VERNE

WHITEPAPER

Digital transformation in the media industry

Intelligent, scalable and flexible IT infrastructure – the foundation of a modern media platform

Introduction

The modern media industry is undergoing a rapid transformation. Traditional media outlets, such as newspapers and television channels, are facing increasing competition from online and streaming platforms. At the same time, consumers are demanding more control over how, when, and where they consume their content – and they are increasingly willing to pay for convenience.

Social media has become a powerful force, challenging the traditional authority of media outlets and reshaping editorial landscapes. As more people share news stories, videos, and other content with their friends and followers, the media landscape is becoming more democratized and pervasive. The prevalence of free content on various platforms is also putting pressure on paid providers, while over-the-top content bypasses traditional channels. Additionally, the rise of virtual reality and the booming eGaming industry present new frontiers for media consumption.

All these developments are driven by the consumer's demand for on-demand, accessible, and preferably free media content. In the past, advertisers had limited options, targeting viewers through a handful of television channels. Now, with an explosion of TV channels and online streaming services, advertisers face the challenge of choosing the right platforms to reach their desired audience effectively.

For media companies, the challenge is to distinguish themselves from the crowd and secure a significant share of the advertising revenue amidst fierce competition. Standing out in this dynamic landscape requires innovative strategies and a keen understanding of

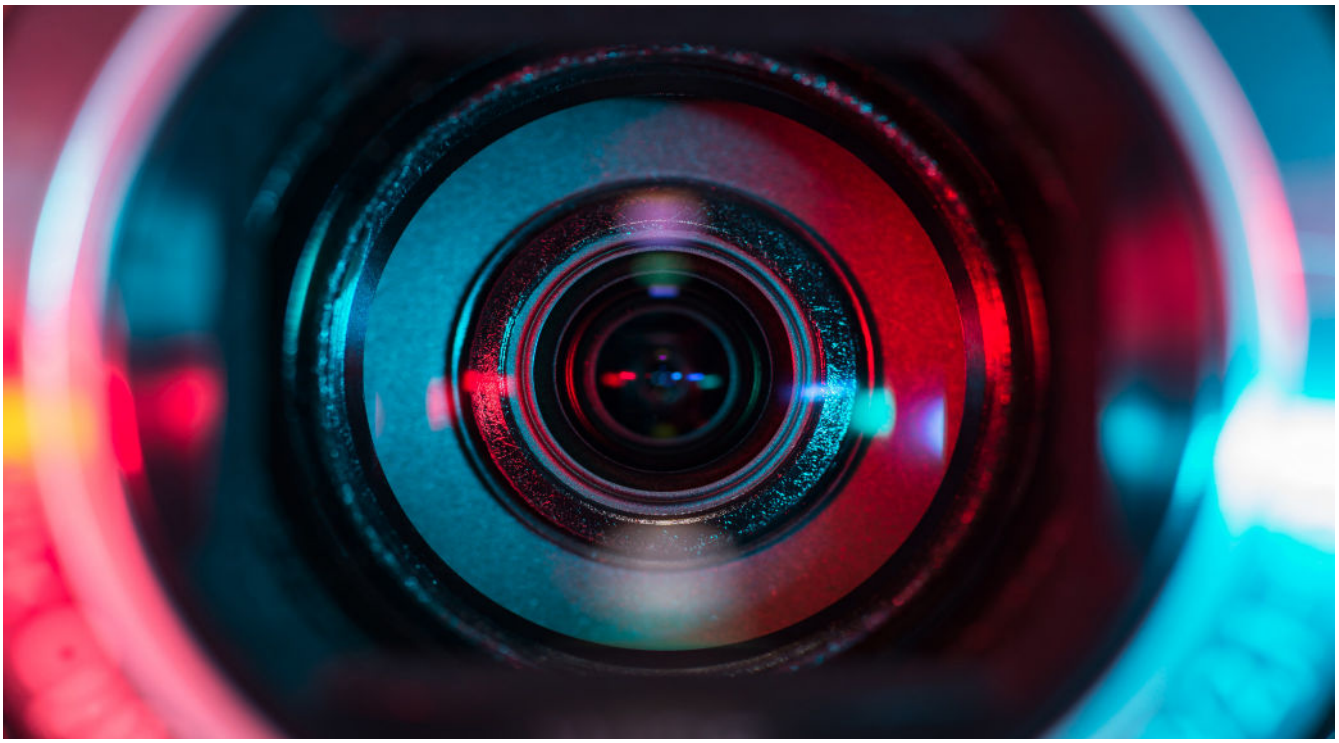
Delivering a digital difference

Regardless if you are in broadcasting, publishing, gaming, web development, video production, streaming or more, your primary objective is likely to be providing the right content to the right audience in the right format.

Do this, and the advertisers will want to be associated with your brand and success. You'll attract thousands of subscribers who either pay a subscription or who can be mined for vital data, which can then be monetised by your organisation. "Data is the new oil" may have become a cliché, but clichés exist because they are true.

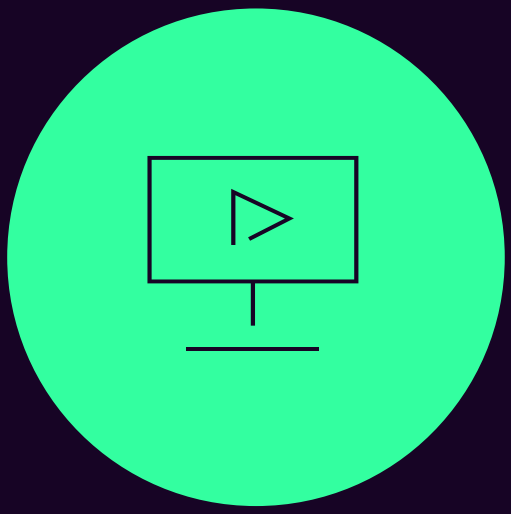
While meeting all consumers' expectations and subscription payment demands may be impossible, a crucial decision must be made regarding the market segment to target. On one end lies the opportunity to offer free content as a commodity, while on the other, premium, high-quality products can be charged accordingly.

Making this decision requires a cost analysis to better understand not only the intricate workings of the changes in media technology, but also the underlying IT infrastructure. Just as media technology has changed dramatically over the past few years, so has the IT infrastructure upon which it depends. Which makes perfect sense, of course, as, without the astonishing data center and IT technology developments of the 21st century, the digital media industry would not exist.



Infrastructure is everything

Whether it is media content development and/or media content delivery, the range of data center and IT infrastructure technology options has obtained game changing proportions. With just a smartphone and a directional microphone, anyone can produce Internet-worthy content, eliminating the need for expensive camera setups and satellite dishes. Web development costs have significantly reduced, prompting media organisations to favour online publishing over physical copies, allowing viewers to access content on any device at any time.



The video production and gaming sectors also now benefit from affordable IT resources, which were once prohibitively expensive. Managed service and pay-as-you-go models grant access to specialist resources, making software, hardware, and data center infrastructure readily available in the digital era.

Where CAPEX costs were once prohibitive for a host of media industry projects – buying the necessary servers, storage, networking and software resources was just too expensive to justify – now, low OPEX costs can turn these dreams into a reality. And it's not just affordability, but also time to market. Even if an organisation could afford to invest in the necessary IT infrastructure to, say, record a pilot episode for TV or direct streaming, the time taken to purchase and configure such resources may well have meant that the idea missed out because someone else got there first. Now, data centers and IT infrastructure can be fired up and scaled almost at will and what was on the drawing board on a Monday can be broadcast by the end of the week.

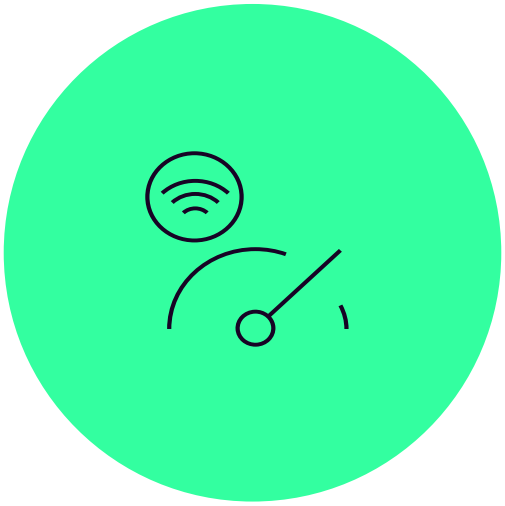
Intelligent, scalable, flexible and ... fast

Data centers and IT infrastructure play a vital role in producing and distributing content effectively. Much of the media industry is, by definition, fast-moving. A pop-up website needs to be developed and hosted in the blink of an eye. A new film or news story, with a potential audience in the millions, needs to be optimally provisioned, so that consumers have the best possible viewing experience. Bursting, where additional IT resources are provisioned for specific periods, can handle these spikes in demand efficiently.

Understanding your customers has never been more important if you are to maintain their loyalty. What do they view or read, how, where and when? Leveraging intelligent IT, such as artificial intelligence, machine learning, and IoT, can provide valuable data that transforms first-time customers into long-term ones. Personalised recommendations based on viewing or reading habits can enhance customer relationships, but the full potential of customer understanding through intelligent automation is yet to be fully realised.

As media organisations grow and expand their offerings, managing additional IT resources can be a costly and time-consuming endeavour. However, alternatives such as colocation, cloud services, and managed solutions offer flexible and scalable options for accommodating growth without breaking the bank.

Staying agile, understanding audiences, and embracing innovative IT solutions are essential strategies for success. As technology continues to advance, media companies must adapt and capitalise on opportunities to remain competitive and meet the ever-evolving demands of their



Hybrid IT, 5G and the edge

The digital media industry is rapidly evolving, with high-powered GPUs, faster network speeds, and improved storage becoming commonplace. Two emerging technologies, edge computing and 5G, are promising transformative changes. Edge computing and 5G promise to help organisations address the important issue of providing data and information access where and when it is best needed.

Media organisations are recognising the importance of reevaluating their IT infrastructure to optimize content delivery to customers. Flexible data center services can help streamline production both locally at the edge or in an optimised environment ideal for high intensity compute. For content that needs to be close to your media hub in London, choosing a metro data center location for latency and connectivity-sensitive functions makes a lot of sense. For high performance computing workloads, like rendering and 3D modelling, data center facilities in the Nordics can be run on sustainable energy to scale the most demanding workloads without costing the Earth.

At Verne, we are able to offer both of these options to our media customers.

For media companies, the key decision is developing an IT infrastructure that best serves their business needs. Keeping everything in-house is no longer practical, and hybrid IT solutions involving colocation facilities, cloud, and managed services are gaining traction. Hybrid IT offers speed, scalability, and financial advantages for bursting and new project development.

As content developers collaborate with partners, strategically located colocation facilities with robust connectivity options and vertical industry ecosystems prove advantageous. Reduced latency and increased reliability foster collaborative environments, where colocation providers develop specialised infrastructure tailored to specific industries.

Conclusion

In any business, bottlenecks inevitably arise in the combination of people, processes, and IT infrastructure. Resistance to change, outdated processes, or slow-reacting IT components can hinder an organisation's progress. However, thanks to technological advancements like Cloud,colocation, managed services, and smarter IT components, infrastructure bottlenecks are increasingly becoming a thing of the past.

Technological progress has empowered the media industry with endless opportunities, allowing ideas to be transformed into reality without cost, complexity, or provisioning constraints. The media industry, heavily reliant on technology, can now explore a world of untapped potential, bringing innovative concepts to the market efficiently and economically.

Adopting an optimised, hybrid IT infrastructure that combines in-house, colocation, Cloud, and managed services is a challenging yet rewarding endeavour. Organisations that successfully manage this complex task position themselves ahead of digital disruptors, ensuring their survival and competitiveness. Ultimately, those who excel establish themselves as industry leaders, providing unrivalled speed and quality of service, setting them apart from their competitors.

VERNE

Iceland

Valhallarbraut 868
262 Reykjanesbaer
Iceland

+44 20 3695 0305

London

36 - 43 Great Sutton Street
London
EC1V OAB

+44 20 7054 9390

Finland

Mittalinja 1
FI-01260
VANTAA

+358 2 624 8500