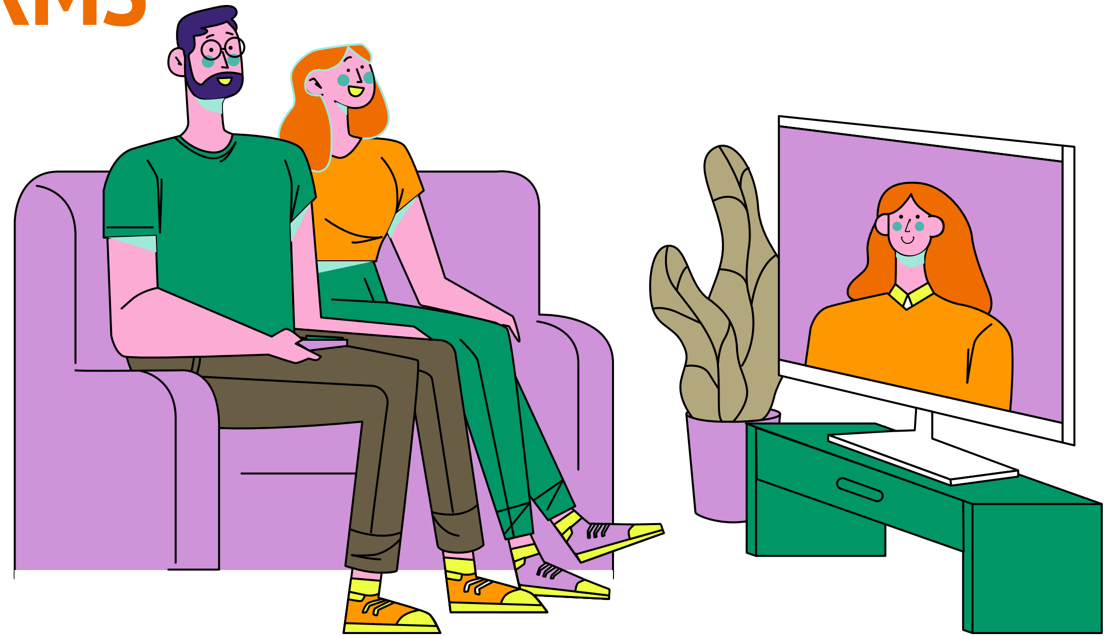
REVENUE STRATEGY FOR DIGITAL PLATFORMS

Adithi Reddy Kallem
Srishti Mohan
Suparna Shetty
Swapnil Jitin Kadakia



The U.S. Digital Market is Estimated at $155.3 Billion in 2021.

Source: https://www.globenewswire.com/news-release/2021/10/19/2316414/0/en/Global-Digital-Advertising-and-Marketing-Market-to-Reach-786-2-Billion-by-2026.html

FLOW

- Understanding the Data.
- Visualizations.
- Customer Segmentation
- Market Strategy

01

EXPLORING AND UNDERSTANDING THE DATA.

Cleaning the data and extracting useful insights.

DATASET

- **We have used the Deloitte Digital Democracy Data (2011) for our analysis.**

- **The dataset has 2131 rows and 198 columns.**

- **We have divided our data into two parts.**
  1. **Demographic Data**
  2. **Features**

DEMOGRAPHIC DATA

Out[278]:

	Q4 - What is your gender?	age - you are...	Q2 - In which state do you currently reside?	region - Region	QNEW3 - What is your employment status?	Q5 - Which category best describes your ethnicity?	QNEW1 - Do you have children living in your home (excluding yourself if you are under 18)?	Q6 - Into which of the following categories does your total annual household income fall before taxes? Again, we promise to keep this, and all your answers, completely confidential.
0	Male	34-50	Georgia	South	Employed full-time or part-time	White or Caucasian (Non-Hispanic)	Yes	50, 000to99,999
1	Female	20-26	New York	Northeast	Employed full-time or part-time	White or Caucasian (Non-Hispanic)	Yes	50, 000to99,999
2	Female	27-33	New Jersey	Northeast	Employed full-time or part-time	White or Caucasian (Non-Hispanic)	Yes	Less than $29,999
3	Female	20-26	California	West	Employed full-time or part-time	White or Caucasian (Non-Hispanic)	Yes	Less than $29,999
4	Male	27-33	Indiana	Midwest	Student	White or Caucasian (Non-Hispanic)	Yes	50, 000to99,999

FEATURES

Some of the features in the data tell us about -

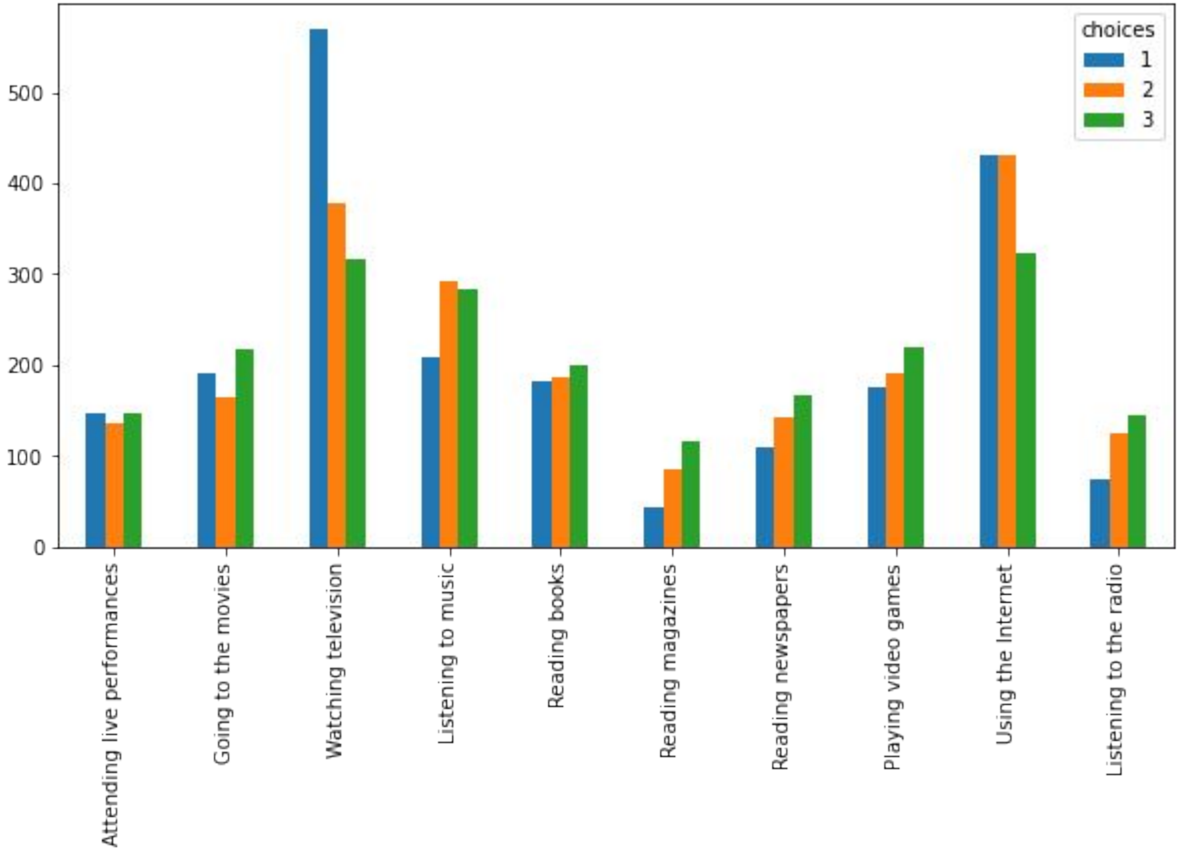
- **The devices owned**
- **The watching habits of people**
- **The time spent on streaming**
- **Advertisement preferences**

02

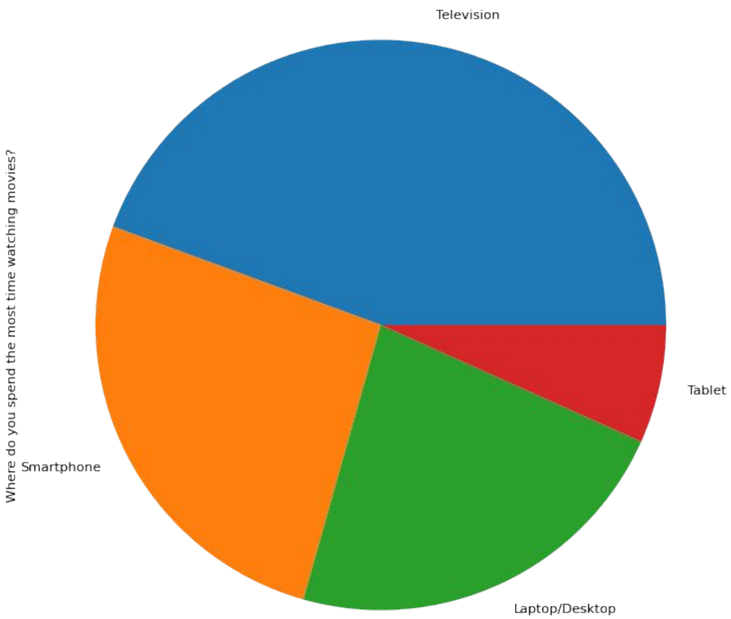
VISUALIZATIONS

Graphs and charts to analyse the data

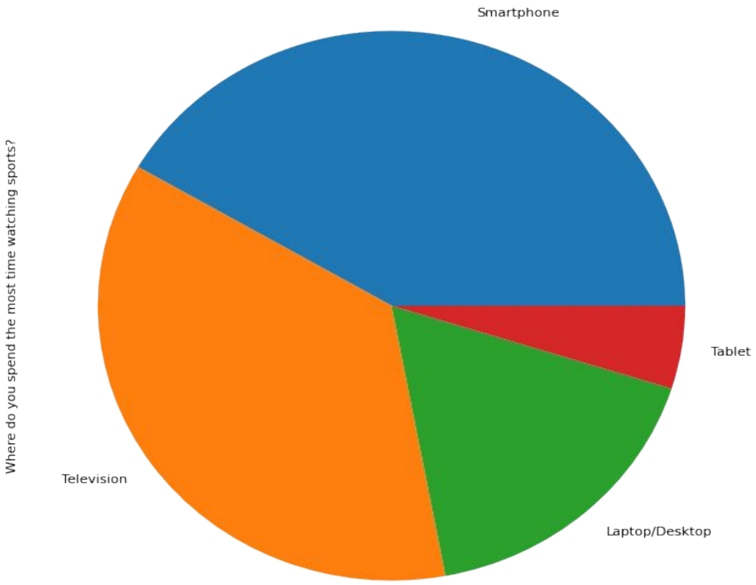
ANALYZING ENTERTAINMENT CHOICES



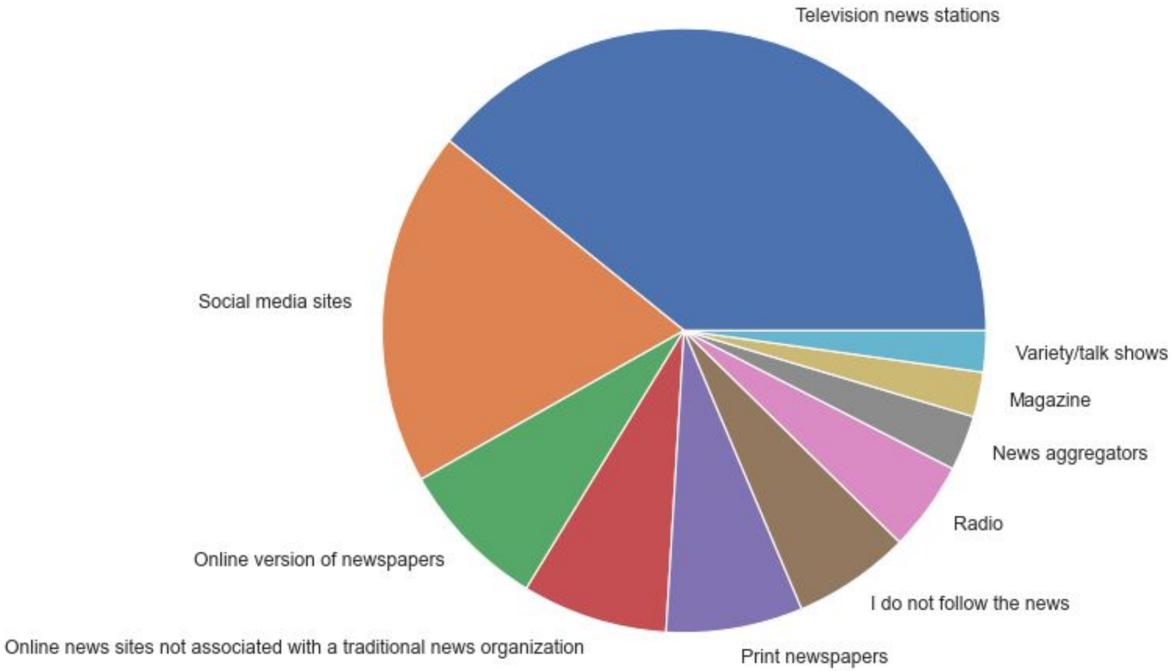
SOURCE OF ENTERTAINMENT (MOVIES)



SOURCE OF ENTERTAINMENT (SPORTS)

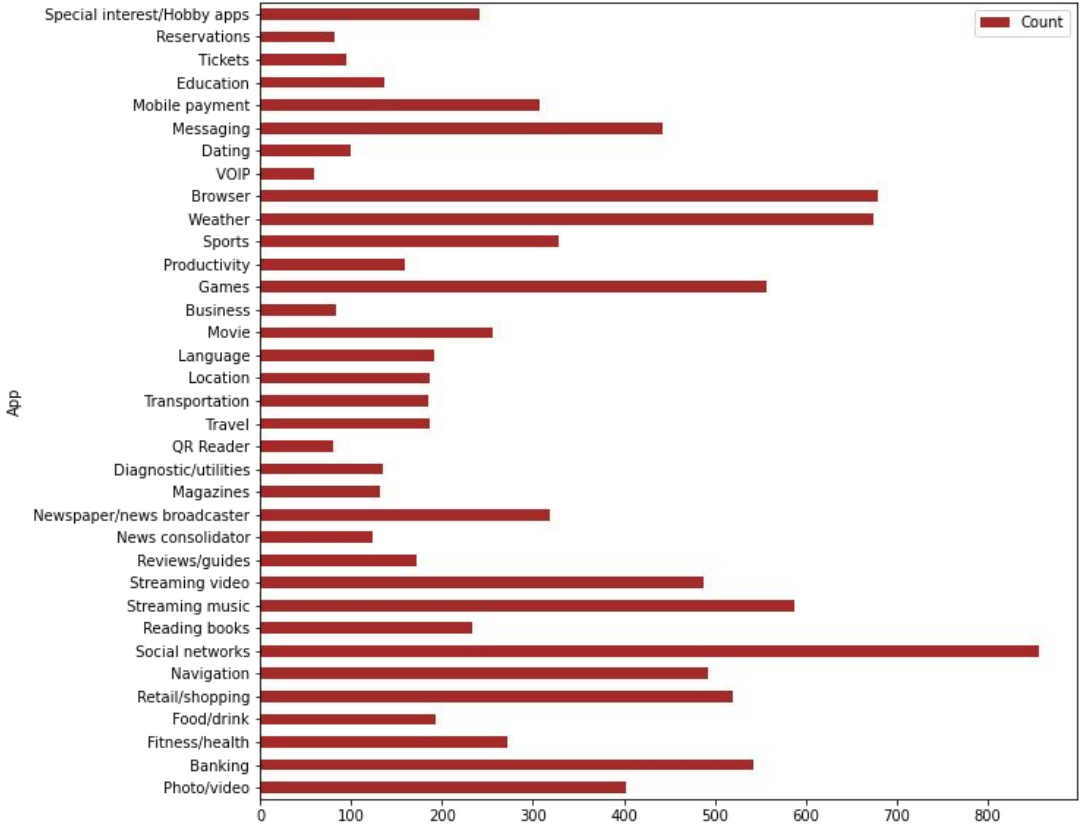


SOURCE OF ENTERTAINMENT (NEWS)



ANALYZING SMARTPHONE USAGE

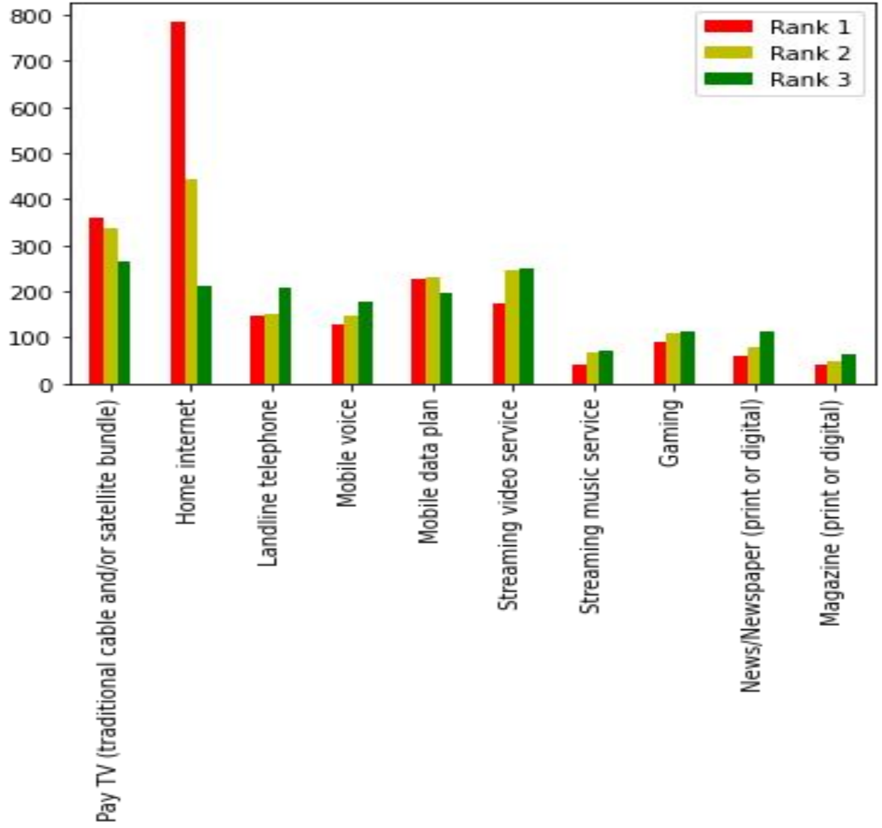
- Social media town-halls
- Social networking platforms launching new features



Sources-
https://robertkatai.com/what-happened-on-instagram-in-2016-infographic/

HOUSEHOLD PURCHASES

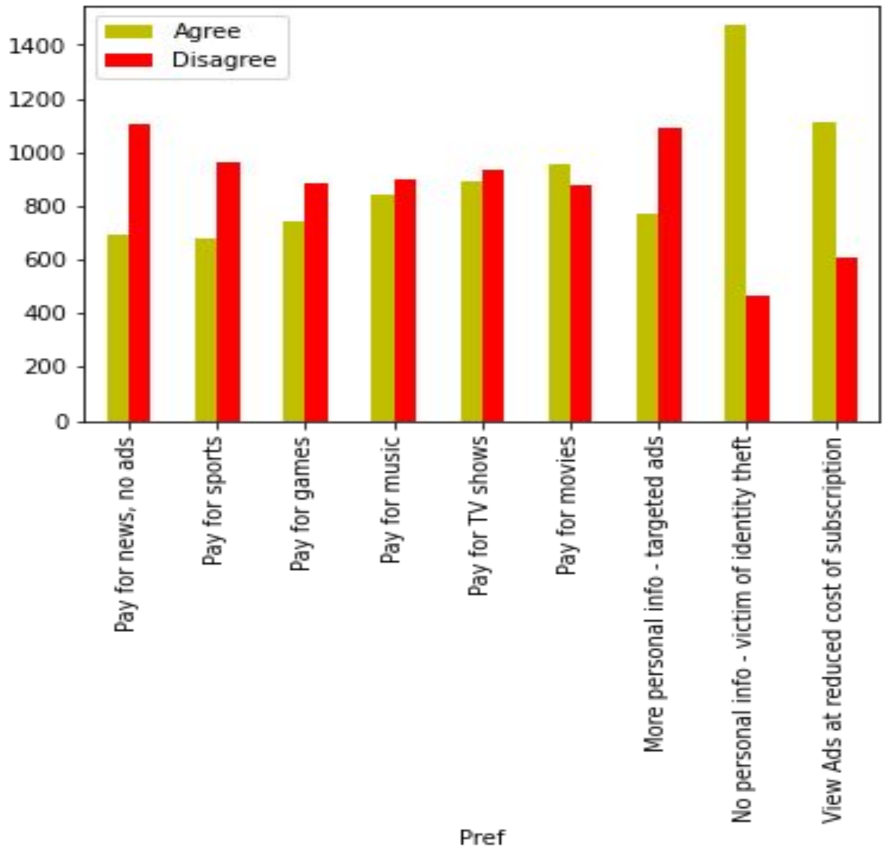
- Home internet and PayTV most valued
    - Increase in online shopping and e-commerce
    - PayTV second highest, yet way less than home internet
    - Rise in cable bundle cost
- Streaming video, music, print media least valued
    - YouTube and Netflix only popular streaming services until 2016
    - Growth of news accessed via social media



Sources-
https://www.nbcnews.com/business/business-news/cable-satellite-tv-costs-will-climb-again-2016-n484531
https://en.wikipedia.org/wiki/Timeline_of_online_video
https://www.digitalnewsreport.org/survey/2016/overview-key-findings-2016/

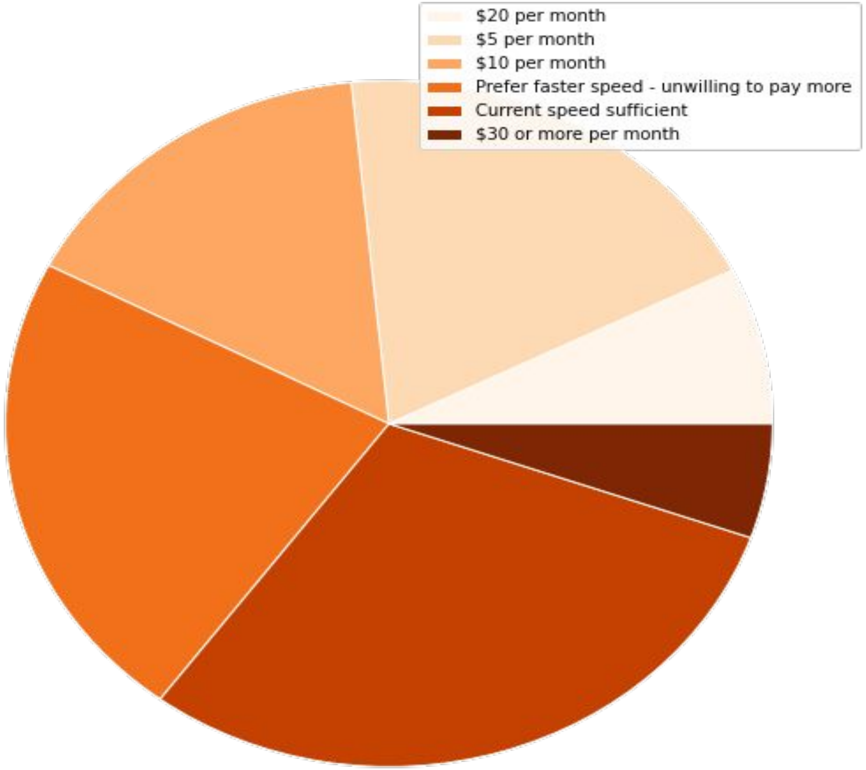
SPENDING CHOICES

- Most users unwilling to share personal information
- Willing to view ads at reduced cost of subscription
- Majority willing to pay for news and sports for no ads



SPENDING CHOICES

- For most of the major broadband providers - actual download speeds 100% of advertised speeds or better.
- Spending money on a desirable experience over buying a desirable thing - influence of social media



Sources-
https://www.fcc.gov/reports-research/reports/measuring-broadband-america/measuring-fixed-broadband-report-2016#:~:text=The%20median%20speed%20across%20all,of%20advertised%20speeds%20or%20better.
https://mashable.com/ad/feature/2016-spending-habits

TV/Smartphone preferred mode to consume content

On Smartphones most frequent digital activity is social networking, browsing, streaming video

For the above activities users willing to pay for home internet

But not willing to pay for higher speeds

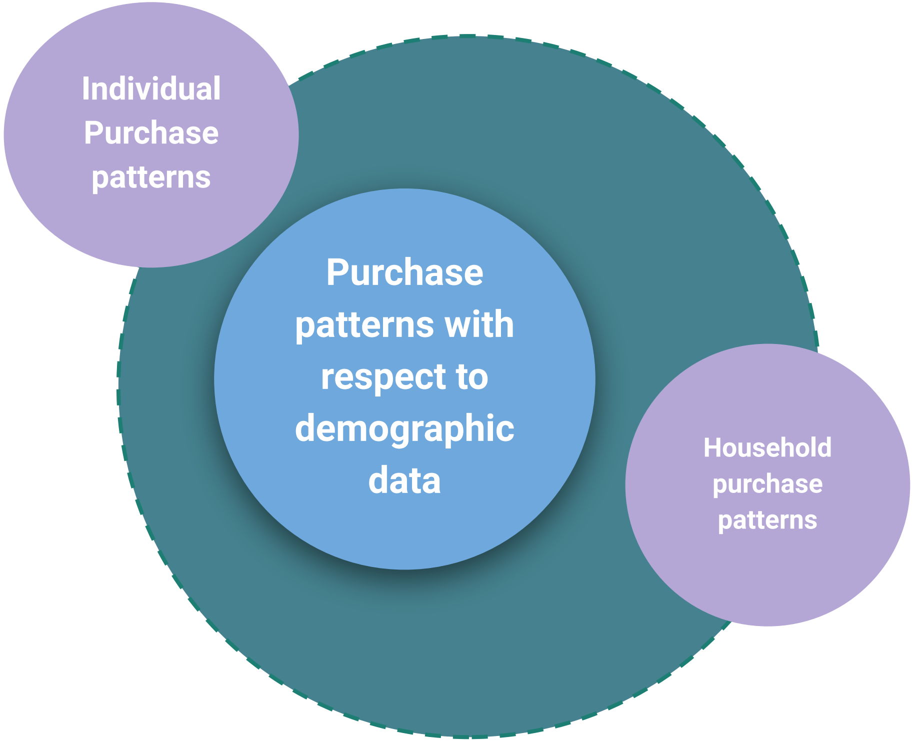
Finally, users are not willing to share personal information unless subscription is offered at a reduced cost

03

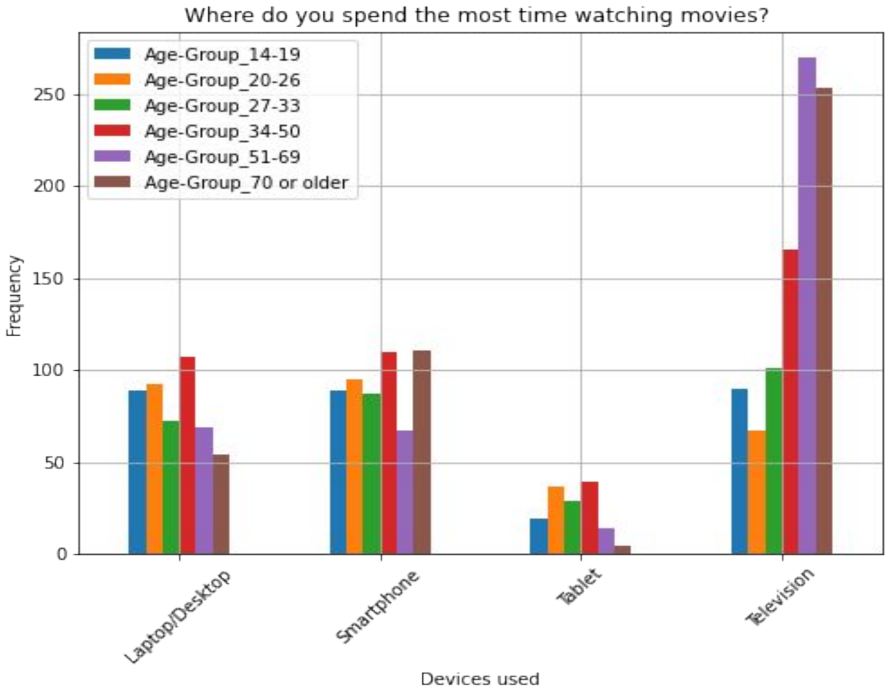
CUSTOMER SEGMENTATION

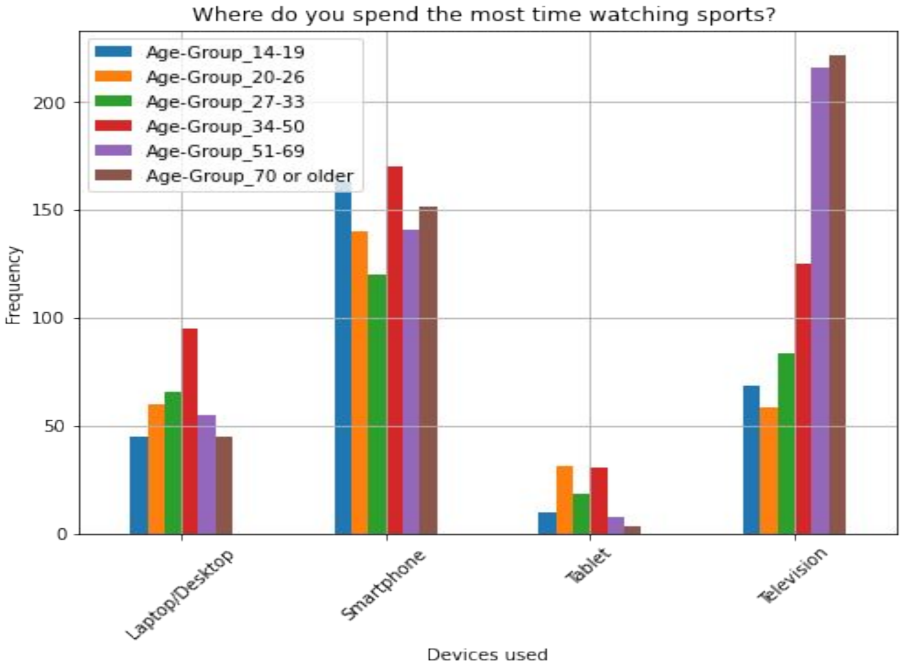
Understanding our customers better to devise revenue strategies

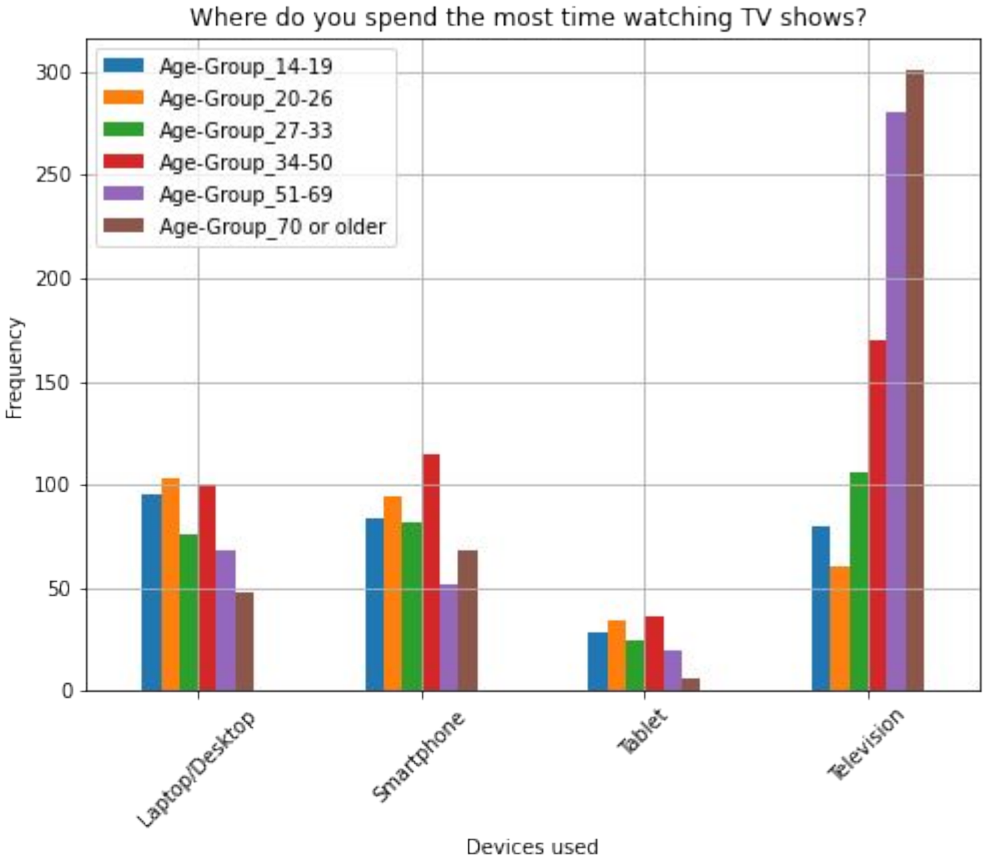
BASIS FOR SEGMENTATION



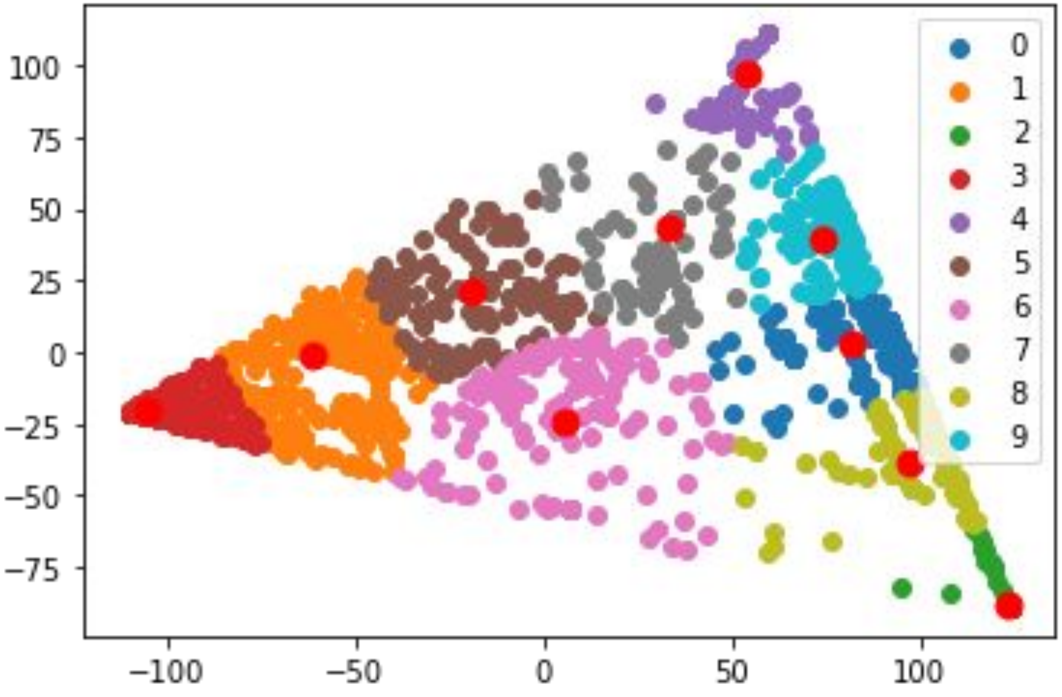
STREAMING DEVICE

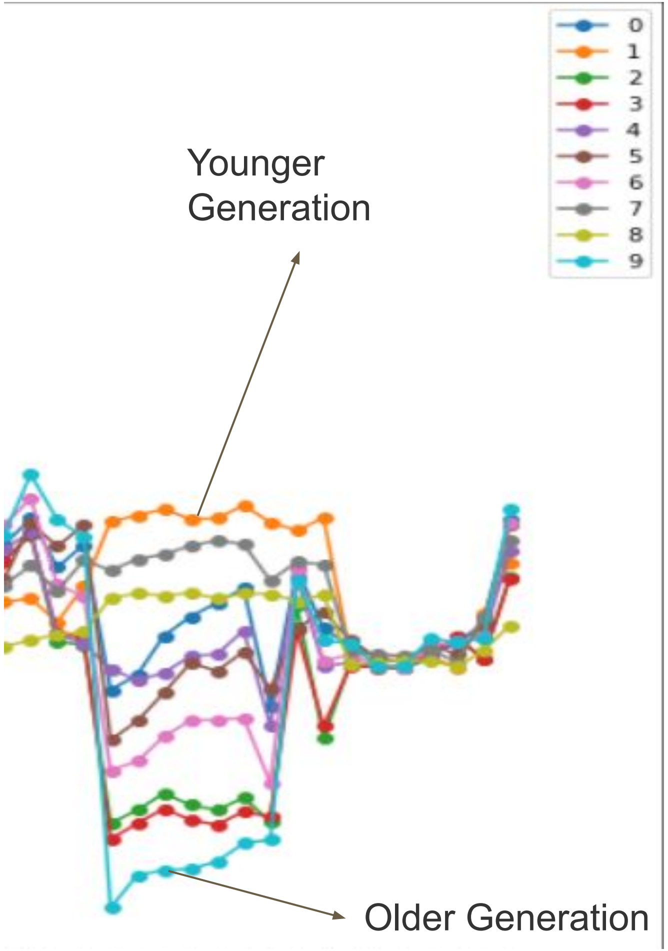





Where do you spend the most time watching TV shows?
Age-Group_14-19
Age-Group_20-26
Age-Group_27-33
Age-Group_34-50
Age-Group_51-69
Age-Group_70 or older
Frequency
300
250
200
150
100
50
0
Laptop/Desktop
Smartphone
Tablet
Television
Devices used

CLUSTERING





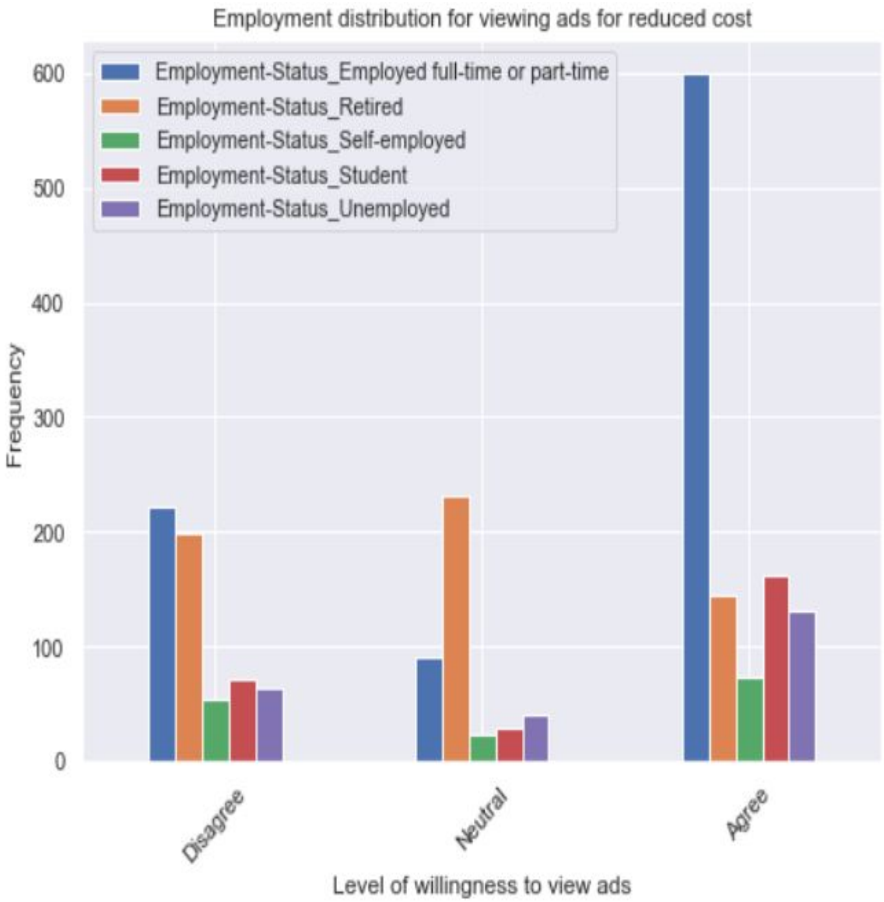
Customers' willingness to pay for streaming content over advertisements

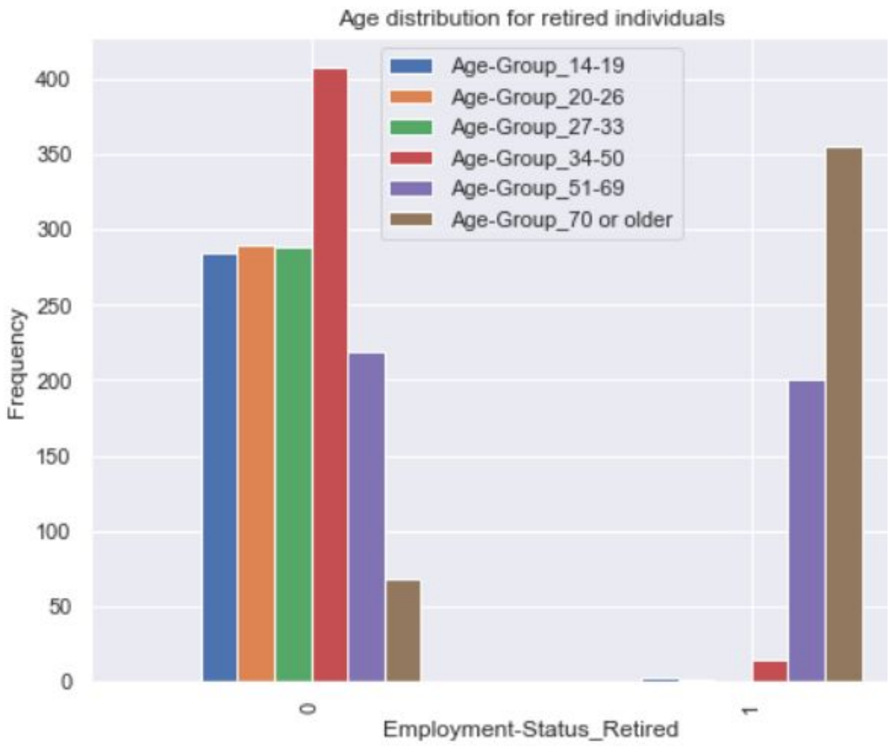
04

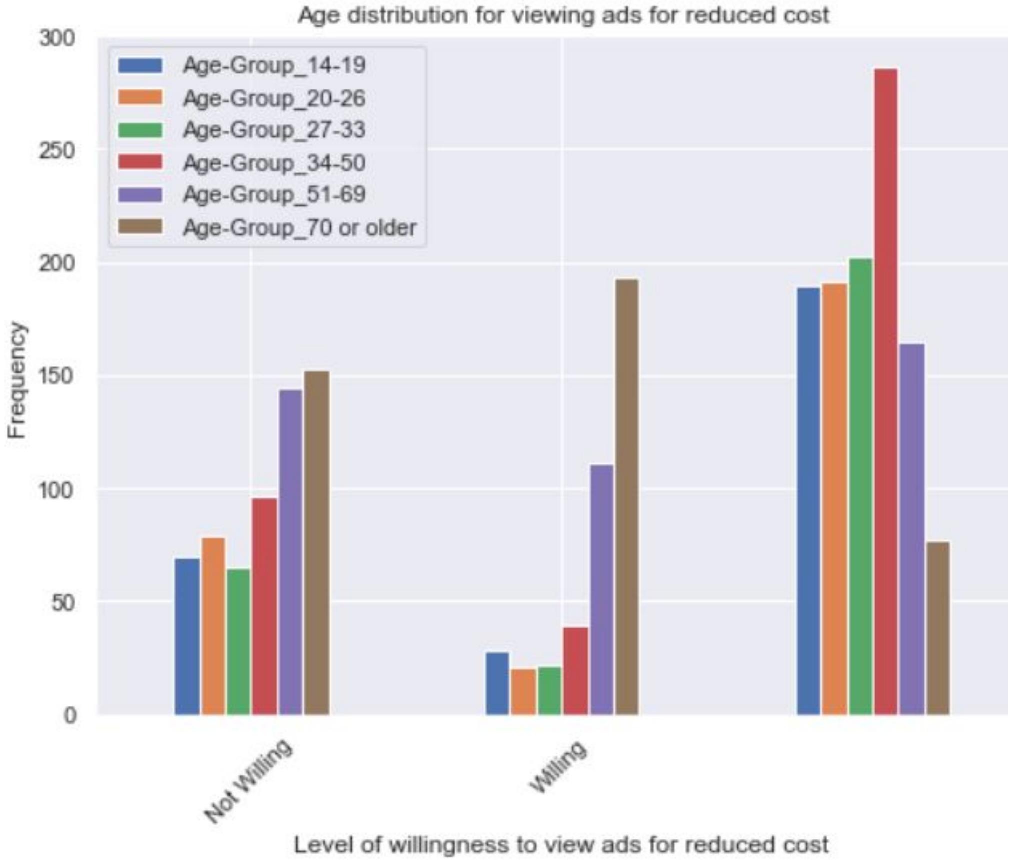
MARKET STRATEGY

Identifying spending patterns of the user using classification and forming suggesting marketing strategies.

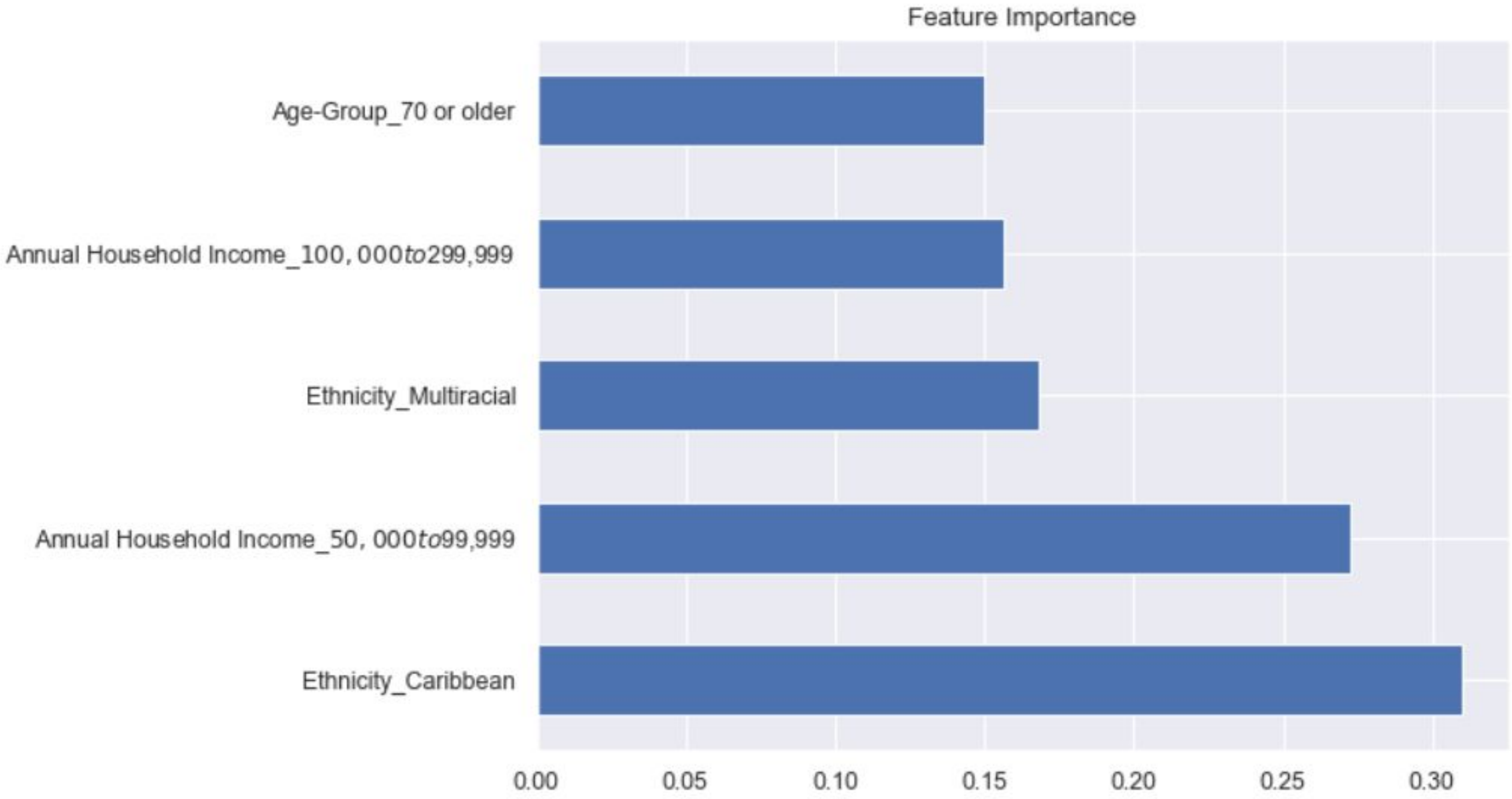
Target Variable 1: Willing to view ads for reduced cost



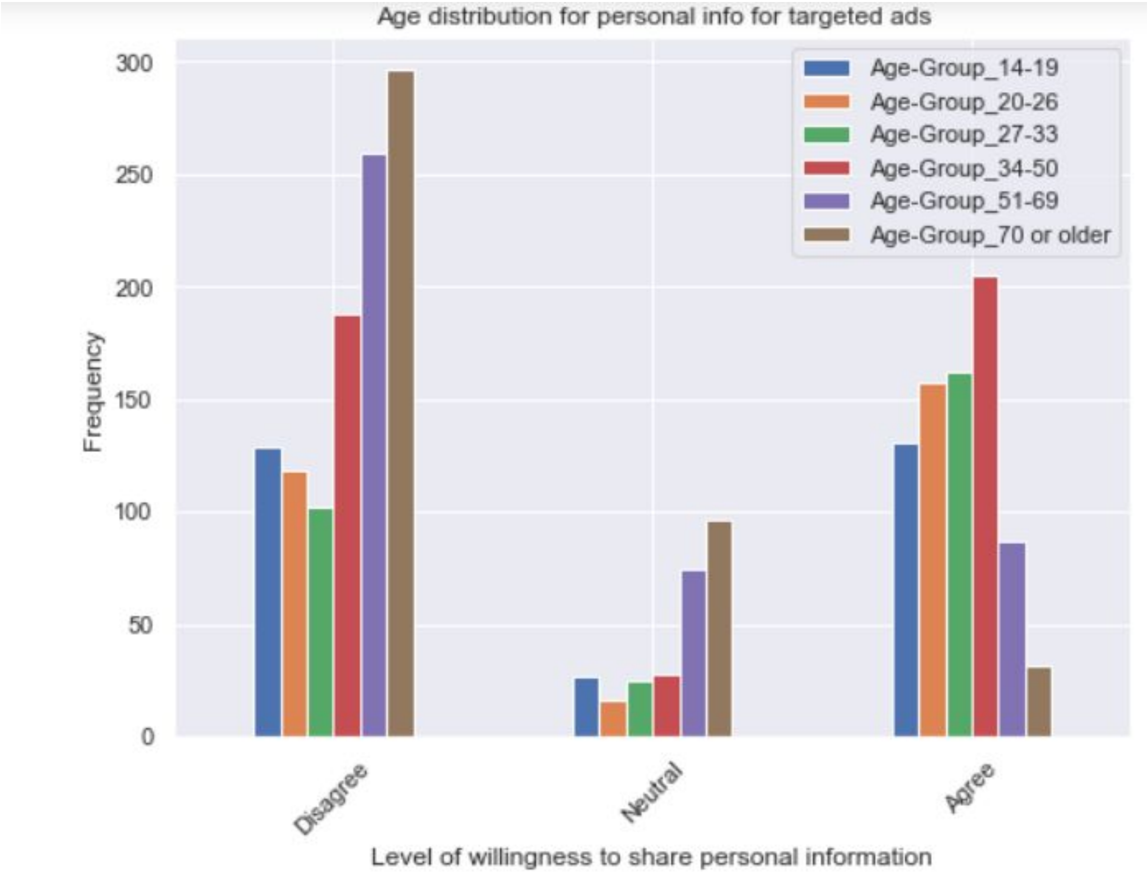



Age distribution for viewing ads for reduced cost
Age-Group_14-19
Age-Group_20-26
Age-Group_27-33
Age-Group_34-50
Age-Group_51-69
Age-Group_70 or older
Frequency
0
50
100
150
200
250
300
Not Willing
Willing
Level of willingness to view ads for reduced cost

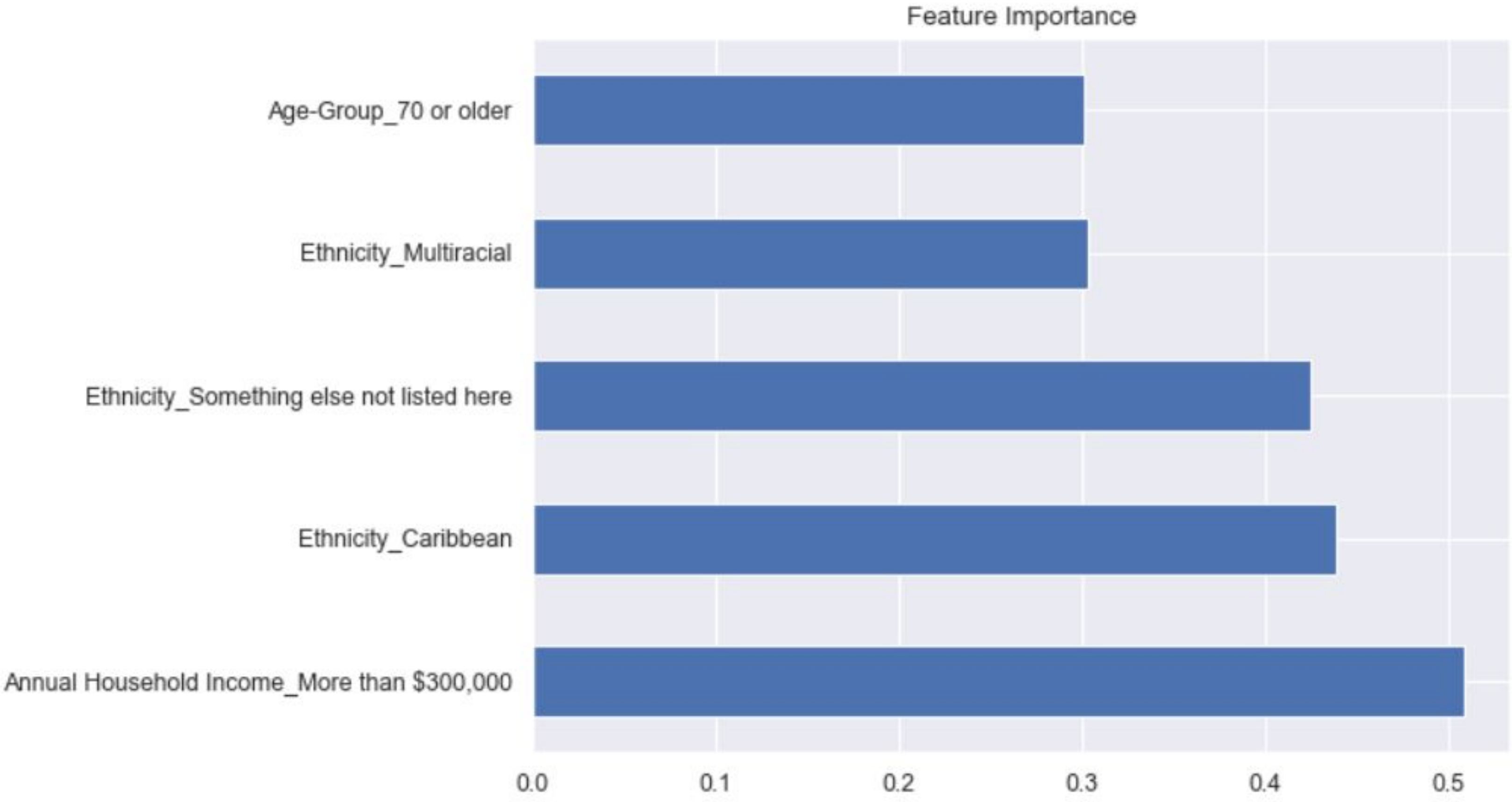
Feature Importance for target variable - View Ads for Reduced Cost



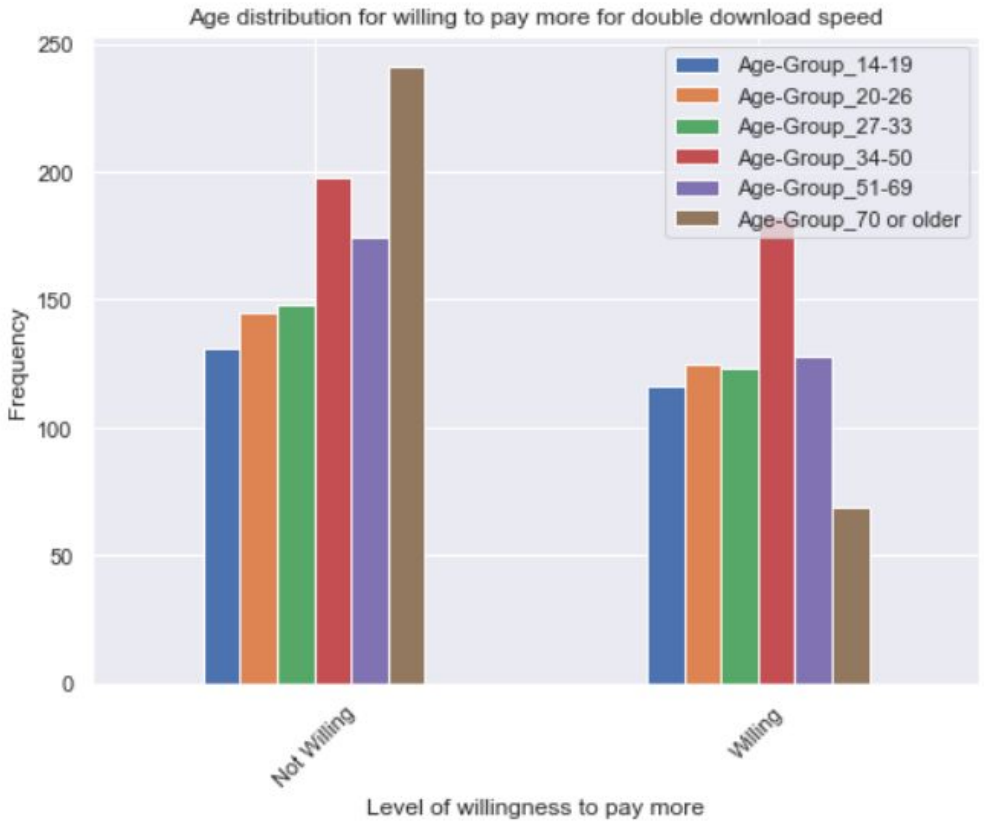
Target Variable 2: Willing to share personal information for targeted ads



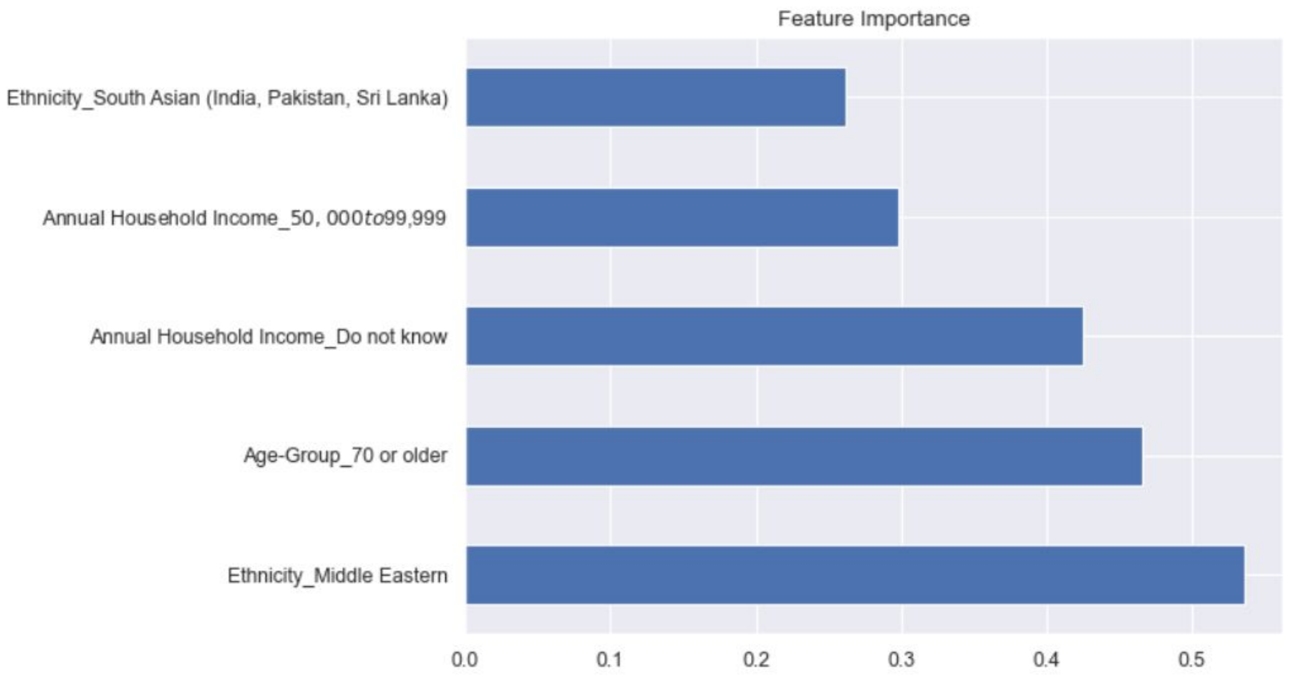
Feature Importance for target variable - Provide personal information for Targeted Ads



Target Variable 3: Willing to pay more for download speed



Feature Importance for target variable - Pay more for download speed



CONCLUSION

Apart from the current subscription model, the company can introduce two more new subscription models targeted to -

01 YOUNGER USERS

- LOWER SUBSCRIPTION FEES
- FASTER DATA SPEEDS
- INCREASED NUMBER OF ADS

02 OLDER USERS

- HIGHER SUBSCRIPTION FEES
- SLOWER DATA SPEEDS
- FEWER ADS

THANK YOU