Business Foundations Capstone

snapdeal

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Situational Analysis

Product or Service–

Describe the product or service you are developing a strategy for

DIGITAL ENTERTAINMENT

- Under the brand of Snapdeal, we seek to develop a strategy to provide digital OTT-'Over The Top'-content to consumers along with its existing online retail business. The content provided will be via a mix of-SVoD (Subscription-based video on demand) and AvoD (Advertisement-based Video on demand) business models. Snapdeal is already one of the largest e-commerce companies in India with close to half a million sellers and customers from around 3700 towns across India. We would use this large user base in our favour to leverage our entry into this domain of digital entertainment.
- The content that we desire to showcase on our platform would be primarily OTT movies and TV shows in English, Hindi as well as regional languages. Along with this we plan to incorporate add-on features like live streaming of sports and global events. Our revenue stream will be divided between a subscription-based model for customers who wish to view premium content and also via a share from targeted advertisements for customers who do not wish to pay the subscription price and wish to watch the available free content. We will use the vast database of existing e-commerce customers to know their preferences and accordingly show them relevant content.

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Product or Service–

Describe the product or service you are developing a strategy for

DIGITAL ENTERTAINMENT

- With a population of close to 1.4 billion, India is one of the most significant upcoming markets with economic growth of around 7.8% annually over the last decade. As of 2021, internet penetration in India is about 45% which gives us a potential user base of 624 million consumers. In addition to this, with OTT content being the talk of the town and dwindling cable services, we feel this domain of delivering digital content to users at the comfort of their homes is going to be the thing in the long run.

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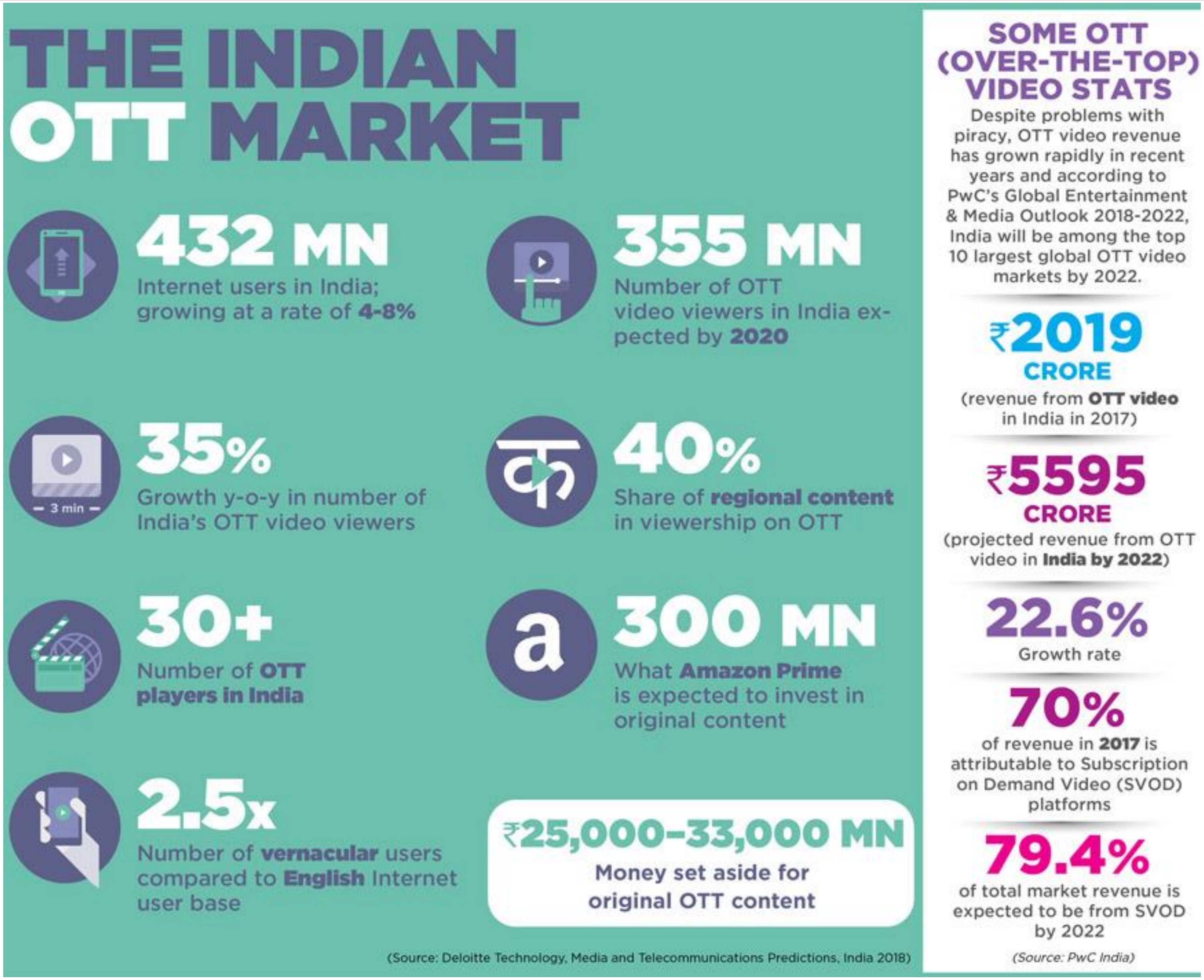
External Environment –

Relevant economic, social, political, legal, technological trends

- With enhanced networks, stronger internet connectivity and multimedia service-capable mobiles, the presence of Indian subscribers on over-the-top (OTT) platforms is increasing day by day. This boost in the OTT consumption in India can be attributed to the addition of new subscribers emerging from Tier I and from Tier II cities; is also drawing attention of all media and entertainment houses.
- With the rising demand, many media and entertainment channels have launched their own platforms or are trying to collaborate with other platforms to stream their content. In the next five years, the OTT industry is expected to escalate in India.
- The COVID-19 pandemic and the resulting lockdown has caused people to stay at home, which has led to this rise in subscribers for these OTT platforms. In addition, as the coronavirus-led lockdown impeded the theatrical experience, filmmakers are taking new releases to OTT platforms.
- The major reasons for the huge success or boom in the popularity of OTT were the availability of low-cost mobile data and affordable smartphones. India has the cheapest mobile data in the world with 1GB costing just INR 18.5 as compared to the global average of about INR 600. It enabled the youth in India to access OTT video streaming services at affordable prices.

External Environment –

Nature and extent of demand (demand elasticity & size of the market)



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External Environment –

Nature and extent of demand (demand elasticity & size of the market)

- The OTT sector in India witnessed a 30% rise in the number of paid subscribers, from 22.2 million to 29.0 million between March and July 2020.

- According to a report, the Indian OTT market is set to reach Rs 237.86 billion (US$3.22 billion) by FY25, from Rs 42.50 billion (US$576.73 million) in FY19.

- India will have 500+ million online video subscribers by FY23 and this number is likely to grow with increased smartphone and internet penetration. Going by the current trends, a diversified content portfolio and various pricing plans would help OTT players gain more paid subscribers.

- According to KPMG Media and Entertainment Report 2018, the Indian OTT market is expected to grow 45 percent to reach ₹138 billion by the end of fiscal 2023. According to a report by Ernst & Young, the number of OTT users in the country will reach 500 million by 2020, making India the second–biggest market after the US.

External Environment –

Industry structure (entry/exit barriers)

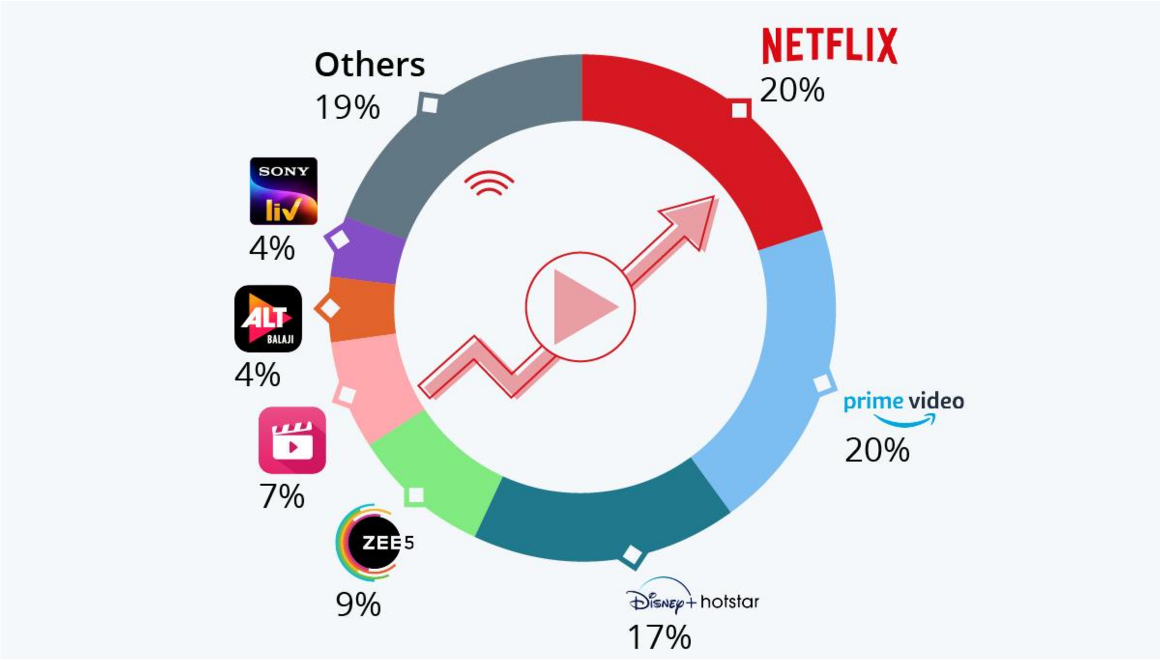
- The Government of India in 2021 released a new set of rules that would bring OTT content in India under the standards of censorship that is applicable to other entertainment content platforms in India. This created a stir among the OTT content providers who were upset about not being consulted before the move was announced. Before this move by the government, 17 of the largest OTT platforms in India had come together to create a self-regulation kit.
- Under the new rules the government has mandated the OTT platforms to classify content under five classifications namely, Universal (U)- suitable for all, U/A 7+ , U/A 13+, U/A 16+ and adult category.
- A few industry barriers are listed below:

Original Content	Customer retention	Content visibility	Global competitors	Strict censorship
Infrastructure development	Internet availability	Content acquisition	Pricing models	

External Environment –

Industry structure – Competition (nature of competition, profile of competitors (background, resources, etc.), market shares, & stage of product life cycle)

- There are currently about 40 providers of over–the–top media services (OTT) in India, which distribute streaming media over the Internet.
- In India, at present the OTT user-base is dominated by Disney+ Hotstar, Amazon Prime Video and Netflix. However, there are several production house-backed local OTT players, such as SonyLIV, Voot, Zee5, ErosNow and ALTBalaji, which are competing with these global players and trying to make a mark in the market.



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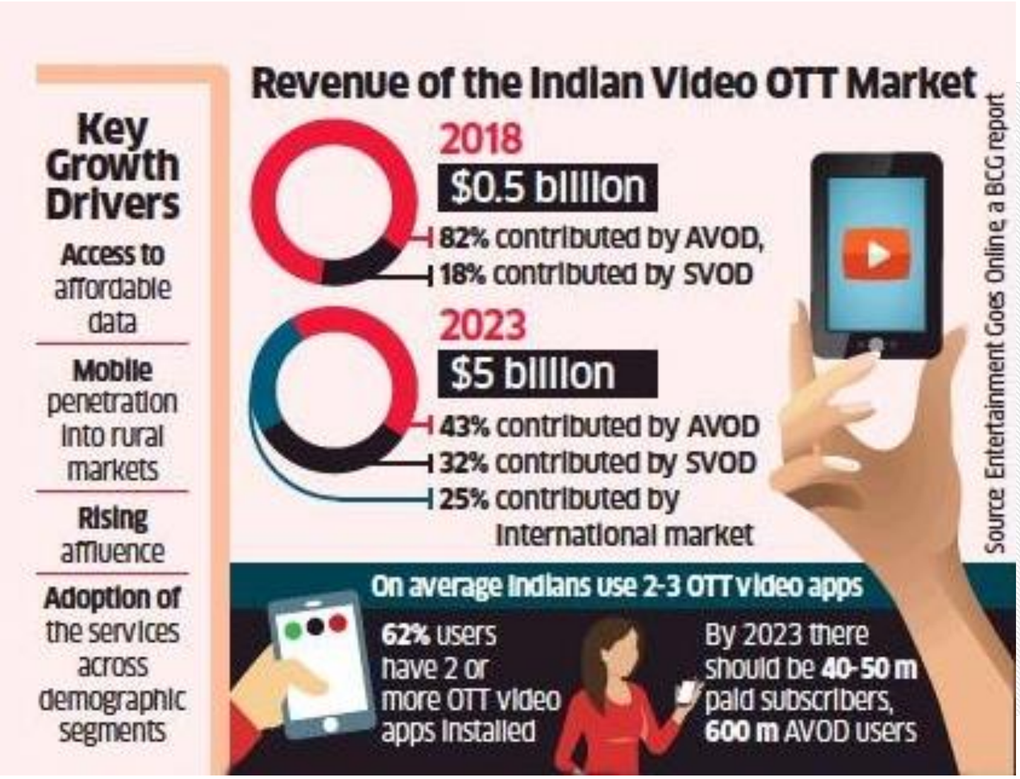
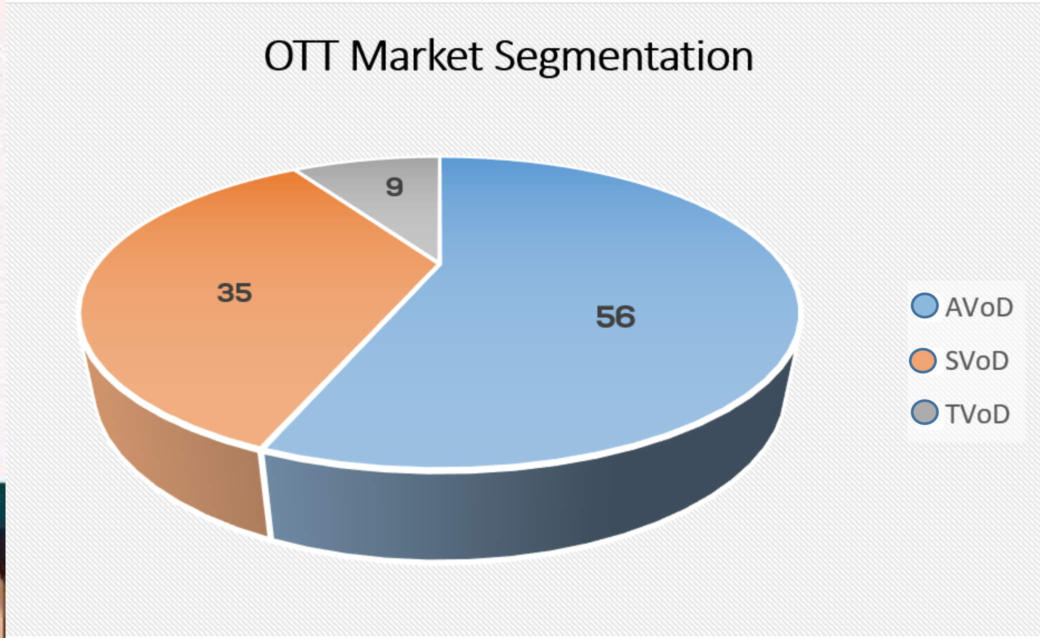
External Environment –

Industry structure – Competition (nature of competition, profile of competitors (background, resources, etc.), market shares, & stage of product life cycle)

Competition business models and strategies

- The OTT market is segmented into advertising video on demand (AVOD), subscription video on demand (SVOD) and freemium & transactional video on demand (TVOD).
- The market remains highly focused on ad-based model (AVOD), where advertisements drive revenues; however, subscription-based market (SVOD) continues to grow significantly





External Environment –

Industry structure – Competition (nature of competition, profile of competitors (background, resources, etc.), market shares, & stage of product life cycle)

Competition business models and strategies

- In 2019, Netflix announced a mobile and tablet-only plan for just INR199 per month to capture new subscribers; however, despite this new plan, Netflix is quite expensive for the price-sensitive users.
- In May 2020, Amazon Prime Video announced the direct-to-digital release of a few Indian movies and ZEE5 also announced that it has lined up 15 direct-to-digital releases for FY21.
- Though streaming English content has been limited to popular international TV series and movies, most platforms are focusing on sharing original content in local/native languages.
- OTT platforms such as Disney and AT&T are focusing on OTT content delivery to provide customers with exclusive services, while key national players such as Zee, ALT Balaji and Reliance Bigflix are taking efforts to move from conventional media to OTT-based services.
- Traditional broadcasters, such as ZEE5, Voot and Disney+ Hotstar, and other independent streaming platforms, such as ALTBalaji and Eros Now, are heavily investing in creating original regional content to engage their subscribers.
- In order to create engaging experiences for viewers, OTT players are experimenting with various forms of in-app interactive activities such as contests or games that can be parallelly played while watching live video content. For example, Disney+ Hotstar introduced the 'Watch N Play' social feed during the 2019 IPL season, wherein a viewer could predict scores and win prizes during a live match.

External Environment –

Marketing Channels

Various marketing avenues used by services providing digital entertainment:

Social Networks and Viral Marketing

Paid Media Advertising

Print Media

Internet Marketing

Email Marketing

Cobranding, Affinity and Cause Marketing

External Environment –

Marketing Channels

Social Media Marketing

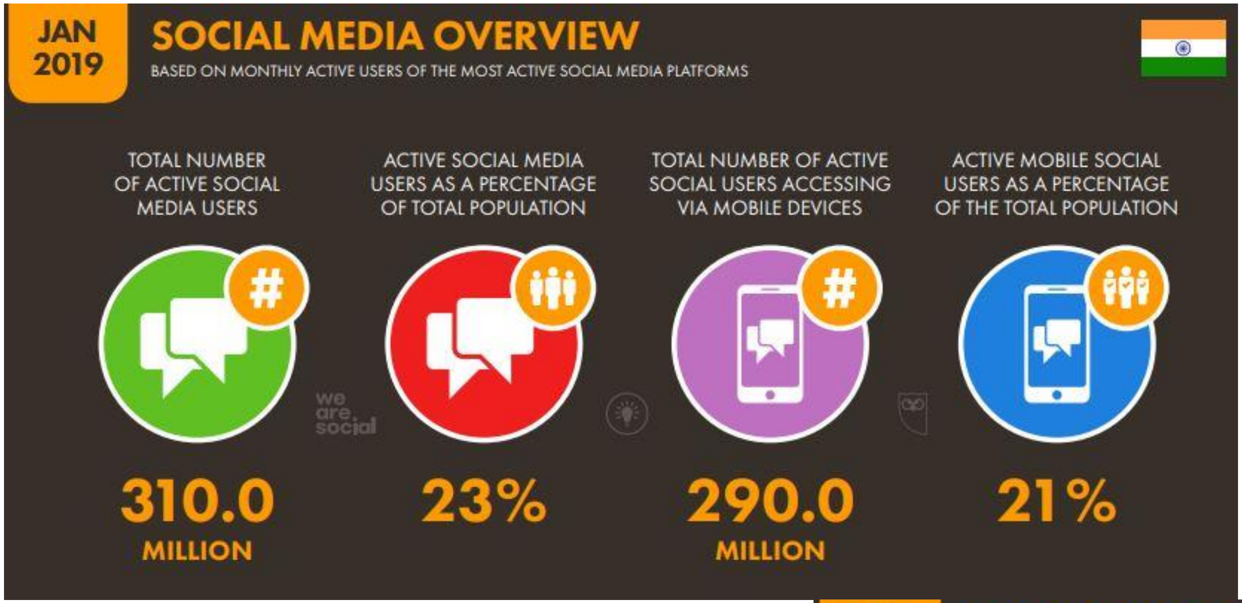
- Social media marketing focuses on providing users with content they find valuable and want to share across their social networks, resulting in increased visibility and traffic. Social media shares of content, videos, and images also influence Search Engine Optimization (SEO) efforts in that they often increase relevancy in search results within social media networks like Facebook, Twitter, YouTube, and Instagram and search engines like Google and Yahoo.
- Fast Fact: 61% of companies use social media to increase conversions, and 50% use it to gain customer or market insights

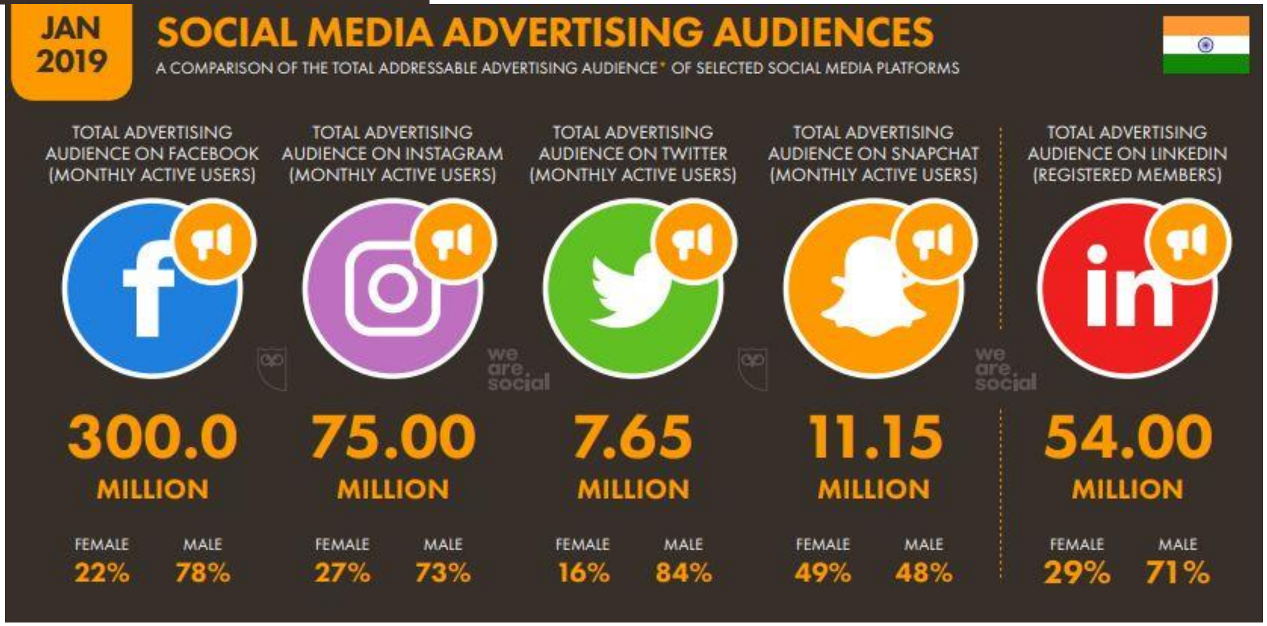
Paid Media Advertising

- Paid media is a tool that companies use to grow their website traffic through paid advertising. One of the most popular methods is pay-per-click (PPC) links. Essentially, a company buys or "sponsors" a link that appears as an ad in search engine results when keywords related to their product or service are searched (this process is commonly known as search engine marketing, or SEM). Every time the ad is clicked, the company pays the search engine (or other third party host site) a small fee for the visitor — a literal "pay per click."
- Fast Fact: As customers approach their purchase decision, 65% will click on a paid ad

External Environment –

Marketing Channels





External Environment –

Marketing Channels

Print Media

- Print advertising is a form of marketing that uses physically printed media to reach customers on a broad scale. Ads are printed in hard copy across different types of publications such as newspapers, magazines, brochures, or direct mail. Print in India is a very different business from that in most developed regions. It has not only survived the rough times but continues to grow.
- Fast Fact: Print media is the second largest contributor of revenue (about 18 per cent) to the media and entertainment industry in the country.

Internet Marketing

- Internet marketing mainly focuses on spreading the word through online reviews and opinions. Word-of-mouth advertising is unpaid, organic, and oh-so-powerful because those having nice things to say about your product or service generally have nothing to gain from it other than sharing good news. A recommendation from a friend, colleague, or family member has built-in credibility and can spur dozens of leads who anticipate positive experiences with your brand.
- Fast Fact: According to BrightLocal, 68% of US consumers in 2017 said that positive reviews made them more likely to choose a company.

External Environment –

Marketing Channels

Email marketing

- Email marketing is a highly effective way to nurture and convert leads. However, it's not a game of chance, as to whether your message winds up in spam filters. Instead, email marketing is an automated process that targets specific prospects and customers with the goal of influencing their purchasing decisions. Email marketing success is measured by open rates and click-through rates, so strategy comes into play, particularly when it's used as a component of a larger internet marketing initiative.
- Fast Fact: The average expected email marketing ROI is $42 for every $1 spent

Cobranding and Cause marketing

- Co-branding is a marketing methodology in which at least two brands join together to promote and sell a single product or service. The brands lend their collective credibility to increase the perception of the product or service's value, so consumers are willing to pay more at retail. Secondarily, co-branding may dissuade private label manufacturers from copying the product or service. Similarly, affinity marketing is a partnership between a company (supplier) and an organization that gathers persons sharing the same interests.
- Fast Fact: Customers interpret co-branding as a value endorsement from a brand they already trust, creating a potentially lucrative halo effect

Internal Environment –

Resources (Top management, Marketing, Production, Finance, research & development)

TOP MANAGEMENT

In charge of taking business decisions

Determine company's goals and objectives

Protect stakeholders interests

Strategise for the future

FINANCE

Identify revenue streams

Establish pricing models

Conduct regular financial analysis

Budgeting, accounting and managing payroll

MARKETING

Identify customer needs

Track trends and monitor competition

Setting marketing strategies

Establish and communicate brand value

OPERATIONS

Look after day to day performance of the company

Resource and staff management

Delivery and quality assurance

Customer service

RESEARCH & DEVELOPMENT

Develop complete infrastructure and platform

Innovate and come up with ideas for business growth

New product development

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Internal Environment –

Brand diagnosis (current brand positioning, current pricing strategy, current distribution strategy, & current promotions strategy)

Current Brand Positioning:

Provider of an online shopping portal intended to create life-changing experiences by connecting buyers to sellers. The company's portal offers quick delivery to the remote corners of the country and daily deals, discounts and offers to make products available at slashed down prices, enabling customers to buy from national, international and regional brands across categories. Snapdeal 2.0's success is also built on recreating online the bustle and diversity and India's thriving bazaars. Snapdeal's sharp focus on the value segment has caught the attention of Indian FMCG companies like Godrej, Himalaya etc who are utilizing Snapdeal's reach deep into India to sell their popular brands. As part of the arrangement, the products are being sold on Snapdeal directly by the brands through dealers authorised by them.

Current Pricing Strategy:

Snapdeal's focus is on the value ecommerce segment - a market that is three times larger than the size of the branded goods market. Sellers on Snapdeal offer good quality (local / regional / seller branded) merchandise, that offers customers value-for-money options, similar to what would sell in local markets and high streets in a city. For Snapdeal, one of the learning curves of selling value-for-money products to non-metro buyers has been the need to add engagement and entertainment just like in the physical world and not only provide the fastest way to find products and check out.

Internal Environment –

Brand diagnosis (current brand positioning, current pricing strategy, current distribution strategy, & current promotions strategy)

Current Distribution Strategy:

Snapdeal has built an asset light model and operational capabilities specific to serving the value segment, including decentralised logistics and zero inventory. Through a focused approach and disciplined execution, it has been able to keep cost of operations low to serve the segment with positive unit economics. The company has more than 3 lakh sellers on its e-commerce platform that cater to millions of users. Snapdeal has a wide logistics network and it delivers to more than 6000 cities and towns in India. The company focuses on a warehouse-less supply chain, where they connect the consumer to the seller directly and reduce on infrastructure costs.

Current Promotions Strategy:

As part of its 2.0 initiative, Snapdeal chose to focus all its attention and resources on its core business, the Snapdeal marketplace. Snapdeal's 2.0 strategy has yielded strong results. In the period 2017-2021, the company has restructured its business by focusing on the value segment and aligning its costs accordingly. In this period, Snapdeal has grown back its revenue to 74% of the peak, while slashing its loss by nearly 95% in the same period. This makes it one of the most efficient large-scale e-commerce businesses in India.

Internal Environment –

Problem definition & Critical Factors

Factors that may help our proposal	• Booming OTT market in India with tremendous upscale • Business model proved successful by competitors • Vast existing user base; customer acquisition costs would be reduced
Factors that may hinder our proposal	• Past history of diverting business away from online marketplace has not proved successful • Cut-throat competition • Financial constraints and lack of technological infrastructure

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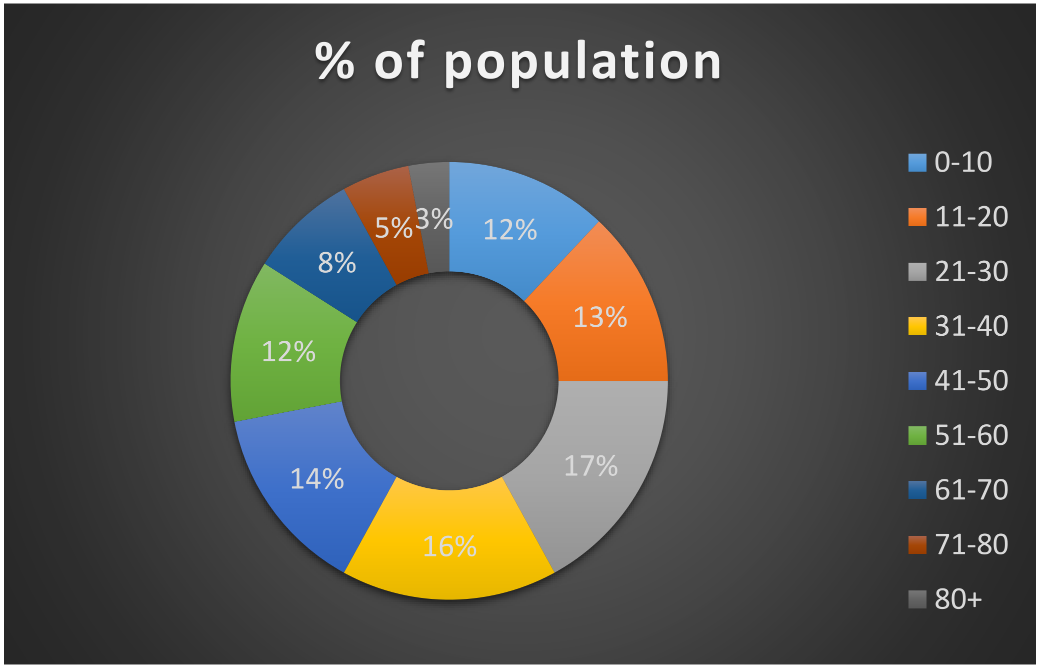
Segmentation, Targeting & Positioning

Market Analysis & Segmentation –

Who is/are the market?

India is a young country with a population of close to 1.4 billion people and with increasing technological developments, it has become one of the up and coming markets of the world. The internet revolution has changed the dynamics of this country with all organisations trying to ensure that they have an online engaging presence.

The median age of Indians is 26.8 years which is exactly the customer base that consume digital content. According to a study, Young Indians, under 35 years of age, accounted for 89% of the total Indian OTT video content platform users, according to Counterpoint Research's India OTT Video Content Market Consumer Survey. Among young users, the age groups of 16-24 and 25-35 contributed equally to the overall market. Male users account for 79% of the total users.



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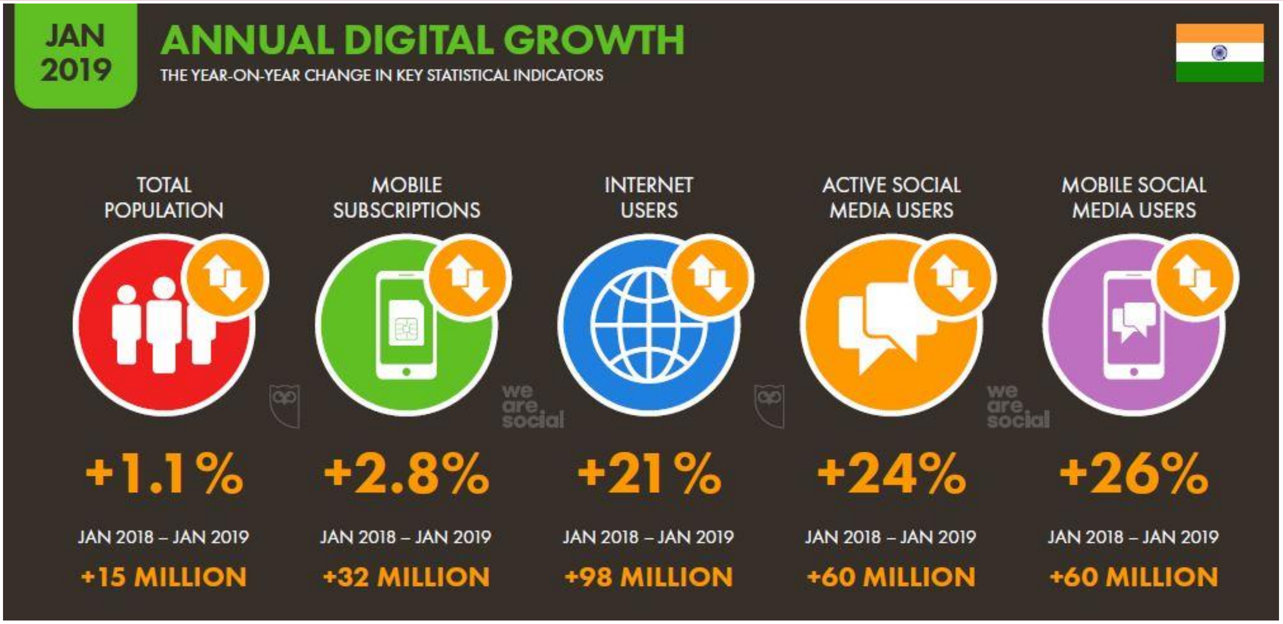
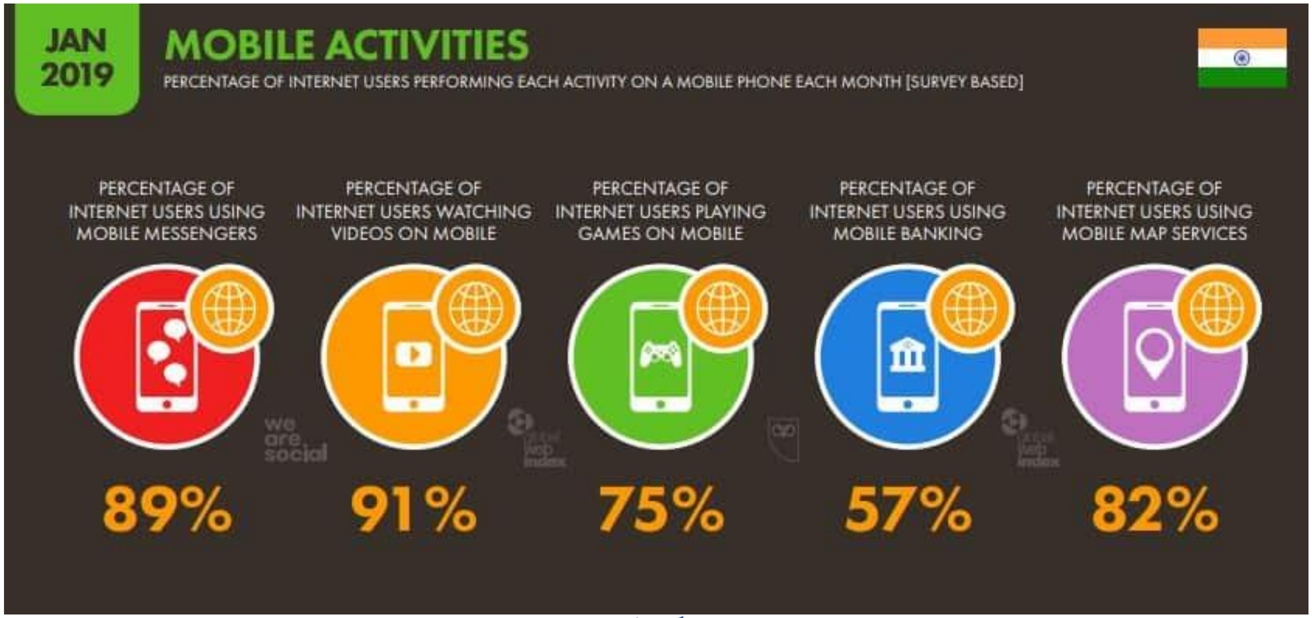
Market Analysis & Segmentation –

Who is/are the market?

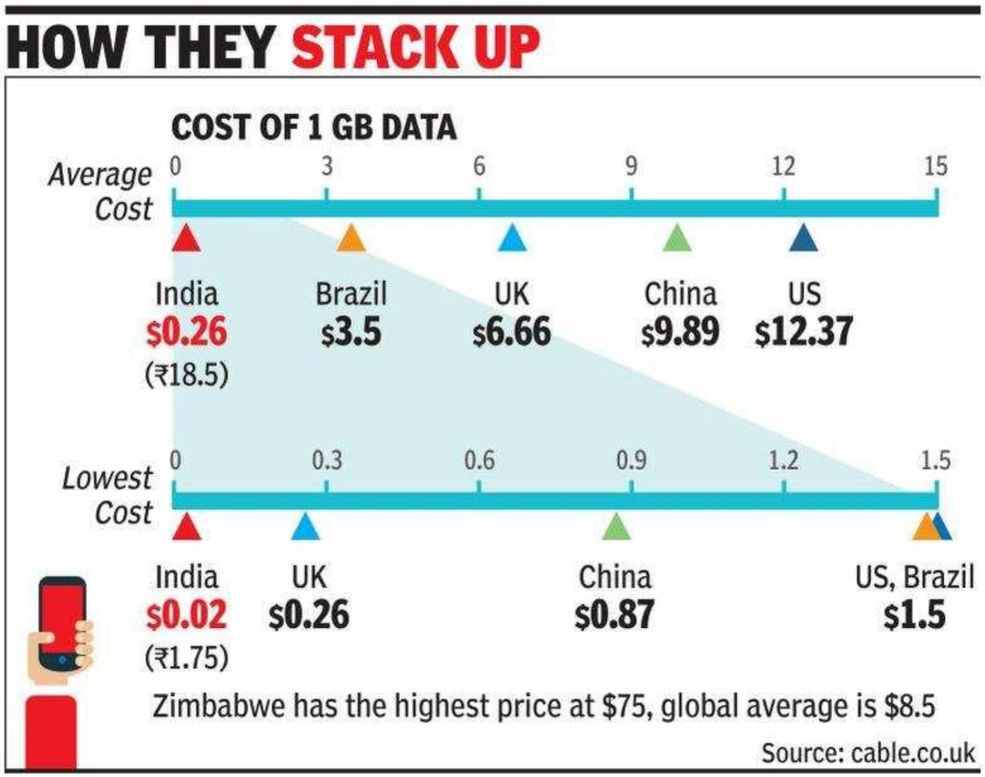


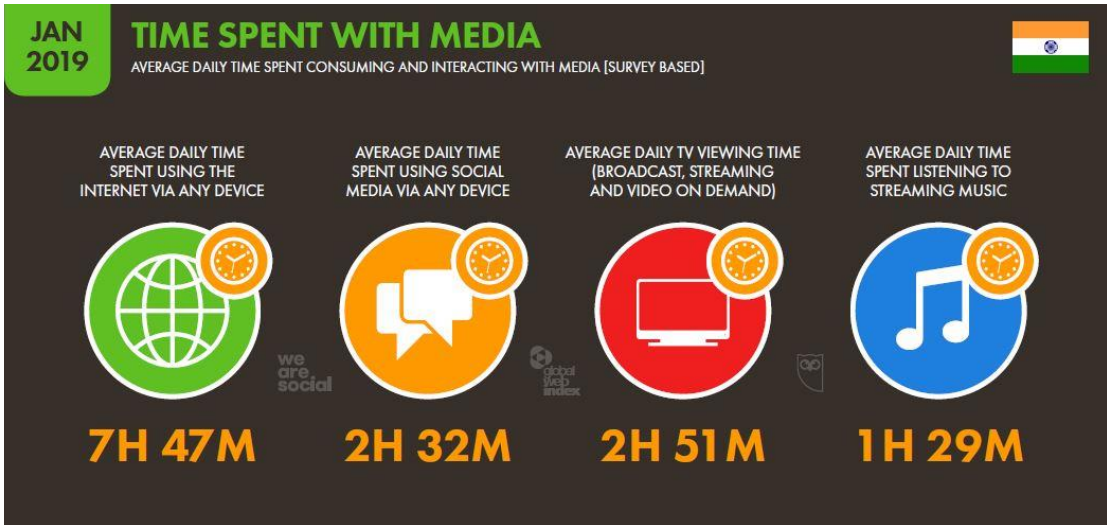


Market Analysis & Segmentation –

Who is/are the market?

India is among the countries with the lowest data rates where 1GB of data costs 0.26$ compared to 9.89$ in China and 12.37$ in US. With cheap internet and multiple alternatives, the revolution got the much-needed boost and pushed companies to be on toes and deliver quality content.





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Market Analysis & Segmentation –

ADVANTAGE INDIA

Robust Demand

- India's continued growth in digital infrastructure is estimated to result in 907 million internet users by 2023, with 829 million mobile users by 2027.
- The advertising-based video on demand (AVoD) segment is expected to rise at a CAGR of 24% to reach US$ 2.6 billion by 2025.

Attractive Opportunities

- The Indian media and entertainment industry has the potential to reach US$ 100 billion by 2030.
- Within the media and entertainment (M&E) sector, the animation, visual effects, gaming and comic (AVGC) sector is growing at a rate of ~29%, while the audiovisual sector and services is rising at the rate ~25%; is recognised as of one of the champion sectors by the Government of India.

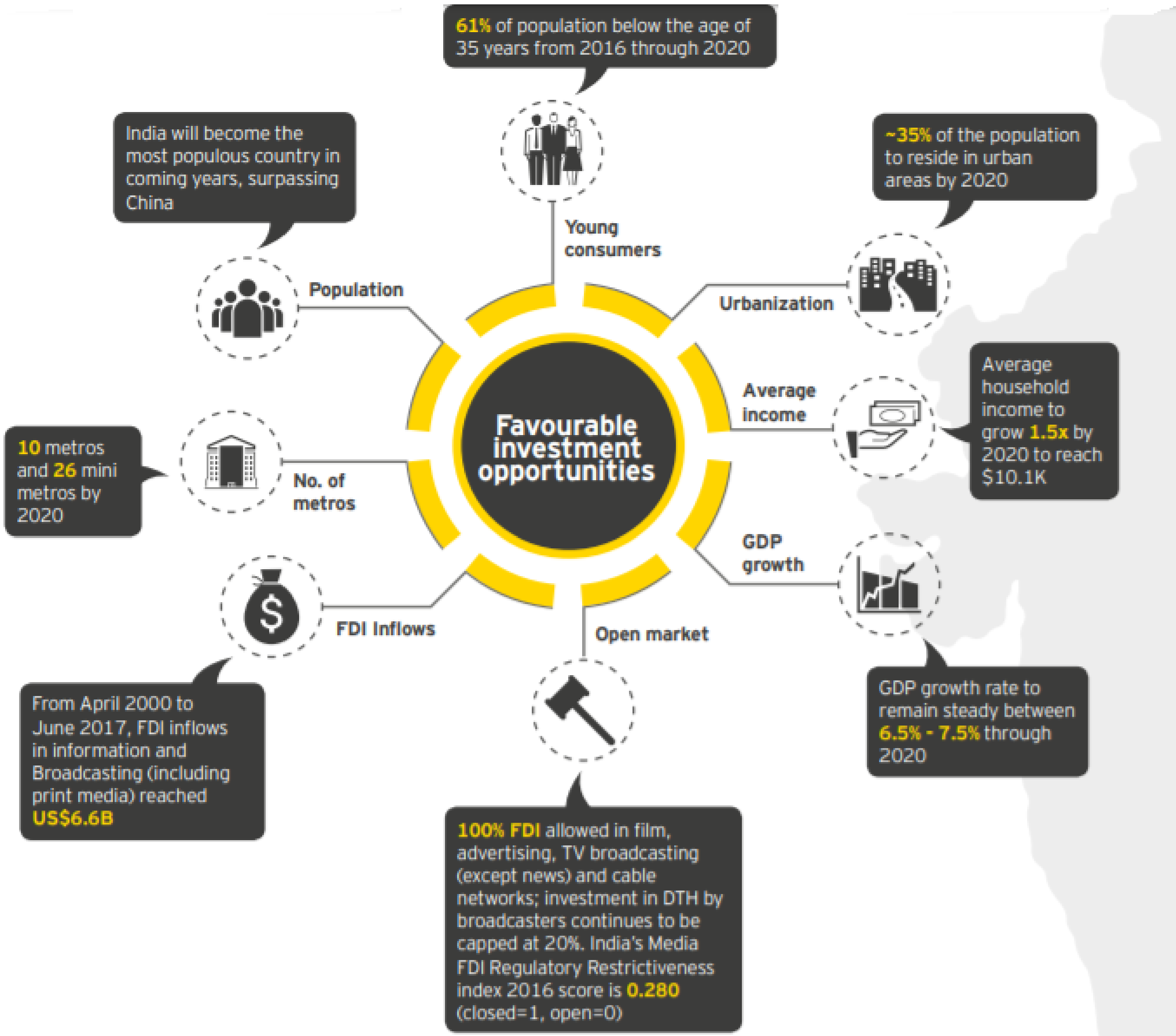
Policy Support

- The Government of India has increased the FDI limit from 74% to 100%.
- The Government introduced National Digital Communications Policy 2018 (NDCP-2018) for affordable digital communications infrastructure and services.

Higher Investments

- From April 2000 to September 2020, FDI inflow in the information and broadcasting (including print media) sector reached US$ 9.37 billion.
- The rapid growth of OTT channels, increased emphasis on animated intellectual property (IP) content and larger investments in VFX by studios has provided animation and VFX studios with opportunities in both domestic and international markets.

Market Analysis & Segmentation –



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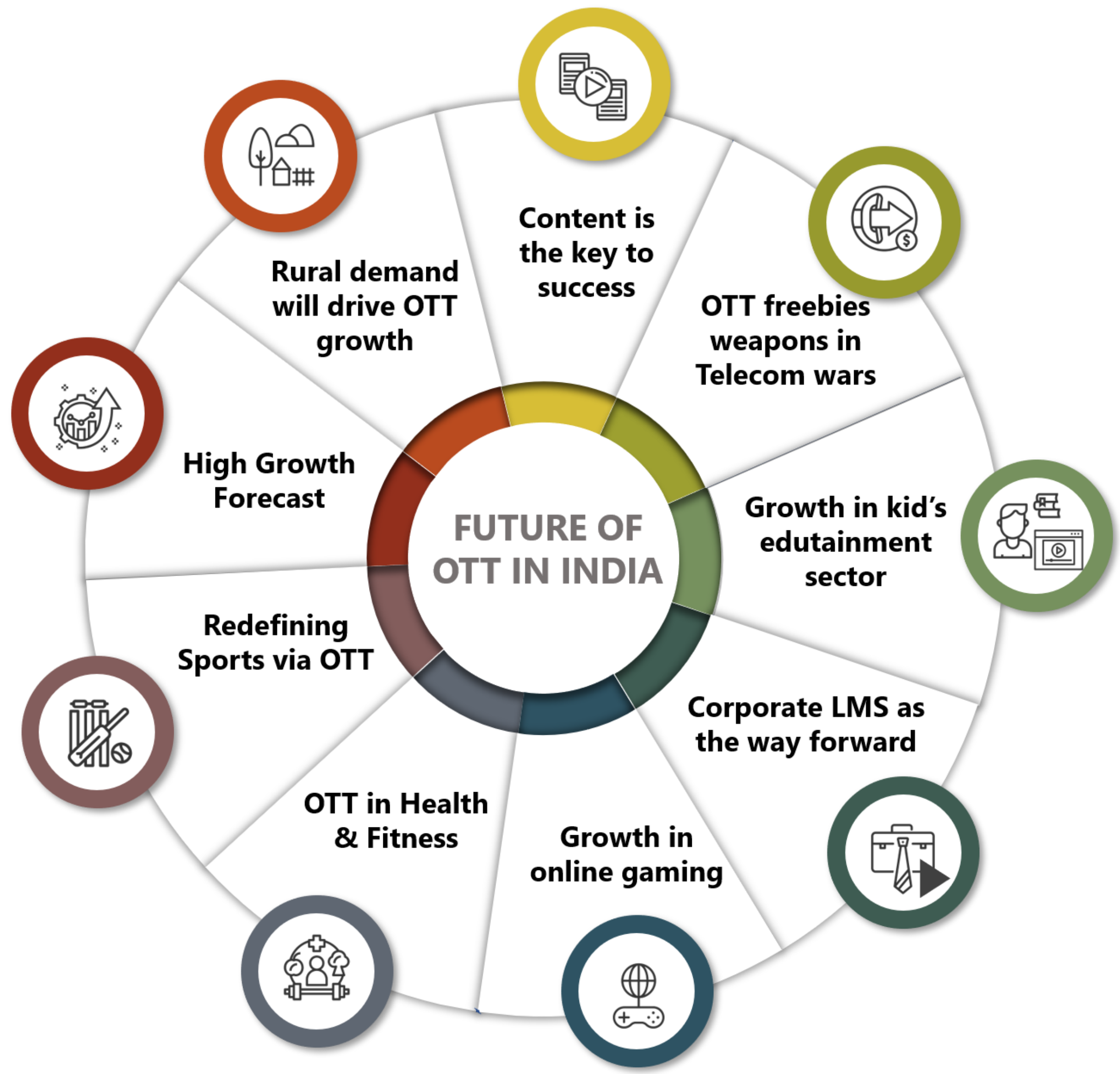
Market Analysis & Segmentation –

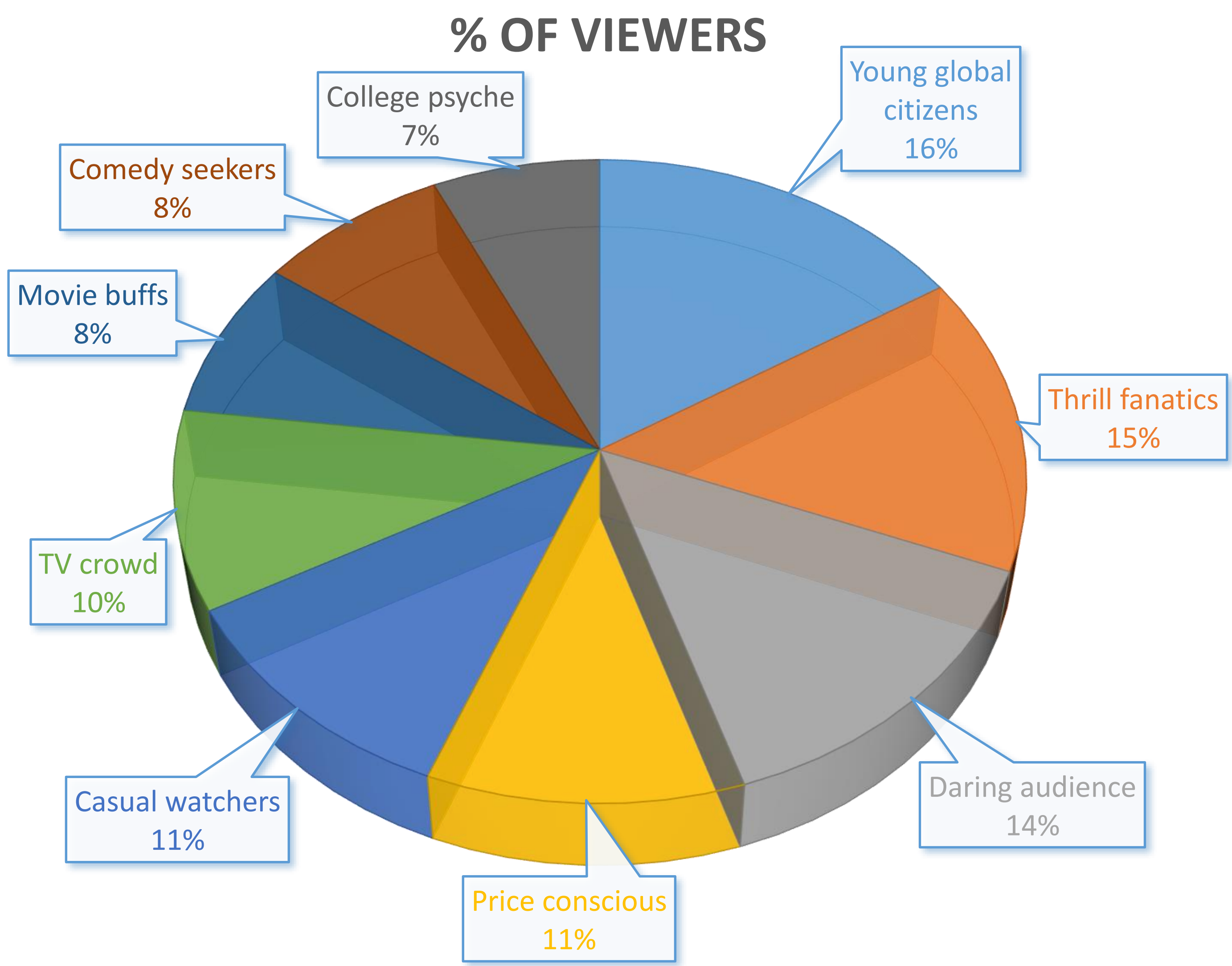
Our target audience is largely middle-class and upper middle-class individuals belonging in the age group of 18-40 who are well-informed with technology and can afford to spend a portion of their income to watch quality content online. Our purpose is to satisfy individual needs of the customer by providing convenient, fast, customised, affordable content to our users with an aim to have the largest userbase regardless of sex, age, religion, caste and preferences.



Market Targeting –

Who is/are the target audience(s)?

The target audience can be classified into the following 9 categories:



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Market Targeting –

Who is/are the target audience(s)?

Young Global Citizens

Younger heavy SVoD viewers in the bigger cities who prefer international content over Indian content, and often binge watch foreign shows

Median Age: 25 years

Present in metro cities

What do they watch: Chernobyl, Stranger Things, Money Heist, Black Mirror

Thrill Fanatics

Traditional linear TV viewers who got initiated into OTT content (web-series) primarily through genres like thrillers, crime, suspense and action

Median Age: 28 years

Present in developing cities

What do they watch: Sacred Games, Mirzapur, The Family Man, Criminal Justice

Daring Audience

Male-skewed audience group that prefers watching content with voyeuristic elements such as bold scenes and abusive language, largely in Hindi

Median Age: 27 years

Present in Hindi speaking regions

What do they watch: Mirzapur, Paatal Lok, Tandav, Aarya

Market Targeting –

Who is/are the target audience(s)?

Price Conscious

Older (22+) audience who are not heavily into OTT content yet, often inhibited by the price points at which SVoD subscriptions and data costs operate

Median Age: 30 years

Spread across India

What do they watch: Game of Thrones, Baked, Permanent Roommates, Tripling

Addicted Watchers

The heaviest viewers in the OTT category, often younger SVoD males in the metro cities, who watch online videos at the slightest available opportunity

Median Age: 24 years

Present in metro cities

What do they watch: Made in Heaven, 13 Reasons Why, Peaky Blinders, Breaking Bad

Television Crowd

Older (31+) traditional TV viewers, more outside the big metros, who are on OTT primarily to watch catch-up television

Median Age: 33 years

Present in non-metro cities & small towns

What do they watch: Taarak Mehta, Dance+, Indian Idol and News

Market Targeting –

Who is/are the target audience(s)?

Movie Buffs

Light OTT viewers, skewed towards the older (31+) age group, who stream, mostly on the weekends, predominantly only to watch movies

Median Age: 30 years

Present in small towns

What do they watch: Uri, Sania, Gulaabo Sitaabo, Laxmii, Dil Bechara

Comedy Seekers

Non-metro light OTT audience whose online consumption is primarily limited to long and short-format comedy content

Median Age: 28 years

Present in non-metro cities and small towns

What do they watch: Comicstaan, Panchaayat, Humorously Yours

College Psyche

Younger (15-30 yrs) weekend viewers in the Hindi-speaking markets who show a favourable disposition towards youthful content

Median Age: 24 years

Present in Hindi speaking regions

What do they watch:

Kota Factory, Aspirants, Laakhon mein Ek, Flames

Market Positioning –

Proposed brand positioning

- We plan to benefit from our existing 'value for money' brand positioning in e-commerce of supplying quality products at affordable rates to small towns and remote cities across India. Existing vast user data base of close to 92% of India's total 4000 towns will not only help us deliver customized content at attractive costs but also reduce expenses related to customer acquisition.
- Our twin business model of SVoD and AVoD will cater to a wide variety of customers; people who are willing to shell a few bucks for premium content and also customers who are casual viewers that do not have a particular choice of content to watch.
- Our brand will take pride on using technology to its maximum and providing secure media streaming services to our customers with cost effectiveness being our priority.
- The brand of Snapdeal will largely focus on acquiring customers from small cities and towns; delivering them with customized regional content; as these customers will drive the future growth.
- Upon successful execution of the project, Snapdeal will open doors to offer other digital goods in addition to its e-commerce platform and become a market leader in this segment following footsteps of Amazon; which has become a global pioneer in this sector.

Market Positioning –

Communication objectives

Creating Brand Awareness

The first step is to get the word out about our platform, the services we will provide and let people know about our entry into this market. Make maximum use of social media and influencers for this purpose. Build and maintain a top-of-mind awareness, which means customers think of you first when considering the product category.

Influence Purchase Intent

A key communication objective is to motivate customers to buy. Use persuasive advertising, emphasizing on our superior benefits like affordability to the user relative to our competitors. Launch exclusive content on our platform in association with premium content creators and prominent production houses.

Gain New Subscribers

The final goal is to encourage more and more people to subscribe or switch to SVoD option. Collaborate with multiple internet service providers and OEM manufacturers for our brand integration and bring customers on board. Implement a referral program to increase mouth to mouth publicity.

Operations Plan

Operations Plans –

Describe your plan for cost, quality, variety and responsiveness of the new line

The core operation of the company is to provide consumers with fast and quality content onto a variety of streaming devices viz. mobiles, laptops, televisions, tablets, etc. We will provide the users with customised content on the dashboard which can be previewed and also allow them to search and view content as per their need. The data will be stored on central servers from where it will be redirected to the users device. We will also allow them to download content on their local storages if they wish to view the content offline. We will use big data analytics to constantly keep updating user preferences and suggest them suitable content to watch accordingly. A few basic functionalities which the user can choose as per his needs are:

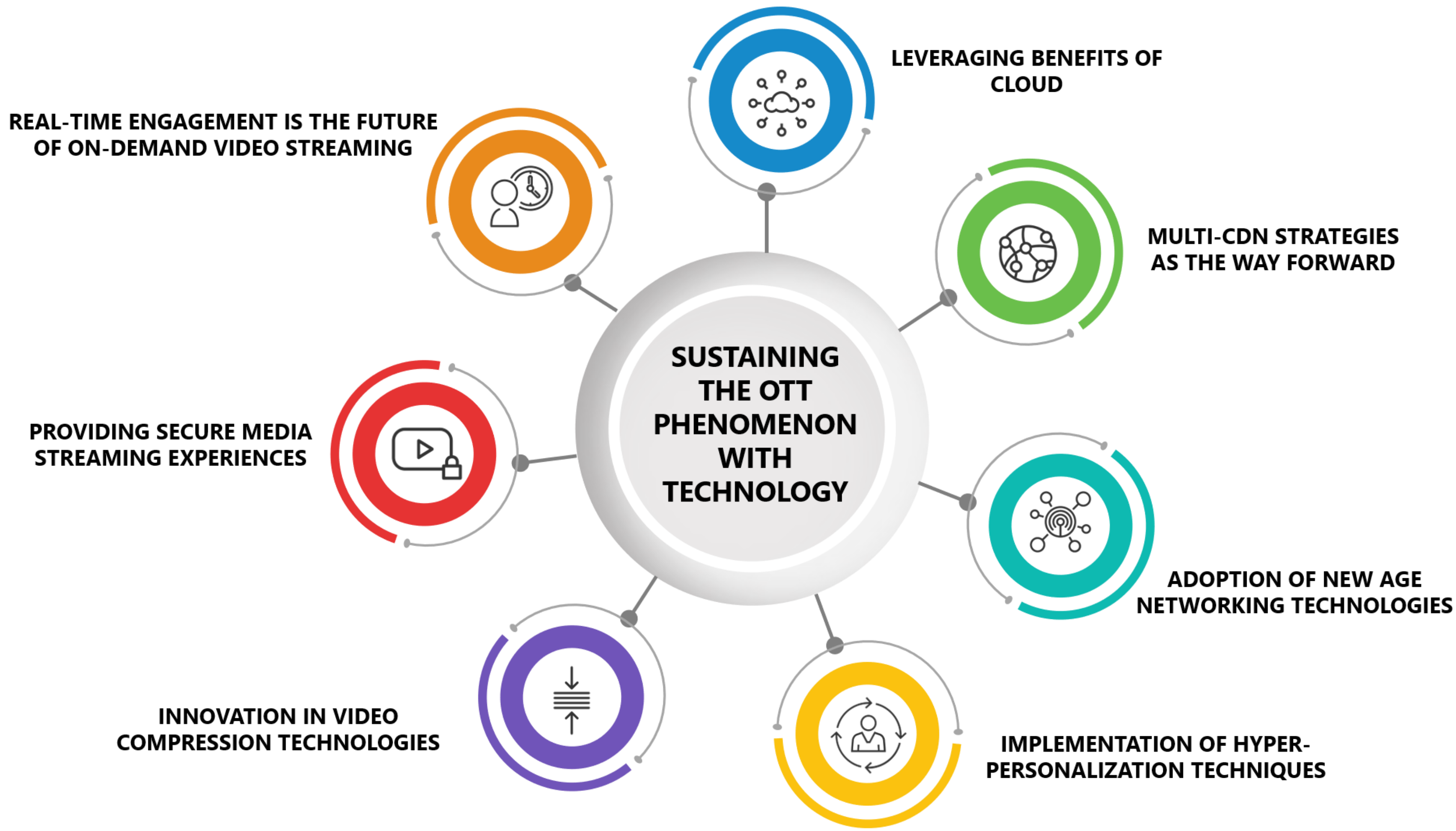
1. Change video streaming quality
2. View subtitles in multiple languages
3. Option to resume from where it stopped earlier
4. Additional trivia related to the content can also be viewed

Along with this, we will have a dedicated support channel for customers to raise query and the team will try to resolve them immediately.

Operations Plans –

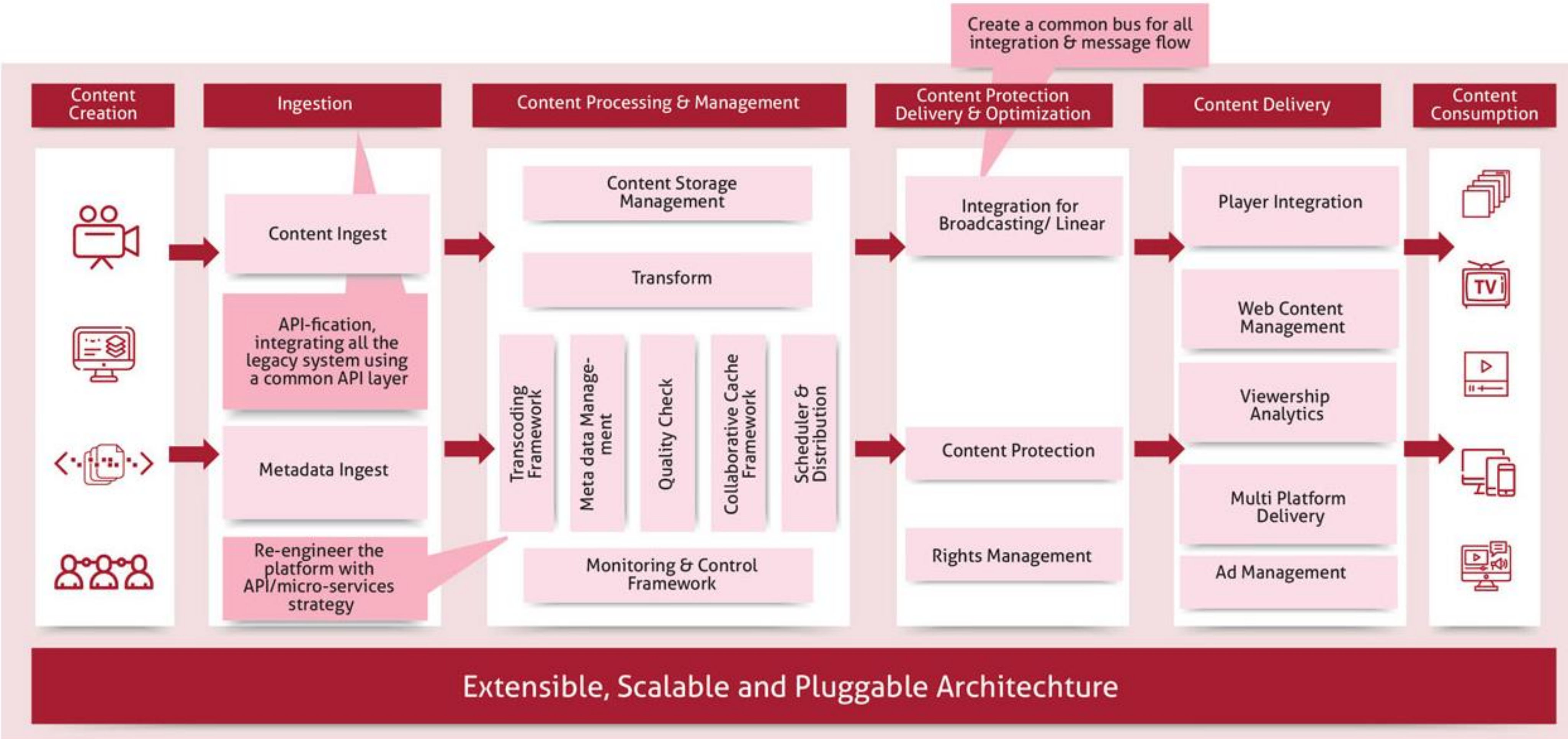
Describe your plan for cost, quality, variety and responsiveness of the new line

With technology at the forefront, we plan to provide excellent service to customers using up-to-date resources and take advantage of the same on Snapdeal marketplace too.



Operations Plans –

Describe your plan for cost, quality, variety and responsiveness of the new line



Input Media Validation | Transcoded Media Validation | Side Assets Validation | Micro-services Enabled Validation | Resilience, Load, Security, Performance Testing

Financial Plan

Financial Plan –

Estimate of costs and revenue for the new line

The following table shows the revenue stream of our SVoD and AVoD service:

	2021	2022	2023	2024	2025	2026	2027	2028
India population (in crores)	139.2	140.5	141.8	143	144.3	145.5	146.7	148
Internet users (in crores)	46.9	48.7	50.1	51.8	53.4	54.9	56.7	59
Users watching online video content (85%) (in crores)	40	41	43	44	45	47	48	50
OTT users (60%) (in crores)	24	25	26	26	27	28	29	30
Market Share	-	5.0%	7.5%	10.0%	12.5%	15.0%	17.5%	20.0%
Snapdeal VoD Users (in crores)	-	1.24	1.92	2.64	3.40	4.20	5.06	5.98
Subcription Price(in rupees)	-	500	500	500	500	500	500	500
Revenue from SVoD (in crore rupees)	-	248	383	528	681	840	1012	1195
Revenue from AVoD (in crore rupees)	-	75	115	159	204	252	304	359
Revenue (in crore rupees)	**0**	**323**	**498**	**687**	**885**	**1092**	**1316**	**1554**

Considerations:

- Initial market capture of 5% after launching in 2022 with increase of 2.5% every year
- Distribution between SVoD and AVoD users assumed to be 40% and 60% respectively.
- Annual subscription cost INR 500/ year for SVoD
- AVoD user generates INR 100 in ad revenue per year

Financial Plan –

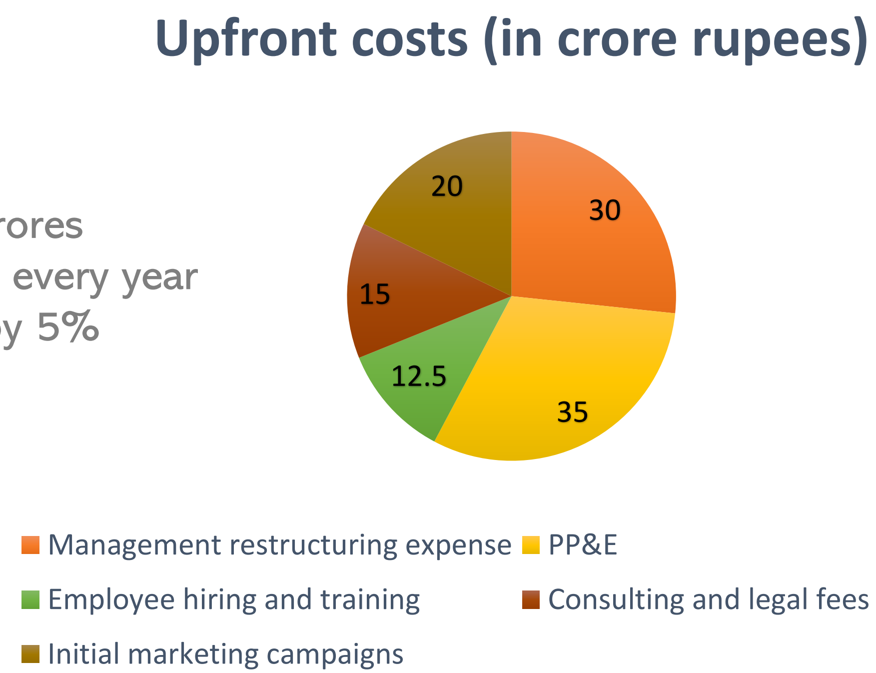
Estimate of costs and revenue for the new line

The following table shows the expense:

	2021	2022	2023	2024	2025	2026	2027	2028
COGS (in crore rupees)	0	80.7	124.6	171.7	221.3	273.0	328.9	388.5
Selling, General and Administrative (SG&A) expense		2.50%	2.50%	2.50%	5%	5%	5%	5%
SG&A expense (in crore rupees)	150	153.8	157.6	161.5	169.6	178.1	187.0	196.3
R&D expense (in crore rupees)	222.5	120.0	126.0	132.3	138.9	145.9	153.2	160.8

Considerations:

- Cost of goods sold considered to be 25% of revenue
- Initial R&D expense inclusive of upfront costs of INR 112.5 crores
- R&D expense for 2nd year 120 crores which increases by 5% every year
- S&G expense increases by 2.5% every year for 3 years and by 5% thereafter due to ramping up of business



snapdeal

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Financial Plan –

Estimate of costs and revenue for the new line

The following table shows our projected income statement

	2021	2022	2023	2024	2025	2026	2027	2028
Revenue (in crore rupees)	0	323	498	687	885	1092	1316	1554
COGS (in crore rupees)	0	80.7	124.6	171.7	221.3	273.0	328.9	388.5
Gross income (in crore rupees)	**0**	**242**	**374**	**515**	**664**	**819**	**987**	**1166**
SG&A (in crore rupees)	150.0	153.8	157.6	161.5	169.6	178.1	187.0	196.3
R&D (in crore rupees)	222.5	120.0	126.0	132.3	138.9	145.9	153.2	160.8
EBITDA	**-373**	**-32**	**90**	**221**	**355**	**495**	**647**	**808**
Taxation	0	0	22.5	66.4	106.6	148.5	194.0	242.5
Depreciation and Amortization expense (in crore rupees)	0	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Net income (in crore rupees)	**-373**	**-38**	**61**	**149**	**242**	**340**	**446**	**560**

Considerations:

- Corporate tax rate of 25% for turnover upto INR 250 crores; 30% for above
- Linear deprecation of 18% of cost of PP&E

Conclusion:

Even with conservative value we can see that our proposal turns profitable after 2 years i.e. from 2023

Integration & Evaluation

Timetable of Activities

June
- Project proposal and approval

July
- Management restructuring
- Identifying team leaders

August
- Investment opportunities
- Employee hiring and training

September
- Property, plant & equipment (PP&E) acquisition

October
- Platform development
- Initial level marketing

November
- Content acquisition
- Contracts and permits

December
- Beta testing of platform
- Resolving bugs

January
- Project launch

Evaluation

Success evaluation criteria	Financial performance
	Customer Satisfaction
	Churn rate
	Employee satisfaction
	Brand recognition

Data categories	Sales data
	Platform ratings
	Customer reviews and comments
	Employee surveys

-The data will be continuously gathered from web portals, interfaces; processed and analysed by our algorithms and stored at our data centres

Evaluation

Potential failure scenarios:

- Government's policies for censoring might prove detrimental as consumers often prefer un-censored content.
- Competitors like Netflix and Amazon Prime have advantage of being global brands as they can use this to leverage more market share in their favour.
- Higher taxation rates which results in less savings for an average working individual. He/She might prefer to spend on necessary expenses and not over watching content for entertainment.
- A large dependency on internet, which makes the role of internet service providers crucial as they are the ones with control of bandwidth and internet plans and pricing. Higher data rates may make customers hesitant to view OTT content, which generally consumes significant amount of data.

A few solutions to the above-mentioned scenarios:

- Collaborate with larger production companies as they have better control over their content. Smaller production houses are more prone to censorship.
- Being an Indian brand, we can understand our audience better as compared to the globally competing brands, thus giving us a competitive edge
- With increasing economy and urban expansion, the quality of life is going to keep getting better in the long run.
- Maintain close relationship with ISPs and engage in long term contracts with them. Use technology to optimize content and reduce the data consumption.