

# Tivo marketing case analysis (hbs) assignment

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The marketing team has three options on how to position TiVo: 1) as an enhanced digital video recorder, 2) as a product that gives viewers the ability to create their own television network, 3) or as a super VCR. I recommend that they position TiVo as the super VCR that gives users a unique TV experience. Analysis TiVo's potential goes beyond the introduction of an innovative electronics product; it has the power to change the habit of how Americans watch television.

So far TiVo's penetration has been extremely limited, many consumers are not aware of its existence, and at the point-of-sale, the salespeople are encountering difficulties in explaining the benefits of the product. Moreover, TiVo represented a totally new innovative product that targeted the enhancement of television viewing, which was clearly not on anyone's priority list. To communicate TiVo's advantages, the marketing team has considered using different advertising sources for different purposes. However, this approach eliminates the possibility of communicating a consistent message across all potential buyers.

Without a consistent message, consumers will be confused of what TiVo truly represents. Most consumers are aware of what a VCR is, so positioning TiVo as the super VCR would make it easier for consumers to associate it with a familiar product and its functions. If the message behind TiVo focuses on providing users with the ultimate television experience, consumers are likely to be curious about what this super VCR is all about. It indirectly encourages consumers to try this state-of-the-art innovation.

The drawback of positioning TiVo as an enhanced digital video recorder is that consumers can view it as an extremely high technological innovation, not suitable for a typical household, but apt for technologically savvy consumers. Digital recorders are a relatively new innovation, with a limited awareness and familiarity among consumers. It narrows TiVo's ability to reach a wider range of consumers. Positioning TiVo as a product that allows any user to program his or her own TV network not only focuses on one of the many features of TiVo, but the idea behind it is too abstract.

TiVo's relative advantage is high, as its innovation is significantly better than the products it is replacing, specially the regular VCR. Before TiVo, the average household spent more than 7 hours watching TV. TiVo's intent is to make television viewing a lot more enjoyable, making it a totally new experience. Thus, its functionality is highly compatible with the existing consumer behavior. However, due to the many benefits the product offers, many consumers have difficulty understanding all the benefits of the product. Some users even had trouble using the system, which is not very easy to use; therefore its complexity is high.

The trialability of TiVo is low, since the product can be experimented most of the time either in retail stores through a demonstration or through the online demo available at TiVo's website. TiVo's observability is currently low, since many consumers have a lack of awareness of its existence. Finally, the risk involved with TiVo's launching is high, as there is an important amount of capital committed to the success of the project. TiVo's proposed positioning as the super VCR can be analyzed with the Marketing Mix analysis. Product.

TiVo, the super VCR, is the first digital video recorder that empowers television viewers to create their own personal television network. Viewers can pause live television to attend interruptions such as phone calls or unexpected visits. It gives viewers the freedom to watch whichever program they want, whenever they want. With TiVo's capacity to store up to 30 hours of recorded television, users reduce the hassle of using videotapes to record television programs. Users virtually eliminate the possibility of missing their favorite shows, since they can set-up TiVo to record them.

With these aforementioned features, TiVo will revolutionize the way Americans view television. Price. The current price of \$999 for the 30-hour TiVo box is extremely high. It can easily discourage any early adopter or a TV addict. Hence, the marketing team should reduce the price to \$399, even lower if financially viable. The more attractive the ticket (i. e. TiVo Box) for the ultimate TV experience, the easier consumers will be lured in. The service fee structure seems at a very reasonable price, it requires no major price adjustments. Place.

Electronic retail stores, such as Best Buy, Circuit City, and Sears serve as the best channels to sell the product. It is imperative that the marketing team develops a training program for the sales force of those retail outlets. Many consumers will have their first TiVo experience in a retail store; hence, the salespeople must be prepared to demonstrate the benefits of TiVo in a flawless way. The internet should be used as another channel to sell the product, especially the TiVo website, where it must have a friendly-user demo, so customers can interact with TiVo.

Promotion. Consistency is the key to launch a successful communication strategy across the different media sources. The marketing team should focus on attractive ways to create the need and dependency of TiVo. Offering a 30-day free trial for the TiVo recorder and service is an excellent way to allow consumers to fully experience TiVo's benefits. Presenting testimonials of TiVo users about their positive experiences with the product stimulates the curiosity among consumers who want to know what the super VCR really does. Recommendation

Positioning the TiVo as the super VCR that provides the ultimate TV experience will speed up the adoption of this innovative product. This theme stimulates a very particular interest among those who consider watching television as a means of entertainment. Moreover, delivering this message builds on TiVo's brand identity, which can be associated with the innovative super VCR that changed an old-fashioned lifestyle. TiVo is more than the first digital video recorder that gave consumers the opportunity to develop their own personal television network; it is the super VCR that is making the habit of watching TV as the ultimate experience.