

# 5 TRENDS IMPACTING VIDEO STREAMING

LEADING COMPANIES IN THEIR DIRECT-TO-CONSUMER TRANSFORMATION



## Direct-to-consumer video streaming has exploded\*

**\$80B**

Revenue

Surpassed \$80 billion in revenues in over 10 years

**14%**

Annual Growth

Growing 14% a year on track for \$160 billion by 2024

**770M**

Consumers

Estimated 770 million total worldwide customers for 2020, up 39% from 2019

Traditional Hollywood studios have operated under a business-to-business model for years—most of their revenue was generated by selling to a theater, television network or retailer. Now they need to pivot and create their own streaming offerings.

How to navigate the technologies and trends driving video on demand

\*Stall, Julia, 2021, Statista, [Number of SVoD subscribers worldwide 2025](#).

*The transformation of the Hollywood studio from business to business to direct to consumer falls squarely on the back of their technology teams.*

Tom C. Roach  
Chief Strategist  
Media and Entertainment  
TEKsystems

As this transformation to direct to consumer progressed, technology leaders were tasked with providing:

- » A state-of-the-art user experience
- » A single view of the subscriber
- » Back-office integrations to corporate financials.

All of this needed to be delivered while sustaining traditional distribution channels operations.

Now, technologists must provide solutions that will allow media companies to flourish in this hyper-competitive marketplace.

We examine the

5

**trends**

that will significantly impact streaming services over the next year.

1



## Keep pace with 5G

Widespread adoption of 5G will significantly expand streaming offerings.

We will see higher quality formats, augmented reality and virtual reality, advanced gaming experiences, customizable viewer journeys and second screen / dead screen data presentations.

To take full advantage of 5G, we will need to provide a pure cloud-centric supply chain (production through servicing) combining world-class hyper-scalers, platform solutions and a persistent data and content layer spanning the entire process.

# 2



## **Prepare for localized content**

As the domestic market saturates, growth will come through international expansion. Technology platforms are replacing existing service models for the formatting, packaging and localization of content.

Developing new end-to-end processes that replace services with platform—but still allow for the appropriate quality assurance—will be key in servicing international markets.

It will be critical to develop an end-user experience that is easily configured to meet cultural preferences and differences.



## **Monetize content**

Currently, many of the major studio libraries have a large percentage of their titles sitting in an old format or not localized for foreign markets.

As technology allows for faster and cheaper localization, format conversions and packaging, library owners will be able to monetize titles that are deeper in their catalog.

Being able to better service titles to other media outlets and markets where companies are not established will be key in the overall profitability of a title.



## Reduce subscriber fatigue

Subscribers have a limit on the number of services that they are willing to pay for. As new services launch, consumers must choose which services make sense to enroll in, keep or discard.

Subscriber acquisition and retention will be critical for the established streamers as well as the newcomers.

From a technology point of view, it is about making sure that a company's subscriber management software is well-suited to the company and a strong fit for business goals and objectives.

Subscriber fatigue is also going to accelerate the release of advertising-based video on demand (AVOD) platforms. Most of the major streaming services are expanding existing AVOD services within their companies or creating a service from scratch.



5



## **Harness the power of data**

Having a single view of a customer is key—but that must be supported by quality data. As many companies have combined several data sources from their legacy businesses, defining a customer across these sources has been a challenge.

Bringing together multiple data streams can transform the customer experience and unify ad marketplaces. Potential advertisers can access a streamlined worldwide inventory and the tools to easily plan and manage campaigns.

New technologies are significantly changing how customers engage with content and ads, as in the areas of product placement and actionable streaming objects.

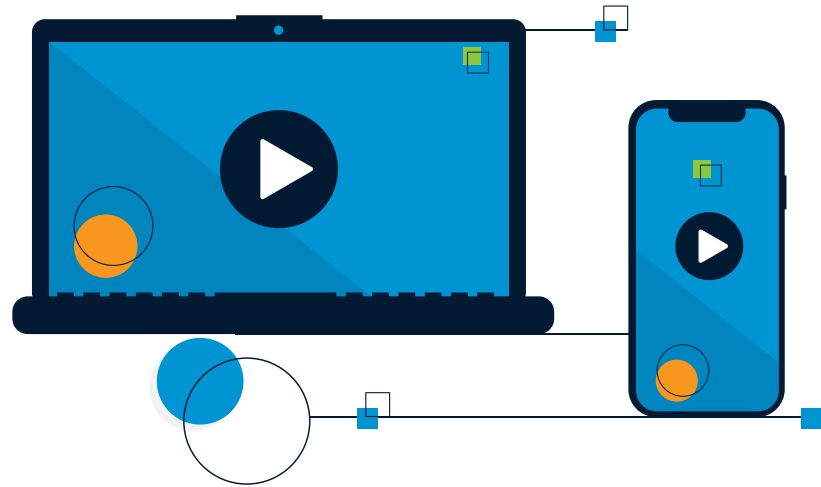
These advancements promise a better engagement and activation model—all powered by data.



## Find the right partner

Navigating the subscription-video-on-demand market requires rethinking methodology and using the right technology—alongside the right partner.

Partners who envision, develop and execute with the customer at the center of every choice.



*We will continue to see rapid adoption of new technologies in the areas of production supply chain, advertising and data quality.*

Tom C. Roach  
Chief Strategist  
Media and Entertainment  
TEKsystems

## MEET OUR EXPERT



**Tom C. Roach**  
Chief Strategist  
Media and Entertainment  
TEKsystems

Tom Roach has over 35 years of media and entertainment technology experience that started in 1985 as a desktop technician and culminated with oversight of the entire Warner Bros. technology organization as Co-GM CIO. Throughout his career in media and entertainment, Tom has gained in-depth business and technical knowledge that he is now applying to help the next set of emerging technologies and business models transform the industry. A significant portion of his career was delivering complex applications that managed distribution, media buying, ad sales and marketing operations. In March 2020, Tom joined TEKsystems as their chief strategist for media and entertainment, where he is responsible for working with vertical solution providers, hyper-scalers and the customer to deliver transformative technologies.



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