

# NETFLIX

# prime video

## OPTIMIZING OTT PLATFORMS: USER SEGMENTATION AND COMPETITIVE POSITIONING ANALYSIS

SECRETS FROM THE PREFERENCE



# HBOmax



# Team G



Menakshi Sethi



Umesh.D



Rachit Pandya



Rishabh Sharma

# Today's Schedule

- Introduction
- Business Motivation
- Objectives
- Data Source & Data Collection
- Comparative Analysis of OTT Platforms
- Segmentation
- Positioning
- Recommendations
- Limitations
- Q & A

# BUSINESS MOTIVATION

- As of 2023, the global OTT market was valued at approximately \$121.6 billion and is expected to grow at a compound annual growth rate (CAGR) of 14.3% from 2023 to 2030.

- In the highly competitive and saturated OTT market, content genre is a critical differentiator.

- This project aims to understand how different genres impact the positioning of OTT platforms and provide strategic recommendations for genre-based content strategies.



# Objectives

- Understand the unique preferences and behaviors of different viewer groups.
- Determine how various OTT platforms are perceived based on key attributes.
- Offer recommendations for OTT platforms to optimize content strategies and enhance user experience

# DATA SOURCES

## Primary Data:

- **Sample Size:** 59 responses
- **Survey Structure:** Survey is divided into 3 parts:
  - **Segmentation Variables** (Hours watched per week, Genre frequency, Importance of viewing factors)
  - **Positioning Variables** (Platform ratings on entertainment value, genre diversity, content quality, new releases, niche genres, recommendations, international content, overall satisfaction)
  - **Demographics** (Age group, Gender, Income, Employment status).

## Secondary Data:

- **Source:** Kaggle datasets and statista
- **Key Variables in Kaggle dataset:** Number of active users, number of available titles, average monthly cost, platform-specific features and user ratings.

We used Enginius Software for Segmentation and Positioning Analysis



# Data Collection



## Survey Execution

Developed and circulated a survey to capture viewing habits and preferences across diverse OTT users.

## OTT Preferences

Collected data on genre-based viewing preferences to analyze content engagement and platform choice.

## Platform Ratings

Gathered ratings on key attributes like content quality and genre diversity for each OTT platform.

# Secondary Data Analysis

## Genre Distribution

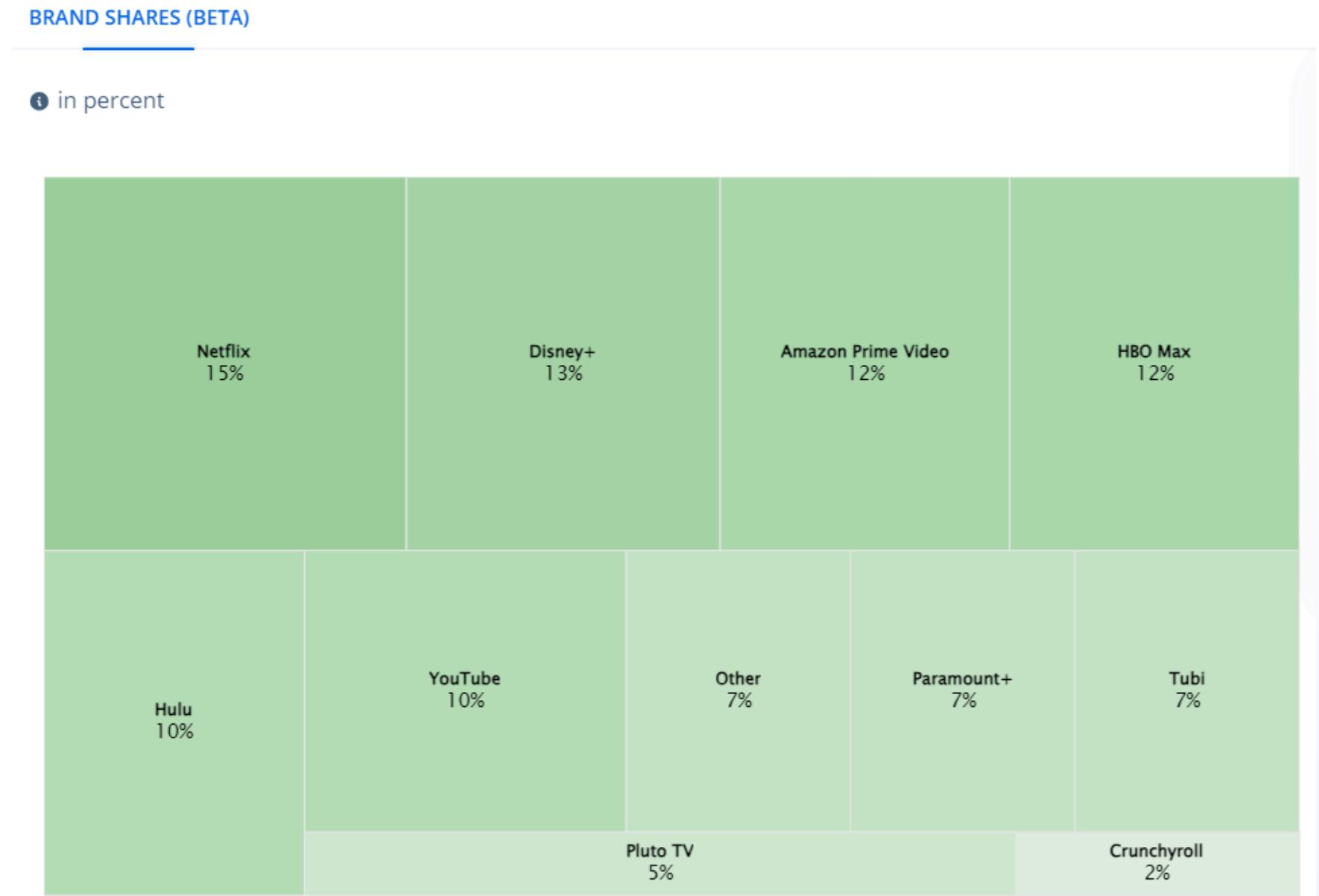
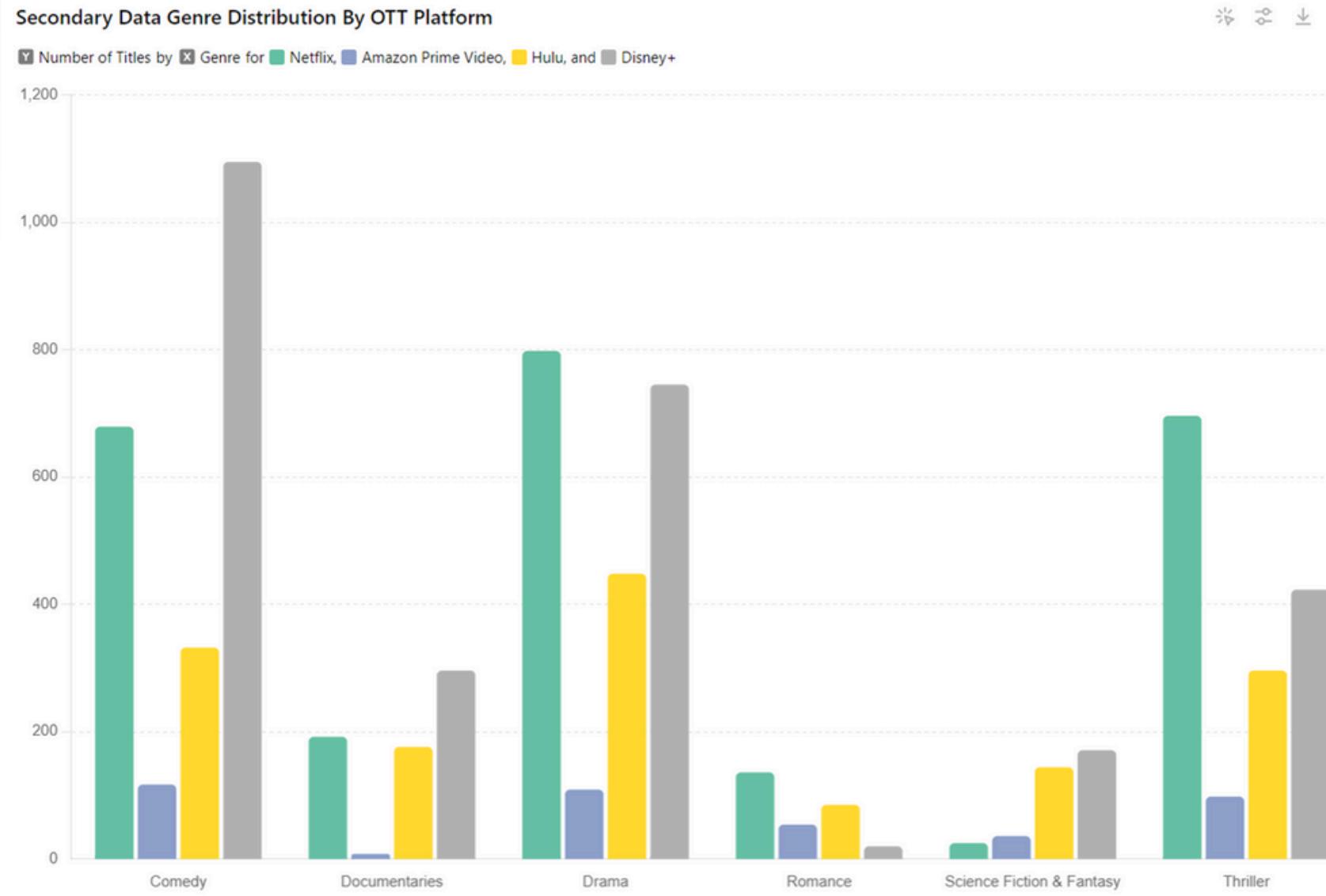
	<b>NETFLIX</b>	<b>prime video</b>	<b>hulu</b>	<b>Disney+</b>
<b>Comedy</b>	679	117	332	1095
<b>Documentaries</b>	192	8	176	296
<b>Drama</b>	798	109	448	745
<b>Romance</b>	136	54	85	20
<b>Science Fiction &amp; Fantasy</b>	25	36	144	171
<b>Thriller</b>	696	98	296	423

## Data Observations

	<b>NETFLIX</b>	<b>prime video</b>	<b>hulu</b>	<b>Disney+</b>
<b>Comedy and Thriller</b>	Strong focus	Balanced	Strong focus	Dominant
<b>Drama</b>	High	Moderate	High	High
<b>Science Fiction &amp; Fantasy</b>	Limited	Some diversity	Significant	Moderate
<b>Romance</b>	Moderate	Limited	Moderate	Limited
<b>Documentaries</b>	Good selection	Limited	Well-rounded	Significant

# Secondary Data Analysis

## Genre Distribution



Market Share ↑

# Comparative Analysis of OTT Platforms



	2007	A2011	2008	2019	2020
Origin Year (OTT)					
Subscribers (US)	80.13 Million	73.91 million	50.2 million	42 million	49 million
Revenue US	\$14 Billion	\$9 billion	\$12 billion	\$4 billion	\$3.5 billion
Current Segments	General entertainment, diverse genres, original content, family-friendly options	Integrated with Amazon services, targeting Prime members, broad content offering	US market, live TV, on-demand streaming, latest TV episodes	Family and kids, franchises like Marvel, Star Wars, Disney classics	A Premium content, movies, original programming, HBO library

# Comparative Analysis of OTT Platforms



Content Library	Large library of licensed and original content	Mix of licensed and original content	Mix of current TV shows, licensed and original content	Content from Disney, Pixar, Marvel, Star Wars and National Geographic	Content from HBO, Warner Bros., DC Comics, CNN, Adult Swim
Price	\$9.99 - \$19.99 per month	\$14.99 per month or \$139 per year. Included with Prime membership	\$7.99 - \$14.99 per month	\$7.99 per month	\$9.99 - \$14.99 per month
Target Audience	Wide audience	Prime members	US viewers, TV show enthusiasts	Families with young children or fans of Disney content	Fans of HBO content, Warner Bros., DC Comics

# Strength & Weakness

Category					
Strengths	<ul style="list-style-type: none"><li>Large library, strong originals.</li></ul>	<ul style="list-style-type: none"><li>Included with Prime, other benefits.</li></ul>	<ul style="list-style-type: none"><li>Access to current TV shows, partnerships with major networks, live TV options.</li></ul>	<ul style="list-style-type: none"><li>Strong family content, affordable.</li></ul>	<ul style="list-style-type: none"><li>Strong adult content, high-quality originals.</li></ul>
Weaknesses	<ul style="list-style-type: none"><li>Increasing price, content removal</li></ul>	<ul style="list-style-type: none"><li>Smaller library, inconsistent originals</li></ul>	<ul style="list-style-type: none"><li>Ads in cheaper plan, limited international content</li></ul>	<ul style="list-style-type: none"><li>Smaller library, limited appeal to adults</li></ul>	<ul style="list-style-type: none"><li>More expensive, less children's content</li></ul>

# Segmentation Analysis

# Segmentation Analysis

We ran segmentation analysis up to 9 segments, and the following are the results:

Segmentation Solution	Hit Rate	Dendrogram	Confusion Matrix
Default (3 Segments)	52%	Clear	Relatively clear
2 Segments	70%	Very clear	Clear
3 Segments	52%	Clear	Relatively clear
4 Segments	49%	Clear	Some overlap
5 Segments	43%	Clear	Some overlap
6 Segments	45%	Clear	Some overlap
7 Segments	40%	Clear	Some overlap
8 Segments	37%	Clear	Some overlap
9 Segments	35%	Clear	Some overlap

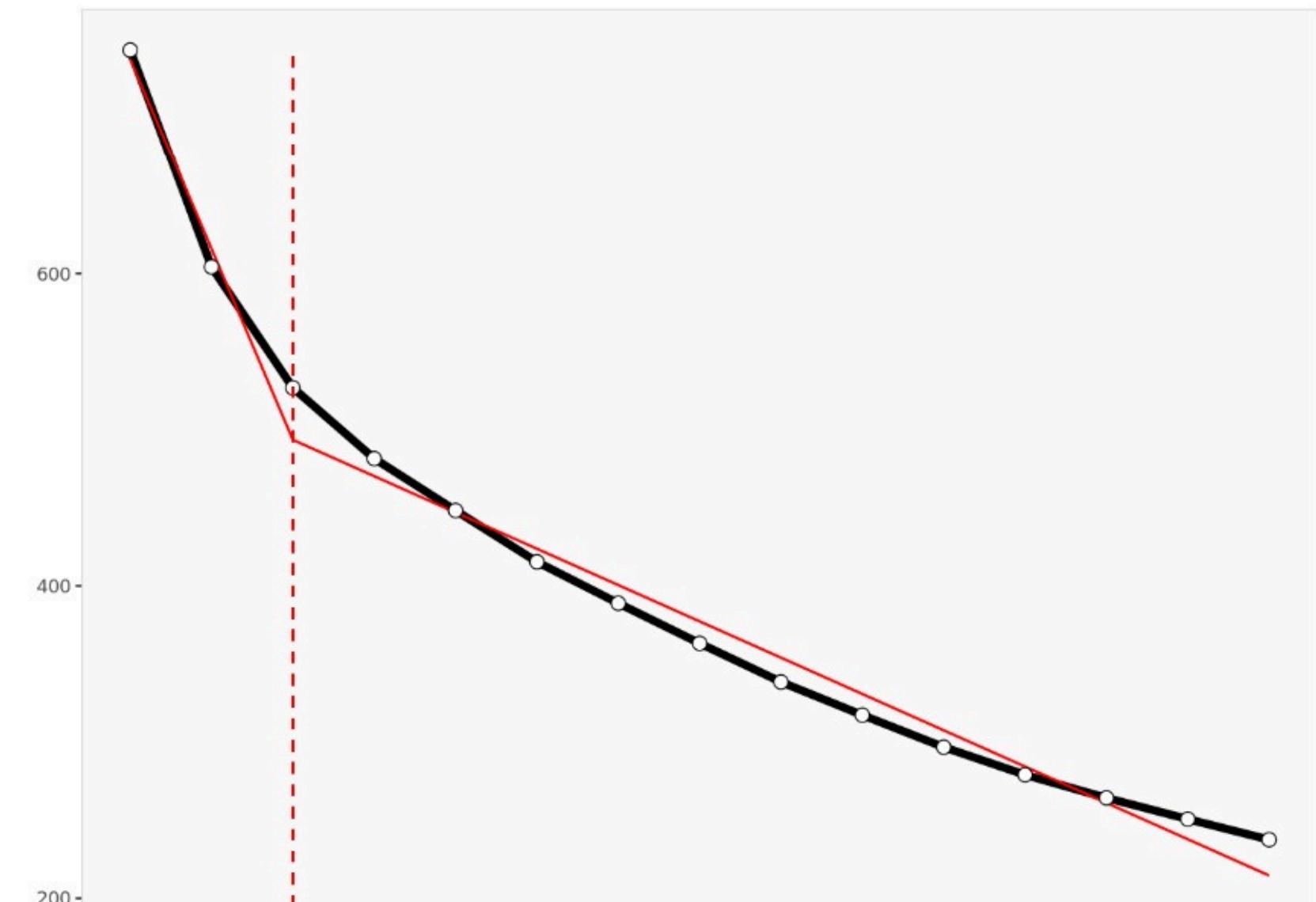
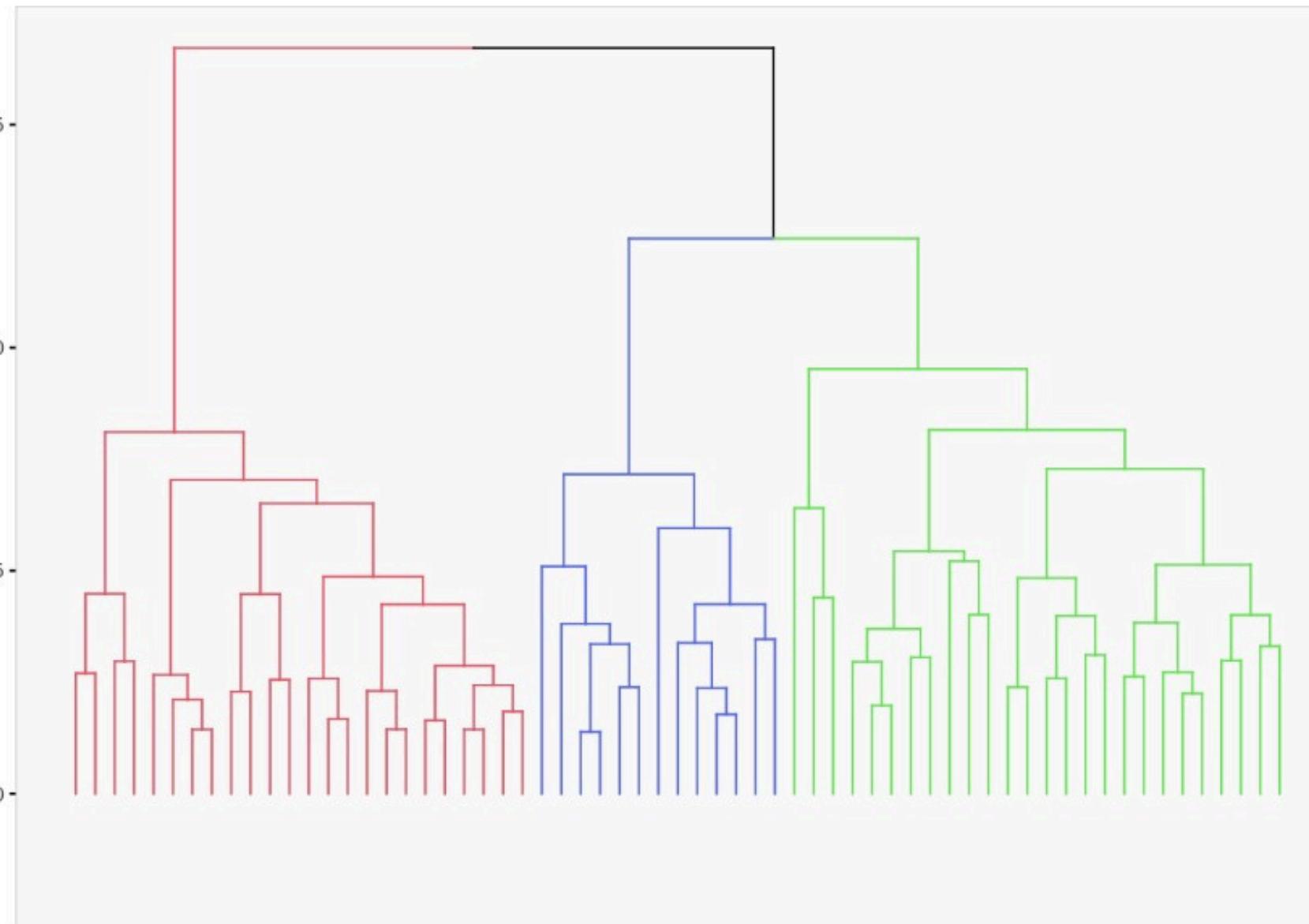
We chose the 3-segment solution

## Segment size

	Population	Segment 1	Segment 2	Segment 3
Size	63	24	13	26
Relative size	100%	38%	21%	41%

## Why 3 Segments?

- Optimal Balance:** Best mix of statistical validity and practical applicability
- Scree Plot:** Clear 'elbow' at 3 segments, indicating diminishing returns beyond this point
- Segment Sizes:** Well-balanced, actionable segments (38%, 21%, 41%)
- Classification Accuracy:** Good hit rate (52%) compared to other solutions
- Distinct Profiles:** Clear differences in preferences and demographics
- Statistical Significance:** Meaningful differences between segments
- Managerial Relevance:** Manageable number of target groups for strategy development
- Model Stability:** Better segment prediction and fewer misclassifications



	Predicted 1	Predicted 2	Predicted 3	Total
Segment 1	67%	8%	25%	100%
Segment 2	31%	8%	62%	100%
Segment 3	31%	8%	62%	100%

**Confusion matrix (%)**. The global hit rate of the model is 52%. The diagonal elements represent segment-specific hit rates.

## Segment 1

38% of the population

- **Characteristics:**
  - Highest engagement across all genres, especially Comedy, Thriller and Drama
- **Influences:**
  - Highly influenced by recommendations, reviews and mood
- **Demographics:**
  - Slightly older (31.9 years),
  - more likely male (62.5%),
  - lowest income (\$65,625),
  - least likely employed (25%).

# Enthusiastic Viewers



## Segment 2

21% of the population

# Disengaged Viewers

- **Characteristics:**
  - Lowest engagement across all genres, slight preference for Comedy and Thriller
- **Influences:**
  - Least influenced by external factors or personal state (mood, time available)
- **Demographics:**
  - Average age (31.6 years),
  - more likely female (69.2%),
  - middle income (\$75,962),
  - highest employment rate (53.8%)



## Segment 3

41% of the population

# Selective Viewers

- **Characteristics:**

- Moderate engagement, strong preference for Sci-Fi/Fantasy and Time-sensitive viewing.

- **Influences:**

- Strongly influenced by available time,
- moderately by reviews and genre familiarity.

- **Demographics:**

- Slightly younger (31.4 years),
- balanced gender (46.2% male),
- highest income (\$89,904),
- average employment (38.5%)



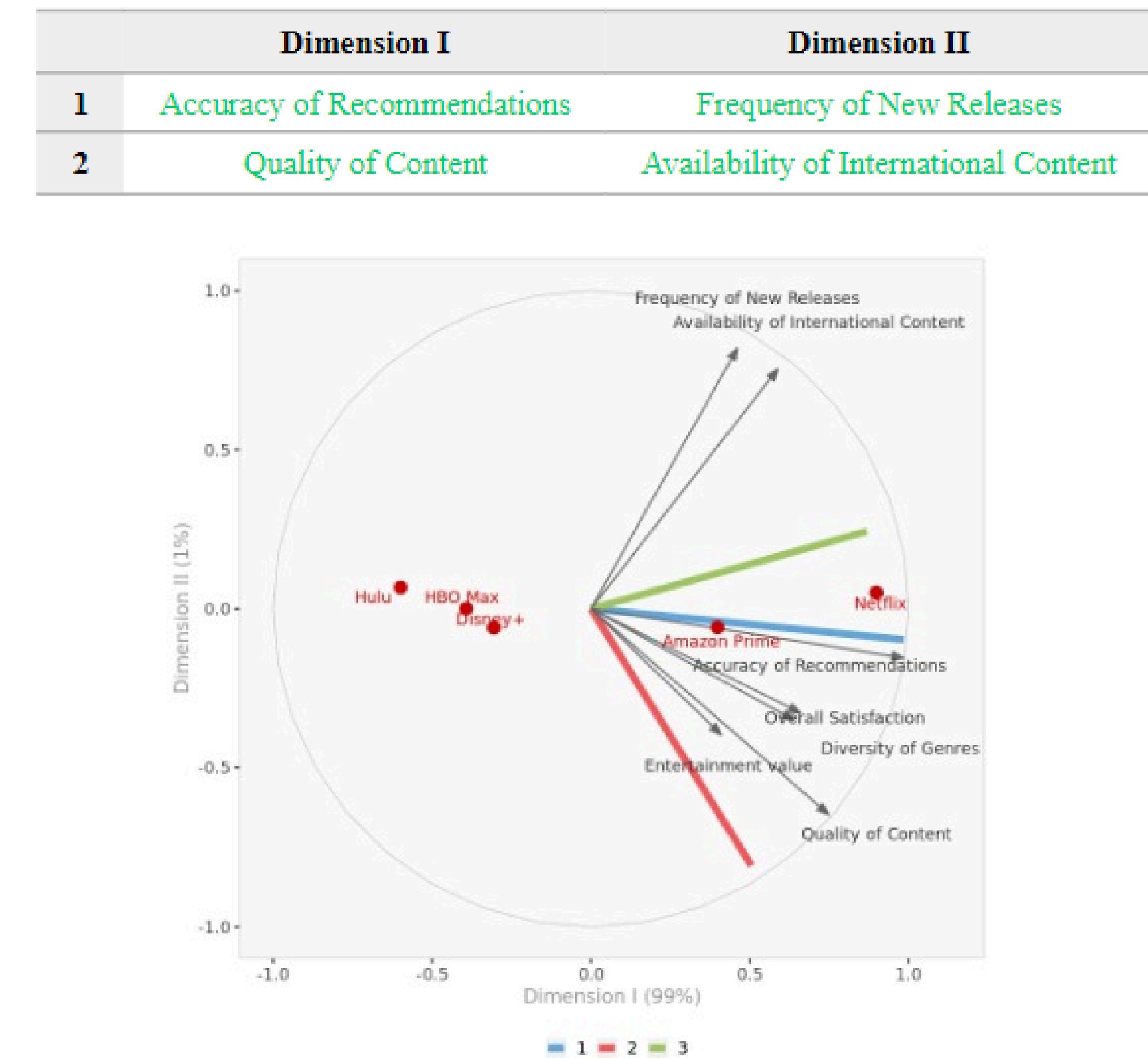
# **Positioning Analysis**

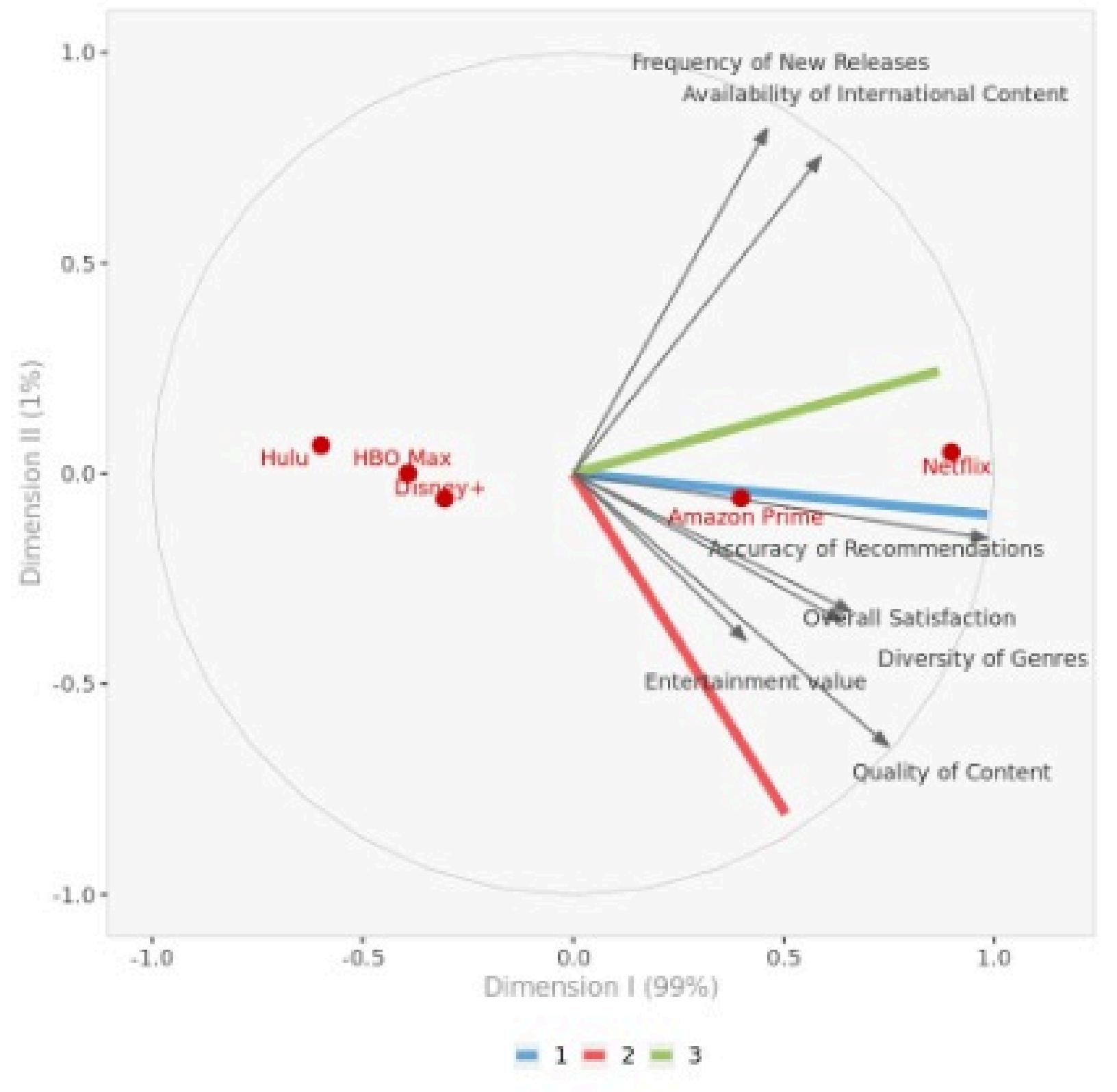
## Primary Dimensions:

- **Dimension I (99%):** Key attributes such as content quality and diversity dominate viewer perceptions.
- **Dimension II (1%):** Secondary attributes include the frequency of new releases and availability of international content.

## Segment Preferences:

- **Segment 1 (Blue):** Prioritizes high-quality and diverse content.
- **Segment 2 (Red):** Values frequent new releases and international content.
- **Segment 3 (Green):** Focuses on overall entertainment value.





	Average preference	1	2	3
Netflix	3.29	3.51	2.73	3.36
Amazon Prime	2.91	3.20	2.61	2.79
Disney+	2.43	2.80	2.02	2.30
HBO Max	2.34	2.74	1.83	2.22
Hulu	2.17	2.61	1.76	1.98

- **Netflix:** Positioned strongly in Dimension I, indicating a high association with "Quality of Content" and "Diversity of Genres." Netflix is perceived as offering a rich, diverse library of high-quality content, appealing to viewers who prioritize these attributes.
- **Amazon Prime Video:** Positioned centrally, reflecting balanced attributes with a notable strength in "Accuracy of Recommendations." This positioning appeals to a broad audience, especially those who value personalized content suggestions.
- **Hulu, Disney+, and HBO Max:** These platforms cluster together with a strong association with "Frequency of New Releases" and "Availability of International Content." They appeal to viewers who prioritize frequent updates and diverse international offerings

# Recommendations



## Invest in High-Quality, Diverse Content and Enhanced Personalization:

Maintain a robust pipeline of high-quality original productions across diverse genres and refine personalized content recommendations.

## Leverage Strong Recommendation System and Expand Content Variety:

Capitalize on the highly accurate recommendation engine and significantly expand the content library with more original programming and international offerings.

## Emphasize Frequent New Releases and Improve International Content:

Maintain a steady stream of new content and enhance the availability of international content to cater to viewers seeking fresh and diverse programming.

## Focus on Frequent Content Updates and High-Production-Value Originals:

Emphasize regular updates with new content while investing in high-production-value original series and movies to maintain viewer engagement.

## Enhance International Content and Invest in Quality Originals:

Expand the international content library and continue investing in high-production-value original content to appeal to both existing and new subscribers.

# Limitations:

- **Sample Size:** Limited to 59 survey responses
- **Geographic Focus:** US market only, may not apply globally
- **Rapid Industry Changes:** Findings may become outdated quickly
- **Demographic Representation:** May not cover all age groups/income levels equally
- **Platform Selection:** Focused on major platforms, might miss emerging players
- **Self-Reported Data:** May differ from actual viewing habits
- **Limited Variables:** Other factors influencing OTT preferences may not be captured



Thank you!

*We are now open for Questions*