

Data Storytelling: Netflix Growth 2011-2022

Alice Yue
Springboard Data Science

Introduction

- Factors behind Netflix's growth starting in 2016-17
- Revenue, profit, subscriber count, content spend
- Identify patterns and anomalies

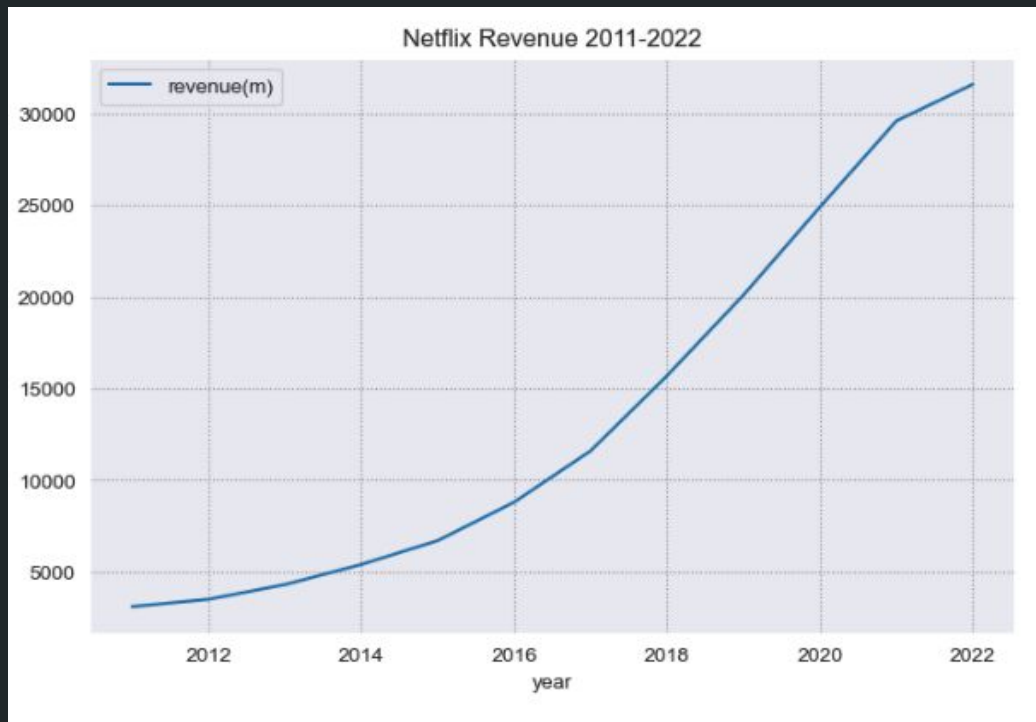
Profit

- Encountered an initial problem
- Anomaly at 2021-2022
- Positive growth, sudden drop



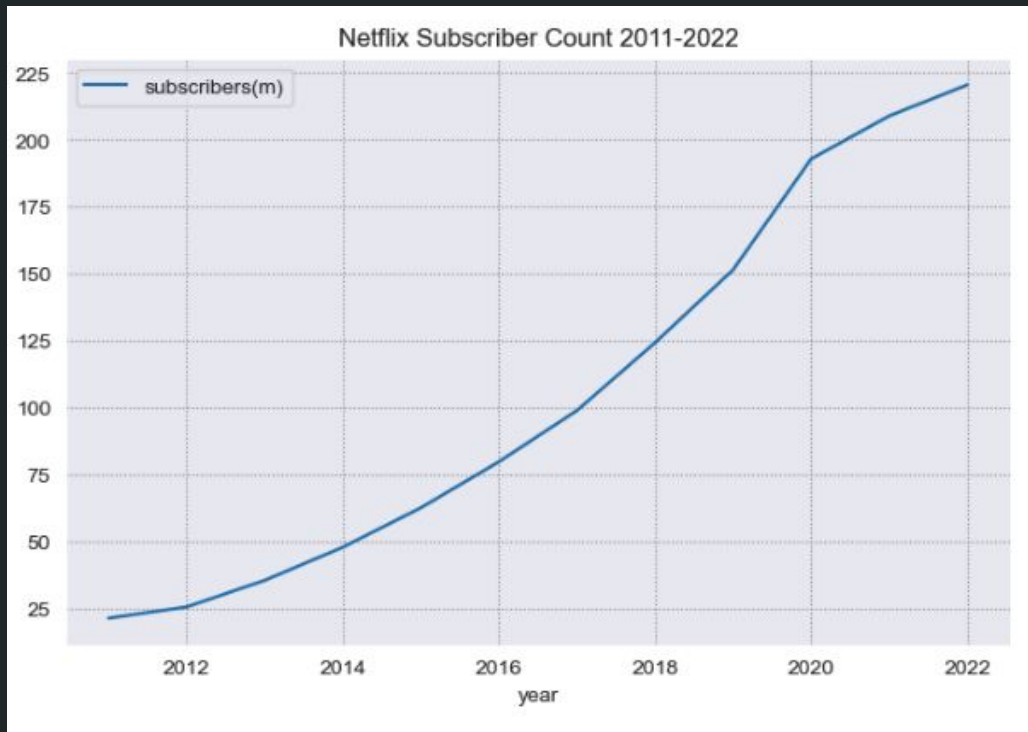
Revenue

- Checked revenue
- Also significant decrease in growth rate in 2021



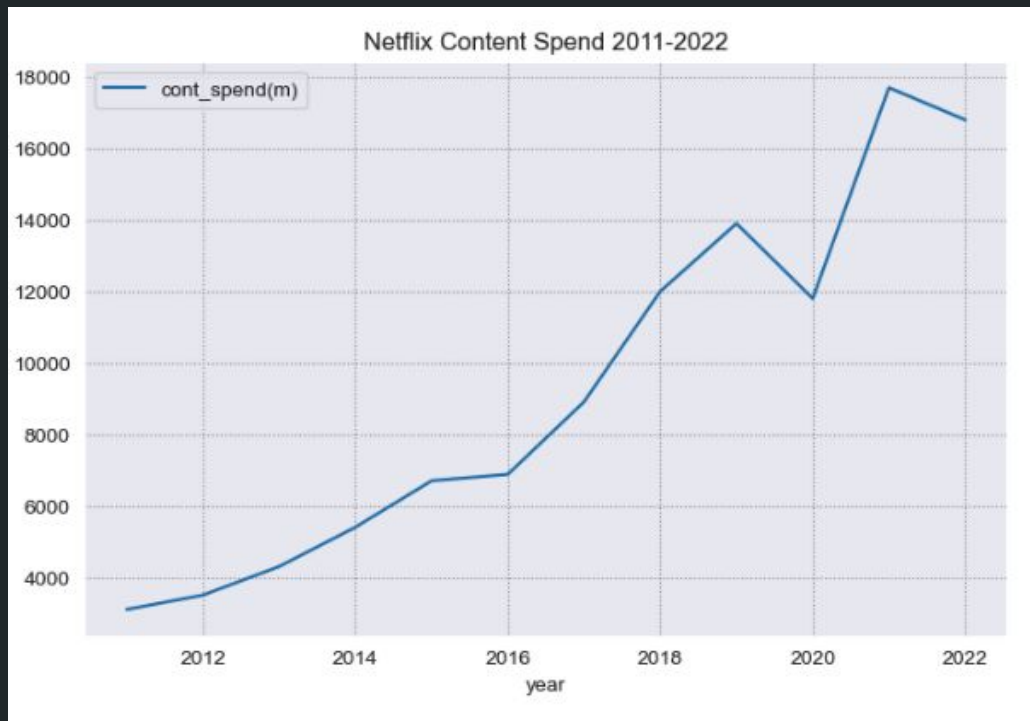
Causes

- Explored possible causes using available data
- Subscriber count did not exhibit the same anomaly



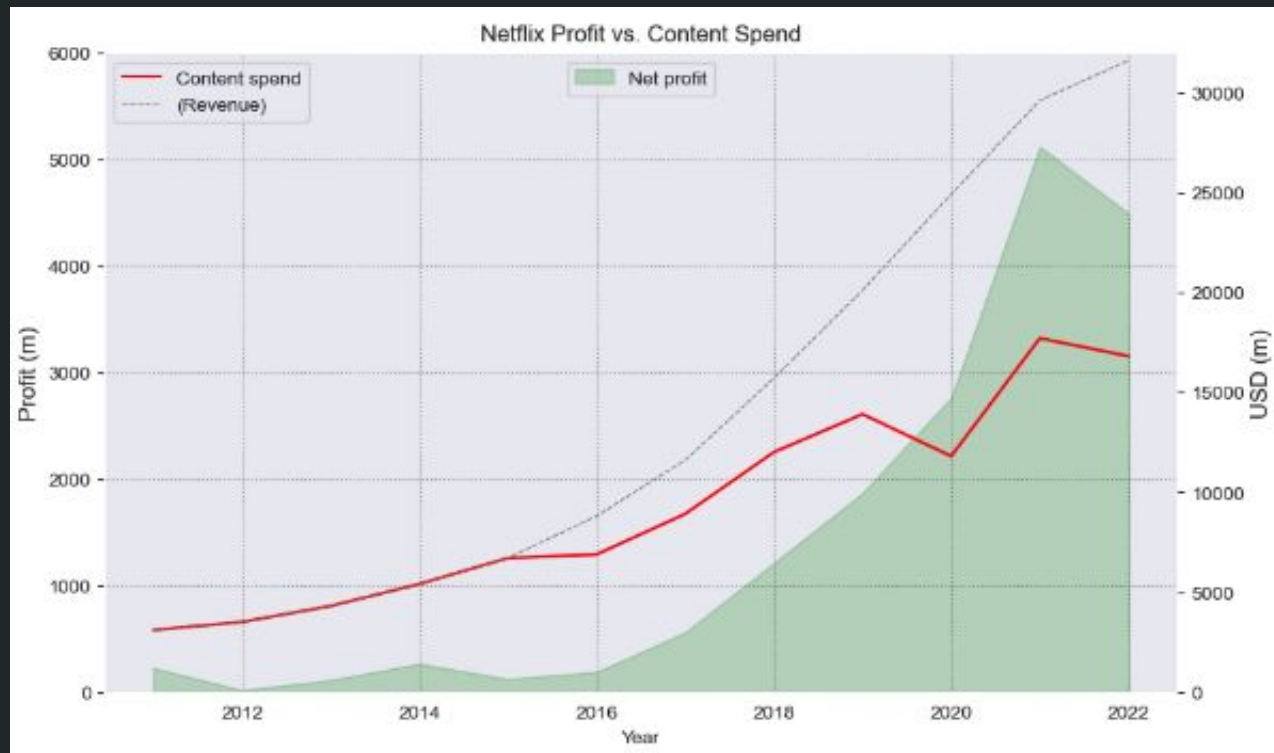
Causes

- Content spend also did not exhibit any unusual behavior around 2021-2022



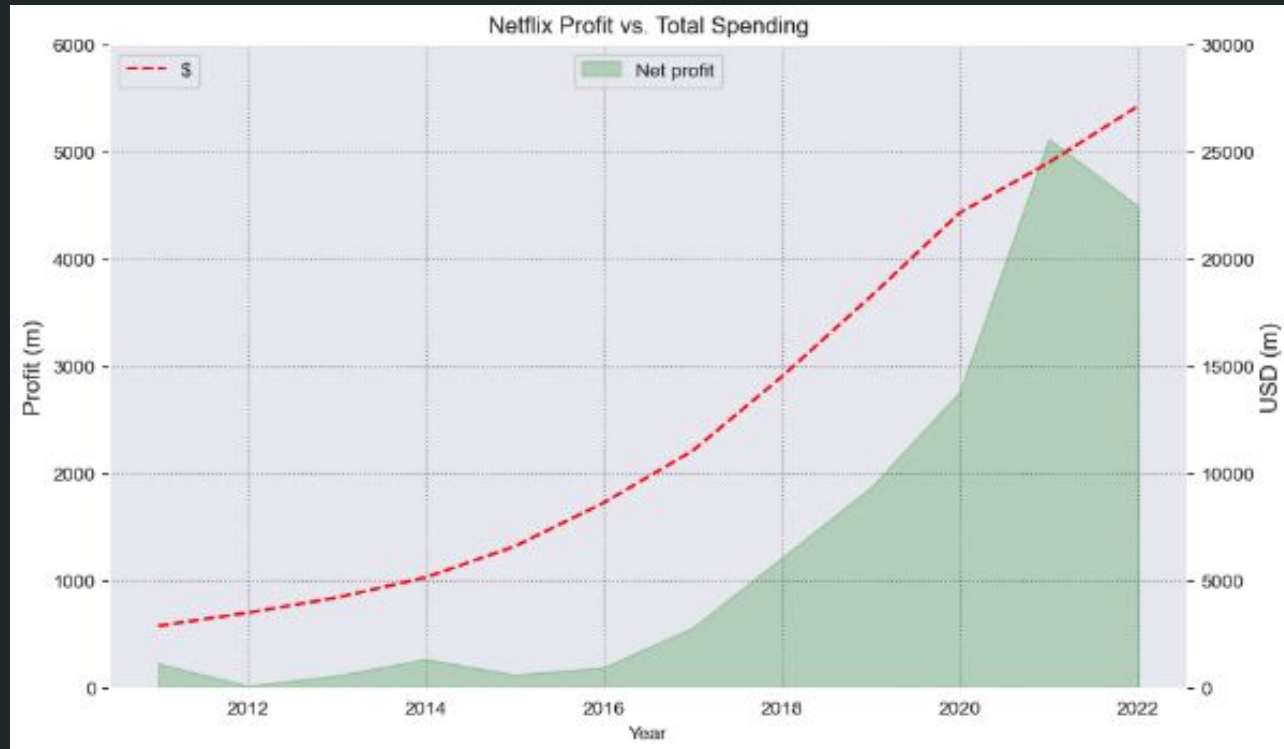
Causes

- Graphed all financial data together to better see patterns
- Still an anomaly—revenue increased much faster than content spend, but profits still dropped



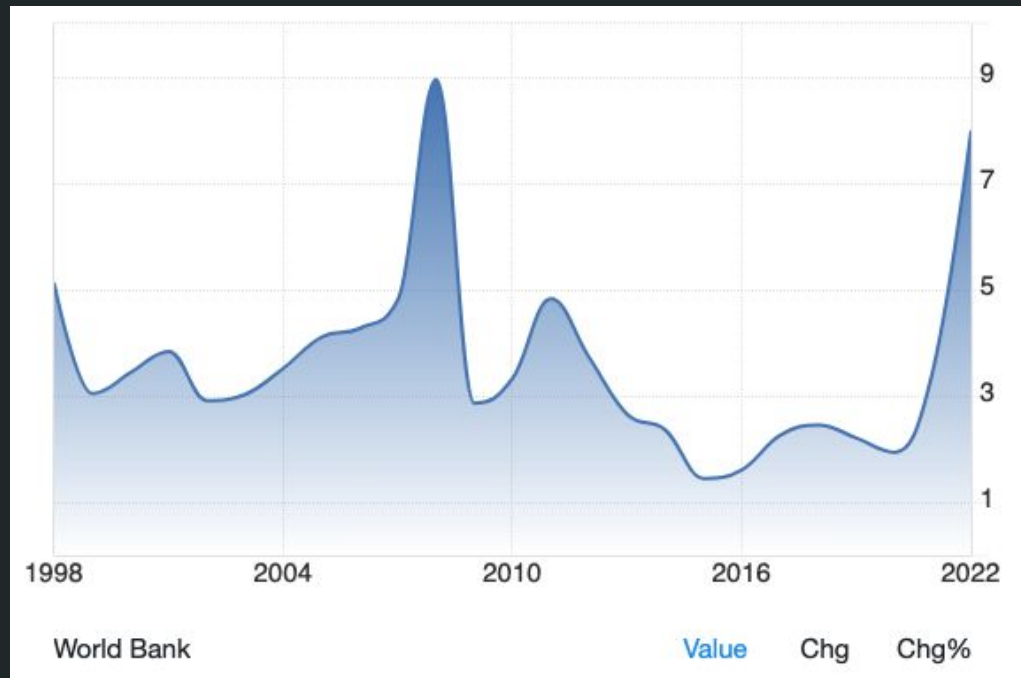
Causes

- Tried accounting for other spending (using revenue and profit data)
- No significant change/increase in total spending either



Accounting for inflation

- Factored in inflation using data from TradingEconomics (right)
- Can already see a sharp increase approaching 2022



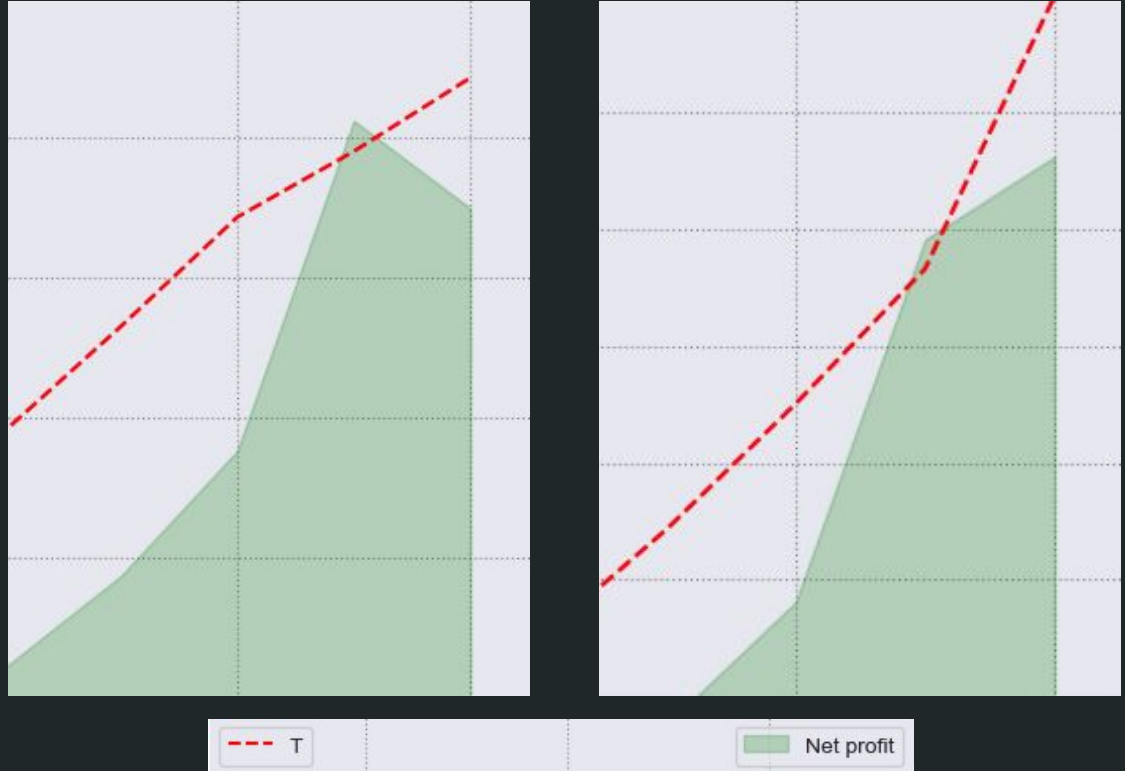
Accounting for Inflation

- Mapped inflation rates against Netflix financial data
- Plotted profit against total spending after un-inflating



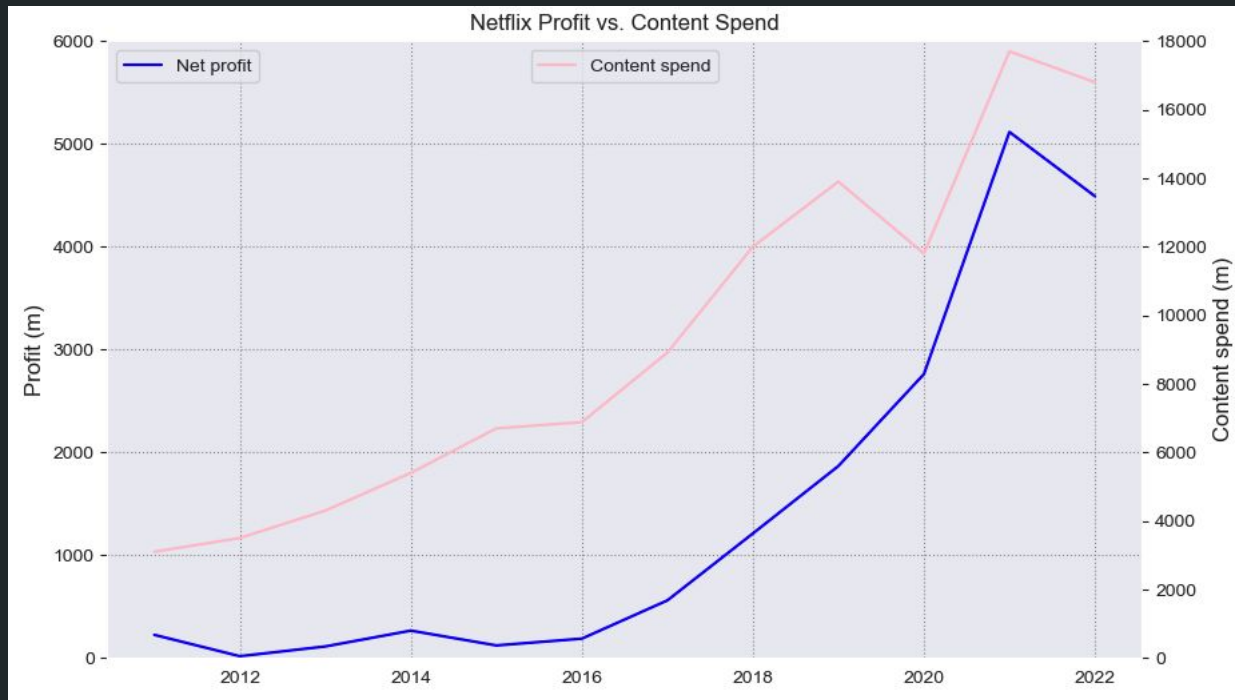
Accounting for Inflation

- After adjusting for inflation (right), the anomaly in annual profit (left) disappears



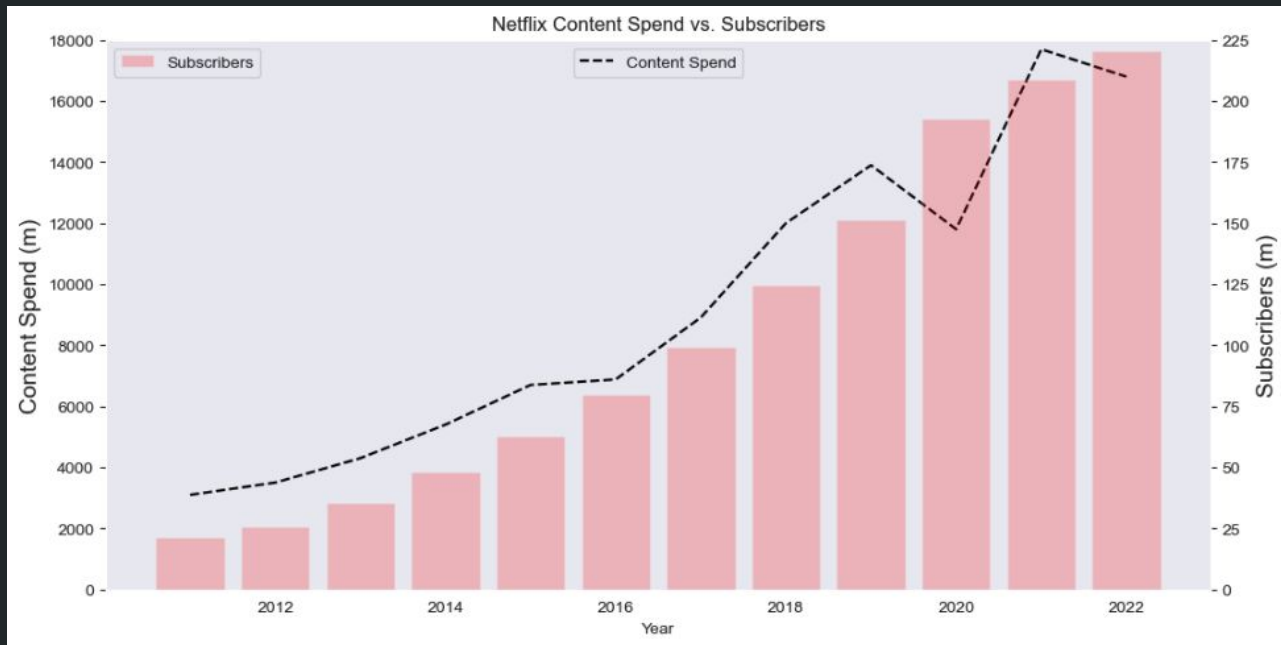
Examining other patterns

- Content spend positively linked with profit
- Increases in content spend around 2017 and 2021 correlate directly with increase in net income/loss



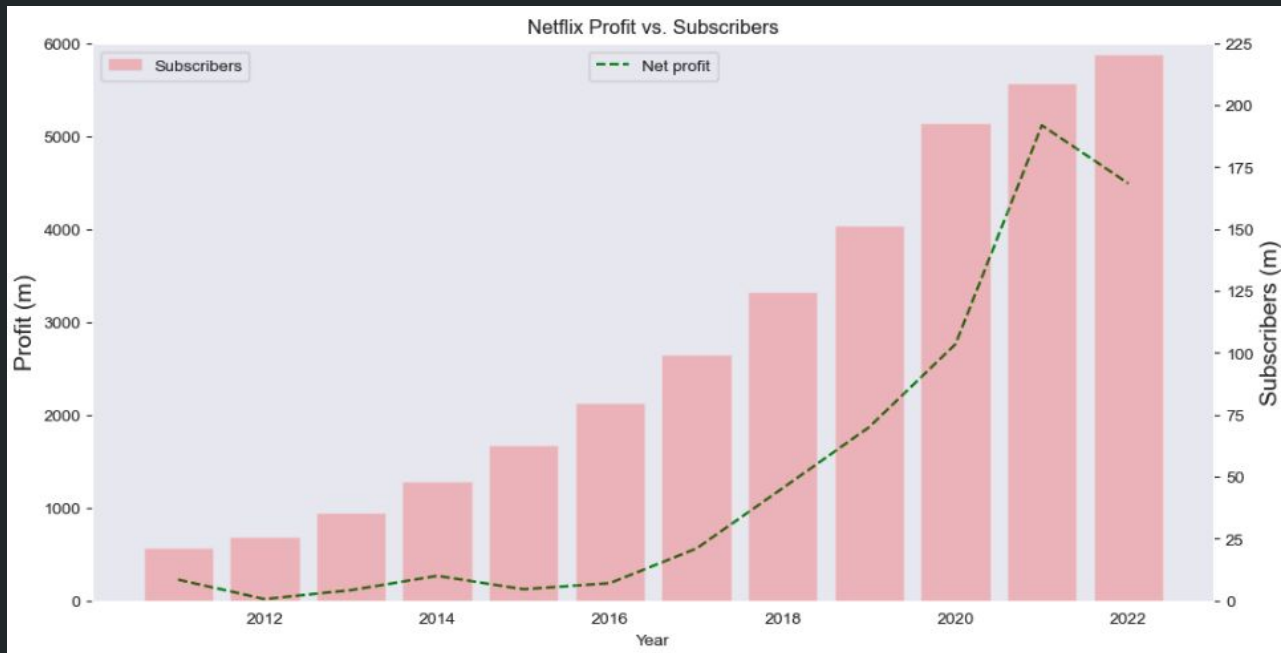
Examining other patterns

- Content spend was also positively linked with subscriber counts...



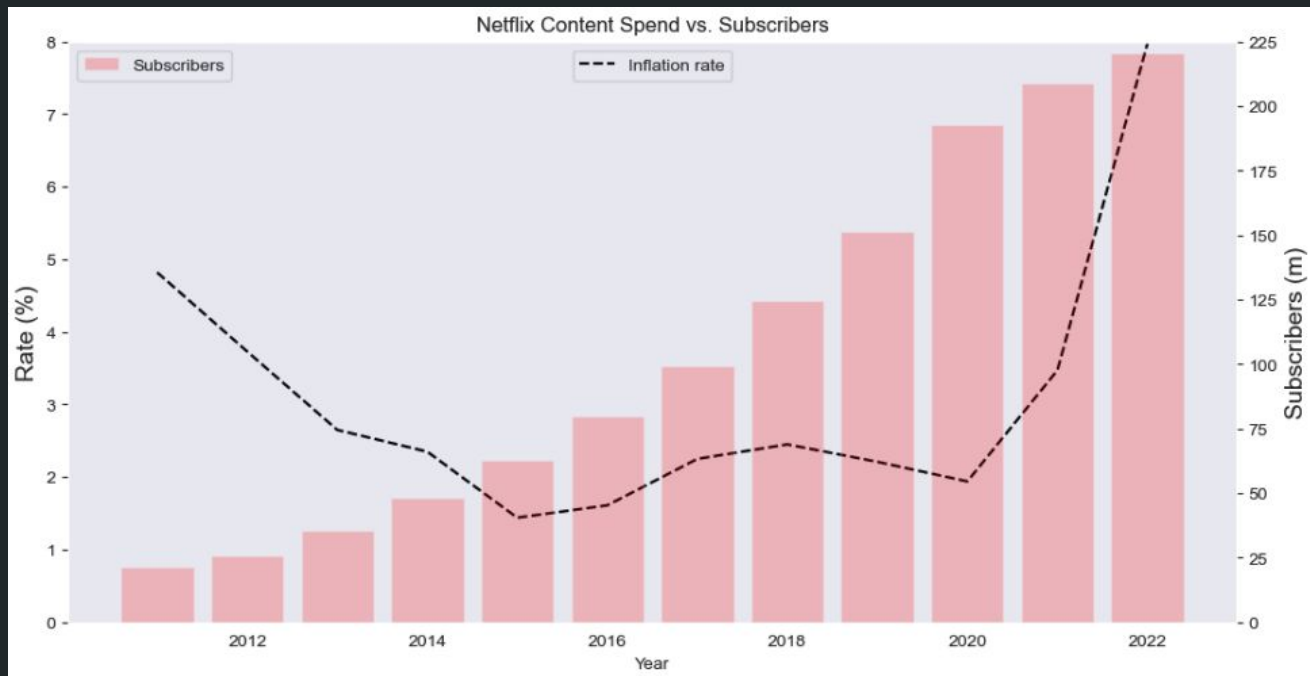
Examining other patterns

- ... and subscriber counts were (less) positively linked with profit
- Increase in profit is delayed
- Other costs ie. expansion



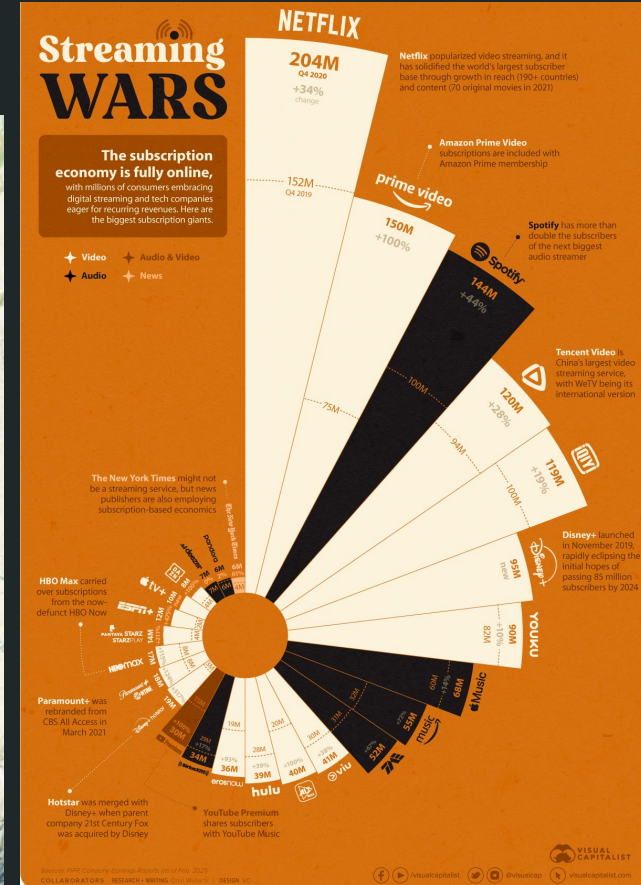
Surprise!

- Inflation seemed to have no effect on subscriber counts



Further exploration

- No data on 2023
- War in Ukraine (geopolitical factor)
- Also could explore the effect of competition from other streaming services



References

<https://www.kaggle.com/datasets/adnananam/netflix-revenue-and-usage-statistics?resource=download>

<https://www.businessofapps.com/data/netflix-statistics/>

<https://tradingeconomics.com/world/inflation-consumer-prices-annual-percent-wb-data.html>

All image sources credited.