On the Radar: RSG Media

Optimizing rights, promo, and ad inventories can simplify monetization workflow and boost revenues

Summary

Catalyst

The shift from predictable linear mass media to dynamic, personalized media delivered across multiple screens is increasing the challenges faced by media and entertainment (M&E) enterprises on the contextual ad and content monetization fronts. M&E enterprises need to increase the return on rights acquired and produced in addition to embedding contextual ads across multiple platforms. Rights and royalties (R&R) systems have traditionally focused primarily on managing intellectual property (IP) rights and have paid little attention to integration with third-party promotional and advertising inventories. Changing market dynamics are paving the way for next-generation R&R systems that more closely integrate IP rights, promo, and advertising inventories to streamline monetization workflows. RSG Media has been at the forefront of the convergence of these three data inventories through yield optimization, predictive analytics, behavioral analysis, and data science.

Margin-pressed linear and non-linear TV enterprises need to integrate their digital content value chains more closely. New media has further strengthened the convergence between media and retail, primarily in sports and film entertainment, creating opportunities for end-to-end integrated media rights management solutions, merchandising, and sponsorship. RSG Media's flagship solution, RightsLogic, offers rights metadata centralization (in and out), tracking of back-end participation obligations, program scheduling, clearance reporting, and multiplatform analytics.

Key messages

- RSG Media's vertically integrated R&R system is driving new opportunities across emerging media markets, such as sports franchises.
- RightsLogic is set to increase in scale, with SaaS deployments forecast to generate almost a quarter of group revenues within two to three years.
- The Ask NED tool (customized reporting) and Big Knowledge application (algorithmic data science) help maximize content ROI and revenue uplift.
- A key challenge for RSG Media is to expand its partner certification program to accelerate its growth outside the US, primarily in highly localized Eastern European and South and Central American markets.
- RSG Media's managed services portfolio includes platform business process outsourcing (BPO), which incorporates ongoing data entry, contract interpretation, rights warehousing, and reporting services to reduce rights monetization uncertainties.

Ovum view

RSG Media has differentiated itself with a four-pillar bundled offering that includes R&R (RightsLogic), ad sales deal management (Planit), ad sales and promo scheduling (AdVant), and multiple data-centric predictive and prescriptive analytics solutions (Big Knowledge and Cross Platform Reporting). It has a strong, diversified portfolio of tier-1 cable TV, pay TV, and film studio customers in the US and Asia, with no single client constituting more than 12.5% of total group revenues (as of December 2014). RSG Media's ease of configuration and flexible packaged digital content distribution workflow, on linear and non-linear channels, have enabled clients such as Univision Communications,

Discovery Communications, Bloomberg, Star TV India, Sky UK, and Rogers Communications to scale contextual rights acquisition and optimize content purchase pricing. The company's unified R&R platform approach, proprietary analytics, and third-party royalties accounting functionalities assisted in securing National Hockey League and National Football League contracts in 2015. RSG Media's competitive advantage lies in its push toward geolocation rights management; big data analytics; optimization for content, promo, and ad inventories; and in its fast on-premise deployment cycle – this provides an average go-live phase of less than nine months, attributed to a strong database with standard API structure.

Recommendations for enterprises

Why put RSG Media on your radar?

Monetizing multiplatform content is increasingly the core business activity of broadcasters, sports associations, and film studios, due to the increasing costs of acquisition and distribution rights, and to the fragmentation of these companies' audience bases. Broadcasters and content aggregators are under pressure to provide contextual, targeted content to viewers to reduce churn across the fiercely crowded linear and non-linear video landscapes. To reduce revenue leakage, video content owners need to provide unified protection of IP (including third-party acquired rights metadata) and end-to-end automation of predictive royalties and deal accounting. RSG Media's agile data configuration architecture is tightly integrated with third-party CRM, ERP, BI, and DAM platforms, and its collaboration tools are aligning advanced business reporting with the financial accounting workflow. This enriches real-time multiplatform content and rights monitoring, and distribution throughput.

The company has traditionally followed the "partner as a business" product and customer expansion model. For example, RightsLogic works with Sky UK, Univision, and Discovery Communications, and Planit works with Viacom Media Networks. RSG Media has also integrated with vendors including Prime Focus Technologies to create an end-to-end "digital supply chain in a box" solution. This critical integration can be leveraged by TV networks focusing on deploying OTT channels to streamline their new media distribution workflows.

RSG Media also leveraged the "partner as a business" model to enhance RightsLogic's upgrade cycle between 2009 and 2015, with the addition of in-house CRM, acquired and commissioned rights metadata amortization, a licensee extranet, consumer product licensing, sponsorships, and an automated linear, VOD offer management, and digital scheduling workflow. RSG Media's extended third-party value proposition increases transparency and reduces administrative expenses between affiliate partners of acquired and licensed rights through a series of features, including an extranet module embedded with royalties accounting and sub-ledger plug-ins.

As multiplatform content monetization goes mainstream, media enterprises on the verge of digital transformation are focusing on implementing unified technology stacks to ease integration and collaboration with legacy platforms. This has paved the way for RSG Media to shift its vision and strategy toward delivering a fully integrated R&R system with multiple forms of data repository (social, viewership, and advertising and promotional). The company's next-generation R&R system value chain will offer higher ad monetization yield, higher multiplatform revenue, and lower customer churn rates for owners of premium media assets.

Figure 1: RSG Media's next-gen fully integrated R&R system value chain
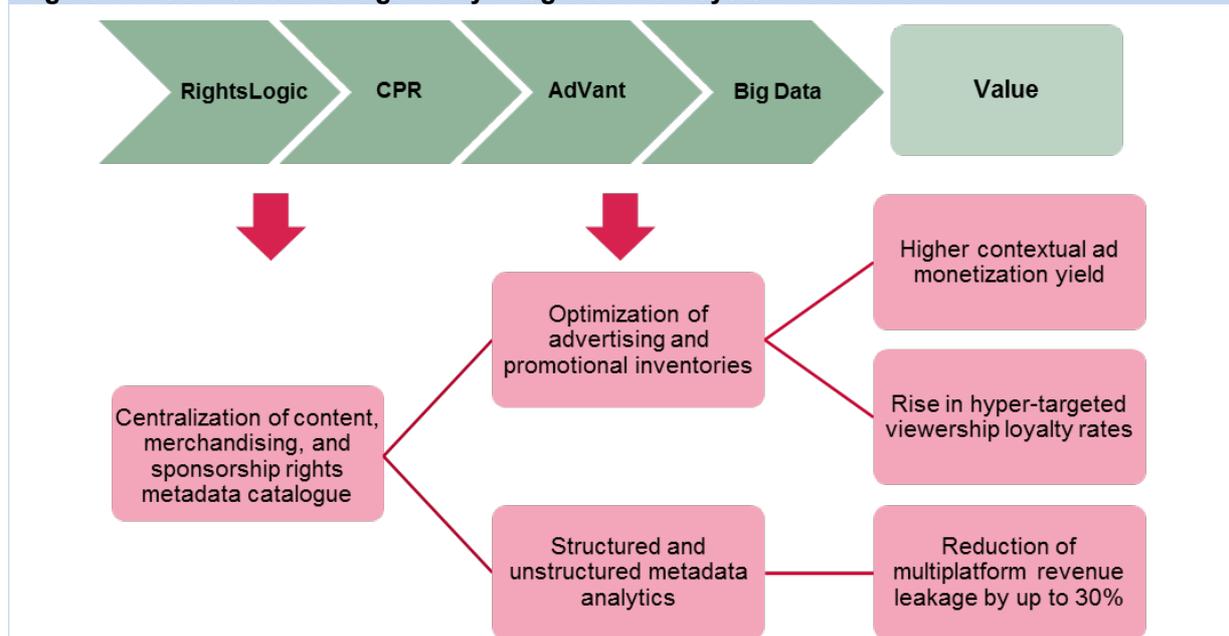
Source: Ovum, RSG Media

Highlights

Background

RSG Media was incorporated by Mukesh Sehgal in 1985, focusing initially on customized solutions for TV networks. The company developed its standalone rights and royalties solution for prominent cable networks in 1996. It steadily diversified into other tier-1 broadcasters, with Discovery Communications and NBC Universal among its early customers. Its flagship RightsLogic product, built on the Microsoft .Net framework and hosted on an Oracle database, offers a highly scalable, centralized content metadata repository, deal management (rights, acquisition, and licensing), extranet, geolocation rights clearance, and predictive royalty accounting.

Although broadcasting and sports are RSG Media's core businesses, its strategic partnerships with companies including IBM and Prime Focus Technologies have strengthened its positioning in the music and advertising IP markets. The company has adapted to changing market dynamics related to the emergence of multiscreen video services and second-screen applications by launching analytics-enabled Cross Platform Reporting (2013) and big data (September 2015) solutions to improvise rights monetization workflow for margin-pressed media enterprises. The Cross Platform Reporting (CPR) module is closely integrated with RightsLogic, Rentrak, and Nielsen, and primarily carries out unified performance tracking of media assets across linear, non-linear, and mobile platforms (for example the contract secured with Sesame Workshop in April 2014). RSG Media stepped up its organic expansion by introducing RightsLogic on the cloud, hosted on Amazon Elastic Compute Cloud infrastructure, aimed at reducing of total cost of ownership for media enterprises. In 2015, RSG Media launched its new Big Knowledge initiative on IBM's Bluemix platform. Media enterprises can leverage structured and unstructured data from diverse sources, including social media, to generate actionable insights.

Current position

RSG Media has a strong track record of adapting to changing market dynamics, transforming from a pure-play, on-premise provider (including enterprise private cloud hosting) to an on-demand, SaaS solution provider with the launches of cloud-based RightsLogic and Cross Platform Reporting. The shift to rights and royalties, multiscreen asset tracking, and distribution modules on cloud backend infrastructure will facilitate faster upgrade cycles in 2014 and 2015. The company is following Aon's "oneness" market-driven approach by supporting referential integration functionality. That is, consolidating digital assets into a single repository, applying differential rights and royalties-sharing obligations, and standardizing multiscreen rights obligations, content revenue, and usage, all into a single window. The latest version of RightsLogic supports recoupment payment (including a return calculation payment plug-in); contract management for multilingual rights selling; automated rights purchase contract workflow; a customized business reporting and user interface for Windows, iOS, and Android; and an embedded in-house business intelligence (BI) solution.

In March 2015, RSG Media strengthened RightsLogic's digital content lifecycle management capabilities by adding digital windowing, live sports programming on-demand, affiliate scheduling, content amortization, geolocation-based rights metadata, obligation validation analytics, and an extranet for local licensees. RSG Media plans to package predictive analytics and leverage its alliances with the Entertainment Identifier Registry (EIDR) and Ad-ID to improve return on investment from content for broadcasters, publishers, and other diversified media conglomerates. The company also plans to allocate a large research and development budget to big data analytics in the next two to three years (2015–17). These efforts will reposition RSG Media as a data-driven solution provider managing content, advertising, and promo inventories for new-age integrated enterprises.

As part of its plans to offer a simplified and highly integrated next-generation R&R system, the company has made several technology developments in the past 12 months (see Table 1).

Table 1: RSG Media technology developments

Brand	Release date	Functionality	Strategic technology alliances	Value proposition/pain point addressed
Big Knowledge	Q3 2015	Provides access to a wide array of business applications and tools, focusing on media companies' strategic imperative to maximize revenues across their content, advertising, and promotional inventories	Leverages IBM's cloud and big data solutions, including Cloudant and dashDB	Facilitates the streamlining of a content-everywhere game plan i.e. assisting scheduling and research teams with multiple monetization avenues utilizing an array of data repositories, such as rights metadata, competitors' TV schedules, ad sales, audience demographics, and more.
Cross Platform Reporting	Q3 2015	One-stop revenue reporting for content, promo, and ad inventories	None	Faster time to market attributed to vertically integrated revenue-stream reporting (content, promo and ad) across multiple platforms.
RightsLogic	Q3 2015	International program sales: CRM, budgeting	None	Accelerate growth of new revenue streams

		and forecasting, and cash flow		across international markets. This new development streamlines sales and revenue recognition to maximize throughput.
AdVant	Q3 2015	Promo scheduling optimization	None	A manual approach to scheduling promos leads to lower GRPs, and in turn, lower ad revenues. Behavioral targeting using data science increases ad revenue while extending reach and frequency with less ad inventory.
AdVant	Q2 2015	Commercial log/spot optimization	None	Manual process-based commercial scheduling might result in litigation and revenue leakage due to failure in airing as per contractual commitments. AdVant leverages data science to schedule ads optimally and increase revenue potential.
RightsLogic	Q2 2015	Ask NED (natural language search on top of custom report builder)	Technologies supporting the functionality are nQuery, MongoDB, Node.js, and Python	Reduction of data reporting complexities. Ask NED provides user-friendly search using natural language along with customized, query-centric reports.
RightsLogic	Q1 2015	Rights Window Illustrator embedded with visualization tool	None	Reduction of unused and duplicate rights purchase-based revenue leakages. Provides granular snapshot of existing rights, obligations, and restrictions across geographies and media devices.
RightsLogic	Q1 2015	Talent participations and residuals	None	A step toward a fully integrated R&R system and sharp reduction of manual processes. Assists the simplification of payment processes and reduction of financial accounting bottlenecks.
RightsLogic	Q2 2014	Linear and digital program planning and scheduling	None	Streamlining of content supply chain. Tightly integrated rights management, program planning and scheduling modules provide scalable unified broadcasting workflow (linear and non-linear).

Source: Ovum, RSG Media

RSG Media is shifting its focus from its core RightsLogic solution to rights and data analytics, via organic expansion, with its Cross Platform Reporting and Big Knowledge solutions. Cross Platform

Reporting supports more than 50 linear and non-linear platforms, and RSG Media plans to add new content-tracking platforms to its core "master data" across multiple geographies. The company can further leverage Cross Platform Reporting's master template and structured metadata to extend its presence in consumer licensing by embedding online retailers' reporting workflows, such as sales and royalty statements. This one-stop, standardized, and agile master data framework, with prepackaged video distribution platforms added weekly, will strengthen RSG Media's positioning among small- to medium-sized enterprises. The company has recently ventured into Europe by establishing a direct sales office in London. Strong reseller and SI tie-ups are vital to extending its reach in highly localized Eastern European, Southeast Asian, and South and Central American markets, by accelerating its affiliate partner certification program.

Data sheet

Key facts

Table 2: Data sheet: RSG Media

Product name	RightsLogic	Product classification	Rights and royalties management
Version number	3.2	Release date	July 2015
Industries covered	Film entertainment, broadcasting, music, publishing, video gaming, sports associations, trade exhibitions, and consumer goods	Geographies covered	US, Canada, UK, India, and Malaysia
Relevant company sizes	Midsize to large enterprises	Licensing options	Enterprise and seat-based
URL	www.rsgmedia.com	Routes to market	Direct sales
Company headquarters	New York, US	Number of employees	250

Source: Ovum

Appendix

On the Radar

On the Radar is a series of research notes about vendors bringing innovative ideas, products, or business models to their markets. Although On the Radar vendors may not be ready for prime time, they bear watching for their potential impact on markets and could be suitable for certain enterprise and public sector IT organizations.

Further reading

Monetizing Multi-platform Rights: Creating Opportunities in a Fragmented Online Video Market, IT0006-000254 (April 2015)

"Global broadcasters need to learn from underperforming rights and royalties deployments,"

IT006-000241 (December 2013)

Author

Kedar Mohite, Senior Analyst, Media & Broadcast Technology

kedar.mohite@ovum.com

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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analystsupport@ovum.com

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