

# How can personalisation improve media-related services?

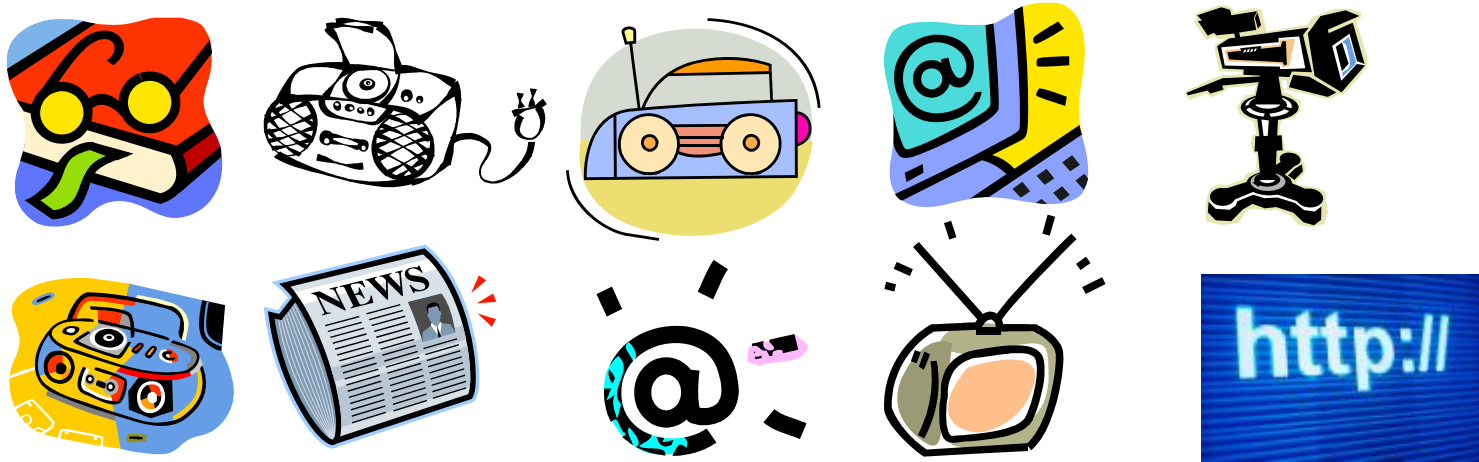
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# Media-related services

- The media industry...



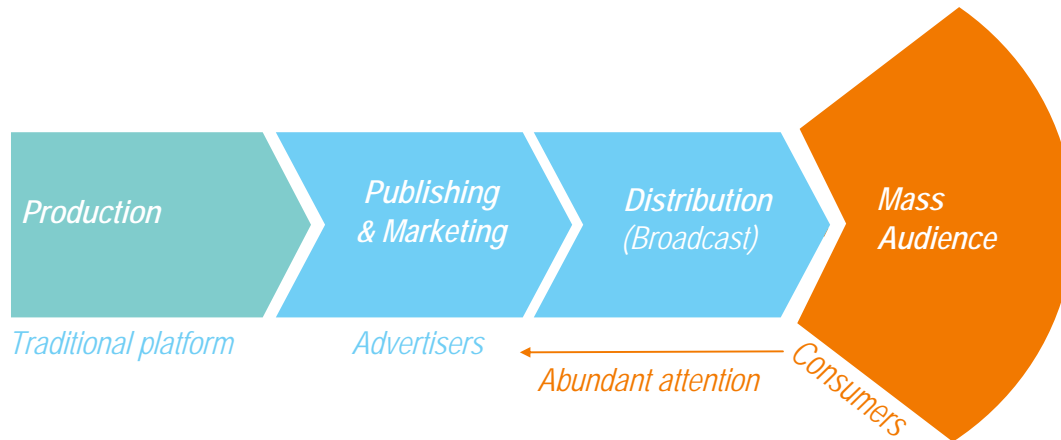
- ... plays on three markets

- Content market
- Consumer market
- Advertising market

# Shifts in the Mass Media Value Chain (1)

## *The Old Way: Mass Media Value Chain*

**Attention** of mass audience is a critical part of the value chain - demanded by advertisers, but advertising and distribution capture the most value in non-networked media. *Whoever controls these resources will most effectively aggregate attention from audiences.*



**Mass Media** companies are characterized by:

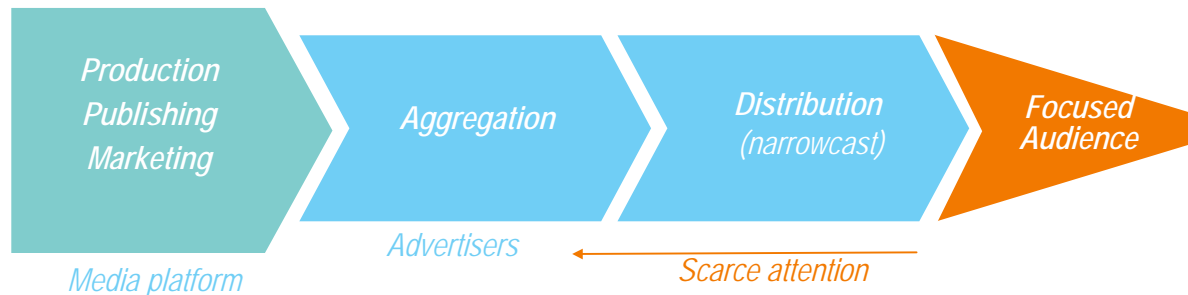
- Media outlet distribution such as newspaper, radio, television
- High fixed production and distribution costs
- Slow pace of innovation
- Sells eyeballs delivered to advertising: requires mass audience
- Entering this market requires significant capital and labor investments

Source: Umair Haque, *The New Economics of Media*

# Shifts in the Mass Media Value Chain (2)

## *The New Way: **New Media** Value Chain*

Technology and new web-based models reduce barriers to production, publishing, marketing and distribution of media. It drives growth in **competition for focused attention**. Once consolidated, *attention of consumers is now fragmented*.

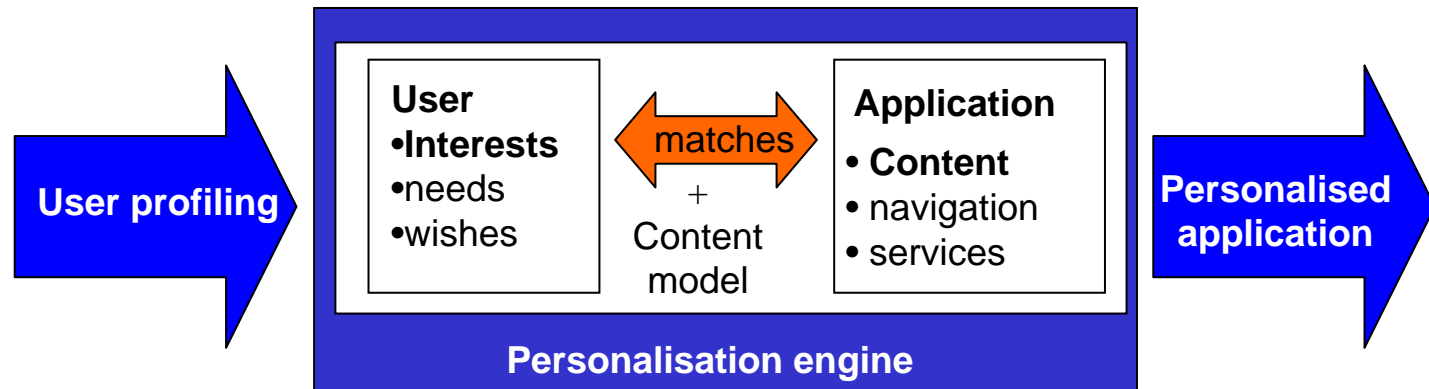


**New Media** companies are characterized by:

- Low fixed production & distribution costs: production, search and filtering.
- Fast pace of innovation
- **Audience of one is viable**: Sells the right (personalization) eyeballs delivered to advertising
- Entering the market requires low capital investments
- Digital production, distribution, search and filtering

*Source: Umair Haque, The New Economics of Media*

# What is personalisation?



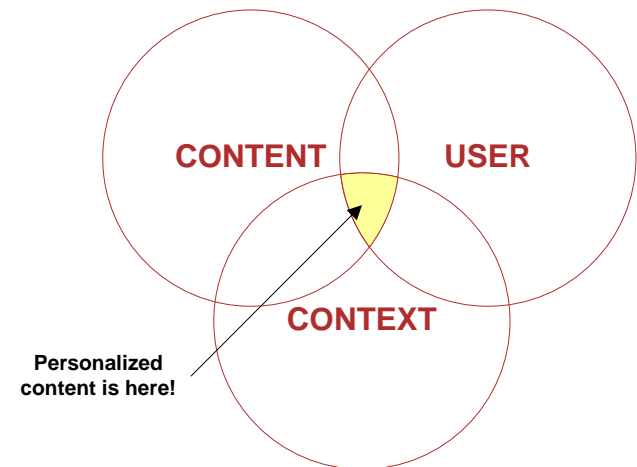
**User value : managing information  
(content and services)**

**Operator value : targeting offerings  
to maximise revenues; reduced  
churn**

■ Personalization concerns adapting to the individual needs, interests, and preferences of each user.

■ Includes

- Recommending
- Filtering
- Predicting



# Personalisation is already here!

## ■ Amazon

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1.



#### Rope

DVD ~ James Stewart

Average Customer Review: ★★★★★

Release Date: March 6, 2001

**Our Price: \$15.98** [Used & new](#) from \$12.50

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2.



#### Citizen Kane (Two-Disc Special Edition)

DVD ~ Orson Welles

Average Customer Review: ★★★★★

Release Date: September 24, 2002

**Our Price: \$20.24** [Used & new](#) from \$14.50

[See related items](#)

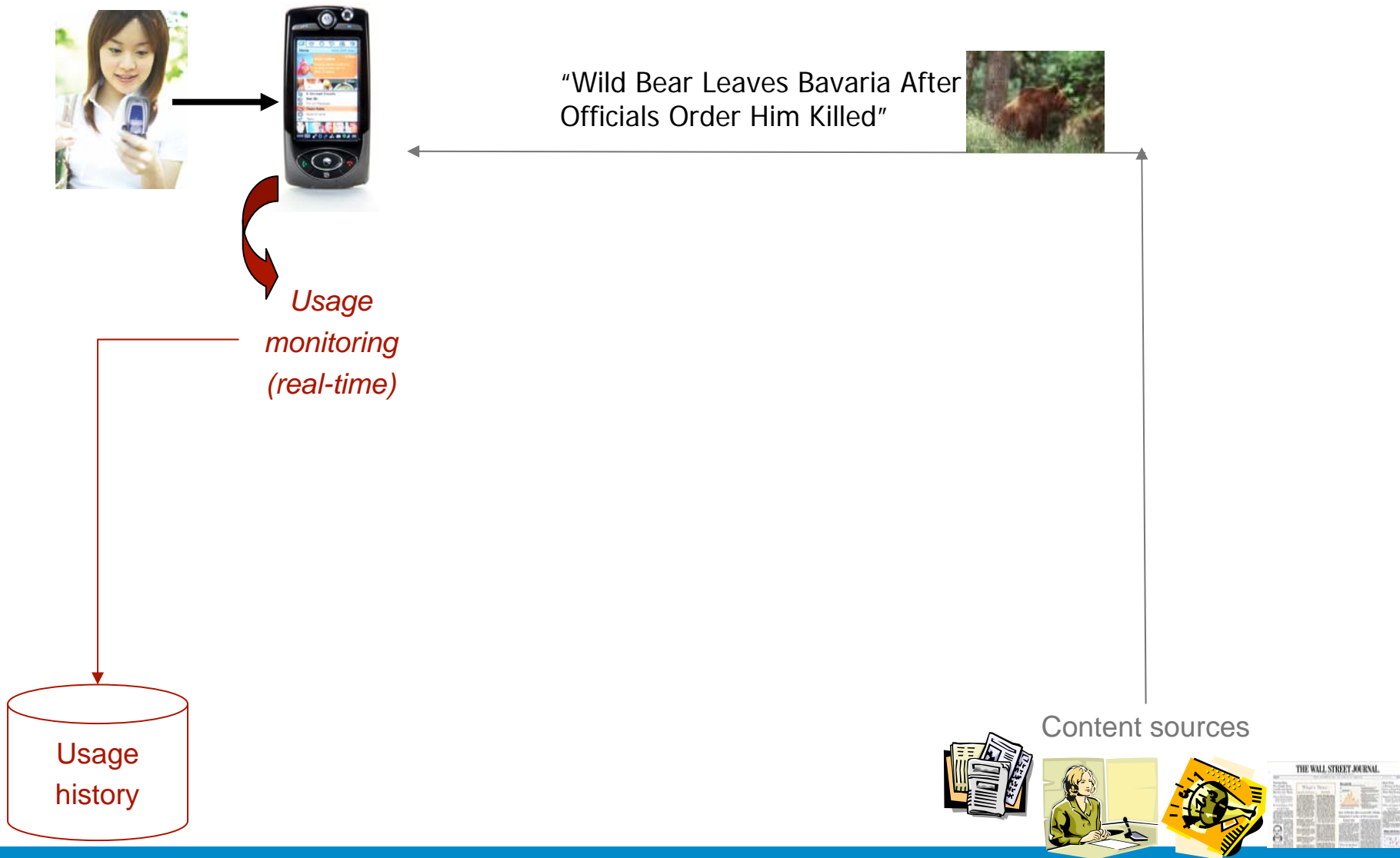
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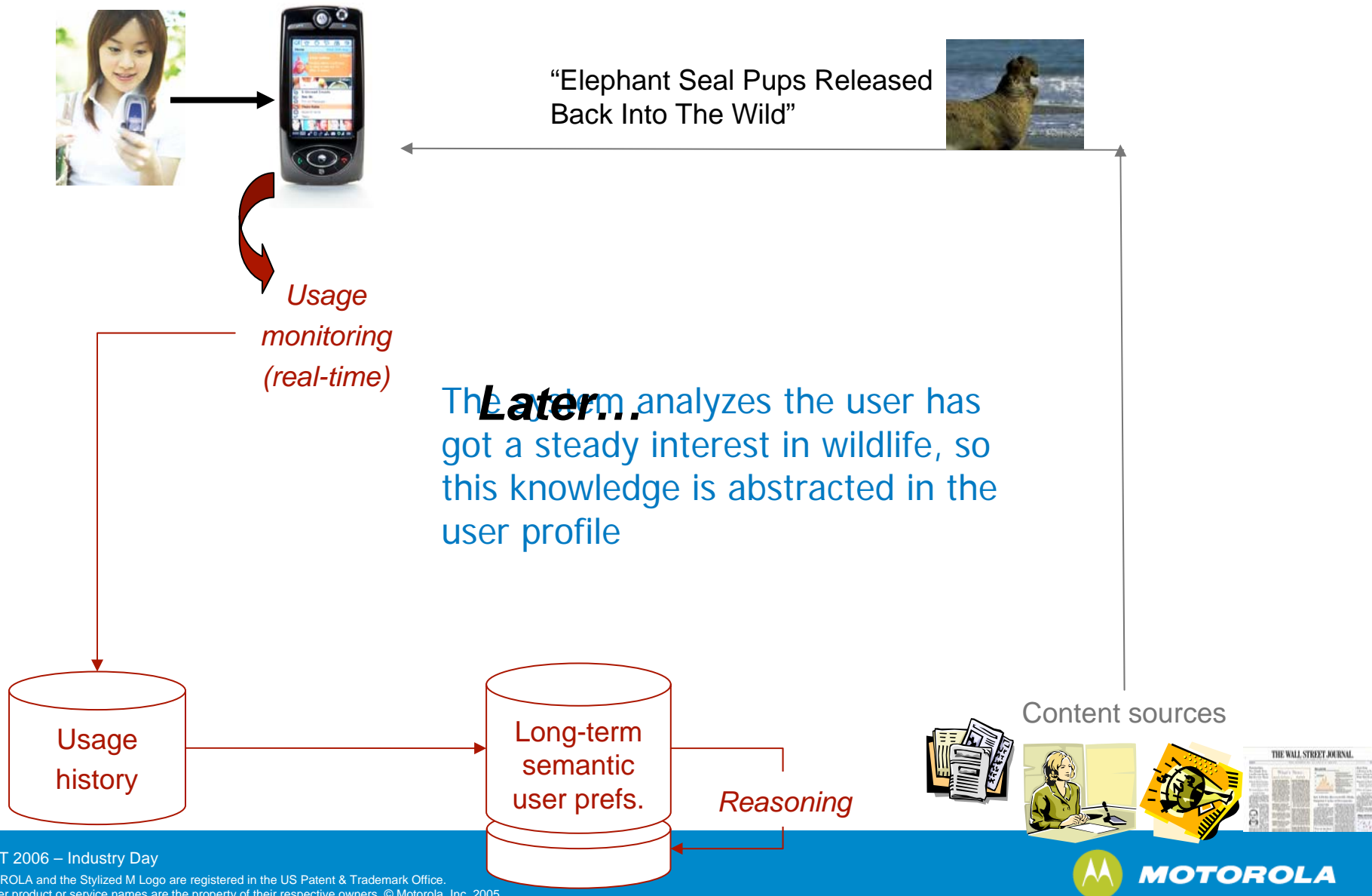
## ■ Several Google patents

■ ...

# How does personalisation work?

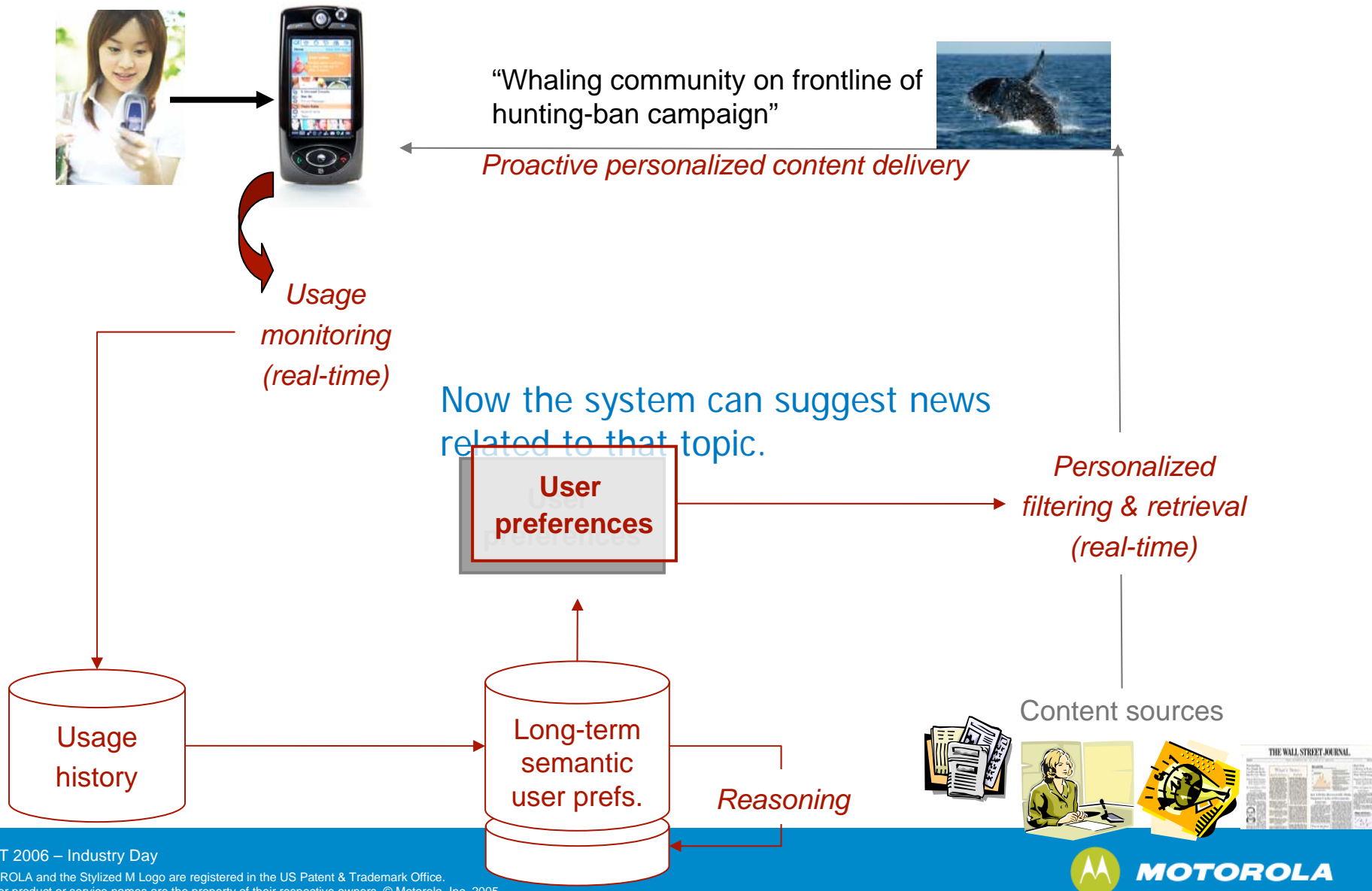


# How does personalisation work?



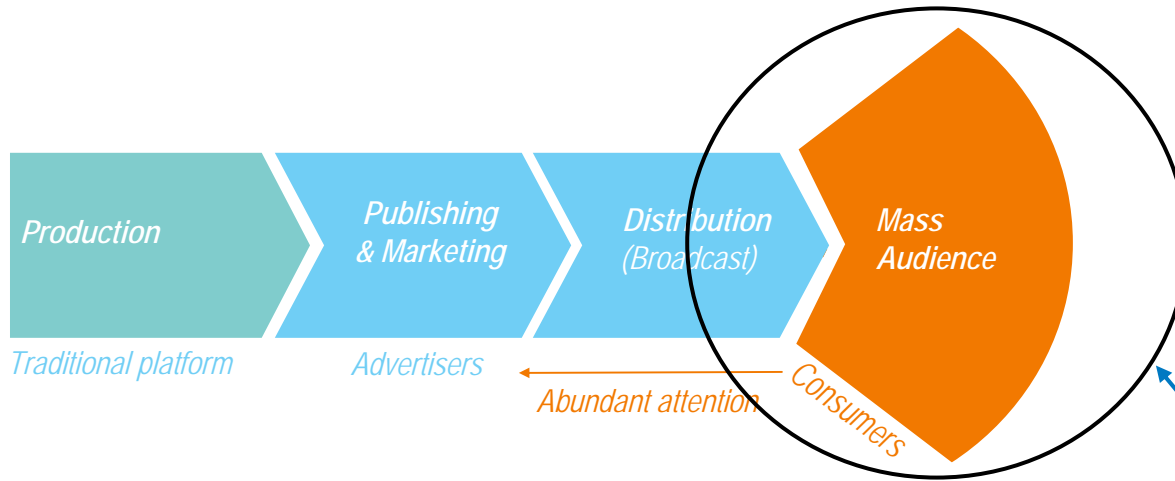


# How does personalisation work?



# Personalisation and media services (1)

- **Personalisation in mass media value chain**



- **Personalisation plays a role at the end of the chain**
  - No change in content/media production
  - Automatic **filtering** of all received media based on user preferences
- **Benefits: for the user only**

# Personalisation and media services (1)

- **Example: TiVo**
  - Relies on old media distribution



## Without

Thousands of programmes per day, hence hundreds of EPG pages to read to find shows

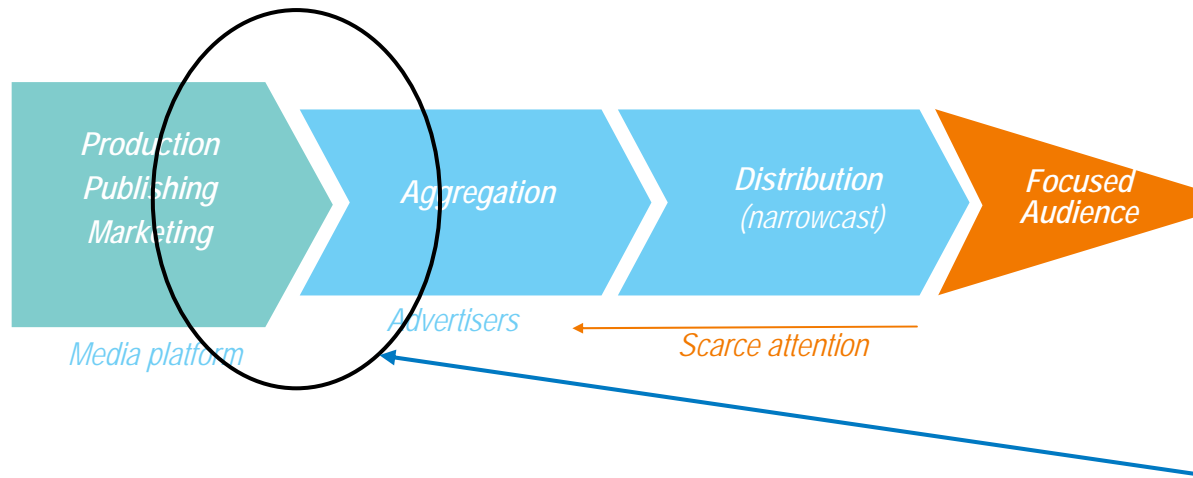
## With

About ten programmes per week, automatically recorded on HD for on demand viewing

- *But:* only the consumer benefits from the system; solution criticized because it breaks the standard model (ad skipping, loss of attention)

# Personalisation and media services (2)

- **Personalisation in new media value chain**



- **Personalisation plays a role at the beginning of the chain**
  - Selection of a particular targeted consumer population, aggregates content for that population
  - Do not need to filter received content anymore, because it fits the targeted population; personalisation as **prediction**
  - Personalisation is THE enabler for the shift of value chains

# Benefits of personalisation in this chain

- **Personalisation enables greater revenue to be achieved from media assets**
  - Possibility of selling more (better match between offer and demand)
  - Possibility of monetizing the long-tail, i.e. under-exploited media content (e.g. content archives where specialized content is discovered on behalf of the user)
- **Personalisation achieves stickiness in services**
- **Personalisation can help retaining users in a very competitive market**
- **Can assist with targeted advertising**

# Example: Personalisation for the news industry



- Personalisation is part of the overall content production chain
- This enables e.g. the **automatic creation of advanced personalised multimedia summaries** thanks to
  - Advanced user modelling
  - Learning user preferences at different scales (e.g. long term preferences and short-term interests)

# Questions?

## Contacts

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# Backup



# Personalisation and media services

## Personalisation enables new services

- **Targeted advertising**
  - Improved impact
- **Personal creation of media content**
  - Natural extension to blogging
  - Personal created media + narrow diffusion
  - Niche markets
  - Personalisation tools let you find the right target
- **Social consumption**
- **True personal content delivery**
  - E.g. MESH
- **-> More added-value services – win/win solution**

# Difficulties & perspectives

- **Technology**

- Bad personalisation is worse than nothing at all!
- Technology is not mature enough
- Lack of tools

- **User acceptance**

- Privacy