

# A shifting retail scene – can blockbuster survive?



**ASSIGN  
BUSTER**

This is about the blockbuster rental store which is facing tough competition due its inability to adapt to the changing customer behaviors. The increasing popularity of alternatives like online rental stores and VOD among consumers have forced blockbuster to reevaluate their strategies to gain a dominant position in the online rental market.

1. What are the some of the `must have` attributes and features for online and (VOD) Video -on -demand to spread to the mass market? Convenience and choice are two important features of online and VOD that makes them a popular choice among larger number of movie viewers. Thus giving viewers greater choice by providing greater number of titles is very essential (Broadband money makers, 2005).

This can be done by using High Definition (HD) TV which allows higher number of titles that could be displayed at a given time. Moreover the whole process of searching for a movie, ordering and its delivery must be simplified so to make it fast and efficient keeping in mind that the viewers want to get rid of the hassle of going physically to the store and thus saving time. Also the content must be personalized and tailored according to the taste of the user. Another important feature of online and VOD which will give them a greater appeal in the market is their price. Offering lower and competitive prices will acts as an incentive for viewers to opt for online and VOD instead of renting from stores.

Moreover the elimination of late surcharges is another attractive feature as payment is done on the monthly basis. Besides this, quality of service is another important attribute. It needs to be made sure that the viewers get

high quality videos without any interruption. In the case of VOD, buffering can be done to avoid this problem (Broadband money makers, 2005). Quality also depends on other factors like the bandwidth available. Innovative features like record, rewind and fast forward are also must for an online and VOD. Furthermore it needs to be ensured that videos are viewable on either television, internet or any portable device. (Broadband money makers, 2005)

2. What marketing strategies can be developed to `teach` consumers to plan ahead for their entertainment needs? Blockbuster online rental service allows customers to rent three movies at a time which could be returned back by mail or exchanged at the local rental store. However this required customers to plan ahead rather than a spontaneous decision to stop at the store. Therefore appropriate marketing strategies are needed to help customers make preplanned decisions.

This requires increasing awareness among viewers about new releases or titles of their interest. In such a case mass marketing is not an effective strategy (Evans, 2008). Rather a targeted marketing approach must be developed. This can only be done by detailed study of entertainment lifestyle pattern of customers. This includes both their current spending and past purchases. After this segmentation needs to be done. Customers can be segmented according to age groups or by average number of movies they rent in a week and campaigns can be devised accordingly.

For example advertising more cartoon movies and games for teenage segment or providing a list of “blockbuster favorites” every week to customers who rent more frequently. Video marketing will also prove to be a

successful strategy. Online rental stores should publish trailers on video sharing websites like you tube because of the increasing popularity of such sites (Evans, 2008). Good videos ultimately go viral and spread through social marketing and emails.

Another strategy could be to offer discounts on early returns. Besides that, sending viewers a list of top titles through email soon after they rent movies will also be helpful as they'll know what replacements they should get. Competitive pricing strategies must also be developed like offering special rates for immediate rent of new releases.

3. Create an advertising campaign for Blockbuster to increase consumers sense of regret or so-called `buyers remorse` at having purchase a DVD (or many DVDs) they probably wont watch again and paid substantially more than the rental fee. Consider the emotional appeal only

Theme: “ Fanatic Buyers-Regretful Purchases”

Description: This campaign includes an advertisement to be aired on televisions and social websites. The Ad will show a movie fanatic who goes into a local movie store and purchases about 10 DVD's but ends up watching only 2 of them completely. 5 of the DVD's are thrown away because they look boring, while rests are left watched half way in between. The buyer regrets his decision of wasting money on useless purchases when he tries to resell those DVD's and does not even get half of the money spent on their purchase. The feeling of guilt along with the economic loss will compel the viewer to rent movies instead of purchasing them. The emotional appeal of

the “ regret” feeling will force viewers to reconsider their entertainment options.