



Solo VI

Natalie Windisch,

MKT 304
Spring 2018

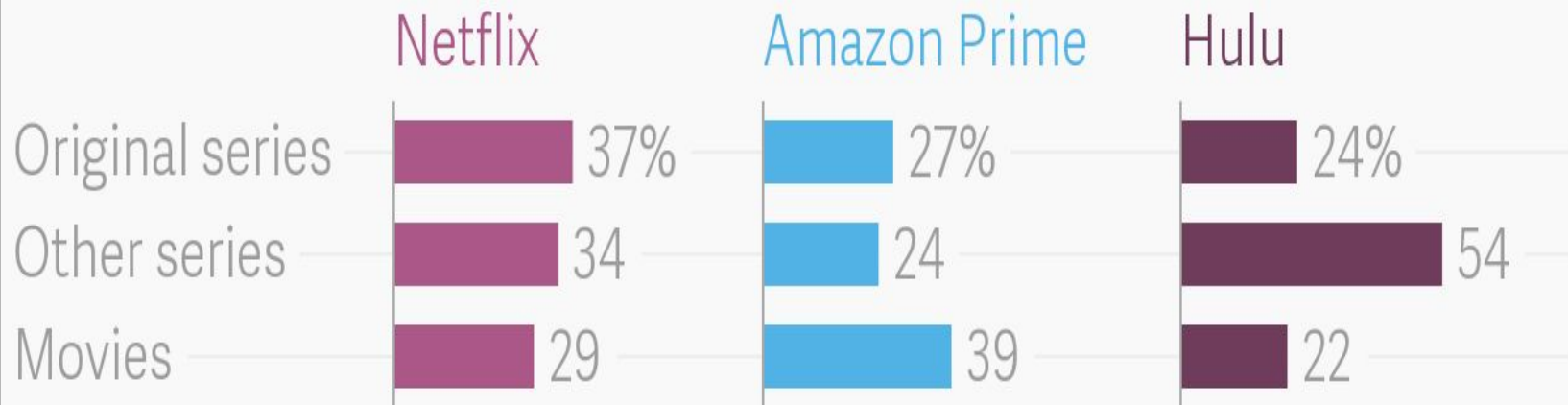
Amazon Prime Video

- An online streaming service that is bundled with an Amazon Prime membership.
- Has about 40,000 titles either apart of the Prime membership or at additional cost.
- Amazon Video has already outnumbered Netflix and other online streaming services in other regions of the world. For instance, Amazon Video in countries such as India, Germany, Japan, and the UK is more successful than any other streaming service.

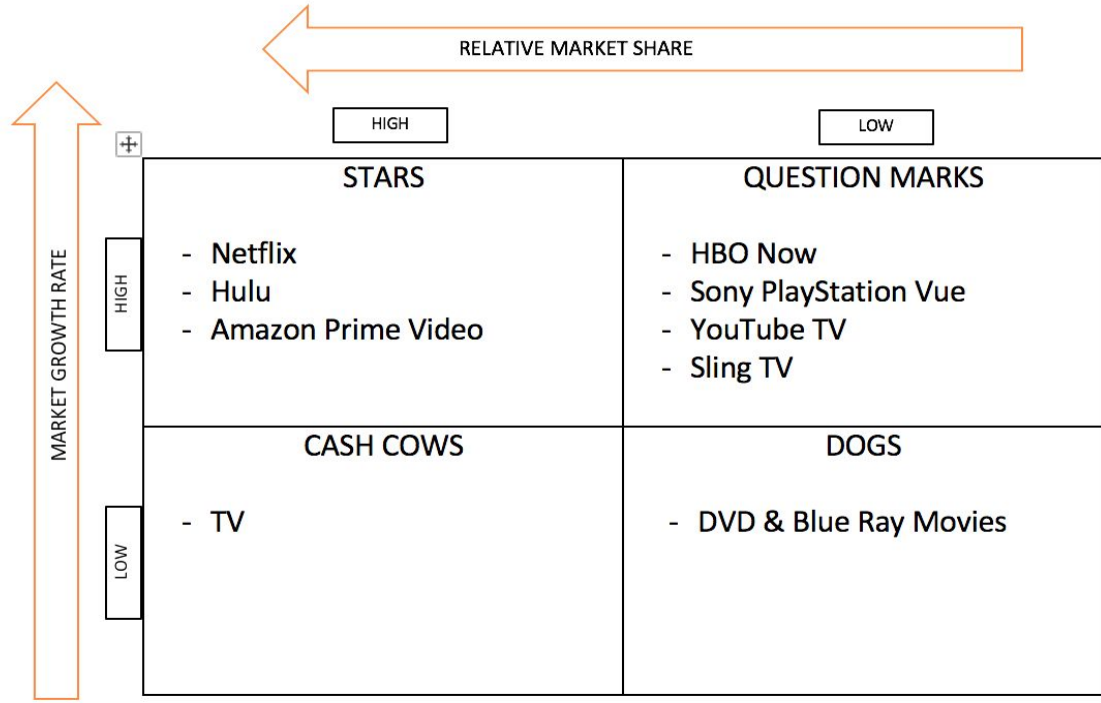
Competitors

The Hulu logo is displayed in a light green, lowercase, sans-serif font. It is centered within a dark gray rectangular background.The Netflix logo is shown in a bold, red, uppercase, sans-serif font. It is centered within a solid black rectangular background.The HBO logo is presented in a bold, white, uppercase, sans-serif font. The letter 'O' is stylized as a circle with a smaller circle inside. A small registered trademark symbol (®) is located to the upper right of the 'O'. The logo is centered within a solid black rectangular background.

How US audiences spend their time streaming video



Amazon Prime Video BCG



SWOT Analysis

- ❖ Strengths
 - Large diversity in movies and shows
 - Capital
- ❖ Weaknesses
 - Subscription pricing
 - Not user friendly
 - Prime Video vs paid movies
- ❖ Opportunities
 - Split up Amazon Video and Amazon Prime
 - Partner with operator companies
- ❖ Threats
 - Netflix and Hulu

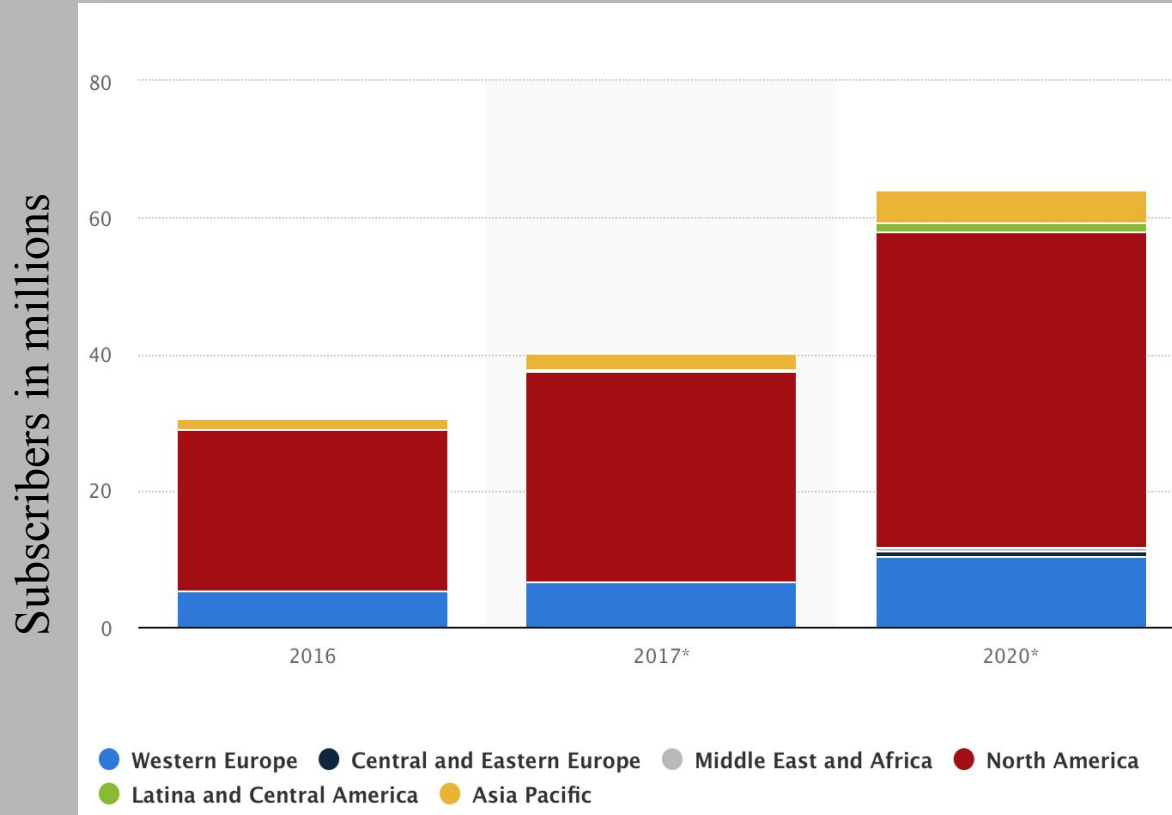
Segmentation

Targeting

Positioning

Geographic Segmentation

Number of Amazon Prime Video Subscribers Worldwide from 2016 to 2020, by region



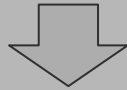
2016	
Western Europe	5.3
North America	23.6
Asia Pacific	1.6

2020*	
Western Europe	10.3
Central and Eastern Europe	0.9
Middle East and Africa	0.4
North America	46.3
Latina and Central America	1.28
Asia Pacific	4.9

Shirin Hafuz

Amazon Video in more than 200 Countries Worldwide

- **India** and **Japan** watch local content on Amazon
- Amazon Video leads in **Germany** and **UK**
- **Amazon Prime Video UK** makes a win-win partnership with **American Idol** to air the show



replaces traditional TV Channels' spot



Convert Viewers into Shoppers



**Invest 5 billion per year
on original content**

Amazon US audience

26 million viewers



Attracted 5 million new

Prime subscribers in 2017

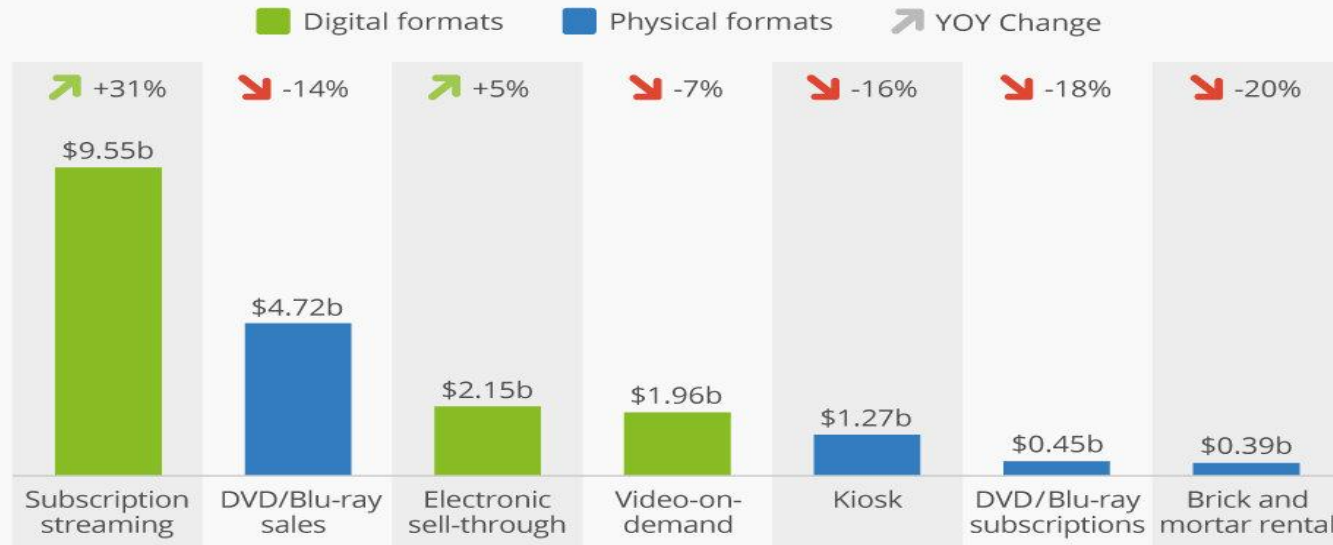
Behavioral Segmentation

- In Bernard (2018) article “Streaming services are killing off the DVD and Blu-ray industry” has found that “US consumers spent nearly \$6 billion more on subscription services like Netflix and HBO Go last year than they did on DVD and Blu-ray.”

- Video-on-demand services saw a 7% decline, underscoring the growth in "cord cutters" who are ditching their monthly cable plans for streaming options (Bernard, 2018).

Streaming Dominates U.S. Home Entertainment Spending

Consumer spending on home entertainment in the United States in 2017



@StatistaCharts

Source: The Digital Entertainment Group

statista

Natalie Windisch

Behavioral Segmentation Continued...

- Sarena Brown (2018) reported that “By 2021, the video streaming industry is expected to grow to \$70.05 billion, an incredible amount of growth considering it was worth \$30.39 billion in just 2016.”

Demographic Segmentation

- Amazon offers its Prime membership to low income households that make less than \$41,000 per year (Molla, 2017).
- Amazon offers \$5.99 per month for Prime Video to anyone with medicaid and Electronic Benefits Transfer (EBT) (Vasel, 2018).
- Amazon offers Prime Video to College students at no cost for six-months. When the trial ends, Prime will charge \$49/year and after 4 years or graduation the rate increases up to \$99/year (Mulvey, 2017).

MARKETING MIX

PRODUCT

PRICE

PROMOTION

PLACE

PRODUCT

- additional option with commercial breaks in between shows to make up for a cheaper monthly cost
- add more titles of movies and shows that users will be interested to watch
- ultimate movie package



ULTIMATE

PRICE

- Currently, \$8.99 and included in an Amazon Prime Membership for \$99

Changes

- Advertisement package will be priced at \$6.99 a month
- Ultimate Movie Package will be additional charge of \$19.99 a month

PROMOTION

- *Free 30 Days Trial*
- *10% discount to students, senior citizens, government officials, and veterans*
- *We Offer many new features and will notify price changes*



promotion

PLACE

- site will have titles that are based on user preference and viewed history.
- different settings to change the complexity of the site based on user preference.
- to customize settings including font size, and where they want certain tabs to be placed.

Recommendations

- *Reduce its subscription fee*
- *Invest in original contents*
- *Increase promotional activities in North America*
- *Revamp its website and interface*

Thank You