

Brand entitle

Business



It made perfect sense to him to divide the business and slowly move towards streaming rather than DVD rentals. With the loss in revenue, customer loyalty, and subscriptions Entitle had to take a look at how to fix the mess and keep customers satisfied.

In an article by Larry Dolman from *entertainment* Entitle stated "they value their customers and TLD want to lose more subscriptions". Looking at Hastings newest business model it was decided that the launch of Swelter was a major wrinkle in the business and now Entitle brand was tarnished.

Something needed to be done to bring back customer loyalty and to address the loss of value in the brand Entitle. In order to make certain that Entitle will achieve strength by preserving customer satisfaction and loyalty, Entitle must review and put into place alternative resolutions. There are a few suggestions to help Entitle overcome this debacle. The first would be to target all age customers through marketing, current trends are geared toward the younger generation, add sports or other news media for streaming, expand internationally and add commercials to the streaming.

Entitle is not a small provider of entertainment.

As of 2009 they had over 10 million subscribers from all over the world. By 2011 they had grown to 26 million worldwide. Entitle had a great opportunity for many years and was able to surpass all other competitors. Entitle built its reputation on great customer service and a simple business model of flat fee rentals without due dates or late fees. If you don't return your current rental you will not get the next rental.

It is up to the subscriber to get the most for their monthly rental fee. Over the years Entitle has expanded its rental library and has helped to build clientele for independent films.

Entitle does not always have the most recent movies “ due to other providers’ unwillingness to enter into flat fee contracts”. By 2010 Entitle was now offering streaming video along with DVD rentals. The future trends for movie watching, playing games, and watching TV shows will be through streaming; this will be the future of all types of media circulation. Streaming video was the new concept for viewing movies, playing games, or watching seasons of TV shows.

Entitle was able to provide better computer streaming quality picture and sound which made them a great choice for movies and games.

Later Entitle worked with Palpatations and WI to provide streaming to TV’s. Currently, all TV’s offer streaming capableness as long as the TV has an Internet. With the large customer base that Entitle had they wanted to take options. Advantage of the concept. One challenge for Entitle was competition. DVD rentals had competition with Red Box and Blockbuster, while streaming was in competition with tunes, Amazon, Bud and HOB0 2 Go. Amazon offered Amazon prime that allowed peeve streaming, a deal Walt L-PI Tanat Increases tenet Diary, Ana two cay free shipping on items and a free kindle book a month.

HOB0 2 Go offers movies even if you do not have a cable subscription, expanding into international the international market, and streams in HAD for better quality. BUD the other competitor is free and only pay for what is <https://assignbuster.com/brand-entitle/>

watched, offers newer titles the same day they are out, Entitle releases newer movies 28 days later, and allows subscribers to DVD's and transfer them to a cloud to be held in a storage library. Another challenge that Entitle encountered was conforming the change to the new streaming.

Moving from old media to new media is very challenging, and not just for Entitle but all other competitors as well.

Entitle is working hard to overcome this obstacle and come out as the forerunner. Everyone is sensitive to change and overly sensitive to change that affects their customer service. The first big blunder in the new change for Entitle was to not communicate effectively with its customers of the new plan and price increases. Communication is essential and when the customer feels like they are involved change will occur a little bit more smoothly.

Dividing the company into two led to a huge inconvenience to the subscribers and which later led to angry customers and disconnect of services and a decrease in subscriber loyalty.

Although Entitle suffered with Hastings decision to split them they do have some strengths. They have the experience of sending and receiving videos. They were the mother ship for this business process. Along with the sending of videos they track the movies that the subscriber likes and makes recommendations of like movies.

This aided in creating a large base of loyal subscribers. Entitle has the streaming capabilities at a low cost. The subscriber can at a whim find something to watch when nothing entices them on regular TV. Another

advantage is that streaming can be done on TV, computers, pads, and phones.

Entitle has a large library of over 10, 000 movies for the subscribers to choose from. And the final strength that Entitle as is their price structure.

You can get a lot for a small monthly fee. The weaknesses that Entitle faces are the video library and pricing. Many of the major studios dictate the terms and times that movies can become available on Entitle. Many of the new releases can only become available on Entitle after 28 days from when they are released on DVD. These new releases are not only limited to Entitle, sometimes competitors of Entitle can release the movies earlier than the 28 days.

Inventory for DVD rentals are hard to control.

Some can get lost in the mail, or the subscriber may forget to return the movie. The US Postal service dictates the mailing schedule and pricing of delivery of movies. This has a huge affect on the DVD business for Entitle. Rates are always negotiable, but at some point this can have a huge impact on the business. And due to the postal system if they order the DVD by mail, the subscriber cannot get the movie right away. There is a one to two day lag Some of the threats to Entitle are competitors such as Hull and News Corp.

. Time.

Hull is owned by Disney and has the ability to limit Disney products to only Hull. This would have a great negative impact on the business.

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Just about every child in every family is in love with Disney movies. News Corp. is owned by NBC and also can limit distribution of their content, thus affecting the library for Entitle. Other internet providers could also follow the same tactic limiting distribution to Entitle. When it comes to streaming Google is one of the biggest threats to Entitle. The wave of the Torture is streaming. IT a company NAS Log pronto teeny could Nora to get ten licenses for internet streaming.

Google has the bank roll to threaten the Entitle streaming. Another threat is the opportunity for subscribers to cancel at any time.

A perfect example of this is when Hastings split the company into two. Hundreds of thousands of subscribers canceled their subscription with Entitle causing a decline in the overall performance of the company. Entitle does have opportunities available. There is International distribution, branding, and subscriber base. Entitle has grown exponentially in the US and has the ability to broaden their subscription base to other countries. In order to keep growing they must expand internationally.

Branding has been the key element in marketing. When it comes to branding everyone knows Entitle. When families talk about renting movies the first name that comes to mind is Entitle. This can be compared to Google. When people are looking or searching on the internet the first place they think of is Google. And then finally due to the large subscription base that Entitle has they have power to negotiate with other large entities such as Time Warner or Disney.

The Entitle database of over 25 million subscribers can go a long way in negotiating movies and pricing. Another opportunity is the acceptance of debit and credit cards in Latin America.

This could help improve international subscriptions. When Hastings made his decision during September 2011 he wasn't completely wrong, he just chose the wrong path to distribute the news. After losing 800,000 subscribers within a few months Hastings had to revisit his decision.

Hastings then added more fuel to the fire when he wrote letters to the subscribers explaining everything. In October Entitle reverted back to only one company but with the increased price. Hastings was right; the best way to handle DVD versus streaming was to split the company. But this affected the branding that Entitle had created.

The split was right because in the future DVD entails will decline while streaming will be the new DVD. Everyone knew who Entitle was and what they had to offer.

Nobody understood the new Skitter and what it represented, the same product just a new name. Writer Ken Favor noted in *Strategy Business*. Com that many referred to it as "Stupidity". Although many protested the rate increase Entitle needed to do this to continue to expand. Streaming can be quite expensive and US postal prices are on the rise.

Before September streaming was not as popular and not everyone had the capability to view streaming movies.

As technology changed the demand for streaming will become argue and Entitle needed the price increase to cover the creation of software and coding to enable wide spread streaming across all types of media. The majority of the price increase was noticed by those that did streaming and DVD's. DVD only had a marginal increase. One thing that Entitle and their team did not think through was the branding.

By dividing the business between DVD rentals and streaming it created a new name and a split in the billing. And the bills could not be combined into one account, each was separate. This was confusing to the subscribers and was not accepted.

Entitle was known for the convenient no late fee approach to renting videos. You never had to leave your house, except to go to the mailbox, to get the movie that you wanted to see. This unique branding was established and is well known for this convenience.

Splitting and renaming made Skitter less valuable and the customer loyalty was not there. It was with Entitle. The split of the company was not communicate effectively Ana was broadly one AT ten Delegates causes of the revolt from the change. Change is something that people have a hard time comprehending. To much change is unacceptable but inevitable.

When Entitle decided to change the business model of their company and the pricing structure it was done too quickly.

Subscribers did not have the opportunity to think about it and acknowledge it, the change just happened. Timing is never perfect but the speed for

Entitle change was too much. Second was that when Entitle announced there would be change they didn't listen to the feedback. They just moved ahead and didn't think of the consequences. Another fact of the communication process was the loyalty that subscribers had to Entitle.

By taking away the Entitle name it was almost like normalizing the product they were used to.

If Entitle had used the strategy of listening to their customer base and feedback provided there might have been an easy transition and less of a revolt. There still would have been some losses due to the lack of change people will accept, but it might not have been as disastrous. Through this analysis of Entitle there are some recommendations that could be applied that will be beneficial for the future. One is adding commercials to Entitle streaming. Streaming is a costly endeavor with licensing fees and programming and visual and audio enhancements.

Adding commercials will add revenue that will be able to fund the licensing and enhancements of the products. Commercials could be added in the beginning and end of movies or programs. Extra funding would enable Entitle to be the number one prospect for movie rentals and streaming. Another enhancement would be to continue to expand into other countries. A great example is Latin America.

Comparing Latin America to Canada there is a 4 to 1 ratio of Latin America viewers compared to Canada. While moving to Latin America Entitle would have to increase the video library to also include Spanish speaking movies or beetles.

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The move to Latin America would initially be expensive, but would pay off over time. The customer base would ultimately grow along with customer loyalty. An additional recommendation would be to extend the library to include sports or instructional videos. There has been many times where people have indicated they would like to see an older world series again, or a super bowl or the Olympics.

This expansion of the library could entice new subscriptions and would be a new strategy of media distribution. This is something that not all other competitors offer as a Ewing media.

Currently the target market for Entitle is directed toward the younger viewers, mostly due to the available movies in the library. If someone were to stop and think about it there really isn't much advertising or marketing for Entitle. Mostly it is strategically placed ads or side banners on the internet. Currently the marketing could be a little misleading and clarification might enable growth to the subscription base.

Because most of the marketing is geared towards busy parents to rent movies to occupy their kids Entitle needs to change the marketing to other enervation and create a higher viewers.