Combining Demand Expressions™ and SVOD Consumption to Evaluate Content Performance

A subscription video on demand (SVOD) service needed to measure how its content was performing in order to make decisions on which titles to keep, which titles to drop, and which titles required more marketing to succeed. As this platform is in a very competitive market, *having the best content to attract and retain customers is critical*.

While consumption on the SVOD platform offers insight into how shows perform, they do not capture the demand for the titles in the wider market. To demonstrate how combining these metrics can reveal the potential and true performance of content, *Parrot Analytics combined the SVOD provider's consumption data with wider demand data in that market to determine the titles that were over- and under-performing on the platform relative to their demand in that market*. To do this, *Demand Expressions™* — which capture the absolute amount of demand for a title in a given market — were used. This allowed the SVOD provider to assess how well they were monetizing the demand for their content. Shows with low demand but high consumption on the platform were over-performing, while shows with low consumption but high demand were under-performing.

▶ THE RELATIONSHIP BETWEEN DEMAND AND PERFORMANCE

From the SVOD provider's data, *Parrot Analytics aggregated views* (where one view meant a unique user watching a specific episode on a specific day) *and Demand Expressions™* from June 15th to June 28th 2015 for *194 titles* (title = TV show).

1. **The Pearson correlation was plotted between Views and Demand Expressions™ on each day:**

Correlation between Demand and Views over the two-week period
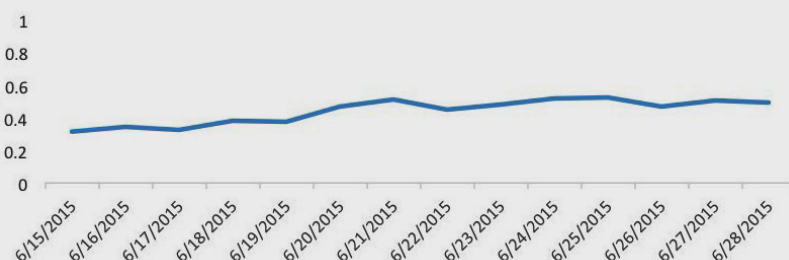
The average correlation was *0.44*, with a standard deviation of *0.08*, pointing to *mixed correlation between demand and performance on the SVOD platform*.

This result was positive as it could help inform both subscriber retention and growth, but more details on the relationship between demand and performance were needed in order to provide actionable insights.

2. **The number of Views and Demand Expressions™ were summed over the two-week period, with the titles plotted:**

This view of the data offered insights on both the overall catalogue and specific title performance, revealing how many (and which) shows were being monetized well and how many (and which) were not.

Total Views and Demand Expressions™

An outlier show is immediately apparent in the figure: with this title, the correlation between the aggregated demand and views is *0.51* and without it, the correlation is *0.68*.

Case One:

Low correlation identifies poor monetization & growth opportunities

The outlier show has extremely high demand but merely average viewership. In other words, *it is under- performing*. There could be several reasons for this, including:

· People consume this show on other platforms, because they are unaware it is available on the SVOD provider's platform

· The SVOD provider does not attract the target audience for this show

In either case, *additional marketing* for this in-demand show served to educate current users that this title is available and possibly attract new customers to the platform.

Total Views and Demand Expressions™ without the Outlier Show

Without the clear outlying show, a more nuanced relationship between Demand Expressions™ and Views emerged, as shown in this figure.
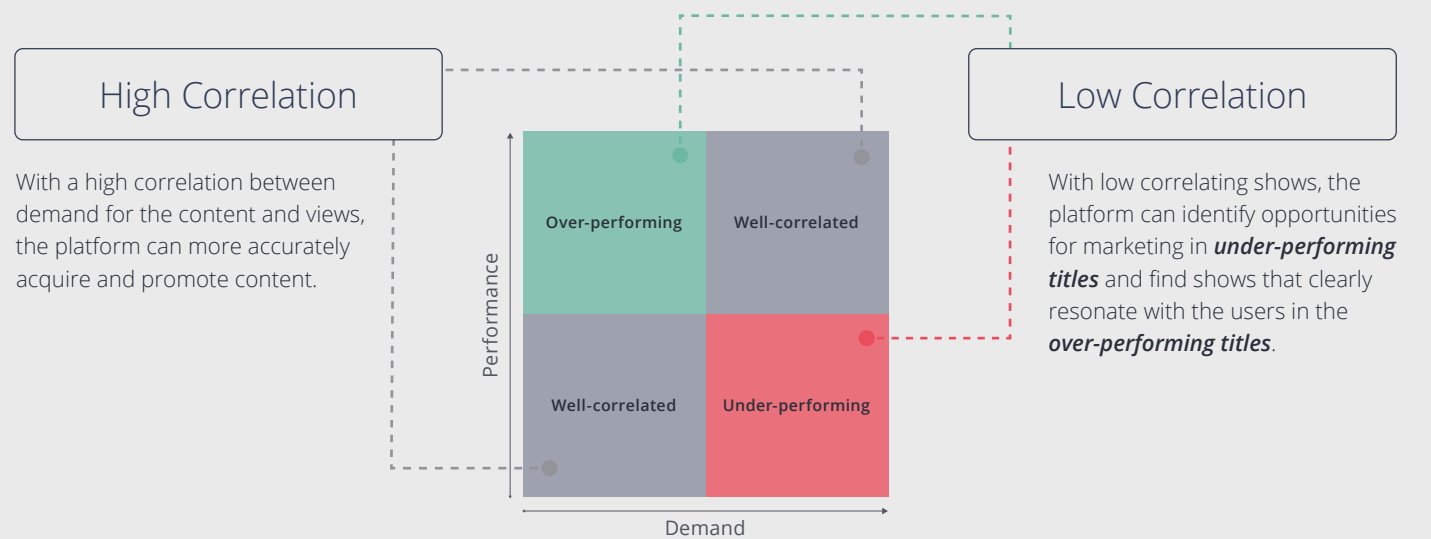
Case Two:

High correlation enables effective retention and acquisition

Most shows had *fairly well-correlated demand and views*, indicating that, for most shows:

· The SVOD provider successfully translated demand for these titles in the market to consumption on its platform

· Demand can be used to estimate how potential acquisitions will perform on the SVOD platform

Both these results were then used to achieve higher customer retention, as the SVOD service can acquire and monetize the most in-demand content.

Looking at a plot of demand by views is useful to identify clear outliers and general patterns. By dividing such a plot into quadrants it is easy to classify shows. For the SVOD service, most titles fell into the well-correlated category, with one notable under-performing show.

High Correlation

With a high correlation between demand for the content and views, the platform can more accurately acquire and promote content.

Performance (y-axis)

| Over-performing | Well-correlated |
| Well-correlated | Under-performing |

Demand (x-axis)

Low Correlation

With low correlating shows, the platform can identify opportunities for marketing in **under-performing titles** and find shows that clearly resonate with the users in the **over-performing titles**.

▶ **DEFINING THE DEMAND MONETIZATION INDEX™**

So far, the judgments have been based entirely on the plot of demand and views, but **Parrot Analytics** also codifies this relationship with the **Demand Monetization Index™, calculated by dividing the measure of performance (views, revenue, etc.) by Demand Expressions™** to quantify how well a title's demand is converted into performance. Titles are then ranked from highest (most monetized) to lowest (least monetized).

Demand Monetization Index™ (Views per Demand Expression™)

	Most Monetized ▲		
	Show 1	5.0405	
	Show 2	1.7728	
	Show 3	0.5079	
	Show 4	0.1209	
	Show 5	0.1096	
	…	…	
	Show 190	0.0005	
	Show 191	**0.0004**	outlying title
	Show 192	0.0004	under-performing titles that
	Show 193	0.0003	appear in a well-correlated
	Least Monetized ▼ Show 194	0.0003	quadrant

By calculating the **Demand Monetization Index™** for the SVOD service, we can determine that **the last three shows are under-performing** even if they appear in a well-correlated quadrant.

In addition, **quietly over-indexing shows** — where their performance is very good compared to their demand — can also be identified.

The outlier title is Show 191, meaning that three other shows had a worse demand-to-performance conversion. These shows did not stand out on the plot because their demand is not as large.

The Demand Monetization Index™ enables shows to be ranked by performance and action to be taken on a title-specific level.

▶ SUMMARY OF RESULTS

In today's competitive landscape, attracting and retaining customers is crucial for OTT (over-the-top) platforms. This, combined with the ever-increasing prices and competition for premium content, makes data-driven content decision-making crucial to succeed.

As an SVOD provider, consumption and engagement metrics on your platform are important measures to gauge how well content is performing on the platform. However, *to truly assess the content's potential and how well it's being monetized, correlating the performance with its in-market demand is the only way*.
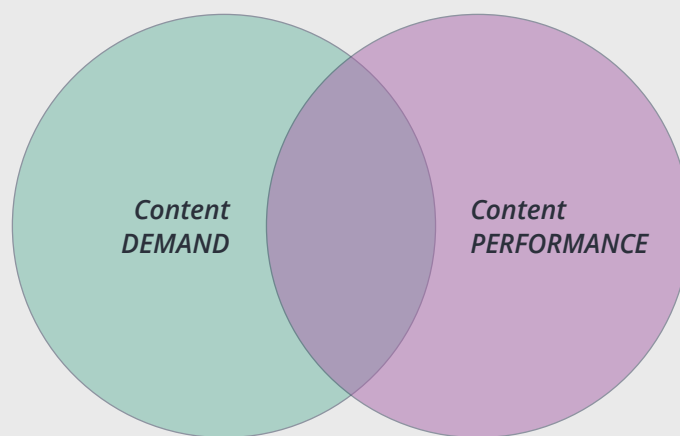
Comparing the performance of content on the OTT platform with the wider demand for content in a given market enables the maximization of the yield on content investments, through:

1. **Better assessment of content to be acquired — by:**
- Understanding its likely performance on the OTT platform prior to acquiring it;
- Understanding which content is likely to attract more new subscribers.

2. **Better monetizing acquired content — by:**
- Driving recommendations on the platform (to increase engagement & retention of existing subscribers);
- Driving promotions for content available on the platform to the wider market (to attract new subscribers).

About Parrot Analytics

Parrot Analytics is a data science company that empowers media companies, brands and agencies to understand global audience demand for television content.

Wielding the world's largest audience behavior data sets, the company has developed the world's only global cross-platform, country-specific audience **Demand Measurement System**.

▶ NORTH AMERICA
9465 Wilshire Blvd. Suite 300
Beverly Hills, CA 90210
United States

▶ ASIA PACIFIC
396 Queen Street
Auckland 1010,
New Zealand

For more on *Parrot Analytics'*
Global Demand Measurement System,

read the **GUIDE**

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