

Showtime Data Analytics

Introduction

OTT stands for 'over-the-top', which refers to any media service that provides streaming of video content like TV shows and movies via app or website over the internet instead of traditional distribution networks such as cable and DTH.

Showtime is one such OTT platform which has always understood the power of data and has been investing on data and analytics. Its innovation focused on only two things that is Data analytics and logistics, by 2009 it started its video streaming services. Its subscriber and member reached to 90 million in 2019, and expected growth of 100 million by first half of 2020. Its video streaming consumes 40% of downstream internet bandwidth during the prime Hours. Showtime has transformed much more than what it traditionally offered to the customer. They are the massive and huge fan of data and analytics. They use the analytics to know the customers: what each customer watches? How much time do they spend watching? What content do they watch? Location of the users? What time you watch the content? How many times you pause the content? Which content you fast forward and watch? Which content u repeatedly watches?

All these data are captured by Showtime to know what exactly the user wants and what they have to do to retain their customers. Their digital transformation can be seen in two ways

1. Technology- massive use of new technology
2. Data and analytics- Perform base on the data and analytics.

Showtime data analytics shows the company what the customer prefer watching, and it gives u the content accordingly. It basically gives the recommendation of the content for users to watch. It works towards personalization it directly theirs to communicate to the customers from their content and recommendation.

Advantages received by Showtime from using data analytics.

Analytics and data have made Showtime leader among its competitors. It is one of the few contents generation company who mostly prefer data and analytics at this scale. Showtime receives better advantages among other competitors:

- It does not believe in spending on the pilot episodes. Pilot episodes are the small episodes of the series of movies which are shown to the views before it gets launched or released so that the company can generate the success rate of the show. But Showtime data analytics itself shows the likelihood of a shows' success.
- The success rate of Showtime shows is 80%
- Showtime provides a customer with personalized experience. According, to the survey it shows that 75% of Showtime's viewing is driven by the recommendation algorithm.
- Their use of data and prediction of the success rate of the shows has helped them to reduce the cost on promotional advertisements and campaign budgets.

Facts:

- Showtime spends \$1 billion on its algorithms.
- Showtime member loses interest after 60-90 seconds of choosing something to watch.
- It uses personalized video and recommendation on the viewers to watch similar kinds of show.
- "Part of Showtime's appeal knows what the customer wants before they want it."
- In future it plans to create its own shows for now it plans to create 700 shows.
- Operates according to the culture and country recommendations and suggestions.

Conclusion:

Showtime has always focused on constant changing and flexibility of the business from DVD rental business to online video streaming to now owning a TV shows has taken up a speed growth. Their use of data analytics has helped the company to be more customers centric and provide quality experience to the viewers.

With a company valuation of over \$164 billion, Showtime has surpassed 'HotSun' as the most valued media company in the world. Their success can be attributed to their impressive customer retention rate and also because it also

makes more successful TV shows and movies. Showtime has also been more successful in identifying what their audience wants.

How Showtime uses big data and analytics

So, how does Showtime use data analytics? By collecting data from their 151 million subscribers, and implementing data analytics models to discover customer behaviour and buying patterns. Then, using that information to recommend movies and TV shows based on their subscribers' preferences.

According to Showtime, over 85% of viewer activity is based off personalised recommendations. Showtime collects several data points to create a detailed profile on its subscribers. The profile is far more detailed than the personas created through conventional marketing.

Most significantly, Showtime collects customer interaction and response data to a TV show. For example, Showtime knows the time and date a user watched a show, the device used, if the show was paused, does the viewer resume watching after pausing? Do people finish an entire TV show or not, how long does it take for a user to finish a show and so on.

Showtime even has screenshots of scenes people might have viewed repeatedly, the rating content is given, the number of searches and what is searched for. With this data, Showtime can create a detailed profile on its users. To collect all this data and harness it into meaningful information, Showtime requires data analytics. For example, Showtime uses what is known as the recommendation algorithm to suggest TV shows and movies based on user's preferences.

Showtime's ability to collect and use the data is the reason behind their success. According to Showtime, they earn over a billion in customer retention because the recommendation system accounts for over 80% of the content streamed on the platform. Showtime also uses its big data and analytics tools to decide if they want to greenlight original content. To an outsider, it might look like Showtime is throwing their cash at whatever they can get, but in reality, they greenlight original content based on several touch points derived from their user base.

In addition to collecting data on subscriber actions, Showtime also encourages feedback from its subscribers. One feedback system is the thumbs up/thumbs down system that replaced their rating system, the system improved audience engagement by a significant margin, which enabled them to customise the user's homepage further.

Key takeaways

Powerful analytics models can process terabytes of data to churn out meaningful information. Judicious use of data analytics is the main reason for Showtime's success. In fact, big data and analytics are so vital to Showtime's success that you may as well call them an analytics company instead of a media company. Showtime's success highlights the value of data analytics because it presents an incredible insight into user's preferences allowing them to make smart decisions that deliver maximum ROI on their choices.

Questions:

- Why investing in data analytics is important?
- How to harness the power of data?
- How does Showtime use data to enhance the user experience?
- List out strategies for Showtime to increase customer loyalty?