JUMP
ENABLING VIDEO DATA

EXTREME CONTENT PERSONALISATION AND AI

The tool to retain and engage your video service audience

Whitepaper

CONTENT

INTRODUCTION

Each year, the demand from individual users in the OTT and video services industry grows exponentially, and the platforms must adapt continually to meet these demands effectively and efficiently. And what better way to do so than by personalizing the content that is recommended to them on the platforms?

More and more, users are discarding the idea of adapting to what the content providers decide to deliver. Now, they expect them to access their extensive content catalog at the touch of a finger whenever they want, with a personalized user experience that caters to their demand instead of a standardized or generalized experience. And it is not but a win for OTTs and video services if properly taken advantage of. As the demand grows, they are pushed towards spending more money to expand their content catalog.

But how will the investment be worth it if the content is never watched...? This is what recommendation engines do. They help subscribers find the right movie, show, or program at the right moment, in the right place. But they are also a solution that can reduce customer acquisition and conversion rate costs as it increases content consumption, engagement, and the LTV of the user.

If any platform wants to succeed in an industry where competition continues to grow, delivering a tailored service to their users, then the recommendation engine is essential to have from the start. Ultimately, it serves as a tool used to retain users on your platforms, and throughout the whitepaper, we will explain why.

EVOLUTION OF VIDEO SERVICES

Nowadays, there is a never-ending stream of data generated simultaneously on a daily basis, be it from a phone, a tablet, a Smart TV, or even an STB like Roku. The way content is consumed has changed dramatically, more even with the pandemic that affected the world, exponentially increasing the demand.

For video services and OTTs, this is an opportunity. Now more than ever, they are able to access a bigger database to precisely understand the needs and wants of their users so they can be offered a unique and personalized experience. It helps companies make data-driven decisions to offer an optimized service that will attract new consumers and retain the ones that are already subscribed. It lets them easily understand why subscribers behave as they behave, why they engage in a certain manner to specific content, or even why they stopped engaging or interacting with it. By doing so, companies optimize their KPIs, save money and time, and target potential clients more effectively.

While obvious, not every company adapts this data-driven strategy, and for different reasons. Personalization is already recognized as an essential part of any product offer, but sometimes resources cannot be allocated in order to fully implement this strategy. Companies need the right technology, the right team, money, and time, to adopt this methodology while ensuring an optimized ROI; that's the challenge.

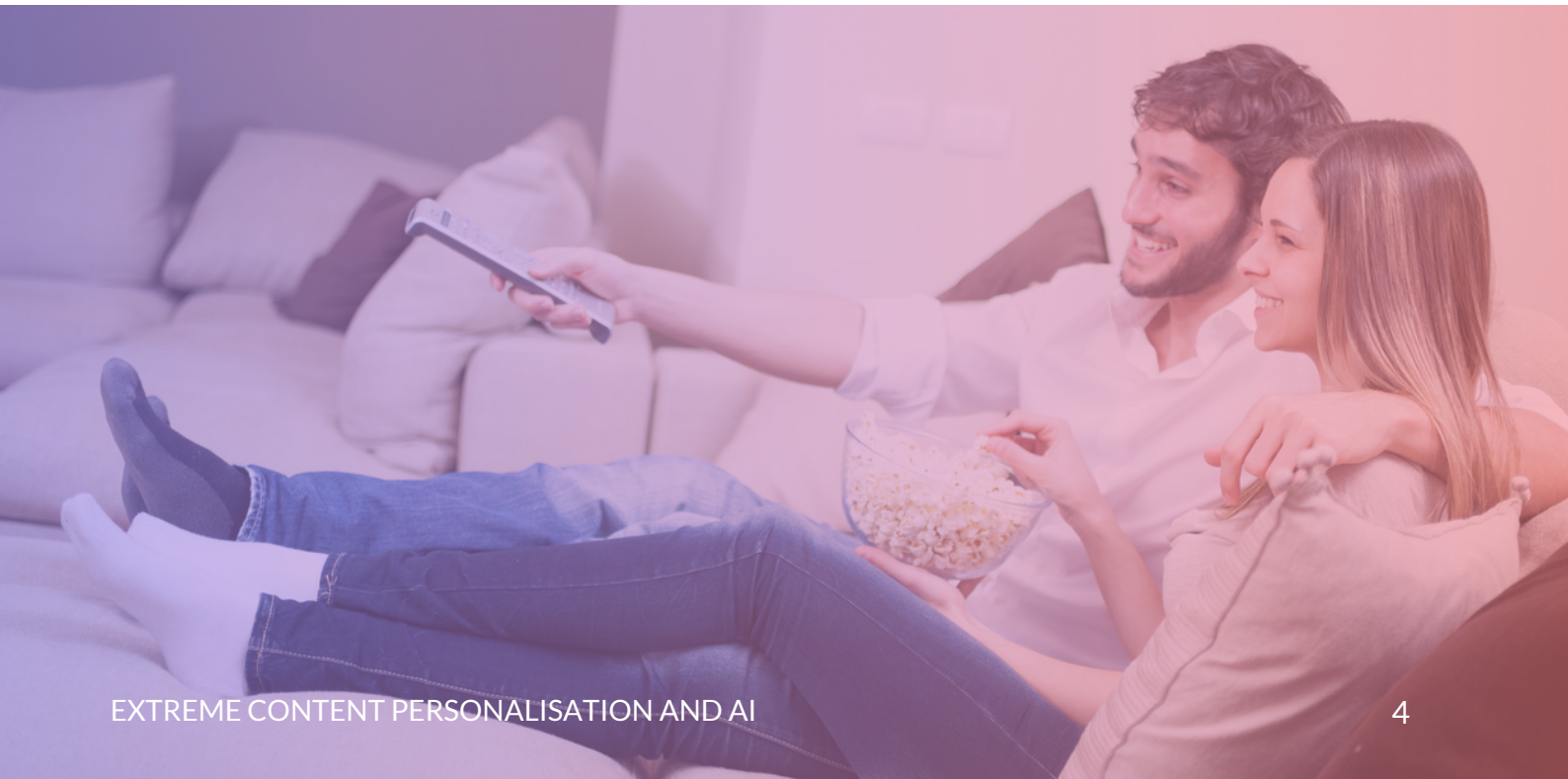
Personalization must keep evolving as humans do too. While momentarily its main focus is on content recommendation, which will be further explained in this document, as technology advances, personalization becomes more effective and precise, being able to adapt targeted ads, navigation flows, payment methods, among any new innovating features that platforms implement.

THE IMPORTANCE OF PERSONALIZATION

We live in a world where users want to feel that what they consume is made just for them, even if it isn't. They want to feel special, which is the exact reason why brands across the world have divested from mass-media marketing and have focused their resources on hyper-personalized offers to each client, which has been segmented to infinity, in order to make them part of the identity of the company, even if they aren't.

In the entertainment industry, the same rules apply. People usually watch TV shows and movies where they feel a sense of belonging, where they see themselves on the other side of the screen. Hence, what platforms must do is deliver to them the content that will cater to their specific and individual needs in order to increase their engagement and enhance their loyalty to the platform.

That is the reason why understanding your audience is important. Without it, users will get lost in a conundrum of uninteresting content, and most probably leave your platform.



To understand a consumer is to know their behavior to the point of predicting their next move.

Knowing the user's journey on your platform is the first step towards providing them with a platform that is tailored to their individual profile across all platforms. Moreover, it should be the company's priority to better engage with them. And for that, data needs to be gathered.

Traditionally, platforms have relied on the company's HiPPO (highest paid person's opinion) in defining the experience for each user cluster. Nevertheless, the better solution is to listen to the audience to know about what they want, be it directly or indirectly.

Through A/B testing, companies are capable of trying different real scenarios to see what works the best for each cluster. Demographics (such as age, gender, or country) are not enough either. What is meant by data needs to delve deep into a user's true character: what content do they like? what consumption habits have they developed throughout their journey? what has been their reaction to targeted ad campaigns? or even, what specific content have they consumed?

However, one of the few counterpoints that has created a debate around this type of personalization is how invasive can the techniques of data gathering can be towards the users. The truth is that the technology applied has the advanced capability of collecting data from the users while preserving their anonymity, as user IDs are created following privacy policies to ensure it.

ADVANTAGES OF CONTENT PERSONALIZATION

As it has already been explained, the advantages of having a recommendation engine are not limited to enhancing user engagement. OTT services have other objectives, such as attracting new subscribers and optimizing their ROI. While being achieved through different strategies, the personalization of content through recommendations brings other edges to the table:

- **Prevents** users from feeling the content on the platform is **boring**, repetitive, or of low category, as it **keeps up with their interests,**
- **Minimizes churn risks** as the user keeps interacting with the platform's content,
- Makes it easier for companies to know the **performance of each of their content**, allowing them to decide on what type of content it is worth investing in, thus saving companies millions of dollars,
- **Saves the company time** as it automates the personalization process. After the system is set up, it learns from its performance and updates automatically, fine-tuning the recommendations after proving different scenarios, thus **becoming very scalable,** and
- Users in the platform with an extensive content catalog have it **easier to select the content** that caters to their likings instead of wasting time browsing for it.

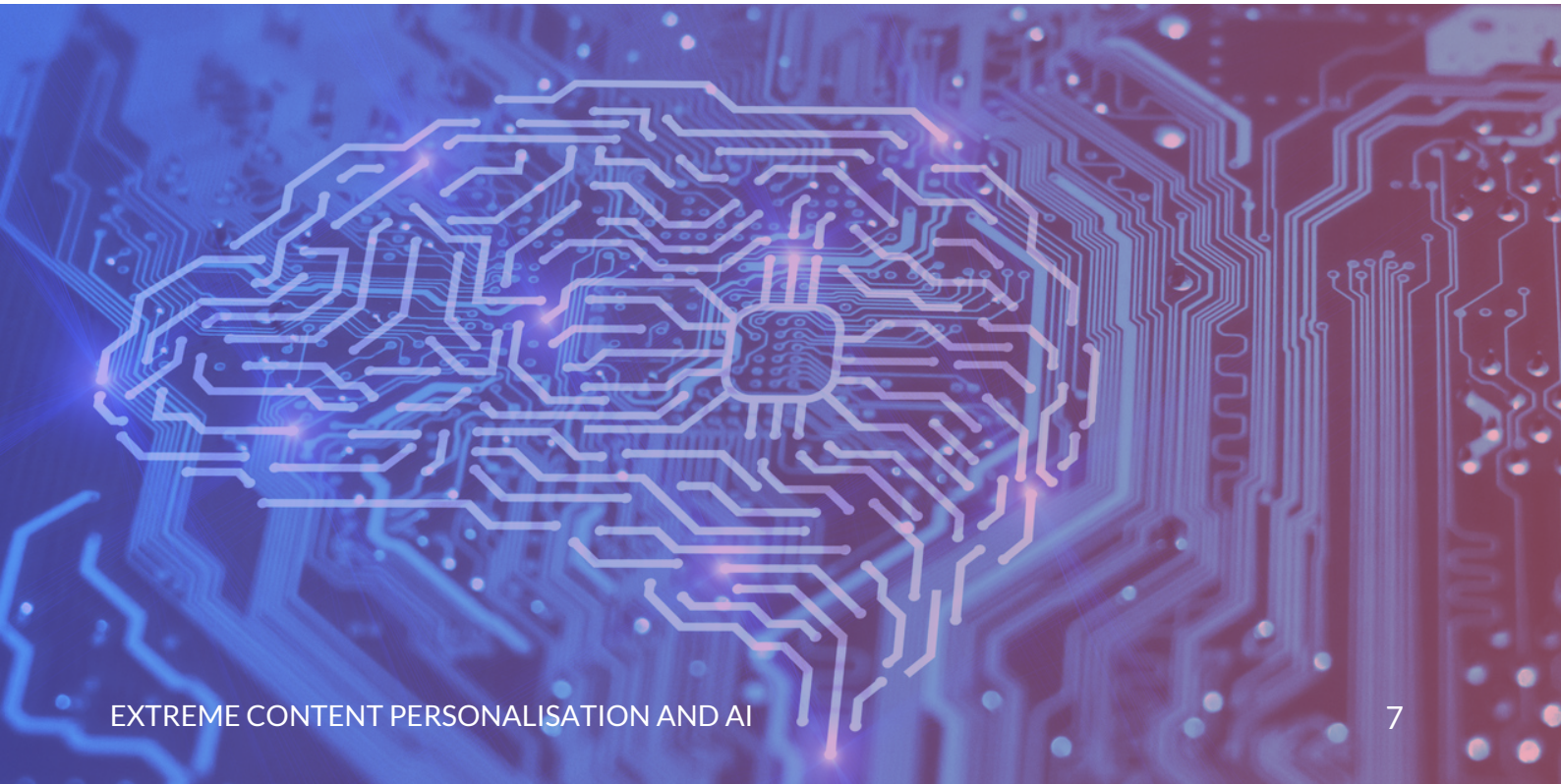
HOW DOES THE ENGINE WORK?

The recommendation engine is mainly powered by Artificial Intelligence and Machine Learning algorithms (AI & ML respectively), which are used to understand and process the data gathered from the platforms thanks to the interactions users have on them. With these tools, companies can deliver between 25 and 50% higher conversion rates thanks to the personalization of the entire customer journey.

Without the proper data, the algorithms will just not work, and it all depends on what the platform chooses to gather. For instance, the minimum necessary data for applying the algorithms effectively are the following:

- **Movie Metadata:** The genre, rating, length, year of release, language, directors, producers, production company, among others. It usually comes from the own production company, but it can also be gathered by platforms like IMDb, and

- **User Data:** Voting rates (likes and dislikes), region, language preferences, watch-time, among others.



After acquiring the data, it must be **curated, cleaned, and standardized** in order for the AI and ML algorithms to properly work. These tools will allow the platform to then predict the behavior of its audience performing:

- On one side, **contextual recommendation,** which recommends content tailored to the user's consumption habits, adapting to different scenarios that will increase their satisfaction and engagement. It recommends:
    - Depending on the time of day, be it during the morning, evening, night, etc,
    - Depending on what device the platform is being accessed from, ranging from a smartphone, a Smart TV, a web browser, an STB, among others, and
    - Depending on the day of the week, as content consumed varies if it's a workday or the weekend.

- On the other side, **content recommendation** takes into consideration the data gathered from the content that subscribers can access on the platform. It recommends:
    - Depending on the similarity between content that the subscriber has watched with the one they haven't,
    - Depending on the popularity of the content, both regional, international, or even seasonal,
    - Depending on the weight configured for a specific category **(editorial recommendation),** in order to prioritize it among others, be it because it's new content that the platform wants to showcase or original content from its own platform, and
    - Depending on the content the platform prefers to hide as it deems unsuitable to a particular user based on its consumption habits.

- A **collaborative filtering approach** is also implemented to recommend content consumed by users with similar preferences and habits.

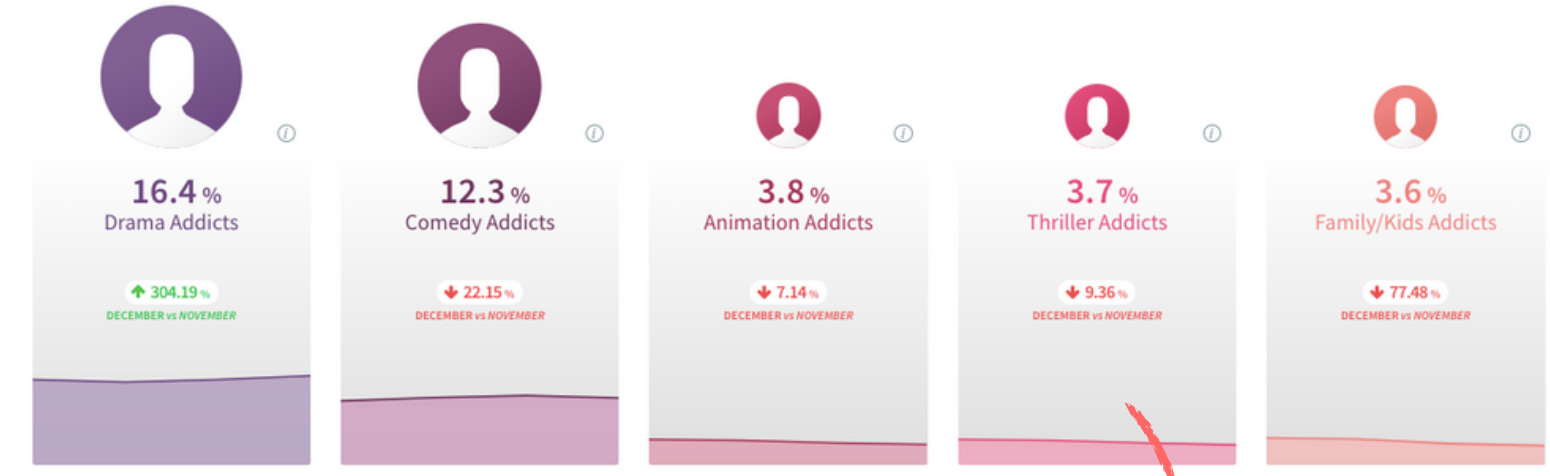
For example, the AI algorithm could recommend, based on your habits, a romantic comedy TV show on a Tuesday at 8 PM after you get home while recommending a horror movie on a Sunday at the same time, as it knows that you prefer something light and easy to follow when you get home from work during the week, but prefer something more intense during the weekend as your mind is more relaxed and it can easily focus on one of your favorite genres.

The behavior a user has on your platform could also vary in terms of the devices used. It is possible that when on the phone, a user watches a 20-minutes TV show episode that is easy to follow as they are on their way to work while watching a 40-minutes episode when on their TV as they are cozy at home.

Some recommendation engines are also able to do **“cold-start” recommendations,** which is a challenge for OTT companies as new users usually have little to no data. For this, location-based recommendations, content popularity, and basic demographic data gathered from sign-up joined with the **collaborative filtering approach,** are able to give a personalized experience from the start.

Recommendations never stop changing and updating as long as users continue to interact with the platform. Be it through consumption of the content, or by rating the content, it allows algorithms to learn from its previous performance so the recommendations can be improved, making them more precise and enhancing the already hyper-personalized experience of the user.

Recommendations also help to configure messaging and formatting of the products, being able to analyze how many people did the recommendation reach, what percentage showed interest in the recommendations, or even how many people consumed the content that was recommended. Therefore, marketing campaigns can be sent by hyper-segmenting the audience and sending a personalized and unique message through the most effective channels, as it is sent at the right moment.



CONCLUSION

As the world keeps evolving, the demand of the people in it does too. Companies need to be able to not only predict where the future is headed but also be a step ahead. Far back is the idea that users must adapt to what the company offers and is now the company that must show the users what they want to see, in the way they want to see it, at the right moment.

That is what personalizing the user experience is. It is an essential strategy designed to attract new customers, but also to retain the ones that are already subscribed. Personalizing means catering to their likings and predicting what they will like next. It means creating a platform where they feel they are the center of the product, not an afterthought.

And for that, a company must have the right tools to implement this strategy. This isn't limited to having AI and ML algorithms that analyze the data and give recommendations, but also the right tools to be able to gather and clean that data so that is ready to use, therefore optimizing the process.

Without any of that, a platform will most probably not work. While this might seem a bit extreme to say, it is not much different from comparing it to a chair. Without its legs, a chair won't stand; without the right recommendation engine, a platform will not grow.

ABOUT JUMP

JUMP joined the media and entertainment industry in 2016 with the idea to champion business optimization by using Big Data, Artificial Intelligence and Machine Learning technologies to ramp up video businesses' ROI.

We have embraced the vision that business data - and its effective use - will be the key differentiator for successful players in the entertainment industry. And as it has evolved, our vision has proven to be true.

JUMP has democratized the underlying Big Data, AI & ML technologies that work with your data for your benefit. It enables video data to optimize your video business by the effective use of data along the lifecycle of your video service. Our platform **optimizes customer retention, personalization, engagement, and marketing effectiveness**: everything you need to jump to the next level!

OUR PERSONALIZER

JUMP brings its industry knowledge by plugging AI into your video service that tailors to the user's habits, providing an ultra-personalized experience by configuring individualized digital content, increasing user satisfaction and engagement exponentially.

ARRANGE A FREE DEMO

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