**Module 1: Critical Thinking Assignment**

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**Introduction and Background**

For my Capstone Project, I have chosen to examine the business strategies and content characteristics that contribute to the success of large streaming platforms. In today’s rapidly evolving entertainment industry, streaming services have become a dominant force. These platforms attract millions of subscribers, offer a vast array of content options, and generate significant profits. As traditional media continues to decline in popularity, streaming services like Netflix, Max, Hulu, and Amazon Prime Video are reshaping how audiences consume entertainment on a global scale. This makes them ideal subjects for data driven analysis in a business perspective.

My interest in this topic stems from a desire to work in the entertainment industry, particularly in a role that involves data analysis and strategic planning. I am especially fascinated by how data informs decision making processes in content production, marketing, and user engagement. Through this project, I aim to uncover the trends, patterns, and metrics that influence platform performance. To achieve this, I will analyze variables such as advertising budgets, original content creation investments, the ratio of original to licensed content, prevailing genre trends, and audience ratings. The ultimate goal is to provide actionable insights that streaming services can use to enhance profitability, increase viewership, and maintain relevance.

**Problem/Purpose Statements**

The following are the problem/purpose statements that I have created to guide my completion of this project:

1. What content is associated with higher profitability and viewership on streaming platforms?
   1. Answering this question will provide the business’ decision makers with strategies that would increase profits moving forward. For example, based on an article from World Screen, a publication that covers the international entertainment industry:

“January [2024] garnered nine of the ten highest daily streaming levels ever, with Saturday, January 13 marking the most-streamed day in history, totaling 40.8 billion minutes streamed–driven by Peacock’s coverage of the first exclusively streamed NFL playoff game.” (Brzoznowski, 2024)

This would suggest that live sports content has higher viewership and profitability, giving Peacock a competitive edge; but this is what I would like to explore deeper in my analysis.

* 1. Since this is a predictive analysis, I created a hypothesis: Streaming platforms that invest more in licensed content in their libraries have higher average viewership and higher profit margins compared to those that focus heavily on original programming.

1. Are there identifiable patterns in release schedules that correlate with platform success?
   1. Answering this question will allow business’ decision makers to plan their content release schedules in the most profitable and successful way. To do this, I will evaluate the release schedules of both original content and library updates compared to profit and viewership trends. There are differing opinions across the entertainment industry on what strategy is best as Marah Eakin suggested in a Wired article:

“While some industry insiders argue that bingeing is actually better for bringing customers to a streamer’s app—you’ll return multiple times in one week, subliminally absorbing what else is on the service rather than just clicking over once a week for the single program you want—the general public consensus is that “findability,” the act of discovering content on a platform, is almost impossible.” (Eakin, 2024)

* 1. Since this is a predictive analysis, I created a hypothesis: A consistent release schedule, meaning dropping new episodes weekly as an example, leads to more sustained viewer engagement and subscriber retention compared to binge dropping new media.

1. Do viewer ratings or online popularity influence engagement on the streaming platforms?
   1. By evaluating how much bearing the popularity of content really has on engagement, decision makers can decide how much to highlight that information on their platforms. For example, the streaming platform Peacock has teamed up with Rotten Tomatoes and lists the audience rating on the details page of each piece of content. It is valuable to businesses to know whether that is helping or hurting profits. If, for example, it is seen to correlate with poor performance in viewer engagement, then maybe they could phase the feature out.
   2. Since this is a predictive analysis, I created a hypothesis: Viewer ratings and popularity metrics such as reviews on Letterboxd or critic ratings on Rotten Tomato are positively correlated with viewership and profits.

**Aims, Objectives, and Goals**

The following are my aims/objectives/goals that I would like to achieve by completing this analysis:

1. Analyze data that includes observations from at least three major streaming platforms to identify the top five content traits linked to higher user engagement and profits.
2. Compare at least three different approaches to content release schedules to determine the most cost effective and high profit strategies.
3. Create a predictive model that predicts viewer engagement growth based on content types, release schedules, and genres.
4. Analyze the relationship between viewer ratings and platform profitability using data from at least three major streaming services, if that relationship exists.

**Organizational Benefits**

In this section, I will list some of the possible organizational benefits from the completion of my analysis and this project:

1. Improved content investment decisions: By analyzing what traits are linked to higher or lower profitability and viewership, the business can decide to devote more or less funds to certain projects or licensing fees.
2. Optimize content releases: The business can decide to align with patterns that prove to contribute to a higher rate of engagement or subscriber retention, and ultimately higher profits.
3. Enhance the user experience: By analyzing and better understanding the influence that user ratings/popularity metrics have on audiences, the business can make themselves more competitive and retain subscribers.
4. Predictive modeling: The business can utilize predictive models built based on my analysis that will forecast things like viewer behavior or content success. These forecasts can give the company a competitive advantage and increase profitability.
5. Potential cost saving: By analyzing the popularity and engagement of media in different genres, on different releases, etc. the company can potentially cut funding to less successful projects and save money.
6. Competitive advantage: The market is flooded with choices for streaming platform subscriptions. The entertainment industry has moved farther away from cable television and the focus has been placed on on-demand, at your fingertips media. With so many choices for consumers, it is important that platforms strive for an advantage over their counterparts. Multiple parts of my analysis aim to provide that advantage whether through better content curation based on engagement rates, more effective release schedules based on profits from past ones, or whatever else.

**References**

Brzoznowski, K. (2024, February 22). U.S. TV Viewing Hits Four-Year High. World Screen. https://worldscreen.com/u-s-tv-viewing-hits-four-year-high/

Eakin, M. (2024, June 27). Why Streaming Services Keep Screwing Up Binge-Watching. Wired. https://www.wired.com/story/streaming-services-keep-screwing-up-binge-watching/?utm\_source=chatgpt.com