Cases of IT contribution

Alejandra Riscos
Federico Colleluori

Costs on IT ROI: 145 million €

Investment of 5 million €

Internal application for cost calculation and control tool

Saving of 150 million €

| Beginning of 2022 | | DPP **Direct Product Profit** | | End of 2022 |

Objective:
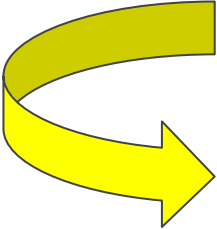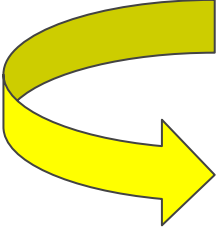
Streamlining and optimising processes with simplicity of use in mind

Continuous delivery and deployment, using:

Methodology: Agile development

Infrastructure: cloud and development frameworks

MERCADONA
SUPERMERCADOS DE CONFIANÇA

Business development

- Mercadona developed their business differentiating from other supermarkets by only selling products from its own brand (Hacendado and Deliplus) at low price but with very high quality

- The key for its success is the collaboration with providers, which also benefit because they don't need to invest on marketing and logistics as they are handled by Mercadona

- The money they save by not doing this investments brings a margin in benefits that permits that end customer price is lower for consumers

https://blog.amicci.com.br/2023/12/20/mercadona-marcas-proprias/

Innovation: Pronto a Comer project

2018	Vision	2023
Reorganizes areas of their physical shops to offer already prepared food that their customers can eat inside or take away	Investment of 10.000 milion € on transforming their shops with the technology required to provide the service	Negative ROI: the benefit increased 40% but still not earning enough money to cover the investment costs

'Already prepared food is a new business with a bright future. We still don't earn money, but we are closer than last year' - Juan Roig, president of Mercadona

https://info.mercadona.es/es/actualidad/mercadona-factura-un-33-mas-hasta-los-27819-millones-y-reduce-su-beneficio-un-6-por-el-impacto-de-los-costes/news
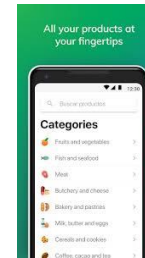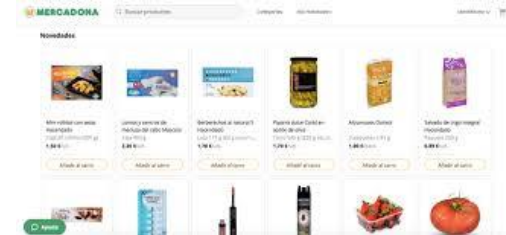
Digitalization

- As part of its digital transformation, Spain's leading supermarket chain has adopted **Google Cloud** to develop cloud-based applications

- A promising step toward building a **cloud-based infrastructure** for Mercadona was the creation of Mercadona Online

App   Website

https://info.mercadona.es/es/mercadonait
https://cloud.google.com/customers/mercadonaes?hl=es-419
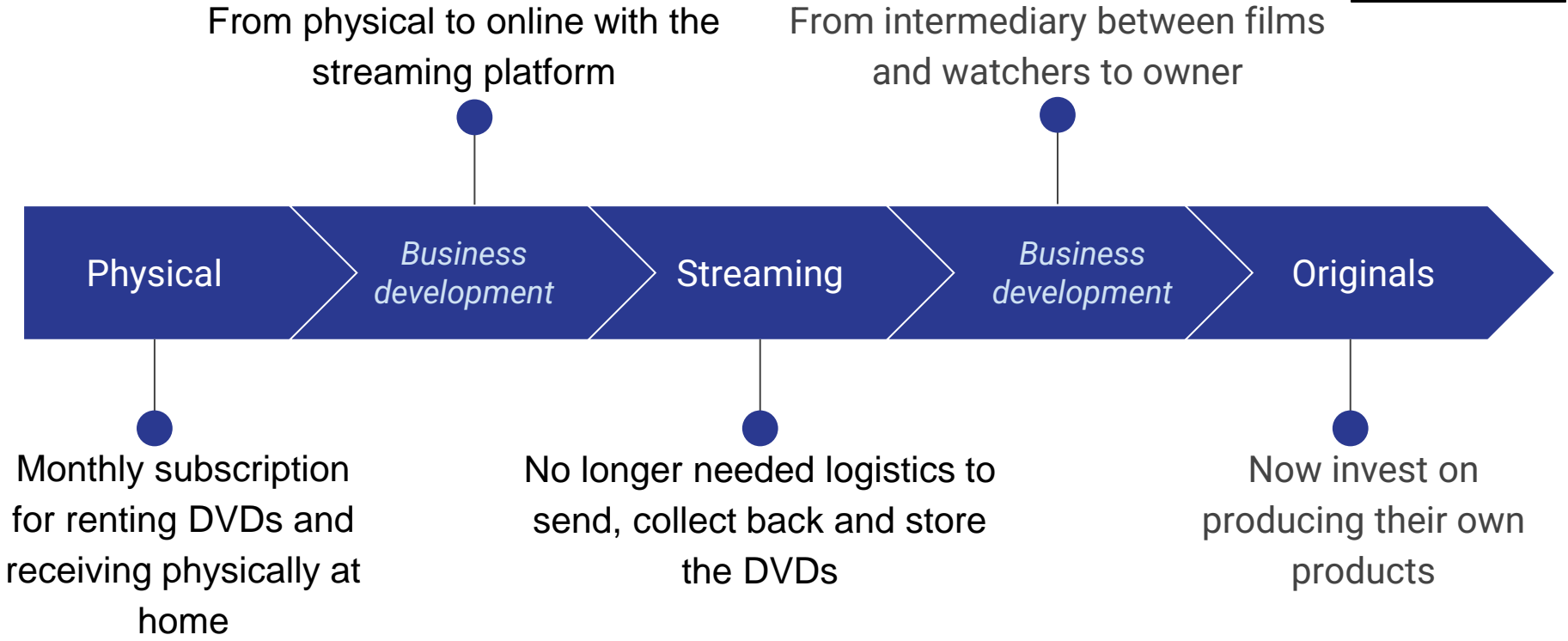
Costs of Netflix IT in 2023

aws Amazon Web Services

- **Cloud Infrastructure:** AWS-related expenses are in the range of 500$ million to 1$ billion,, covering the 70% of IT expenses per year

- **Security, Infrastructure, and Personnel:** Between 200$ million and 450$ million covering 20-30% of IT expenses per year

- **Pricing** - pricing plans vary by region and by offering (basic/standard/premium). But Netflix have been able to raise average prices by **~5%** per year since 2014!

https://www.itworldcanada.com/post/netflix-moves-to-control-cloud-computing-cost-with-aws

https://www.thebusinessof.co/archive/netflix-what-are-their-costs#:~:text=Subscribers%20%2D%20subscriber%20growth%20has%20been,5%25%20per%20year%20since%202014!

Business Development

From physical to online with the streaming platform

From intermediary between films and watchers to owner

| Physical | *Business development* | Streaming | *Business development* | Originals |

Monthly subscription for renting DVDs and receiving physically at home

No longer needed logistics to send, collect back and store the DVDs

Now invest on producing their own products

Innovations

Interactive Content

Interactive storytelling with shows like Black Mirror. These shows allow viewers to make choices that affect the storyline, creating a more immersive and personalized viewing experience

Offline Viewing

Introduced the ability to download content for offline viewing, which is particularly useful for mobile users who want to watch shows or movies without internet access

Mobile-Only Plan

In countries like India and the Philippines, Netflix introduced mobile-only plans at reduced prices, targeting emerging markets where smartphones are the primary mode of internet access

https://www.91mobiles.com/hub/netflix-subscription-plans-offers-india-2020/

Digitalization and Artificial Intelligence

Netflix explains how it uses artificial intelligence algorithms for their recommendations:

- User active interactions with the platform: rating given to other films and content previously viewed

- Device being used is a TV or phone or computer or tablet

- For how long you keep watching a content until attention spans

- Film features itself: category, actors, year, duration **Titanic** 1997 · Romance/Aventura · 3h 15m

- Time frame: day, night, free time, vacation

https://www.historiaempresas.com/netflix/