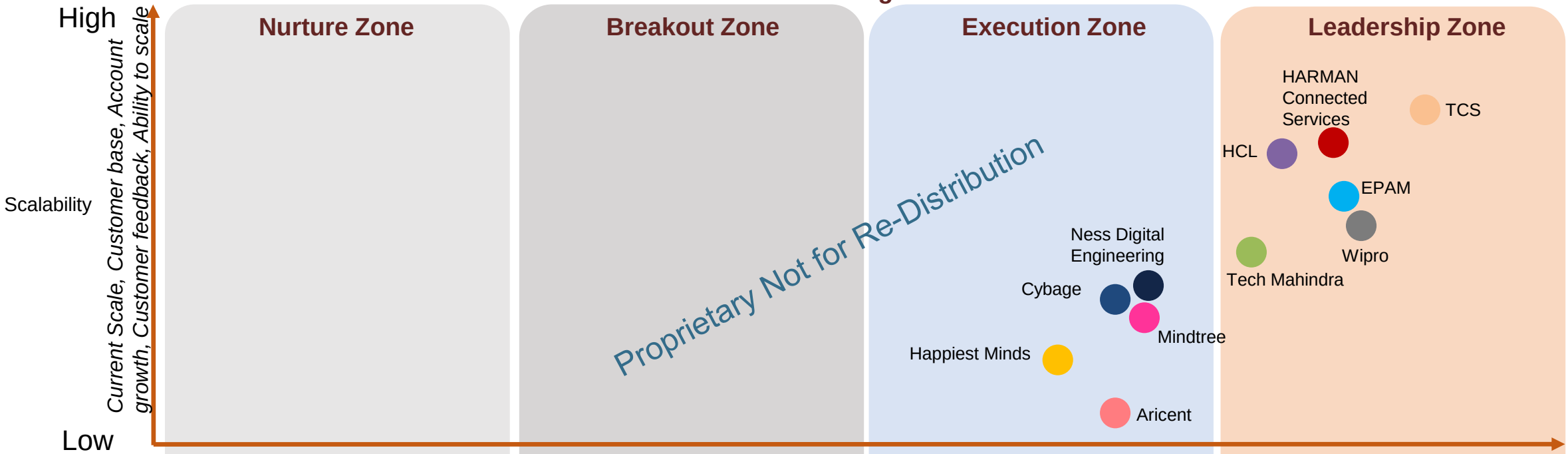


	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (content management services, mobility, analytics, LMS)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in content management services, mobility, analytics, LMS solutions
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

Information Services - 2017

Zinnov Zones – Leading Service Providers

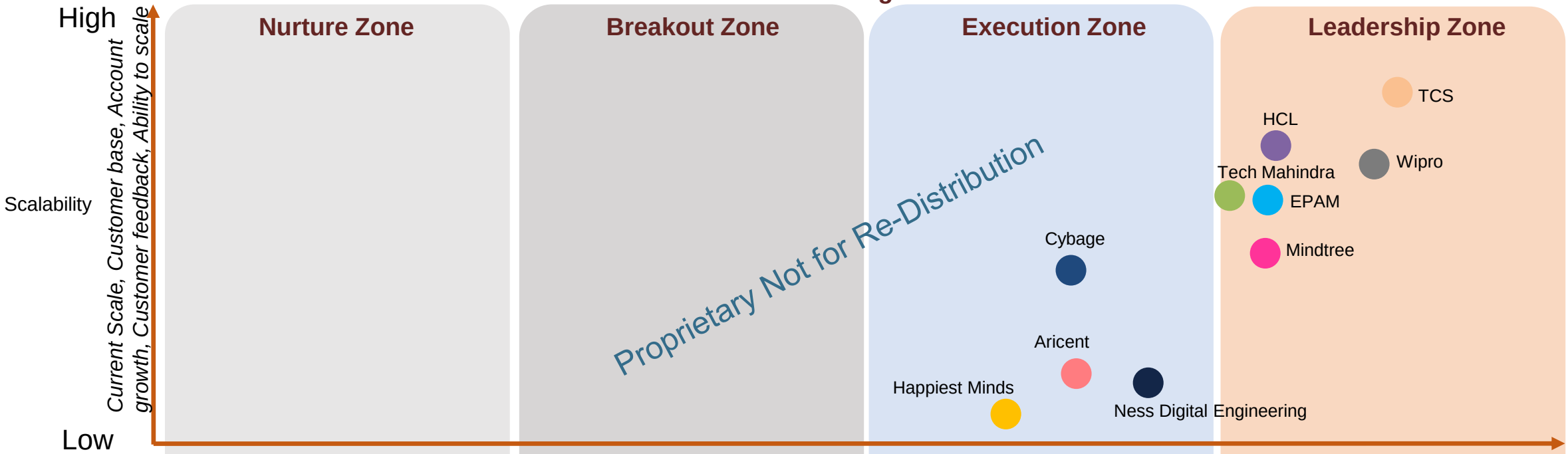


	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (workflow management, editorial, digitization and analytics)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in workflow management, editorial, digitization and analytics solutions
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

Publishing - 2017

Zinnov Zones – Leading Service Providers



	Nurture Zone	Breakout Zone	Execution Zone	Leadership Zone
Domain Practice Maturity	• Product development and R&D is a focus area across this segment	• On the way into big league, delivering domain services effectively, tear down , purpose fit labs	• Capable of delivering complete end to end engagements, strong product development capabilities	• Capable of performing concept to Go-To-Market for the segment –Significant investment in Lab infrastructure
Depth of Services	• Niche capability in one type across the three major areas (content supply chain, content ecosystem, digital distribution and analytics)	• Generic Capability across the segment and niche capability in one area	• Niche capability spans across two areas and at least generic capability level in one service type	• Strong capability in content supply chain, content ecosystem, digital distribution and analytics solutions
Innovation	• Innovation, if at all, in process optimization	• Innovation frameworks resulting in tangible benefit to customers	• Reusable IP's built, and benefits quantified	• Formal innovation culture, resulting in IP's and strategic innovations
Eco-system Connect	• Generic - MOUs with partners and alliances	• Specific industry alliances, partnerships and membership in Global forums	• Alliances with Customers who are Industry Leaders and strong ecosystem linkages	• Leadership role in alliances, leverage startups, Specific academic research, and co-creation with customers

Source: Zinnov Analysis, Zinnov Zones – M&T

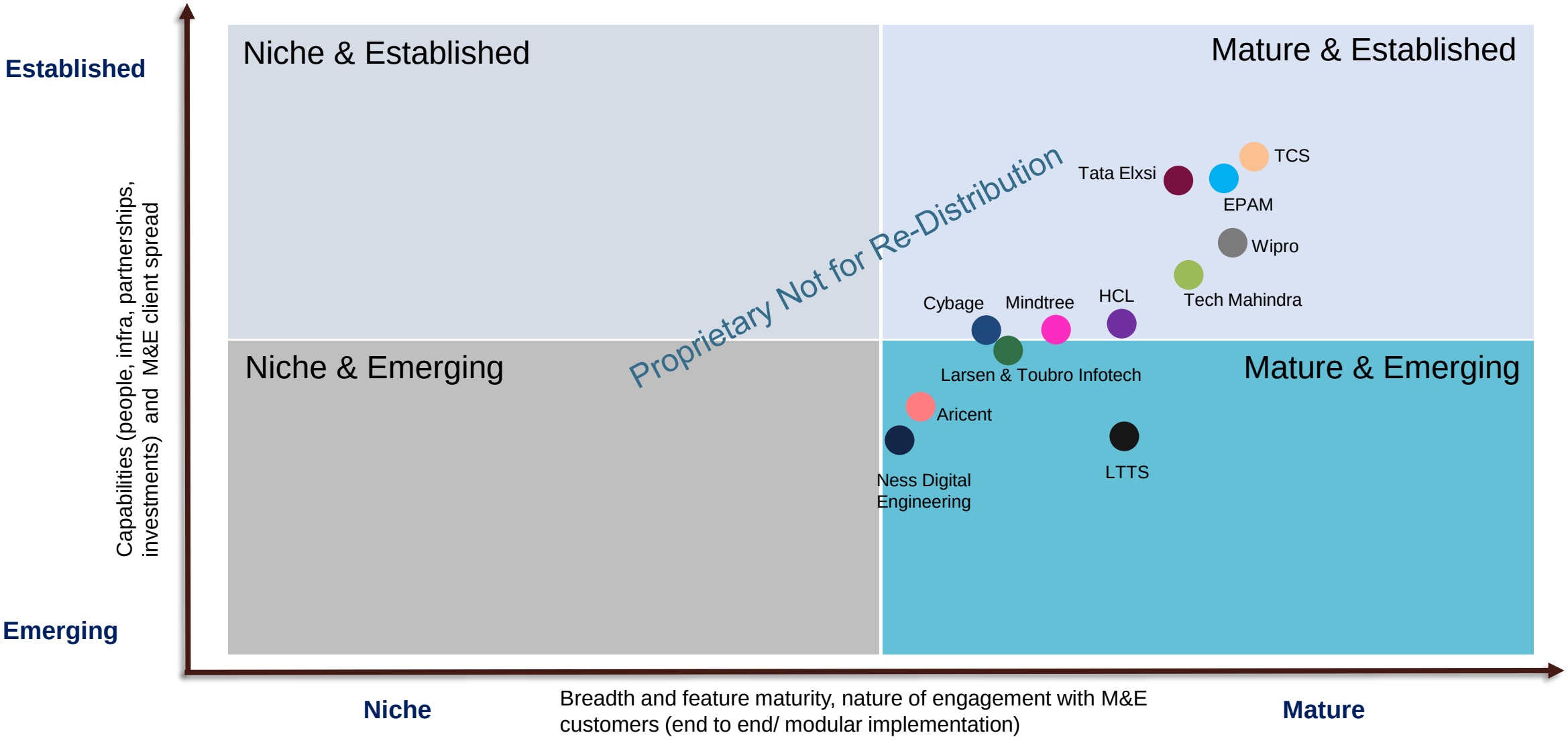
Global M&E Landscape

- **Media and Entertainment Industry Landscape**
- **Market numbers and segment wise growth**

Media and Technology Ratings - 2017

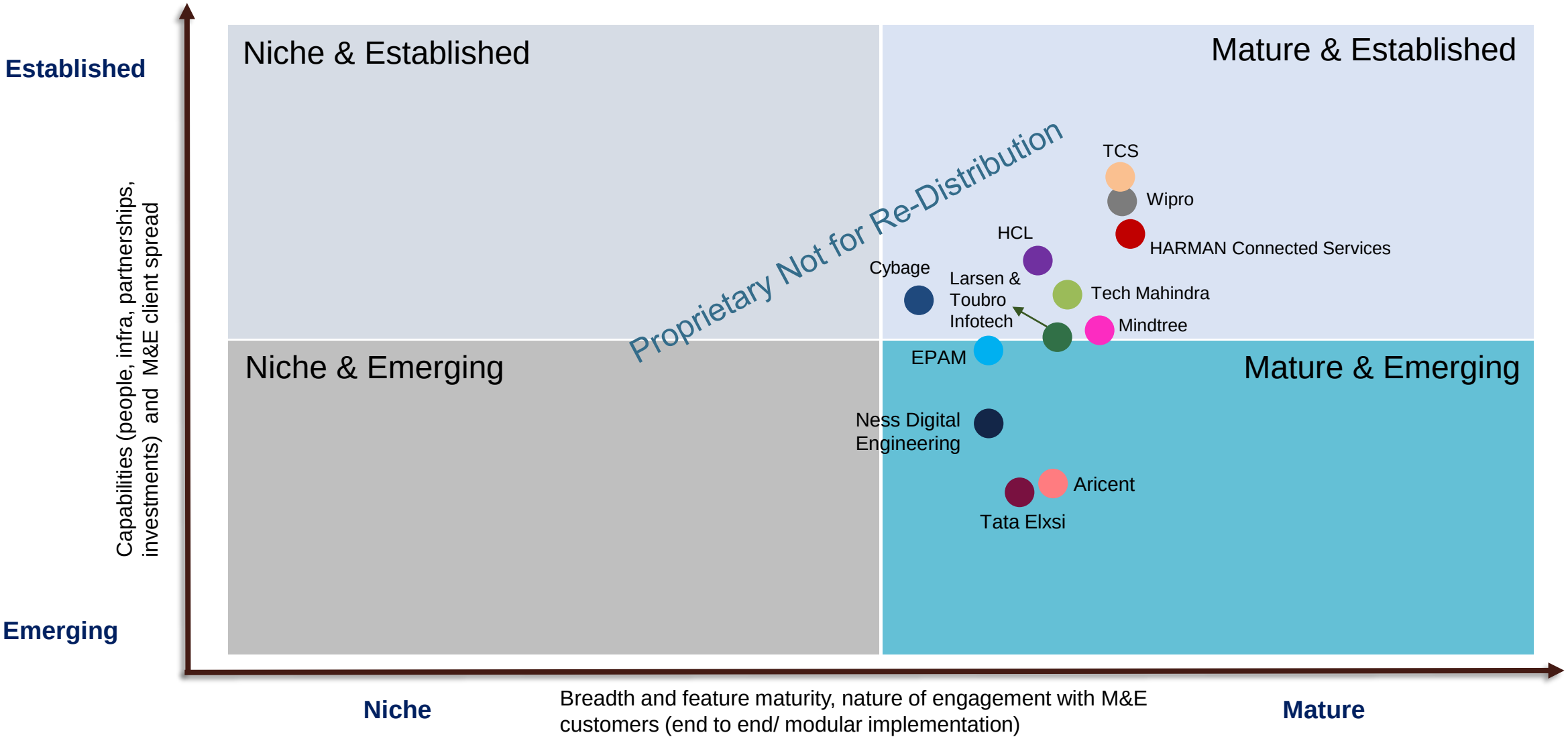
- **Verticals Ratings 2017**
- **Technology Ratings 2017**

OTT Video - 2017



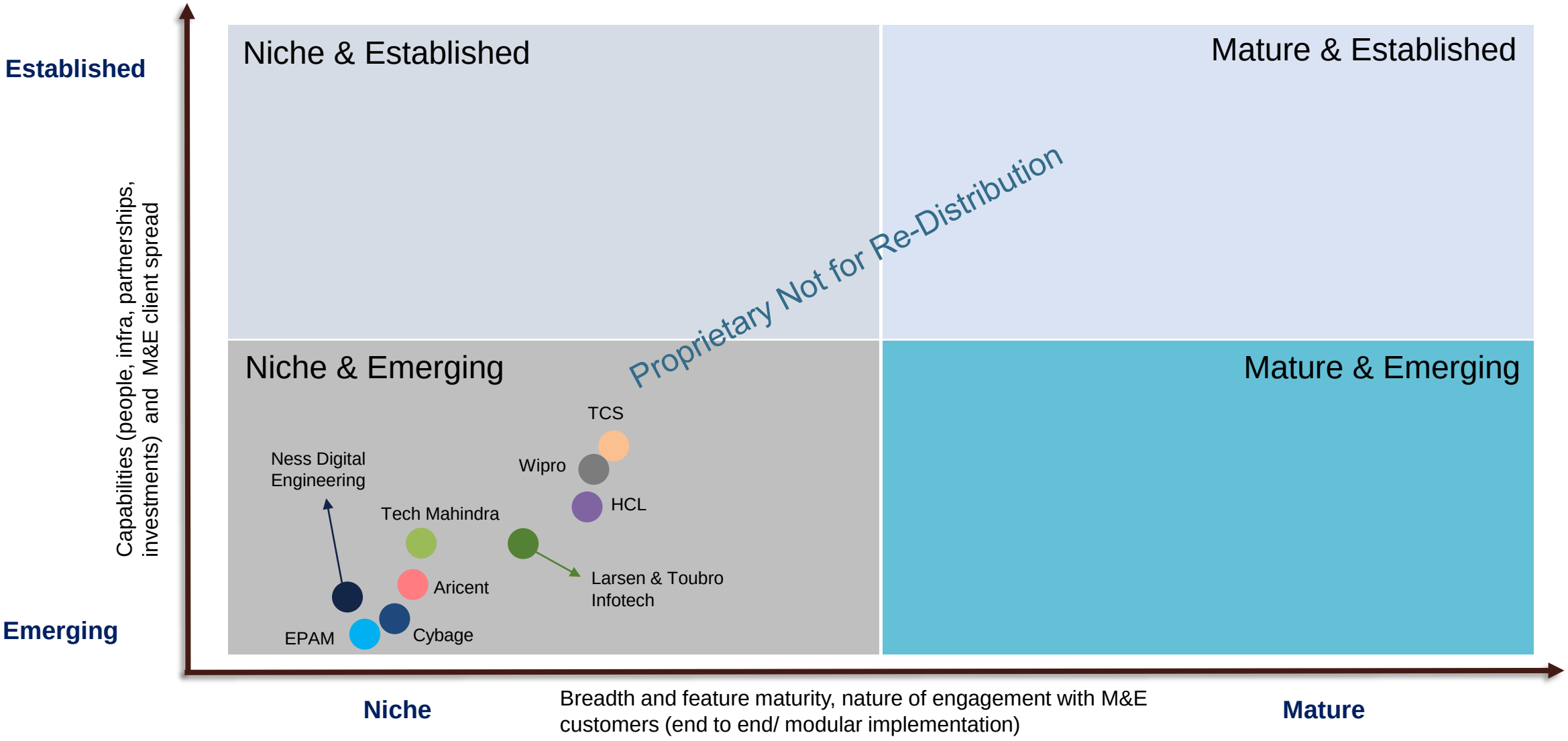
Source: Zinnov Analysis, Zinnov Zones – M&T

Intelligence Platforms & Solutions - 2017



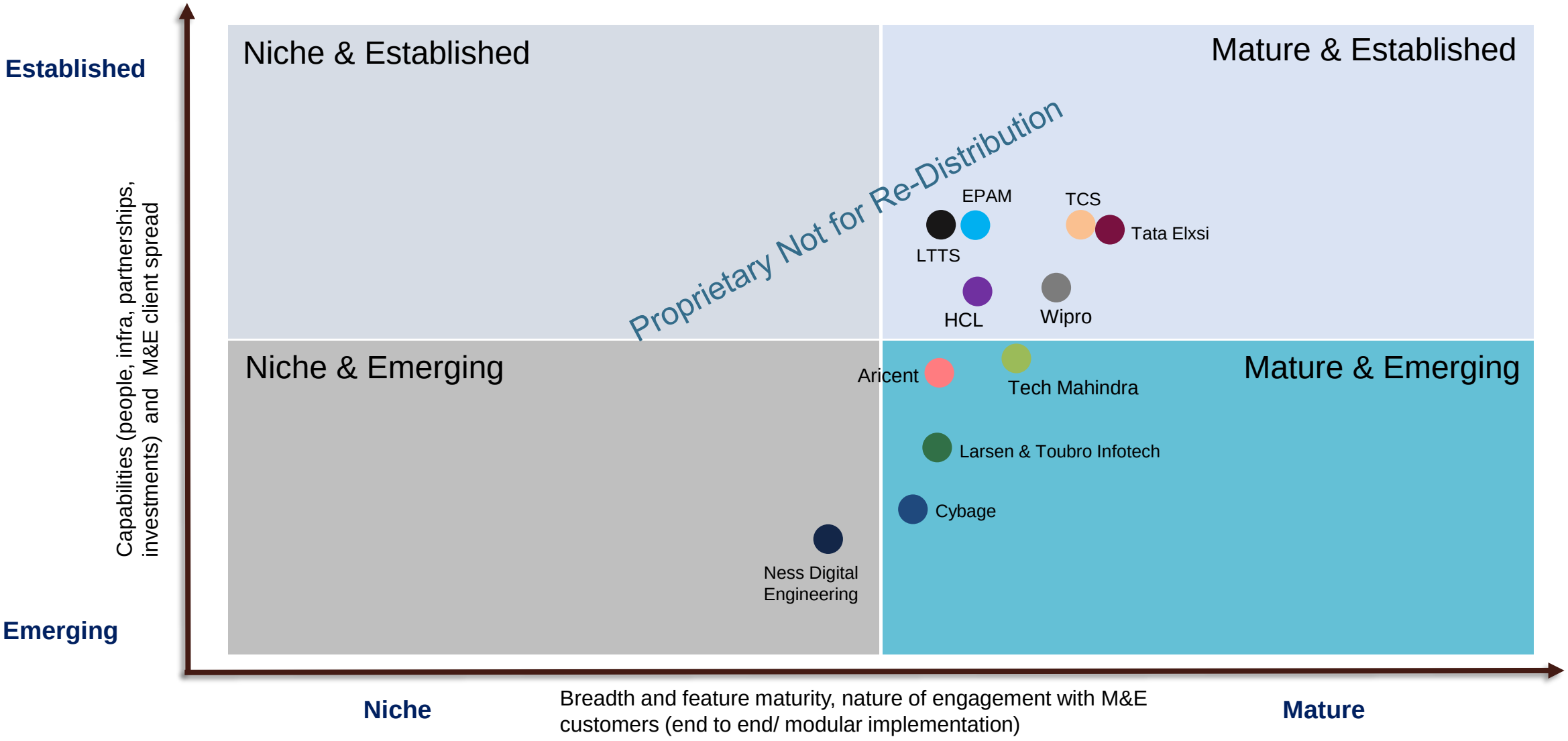
Source: Zinnov Analysis, Zinnov Zones – M&T

Blockchain - 2017



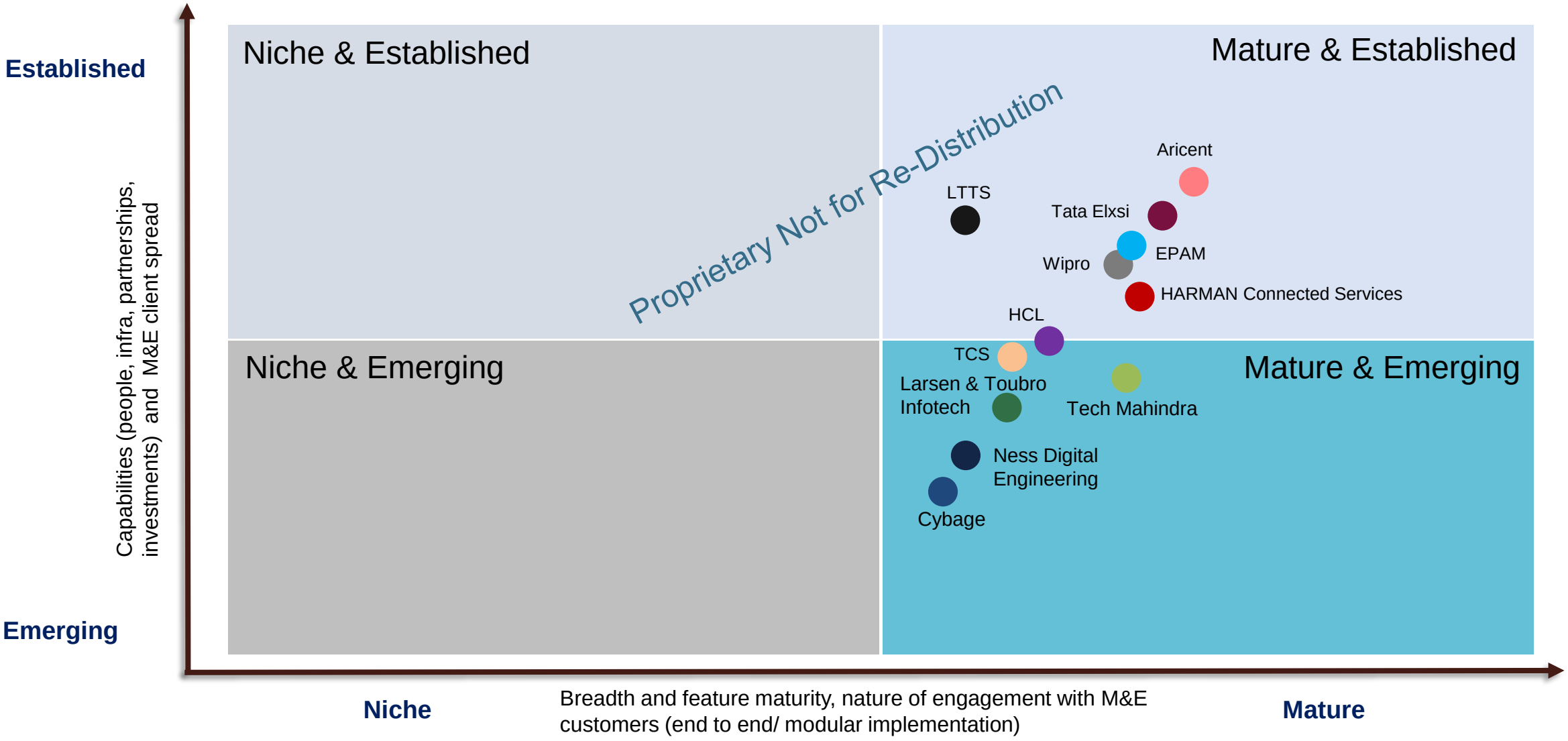
Source: Zinnov Analysis, Zinnov Zones – M&T

Content Security - 2017



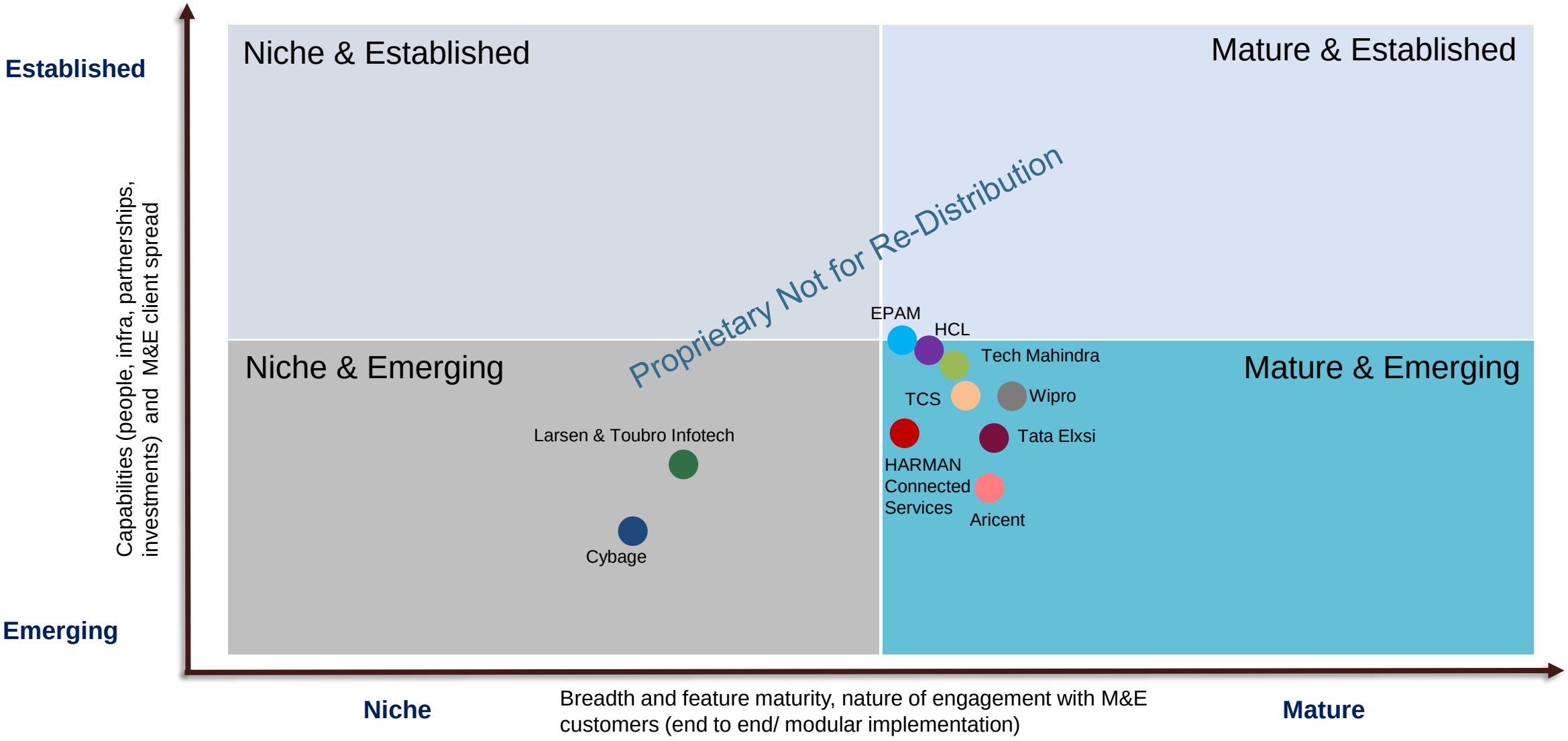
Source: Zinnov Analysis, Zinnov Zones – M&T

Experience Engineering - 2017



Source: Zinnov Analysis, Zinnov Zones – M&T

Immersive Technologies - 2017



Source: Zinnov Analysis, Zinnov Zones – M&T

zinnov

www.zinnov.com

info@zinnov.com

SANTA CLARA | HOUSTON | BANGALORE | GURGAON

© 2017 Zinnov. All Rights Reserved.