Hakui Consulting

Mevod's Strategy

Middle Eastern Video on Demand

Agenda

Case Overview

Exploratory Data Analysis

Segmentation & Targeting

Allocation & Attribution

Customer Churn

Further Steps

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About Mevod

Mevod, our client, is a Dubai based video on demand company that aims to become the dominant player of the regional OTT service market. Their current and potential competitors include Starz, an American OTT service company, and HBO. Unlike these foreign companies that treating the region as a secondary market, Movod would like to tailored to the Middle Eastern / Arabic-speaking market.

Current tactical plan:
1. Acquiring and/or producing native content (currently primarily generated in Egypt and Turkey)
2. Offering superior customer service to establish their committed presence to the region.

As of now, Mevod has a subscription business model, billed in a 4 month cycle, with six different pricing schemes:

No trial fee   /   Discounted trial fee
7-day trial fee   /   14-day trial fee
Low priced monthly plan /   High priced monthly plan

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Data Overview

Channel_spend

Total spend per select channels per month, 2019/07– 2020/04

Subscribers

Past or current subscribers' records include data such as characteristics and demographics

CQM_engagenent

Product usage data measures the product engagement of a given subscriber in a given date

Customer_service_reps

Customer service representative data set include records of customer service representative who serves multiple subscribers.
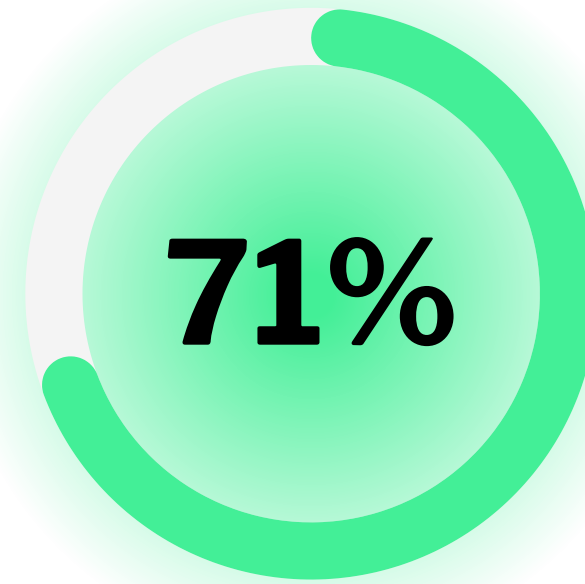
Understanding Subscriber Demographics

Mevod's Strategy

88%

Female Subscribers

63%

IOS Users

71%

Young and Middle Aged Adults

49%

Base Internet Plan

In total, there are 227,628 past / current subscribers. All users are from United Arab Emirates and speak Arabic.
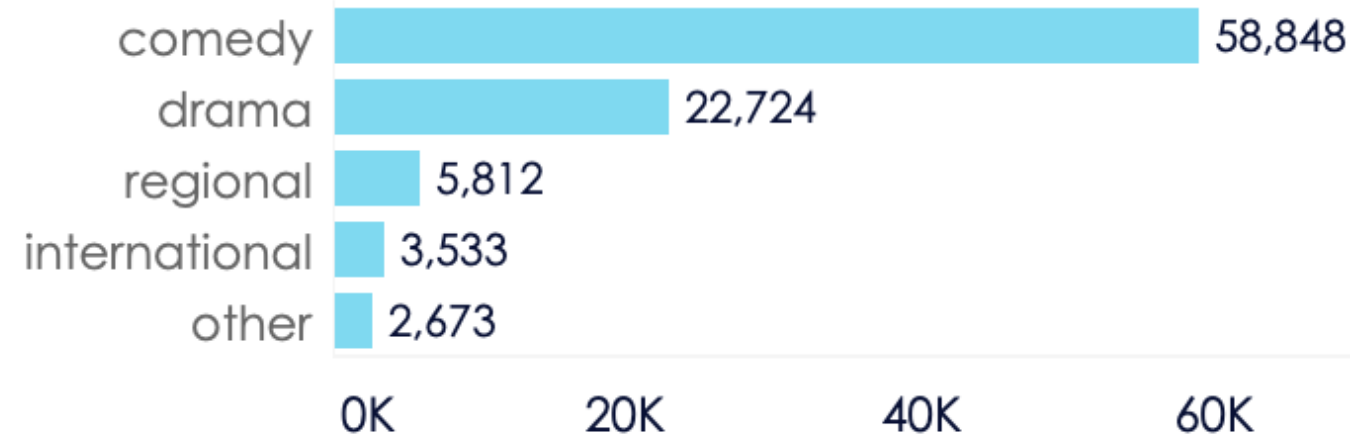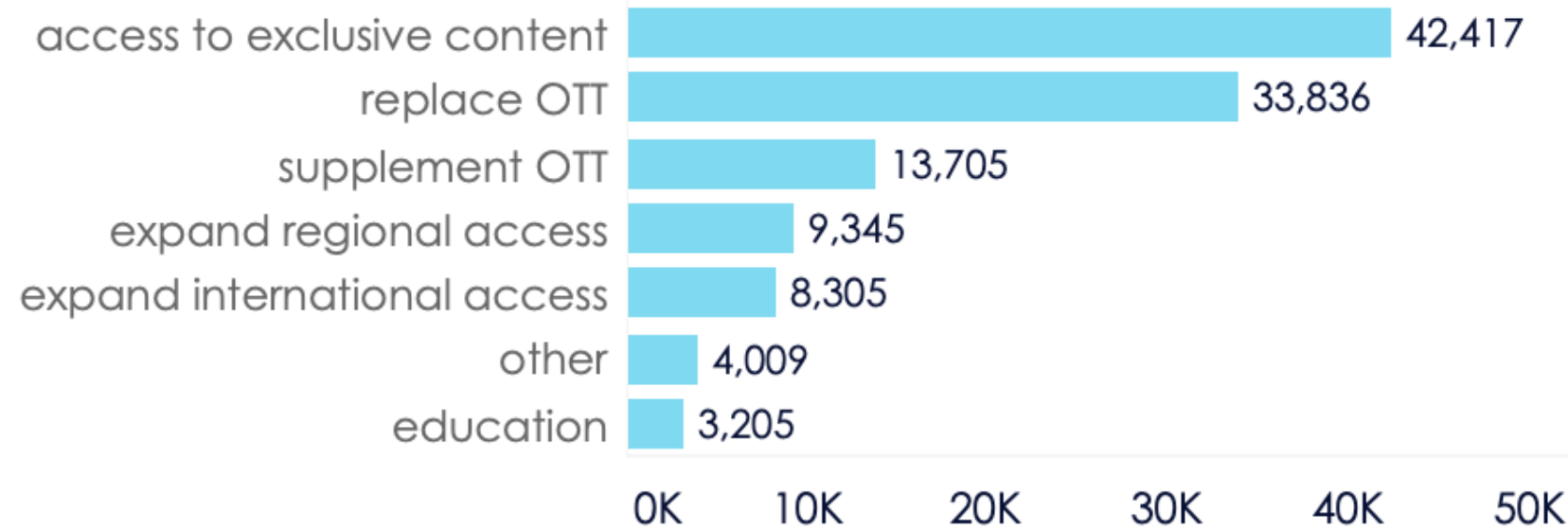
Understanding Our Customers

There are 17 SDGs and 169 targets in total. While they are all important and interrelated, some will be more relevant to your business than others.

Preferred Genre

Genre	Value
comedy	58,848
drama	22,724
regional	5,812
international	3,533
other	2,673

Intended Use

Use	Value
access to exclusive content	42,417
replace OTT	33,836
supplement OTT	13,705
expand regional access	9,345
expand international access	8,305
other	4,009
education	3,205

28 hours

Average weekly consumption hour of all customers

3 currently utilized services

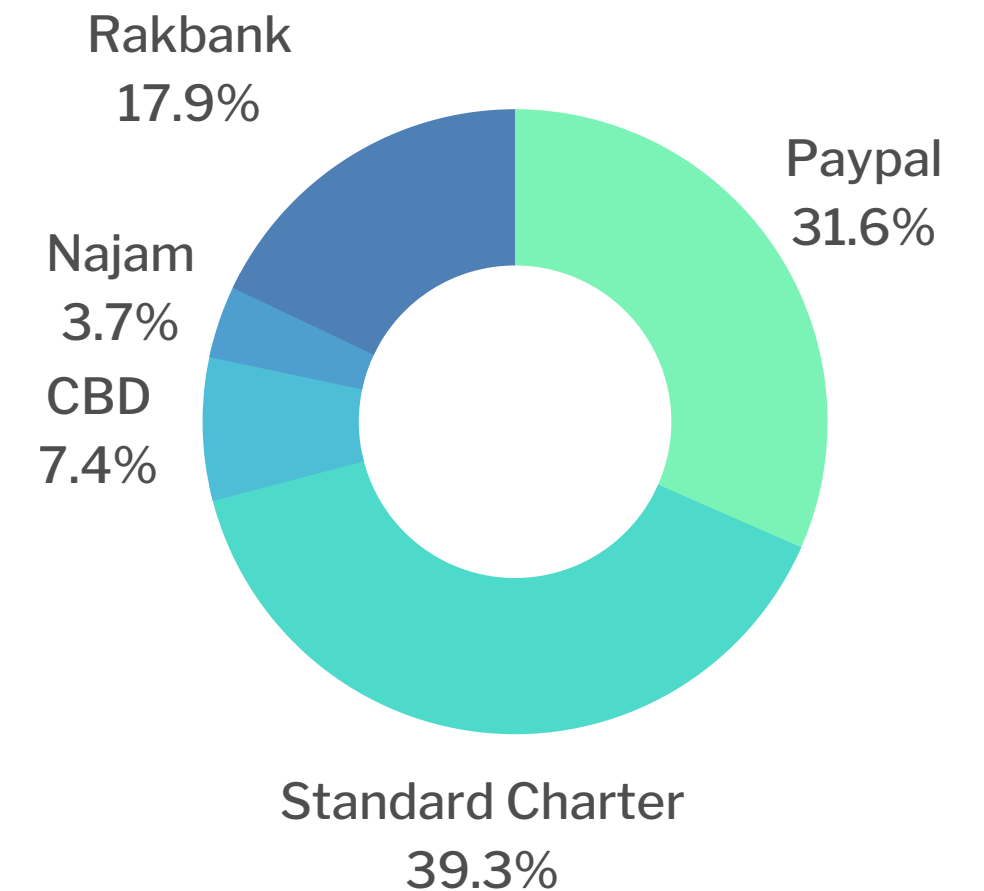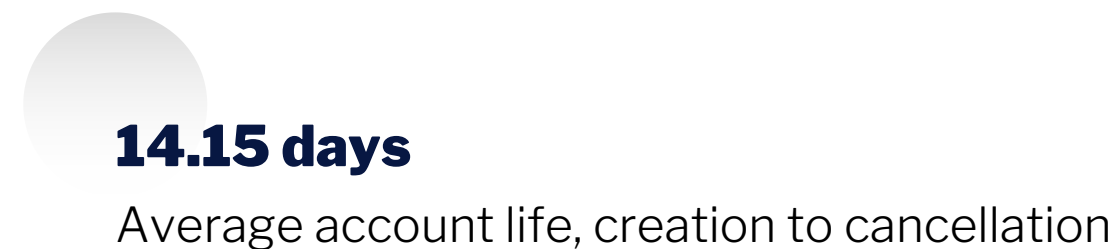Average weekly number of service currently utilized for all customers

2 ideal streaming services

Average ideal number of streaming services wanted for all customers

Mevod's Strategy

Subscribers' Payments

Mevod's Strategy

92% Users made successful payments

65% Users finished trial without calcellation

3.9% Users requested refund after trial

14.15 days
Average account life, creation to cancellation

1.56 UAE dirham
Average net revenue from each subscriber

Rakbank
17.9%

Najam
3.7%

CBD
7.4%

Paypal
31.6%
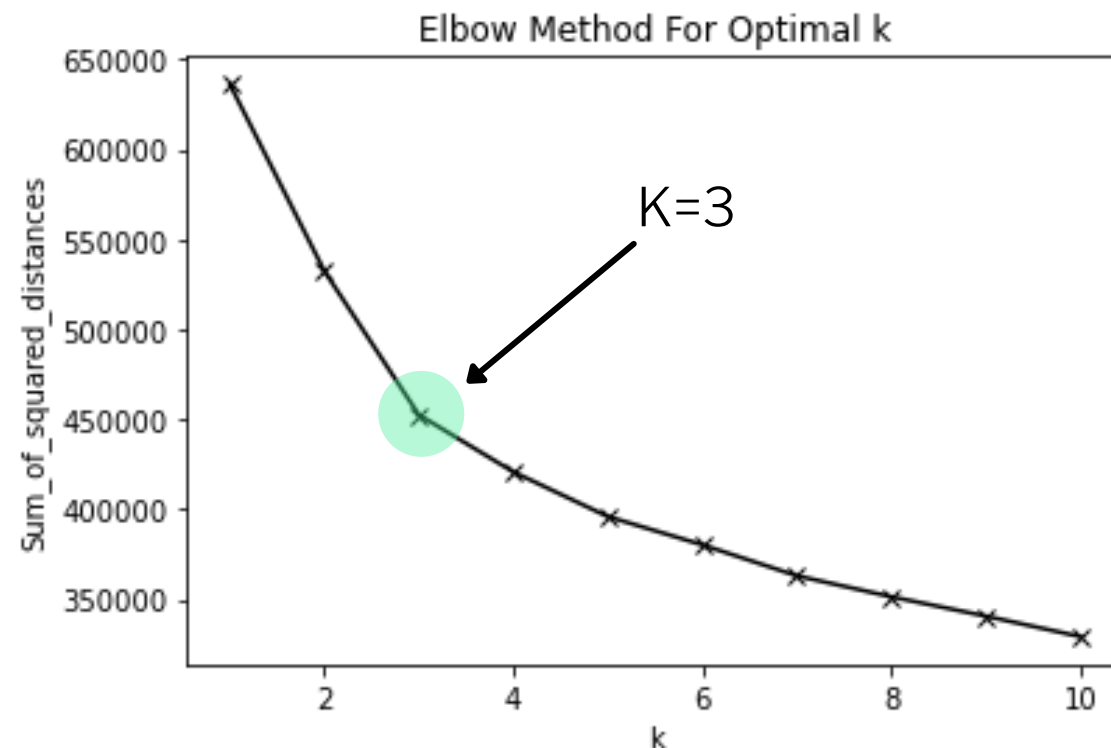
Standard Charter
39.3%

Payment Type

Segmentation K-means Modeling

Data Preprocessing

- Unreasonable data points and null values are removed
- Categorical variables are dummied for modeling
- Standard scaler to numerical features for modeling

Features Used

- Age: 16-100
- Weekly Consumption Hour: 1-77 hours/week
- Gender: Female, Male
- Operation System: Android, iOS
- Internet Package Type: Base, Economy, Enhanced
- Preferred Genre: Comedy, Drama, Regional, International, Other
- Intend Use: Access to exclusive content, Replace OTT, Supplement OTT, Expand regional access, Expand international access, Education, Other

Elbow Method

- k=3 indicates the turning point from a steep to a flat slope
- Therefore there will be 3 clusters of customers

Elbow Method For Optimal k

K=3

Segmentation

Mainly target to the Addicted Generation X because Mevod has more customers in this group, and these people also spend more time on Mevod on a weekly basis compare to other segments.

	Comedy Millennials	Addicted Gen X	Drama Lady Boomers
Demographics	Age of 25-40 Mostly female	Age of 41-55 A mix of male and female	Age of 56-74 Mostly female
Psychographics	Only watch comedy Intend usage is to replace OTT, but also to our exclusive content	Watch comedy and some drama Intend to access to exclusive content	Watch comedy and drama Intend to access to exclusive content
Behavioral	Weekly spend 27 hours on our service on average.	Weekly spend 36 hours on our service on average.	Weekly spend 26 hours on our service on average.

Marketing Mix

Addicted Generation X

/ Advanced quality videos
Provide 4K resolution videos to the enhanced internet plan subscribers, as better quality products would keep customers.

/ Content genre
Focus on drama and comedy.

/ Exclusive contents
As the most unique and special feature to an OTT platform. Mevod should focus on producing more exclusive contents.

/ Keep Mevod positioning as dominant OTT service
Keep subscribers' main streaming service as Mevod instead of a supplement.

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Allocation & Attribution

Data Preprocessing

Channel spending dataset: interpret date as the spending for next month, so only use data in 2019/7 to 2020/3

Channels examples: affiliate, appstore, bing, email, facebook, google, pinterest, playstore, quora, search, tv, twitter, youtube.

Top 3 lowest CAC channels

Rank	Channel	Average CAC
1	Facebook	7.82
2	Search	9.55
3	Pinterest	10.20

For the purpose of getting more customer, Mevod should focus on channels that not only have a large audience reach, but also have the lowest average cost of acquiring customers, therefore more customer could be gained with the same amount of budget.

CAC varies by month, therefore channels can be chosen by seasonality, but more observations needed.

Customer Churn

Features

- *Payment period:* 0-3
- *Number of weekly services utilized:* 0-10
- *Weekly consumption hour:* 0-76
- *Join Fee:* 0-0.73
- *Monthly_Price:* 4.73-5.10
- *Gender:* Male / Female
- *Retarget customer:* True / False
- *Operation System:* iOS / Android
- *Genre:* Comedy / Drama / International / Regional / Other
- *Intend Use:* Access to exclusive content, Replace OTT, Supplement OTT, Expand regional access, Expand international access, Education, Other
- *Internet Package Type:* Base, Economy, Enhanced
- *Engagement features:* app opens time, number of videos completed, number of videos rated, number of videos watched more thann 30 seconds, number of series started

Data Preprocessing

1. Unreasonable data points are removed
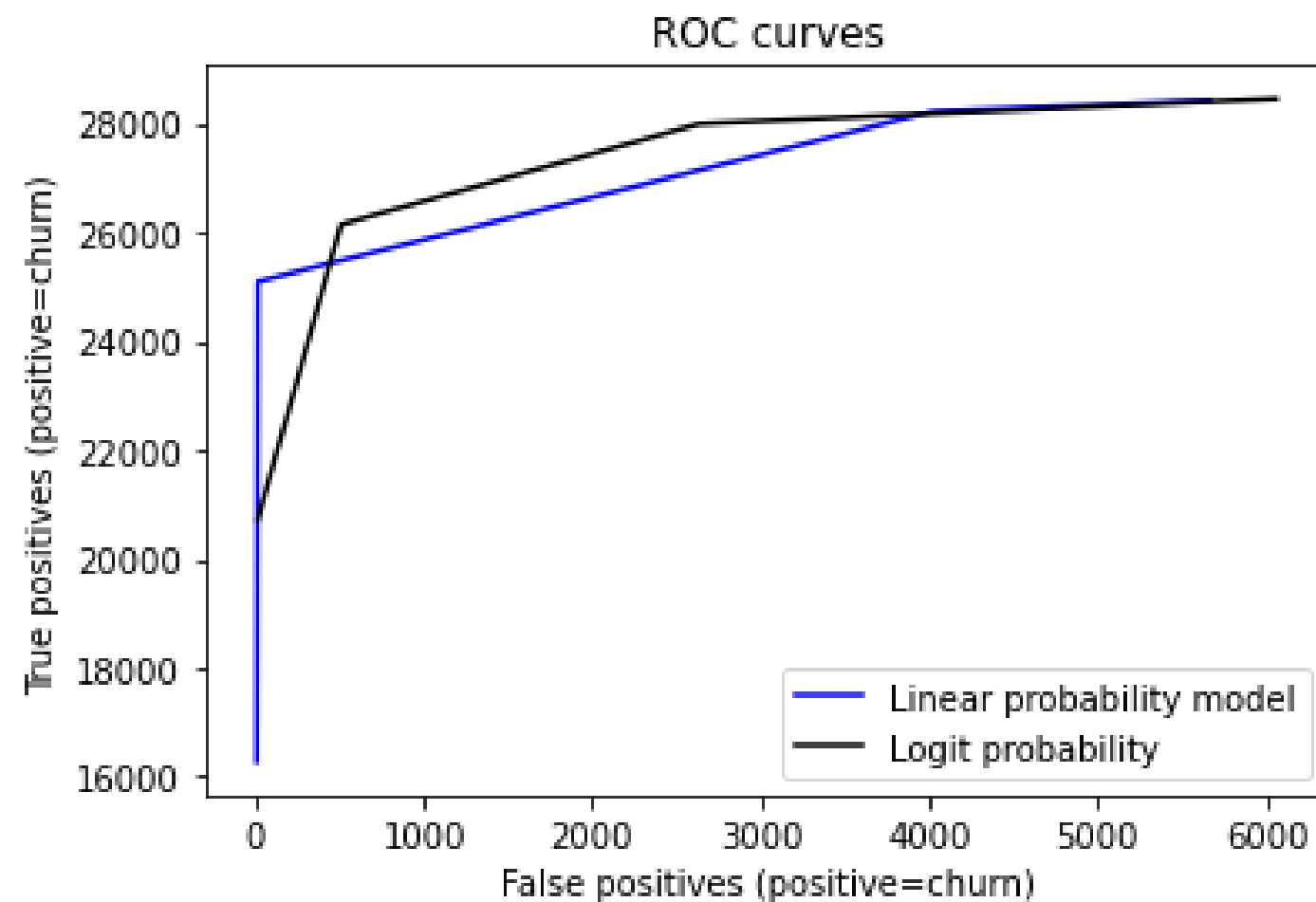2. Categorical variables are dummied for modeling

Models

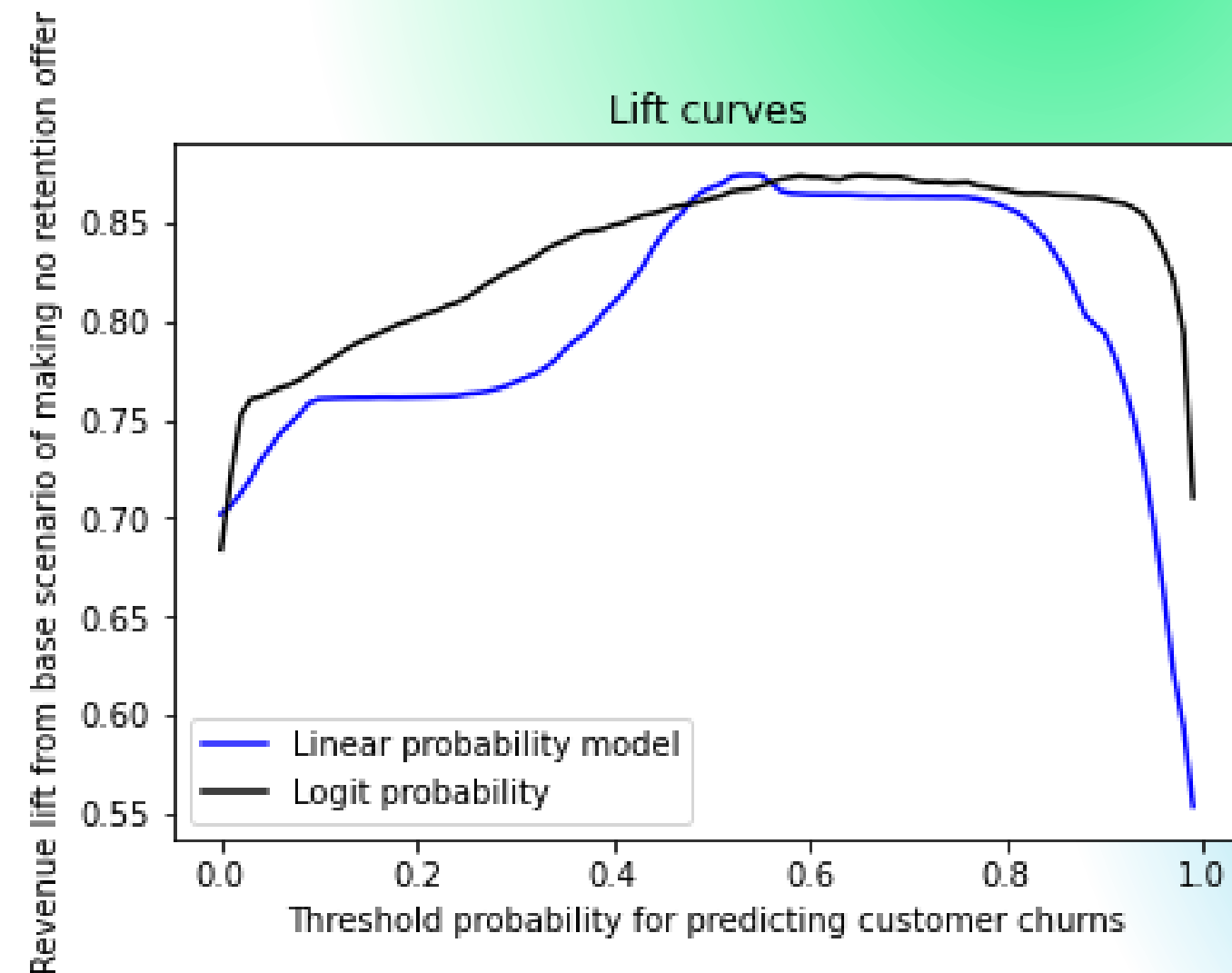Linear Regression
Logistic Regression

Model Performance & Threshold

Both models have a R-squared aroundn 0.6

Meaning 60% of the data could be explained by model

Threshold = 0.53

At this threshold, Mevod would generate most revenue

Revenue Lift

Model Assumptions

All parameters fixed:
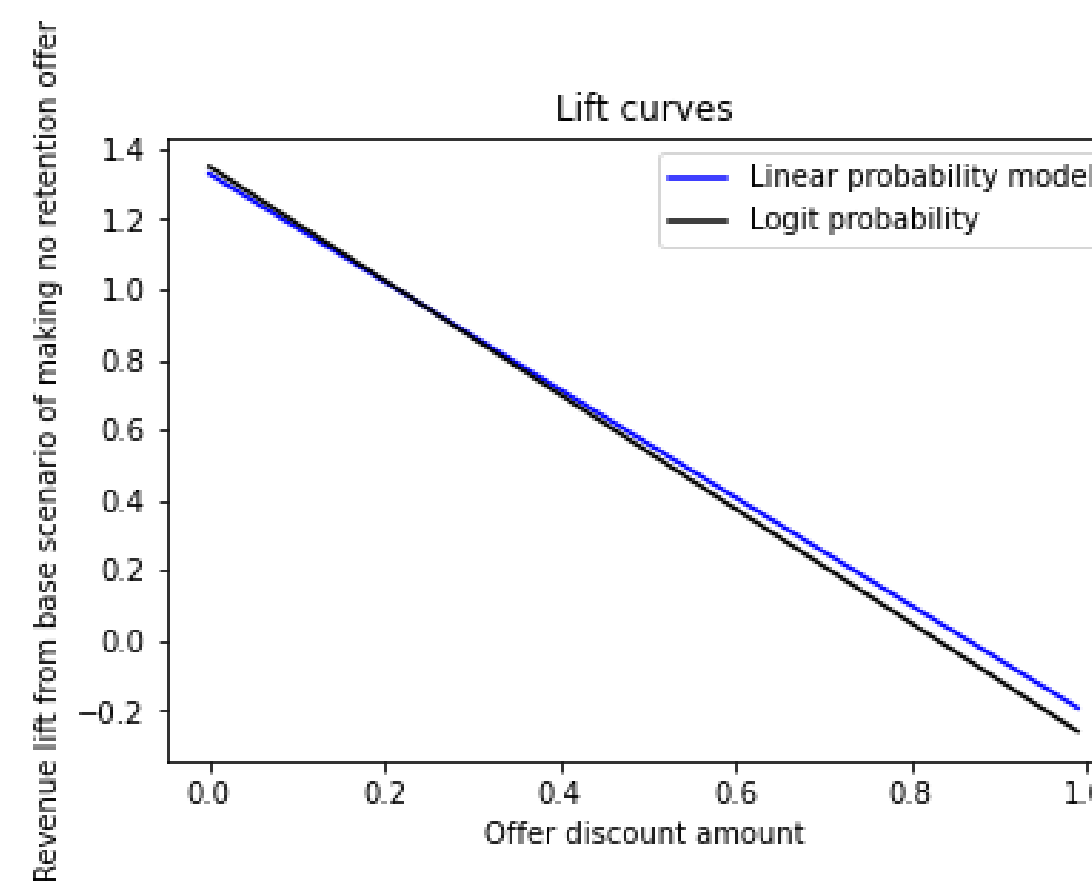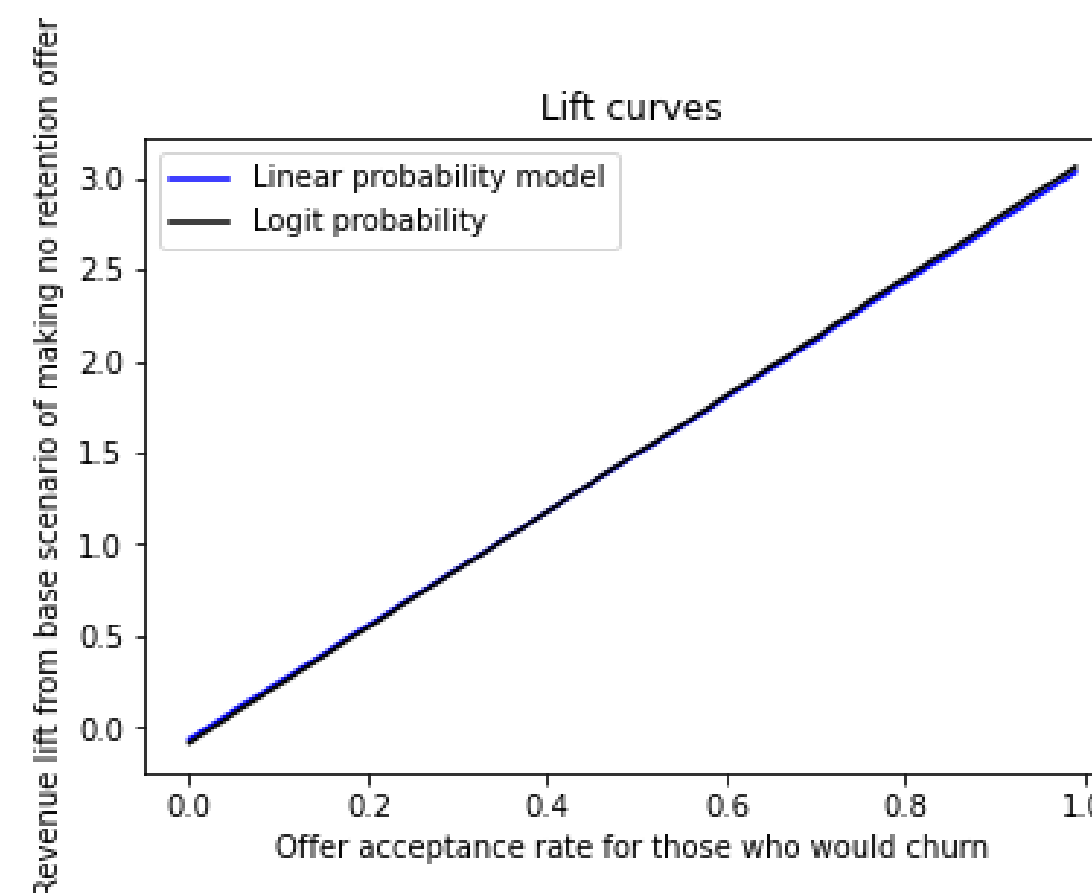acceptance_rate_nonchurn = 1
acceptance_rate_churn = 0.5
threshold = 0.53
base_price = 4.73 (base pricing scheme in UAE dirham)
discount_amount = 0.3

Offers will be distributed to everyone as the model is not perfectly identifying high likelihood churners, and

Improvements

1. Data Source & Quality

The data provided is not in a good quality. Many unreasonable records and limited survey questions. If clearer the targeted population is understood, then more precisely marketing strategies could be formulated.

2. More Information Needed

In order to make appropriate business strategies, it is important to understand our client well. If possible, more background information on current business model is welcomed.

3. Models Could be Further Modified

Current Churn model could not predict all possible churners. Advanced machine learning model could be used to identify key features of churner and them make corresponding discount offers and other marketing strategies.

Take aways

/ Targeting Addicted Gen X as Mevod's main focus customer, and providing high quality contents to advanced internet subscribers.

/ Focus on exclusive contents, mainly comedy and drama.

/ Facebook, search, and Pinterest are the three lowest CAC channels.

/ Mevod should make discount offer to everyone due to short account life and low net revenue

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Thank You

Xinran Xie
1555 Century Ave, Pudong, Shanghai

🌐 https://github.com/cocohakui/21Fall-Marketing-Analytics

f @cocohakui