

Case Study: LeMov – Online platform for streaming movies

A case study illustrating the course content

Date: 24.01.2023

Version: 1.0

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Management summary:

This document describes case platforms for movie streaming. It is an imaginary platform, which reflects the generic business model and functionalities of many existing platforms, but somewhat simplified to allow focusing on certain aspects of the model and the design of the platform

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1 Business view of the case

The Business view describes the business side of Case, including the enterprise, the platform and the business model on which they are based, business goals, requirements, basic products and services on which the business is based, stakeholders in the value chain and their roles and objectives, business and legal context and limitations and the like.

1.1 Background

The platform and the company LeMov were founded by four film lovers.

Maja and Victor successfully ran the video store for years. Following technological developments, users have turned to the Internet and on-demand streaming service providers such as Netflix. The video store was closed a few years ago, and Maja and Victor are engaged in other businesses related to Internet services. Maja and Victor are still interested in film and run a FB group that mainly gathers fans of art and experimental film and old films. Matija runs a successful IT company, specializing in cloud computing. So far, he has launched several spin-off projects related to business analytics. Petra is a successful development engineer in the field of web and mobile applications.

For this reason, they decided to launch their own platform, I Love Movies - LeMov, for streaming movies on demand, and to found a company that would base its business model on the aforementioned platform.

1.2 The Company

1.2.1 Basic facts

1.2.2 Mission

The company's mission is to, based on a sustainable business model, provide its users with a quality and competitive service of online access to films, above all those that are less well represented on other commercial platforms, such as art and experimental films, films from underrepresented cinematography, documentaries and short films. movies and old movies.

1.2.3 Vision

The company's vision is that with a good editorial and business policy, as well as the application of advanced technological solutions and scalable services, LeMov will become, within a period of 3 years, the leading regional platform in the market niche it covers, with more than 50 thousand regular users.

1.2.4 Start-up and organization of the company

1.3 Business model

1.3.1 Description of the business model

1. The LeMov company's business is based on the eponymous online platform for showing films of high artistic value, which are not necessarily commercial, but have their own audience.
2. The basic service is the online showing (streaming) of movies, and it is complemented by various supplemental services. IT and media services create value for users.
3. The platform should provide quality and scalable services with a high user experience, thanks to a quality technical base and good design. In doing so, the advantages of cloud computing will be used, such as infrastructure and platforms as a service (IaaS, PaaS). The intention is to establish business cooperation with data centers that provide this type of service, as well as with Internet service providers, all with the aim of obtaining quality service at an acceptable price.
4. The basic functionalities are searching for movies according to different criteria and providing quality and comprehensive information, online viewing, downloading to your own computer, user forums and membership management and platform administration.
5. Registered users of the platform pay for a subscription or individual services. There will be several subscription models (basic, extended and group).
6. In order to secure the rights to show films, business cooperation with specialized agents and possible inclusion in one of the networks that unify distributors and platforms is necessary. Also, specific legal services related to copyrights and similar will be used.
7. Given that it is an online platform and virtual services, a large part of the work will be done from home. The founders of the platform like to travel, so they will probably live partly as digital nomads. However, a smaller office space is needed where the company's headquarters will be.
8. Through appropriate marketing activities, using social networks and other forms of digital marketing, the intention is for the platform to have 3,000 users after one year, and 15,000 users after two years. In addition to acquiring new users, special care will be taken to retain existing ones. The idea is to complete the provision of display services with complementary services and to create a stable and satisfied user community.
9. The company is launched with a capital of 500 thousand Euros from the founder and other interested investors (crowdfunding, etc.), which should be enough to start the business (development of the first version of the program for the platform, payment of licenses, lease of resources and operating costs of the first year of operation) .
10. Planned income from services in the second year of operation is 1.5 million Euros.

1.3.2 Business Model Canvas

Questions and Tasks:

1. *Determine high-level intermediate and immediate goals that support the mission and vision of the company and the platform.*
2. *Set goals in the area of services, technology and business as a whole*
3. *Determine the basic elements of the business model according to the BMC Business Model Canvas:*
 - a. *Customer segments: For whom do we create value, who are our customers?*
 - b. *Value proposition: What values do we deliver to a specific customer or segment of customers (goods, services and other needs)?*

- c. *Customer relations: What kind of relationship does each customer segment expect us to establish and maintain? What have we established so far, at what cost and problems?*
- d. *Channels: Which channels do we use to reach a certain segment?*
- e. *Key partners (suppliers): Who are they? What goods and services do we purchase from them?*
- f. *Key activities: What activities do we use to provide value to individual customer segments? What methods do we use?*
- g. *Key resources: What key resources does our value proposition require (service delivery system, people...)?*
- h. *Cost structure: What are the most important costs and what are they related to?*
- i. *Sources of income: What values are our customers willing to pay? What are our sources of income?*

2 Process view of the case

The Process view describes requirements for business processes and business processes to the level that is relevant for a particular case. If it is a case that is process or workflow oriented, then the business process model is created in several levels and with more details. If it is a transaction platform that is event driven and does not have a clear process structure, the process view is poorer.

2.1 Business process requirements

The founders agreed that within a period of 3 months, they will start the activities of establishing and registering the LeMov company, and in parallel with that, the development of the LeMov platform and the provision of the necessary financial, human and technical resources.

To begin with, the LeMov company will have the following business functions:

- Company management (includes HRM)
- Marketing
- Content management
- Management of the Le Mov platform (application and service management, administration...)
- Customer relationship management (sales, SLM, customer service support)
- Financial management (accounting - separate function)
- Information system management
- Infrastructure management (technical support - separate function)

<https://blog.okast.tv/en/how-to-get-video-content-rights-movies-series-animation-documentaries-for-your-streaming-platform/?p=140782/>

The streaming platform (Netflix, Disney+, Peacock, Pluto TV) implies securing the rights to the content. Content is just as important as the technological basis and marketing platform.

Each audiovisual content is linked to one or more rights agreements between the production company, the publisher and the distributor.

Production companies produce content and have contracts with authors, screenwriters and directors who participated in the production. The publisher invests in the content, pays the production company, which then pays the various rights holders who contributed to the content. A distributor has international broadcast rights, broadcasters usually for a limited area or channel.

Sources of audiovisual content and method of securing rights:

1. Online market (<https://www.rightstrade.com>; <https://www.mediabank.tv/en/>; blockchain <https://ikast.io...>)
2. Content without charge (free or charge time has expired)

Royalty free, not subject to broadcasting contract or payment for broadcasting rights (<https://archive.org/index.php>)

Websites with recordings of part of the content (<https://www.pexels.com/videos/>, <https://www.youtube.com/user/FootageForFree>)

3. Direct contract with distributor / producer (find on imdb etc., contact networks; MIPCOM, Film Market Cannes, EFM Berlin)

4. Direct contract with independent filmmakers

2.2 Business process model

Questions and Tasks:

- Basic business processes, data classes and application architecture proposals that would support them should be determined for the above functions (P-K matrix).
- For the selected function, determine the processes of which it consists (decomposition)
- Create a selected business process model (BPMN)

3 Service view of the case

The Service view describes user requirements for services provided by the platform and its applications, the design of the services provided with the help of the platform, whose outlines are defined in the business view. Models and other specifications describe the structure of services, their users, the way they use services, user and system interaction scenarios, user experience (UX), service delivery system, etc.

3.1 User requirements for the platform

In order to develop and implement such a platform, a requirements specification and basic models should be made, among other things, a use case model (Specification and diagrams) and a logical data model (entity-connection model). The founders of the LeMov platform have prepared User Requirements for the platform, based on which the data model should be created, is below.

1. LeMov users are expected to be global.
2. The basis of LeMov is the catalog of films, with the title in Croatian, original and English, the type of film (action, sci-fi, horror, romance, cartoon, documentary...), the main actors, the director and other important people in the making of the film.
3. The above basic movie information is open for searching and browsing.
4. There is also information on whether the film has been translated, reviews and criticisms of the film, etc. There are also links to other pages that contain information about the film, trailers, etc.
5. With each film there is a mark as to whether there are rights, that is, whether it can be shown on the platform and downloaded.
6. The catalog may include films that are offered by LeMov, but also those that are not yet available. LeMov buys rights from distribution and display rights holders.
7. To view additional information about the movie and multimedia content, including the movie itself, you need to log in to the platform, that is, viewing is only possible for registered users. Also, registration is required if the user wants to share his opinion about the film, write a review, add some other information, etc.
8. The film is in the film database.
9. Data about the film, links to other sites, as well as the film and other multimedia content are entered by the administrator of the LeMov platform.
10. For advanced functionalities, except for viewing basic information in the movie catalog, users must register.
11. The registration process includes entering basic mandatory user data, such as name, address, e-mail, telephone, username and password.
12. Optional data are user interests, date of birth, etc.
13. In addition to username and password, authentication is optionally possible through Facebook and Google login, or other services. For example, a web application that uses OAuth 2.0 to access Google APIs must have authorization credentials that identify the application to Google's OAuth 2.0 server.
14. Regular enrollment and deletion of membership is voluntary and is done by the user.

15. By registering, the member accepts the terms of use. If he or she violates them, the administrators will suspend him or her, which is also described in the terms of use.
16. LeMov works on the principle of subscription or payment for individual services. A registered user who pays for services is a subscriber.
17. The subscriber opens a subscription account to which he pays the subscription fee for services, thereby filling the account.
18. Each payment must be marked with the name of the subscriber's account to be charged. In considering the services for which an invoice is issued, the subscriber specifies the OIB if he has it and card information if he has chosen card payment.
19. The subscriber can form his own network in which he includes other registered users, and he can exclude them at any time.
20. One registered user can be a member of several networks.
21. When using paid services, the user indicates whether the service charges his subscription account, or the subscription account of the owner of one of the networks in which he is included.
22. The subscriber contracts a user package for his subscription account, which he and all other users in his network use. Only one package can be active for one subscription account at a time.
23. There are several types of packages, i.e. subscription models, which differ in price, the number of devices of all members of the user network of one subscriber on which movies can be watched online at the same time or on which movies can be downloaded for offline viewing, and the number of movies that can be downloaded to all devices in total.

<i>Package Name</i>	<i>Basic</i>	<i>Extended</i>	<i>Group</i>
<i>Monthly subscription amount (Eur)</i>	7	10	14
<i>Number of devices on which movies can be watched online at the same time</i>	2	4	8
<i>Number of devices on which movies can be downloaded</i>	1	2	4
<i>Number of movies that can be downloaded</i>	10	15	30

24. The subscriber can contract a package only if he has a sum of money in the subscriber's account that is equal to or greater than the price of the package, which means that the subscription is paid in advance.
25. LeMov uses various card services, and it is also possible to pay by bank transfer, with the fact that the ID of the subscriber's account should be specified when calling the number.
26. The user package contains the rights and services of one of the standard package types.
27. The package contracting transaction implies the selection of a package, payment of money to the user's account, if the existing amount in the account is not sufficient.
28. The package is contracted for a certain period, usually one month, with the possibility of automatic extension, of course, if there is enough money in the subscriber's account. The system automatically warns the subscriber about the expiration of the package.
29. The user can cancel the user package and/or subscription account at any time.
30. Every viewing or downloading of a movie is a service.

31. In doing so, the user selects a movie, determines whether to watch it or download it for offline viewing, and determines the subscription account, that is, the user network of which he is a member. If the number of movies stored on all subscriber's devices is reached, the next movie can be downloaded only when one movie is deleted. Deleting movies is done from the tabular download form, which also deletes the movie locally on the device.
32. Discussion of each film is possible in the form of a forum, in which registered users can participate, moderated by a moderator.
33. The forum also exists unrelated to any particular film.
34. Administrators monitor the forum and ensure that communication is appropriate and that only topics related to the scope of the platform are discussed.
35. A member can create his own forum that he moderates and invites other members to.
36. The administrator can temporarily or permanently suspend the forum if it violates the rules of the LeMov platform.
37. The moderator can close the forum.
38. The forum functions on the principle of exchanging messages, that is, members' posts. You can reply to the message with a message. It is always indicated to which message the message is a reply and from whom it originated.
39. The forum as an application component exists independently and should be implemented using an open source platform.

3.2 Design of services

Questions and Tasks:

1. *Create a service model that matches the description of the LeMov platform. Expand the description as necessary (mark additions with a different colour), so that the system has meaningful functionality.*

4 Application view of the case

The Application view describes the relevant application aspects of the digital platform, such as the data model on which it is based, the design elements of the application, the deployment of application components, the services that the application provides and uses, etc. In this view, the interoperability of the platform on the organizational and semantic level is also defined.

4.1 Use Case Specification

4.1.1 Narrative description of use cases

Pre- and Postconditions, Actors, Scenarios, Forms, Frequency of Use...

4.1.2 Use case Diagrams

4.1.3 Data model

Narrative description of data model and diagrams

Questions and Tasks:

2. Create an entity-relationship model according to the description of the LeMov platform.
3. Convert the entity-relationship model to a relational one.

5 Technical view of the case

The Technical View considers technical details of the realization of the platform, including the technology on which it is based or which will be applied in its construction, commercial or other ready-made components to be used as building elements, interoperability at the technical level, etc.

6 Project view of the case

The Project view describes the basic elements of the project, including scope, division into phases, work break-down structure, time frame, cost calculation and other financial elements, etc.