Assignment 5

Midterm Exam

Rutwik Ghag

PART 2:

1. Sports has been a large part of human entertainment since the dawn of time, regardless of the type of sport. The colosseum in Rome is one of the oldest structures in the world and could accommodate 87,000 people to watch the gladiators fighting. This was the modern-day equivalent of MMA. Sports have become less lethal over the years, but the excitement associated with any sport has remained the same if not increased with time. Television plays an important role in helping people across the globe view sports without being physically present. Fan following for each sport has gained a global outreach thanks to modern television and the TV networks that broadcast these sports have become successful giants in terms of company revenue. I decided to investigate one such TV network that has been a huge part of television sports since 1991, the Star TV Network, more specifically, their sports channels, Star Sports. Star Sports has been one of the largest sources of sports across Asia and Africa, even acquiring ESPN to cover Europe. I wanted to understand how a company works to enter the digital space after being so well established in the television industry which is still relative owing to the population with an age of above 35 but also wants to cater to the needs of the modern youth which has moved to the concept of mobile networking and “on-the-go” media consumption. In 2015, Star Tv network launched their own subscription-based OTT app called ‘Hotstar’. The app was offered great incentive as not only did it contain all the content from the star tv network, like their shows, news, and movies, but also offered the user live sports. The fact that you could just pull out your phone and live stream sports anywhere you had an internet connection was very tempting. I was curious to know about the thought process and current handling of the app and how they use the data to make decisions, so I decided to investigate this company.

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| Connection | Title | Tenure | URL |
| Rajiv Mathrani | Executive VP and Head, Star Sports Marketing | September 2018 - present | [Link to profile](https://www.linkedin.com/in/rajiv-mathrani-0119b945) |

3. Mr. Rajiv Mathrani has been the Executive Vice President and Head of Star Sports Marketing for over 3 years now. He is responsible for pushing forward the brand of Star Sports. Branding is a powerful tool in the marketing world, and the idea is to have people associate sports with Star Sports without thinking too much. It is about setting that image. In India, where today, people who pay for cable can choose which channels they want to pay for, the idea is to make people want to pay for Star Sports every time they decide to edit their subscription list. Digitally, the goal is to get people to pay the subscription for Hotstar, even if it is just for the live sports. He and his team are responsible for coming up with ideas for television advertisements, branding placements (placement of products/services in TV shows and movies, for example, the lead actor relaxes at home by turning his TV on and watching Star Sports/watches sports on his mobile device using Hotstar, and the wife scolds him for watching sports all day, etc.) and getting in touch with celebrities and athletes for endorsements. They also decide things like whom or which events to sponsor, which sports to sponsor, coming up with offers for Hotstar, changes in subscription plan pricing and making decisions based on the data provided by the analytics team. He is personally responsible for reviewing the analysis reports of customer consumption and making decisions with regards to Hotstar and stuff like which athlete would work best as an ambassador, which celebrity to choose to endorse the events, and so on based on the collective suggestions of the team. A typical day in his life starts with a meeting with the team regarding whatever the upcoming agenda is, may it be sponsored endorsements or the topic of what content to add to Hotstar or even what advertisement to shoot next. The meeting is a brief of the plan of action for the day, after which everyone finishes whatever work they were assigned, and Rajiv works on reports which need to be turned in to the President of Marketing. He also meets with the President and the Board of Directors from time to time to understand what the company’s goal is and how to move forward. He interacts with the analytics team once a week to keep track of the progress made by the latest decision, by checking up on daily customer interaction with the TV channel and the app. At the end of the day, the team meets again to discuss the ideas they might have come up with during the day. That is a day in the life of Rajiv Mathrani.

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Q1. How did Star come up with the concept of Hotstar?

A1. In 2014, we noticed how Netflix was a big part of people’s lives in the USA, how much of the market it had captured and there was a discussion about how OTT apps were possibly the future of television. Netflix had not entered India yet and there were no major subscription-based OTT platforms that were out yet. The company decided to move forward with implementing an app of our own to capture the market by entering it first because sports isn’t the only thing the Star TV network offers. A lot of people watch our shows and we decided to push digitalization the way the western world was doing it. That is why we had two different types of subscription plans, the basic one which offered sports, and a few select shows, and the premium plan which had sports and all the shows that the Star TV network had to offer. This was so that people who just wanted to watch sports did not feel like they were paying more for things they were not going to watch.

Q2. How did you use the customer data from Hotstar to make it better?

A2. So, 10 months into the launch we realized just how much the audience had moved on to loving international content in addition to Indian shows. There were shows out there that people wanted to watch that were not available on any streaming service yet, so we decided to take a big step. We gained the right to stream current and past content from the HBO network. This was a big step in capturing the Indian market as Netflix had not yet entered the market and Prime Video was new. Acquiring HBO content worked wonders as the app saw a growth in the number of subscribers. Even though Netflix entered the market just 2 months after this acquisition, we barely lost any subscribers. This was primarily due to our pricing, as the people of India live by the rule of “value for money”. Paying 1,000 rupees a year for our premium plan was worth more than paying over 8,000 rupees for Netflix. Amazon Prime realized this soon and reduced their pricing to match ours. We stayed the primary choice thanks to the value we offered, especially the sports. We understood the consumption patterns of the customers and invested money in creating shows of the genres with the most audience. Targeting audience maintains their interest and increases the chances that they will recommend Hotstar to a friend. We removed shows that were hardly ever watched by users as it was taking up unnecessary space on the servers. We also decided to bring back old shows that were loved by everyone. It drew more audience in to binge watch those. Then as Disney acquired our parent company Fox Star Entertainment, we also gained access to Disney Channel content, leading to a rebrand in 2019, with our app now being known as Disney + Hotstar. This was a big change as parents were incentivized to buy the subscription for their kids. This has been our approach to using customer data to make better decisions and offering content.

Q3. What is the current state of Hotstar?

A3. Currently Hotstar, or rather, Disney + Hotstar officially falls under Disney, and is operated as such. The pricing has not been changed, but the content has been optimized according to the data analysis done by the analytics team. Content that does not generate much ROI is pulled off the servers and other content which wasn’t previously a part of the catalogue is added. Disney’s acquisition of Fox has added a lot to the catalogue and the Indian market is more than happy to receive all the additions for no extra charge. It remains the market leader with more than a 100 million active users each month. Sports still is the main incentive for users to purchase the subscription to the platform.

Q4. What changes do you think will take place in the next 5 years?

A4. Currently, as Star TV network still had independent operational rights in India, there is a plan to add live TV to Disney + Hotstar, but it would be restricted to India and Indian content only. Today, everyone has a phone and even the aged population of India have started consuming media on their phones. We aim to give them the convenience to watch their favorite shows as they air on TV, because as time will go by, we are going to see lesser and lesser people watching TV. We have been seeing a drop in television viewers since the launch of Hotstar. We anticipate that in the next 5 years, 50% of our viewership will have completely moved to Hotstar.

Q5. Do you ever fear losing your job to a bot? Why or why not?

A5. No, I do not. The reason is that marketing is a creative field. Computers were invented for and are designed to perform repetitive tasks. Even with advancements in AI, computers can only predict a possible result based on history. Creative fields like marketing often involve coming up with something unique which current machines are not capable of. This is the gift of the human brain. Innovation is not something computers are capable of yet, so no.

5. One aspect about Star Sports and Disney + Hotstar that I am curious to know more about is how the marketing team comes up with ideas for pushing the brand image now as the app isn’t associated with the image of Star Sports anymore. The application’s new logo shows the Disney+ logo. Consistency has been the most important factor in pushing the brand image of a company, so it might be difficult to promote the image of Star Sports in the minds of people when the app icon shows Disney+. I have understood from the interview a little about how a company markets its content, image and keeps the customers attracted to the content. Star Sports is the single largest broadcaster of sports in the country over television and even digitally. They have managed to ingrain into the public’s minds the association of sports with Star Sports with patience and work through the years. The sudden change in branding and marketing will make things tougher for them and I am curious to know about how the team thinks these things through.

PART 3:

Introduction:

Organizations today are trying to combine fragmented and makeshift digitalization efforts in a way that is more sustainable. There are three levers that have been suggested for accelerating digitalization projects that will help organizations of any size reap the benefits of true transformations. To understand the three levers, the article explains an important concept called “complexity in use” which help understand the difficulties users face when trying to cope with the impacts of new digital tools on their work. This has been the primary metric for generating and understanding the three levers.

Study and Key Findings:

The authors of this article studied one of the leading banks in Europe for two years. They tracked the activities of the bank’s business units that provides shared after-sales services connected to the bank’s mortgage and loan business. Over 60 interviews were conducted with stakeholders from various levels of the unit. The aim was to see the contrast between employees of departments that found using the system easy compared to those that found them tough. They found that one group of clerks used the new SAP-based loan management system to enter new contracts. For them, learning how to do their work with the new system was much easier as compared to the clerks who needed to make edits to loans in stock. Clerks in the former group achieved effective use within six to eight weeks while those in the latter group needed over six months to do their work effectively again.

Two factors explain the difference:

1.System Dependency- System Dependency is how much of a user’s task and relative environment is implemented in the system through data and algorithms.

2.Semantic Dependency- Semantic dependency is the degree to which users need to understand how the business logic of their task is implemented in the system.

The data entry clerks’ task only requires the loan contract data to be represented in the system. Hence understanding the deeper logic of a loan contract is not required to enter the data successfully, nor is understanding how loan contracts are represented or processed in the system. That’s why the learning the system for that specific task is relatively straightforward.

But it’s a different ball game for the clerks editing loans. Other than just the loan contract data, a significant number of their tasks rely on additional business concepts that are represented in the system. These clerks also need to understand what the data represents and how it’s being processed to make correct edits to the loan. Hence learning the system is much more complex and effortful.

Three levers for accelerated digitalization:

1.Conducting pre-implementation- The case states to create a complexity heatmap that will identify the different degrees of complexity in use across the organization. In the first step the case states to analyze relevant processes and tasks while for the second step features of the new system need to be analyzed. In the third step the systems need to be mapped to the tasks to understand which steps need to be digitalized. This is followed by analyzing the properties of the two be digitalized tasks and understanding how much business logic is involved. In the final step heat maps of to be digitalized processes are created and their complexities in use is to be compared. The initial two steps show which tasks depend on the new system. Step 3 shows where on the x axis the individual tasks are located while step 4 will show where they are located on the y axis (i.e., degree of system dependency).

2.Design a Step-by-Step Transformation Plan- The case states to direct resources to areas which have low complexity in use first because project effort in “quick win areas” are very different from high complexity in use areas in terms of scope, manpower and transformational measures. Other than financial benefits quick wins also have an important psychological benefit. Since digitalization projects are often marathons as compared to sprints successful pilot projects serve as motivation and enable a lean approach to transformational management that can be improved upon.

3. Develop tailor-made transformation measures.

Means using different forms of trainings for employees working in low complexity in use areas and high complexity in use areas. For instance, for low complexity in use areas traditional feature-based training can be used but for high complexity in use areas task focused training might have to be used

Conclusion:

“Complexity in use” provides three important implications for processes, projects, and people.

For processes system and semantic dependencies which are important factors of complexity needs updated ways to document and model processes. For projects, “complexity-in-use” opens new methods on how to phase transformation projects. For people, the case study shows that similar digitalization approach does not work for all organizations.