

On the Radar: RSG Media

Vertically integrated media rights and royalties manager

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SUMMARY

Catalyst

The shift from predictable linear mass media to dynamic, personalized media delivered across multiple screen and platforms is increasing the challenge of rights and royalties management (R&R) for broadcasters, publishers, and content aggregators. In the fiercely competitive digital content universe, media and entertainment enterprises face increased pressure to increase the return on rights acquired and rights produced across multiple platforms. The increasing cost of rights acquisition, professional content production, and distribution is leading margin-pressed linear and non-linear TV enterprises to tightly integrate their digital content value chain to enhance operational scalability.

New media has further strengthened the convergence between media and retail, primarily in sports and film entertainment, and this is creating opportunities for end-to-end integrated media rights management solutions along with merchandising. RSG Media's flagship solution, RightsLogic, offers content, merchandising, and sponsorship rights and royalties management, and provides a multi-platform analytics service (via a cross platform reporting module). Furthermore, its comprehensive managed service portfolio includes big data, ad sales planning, deal management, and yield optimization.

Key messages

- RSG Media has formed strategic partnerships with Xytech and Prime Focus Technologies to tightly integrate its digital content distribution value chain, and provide end-to-end automation of digital content workflows on linear and non-linear platforms.
- Its cloud-based Rights Essentials brand is set to increase in scale, with SaaS deployments forecast to generate almost a quarter of group revenues within two to three years. This compares to on-premise deployments currently contributing almost 99% of revenues.
- RSG Media's newly launched Cross Platform Reporting solution provides upscale digital content tracking and a rights analytics proposition across connected devices and multiple screens. New platforms added include Crackle, Daily Motion, Streampix, YouTube Rentals, FIOS, and VTech for a Sesame Workshop customer signed in April 2014.

- Its key challenge is to rapidly expand its partner certification program to accelerate growth outside the US, primarily in highly localised Eastern European and South and Central American markets.

Ovum view

RSG Media has sharply differentiated itself with its four-pillar bundled offering, which includes rights and royalties (RightsLogic), deal management (Planit), ad sales (Advant), and multi-platform content analytics (Big Data and Cross Platform Reporting). It has a strong, diversified portfolio of tier-1 sports, film studios, and pay television customers in the US and Asia, with no single client constituting more than 12.5% of total group revenues (as of December 2013). RSG Media's ease of configuration and flexible packaged digital content distribution workflow, on linear and non-linear channels, has enabled clients such as Univision Communications, Discovery Communications, Bloomberg, Star TV India, Major League Baseball, and Disney UTV to scale contextual rights acquisition and optimize content purchase pricing. RSG Media's competitive advantage lies in its push toward geo-location rights management and big data analytics for advertisers, as well as its fast on-premise deployment cycle that provides an average go-live phase of less than nine months, attributed to strong database with standard API structure.

RECOMMENDATIONS FOR ENTERPRISES

Why put RSG Media on your radar?

Monetizing multi-platform content is increasingly the core business activity of broadcasters, sports associations, and film studios. This is due to the increase in the cost of acquisition and distribution rights, and the fragmentation of these companies' audience base – to television, personal computers, smartphones, and tablets. Broadcasters and content aggregators are under pressure to provide contextual targeted content to viewers in order to reduce churn across the fiercely crowded linear and non-linear video landscape, which includes connected TV, video on demand, OTT, and IPTV. 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 realtime multi-platform 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 NBCUniversal and Discovery Communications, Planit works with MTV Networks, and Prime Focus Technologies collaborates with Major League Baseball on a "digital supply chain in a box" module and sponsorship rights module. It has also leveraged the "partner as a business" model to streamline RightsLogic's upgrade cycle, including the addition, between 2009 and 2011, of in-house CRM, a centralized third-party content extranet, acquired rights metadata amortization, a licensee extranet, and an automated digital windowing workflow.

RSG Media's extended third-party value proposition of acquired and licensed rights, and extranet module embedded with royalties accounting and sub-ledger plug-ins, reduce litigation and administrative expenses between affiliate partners.

HIGHLIGHTS

Background

RSG Media developed its standalone rights and royalties solution for Showtime Networks in 1996. The company was incorporated by Mukesh Sehgal in 1985, initially focusing on customized solutions for publishers. It steadily diversified into 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 SQL database, offers a highly scalable centralized content metadata repository, as well as deal management (rights, purchase, and licensing), extranet, geo-location rights clearance, and predictive royalty accounting. Although sports and linear TV broadcasting is RSG Media's core business, its strategic partnership with Prime Focus Technologies is enhancing its positioning across music and advertising IP and analytics markets. Prime Focus Technologies' customer base includes the Indian Premier League, Sony Music, WPP, and the Board of Control for Cricket in India.

In 2013, the company launched its analytics-enabled Big Data and Cross Platform Reporting modules. These are tightly integrated with RightsLogic, Rentrak, and Nielsen, and primarily carry out unified performance tracking of media assets across multi-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 Rights Essentials, which is hosted on Amazon Elastic Compute Cloud infrastructure and aimed at small- to medium-sized media enterprises.

Current position

RSG Media has been steadily 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 launch of Rights Essentials and Cross Platform Reporting. The shift to rights and royalties, multi-screen asset tracking, and distribution modules – in collaboration with Prime Focus Technologies – on cloud back-end 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 multi-screen 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 2014, RSG Media strengthened RightsLogic's digital content lifecycle management functionalities by adding digital windowing, live sports programming on demand, affiliate scheduling, content amortization, geo-location-based rights metadata, obligation validation analytics, and an

extranet for local licensees in their native language. RSG Media plans to package predictive analytics and leverage its alliance with the Entertainment Identifier Registry (EIDR) to improve the return on investment (ROI) from content for broadcasters, publishers, and other diversified media conglomerates. The company also plans to allocate a high research and development (R&D) budget for big data analytics in the next two to three years (2014–2016).

The company is steadily reducing its dependency on its core RightsLogic solution via organic expansion into rights and data analytics, with it launching its Cross Platform Reporting and Big Data Analytics solutions. Cross Platform Reporting supports 50 linear and non-linear platforms, and RSG Media has 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 pre-packaged 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 localised Eastern European, South East Asian, and South and Central American markets, by accelerating its affiliate partner certification program.

DATA SHEET

Key facts

Table 1: Data sheet: RSG Media: RightsLogic

Product name	RightsLogic	Product classification	Rights and royalties management
Version number	3.01	Release date	May 2014
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	Mid-to-large enterprises	Licensing options	Seat-based
URL	www.rsgmedia.com	Route(s) 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.

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