

**FORSIDE FOR INNLEVERING**

**TILGJENGELIGHET**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Fri | x | Begrenset |

|  |  |
| --- | --- |
| Emnekode og emnenavn: | BU5100-13 Entreprenørskap |
| Tittel norsk: | - |
| Tittel engelsk: | Assignment 2: WeVideo |
| Eventuell oppdragsgiver: | - |
| Utleveringsdato: | 7.10.2013 |
| Innleveringsdato: | 27.10.2013 |
| Antall sider: |  |
| Antall ord: |  |
| WeVideo’s current business model, whether or not WeVideo’s strategy is a *Blue Ocean strategy* or not, and my short take on WeVideo can improve their chances of success. | |
| Gruppenavn: | - |
| Studentnavn: | Studentnummer: |
| Martin Lehmann | 700766 |

Table of Contents

[1. WeVideo’s current business model 2](#_Toc370641613)

[1.1 Customer segments 2](#_Toc370641614)

[1.1.1 B2B2C 2](#_Toc370641615)

[1.1.2 B2C 2](#_Toc370641616)

[1.2 Value propositions 2](#_Toc370641617)

[1.2.1 B2B2C 2](#_Toc370641618)

[1.2.2 B2C 3](#_Toc370641619)

[1.3 Channels 3](#_Toc370641620)

[1.4 Customer relationships 3](#_Toc370641621)

[1.4.1 B2B2C 3](#_Toc370641622)

[1.4.2 B2C 3](#_Toc370641623)

[1.5 Revenue streams 3](#_Toc370641624)

[1.6 Key resources 3](#_Toc370641625)

[1.7 Key activities 3](#_Toc370641626)

[1.8 Key partnerships 3](#_Toc370641627)

[1.9 Cost structure 4](#_Toc370641628)

[2. Does WeVideo have a *Blue Ocean Strategy*? 5](#_Toc370641629)

[3. How can WeVideo improve their chances of success? 7](#_Toc370641630)

# WeVideo’s current business model

WeVideo’s has a *freemium* subscription business model (WeVideo 2013.1). Their model can be analysed through the Business Model Canvas (Osterwalder & Pigneur 2010) as follows.

## Customer segments

WeVideo offers both B2C (business to consumer) and B2B2C (business to business to consumer) services. This section relies heavily on (Ræstad 2012).

### B2B2C

WeVideo targets individuals and online marketers concerned with online marketing looking to use video to boost the engagement of their users and visitors, or generate content in order to for example show off houses they are selling (WeVideo 2013:3).

Two groups with much in common consist of schools (WeVideo 2013:5) and higher education (WeVideo 2013:6) who wish to use video editing as part of their teaching and student engagement.

### B2C

WeVideo targets individuals who wish to create quality video they *want* to share with minimal effort (WeVideo 2013:4).

## Value propositions

This section relies completely on (Ræstad 2012) and (WeVideo 2013:1 through 6).

### B2B2C

Online marketers who wish to create video content to engage their users and visitors need to know how to edit video. This is a process with a steep learning curve, and can be very time consuming due to rendering times, storage problems, and availability of files because video usually involves large raw files.

Schools who wish to use video in their teaching run into several problems as well. Computational power, installation of software, and lacking support of video compression formats are all things that need to be taken into account when deciding if video editing should be part of a course. WeVideo solves this by taking everything to the cloud, supporting most video compression formats, and offering computational power as a part of their service. In addition, schools may want collaboration on video editing, which can be a downright pain with traditional software (Ræstad 2012). WeVideo offers collaboration as an integral part of the service.

### B2C

The majority of personal video shared online today is raw footage, and it shows. There are few, if any, other simple ways of editing video, let alone in the browser, as of today. There are no other (established) ways of collaborating on video editing. WeVideo makes it simple to add very few touches in order to make a video far more compelling, and turn it into something the user *wants* to share.

## Channels

WeVideo communicates their value propositions online through their website, but reach out to end customers through partners.

## Customer relationships

### B2B2C

WeVideo works to address each partner’s specific needs, and has no self-service for organisations that wish to register for one of the partner programs (WeVideo 2013:2).

### B2C

The end users who wish to use WeVideo directly may sign up and start creating content entirely through self-service (WeVideo 2013:1). This includes individuals, schools, marketers, and the like. WeVideo offers separate licences for Free, Premium, Business, and Education use.

## Revenue streams

WeVideo’s revenue is based entirely on a freemium subscription model with monthly and yearly licence fees. The fees vary for individual end users, businesses, and schools and higher education.

## Key resources

WeVideo relies heavily on Amazon’s services for both computational power, storage, and web services (Ræstad 2012).

## Key activities

WeVideo’s key activities consist of research and development, customer communication, and online and in-person marketing (Ræstad 2012).

## Key partnerships

WeVideo’s key partners are clearly defined in four different groups. WeVideo aims to reach consumers through partners. A partner can be any organisation that allows users to work with video footage, and the different kinds of organisations targeted are split into four groups. This section relies on (WeVideo 2013:2).

The Strategic Partner Program reaches out to “large, global organisations with a broad reach into consumer markets that include WeVideo technology into their own offerings”. Strategic partners who simply wish to offer their users a way of editing video can integrate the WeVideo platform into their own product through this program. WeVideo’s sharing capabilities make it easy to let users share the created content, engaging creation further.

The Content Partner Program is “tailored to media-centric companies that want new ways to engage their audiences and visitors online”. Organisations may do so through this program, which involves embedding the WeVideo platform into their service. Allowing users to improve their video with minimal effort before publishing it increases the quality of the organisation’s platform’s content, and engages their customers to share more through letting them create content they *want* to share.

The Reseller Program is meant for “organisations with video expertise who wish to resell WeVideo products and services to their clients and consumers”, “ideal for agencies, consultants and online content distributors”. This lets agencies, consultants, and online content distributors help their customers “harness the power of video in their own communications”.

The Affiliate Program allows organisations to refer subscription sales directly to the WeVideo online store. WeVideo takes the entire process to the cloud, and simplifies the process by automating a large part of the actual editing. Computational power for rendering and exporting video is provided as well, so the organisations will not need to purchase expensive hardware.

## Cost structure

WeVideo has offices in both Norway and the USA (WeVideo 2013:7).

The service depends on the Amazon Web Services package for computational power, storage, as well as their actual web service (Ræstad 2012).

# Does WeVideo have a *Blue Ocean Strategy*?

This section is largely based on the presentation “blue ocean strategy: Go where profits and growth are –and where the competition isn’t”by W. Chan Kim and Renée Mauborgne, and lecture six given at the Norwegian School of Information Technology in BU5100-13 Entrepreneurship, given by Fredrik Medby Hagen (2013).

A “blue ocean” is a field where there is no competition, even if it lies very close to other fields with several actors and high competition. The *Blue Ocean Strategy* (hereinafter BOS) consists of several steps to take. First, explore and identify blue oceans. Second, define a new service or product in order to create a market. Third, embrace entirely new customers. Fourth, perform a reality check on your strategy.

A Strategy Canvas is an integral part of identifying blue oceans. It is a graph rating functionality rated relatively to close competitors. Based largely on personal experience, WeVideo can be compared to some of its competitors as in figure 1.

“Bundled” means the video editing software that is pre-installed on Windows (Windows Live Movie Maker) and OSX (iMovie). Even though these differ from one another in many areas, their similarities are great enough that they can be combined for these criteria.

Collaboration means the option to collaborate on video and how seamlessly it works. Time spent editing means the time spent from raw material to a complete and exportable video. Portability considers what devices are able for editing. Simplicity means usability and intuitiveness. Ease of installation regards the overhead of downloading (or even buying an installation disc) and installing the software on a computer. Computational requirements are defined by what is required from a computer hardware-wise for even using the software, and how well it runs. Storage requirements are the requirements for physical space (hard drive, SSD) for editing video, especially with high resolution. Rendering time is the time taken to export a video to desired quality and have it ready for sharing. Available export qualities regards limitations on what resolutions and formats the video can be exported to, and by extend, what platforms the video can be shared on. Format support considers what video (compression) formats the software can handle without re-encoding the raw files. Ease of sharing means the time taken from a video is exported to desired quality until it is shared on various platforms, like YouTube and Vimeo. Cost means the price of the software (keep in mind that there are several business models to consider here). Video length considers limitations on the length of an exported video. Cross-device file availability means the possibility of saving your project on one device and continuing it on another.

Figure 1: Strategy canvas for WeVideo and some of its close competitors

WEVIDEO DOES HAVE A BLUE OCEAN STRATEGY BECAUSE OF THE COLLABORATION FEATURE, otherwise it would just be Magisto.

# How can WeVideo improve their chances of success?

Reference

Not freely available online

Osterwalder, Alexander & Pigneur, Yves (2010). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers* [Kindle edition]. John Wiley & Sons, Inc.: Hoboken, New Jersey.

Medby Hagen, Fredrik (2013). (Lecture six).

Online

WeVideo (2013:1). (Untitled matrix, part of sign-up form) [online]. <https://www.wevideo.com/sign-up/>.

Ræstad, Erik (2012). “WeVideo – videoredigeringens Instagram (Norwegian)” [online]. Available: <http://www.oslotech.no/build2grow/foredrag/wevideo---videoredigeringens-instagram/>.

May, Kevin (2011). “WeVideo brings video editing online for travellers” [online]. Available: <http://www.tnooz.com/article/wevideo-brings-video-editing-online-for-travellers/>.

WeVideo (2013:2). “WeVideo Partner Program” [online]. Available: <https://www.wevideo.com/partners/>.

WeVideo (2013:3). “Professional Online Video Creation for engaged customer communication” [online]. Available: <http://www.wevideo.com/business/>.

WeVideo (2013:4). “Personal Online Video Creation for compelling storytelling” [online]. Available: <http://www.wevideo.com/personal/>.

WeVideo (2013:5). “Collaborative Online Video Creation for the 21st century classroom” [online]. Available: [http://www.wevideo.com/schools/](http://www.wevideo.com/schools/s).

WeVideo (2013:6). “Collaborative Online Video Creation for development of media literacy and other 21st-century skills” [online]. Available: <http://www.wevideo.com/highered/>.

WeVideo (2013:7). “About us” [online]. Available: <https://www.wevideo.com/about/>.

Kim, W. Chan & Mauborgne, Renée (i.d.). “blue ocean strategy: Go where profits and growth are –and where the competition isn’t“ [presentation, online]. Available online: <http://www.blueoceanstrategy.com/downloads/bos_web.pdf>.

magisto (YouTube user) (2013). “Magisto – Magical Video Editor for Android“ [video]. Available: <http://www.youtube.com/watch?v=Rb1awERp92E>.