



Put every customer at the center of your streaming experience.

Three ways to deliver hyper-personalized journeys and retain subscribers.

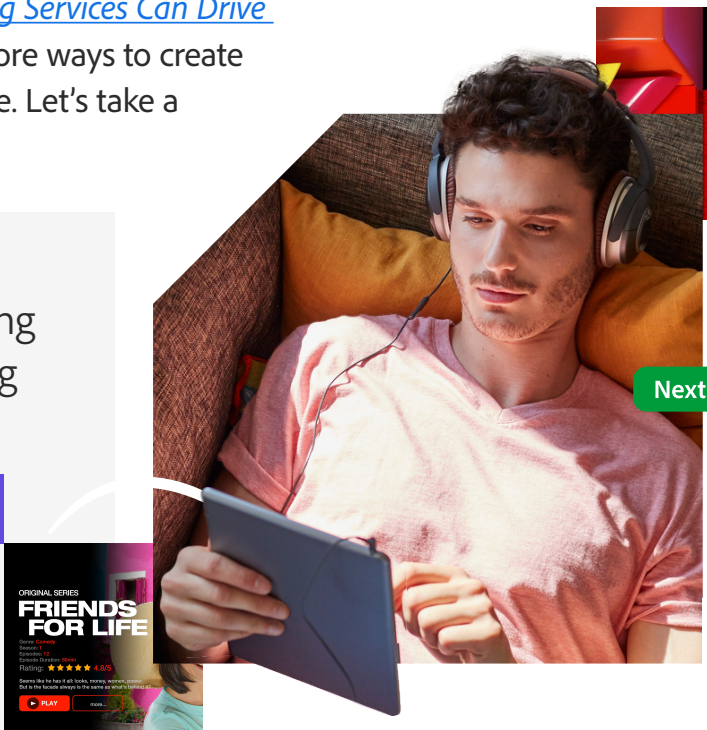
Streaming is now the most popular way to watch television in the US. A recent report from Adobe and Ernst & Young LLP (EY US) shows 88% of households use video-streaming services, subscribing to five on average. But as subscription choices add up, it gets tougher to decide which ones to keep. Another 66% of consumers reported canceling a service in the past year—and major media and entertainment companies are losing billions of dollars as a result.

This saturated and competitive market calls for new customer strategies. Brands would do well to shift from acquiring customers—which can be costly—to courting current subscribers with personalized, real-time experiences. This requires a focus on customer centricity, and with strategic customer value management, it sets companies up for sustainable retention, profitability, and the ability to exceed high expectations for one-to-one streaming journeys.

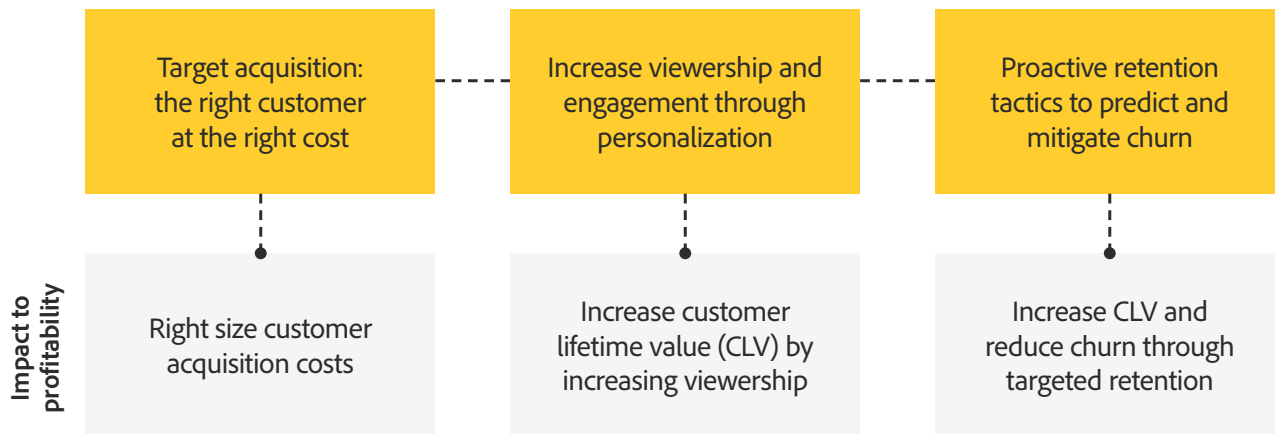
In our joint report with EY US, [How Streaming Services Can Drive Profitability with Customer Centricity](#), we explore ways to create lasting value through personalization at scale. Let's take a look at the highlights.

“Customer centricity can help streaming players achieve profitability by shifting focus from acquisition to maximizing customer lifetime value.

John Harrison
EY Americas Media & Entertainment Sector Leader
Ernst & Young LLP



Customer value management drives profitability and sustainable growth.



Dive into three customer-centric streaming strategies.

To increase value and achieve growth, it's critical to make your customers' experience personalized to them, and there are three key ways to do just that.

Strategy 1—Deliver the right content at the right time, through the right touchpoint, to the right customer.

True personalization spans the customer journey, including a seamless onboarding experience and customer care that meets the consumer's needs. It extends to catering the frequency, timing, and method of communication to the preferences of the individual customer. Taken together, these optimizations can deliver big payoffs in increased retention.

What is customer value management?

Customer value management (CVM) helps organizations put customers front and center while continuously gaining insights from them that benefit the bottom line. Done right, it accelerates growth, reduces churn, and improves profitability.

How does CVM work?

CVM harnesses customer data across channels to drive customer lifetime value and average revenue per user. With a nimble, test-and-learn CVM approach, companies can use high-value customer segments to make the most of emerging trends and consumer habits.

For streaming in particular, true personalization touches all phases of viewership. [Content management systems](#) can help by connecting a campaign—from targeted promotions for a new show to tailored home-screen recommendations—into one integrated workflow. These systems also help creative and marketing teams collaborate to deliver the optimal combination of experience, layout, and offers that incentivize customers to renew their subscriptions.

“ Personalization at scale enables you to create the right human connection at every stage of the funnel, but it must be enabled by consolidated consumer data, which most media companies have not actually prioritized.

Janet Balis

CMO Practice Leader and Partner
Ernst & Young LLP

Strategy 2—Focus on the three levels of effective CVM—acquisition, engagement, and retention.

By incorporating CVM, companies can adjust quickly to emerging customer insights to bolster and improve customer retention.

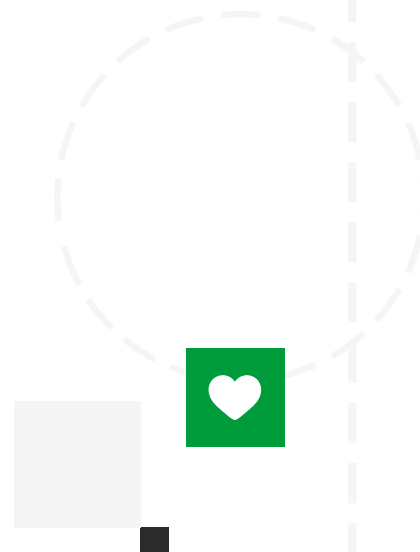
Targeted acquisition—What gets the right customers to us?

To build audience and marketing strategies, brands must harness available first-party data and enhance it with second-party data via partnerships. The resulting personalized insights and engagement not only determine which media spend drives conversion for targeted customers, but also which programming will resonate—a critical component to driving conversions through specific programming.

Consumers are increasingly providing their personal data to brands and companies in exchange for added value.



According to 55% of US consumers surveyed, customers would provide their data in exchange for a completely custom online experience.



Engagement usage stimulation—What allows us to engage customers?

CVM helps brands improve the end user's experience. When consumers receive personalized offers, communications, experiences, and content recommendations that cater to their specific needs, it drives customer usage and engagement.



Over half (56%) of respondents chose "user experience" as one of the top three criteria for selecting a streaming service.

Retention and building customer loyalty—What keeps customers and reduces churn?

Customer churn continues to rise.



The active monthly subscriber churn rate of major US streaming services reached 5.2% at the end of 2021, up from just 3.2% in early 2019.

Reacquiring a subscriber can be costly.



Customer acquisition costs can be five or more times higher than the cost of keeping existing customers.



CVM can reduce customer churn and improve retention rates.

Companies can use predictive analytics tools, such as churn scoring or propensity modeling, to identify users who are at risk of discontinuing their service. Streaming providers can effectively intervene with custom offers before subscribers terminate their subscription.

For example:



Personalized messaging—with content recommendations, suggestions to migrate to an ad-tier bundle service, and more—can re-engage customers and avoid potential cancellations.

A sports brand scores customer approval.

A professional sports league wanted to improve retention on its mobile app, and user data indicated customers who streamed videos on the app were less likely to churn. The league adopted multivariate testing to improve the customer experience for its streaming fans, resulting in a 30% increase in minutes of in-app video on demand (VOD) watched per visit.

Strategy 3—Unlock tech and customer data to achieve personalization at scale.

A [best-in-class CVM](#) approach requires the right tools, technology platforms, and operating model across business, data, and technology teams. It needs:



Top-tier data and technology platforms

[Real-time](#) subscriber insights and data flow in across the organization, supporting end-to-end customer operations, data governance, and compliance with data privacy and security regulations.



Data-driven decision engines

Artificial intelligence (AI) and machine learning power personalization tools to identify the next best actions brands can take. Predictive analytics uses real-time data to segment prospects, anticipate churn, or optimize content by audience for streaming subscribers.



Data-driven insights in real time

Delivery and content management tools can help marketing, customer experience, and customer care teams streamline workflows and deliver personalization across channels within milliseconds to engage customers.



Value creation across the organization

An agile operating model will help an organization centralize CVM, and, by extension, pivot with agility, launch campaigns to market faster, and increase the ROI of digital experiences with content tailored to subscribers with ease.

“ Significant strides in artificial intelligence and machine learning tools in recent years mean the time is right to turn insight into action through personalization at scale.

Sam Garfield

Director, Industry Strategy for Media and Entertainment
Adobe

Continuously improve your customer centricity.

With an iterative approach to CVM, you can continuously improve your customer retention strategies.

Assess

What are the CVM opportunity areas and capabilities that you should prioritize?

Roadmap

What are the prioritized CVM initiatives that would maximize business outcomes and targets?



Test

Which test campaigns can you execute and measure to deliver against customer value?

Keep customers watching.

CVM is helping streaming services take control of customer retention—and their spot in the industry—by making better customer experiences part of their competitive advantage. To get there, a customer-centric approach is the way to go—to unify all data sources, accelerate and optimize the content supply chain, and deliver experiences faster to orchestrate the most seamless subscriber journeys. Discover ways to put the customer at the center.

Get all the insights you need.

Turn your customer data into better business performance. Explore *How Streaming Services Can Drive Profitability with Customer Centricity* in its entirety.



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