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Buying into a Cinematic Experience: Popview Media Pte Ltd

Popview Media is a movie rental business that operates through automated kiosks. The DVDs feature blockbuster movies as well as a small selection of TV series across multiple genres. While the majority of these are English titles, there is also a small number of Chinese and ethnic titles. The self-service kiosks are designed for ease of use, and rental rates are uniformly pegged at \$1.40 per DVD per day.

Commencing business in 2011 with just two DVD rental kiosks, Popview Media now has 15 such kiosks across Singapore, located mostly in the heartlands. Having enjoyed reasonable success, the owner-operator is now looking to expand the business.

As with many small and medium-sized enterprises (SMEs), Popview Media has limited resources and maintains a lean operation. It approached the UOB-SMU Alliance Enterprise Institute (AEI) for assistance in the conceptualisation and implementation of strategies to bring the business up another level.

Movies at your fingertips

The pioneer generation may recall the buzz and anticipation surrounding the official opening in 1939 of Singapore's then-skyscraper, the 16-storey Cathy cinema complex. Current movie-goers are likely to be more familiar with Hollywood blockbusters; mass-market, Singapore-made movies like the top-grossing "Ah Boy to Men" franchise, Chinese titles and possibly arthouse pieces. Especially in recent years, as technology advances, it has enabled a new trend in movie entertainment – instead of having people go to the movies, the movies are coming to the people.

Movie lovers who want to sit back and enjoy their selection of movies at their preferred times have a choice of CDs and DVDs; movies-on-demand from home entertainment services such as Singtel Mio TV, Starhub Cable TV and Toggle, as well as online downloads. Despite the other convenient options available, Popview Media has developed a base of loyal customers who are keeping the business alive with their frequent visits to its kiosks. Although the company has a general idea, almost akin to a "gut feeling", about what keeps them coming back, founder Linus Lee wanted something more "solid" as the basis for the expansion strategies he has in mind.

So, what's playing today?

Under UOB-SMU AEI's flagship Consulting Programme, a team of student-consultants, supervised by a Project Adviser, undertook a market research in order to develop a set of actionable recommendations for Popview Media. They focused on how to improve the SME's core business offering so as to retain existing customers, and how to employ marketing initiatives to reach out to potential customers, thus expanding the customer base and boosting the bottom line.

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The student-consultants tapped on the best practices and methodologies culled from their classroom learning to conduct three areas of research, namely competitor analysis, which helped to determine the SME's competitive advantages vis-à-vis other players in the same industry; consumer research, where they ascertained the views and preferences of existing and potential customers, and location regression, where statistical methods are used to optimise the kiosk locations.

Primary data were collected via a street intercept survey of existing customers, while an online survey collected information from the potential target group. Given that Popview Media's most successful method of attracting new customers is through the visibility of its kiosks, the team also spent time observing the kiosks to discern customer behaviours and trends. Desktop research provided the secondary data. Working with the mix of qualitative and quantitative data, the student-consultants formulated their recommendations to support the SME's expansion goals.

Blockbuster “takings”

As Popview Media had not conducted any market research, it came into the Consulting Project with no pre-set notions. “I wasn't sure what to expect,” admitted founder Mr Lee, and what he received was a “fairly comprehensive report that was well thought-out”. “I liked not only the eventual result, but also how the project progressed from start to finish. It's evident that the process has been through quite a few iterations and it is now smooth and streamlined.”

One of the benefits of the Consulting Programme is introducing more methodical and scientific approaches to address business issues. In this respect, Mr Lee found the consulting team's use of qualitative and quantitative methods of research and analysis to be sound and convincing. Giving the Consulting Programme the proverbial thumbs-up, he not only called it “a great programme for SMEs”, he added a ringing endorsement – the SME has started implementing the recommendations in the report.

The student-consultants undertook the project knowing they would have to manage the demands on top of their existing commitments. They had two objectives – to seize the opportunity to apply textbook concepts to a real-life consulting case, thus gaining valuable experience and insights into business consulting, and to help a company address its key issues from a business strategy perspective. They felt that both objectives were met, though the project was not without its challenges.

Having to be physically present at the kiosk locations in order to conduct the survey and observe customer behaviour, the vast industry landscape that needed to be reviewed, and the varied schedules of the team members were initial hurdles, but they overcame these hurdles by streamlining the data required, scheduling meetings in advance and also holding urgent meetings via Skype.

Project Adviser Victor Kwan was impressed with his charges. “They were thorough in their research, which resulted in realistic and useful recommendations that are very practical. In fact, they even took the initiative to come up with a timeline which suggests which of their recommendations the SME should implement first.” This showed that they were “aware that resources of SMEs are often restricted, so things cannot be done at one go”.

Mr Kwan may have given some suggestions during his meetings with the student-consultants, but he was always conscious that they did not merely take his word for it as “spoon-feeding” has no place in the real world. “They must learn to be independent, critical thinkers of their own.” Being a Project Adviser has the potential to be a “two-way learning journey”. As a case in point, he was “excited” by a theory that the team had introduced in the report, and has since applied it in his own business as well.

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