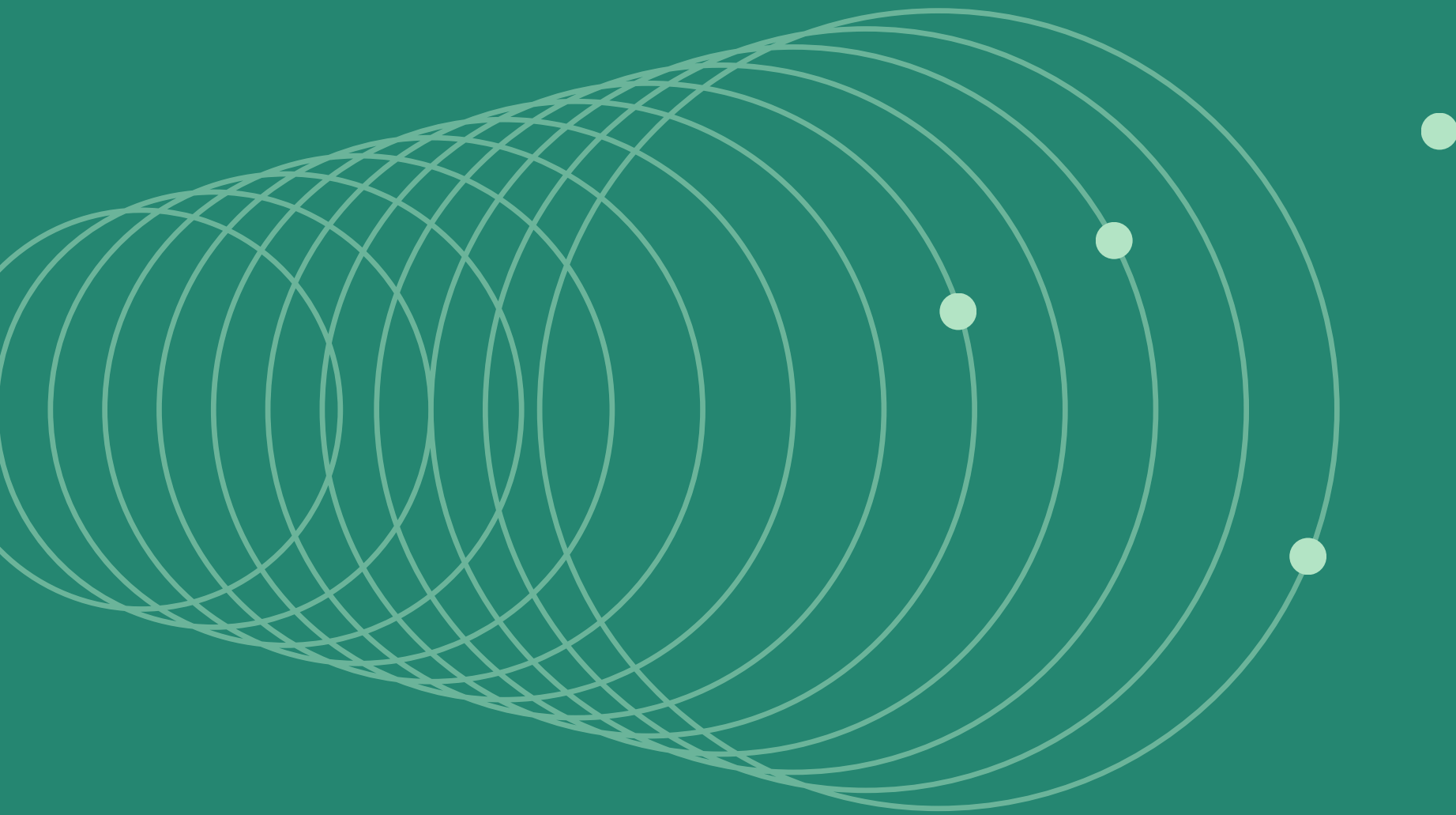




# Netflix Case Study Analysis

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# Agenda



Company Overview

Transformation

Formulation of the strategy

Industry and Competitor analysis

SWOT Analysis

Recommendations



# Company Overview

Netflix, Inc. is a global leader in subscription-based streaming services and production of original content. Initially established as a DVD rental-by-mail service, Netflix revolutionized the way audiences consume content, shifting towards an online streaming platform in 2007. The company has since grown to become a dominant player in the entertainment industry, boasting a vast library of movies, TV shows, documentaries, and its critically acclaimed original programming.

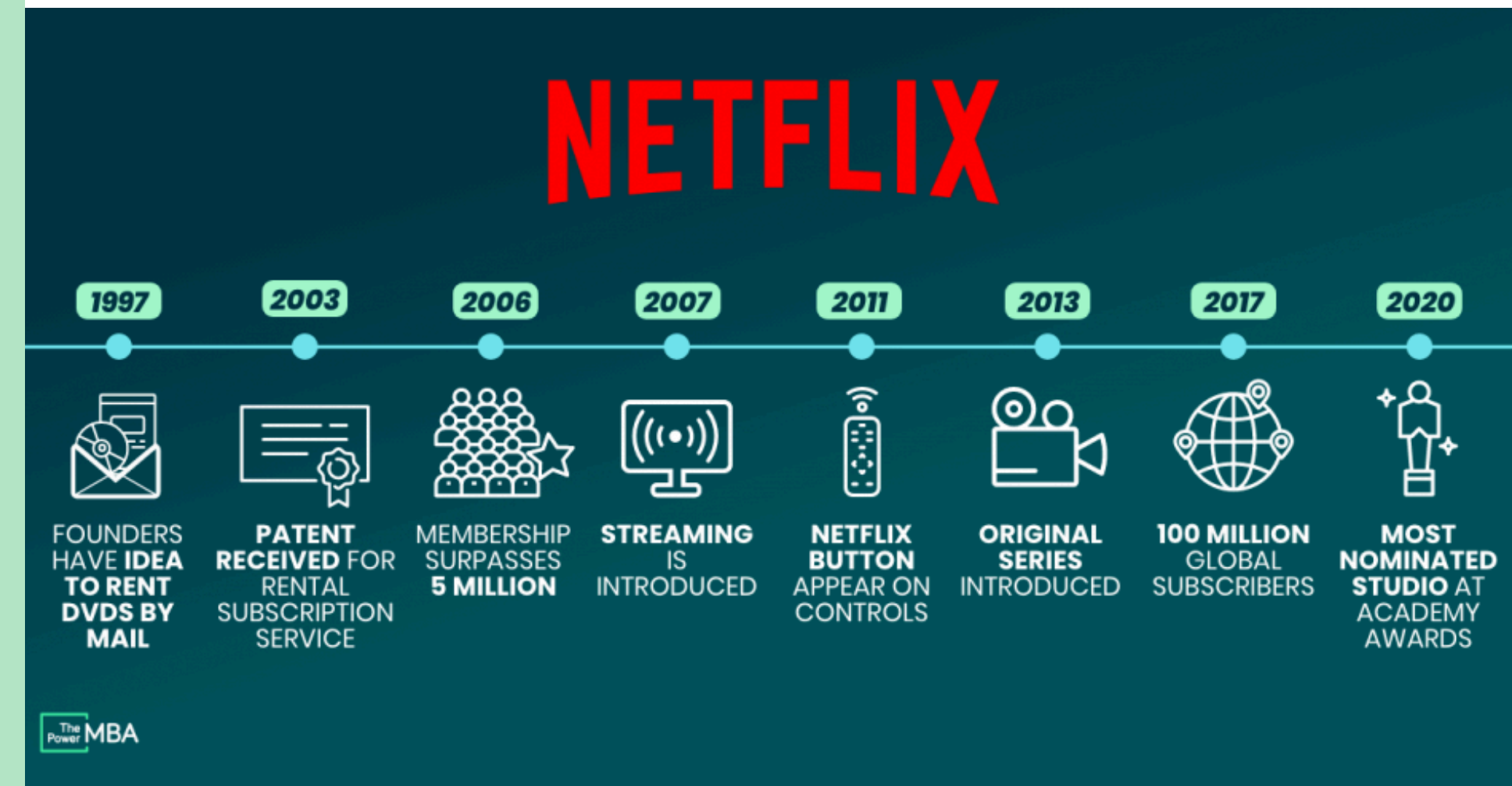


# History of Netflix

- Founded by Reed Hasting in 1997 in Las Gatos, California.
- DVD by mail rental service.
- IPO 2002 at \$15 per share: 82.5 million in shares.
- Challenged traditional movie rental business model.
- Blockbuster and rental stores demise.

# Netflix Transformation

- Founding and Initial Business Model (1997–2006)
- Transition to Streaming (2007–2012)
- Original Content Creation (2013–2018)
- Global Expansion (2016–2019)
- The Streaming Wars and Intensified Competition (2019–Present)



# Original Content Creation

The Game-Changer Phase of Netflix

Netflix made a bold move by producing its first original series, House of Cards, in 2013. This was followed by other original hits like Orange is the New Black and Stranger Things.

## Impact:

The creation of exclusive content allowed Netflix to differentiate itself from competitors, create loyal audiences, and gain critical acclaim. Original content became the cornerstone of Netflix's business model, attracting and retaining subscribers worldwide.

# Netflix's Strategy for Original Content and Cultural Diversification

01

## Investment in Original Content

Originals like House of Cards and Stranger Things have become global phenomena, helping Netflix build strong brand recognition.

02

## Localization and Language-Specific Content

Netflix partners with local creators, writers, and directors to ensure the content is culturally relevant. For instance, Sacred Games (India), Money Heist (Spain), and Dark (Germany) are all examples of localized content that have resonated with both domestic and international audiences.

03

## Investments in Diverse Genres and Formats

Netflix has been proactive in telling diverse stories that represent various cultural, racial, and gender identities. For example, Orange Is the New Black, The Queen's Gambit.



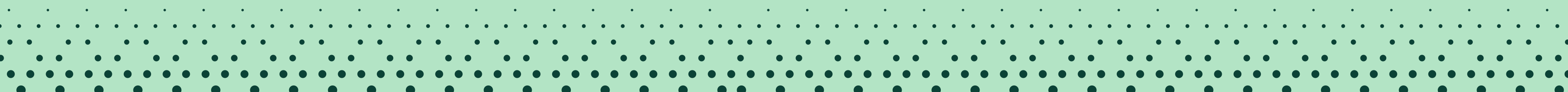
# Challenges and Objectives

## Challenges

- Market Saturation in Developed Regions.
- Rising Competition.
- Password Sharing.
- High Content Costs.
- Subscriber Churn.
- Regulatory and Cultural Challenges

## Objectives

- Expand Global Presence.
- Enhance Revenue Streams.
- Focus on Original Content.
- Combat Password Sharing.
- Diversify Offerings.
- Leverage Technology.





# Industry Analysis

- As of the second quarter of 2024, the Indian streaming market is led by Disney+ Hotstar, holding a 26% market share with approximately 38 million subscribers.
- Netflix holds a 13% market share, serving about 10 million users in India.
- The Indian Video Streaming (SVoD) market is projected to reach \$2.02 billion in 2024, with an annual growth rate of 9.76% from 2024 to 2029, indicating a robust expansion trajectory.

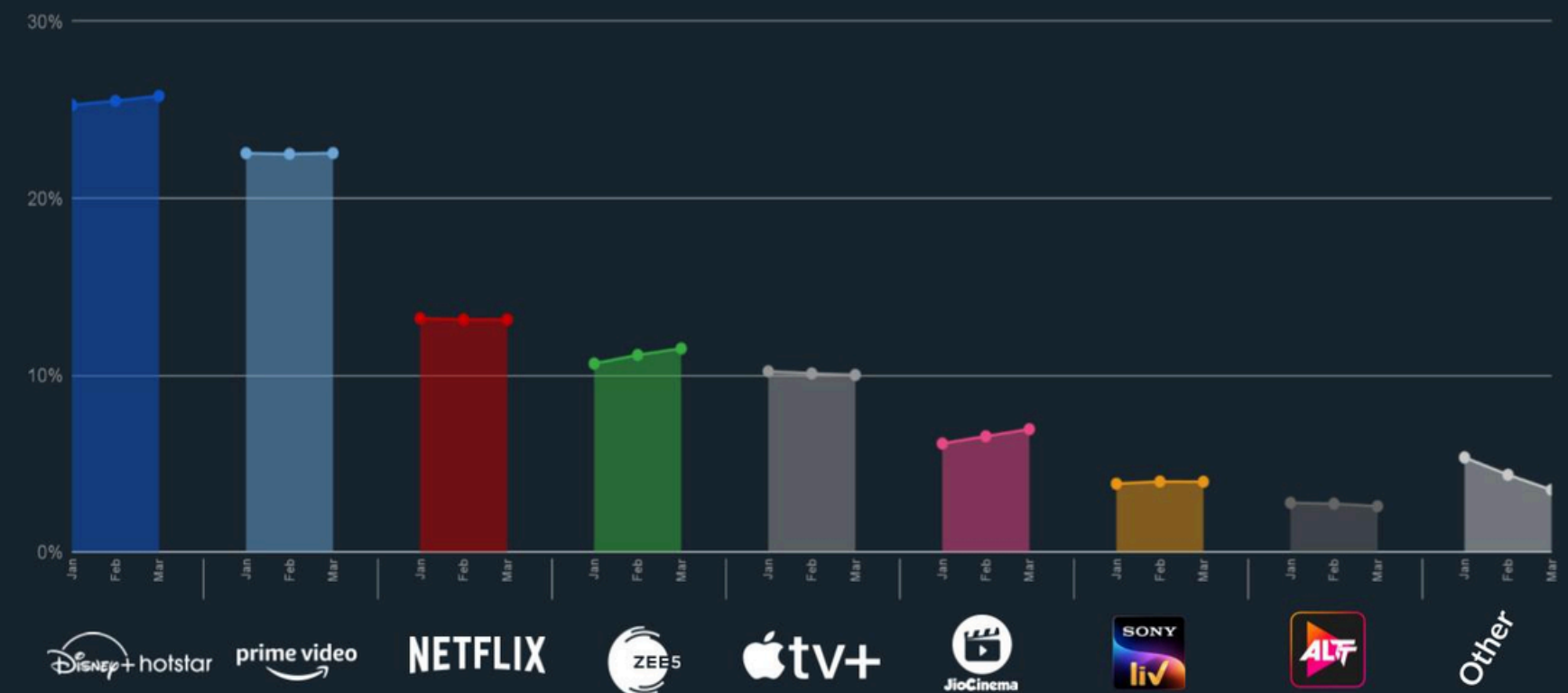


Source: Just Watch

## Streaming Charts

Market share development: January-March 2024

 **JustWatch**  
THE STREAMING GUIDE



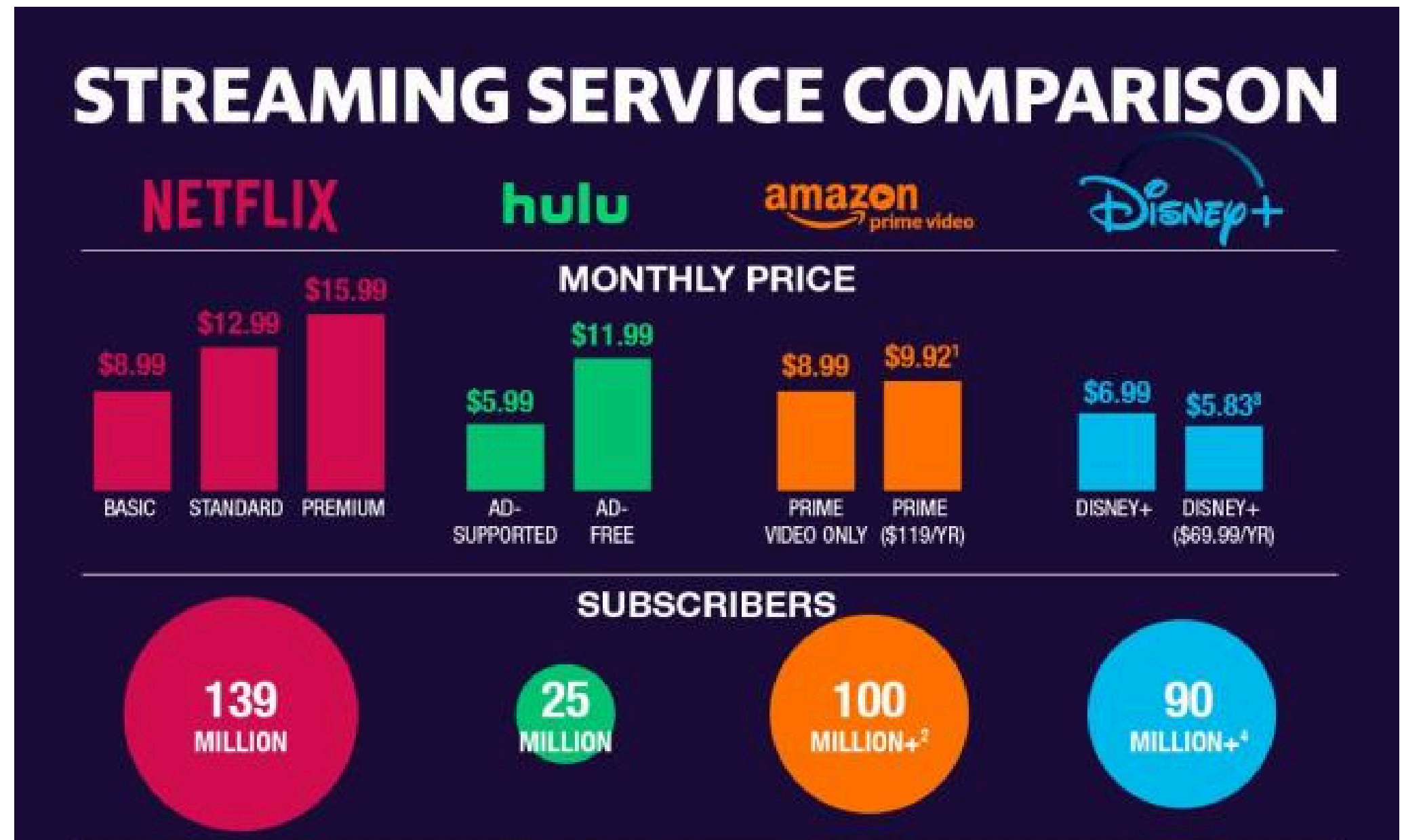
Source: JustWatch.com – Measured interest in SVOD services on JustWatch in India from 01.01-31.03.24.

India 

# Competitor Analysis

Netflix faces stiff competition from major players like Amazon Prime Video, Disney+, HBO Max, Hulu, and Apple TV+, each leveraging unique strengths such as exclusive content, live sports, and bundled pricing. These rivals challenge Netflix on pricing, content variety, and regional strategies, intensifying the battle for market dominance in both developed and emerging markets.

Source: Yahoo Finance



# SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"><li>• Increasing amount of international subscriber.</li><li>• Geographically diverse market.</li><li>• Exclusive licensing agreements and partnerships.</li><li>• As one of the first streaming platforms, Netflix captured significant market share early on, maintaining a strong position.</li></ul>	<ul style="list-style-type: none"><li>• Revenue losses due to users sharing accounts, reducing new subscription growth.</li><li>• Lack of diversification in revenue streams makes Netflix vulnerable to market saturation.</li><li>• Unlike competitors, Netflix lacks live sports or real-time programming, which could engage broader demographics.</li></ul>	<ul style="list-style-type: none"><li>• Expanding aggressively in regions like Asia, Africa, and Latin America with localized content.</li><li>• Strategic tie-ups with telecom operators, smart TV manufacturers, and studios for increased reach.</li></ul>	<ul style="list-style-type: none"><li>• Rivals like Disney+, Amazon Prime Video, and Hulu offer competitive pricing and exclusive content.</li><li>• Limited growth opportunities in mature markets like the U.S. and Europe.</li><li>• High subscriber turnover due to subscription fatigue and frequent price hikes.</li></ul>

# Recommendations



## Ad-Supported Tier

Expand the ad-supported model globally to attract price-sensitive users and generate additional revenue.



## Explore Live Content and Sports

Acquire rights to live sports or launch live events, such as concerts or stand-up comedy specials.



## Enhance Mobile-Only Plans

Expand low-cost, mobile-only subscription plans in emerging markets.



## Invest in Gaming

Build on the success of Netflix Games by introducing interactive experiences tied to its popular IPs.

Thank You

