



The consumer media audience continues to fragment. From networks to newspapers, audience levels continue to decrease with consumers taking control of their media usage.

For 50 years, TV viewers have sat on the couch and watched whatever was on. That's changing. For less than \$200, consumers can buy a WebTV Plus box that lets them interact with programs or a TiVo/DirecTV satellite receiver that records up to 30 hours of programming. In place of mass media, a new reality trend continues -- consumers demanding unprecedented choice and control in their media habits. This is the decade where media's reliance on "push" marketing - build it and they will come - rapidly disappears. In today's market, the winning media companies will deliver what media the consumer wants, when they want it and in the channel of their choice. Winning media companies will be able to deliver on that proposition through their use of Proprietary Customer Insight (PCI).

What we will continue to see:

- Using smart tools to manage viewing. Consumers will continue to use and need more sophisticated interactive program guides to wade through a seemingly endless universe of media choices.
- Recording and time-shifting. PVR (Personal Video Recording) households will reach saturation by the end of the decade. Consumers will watch TV on their own schedules, not the networks. And, they will continue to fast-forward through the advertising messages. In 2000, Forrester predicted that PVRs -- devices that record programming on an internal hard drive -- would become the most successful new consumer electronics product in history. Since that time, investors have poured more than \$200 million into PVR vendors TiVo and Replay, allowing them to improve their interfaces, reduce prices to less than \$200, and double video capacity.
- Television networks continuing to lose viewers. Today's top-rated shows would not even make the top 10 in audience penetration 20 years ago. As niche cable and satellite channels continue their success (from HBO to Bravo to HGTV), the broadcast audience will continue to fragment.
- The traditional radio audience eroding courtesy of satellite subscription services. The trend in radio will follow the trend that saw cable and satellite seriously erode broadcast TV. As satellite radio provides more content consumers demand (will Howard Stern switch to satellite?), consumers will follow.
- Traditional newspaper circulation continuing to decline. The trend of the past 30 years will not be broken. Consumers will continue to seek content through other channels. In particular, wireless devices and intelligent delivery agents will provide the daily content consumers demand. However, the Sunday newspaper will continue to grow in circulation and size as it becomes more of the recognized delivery of weekly entertainment, lifestyle and features.
- Convergence of media channels, the moniker that became misaligned in the 90's, will truly happen. Will a consumer recognize whether the Sopranos is recorded and watched on TiVo or streamed over the Internet via a cable modem? When both services are offered through your television, from a consumers perspective there will be no difference between cable, satellite, PVR and Internet. Are the signs there? Several telecommunications companies announced this week that they will be spending billions of dollars bringing fiber optics directly to the home.

How Do Media Companies Respond?

Winning companies will know what content to provide to what consumer at what time and through what channel. More importantly, their business operations will be driven by a true knowledge of consumers' wants and needs. PCI will be the most valuable asset to a media company. Media companies that utilize PCI to customize both incoming and outgoing communication to meet consumers' wants and needs will win. Inforte's media practice specializes in developing the technical infrastructure including data warehouses, marketing databases, campaign management systems, and decision support solutions to provide media decision makers access to their PCI. Do you know and have access to every bit of consumer information that you need?

Companies have discovered that the promise of Customer Relationship Management (CRM) can only be achieved through establishing PCI as the foundation. Implemented the right way, CRM delivers powerful benefits. It markedly improves the efficiency and effectiveness of sales, service and marketing. But even more importantly, it can strengthen company strategy and help generate enduring returns.

The newly released book, [CRM Unplugged: Releasing CRM's Strategic Value](#), shows how CRM should be defined, approached, and profitably applied to your business. It describes what went wrong - and what lessons can be learned - from the first phase of investment in CRM. It also details best practices in CRM strategies.

We will be happy to meet with you and give an Executive Briefing on how PCI provides the foundation for CRM. At the Briefing, we will also provide you with a complimentary copy of [CRM Unplugged](#). Please contact us at media@inforte.com.