

prime video

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# Executive Overview

Leverage Amazon's Current Position in the Market

Expand Features – Added Value

Differentiate in a Highly Competitive Market





# Situation Analysis

# Business Model

Wide range of content:

- Movies
- TV shows
- Originals

Available in 200+ countries.

Included with Amazon Prime or as a standalone service.

Offline viewing and multi-device support.



# Prime Benefits



## Groceries

Get exclusive Prime savings at Amazon Fresh and Whole Foods Market.



## Amazon Music with Prime

Get all the music + top podcasts ad-free.



## Amazon Photos

Enjoy unlimited full-resolution photo storage and 5GB for video storage.



## Amazon Prime Fuel Savings

Save 10¢ a gallon on fuel at over 7,500 participating sites.



## Grubhub+

Free Grubhub+ which includes \$0 delivery fees, lower service fees, and exclusive savings.



## Rx savings

Save on prescriptions at 60,000 pharmacies, including Walgreens, CVS, and Amazon Pharmacy.

# Subscription Plans

## Prime Video

▶ Price: \$8.99/month

- ✓ Prime Video access
- ✓ Contains Advertisements
- ✓ No Shipping or Music Services

## Prime (Standard)

▶ Price: \$14.99/month

- ✓ Prime Video access
- ✓ Free Shipping
- ✓ Music Streaming
- ✓ Ad Supported Video
- ✓ Reading Services

## Prime (Ultra)

▶ Price: \$19.98/month

- ✓ Prime Video access
- ✓ 4K UHD Resolution
- ✓ Premium Delivery
- ✓ Music Streaming
- ✓ Ad Free Services
- ✓ Reading Services
- ✓ Free One-Day Delivery

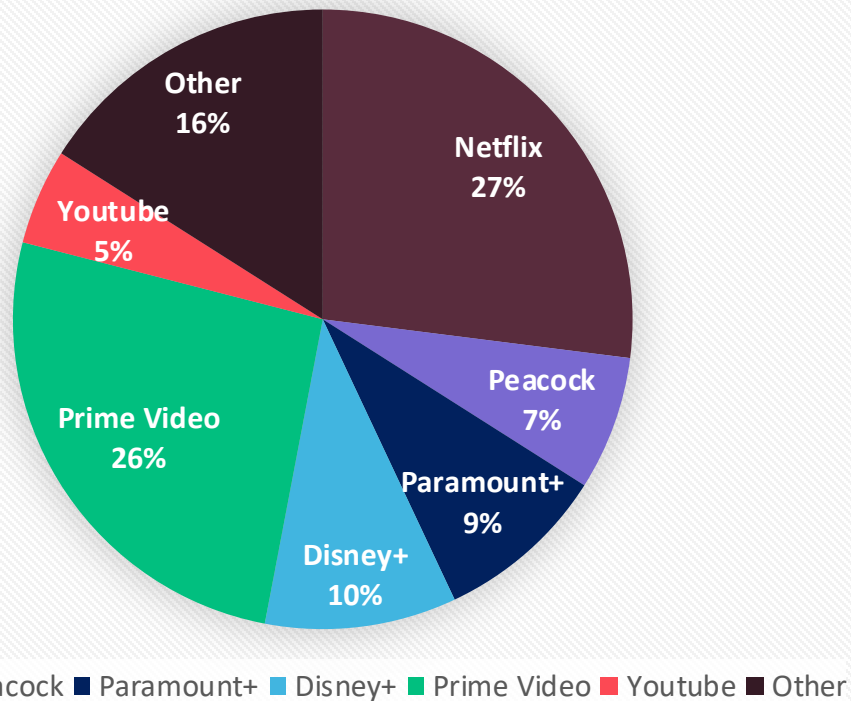
\*STUDENTS UNDER 25 – Standard Tier for \$7.49/month

# Porter's 5 Forces

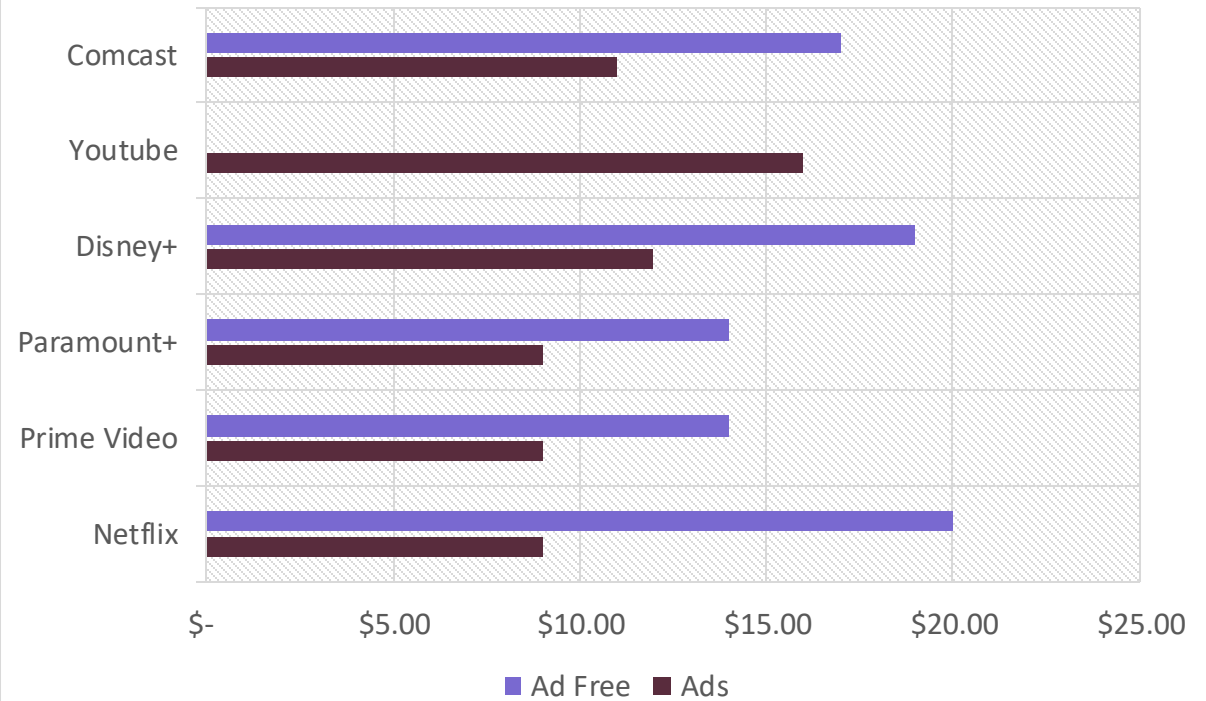
- 01 Competitive Rivalry** Direct Competitors, Primary Differentiator = Content
- 02 Bargaining Power of Buyers** Low Switching Costs, Price Sensitivity, Bundling/Added Value
- 03 Bargaining Power of Suppliers** Content Concentration, Price Power
- 04 Threat of Substitute Products** Direct Substitutes, Leisure Alternatives
- 05 Threat of New Entrants** Large Capital Requirement, Brand Loyalty

# Major Players

## Market Share



## Pricing



# Competitive Position

- One of the largest market shares in the US
- Ecosystem Synergy
  - High Margin Segments
    - AWS (Cloud Services) and Amazon Logistics (Delivery Network)
  - Added Value – Partnerships
- Ad Supported Growth
- Live Sports
- Data Driven



# Stakeholder Ecosystem

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## Top Stakeholders:

### Advertisers:

- **Ad-Supported Tier** (315 million monthly viewers globally)
- **Interactive video ads and pause ads**
- **Data Driven ads**

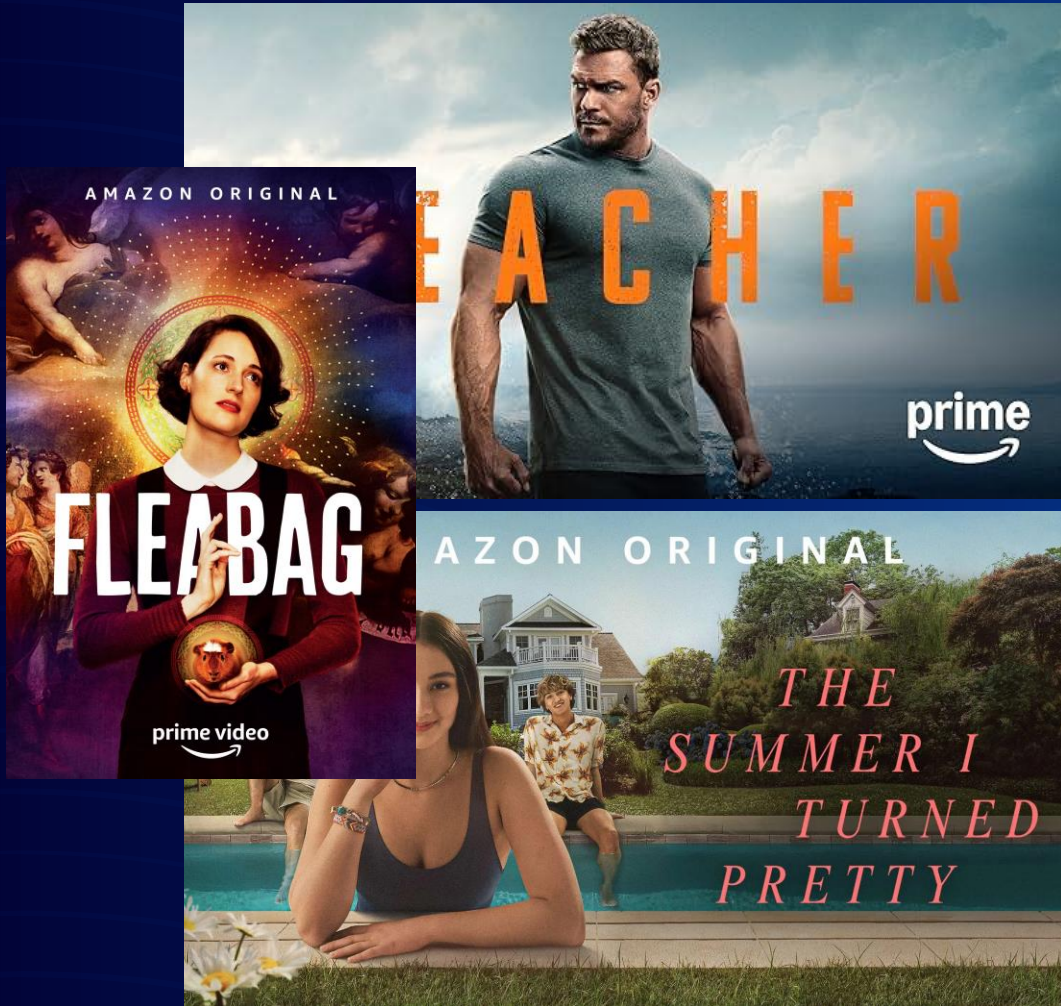
### Content Creators & Studios:

- **Content is the product**
- **Studios hold real leverage**



# Innovation & Technology

# Innovation & Technology



## AI Personalization

01

- Uses purchase history, watch data & Alexa behavior
- **Shop the Show**

Amazon. (2025, April 30). *How to use Shop the Show from Prime Video to discover products*. About Amazon. <https://www.aboutamazon.com/news/entertainment/shop-the-show-mobile-shopping-prime-video>

## Live Sports

02

- NFL Thursday Night Football
- Live sports = must-watch content
- Long-term rights deals

CNBC. (2021, March 18). *NFL finalizes new 11-year media rights deal, Amazon gets exclusive Thursday Night rights*. <https://www.cnbc.com/2021/03/18/nfl-media-rights-deal-2023-2033-amazon-gets-exclusive-thursday-night.html>

## International Markets

03

- Available in 240+ countries
- India is the #1 growth market
- E-commerce bundling

Red Stag Fulfillment. (2025, July 11). *How many countries have Amazon Prime? 2026 global guide*. <https://redstagfulfillment.com/how-many-countries-offer-amazon-prime/>

# Consumer Analysis & Value Proposition

# Targeting & Segmentation

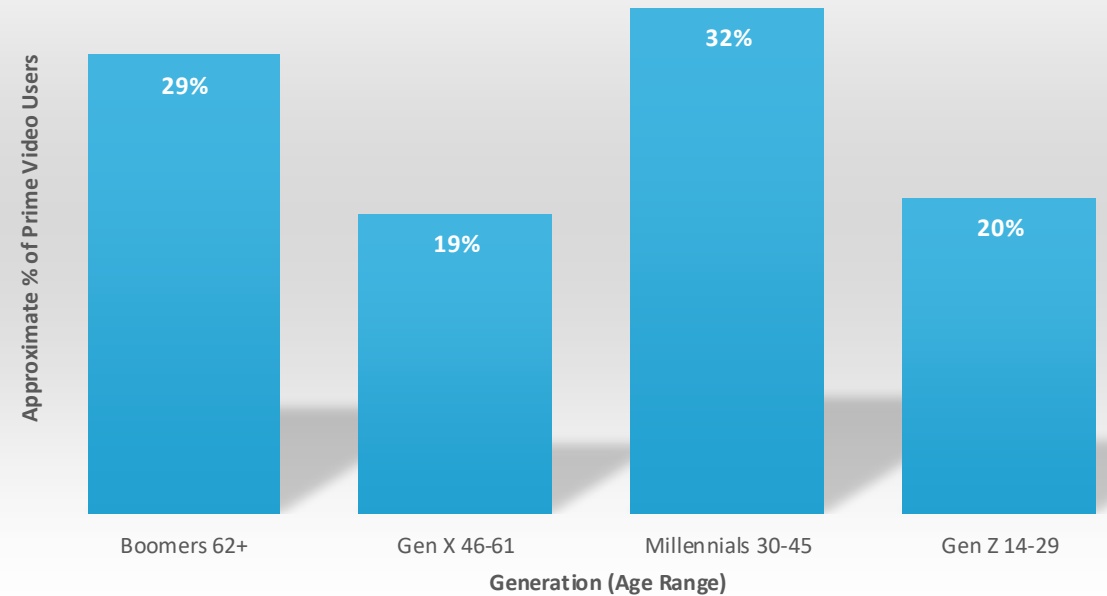
# 32.63%

of Prime Video Users are aged 25-34

Primary Target: Millennials (25-34)

- Highest share + highest retention potential
- Data skewed with Boomers due to Prime Shipping

Approximate Prime Video User Share by Generation



# Primary Personas

## Amazon Alex



34 – Millennial Father – Suburban dual-income household – Heavy ecosystem

Fire Stick native

Smart TV &  
Smartphone

Prime bundle

Shipping + Music +  
Reading

Prestige drama

Film - live sports  
Family programming

Prime = permanent  
base

Not the first  
subscription cancelled

#1 Pain Point –  
Fragmentation

Struggles to manage  
multiple subscriptions  
and different interfaces

# Primary Personas

## Frugal Francesca



20 – Gen Z – College Student – Bang for her Buck

The Bundled Value  
Paying 1 discounted price

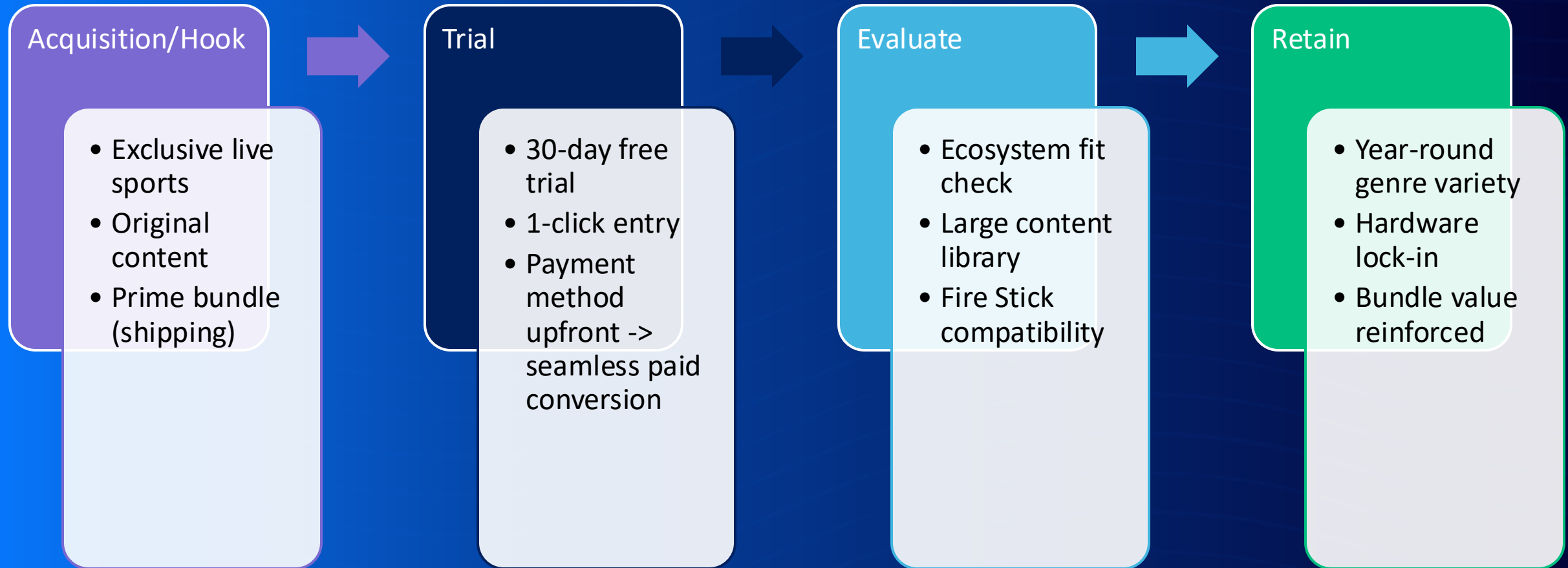
Live Sports  
Access to Thursday Night Football

Integrated Channels  
Add specialized subs directly into the single Prime interface

Cult Originals  
Original shows like “The Boys” driven from Tik Tok popularity

#1 Pain Point – Mixed Signals  
The mixture of “Free to Me” and “Rental” content creates a negative perception for budget conscious students

# Consumer Journey & WTP



Churn Triggers: Content Library gaps – Disruptive price hikes – Rival ecosystem bundles – Fragmented UX

# Consumer Journey & WTP

Seamless Ecosystem Integration Through a Single Intuitive Hub

## Convenience Premium

Unified billing + one interface reduces search fatigue  
Consumers WTP increases to avoid platform-hopping

## Ecosystem Anchor

Fire TV Stick + Prime bundle creates hardware-software synergy that raises switching costs above any SVOD rival

## Genre Depth

Prestige drama, live sports, family & film give the consumer a reason to stay active every month  
No churn-and-return cycle

# CLV

Customer lifetime value =  
 $1/(1 - \text{customer retention rate}) \times \text{annual customer profit} - \text{customer acquisition cost}$

Customer lifetime value =  
 $1/(1 - 0.93) \times \$22 - \$40$   
**\$274**

Subscription Revenue	Retention Rate	Prime Membership/yr.	Content Cost Per Subscriber/yr.	Customer Acquisition Cost
• \$44.37B (10K)	• 93%	• \$139	• \$117 (\$19.6B/167M)	• \$40 (industry average)

Exceeds the annual \$139 cost

Strong customer loyalty  
Higher profitability  
Sustainable growth

# The 4 P's

## Analysis

## Product

- Amazon Ecosystem
- AI Enabled Personalized Content
- Wide range of stream able content
  - o Deep Content Library (MGM)
  - o Live Sports (NFL, NBA, UEFA)
  - o Prime Originals (The Boys, Summer I Turned Pretty)

## Price

- Multi-tiered pricing options
  - Pricing is on the lower end of most streamers
- Bundles with the Prime Membership which appeal to a price sensitive consumer due to the perceived added value.
- Ad Supported platform has 315 million monthly active users

## Place

- Globally accessible in over 240 countries
  - o Accessible on the Amazon Prime Website and app.
- Available on smart TVs, smartphones, and computers, tablets, and the Fire Stick

## Promotion

- Leveraging their existing platforms
- Promotes their content on their amazon.com shopping platform
  - o Uses Amazon's retail data for personalized ads based on shopping habits
- Uses 30-day trials
- Shows ads of Prime Originals on TikTok (Gen Z)

Future

Marketing Strategy

# Target segment

## Younger millennials & Older Gen Z

- Ages 25-34
- Early in their career
- 32% of the user base
- Highest retention rate

## Gen Z (younger side)

- Primary college students
- Price sensitive
- Attracted to Prime Originals
  - o The Boys, The Summer I Turned Pretty



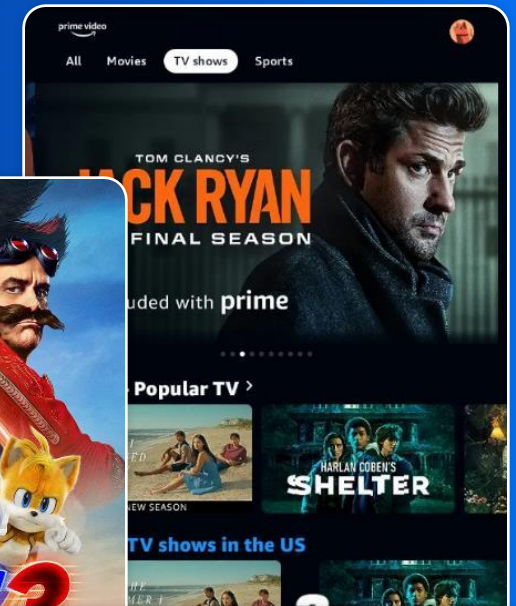
# Positioning & Value Proposition

## Positioning

- Seen not just as a streaming platform but as a giant ecosystem
- Positions itself as a mixed perk of the shipping membership
- Makes it harder for customers to turn away due to the bundle of benefits

## Value Proposition

- Convenient to have the ecosystem in one place
- Subscriptions, live sports, and original content on one bill
- High-quality bundle provided as a bonus of the free shipping, groceries, and music



# Implementation Plan

## Short Term

### ▶ 1 year

- ✓ Personalized recommendations
  - Ads and content
- ✓ Reduce search fatigue

## Medium Term

### ▶ 2-5 years

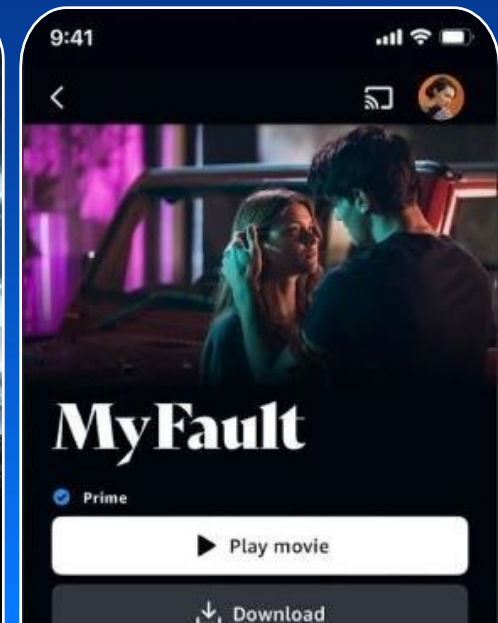
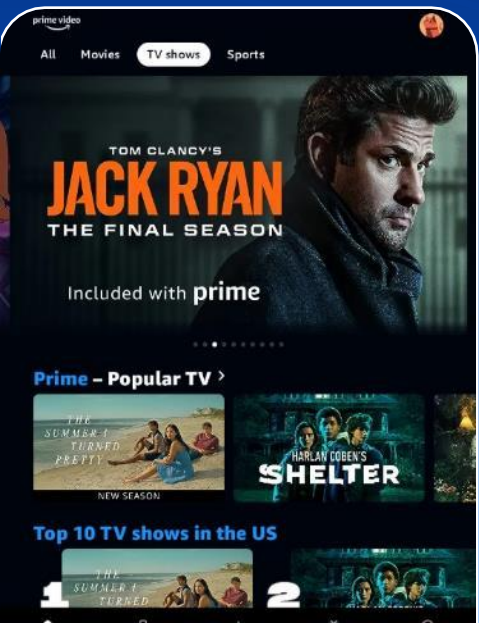
- ✓ Implement AI personalization
- ✓ Expand interactive content
- ✓ Bundle reinforcement

## Long Term

### ▶ 5+ years

- ✓ Strengthen live sports
- ✓ Ad revenue growth
- ✓ International expansion
  - Localized content
- ✓ MGM Library Integration

# Thank You!



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