



Apple tv+

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Apple tv

- Apple TV+ is a subscription-based streaming service launched by Apple Inc. in November 2019. It focuses on producing high-quality, original content, including TV shows and movies. The service aims to provide a premium viewing experience with a curated selection of exclusive content.





Market overview

- The streaming industry is highly competitive, with major players like Netflix, Amazon Prime Video, Hulu, and Disney+. These services offer a wide range of content, including original productions and licensed content from various studios and networks.
- The industry is characterized by rapid growth, with increasing demand for diverse and engaging content.

Problem statement

Despite investing heavily in original content, Apple TV+ faces challenges in attracting and retaining subscribers. The service has not seen significant growth in viewership, with only 0.2% of total TV viewing in the U.S. and high churn rates compared to competitors

Perceptual mapping

To address this issue, we will use perceptual mapping to understand how consumers perceive Apple TV+ in relation to its competitors. This will help identify gaps in the market and opportunities for differentiation.

Key Questions to Answer:

- How do consumers perceive Apple TV+ compared to other streaming services?
- What attributes are most important to consumers when choosing a streaming service?

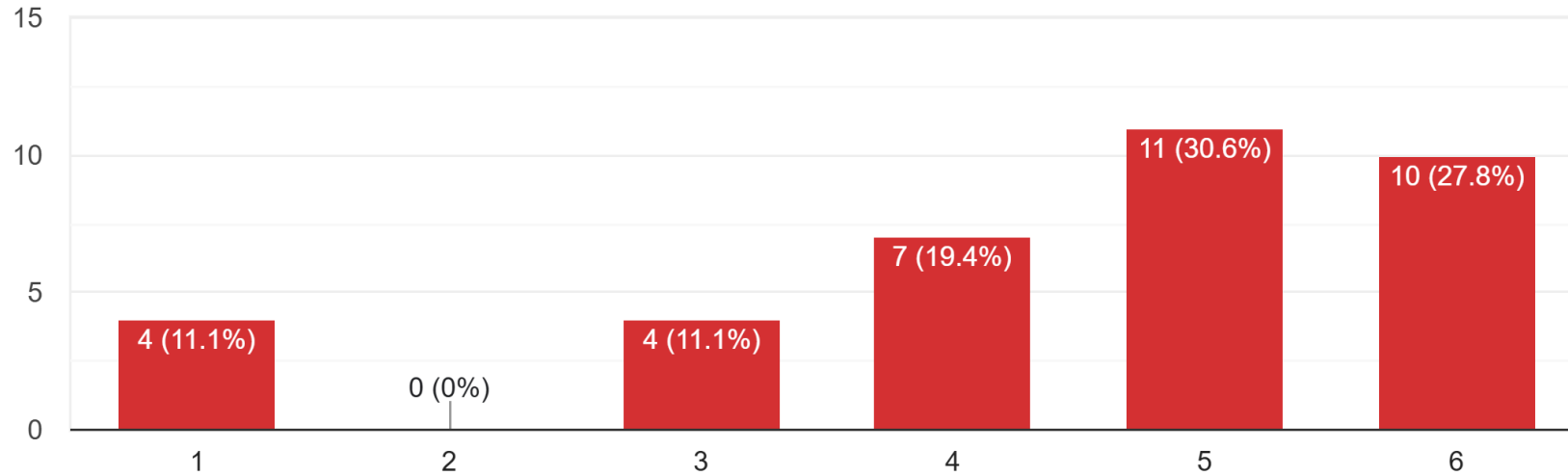
Conjoint Analysis

We will use conjoint analysis to determine the optimal combination of features and pricing that would make Apple TV+ more appealing to consumers.

Objective is to identify the most influential factors in consumer's decisions to subscribe to Apple TV+

What features (e.g., ad-supported tier, expanded content library) are most valued by consumers?

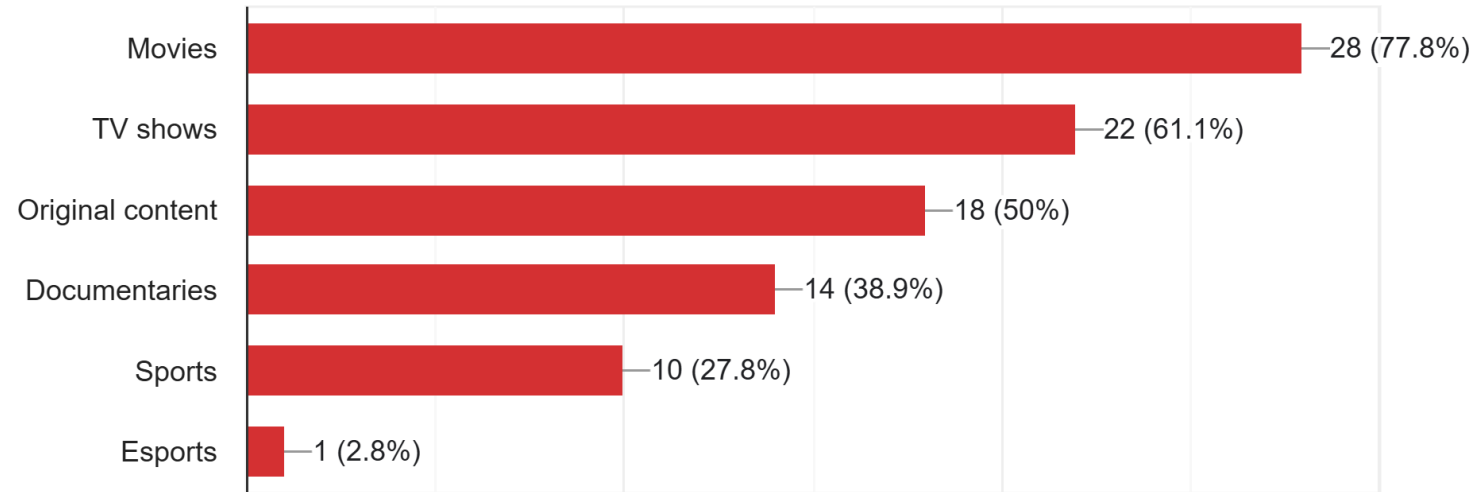
Satisfaction Level with Current Streaming Services



- **Finding:** Majority of respondents rate their satisfaction at 5 or 6 out of 6.
- **Insight:** High satisfaction levels indicate that users generally have positive experiences with their streaming services.
- **Implication for Apple TV+:** To compete effectively, Apple TV+ must maintain high satisfaction by focusing on quality content and user experience improvements.

Survey Findings

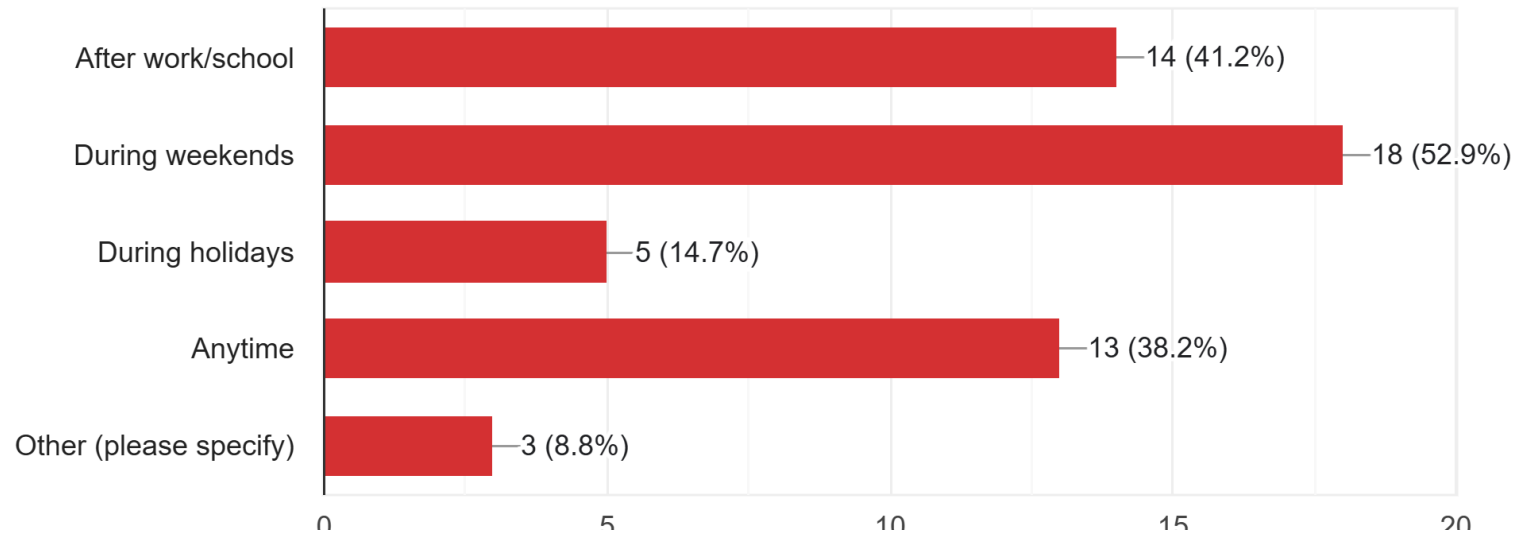
Content Preferences of Streaming Service Users



- **Finding:** Movies (77.8%) and TV Shows (61.1%) are top choices, with Original Content at 50%.
- **Insight:** High user interest in movies, TV shows, and exclusive original content.
- **Implication for Apple TV+:** Expand movie and TV show offerings and continue investing in original content to meet demand.

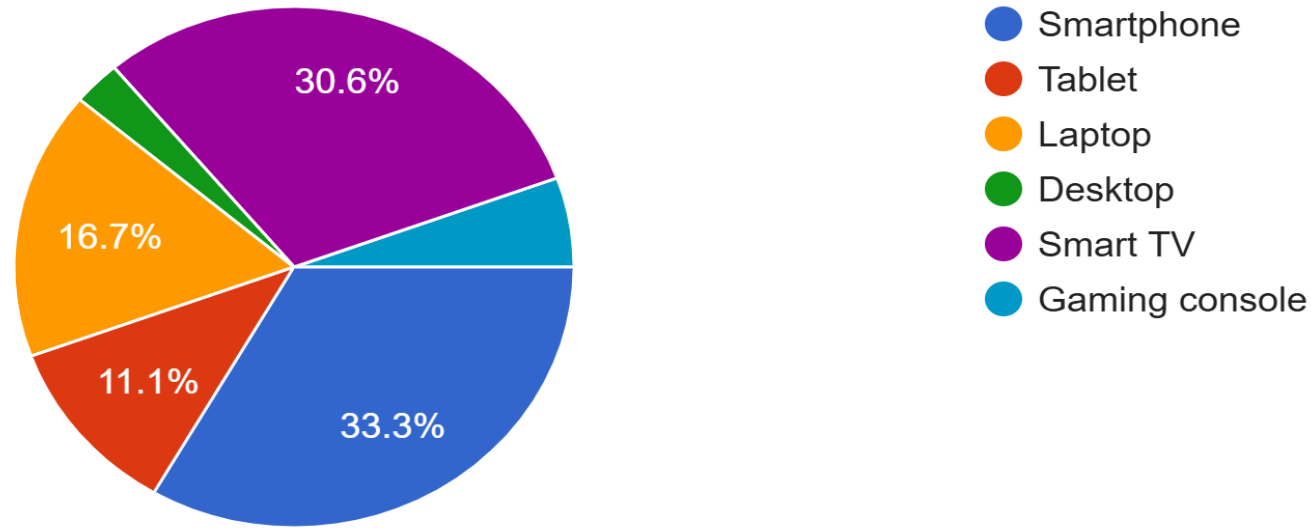
Occasions of Use: When do you typically use online streaming services? (Select all that apply)

34 responses



- **Finding:** Over half of users (52.9%) stream on weekends, with strong usage after work/school and anytime.
- **Insight:** Weekends are peak streaming times, showing a preference for leisure viewing.
- **Implication for Apple TV+:** Focus on weekend releases and promotions to capture peak engagement.

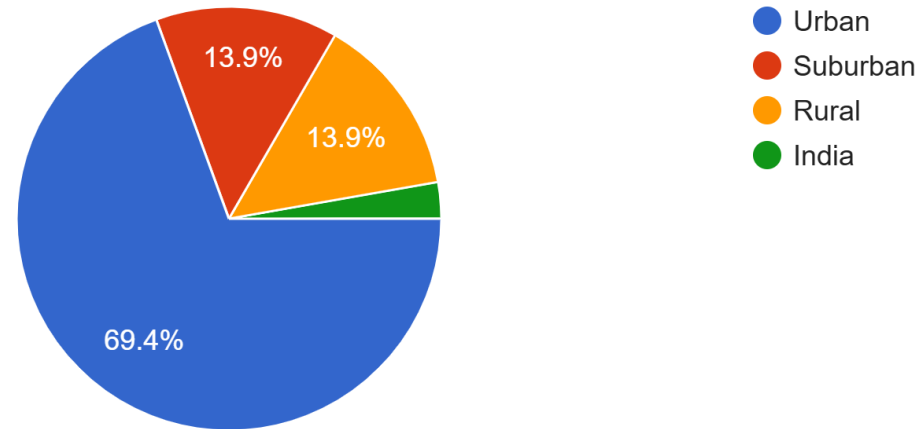
Device Preference for Streaming Services



- **Finding:** Smart TVs (30.6%) and Smartphones (33.3%) are the top devices for streaming.
- **Insight:** Users value large screens (Smart TVs) and convenience (Smartphones) for viewing.
- **Implication for Apple TV+:** Prioritize high-quality streaming on both Smart TVs and Smartphones, and optimize the mobile app to engage smartphone users.

What is your current location?

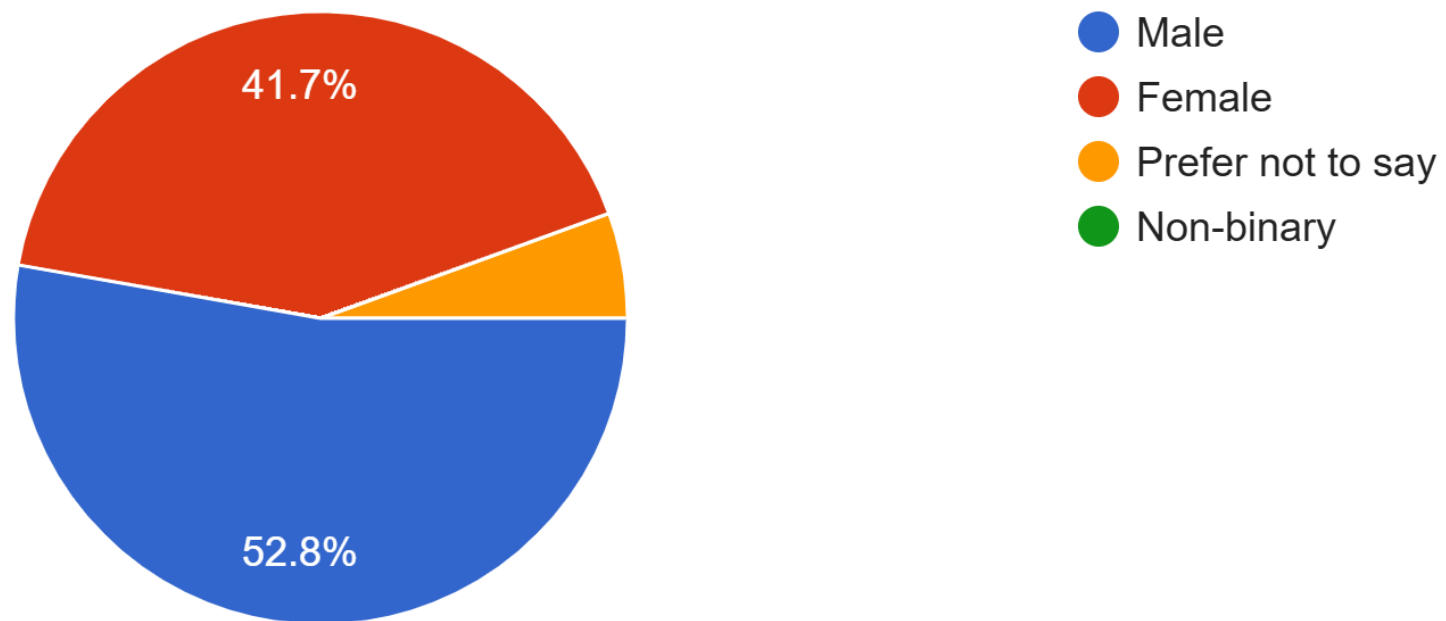
36 responses



- **Finding:** Most users (69.4%) are in urban areas.
- **Insight:** Urban users dominate, indicating a tech-savvy, trend-focused audience.
- **Implication for Apple TV+:** Focus marketing on urban areas with high streaming adoption and consider location-specific content for urban viewers.

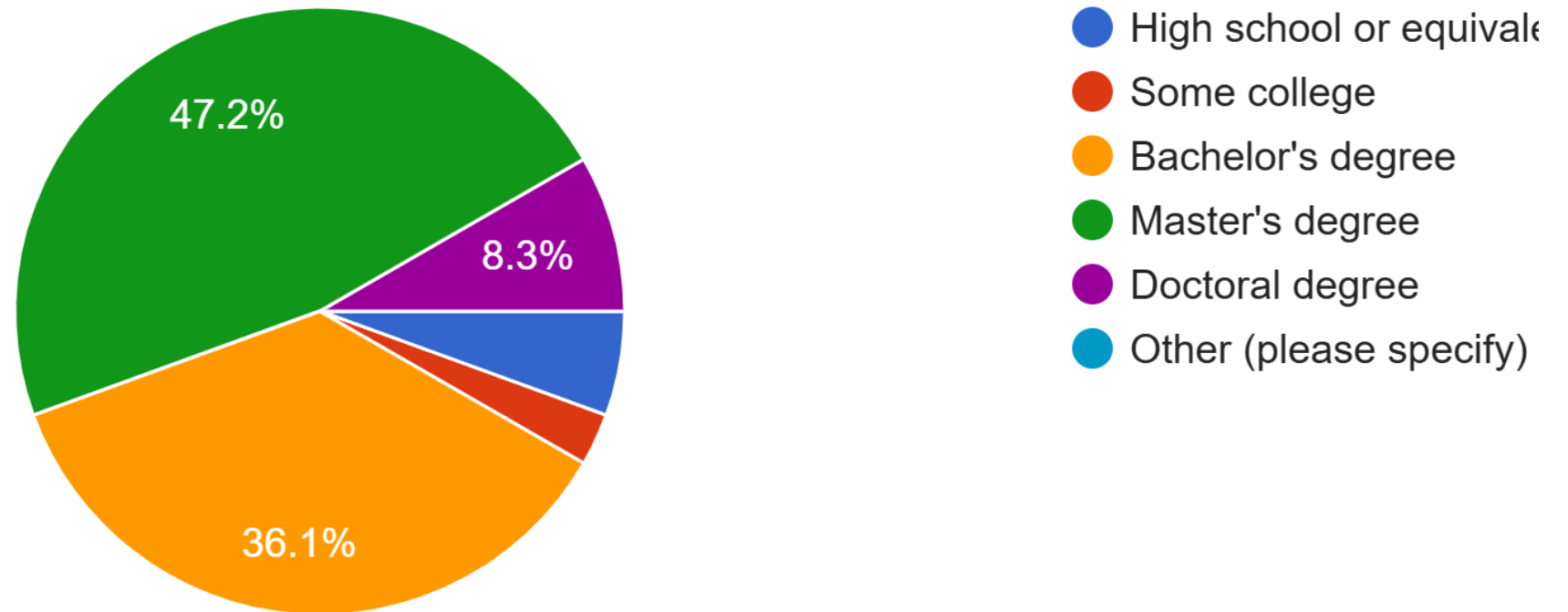
What is your gender?

36 responses



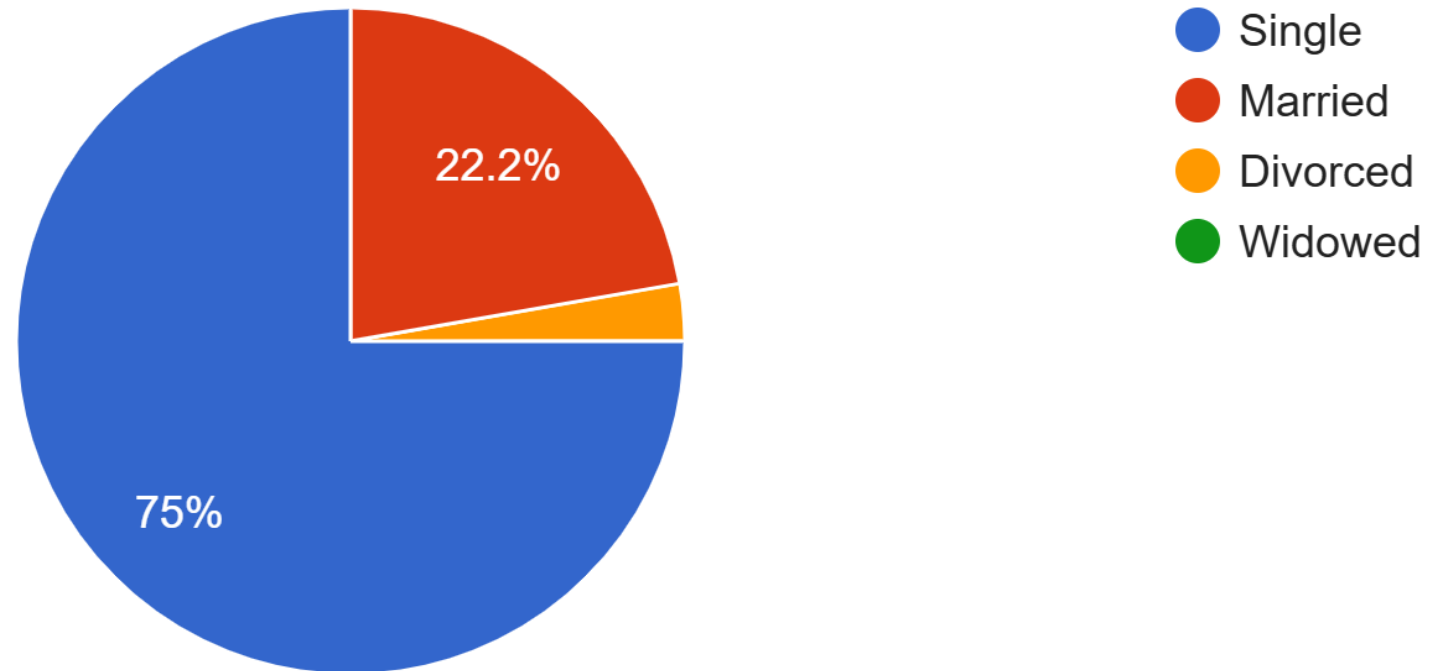
What is your highest level of education?

36 responses



What is your marital status?

36 responses



Brands

- Netflix
- Amazon Prime
- Hulu
- Paramount Plus
- Disney Plus
- Youtube TV
- Apple TV
- Cruncyroll
- Tubi
- Peacock



Attributes

- Large content library
- Good Streaming Quality
- Low Subscription Price
- High Device Compatibility
- Language Restriction
- Good Customer Support
- Easy Searchability
- No of Ads
- Good User Interface
- High Degree of Parental Control
- No of Users per profile
- Good Recommendations
- Additional Features
- Bundling offers
- Preference

SPSS Output

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Large Content Library	6.461	38.008	38.008	6.461	38.008	38.008	5.332	31.362	31.362
High Device Compatibility	3.104	18.258	56.266	3.104	18.258	56.266	4.234	24.904	56.266
Low Subscription Price	2.558	15.046	71.312						
Low Region Restriction	1.896	11.154	82.466						
Poor Customer Support	1.316	7.743	90.208						
Easy Serchability	.752	4.421	94.630						
Low Nunber of Ads	.463	2.721	97.350						
Good User Interface	.302	1.777	99.128						
Offline Access	.148	.872	100.000						
Low No. User Profiles	6.817E-16	4.010E-15	100.000						
High Parental Control	2.841E-16	1.671E-15	100.000						
Bad Recomendations	1.721E-16	1.012E-15	100.000						
Low Additional Features	-8.242E-17	-4.848E-16	100.000						
Low Bundle Options	-1.414E-16	-8.317E-16	100.000						
Low # of Languages	-1.505E-16	-8.853E-16	100.000						
Good Streaming Quality	-3.715E-16	-2.185E-15	100.000						
Prefrence	-8.725E-16	-5.132E-15	100.000						
Extraction Method: Principal Component Analysis.									

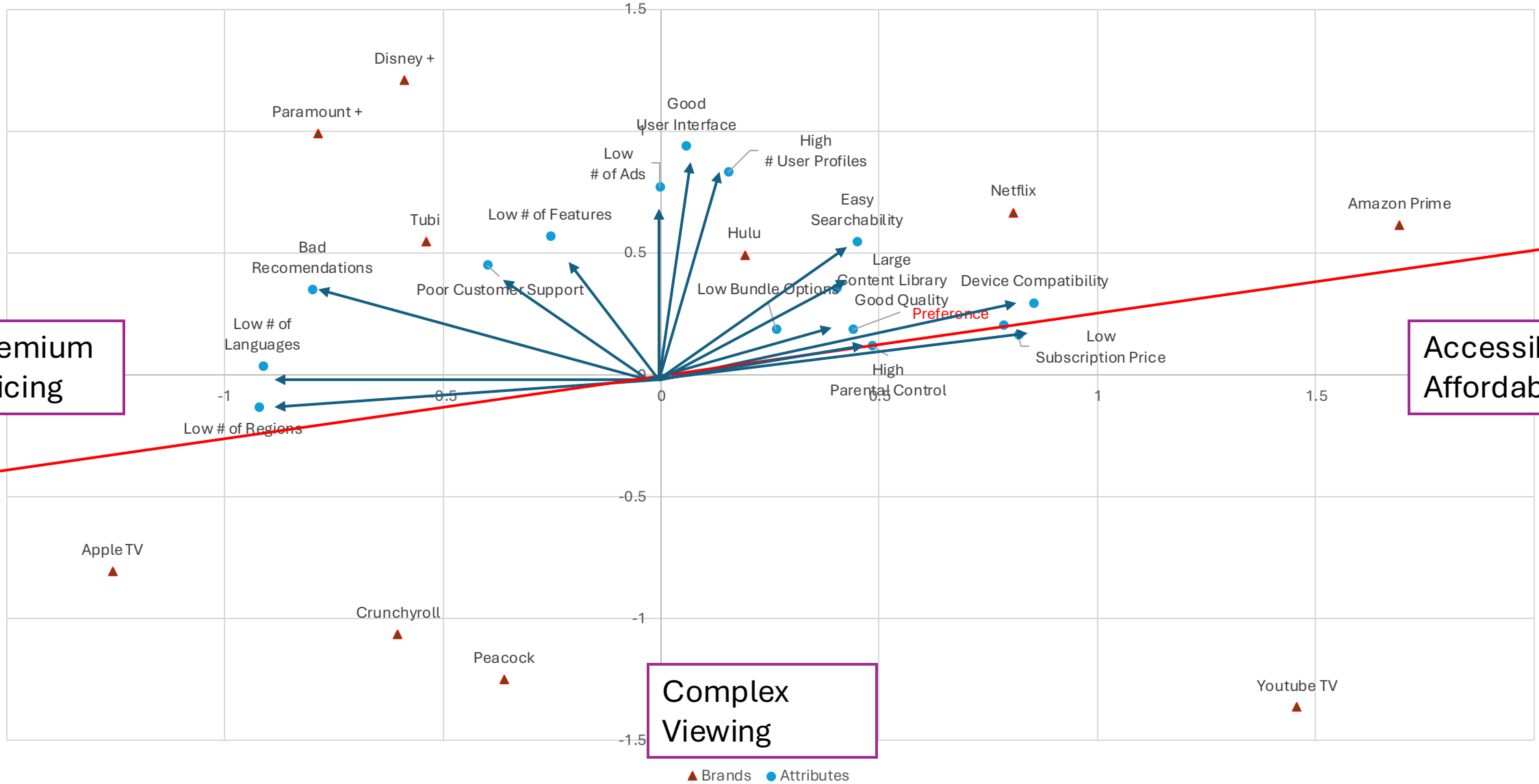
Content Library, Device Compatibility, and Subscription Price make up 71% of the variance

User Friendly

Premium Pricing

Accessible and Affordable

Complex Viewing



User Friendly

Family
Flicks

Content
Kings

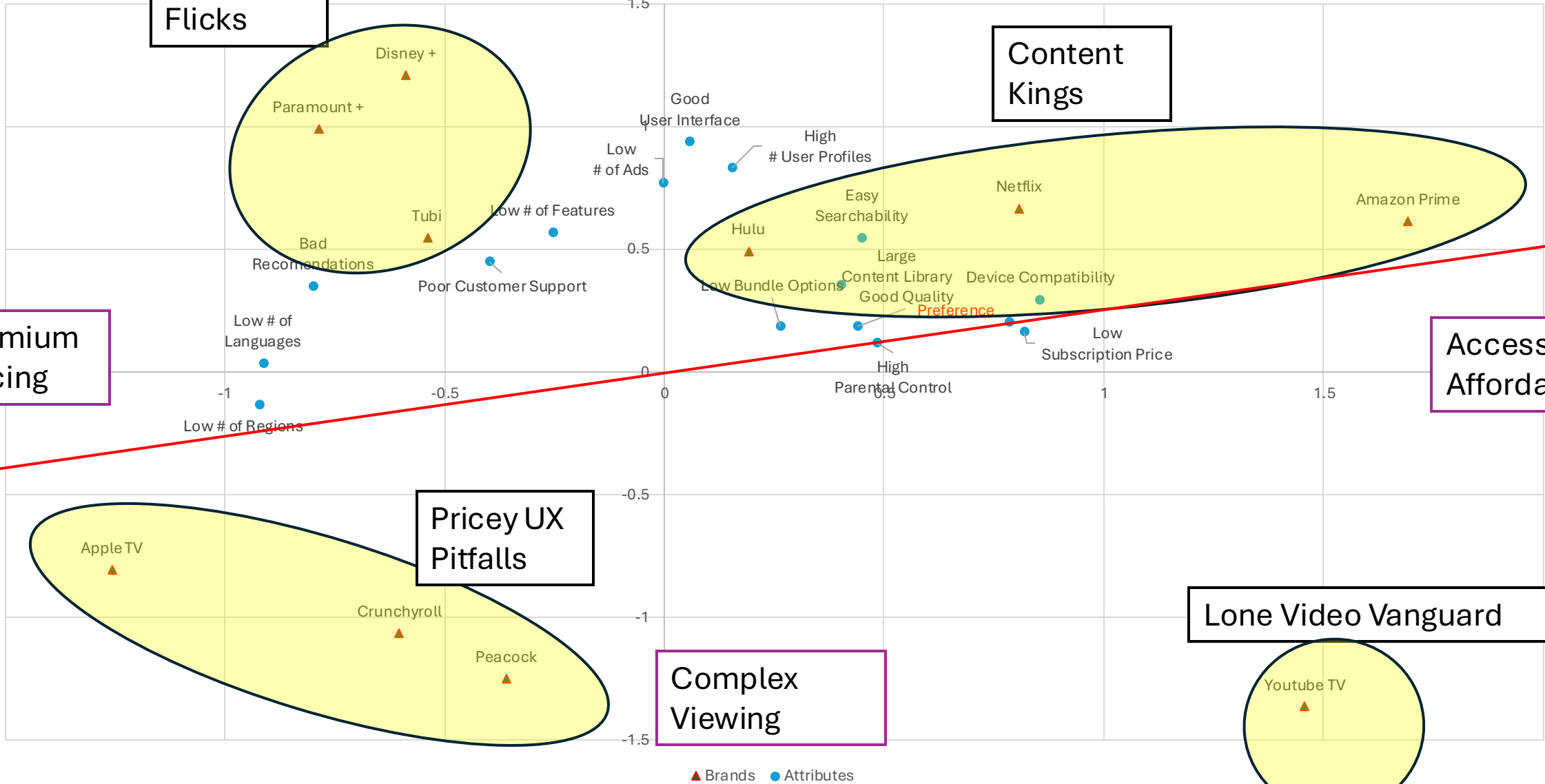
Accessible and
Affordable

Premium
Pricing

Pricey UX
Pitfalls

Lone Video Vanguard

Complex
Viewing

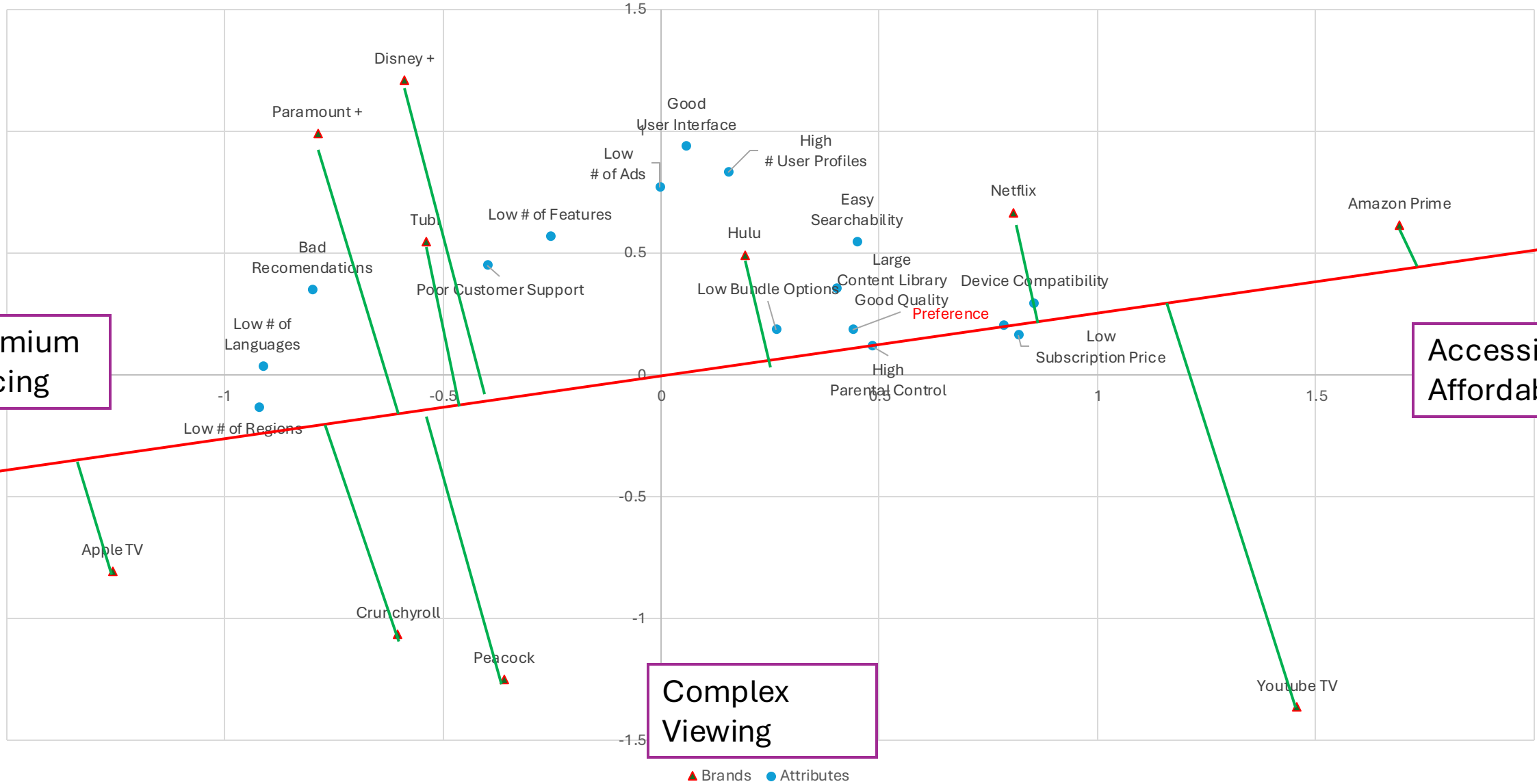


User Friendly

Complex Viewing

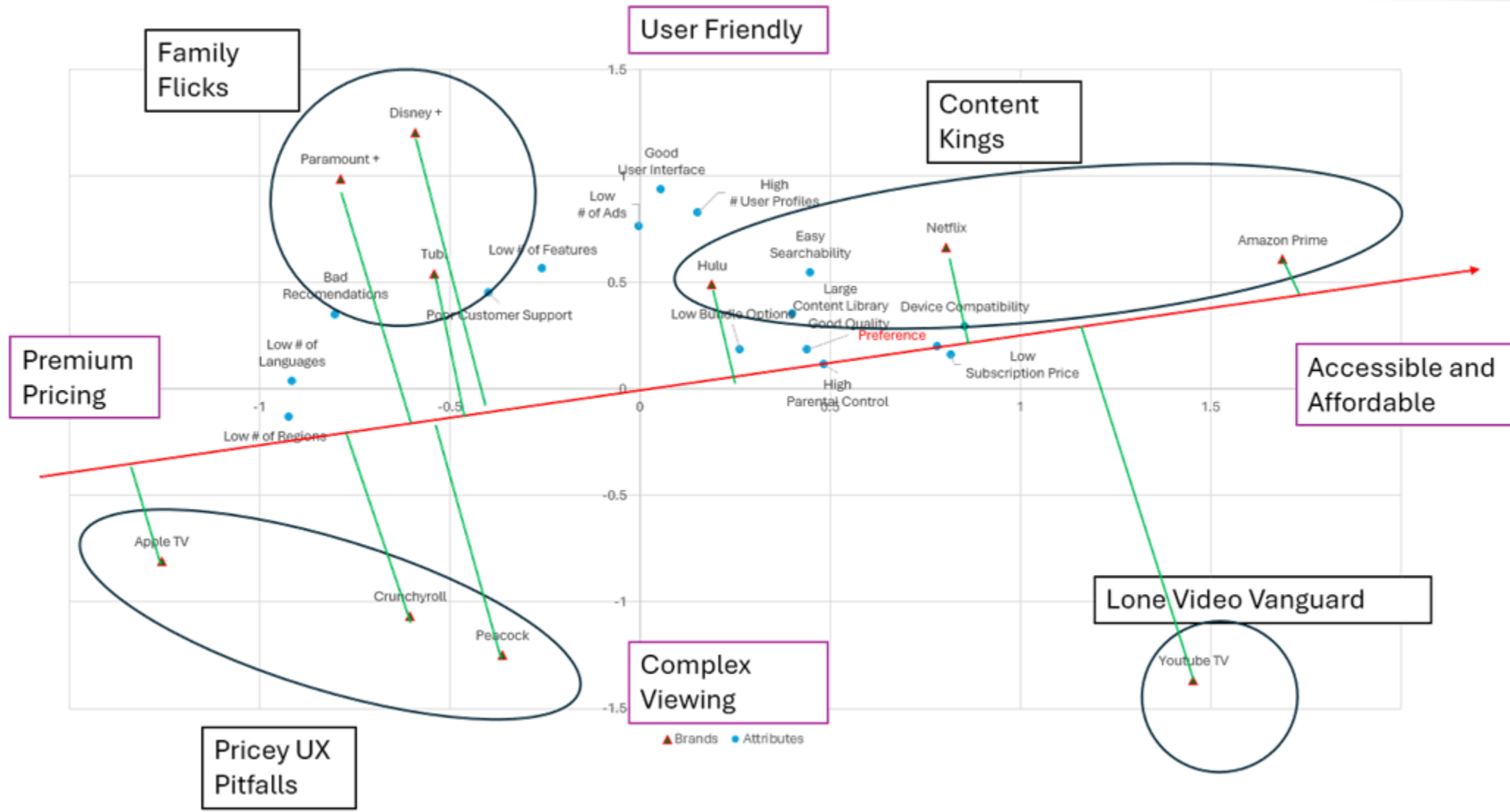
Accessible and Affordable

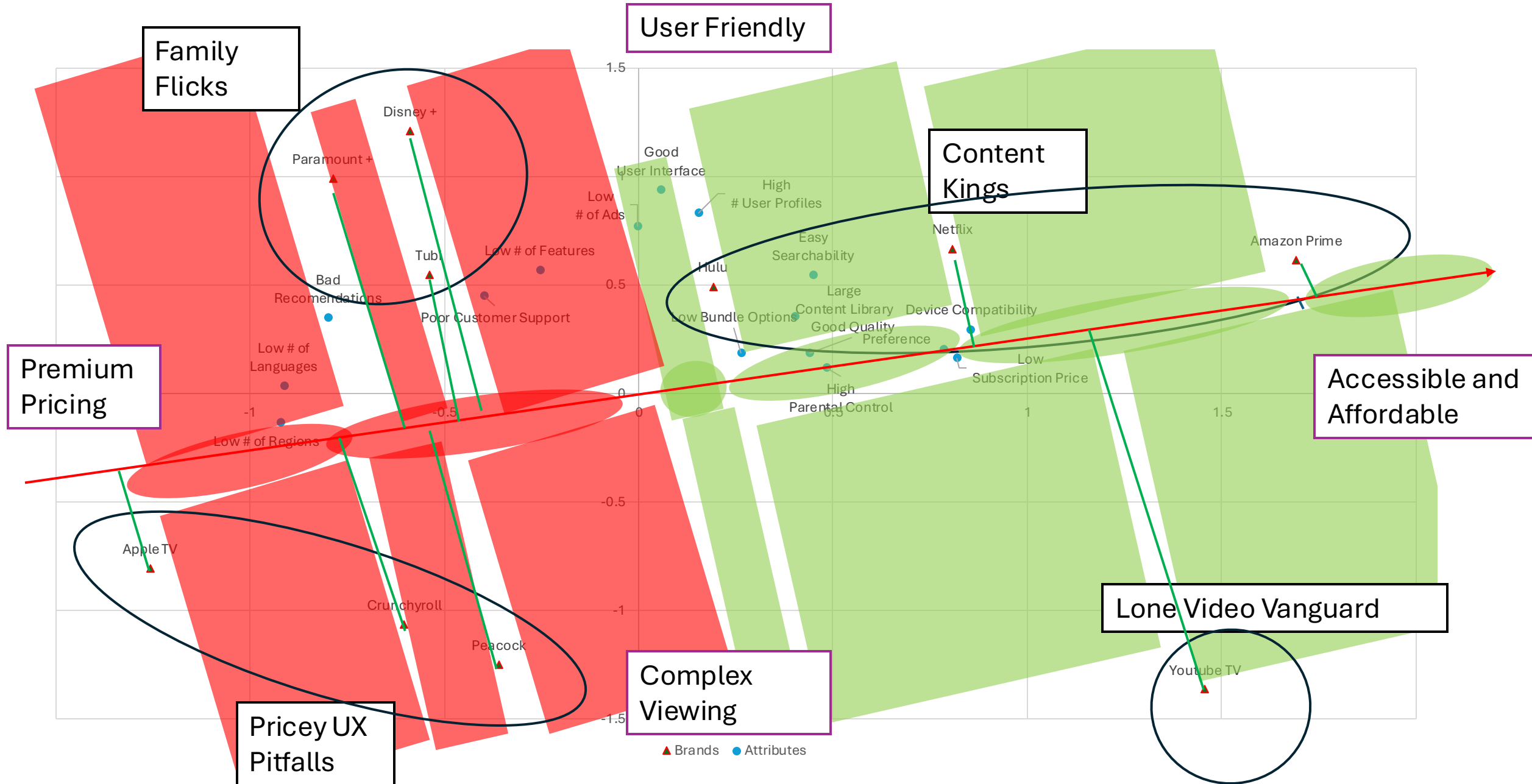
Premium Pricing



Order of Preference

- 1.) Amazon Prime
- 2.) Youtube TV
- 3.) Netflix
- 4.) Hulu
- 5.) Disney +
- 6.) Tubi
- 7.) Peacock
- 8.) Paramount +
- 9.) Crunchyroll
- 10.) Apple TV





Family
Flicks

User Friendly

5A
-Reduce Subscription Prices
-Increase Regions Available
-Increase Language Options

Content
Kings

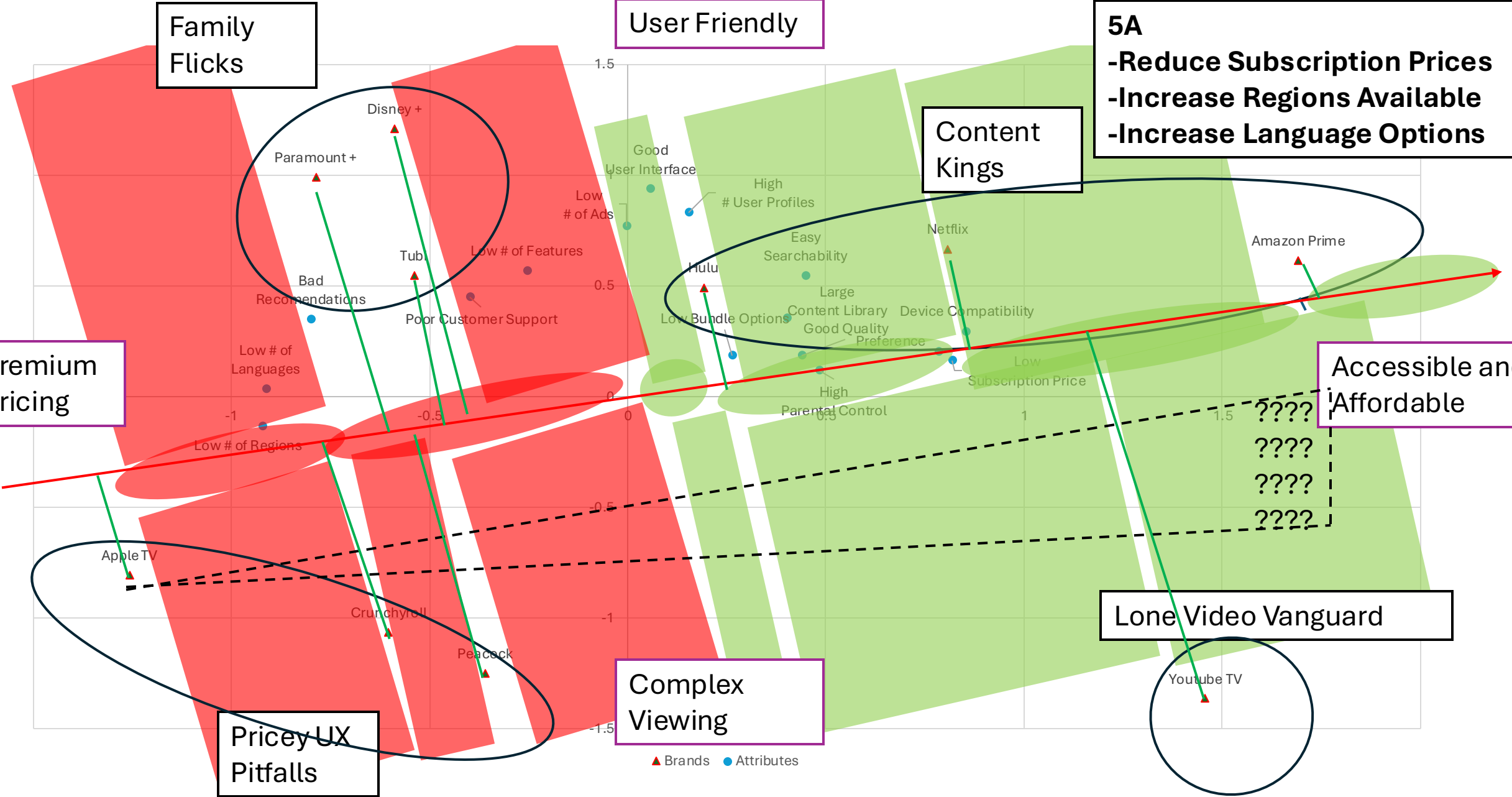
Accessible and
Affordable

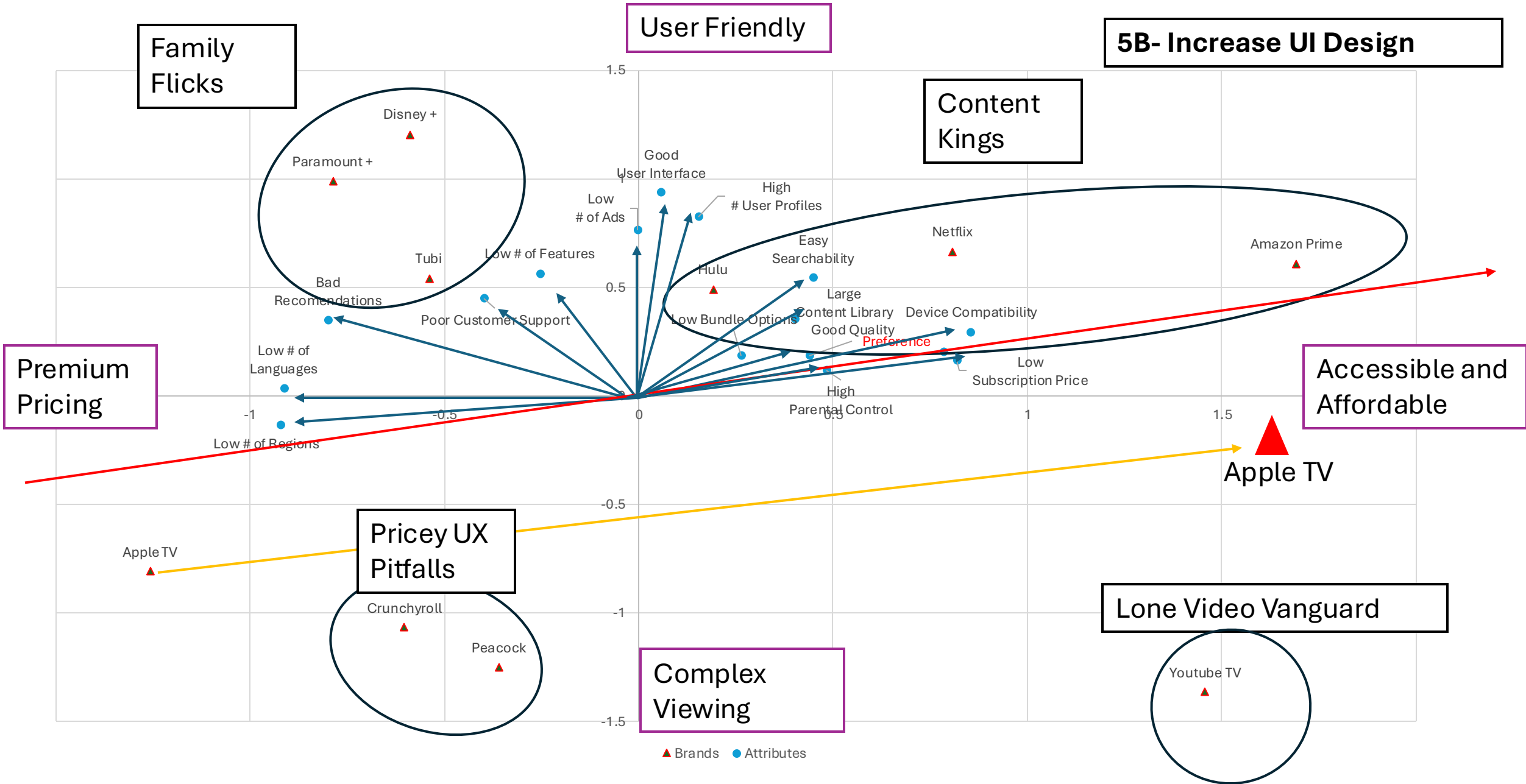
Premium
Pricing

Lone Video Vanguard

Complex
Viewing

Pricey UX
Pitfalls





Repositioning (5A)

- Apple TV needs to increase their number of streamers by reducing their subscription price-5A
 - Apple TV-\$10 monthly, Amazon Prime-\$9 monthly, Netflix-\$7 monthly
 - Apple TV promo for \$7 a month for first 3 months
- Increase perception of regions and languages available
 - Make more content that is based in more cultures rather than American
 - Do more promo of international content

Repositioning (5B)

- Streamline the Apple TV UI to make navigation more intuitive. Key changes should include:
 - Clearer categorization of content.
 - Improved search functionality with predictive text and filters.
 - Reduced screen clutter to focus on high-demand content.

Conjoint analysis

Attributes and levels

Attributes and Levels: Selected 7 attributes with 3 levels each:

- Price: <50, 100 - 150, >150
- Content Library: under 500, 500 - 2000, >2000
- Ads: no ads, occasional interruptions, frequent interruptions
- Content release Frequency: <5 titles per month, 5 - 20 titles, >20 titles per month
- Ratings: <3 stars, 3 - 4.5 stars, >4.5
- Duration: <30 min, 30 - 90, >90
- Streams: 1 stream, 2 - 3 streams, >3 streams

Regression output

Regression Statistics								
Multiple R	0.173018884							
R Square	0.029935534							
Adjusted R Square	0.004067148							
Standard Error	1.257670644							
Observations	540							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	14	25.62592593	1.83042328	1.157224668	0.305041803			
Residual	525	830.4111111	1.58173545					
Total	539	856.037037						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	3.15	0.209611774	15.02778178	1.02834E-42	2.738219168	3.561780832	2.738219168	3.561780832
x1	0.033333333	0.132570126	0.251439252	0.801572911	-0.227099732	0.293766399	-0.227099732	0.293766399
x2	0.244444444	0.132570126	1.843887848	0.065762797	-0.015988621	0.50487751	-0.015988621	0.50487751
x3	-0.094444444	0.132570126	-0.712411214	0.476526656	-0.35487751	0.165988621	-0.35487751	0.165988621
x4	0.255555556	0.132570126	1.927700932	0.054431437	-0.00487751	0.515988621	-0.00487751	0.515988621
x5	0.044444444	0.132570126	0.335252336	0.737568661	-0.215988621	0.30487751	-0.215988621	0.30487751
x6	-0.066666667	0.132570126	-0.502878504	0.615260584	-0.327099732	0.193766399	-0.327099732	0.193766399
x7	0.016666667	0.132570126	0.125719626	0.900001994	-0.243766399	0.277099732	-0.243766399	0.277099732
x8	-0.038888889	0.132570126	-0.293345794	0.769373773	-0.299321954	0.221544177	-0.299321954	0.221544177
x9	0.15	0.132570126	1.131476634	0.258371099	-0.110433065	0.410433065	-0.110433065	0.410433065
x10	-0.038888889	0.132570126	-0.293345794	0.769373773	-0.299321954	0.221544177	-0.299321954	0.221544177
x11	0.083333333	0.132570126	0.62859813	0.529885562	-0.177099732	0.343766399	-0.177099732	0.343766399
x12	0.111111111	0.132570126	0.83813084	0.402338634	-0.149321954	0.371544177	-0.149321954	0.371544177
x13	0.016666667	0.132570126	0.125719626	0.900001994	-0.243766399	0.277099732	-0.243766399	0.277099732
x14	0.111111111	0.132570126	0.83813084	0.402338634	-0.149321954	0.371544177	-0.149321954	0.371544177

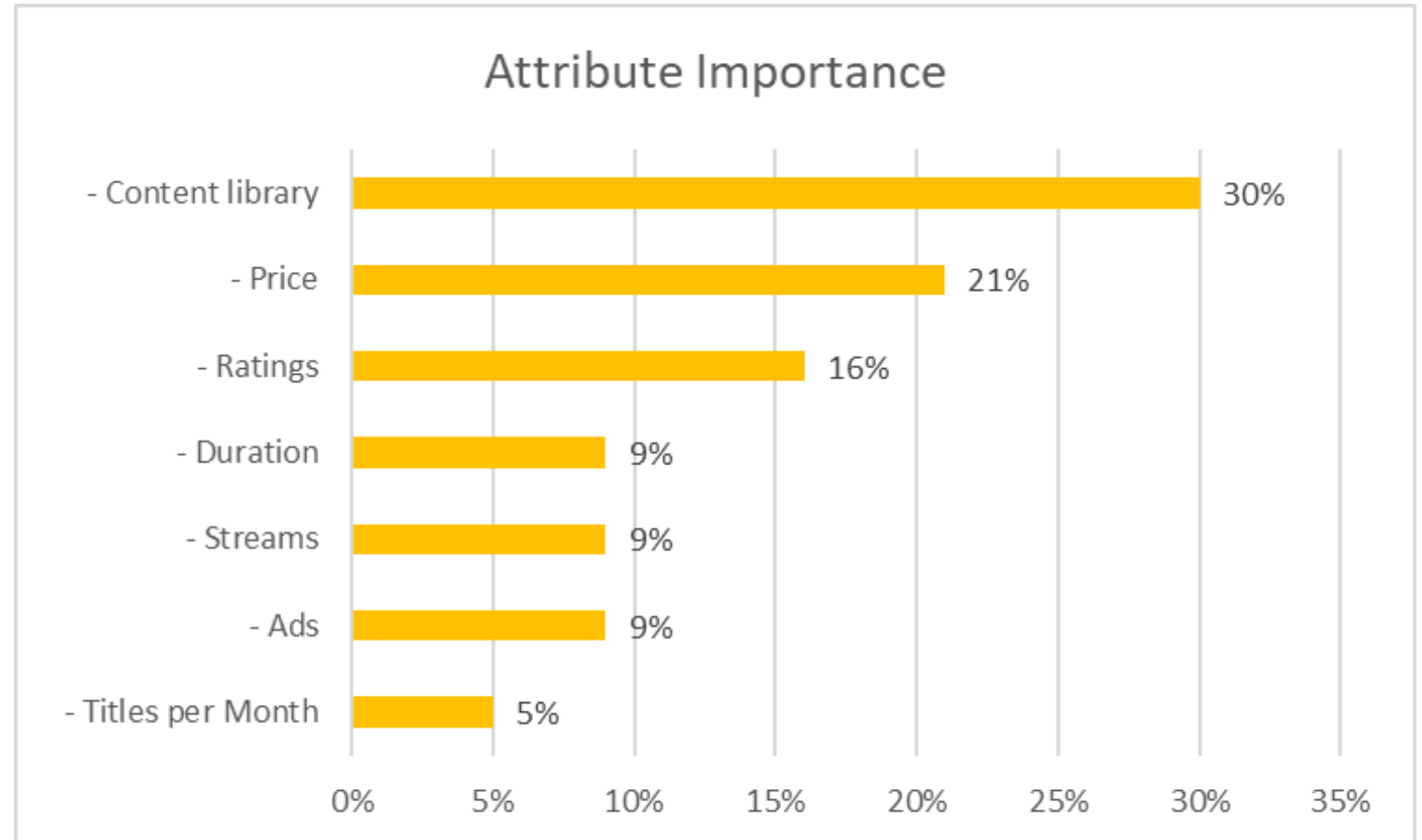
Utility Rescaling

Feature	Feature Name	Coefficient/Utility	Re-Scale
	Intercept	3.15	1.00
x1	<50	0.033333333	0.04
x2	100-150	0.244444444	0.10
x15	>150	0	0.03
x3	under 500	-0.094444444	0.00
x4	500-2000	0.255555556	0.11
x16	>2000	0	0.03
x5	no ads	0.044444444	0.04
x6	occasional interruptions	-0.066666667	0.01
x17	frequent interruptions	0	0.03
x7	<5 titles per month	0.016666667	0.03
x8	5-20 titles	-0.038888889	0.02
x18	>20 titles per month	0	0.03
x9	<3 stars	0.15	0.08
x10	3-4.5 stars	-0.038888889	0.02
x19	>4.5	0	0.03
x11	<30 min	0.083333333	0.05
x12	30-90	0.111111111	0.06
x20	>90	0	0.03
x13	1 stream	0.016666667	0.03
x14	2-3 streams	0.111111111	0.06
x21	>3 streams	0	0.03

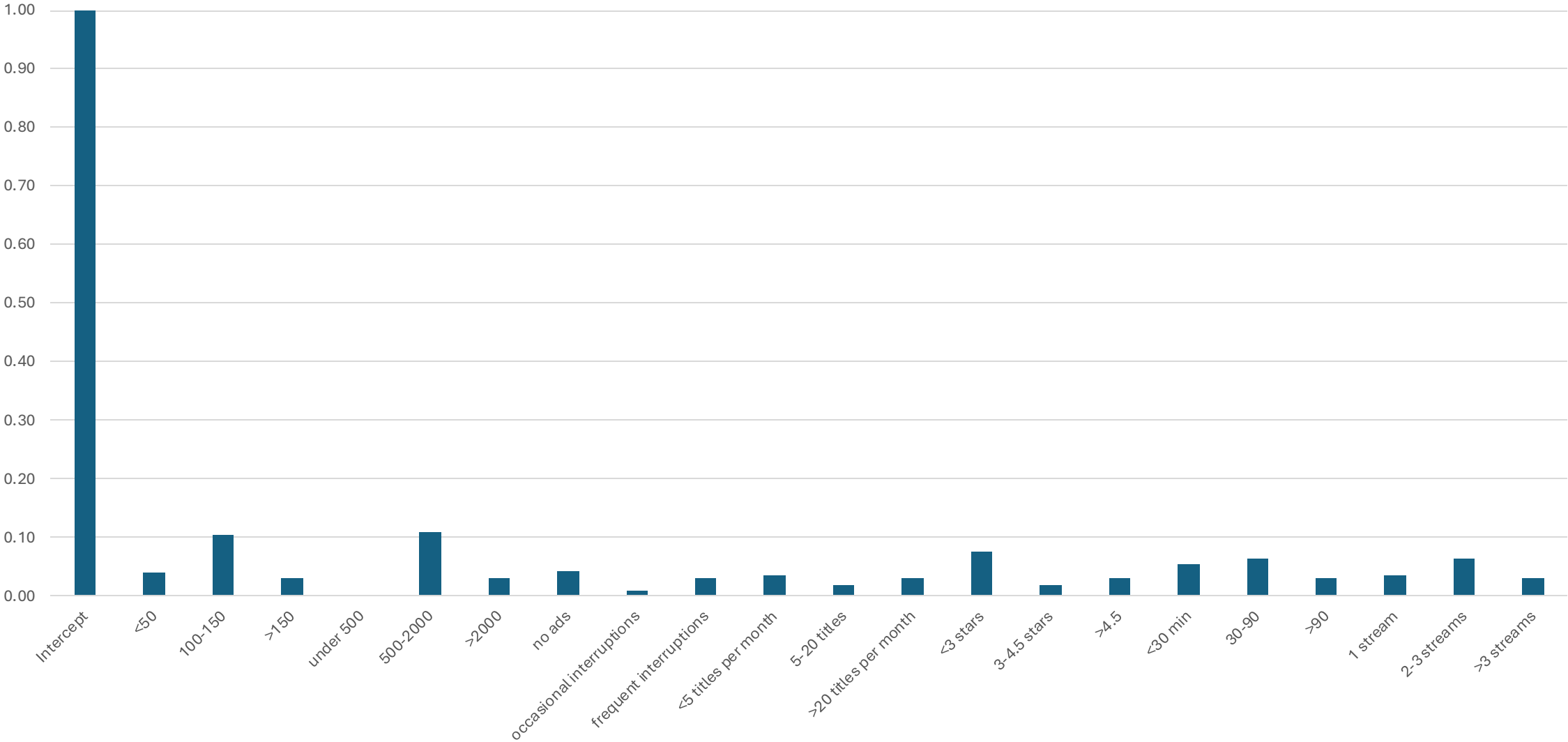
Optimum Product Attributes

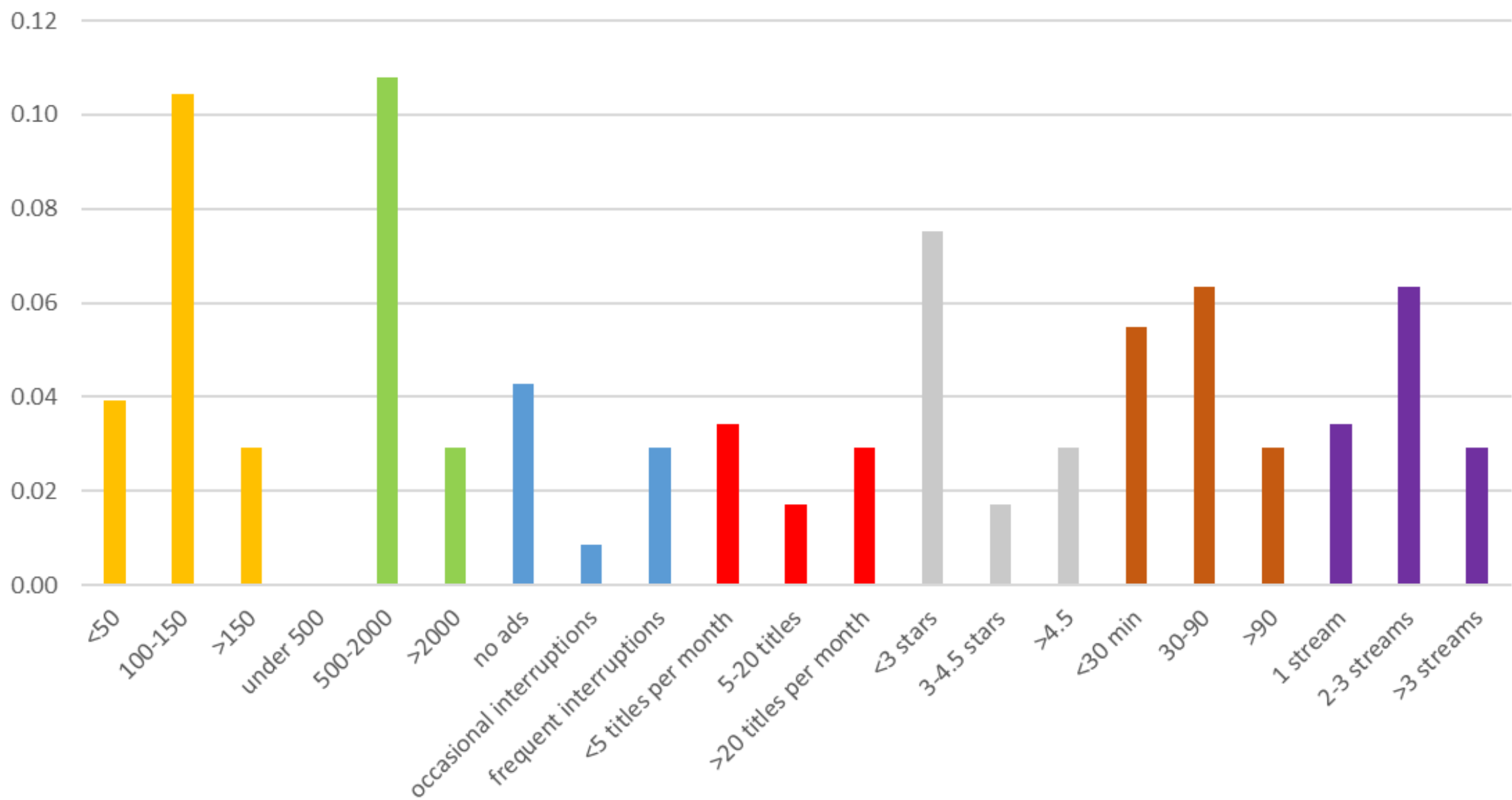
OPTIMUM PRODUCT ATTRIBUTES		
- Price	\$100 - \$150	0.10
- Content library	500 - 2000 titles	0.11
- Ads	no ads	0.04
- Titles per Month	< 5 titles per month	0.03
- Ratings	<3.0 stars	0.08
- Duration	30-90 minutes	0.06
- Streams	2 - 3 Streams	0.06
		0.49

Attribute and their importance Order



UTILITY CHART







BEST AND WORST PRODUCT

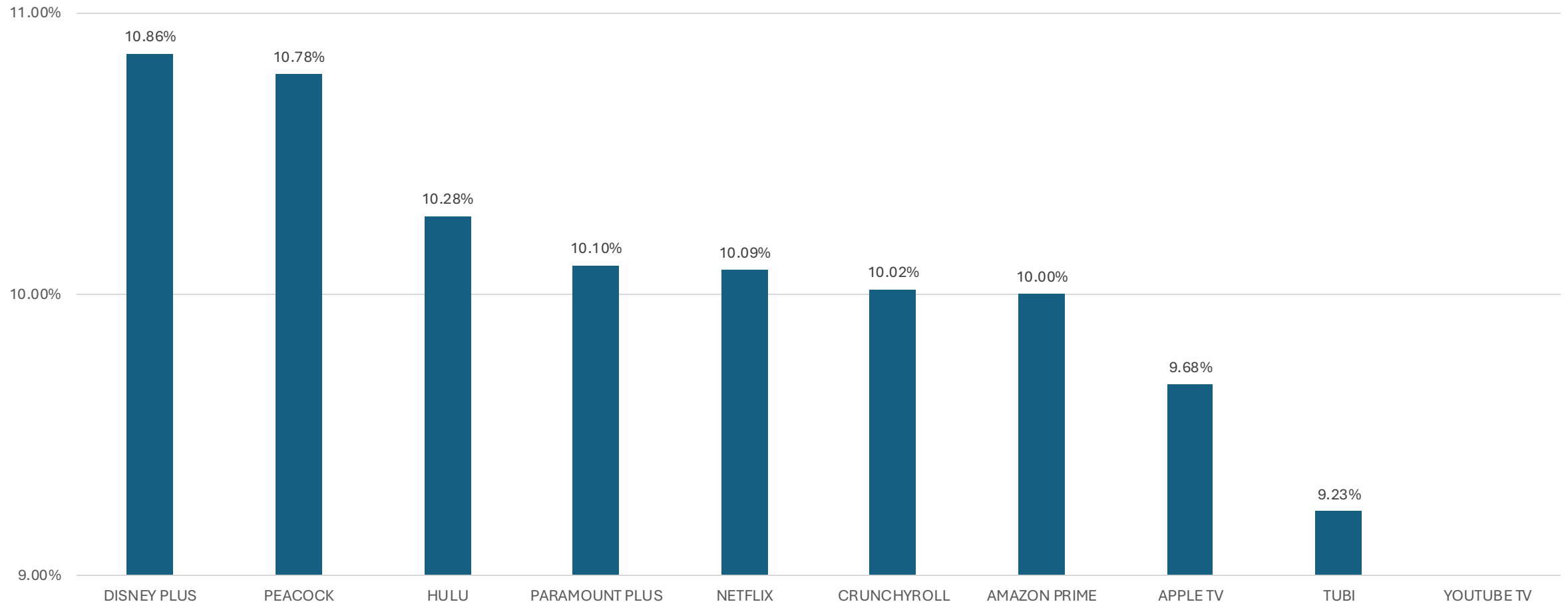
High Quality Content

Subscription	\$100 - \$150	0.104452055
Content Library	500 - 2000 titles	0.107876712
Ad frequency	Frequent interruptions	0.029109589
Content Release	< 5 titles per month	0.034246575
User Rating	>4.5 stars	0.029109589
Average Content Duration	<30 minutes	0.054794521
No. of Streams	>3 Streams	0.029109589

Low Quality Content

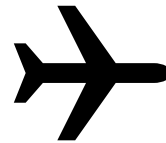
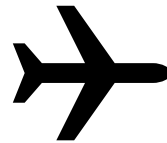
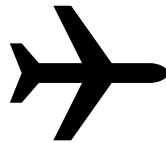
Subscription	<\$50	0.039383562
Content Library	<500 titles	0
Ad frequency	Occasional Interruptions	0.008561644
Content Release	>20 titles per month	0.029109589
User Rating	3-4.5 stars	0.017123288
Average Content Duration	>90 minutes	0.029109589
No. of Streams	>3 Streams	0.029109589

Product and its Market Share



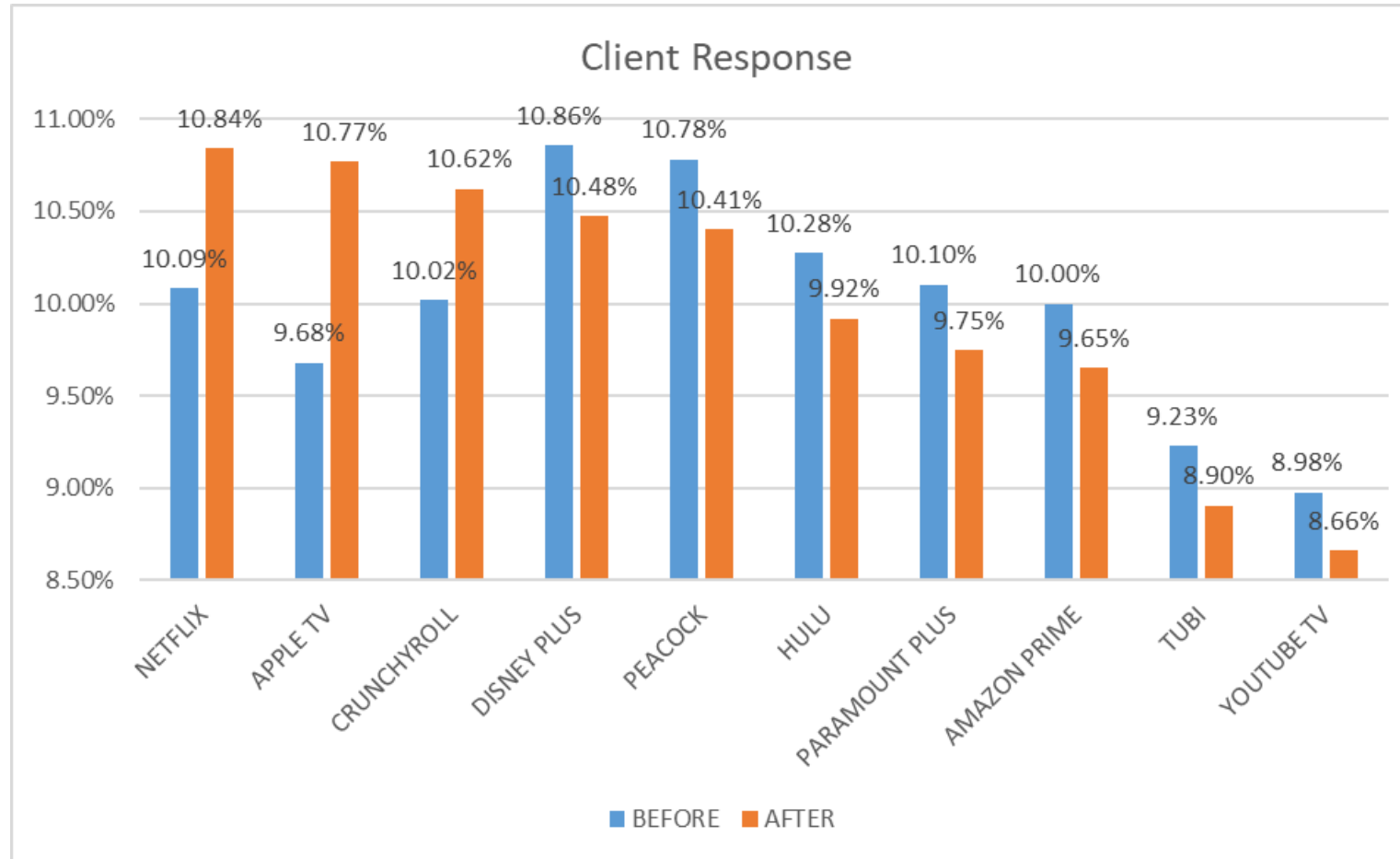
Market Simulation

APPLE TV		
Subscription	\$100 - \$150	0.10445
Content Library	<500 titles	0
Ad frequency	Occasional Interruptions	0.00856
Content Release	< 5 titles per month	0.03425
User Rating	3-4.5 stars	0.01712
Average Content Duration	30-90 minutes	0.06336
No. of Streams	>3 Streams	0.02911
		0.25685
NETFLIX		
Subscription	\$100 - \$150	0.10445
Content Library	>2000 titles	0.02911
Ad frequency	Occasional Interruptions	0.00856
Content Release	>20 titles per month	0.02911
User Rating	>4.5 stars	0.02911
Average Content Duration	30-90 minutes	0.06336
No. of Streams	1 Stream	0.03425
		0.29795
CRUNCYROLL		
Subscription	<\$50	0.03938
Content Library	500 - 2000 titles	0.10788
Ad frequency	Occasional Interruptions	0.00856
Content Release	5 - 20 titles per month	0.01712
User Rating	>4.5 stars	0.02911
Average Content Duration	<30 minutes	0.05479
No. of Streams	1 Stream	0.03425
		0.2911

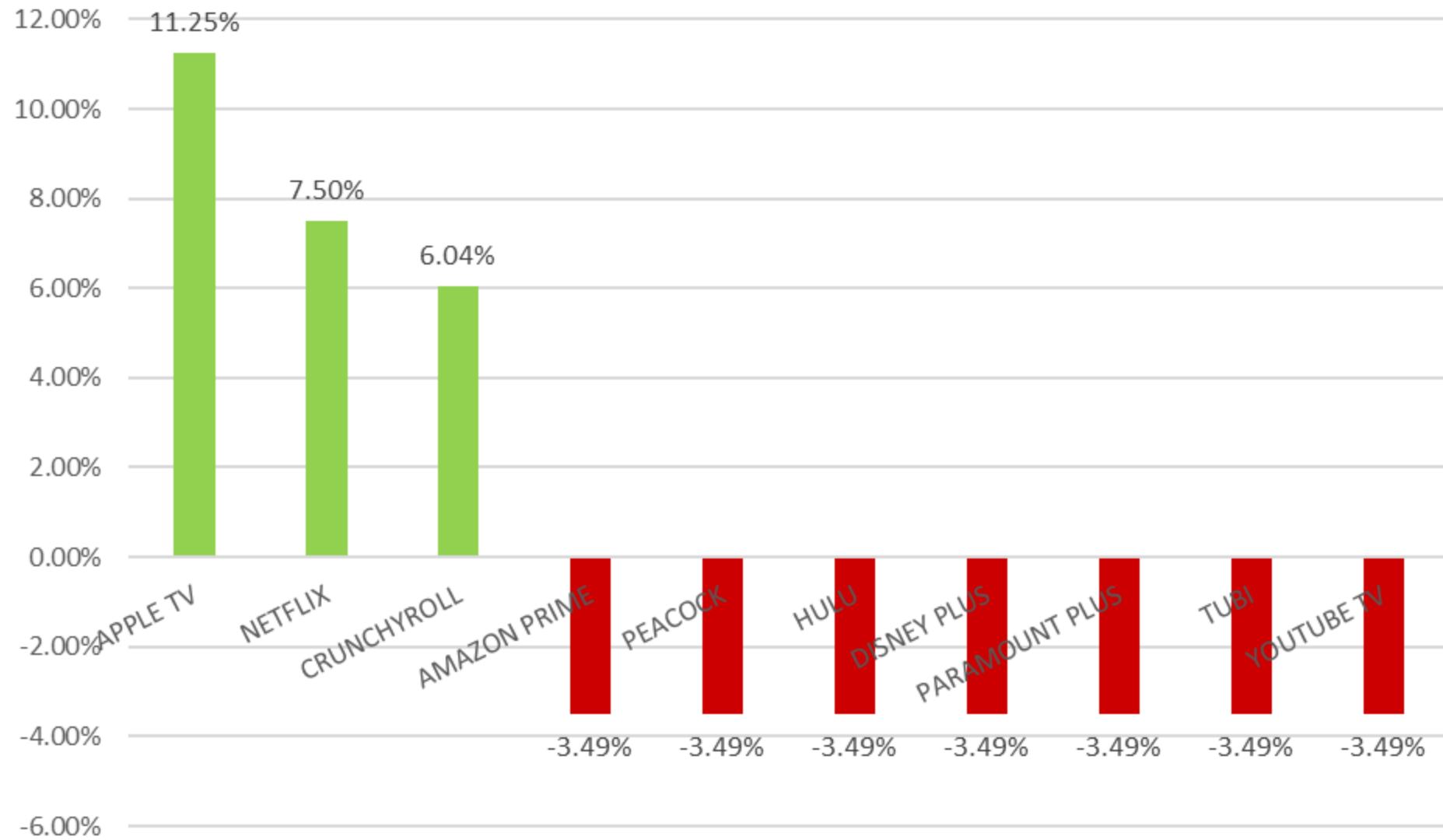


		TPU
APPLE TV - 2		
Subscription	\$100 - \$150	0.10445
Content Library	500 - 2000 titles	0.10788
Ad frequency	no ads	0.04281
Content Release	< 5 titles per month	0.03425
User Rating	3-4.5 stars	0.01712
Average Content Duration	30-90 minutes	0.06336
No. of Streams	>3 Streams	0.02911
		0.39897
NETFLIX - 2		
Subscription	\$100 - \$150	0.10445
Content Library	500 - 2000 titles	0.10788
Ad frequency	no ads	0.04281
Content Release	>20 titles per month	0.02911
User Rating	>4.5 stars	0.02911
Average Content Duration	30-90 minutes	0.06336
No. of Streams	>3 Streams	0.02911
		0.40582
CRUNCYROLL - 2		
Subscription	\$100 - \$150	0.10445
Content Library	500 - 2000 titles	0.10788
Ad frequency	no ads	0.04281
Content Release	5 - 20 titles per month	0.01712
User Rating	>4.5 stars	0.02911
Average Content Duration	<30 minutes	0.05479
No. of Streams	>3 Streams	0.02911
		0.38527

Market share after Round 1



Client Response

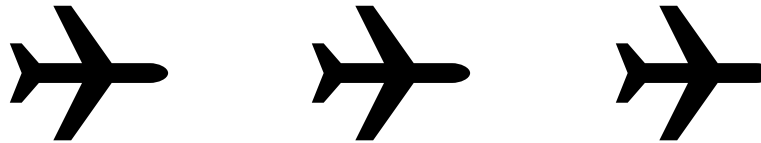


Market Simulation – 2 (Competitor's response)

AMAZON PRIME	
Subscription	\$100 - \$150
Content Library	>2000 titles
Ad frequency	frequent interruptions
Content Release	5 - 20 titles per month
User Rating	3-4.5 stars
Average Content Duration	30-90 minutes
No. of Streams	>3 Streams

HULU	
Subscription	<\$50
Content Library	500 - 2000 titles
Ad frequency	Occasional Interruptions
Content Release	5 - 20 titles per month
User Rating	3-4.5 stars
Average Content Duration	30-90 minutes
No. of Streams	2 - 3 Streams

PEACOCK	
Subscription	\$100 - \$150
Content Library	500 - 2000 titles
Ad frequency	Occasional Interruptions
Content Release	< 5 titles per month
User Rating	3-4.5 stars
Average Content Duration	30-90 minutes
No. of Streams	>3 Streams

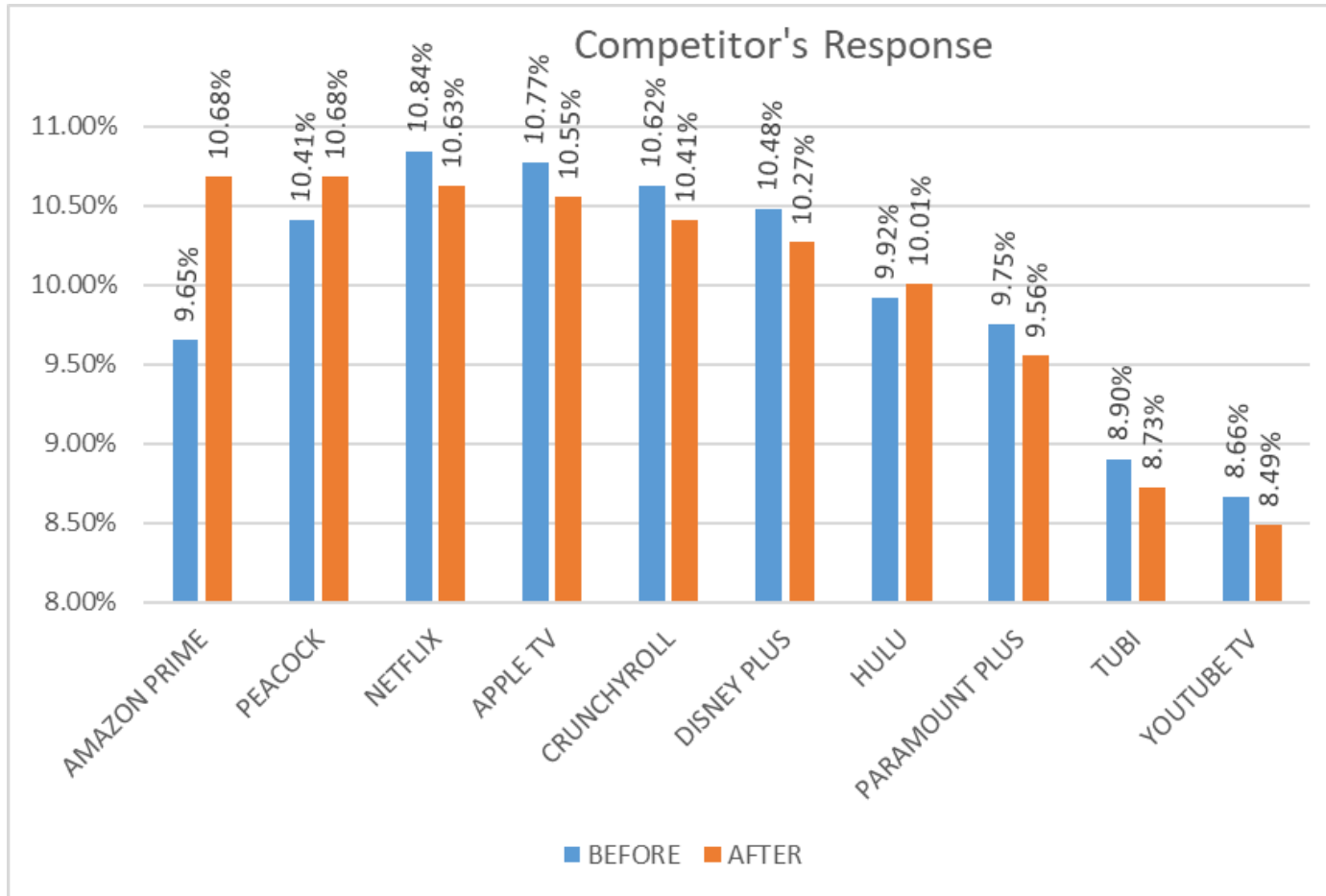


AMAZON PRIME	
Subscription	\$100 - \$150
Content Library	500 - 2000 titles
Ad frequency	no ads
Content Release	< 5 titles per month
User Rating	>4.5 stars
Average Content Duration	30-90 minutes
No. of Streams	>3 Streams

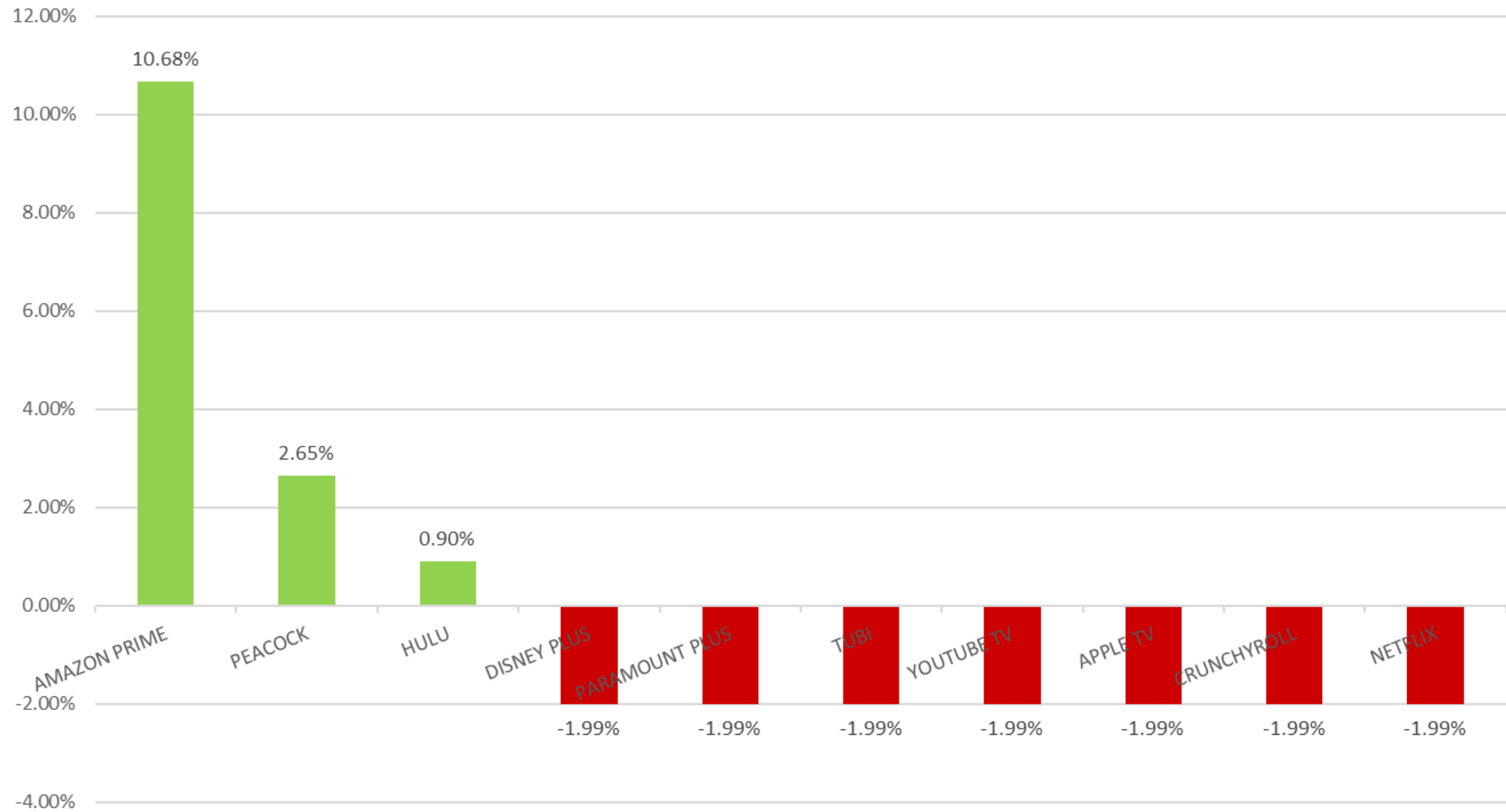
HULU	
Subscription	<\$50
Content Library	500 - 2000 titles
Ad frequency	no ads
Content Release	< 5 titles per month
User Rating	>4.5 stars
Average Content Duration	30-90 minutes
No. of Streams	>3 Streams

PEACOCK	
Subscription	\$100 - \$150
Content Library	500 - 2000 titles
Ad frequency	no ads
Content Release	< 5 titles per month
User Rating	>4.5 stars
Average Content Duration	30-90 minutes
No. of Streams	>3 Streams

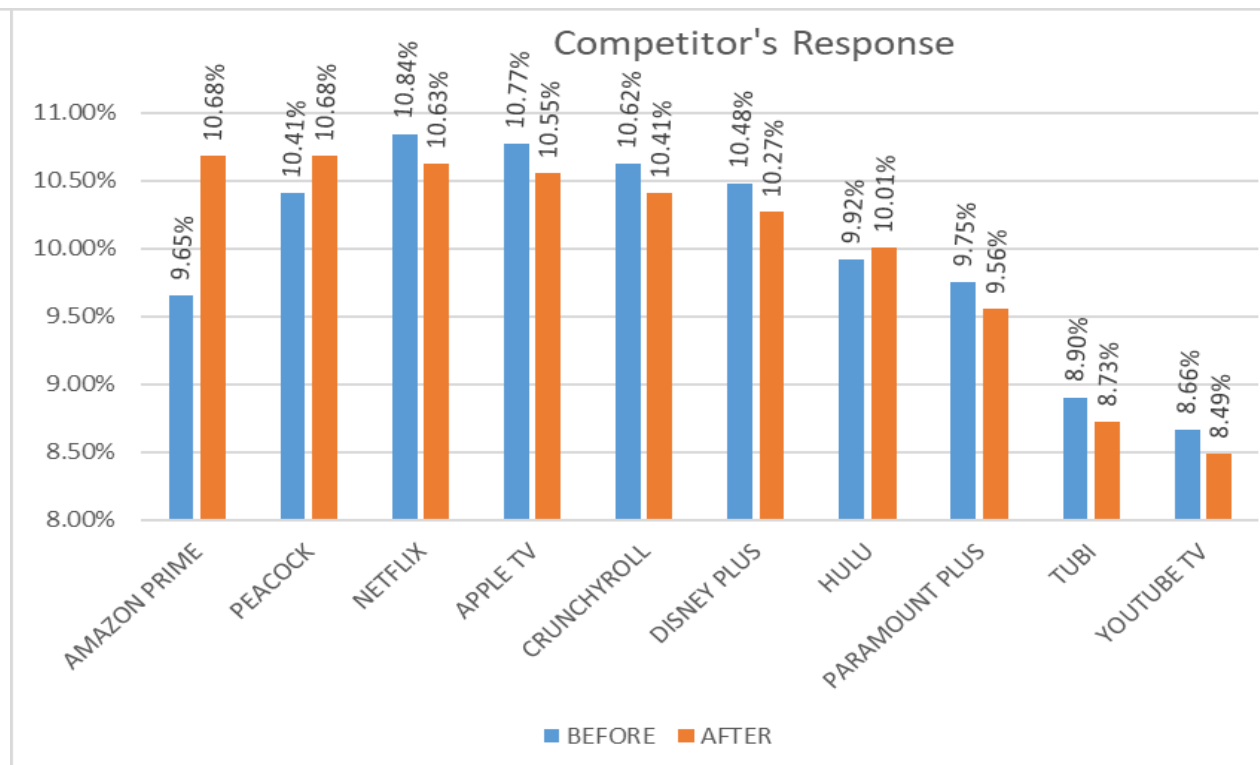
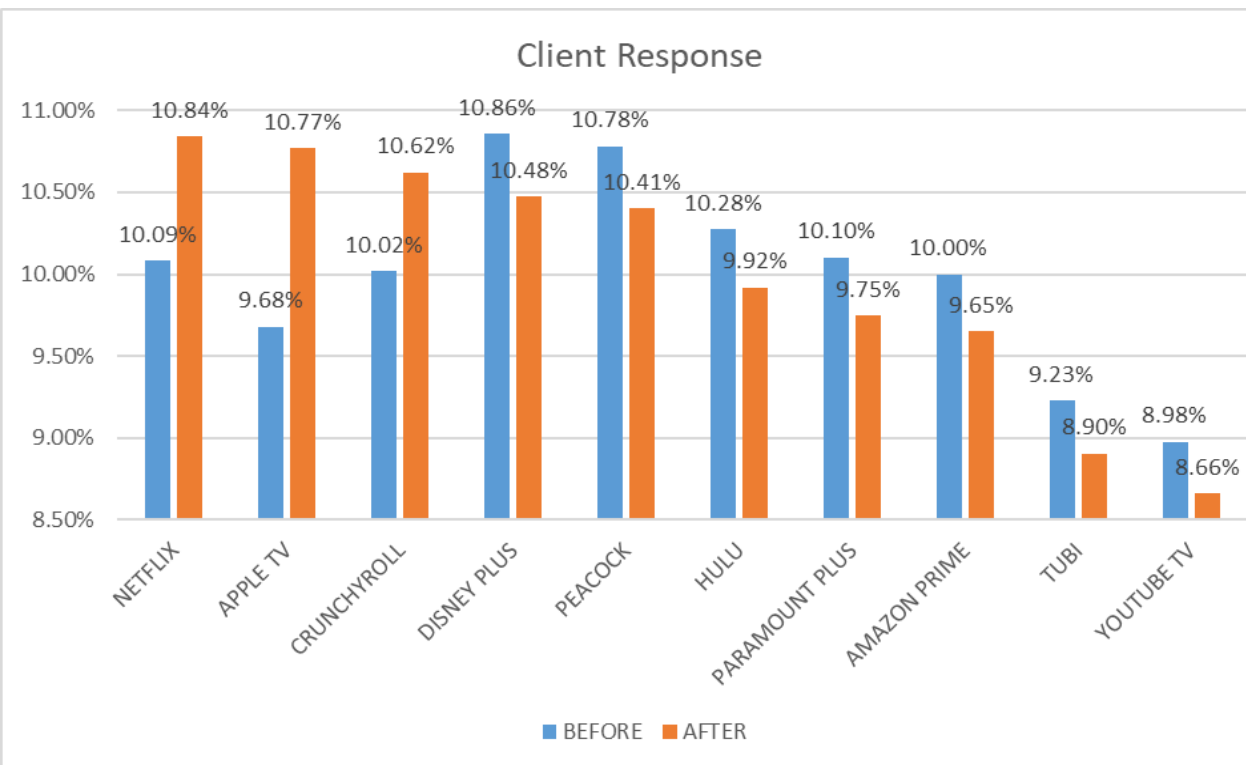
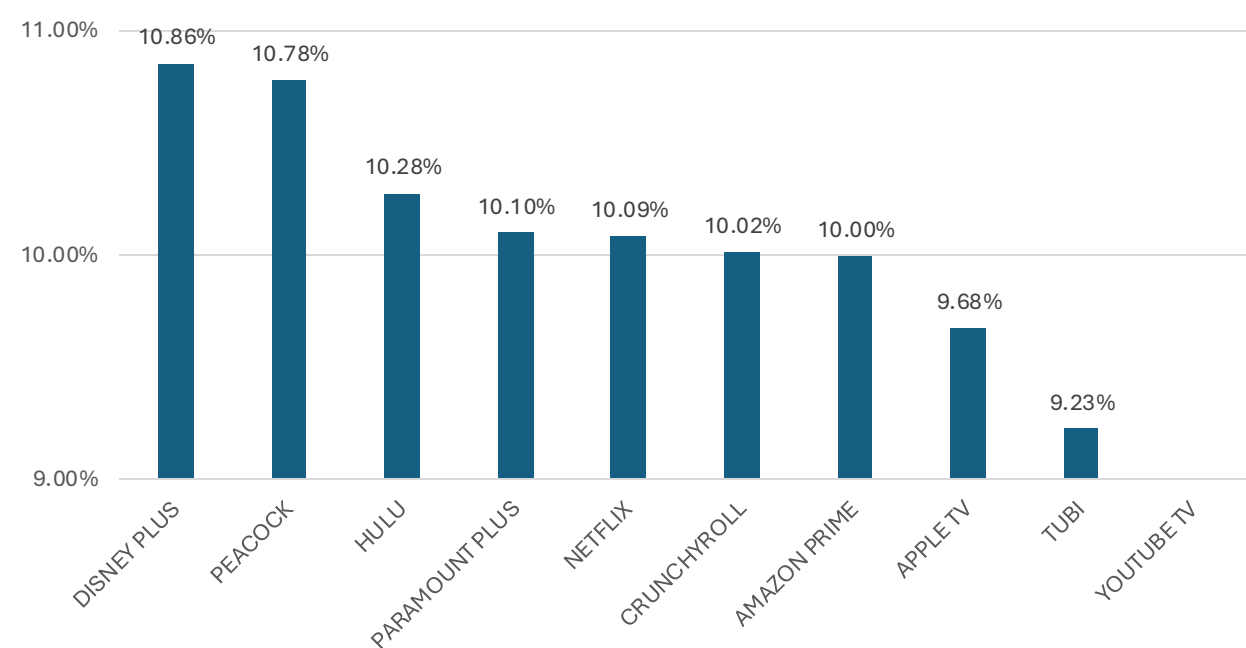
Market Share after Round 2



Change after Competitor response



Changes in Market Share



Intercept Interpretation

- We have large intercept value which typically indicate minimum acceptable product for the target market is very high.
- To gain entry into market requires the product to provide high value to customers compared to the products in current market.

Recommendations

1. **Product Design:** Design products with the optimal attributes identified (e.g., Affordable subscription price, 500-2000 titles, no ads, less than 5 titles per month, ratings less than 3 stars, 30 - 90 minutes duration, and 2 - 3 streams).
2. **Content Library Expansion:** Invest in expanding the content library to 500 - 2000 titles to meet consumer preferences.
3. **Ad Strategy:** Implement an ad free strategy to align with consumer preferences.
4. **Content Release Strategy:** Focus on quality over quantity, releasing fewer than 5 titles per month to meet consumer preferences.
5. **Market Positioning:** Position products to provide high value to customers, given the large intercept value indicating a high minimum acceptable product standard.

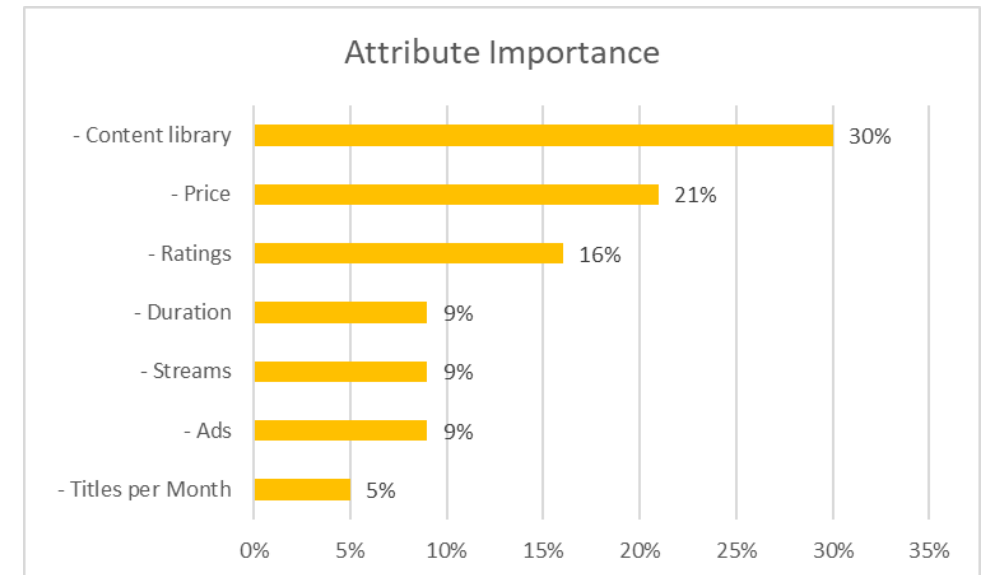
Conclusion PM vs CA

- Subscription price and quantity of content show high importance for both the PM and CA
- PM and CA shows # of ads has an affect on the customer but not the most important factor
- PM shows streaming quality as not important

PM-Total Variance Explained

Component	Total	Initial Eigenvalues	
		% of Variance	Cumulative %
Large Content Library	6.461	38.008	38.008
High Device Compatibility	3.104	18.258	56.266
Low Subscription Price	2.558	15.046	71.312
Low Region Restriction	1.896	11.154	82.466
Poor Customer Support	1.316	7.743	90.208
Easy Serchability	.752	4.421	94.630
Low Number of Ads	.463	2.721	97.350
Good User Interface	.302	1.777	99.128
Offline Access	.148	.872	100.000
Low No. User Profiles	6.817E-16	4.010E-15	100.000
High Parental Control	2.841E-16	1.671E-15	100.000
Bad Recomendations	1.721E-16	1.012E-15	100.000
Low Additional Features	-8.242E-17	-4.848E-16	100.000
Low Bundle Options	-1.414E-16	-8.317E-16	100.000
Low # of Languages	-1.505E-16	-8.853E-16	100.000
Good Streaming Quality	-3.715E-16	-2.185E-15	100.000
Preference	-8.725E-16	-5.132E-15	100.000

CA-Attribute Importance



Summary of Recommendations

Increase

- Apple TV needs to increase their number of streamers by reducing their subscription price (Strong)

Increase

- Increase the amount of content to attract more streamers (Strong)

Decrease

- Decrease # of ads (Strong)

Increase

- Increase Language Options and perception of regions available to cater to diverse audiences (Weak)

Increase

- Increase the UI accessibility with predicative text and less cluttered screens (Weak)

Learning Memo

- Update the attributes used for Perceptual Mapping and Conjoint Analysis to have more overlap
 - Easier to compare results when attributes match
- Change the levels of Price Attributes to free, affordable, expensive
- Design of the Survey

APPENDIX



Code sheet

x1	<50
x2	100-150
x3	under 500
x4	500-2000
x5	no ads
x6	occasional interruptions
x7	<5 titles per month
x8	5-20 titles
x9	<3 stars
x10	3-4.5 stars
x11	<30 min
x12	30-90
x13	1 stream
x14	2-3 streams
x15	>150
x16	>2000
x17	frequent interruptions
x18	>20 titles per month
x19	>4.5
x20	>90
x21	>3 streams
Intercept	intercept

OUTPUT 2: OVERALL FEATURE IMPORTANCE CALCULATIONS

Attributes	Re-Scale	Range	Feature Importance
<50	0.04	0.08	21%
100-150	0.10	0.08	21%
>150	0.03	0.08	21%
under 500	0.00	0.11	30%
500-2000	0.11	0.11	30%
>2000	0.03	0.11	30%
no ads	0.04	0.03	9%
occasional interruptions	0.01	0.03	9%
frequent interruptions	0.03	0.03	9%
<5 titles per month	0.03	0.02	5%
5-20 titles	0.02	0.02	5%
>20 titles per month	0.03	0.02	5%
<3 stars	0.08	0.06	16%
3-4.5 stars	0.02	0.06	16%
>4.5	0.03	0.06	16%
<30 min	0.05	0.03	9%
30-90	0.06	0.03	9%
>90	0.03	0.03	9%
1 stream	0.03	0.03	9%
2-3 streams	0.06	0.03	9%
>3 streams	0.03	0.03	9%
		0.36	100%

MARKET SHARE CALCULATION

PRODUCT	TPU	EXPONENTIAL VALUE	BEFORE	AFTER
DISNEY PLUS	0.371575342	1.45001709	10.86%	10.48%
PEACOCK	0.364726027	1.440119401	10.78%	10.41%
HULU	0.316780822	1.372701673	10.28%	9.92%
PARAMOUNT PLUS	0.299657534	1.349396606	10.10%	9.75%
NETFLIX	0.297945205	1.347087973	10.09%	10.84%
CRUNCHYROLL	0.29109589	1.337892869	10.02%	10.62%
AMAZON PRIME	0.289383562	1.335603917	10.00%	9.65%
APPLE TV	0.256849315	1.292850299	9.68%	10.77%
TUBI	0.20890411	1.232326825	9.23%	8.90%
YOUTUBE TV	0.181506849	1.199022749	8.98%	8.66%
		13.3570194		