



# Final Project

## Netflix Analysis

FSDA AUG22

Prepared by Group M

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**NETFLIX**

# Executive Summary



- **Subscriber growth 59% lower than in previous year**

The number of Netflix subscribers has grown exponentially since the launch of our product, the streaming service. However, in 2021, subscriber growth slowed and was 59% lower than in the previous year.

- **The Highest-priced Subscription Plan**

Among three other competitor, our premium subscription plan is 19% more expensive, compare to Disney+ (second place by subscription price ).

- **Portion of Netflix original Contents and Licensed Contents have significant change**

Netflix produce more original contents and Popular Licensed Contents leaving Netflix.

- **Disney+ beats Netflix**

Disney has The highest avg.rating and number of votes.

# Profil Group M

TL



**Meli**



**Daniel**



**Fira**



**Dimas**



# Overview

# Company Overview



Netflix, Inc. is an American subscription streaming service and production company based in Los Gatos, California. Founded on August 29, 1997 by Reed Hastings and Marc Randolph in Scotts Valley, California, it offers a film and television series library through distribution deals as well as its own productions, known as Netflix Originals.

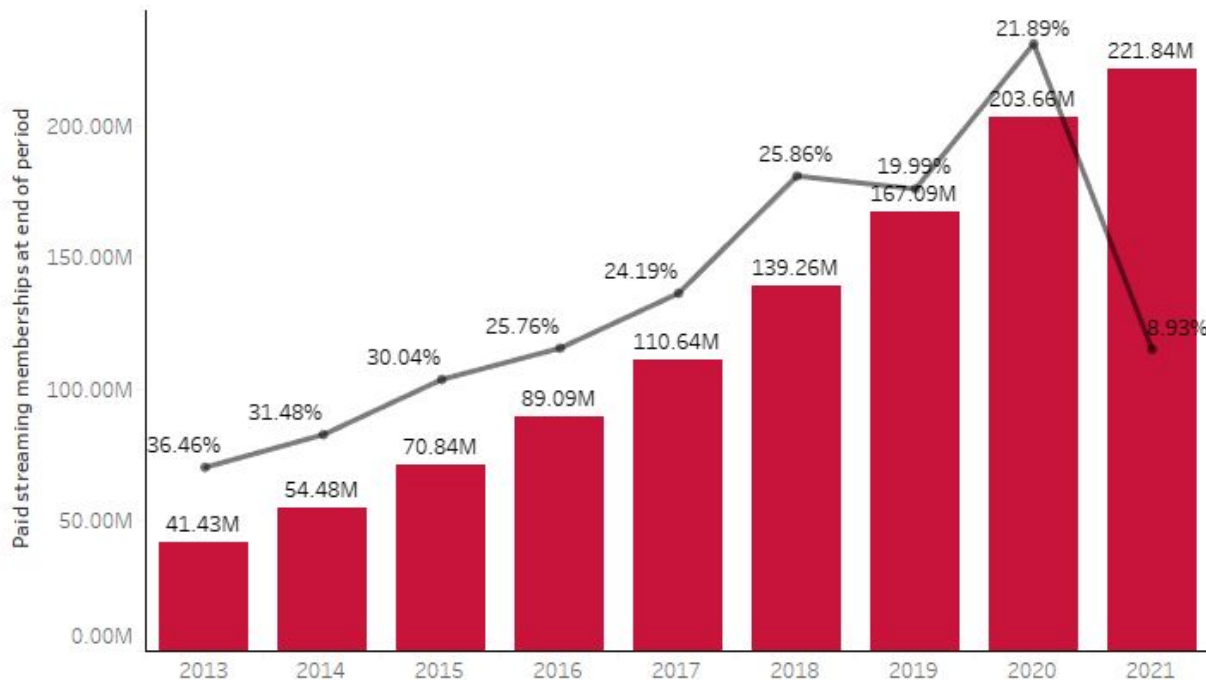
Available in  
**190**  
countries  
per 2021

**1st** place in  
market share of  
global platform  
demand for  
digital originals  
in 2021

Has more than  
**220 million**  
subscribers  
worldwide  
in 2021

Has **8,807**  
number of Title  
per 2021

# Subscriber growth 59% lower than in previous year

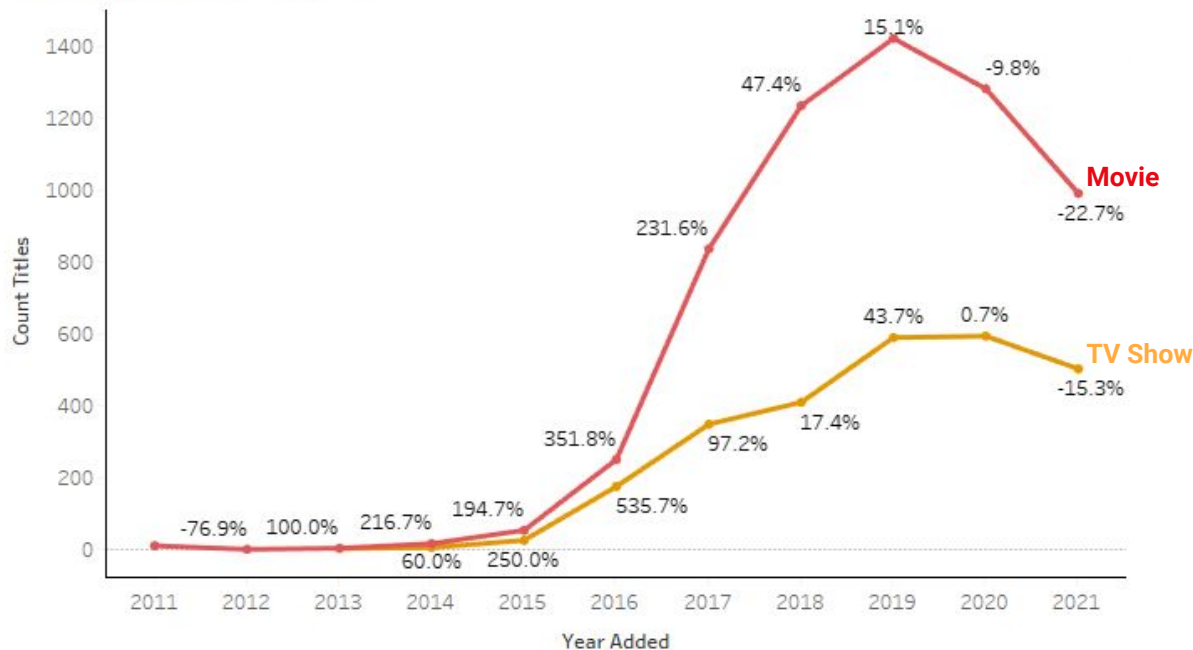


- The Subscribers growth from 2020 to 2021 **slowed which down from 21% to 8%.**
- Total new subscriber in 2020 around 41.39 Million and in 2021 around 16 Million

# Decreased addition of new content



Content Added by Year



- In **2019** is the **highest number of added content** in our library.
- Number of added content in 2021 was **drop around 22.7%**.

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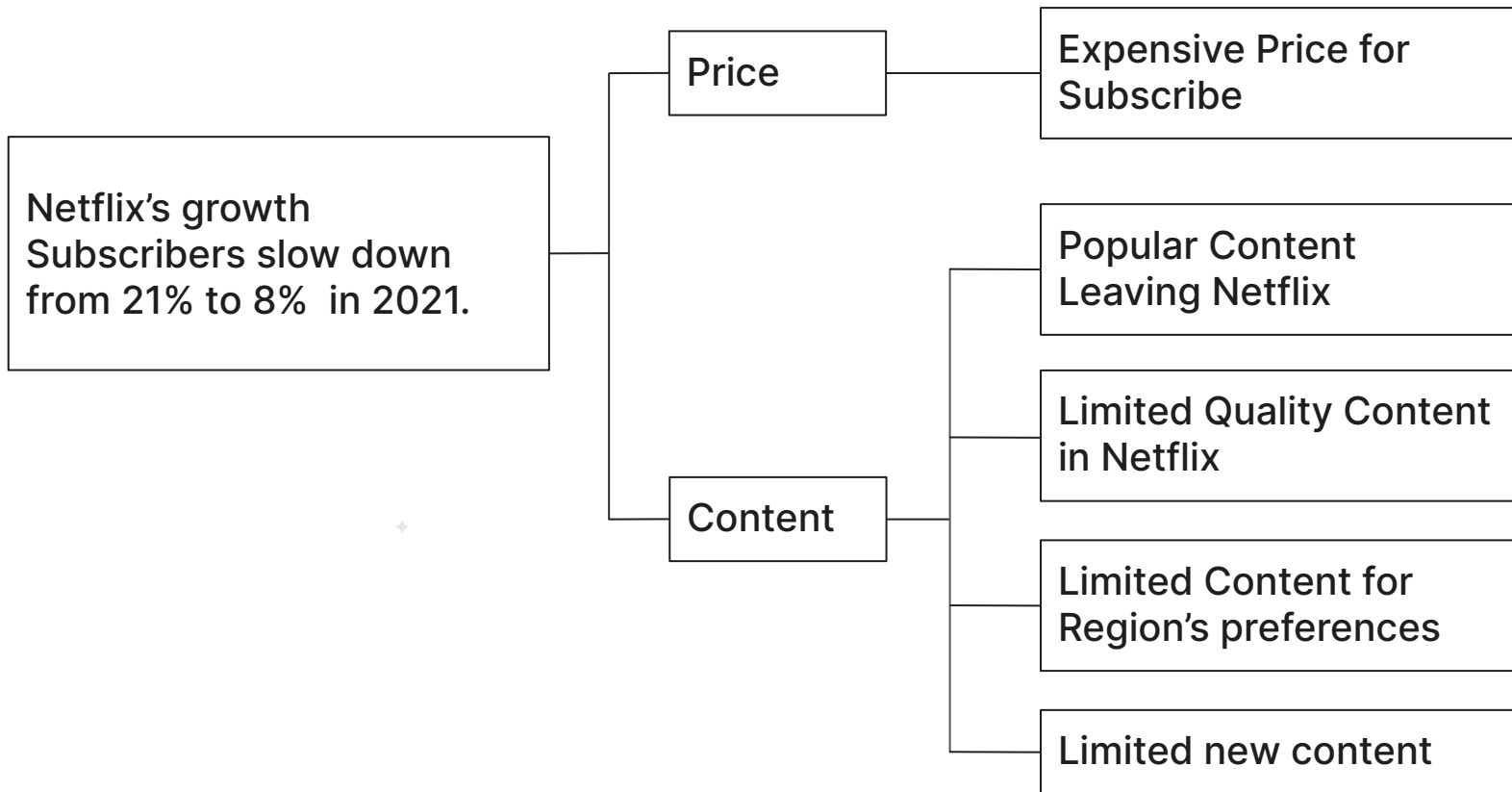
# **Problem Statement And Root Causes**





**Netflix subscriber growth has slowed from  
21% to 8% in 2021**

# Root Causes





# Objective



**How to increase Netflix subscriber growth  
20% in 2022**

## Hypothesis 1

If we **increase popular content**, we will increasing growth subscriber **20%** in 2022.



## Hypothesis 2

If we have **competitive price** in market, we will increasing growth subscriber **20%** in 2022.

## Hypothesis 3

If we provide **more region's preference content**, we will increasing growth subscriber **20%** in 2022.



**Issue**

**Subscription Price**

# The Highest-priced Subscription Plan

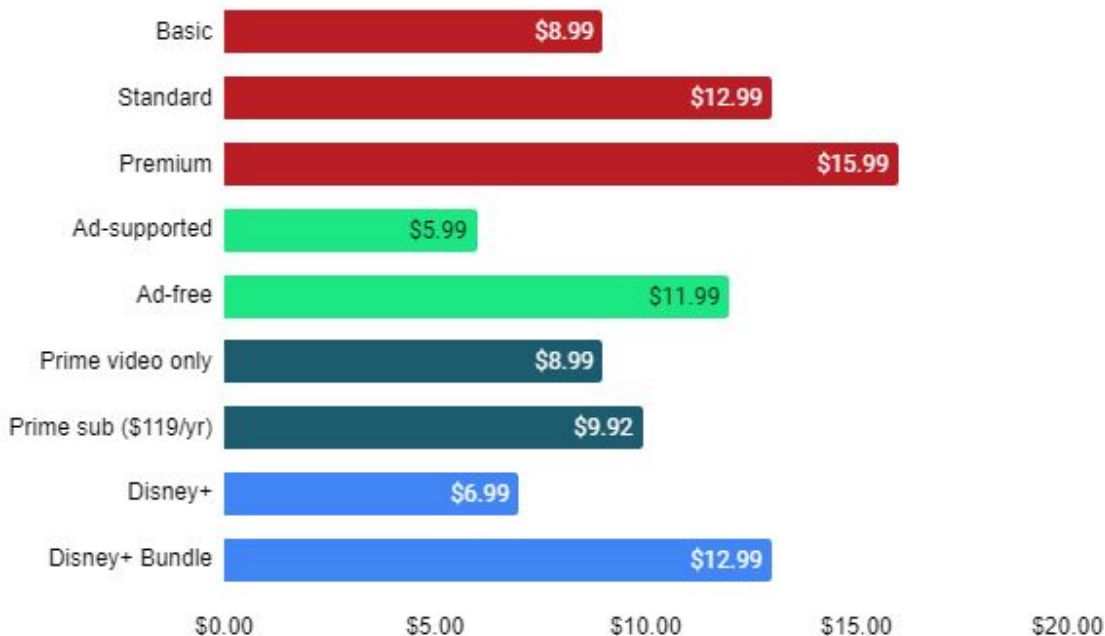


NETFLIX

hulu

prime video

Disney+



Compared to Disney+, which is second in terms of subscription price, we have the most **expensive subscription price**, which is **19% higher**.

# The Reason Netflix Have Expensive Price



“One of the big reasons **Netflix needs money is to pay for new shows and movies. Streaming services are spending a frankly outrageous chunk of change on original programming**, with global spend expected to exceed \$230 billion in 2022, according to estimates from firm Ampere Analysis.”

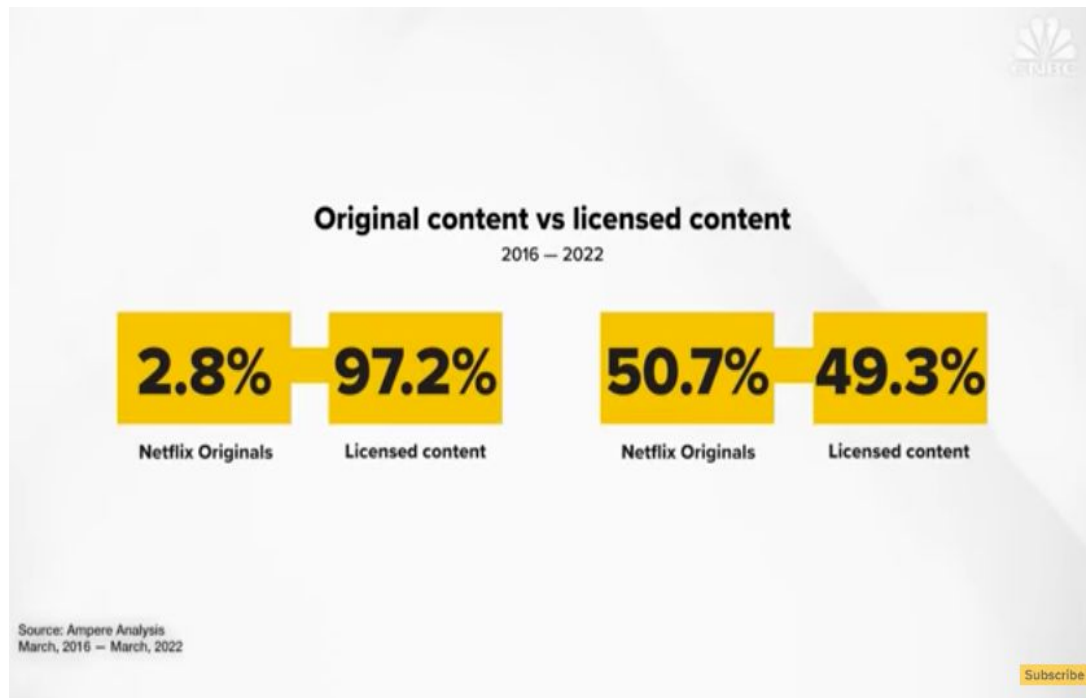




**Issue**

**Content Issue**

# Netflix Original Make Up 50% of Netflix Library



- % of **Netflix Originals** contents have **significantly increase**.
- % of **Licensed contents** have **extremely decrease**.



## Netflix's top-performing shows in 2021

In total minutes watched

1	<b>Criminal Minds</b>	<b>33.9B minutes</b>	<b>322 episodes</b>
2	<b>CoComelon</b>	<b>33.3B minutes</b>	<b>15 episodes</b>
3	<b>Grey's Anatomy</b>	<b>32.6B minutes</b>	<b>382 episodes</b>
4	<b>NCIS</b>	<b>29.5B minutes</b>	<b>354 episodes</b>
5	<b>Heartland</b>	<b>20.4B minutes</b>	<b>215 episodes</b>
6	<b>Manifest</b>	<b>19.9B minutes</b>	<b>42 episodes</b>
7	<b>Supernatural</b>	<b>18.9B minutes</b>	<b>329 episodes</b>
8	<b>Lucifer</b>	<b>18.4B minutes</b>	<b>93 episodes</b>
9	<b>Schitt's Creek</b>	<b>18.1B minutes</b>	<b>80 episodes</b>
10	<b>Squid Game</b>	<b>16.4B minutes</b>	<b>9 episodes</b>

Subscribe

DECIDER

## 'Criminal Minds' Is leaving Netflix this June



## Sample Movies whose leaving Netflix

### Marvel

*Guardians of the Galaxy Vol. 2*: May 5, 2019

*Thor: Ragnarok*: December 6, 2019

*Black Panther*: March 4, 2020

*Avengers: Infinity War*: June 25, 2020

*Ant-Man and the Wasp*: July 29, 2020

### Star Wars

*Star Wars: The Last Jedi*: December 26, 2019

*Solo: A Star Wars Story*: July 9, 2020

### Pixar

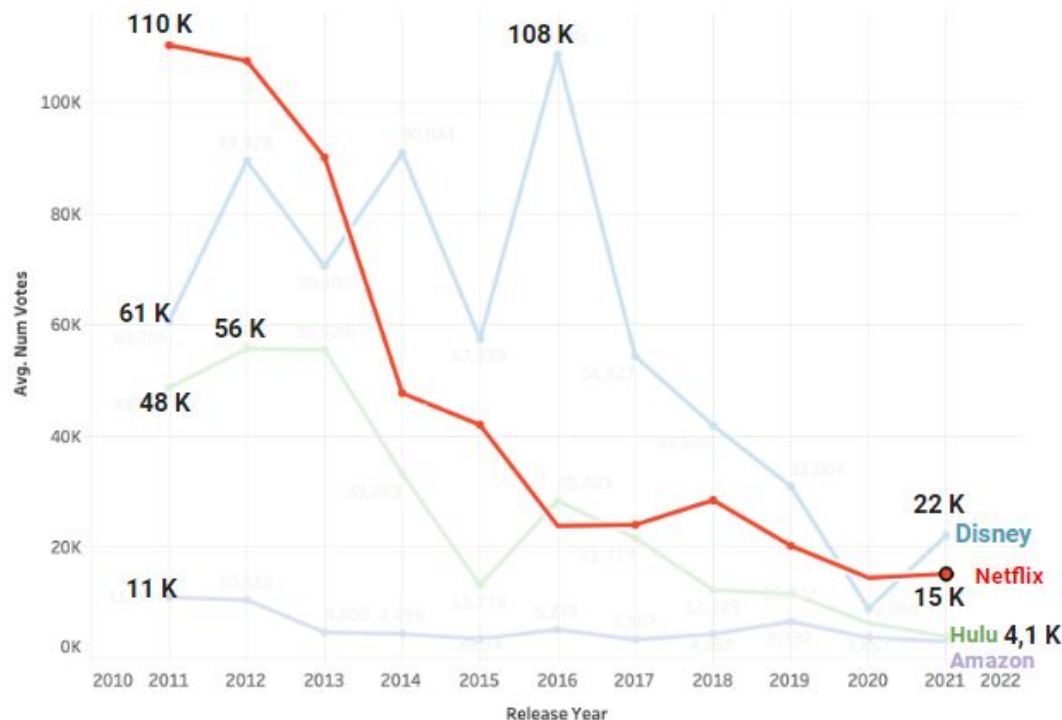
*Cars 3*: July 31, 2019

*Coco*: November 29, 2019

*Incredibles 2*: July 30, 2020

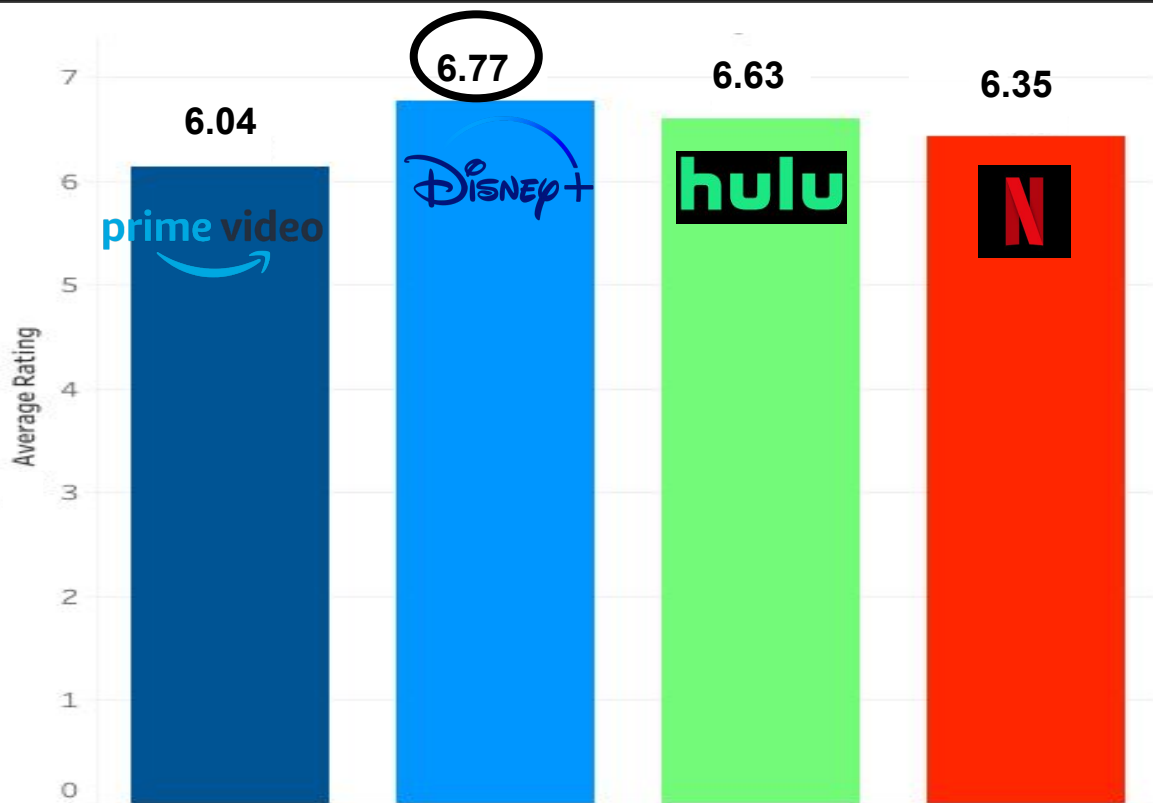
**Those Movies have Fanatic Fans around the world**

# Disney+ Beats Netflix by Average Number Votes



- The movies or production house leaving Netflix **in 2019 - 2020 followed by average number of votes in Netflix decrease.**
- The top of average number of votes is Disney

# Disney+ beats Netflix by Avg of Rating IMDb



- Disney has **highest average rating about 6.77.**
- Hulu in second position with avg.rating about 6.63.
- Netflix has **average rating about 6.35**, and **3 position from 4** big online streaming platform.

# Top 5 Genres by Average Rating



Genres	Online Streaming			
	Amazon	Disney	Hulu	Netflix
Action,Adventure,Comedy	4.69	5.83	6.48	5.88
Action,Adventure,Drama	6.14	6.75	6.67	6.72
Action,Adventure,Sci-Fi	6.23	6.97	6.68	6.39
Crime,Drama	6.24	8.10	7.51	7.25
Drama	6.43	6.92	6.47	6.75

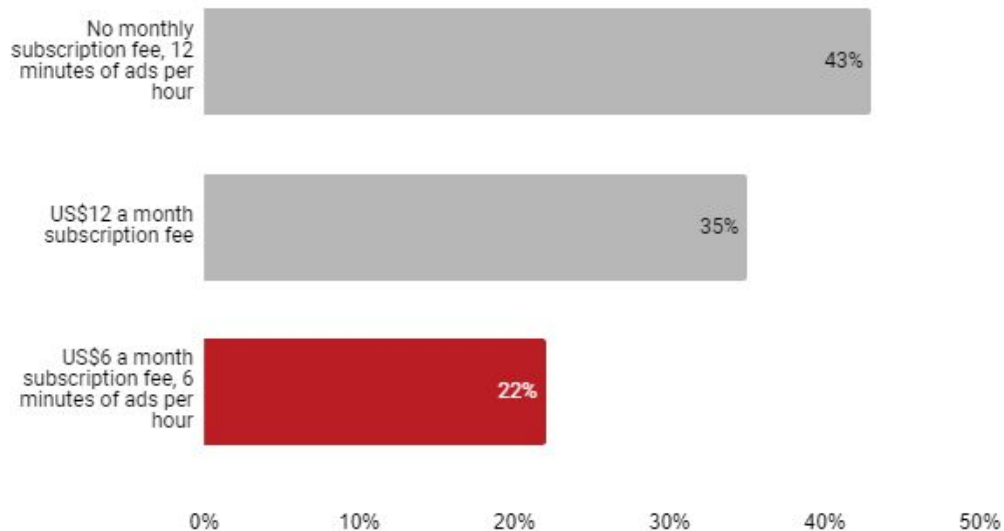


- **Crime, Drama** is genre has Highest Avg. Rating about **8.10**
- **Disney** is Online Streaming platform has **highest of total genres have high average rating**
- Netflix's genres have top avg.rating is Crime,Drama about 7.25
- Action, Adventure, Comedy has lowest average rating on Netflix

**Recommendation to  
increase 20% subscribers  
growth in 2022**



# Ads-tier Subscription Plan



\*total customer survey is 2000

- **22% of customer survey** said, they would be to pay cheaper subscription with ads.
- We recommend to introduce additional subscription plan, which is **ad-tier subscription at lower price with a limited content (as part of condition)**

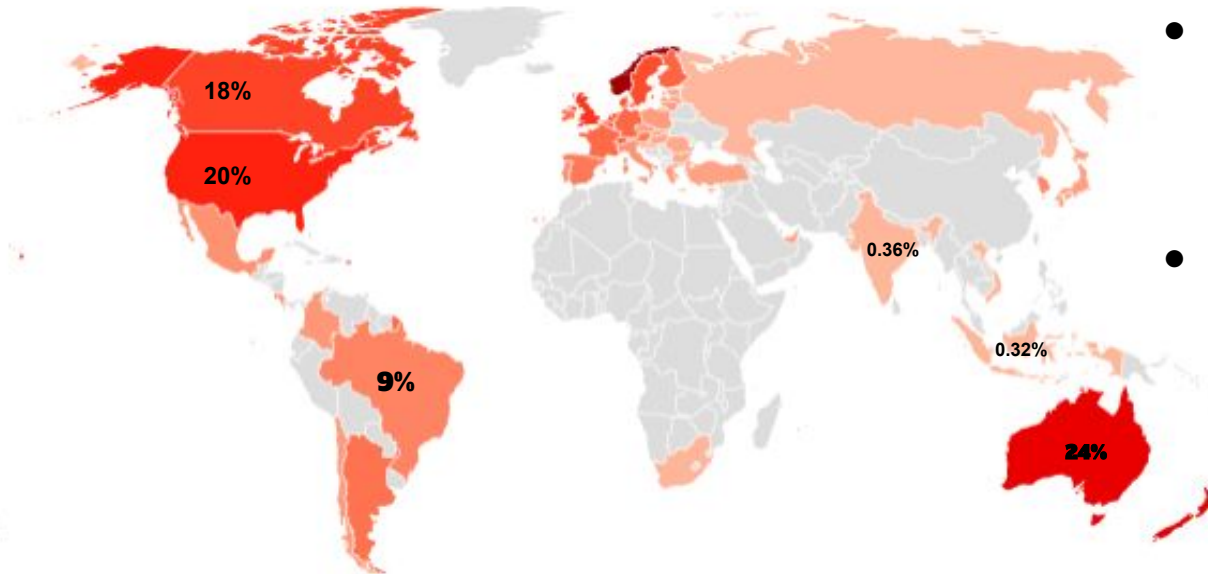
**Provide Contents by  
Region's Preferences**

# Small number % of Population



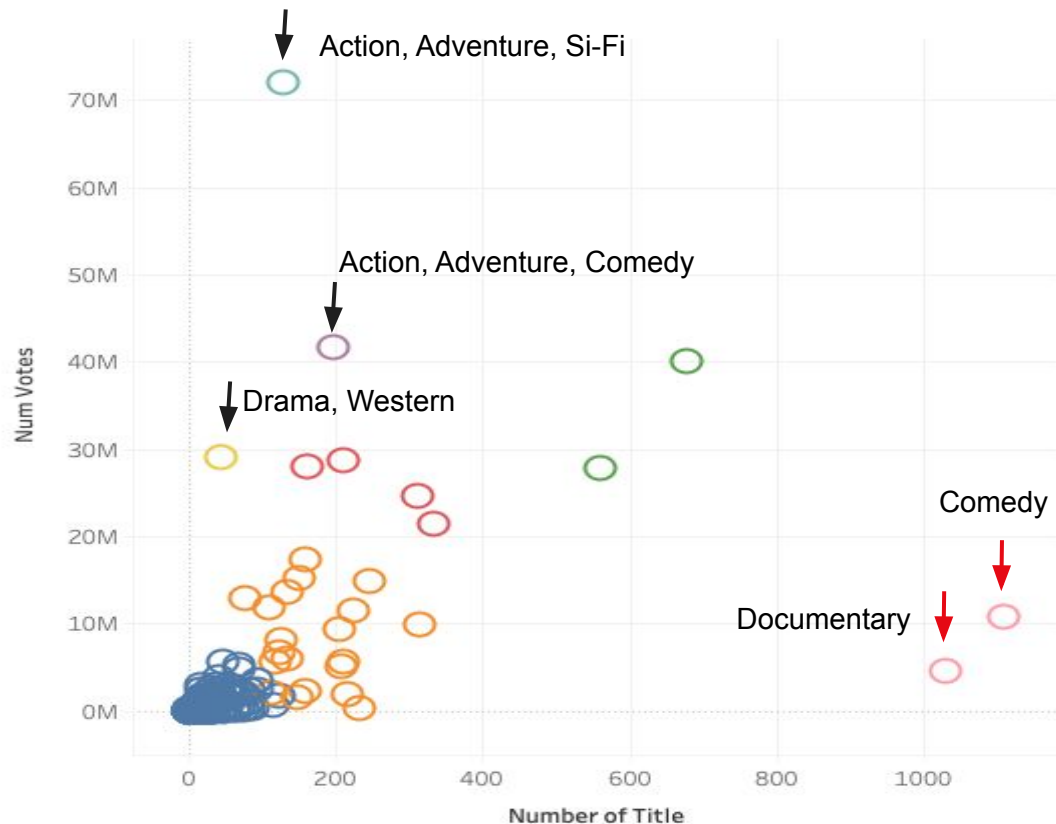
## % of population with a Netflix subscription

% of Population



- The Number % of population with a Netflix subscription 2021 had **small number % of population**.
- **Our potential is region has large number and have an interest to watching contents** (Movie and Tv show).
- Increasing % of population with a Netflix Subscription with **provide more contents by region's preferences**

# US's Preference by Genre



- In US we should **provide more contents with genres** below:

1. Action, Adventure, Sci-fi genre
2. Action, Adventure, Comedy
3. Drama, Western

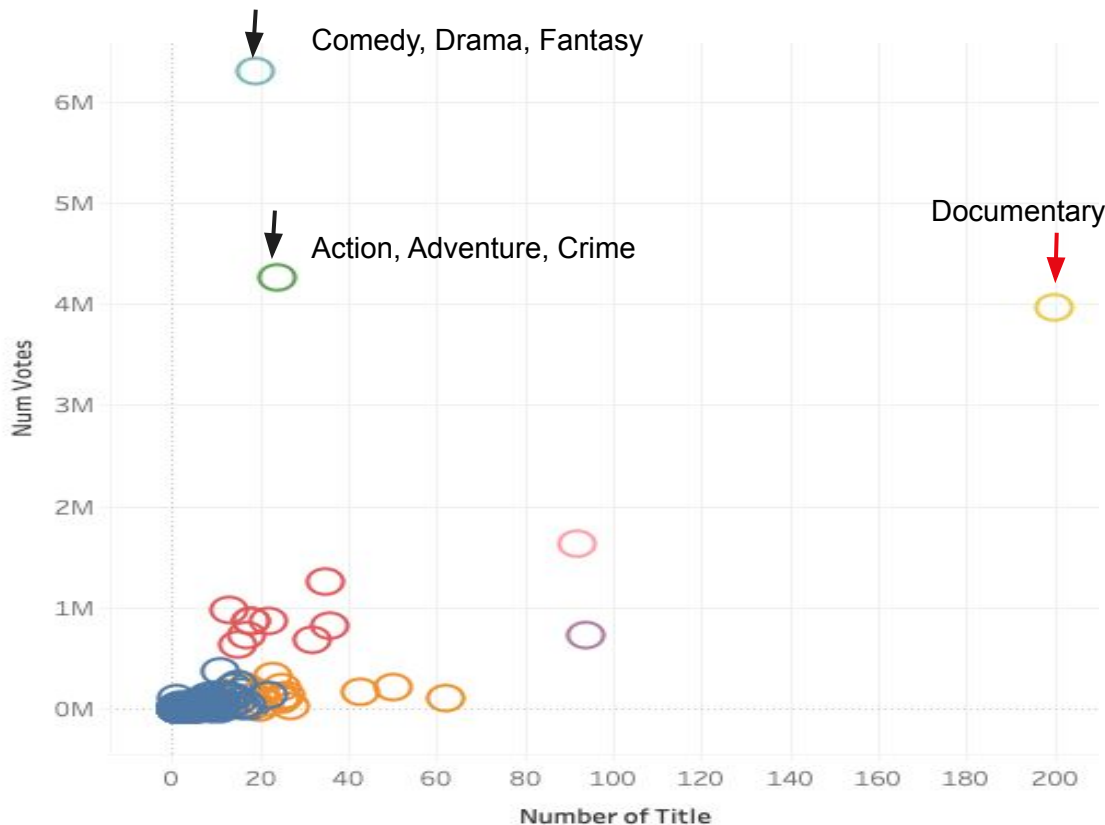
Because the Genre has **highest number of votes but the content have been provided is more smaller than others genres.**

- The Genres **can reduce** the number of contents below:

1. Comedy
2. Documentary

Because the genres had **small number of votes but the number of contents have been provided is more bigger than others contents**

# UK's Preference by Genre



- In UK we should **provide more contents with genres**

1. Comedy
2. Action, Adventure, Crime

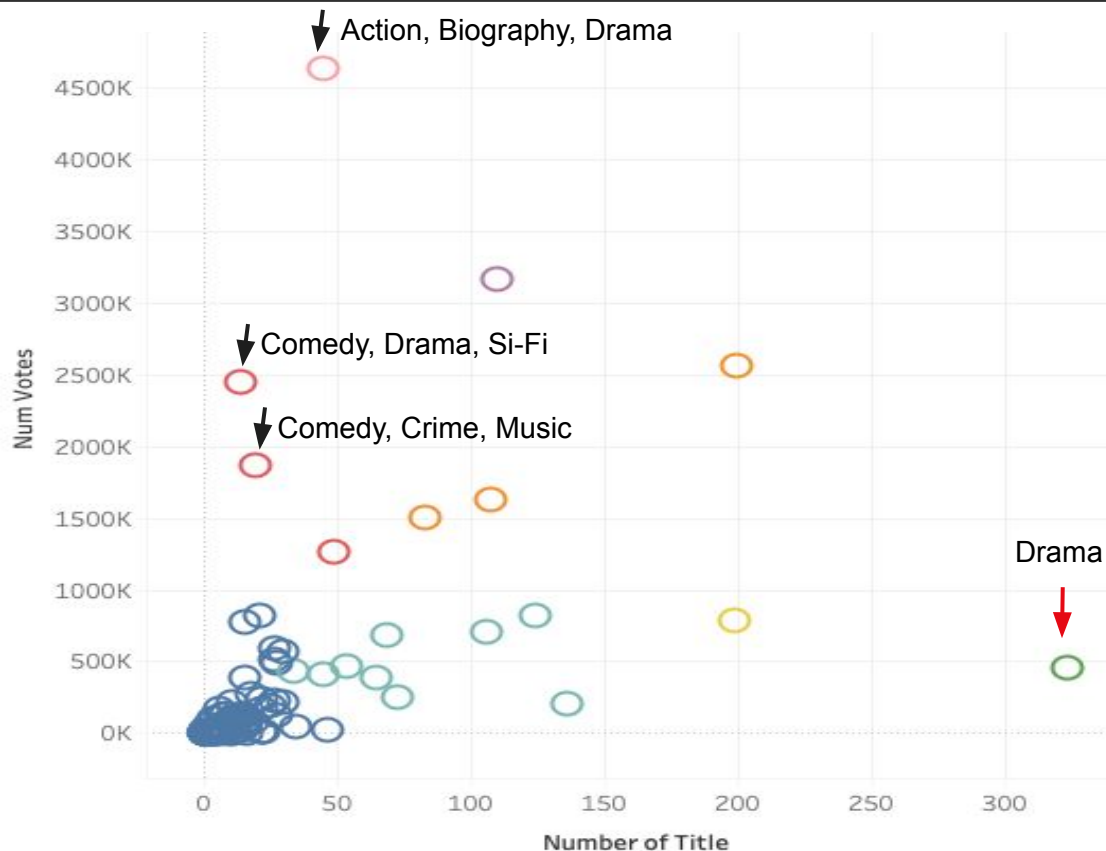
Because the Genre has **Highest number of Votes but the content have been provided is more smaller than others genres.**

- The Genre **can reduce** the number of content

1..Documentary

Because the genre had **small number of Votes but the number of contents have been provided is more bigger than others contents**

# India's Preference by Genre



- In India we should **provide more contents with genres**

1. Action, Biography, Drama
2. Comedy, Drama, Si-Fi
3. Comedy, Crime, Music

Because the Genre has **highest number of votes but the content have been provided is more smaller than others genres.**

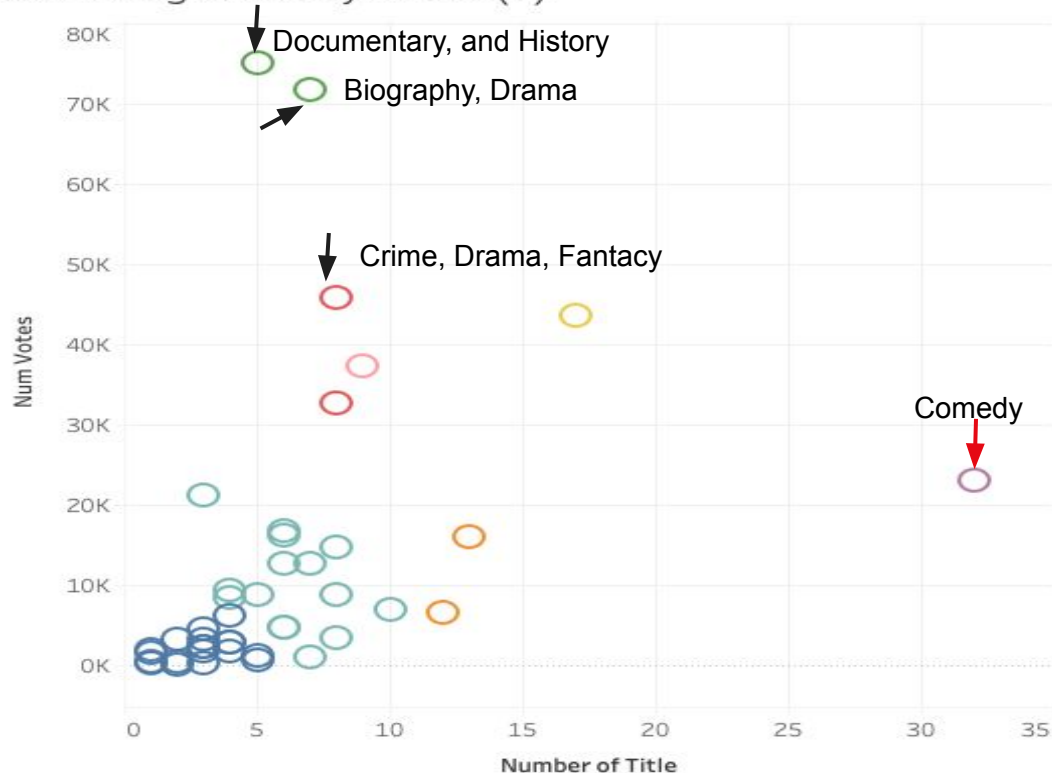
- The Genre **can reduce** the number of content
  1. Drama

Because the genre had **small number of votes but the number of contents have been provided is more bigger than others contents**

# Brazil's Preference by Genre



Clustering Brazil by Genre (7)



- In Brazil we should **provide more contents with genres**

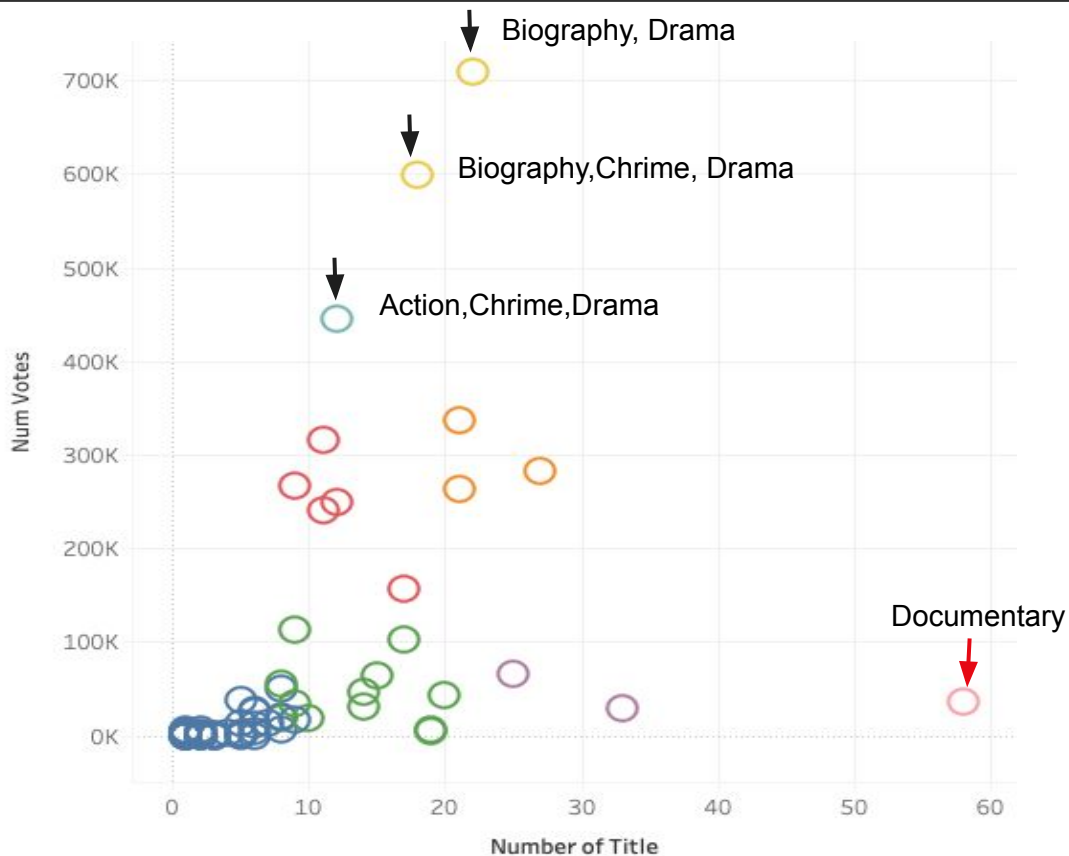
1. Documentary, and History
2. Biography, Drama
3. Crime, Drama, Fantasy

Because the Genre has **highest number of votes but the content have been provided is more smaller than others genres.**

- The Genre **can reduce** the number of content
  1. Comedy

Because the genre had **small number of votes but the number of contents have been provided is more bigger than others contents**

# Canada's Preference by Genre



- In Canada we should **provide more contents with genres**

1. Biography, Drama
2. Biography, Crime, Drama
3. Action, Crime, Drama

Because the Genre has **highest number of votes but the content have been provided is more smaller than others genres.**

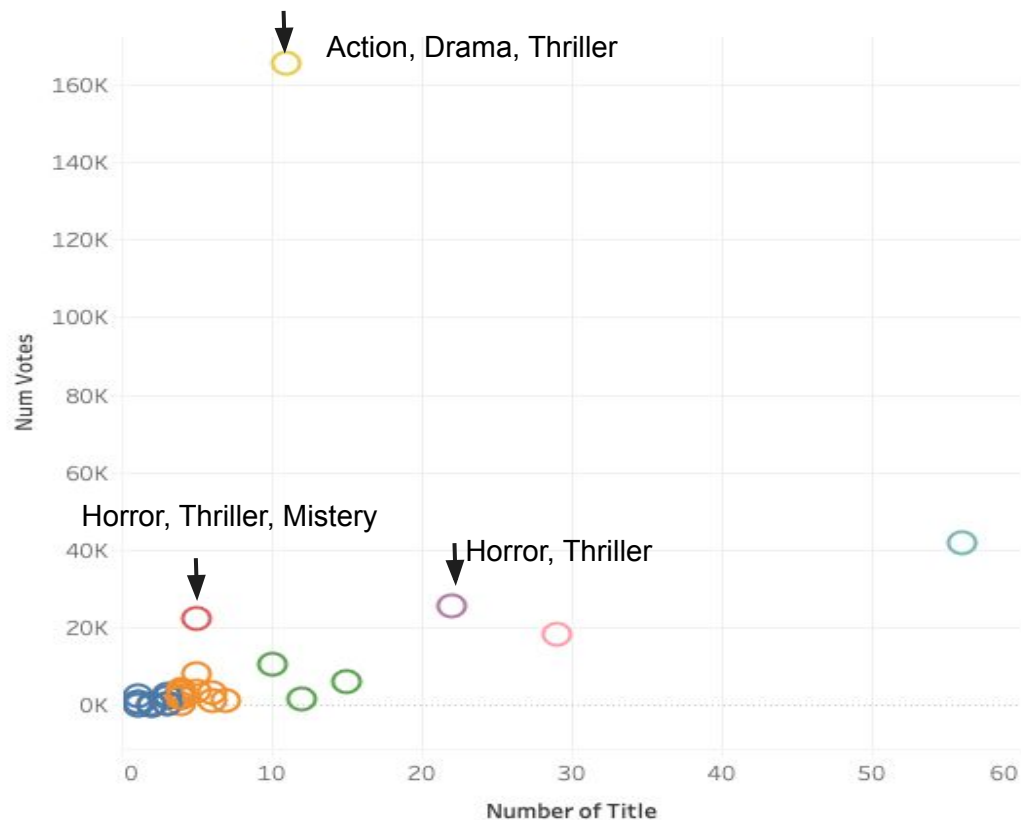
- The Genre **can reduce** the number of content

1. Documentary

Because the genre had **small number of votes but the number of contents have been provided is more bigger than others contents**



# Indonesia's Preference by Genre



- In Indonesia we should **provide more contents with genres**
  1. Action, Drama, Thriller
  2. Horror, Thriller, Mystery
  3. Horror, Thriller

Because the Genre has **Highest number of Votes but the content have been provided is more smaller than others genres.**

**Contract with Directors  
who Produced Popular  
Movie and TV Show**

# | Director has Important role



One of Netflix's **biggest competitors is Disney+**, which is due to the media conglomerate being home to **Marvel, Star Wars**, and many other movie franchises.

Netflix has already achieved that sort of success with TV franchises such as **Stranger Things and Bridgerton**. So we can do within **Movie** as well.

**The Gray Man**, was a step in that direction. **Anthony and Joe Russo, who directed Avengers: Infinity War and Endgame**, are responsible for this Netflix creation.

The movie gained 88.5 million viewing hours in three days.



**Increasing Director has best Talent to produce Movie and TV show must be Increasing Popular Contents, and impact to Increasing Number of Subscriber**



# Appendix

# N Netflix Analysis

Number of Titles on Netflix

7,093

Country Name

(All)

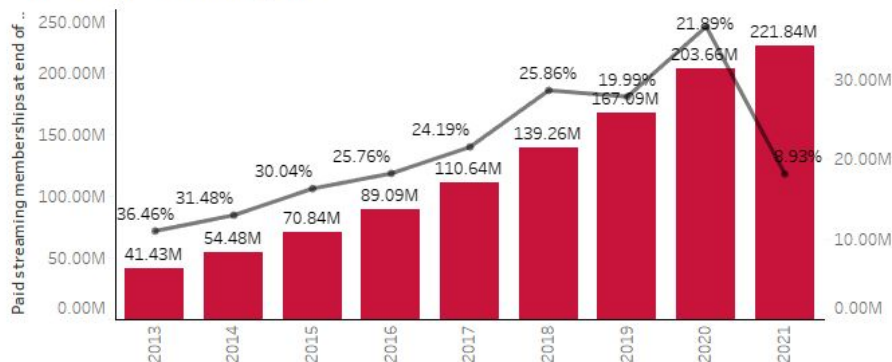
Streaming Service

(All)

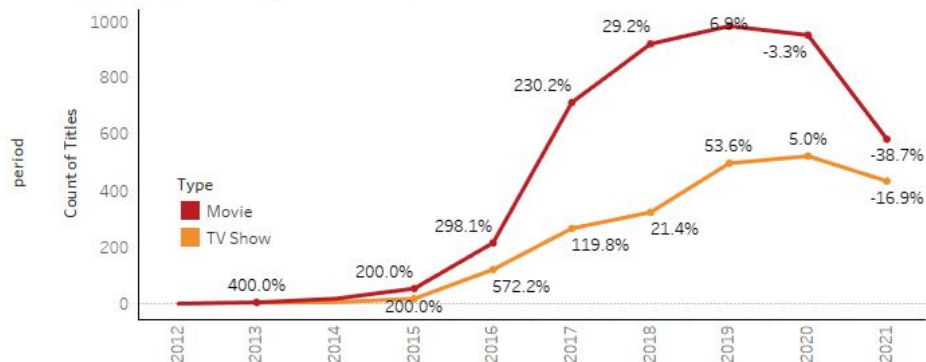
Release Year

2012 2021

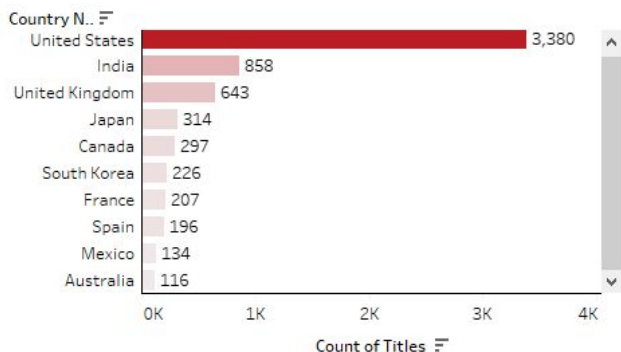
Subscriber Growth by Year



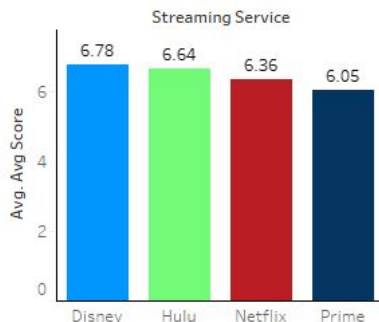
Trend Added Content Netflix



Top 10 Country by Production Title



Average Scores by Streaming Service



Trend of Average Number of Votes by Streaming Services

