

NETFLIX

LAUNCHING NETFLIX INDIA: MICRO-SUBSCRIPTION & ACQUISITION STRATEGY

A Y U S H G A L P H A T

✉ ayushgalphat@gmail.com

in linkedin.com/in/ayushgalphat9513



ABOUT

MARKET SIZING

USER PERSONAS

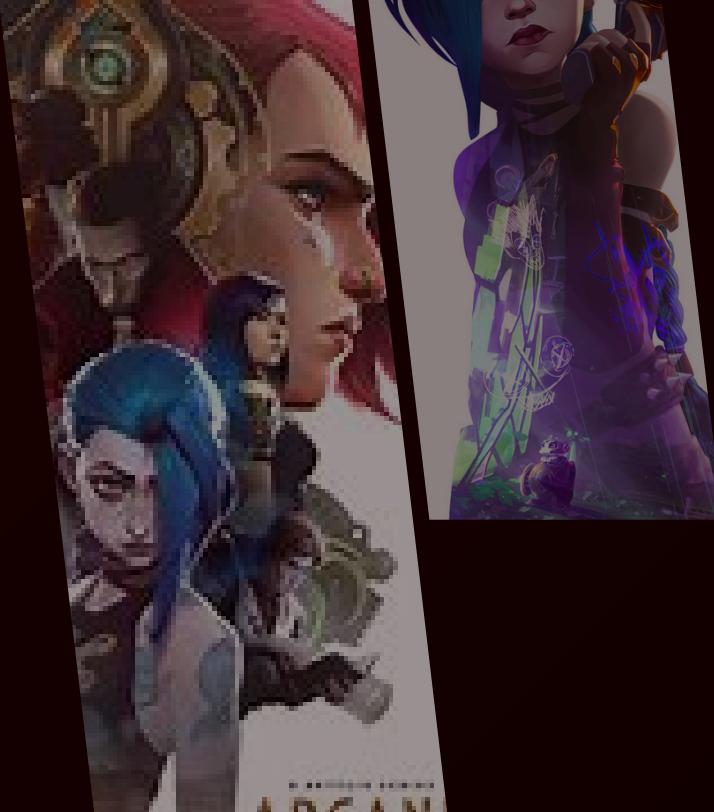
PRODUCT FEATURES

PRIORITIZATION

METRICS

GTM

PITFALLS



Netflix is a global streaming entertainment service launched in 1997, offering a vast library of movies, TV series, documentaries, and original content across genres and languages. It provides on-demand viewing via internet-connected devices, with personalized recommendations, multi-device support, and high-quality streaming.

Entering India in 2016, Netflix delivers tailored content with AI-powered suggestions but faces challenges like pricing sensitivity, competition, and localization. To strengthen its presence, Netflix India adopts mobile-first plans, regional content investments, and explores ad-supported or micro-subscription models. As a key player in one of the world's largest OTT markets, Netflix continues refining its strategy to expand its user base while maintaining its reputation for premium originals and seamless UX globally.

Key Services Offered

- Netflix Originals
- Multi-Tier Streaming Plans
- Personalized Recommendation Engine
- Multi-Device Streaming
- Offline Viewing



Offerings

- Language Support:
Hindi, Tamil, Telugu, Bengali
Malayalam + English

India Plans:

₹ Mobile-only

₹ 199 Basic

₹ 499 Standard

₹ 649 Premium

Upcoming

• Micro-subscription:

1-Day, Weekend, Weekly

Website & App Traffic

Monthly Visits



- ~120 million
- 🌐
- Netflix Global

₹ 149 Mobile only



- Multi-Device Streaming
- Offline Viewing

₹ 199 Basic (1 screen)



- Personalized Recommendation Engine
- Multi-Device Streaming
- Offline Viewing

₹ 499 Standard (2 screens, HD)



- Multi-Device Streaming
- Offline Viewing

Key Metrics

Annual Revenue (India, FY24) ₹ 2,845 Cr

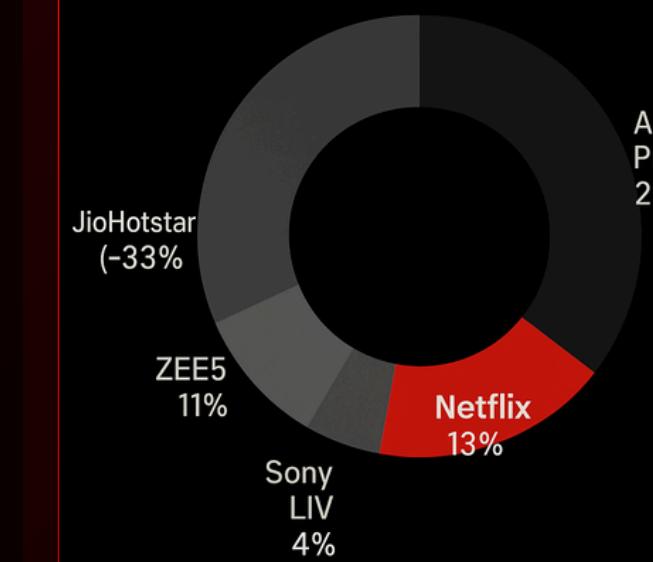
Paid Subscribers (India) 12 million

Global Paid Subscribers (Q1 2024) 270+ million

India OTT Market Share (SVOD) ~13% (Prm 23k)

Global Annual Revenue (2023) \$32 billion

Market Share of Indian OTT Platforms

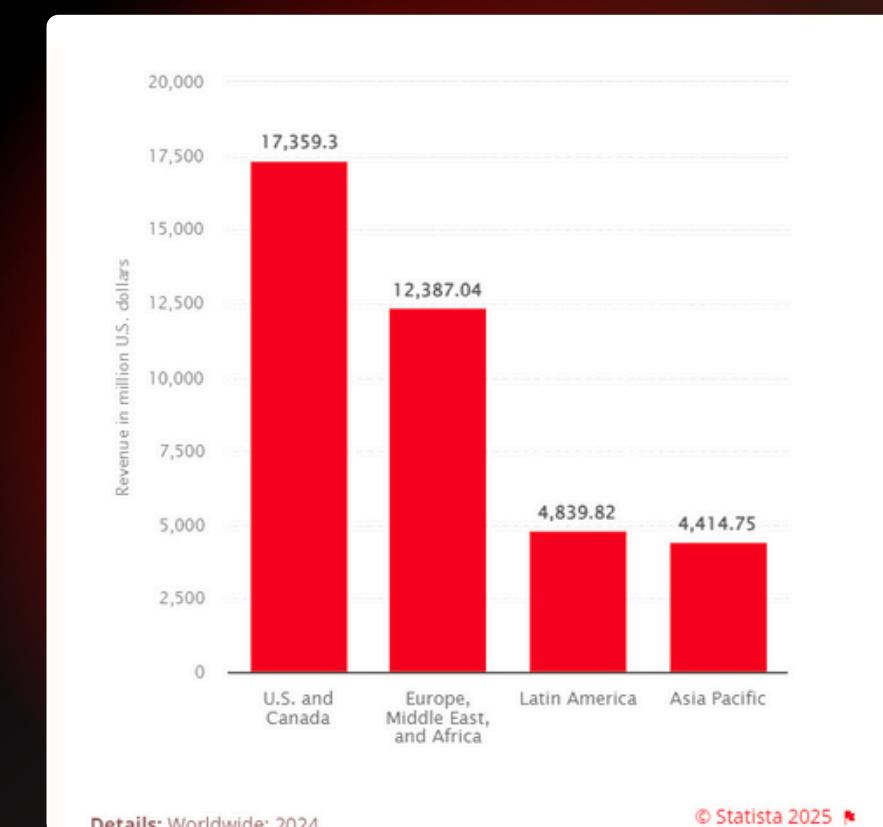
**BEST NO-AD OTT PLATFORM**

MAJOR COMPETITORS

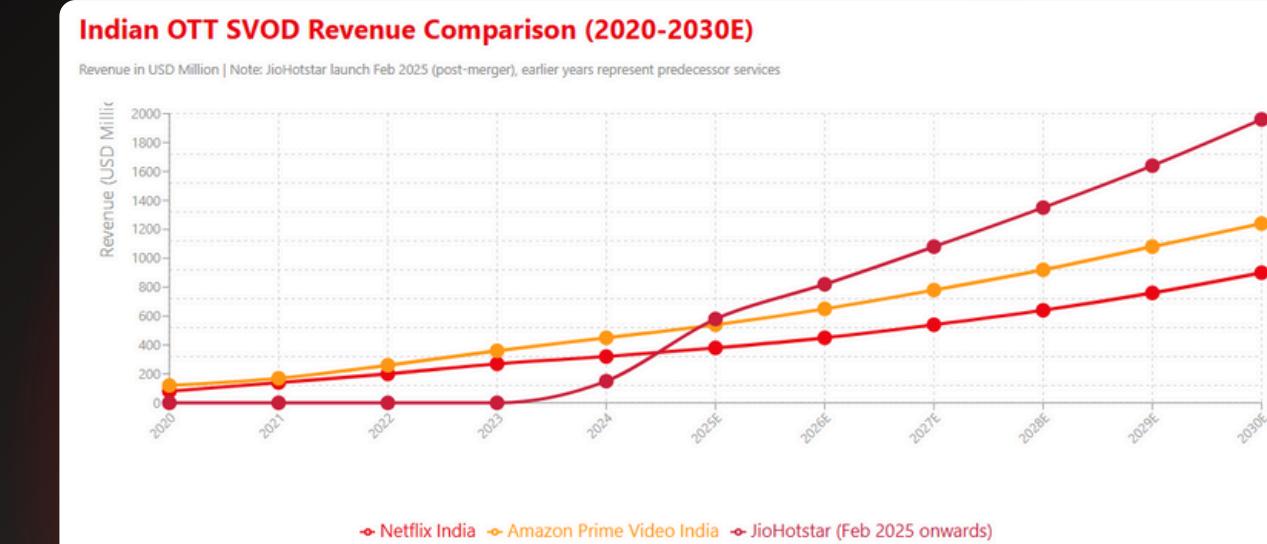




OTT MARKET SHARE



Despite India being the largest populated country the comparative netflix users are low against US, Canada and other European countries.



INDIAN OTT MARKET SHARE FACTS

- Indian OTT Revenue is expected to demonstrate an annual growth rate (CAGR 2025-2030) of 8.42%, leading to a projected market volume of US\$3.44bn by 2030.
- JioHotstar led the Indian SVOD market with a 25% share, followed by Amazon Prime Video at 23% and Netflix at 19%.
- 41.67% of users in the 20-30 age group and 32.50% in the 30-40 group, Millennials and Gen Z together make up nearly 65% of OTT consumption in India.
- Revenue is expected to show an annual growth rate (CAGR 2025-2030) of 7.12%, resulting in a projected market volume of US\$6.26bn by 2030.



Mihir

- 19 years
- Mumbai
- College Student
- Single

Mihir is a second-year BBA student who loves staying updated with pop culture. He spends a lot of time on Instagram, YouTube, Reddit, and follows trends from global entertainment. He usually watches Netflix late at night or on weekends, mostly on his phone. He often depends on parents/pocket money, so he often shares Netflix accounts with friends to save money.

GOALS-

- Stay updated with trending shows and global pop culture
- Watch international content like anime, K-dramas, and Netflix Originals
- Enjoy premium entertainment without spending too much

PAIN POINTS-

- Subscription feels expensive due to no stable income
- Has to depend on friends/family for account access
- Misses out on new content, FOMO when others discuss trending shows

PURCHASE TRIGGERS- Social Media Buzz, Exclusive content from favorite international celeb, Weekend Plans with Friends ("Netflix Party")



Ritika M

- 30 years
- Bangalore, Delhi
- IT Consultant
- Married

Ritika works long hours in a consulting firm and gets very little personal time during the week. She uses Netflix mostly to relax on weekends or during travel. She prefers meaningful and high-quality content like documentaries, dramas, and popular movies. She can afford Netflix but still wants value for money and doesn't like paying for days she doesn't watch.

GOALS-

- Relax after work with good-quality entertainment
- Use Netflix only when she has time; flexible viewing
- Spend money wisely on subscriptions she actually uses

PAIN POINTS-

- Feels guilty paying for Netflix in busy months when she barely watches
- Unpredictable schedule makes monthly plans feel wasteful

PURCHASE TRIGGERS- Long Weekend or Planned Vacation, Preferred Genres with HD, Quality time with Partner/Family.



KEY PAIN POINTS FOR NETFLIX INDIA

MARKET AND CULTURAL FACTORS:

Ubiquity of free content and piracy: The widespread availability of free and sometimes illegally obtained content online, often via torrents or pirated sites, acts as a major disincentive for users to pay for subscriptions.

AFFORDABILITY

Although data costs in India are among the lowest in the world, the cost of subscription video-on-demand (SVoD) services can still be a barrier for many price-sensitive consumers. The "digital divide," exists between varying income levels, and less per capita income.

AGGRESSIVE COMPETITION

The highly competitive Indian OTT market drives platforms to constantly innovate their models. Most rely on ad revenue, as only a small fraction of users pay for subscriptions. Spotify India being a key example.

Platforms like JioHotstar attract mass audiences through affordable mobile plans and telecom bundles (Reliance- the biggest telecom service provider). Meanwhile, Amazon Primevideo leverages its e-commerce ecosystem, offering faster deliveries and a low-cost subscription that strongly appeals to India's youth dominated viewership (GenZ's, & Millenials).

Netflix's high pricing model limits its reach, many potential viewers remain disengaged or avoid subscribing despite strong content appeal.

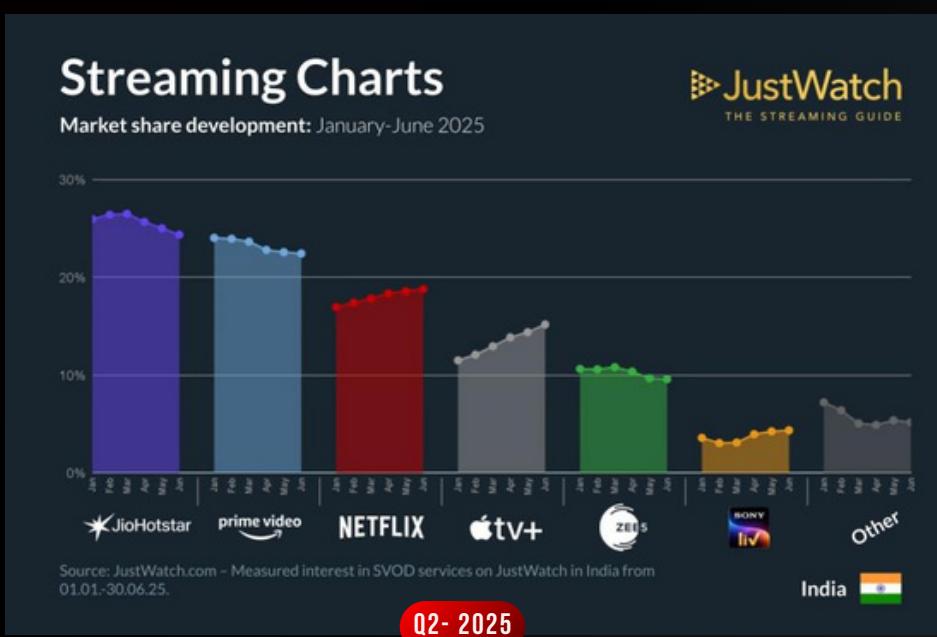
DISTINCT CATEGORY

India's OTT landscape is highly diverse and cannot be viewed through the lens of premium content platforms alone. Sports streaming, especially cricket formats like the IPL, commands massive, cross-generational.

Platforms such as JioHotstar capitalize on this trend by offering affordable live sports and match updates, whereas Netflix remains positioned as a premium entertainment service catering to a narrower, primarily Millennial and Gen Z audience (18-30).

DOWNLOADS

Netflix provides limited downloads to a user.



NETFLIX INDIA VS JIOHOTSTAR

Subscription Model & In-app Purchases

Product Feature	Netflix	JioHotstar
Content Focus	Hollywood/International films & series; Netflix Originals; some Indian originals (movies, series)	Indian TV shows and films (Bollywood and regional); Disney/Marvel/Pixar; Hollywood; live sports (IPL, EPL, etc.); news and shorts
Original Content	Strong: Globally popular Netflix original series/films; local Indian originals launched each year ^[12]	Growing: Plans for ~50 new regional originals (esp. South), in addition to existing Disney+ originals ^[27]
Sports	None (no sports streaming rights)	Massive: IPL cricket, Premier League, ICC cricket, Wimbledon, Pro Kabaddi, ISL, etc. ^{[19][20]}
Languages	Available in Indian languages (Hindi, Tamil, Telugu, etc.) for interface/subtitles; original content mainly in English and some Hindi	Content and UI in 19+ Indian languages ^[26] , heavy regional content (languages: Hindi, Tamil, Telugu, Marathi, etc.)
Features	Offline downloads; profile recommendations; no ads	Offline downloads; AI-personalized recommendations; offers ad-supported viewing and premium ad-free tiers; 4K streaming for sports & movies ^[20]
Ease of Use	User-friendly apps on mobile, web, smart TV	Accessible via Jio apps (JioHotstar app on mobile/web/TV); integrated with Jio ecosystem (e.g. JioTV box); multiple platforms

A comparison table of subscription prices illustrates the difference:

Plan Type	Netflix (India)	JioHotstar
Basic/Mobile (1 device)	₹149/month (480p mobile-only) ^[10]	₹149 for 3 months (ad-supported, 1 device) ^[23]
Standard (2 devices)	₹499/month (1080p, 2 devices) ^[10]	₹299 for 3 months (ad-supported, 2 devices) ^[23]
Premium (4 devices)	₹649/month (4K, 4 devices) ^[34]	₹299/month (ad-free, 4 devices) / ₹1499/year ^[23]



KEY PRODUCT FEATURES

USER-FRIENDLY ONBOARDING & INTERFACE

A user-friendly interface is the first step to ensuring that your viewers have an enjoyable experience on your platform. A clean, intuitive design is key to keeping users engaged and navigating effortlessly.

Ensure a smooth onboarding process for new users, guiding them through profile creation and platform usage to reduce drop-off rates.

HIGH-QUALITY STREAMING

Ensure that your platform supports high-definition (HD) and 4K streaming, delivering an exceptional viewing experience with crystal-clear visuals.

GAMING

Netflix supports wide range of devices including gaming consoles

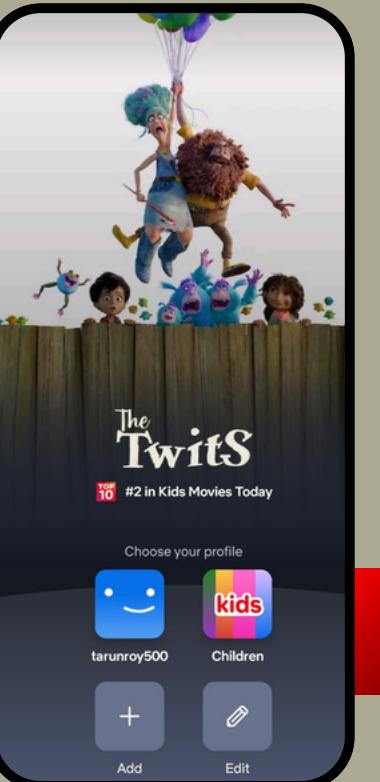
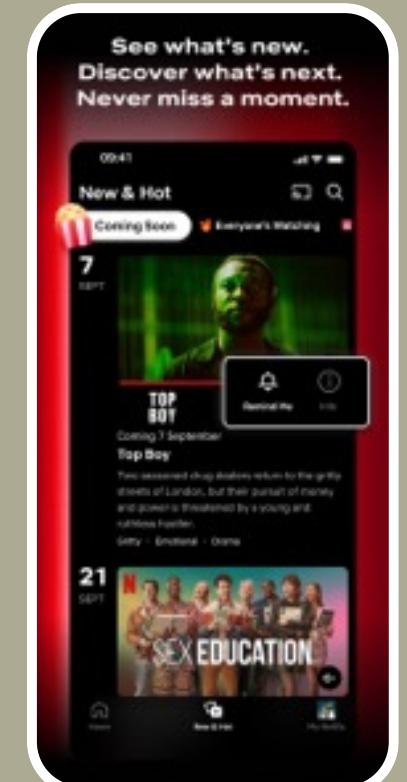
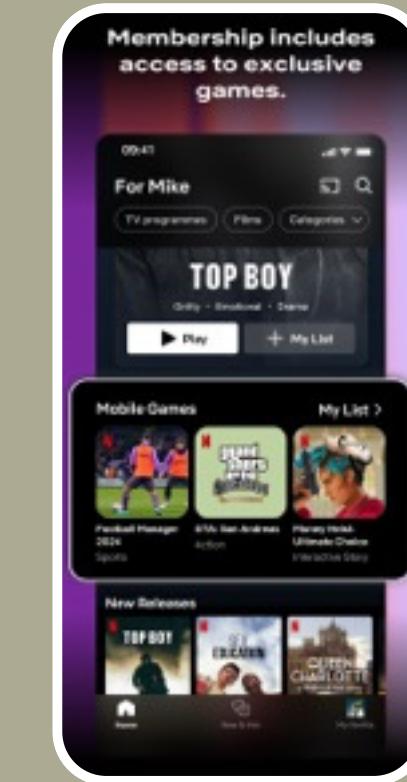
CONTENT LIBRARY

Netflix has extensive library of titles including several renowned in-house documentaries as well as series. To cater different tastes & preferences.

SOCIAL SHARING AND INTEGRATION

Enable users to share their viewing activity on social media platforms, promoting your content and platform while encouraging social interaction.

Netflix India leverages social media marketing heavily: engaging fans with posts, memes, and interactive content on Twitter, Instagram, FB. A promotion from user-end of the platform & exclusive content.





Bringing Micro-Subscriptions as a Strategic Solution

Netflix India is introducing micro-subscription plans for **2-day and 7-day periods** alongside existing monthly plans. Netflix can capture demand during three critical scenarios: weekend entertainment needs, specific content releases (like a new season of a popular show), and social viewing occasions (festivals, holidays, or family gatherings). This strategy targets India's price-sensitive market where affordability is the primary barrier to OTT adoption.

With only 12.3 million paid subscribers against a potential market of 601 million OTT users in India, Netflix's penetration remains at just 2%. Meanwhile, competitors like JioHotstar and Amazon Prime Video have acquired a large user base by offering flexible and affordable plans bundled with other service combinations.

Revenue Mechanics: Short-term Plans, Long-term Gains - While micro-subscriptions appear to reduce ARPU, they unlock three revenue drivers

- Market expansion by converting non-subscribers who were previously lost to piracy or free platforms
- Increased frequency as users make multiple micro-purchases throughout the year during high-intent periods, and
- Conversion funnel where satisfied short-term users eventually upgrade to monthly plans. Research shows that 50% of Netflix subscribers who cancel return within six months, suggesting strong content affinity that micro-plans can leverage.

Proposed Micro-Subscription Pricing Structure

Plan Type	Original 1 month Subscription Plan Price	2-day Subscription Price	Revenue Uplift	7-day Subscription Price	Revenue Uplift
Mobile	₹ 149/-	₹ 35/-	23.49%	₹ 69/-	46.30%
Basic	₹ 199/-	₹ 49/-	24.62%	₹ 89/-	44.72%
Standard	₹ 499/-	-	-	₹ 199/-	39.88%

- **Revenue Uplift (%):** Indicates the percentage increase in per-day revenue compared to the original 1-month subscription plan for the same tier.

The '**Micro-Subscription**' Plans are designed in such a way that, the 7-day plan is priced at about 35–50% of the monthly model, while the 2-day plan is around 25%.

This pricing strategy encourages users to upgrade 2-day buyers are drawn to the 7-day plan, and 7-day users are nudged toward the monthly subscription due to better value per day.



Prioritization using S.M.A.R.T. Framework

S – Specific

Goal: Launch 2-day and 7-day micro-subscription plans across all tiers in Netflix India.

Target: Acquire 2.5M users in 6 months and convert 15% to monthly plans within 12 months.

Focus Audience: Students, young professionals, and Tier 2-3 city users with flexible viewing habits.

M – Measurable

Primary KPIs:

- 2.5M micro-plan signups in 6 months
- ₹175 Cr (\$21M) revenue by month 6
- 15% micro-to-monthly conversion by month 12

Secondary KPIs:

- 35% repeat purchase rate
- Track CAC & churn reduction impact

A - Achievable

India's 600M+ OTT base and Netflix's strong brand make the target realistic. Similar short-term plan models (e.g., JioHotstar) have driven more than 25% higher conversions.

R – Relevant

Addresses price-sensitive audiences while retaining Netflix's premium, ad-free experience. Aligns with Indian digital behavior (micro-payments, weekend viewing trends).

T - Time Bound

- Phase 1 (0-3 months): Pilot in 5 metros – 500K users
- Phase 2 (4-6 months): Nationwide rollout – 2.5M users
- Phase 3 (7-12 months): Focus on retention and 15% conversion to monthly plans



NORTH STAR METRIC

Monthly Active User Retention Rate =

$$\frac{\text{Number of users active in the current month who were also active in the previous month}}{\text{Number of users active in the previous month}}$$

Net Revenue Impact =

$$[(\text{New micro-user revenue} + \text{converted monthly revenue}) - (\text{cannibalized monthly revenue})]$$

Must be positive for strategy success.

Revenue Growth =

$$\frac{[(\text{Current period revenue}) - (\text{Previous period revenue})]}{(\text{Previous period revenue})}$$



SUPPORTING METRICS -

1. Acquisition Metrics (New User Growth)

- **Micro-Subscription Sign-ups** - Total new users acquiring 2-day or 7-day plans. Target: 2.5M in first 6 months. Tracks market penetration and pricing acceptance.
- **User Acquisition by Plan Type** - Distribution across Mobile, Basic, & Standard 2-days and 7-days plan. Identifies most popular entry points.
- **Customer Acquisition Cost (CAC)** - Marketing spend / new micro-subscribers. Compare against monthly plan CAC to assess efficiency.
- **Geographic Penetration** - User distribution across metro/tier 1/tier 2-3 cities. Validates hypothesis about tier 2-3 market expansion.
- **Demographic Breakdown** - Age groups (18-24, 25-35, 36+), income segments, occupation. Confirms target persona alignment (students, young professionals).

2. Engagement Metrics (User Behavior & Satisfaction)

- **Average Watch Time per Session** - Hours consumed during 2-day/7-day subscription periods. Indicates content satisfaction and value perception.
- **Content Completion Rate** - % of episodes/movies watched to completion. High rates (>60%) suggest strong content-market fit and quality engagement.
- **Peak Usage Hours** - Time-of-day and day-of-week usage patterns. Validates weekend/evening binge behavior assumptions.
- **Content Genre Preferences** - Most-watched categories among micro-users. Informs content strategy and promotional targeting for future campaigns.
- **Search & Browse Behavior** - Navigation patterns, search queries, list additions. Reveals discovery effectiveness and intent clarity.

3. Monetization Metrics (Revenue & ARPU)

- **ARPU - Micro-Subscription Users** - Average revenue per micro-user over 6-month period including repeat purchases.
- **Repeat Purchase Rate** - % of users making 2+ micro-subscriptions. High rates indicate sustainable model and strong content value perception.
- **Revenue Cannibalization Rate** - % of monthly subscribers downgrading to micro-plans. Must stay <5% to avoid net revenue decline. Critical risk metric.

4. Retention & Conversion Metrics (Long-term Value)

- **Micro-to-Monthly Conversion Rate** - % of micro-users upgrading to monthly plans within 6-12 months. This would be a Primary Success Indicator.
- **Time to Conversion** - Average months from first micro-purchase to monthly upgrade. Shorter periods indicate strong.



GO TO MARKET

Pre Launch

Market Research and User Feedback

Conduct surveys and focus groups to gather insights on user preferences and pain points related to Netflix new Subscription model. Use this feedback to refine the decisions, ensuring they meet user expectations and enhance engagement.

Internal Testing and Beta Launch

Initiate an internal beta testing phase with select users from different background and demographics. Collect feedback to address any issues and make necessary adjustments before the full launch.

Ensure that servers can handle huge traffics, and users can stream smoothly with high reliability & no Playback issue or crashes.

Launch

Promotion

Pre-launch Hype: Buzz through social media, influencers, and industry leaders to amplify the model reach.
Show Plans Category such that APRU can be maximum. Utilize banner ads, notifications, and updates on the offline & online channels to ensure maximum visibility. Create advertisement with trend setting key phrases such as "This weekend is for Netflix and Chill"



Post Launch

Performance Tracking and Optimization

Monitor user engagement, screen time, and feedback post-launch to assess the performance of the new subscription model. Track plan selection rates and user activity patterns to derive insights and drive data-backed business decisions in real time.

Engage Users with Premium Content

Update users on newly released premium series and exclusive films. Introduce diverse content categories to sustain interest and strengthen retention, while maintaining competitive momentum against other OTT platforms through consistent, high-quality releases and personalized recommendations.

Implement marketing and promotional activities



POTENTIAL PITFALLS & RISK

REVENUE & BUSINESS MODEL RISKS

Severe ARPU Cannibalization

Existing monthly subscribers downgrade to micro-plans, causing net revenue decline. Micro-subscription users never convert to monthly, creating perpetual low-value cohort

MARKET & COMPETITIVE RISKS

Aggressive Competitor Response

JioHotstar launches ₹29/week plan with sports; Amazon bundles free micro-passes with Prime membership. That nullifies differentiation.

STRATEGIC & LONG-TERM RISKS

Brand Premiumization Damage

Micro-subscriptions position Netflix as "cheap" option, eroding luxury brand perception built over 8 years. Alienates high-ARPU customers, reduces pricing power.

Data Dilution & Recommendation Engine Breakdown

Sporadic micro-users generate fragmented viewing data; personalization accuracy drops, engagement suffers, Reduced content ROI, user satisfaction decline.

THANK YOU

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 ayushgalphat@gmail.com
 linkedin.com/in/ayushgalphat9513