Product Construct

Redefining Digital Entertainment with NETFLIX

- in Prince Arya
- in <u>Himanshi Vaidya</u>
- in <u>Anupam Anand</u>
- in Shagun Agarwal





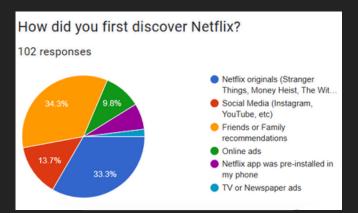
Problem Breakdown

- Daily average traffic (Unique Users) has to be improved from 100K per day to 125K per day. Assigned to Sidd (Marketing Lead).
- First Time Subscription needs to improve from ₹57.8Lacs/Day to ₹72.3 Lacs /Day. Assigned to Adi (Growth PM)
- Repeat Subscription needs to move from ₹57.8Lacs/Day to ₹72.3Lacs/ Day. Assigned to Nithin (Core PM)

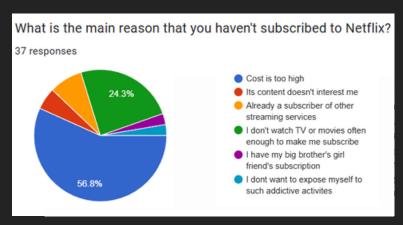
What we understood from the problem statement -

- Increasing Traffic: A 25% boost in daily users requires better content visibility, re-engagement, and user acquisition.
- **Boosting First-Time Subscriptions:** Price sensitivity, trial hesitations, and content appeal must be addressed to drive conversions.
- **Driving Repeat Subscriptions:** Reducing churn and improving retention is key, as users cancel due to cost, low engagement, or underutilization.

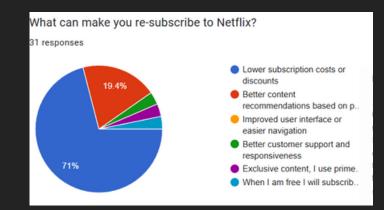
Primary Research



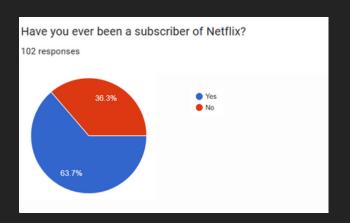
A major user segment discovered Netflix through social media, online ads or through friends and family recommendations



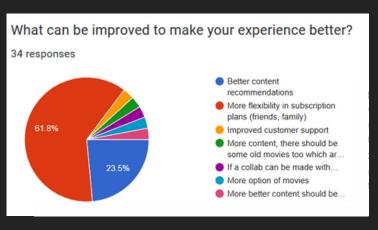
56.8 percent of these users didn't subscribe due to the high cost



71 percent of users who cancelled their subscription say that lower subscription costs or discounts can make them resubscribe



63.7 percent of users have never been a subscriber of Netflix



More than 61 percent of users need more flexibility in their subscription plans.



64.5 percent of users cancelled in less than 3 months

Hypotheses

Sub-Problem

Users don't visit Netflix because the social media content they see doesn't immediately capture their interest or feel relevant to them.

Hypothesis

If we push personalized content and leverage FOMO, we believe that DAT will increase as users feel more compelled to engage with relevant content.

Sub-Problem

More than half of the visitors don't subscribe initially due to the high cost.

Hypothesis

If we introduce a free trial along with more flexible and cheaper subscription plans, we believe that users are more likely to subscribe because they are paying lesser for the first experience.

Sub-Problem

Many users cancel their subscriptions due to high costs and interruptions from temporary life events like exams, which limit their usage.

Hypothesis

If we introduce a pause subscription feature, we believe that cancellations will decrease because users won't feel they are overpaying during periods of inactivity.

User Personas



Arjun, 26
Marketing Analyst
Untapped User

About

Rahul loves movies but has never subscribed to Netflix. He watches trailers and clips on social media but doesn't feel compelled to start watching unless something instantly grabs his interest.

Pain Points

- Feels Netflix content doesn't always match his interests.
- Lacks a strong reason to start watching.
- Gets distracted by other content on social media.

Goals

- Make Netflix social media content feel more relevant.
- Use social media data to push personalized content.
- Create a sense of FOMO around Netflix exclusive trending shows and movies.



Rohini, 24
Freelancer
Explorer

About

Rohini enjoys shows but hesitates to subscribe, especially for her first time. She prefers short-term access and doesn't want to pay for content she won't fully use.

Pain Points

- Finds the initial subscription cost too high.
- Unsure if she'll use Netflix enough to justify the price.
- Prefers more flexible payment options.

Goals

- Make Netflix easy to try with minimal commitment.
- Offer budget-friendly, flexible plans.
- Reduce the perceived risk of subscribing with affordable entry options.



Rahul, 21
Student
Power User

About

Rahul is a dedicated Netflix user who loves binge-watching.
However, his viewing habits are inconsistent—exams or other similar events often force him to take a break from his subscription.

Pain Points

- Feels he's wasting money when he can't use Netflix fully.
- Cancels subscriptions during inactive periods.
- Finds it inconvenient to restart subscriptions frequently.

Goals

- Help him stay subscribed without feeling like he's overpaying.
- Introduce a feature to help him in times when he won't be watching Netflix and still keep him subscribed.

Marketing Strategy

Solution

- The approach centers around analyzing user behavior on social platforms, identifying trending content, and understanding geographic and interestbased clusters.
- By using this data, we can deliver hyperpersonalized messaging that triggers a sense of missing out — encouraging users to install Netflix and start watching.

Does this actually solve the problem?

From our primary research, we found that

42 %

of the users discovered Netflix due to social media or online ads

A Global Web Index research shows that

37%

of social media users make a purchase due to FOMO

Strategy

1.Social Listening & Data Analysis:

- Track trending shows, movies, and discussions on platforms like Twitter, Instagram, and TikTok.
- Use sentiment analysis to identify high-interest content in specific user segments or regions.

2.FOMO-Driven Messaging:

Create ad copy like:

- "Everyone's watching [Trending Show] — Don't miss out!"
- "Join now for early access to upcoming releases!"

3.Dynamic Ad Targeting:

- Use interest and location data to deliver relevant ads to potential users.
- Geotarget communities where a show is particularly popular or relevant to intensify local buzz.

Success Metrics:

1. Traffic Growth (via FOMO campaigns):

 Social buzz, "Limited-time free access," and influencer-driven content can boost traffic by 25%.

New Traffic = 100K + 25K → 125K/day.

2. Conversion Rate Improvement:

• FOMO urgency & social proof can nudge more users to convert.

Conversion rate improvement from 20% → 23%.

3. **Subscription Impact:**

• First-time subscriptions grow proportionally with traffic, from 20K → ~28.75K/day.

Repeat subs increase slightly from 6K → 7K/day.

4. Revenue Upside:

• More Mobile/Basic plan users, but early-access rewards could push a few to upgrade.

Repeat subs increase slightly from 6K → 7K/day.

First Time Subscriptions

Solution

- Offer a lower-priced subscription that provides a smaller, focused library to attract price-sensitive users.
- Allow **every phone number** to sign up for one free trial for a week, ensuring first-time users experience Netflix with no upfront payment barriers.
- Provide a balanced range of genres, including drama, comedy, and regional content.
- Set a routine update schedule by rotating content and adding new titles regularly to the limited plan library.
- Use engagement metrics and viewer feedback to continuously identify highperforming shows and films, ensuring the library remains relevant and appealing.

Does this actually solve the problem?

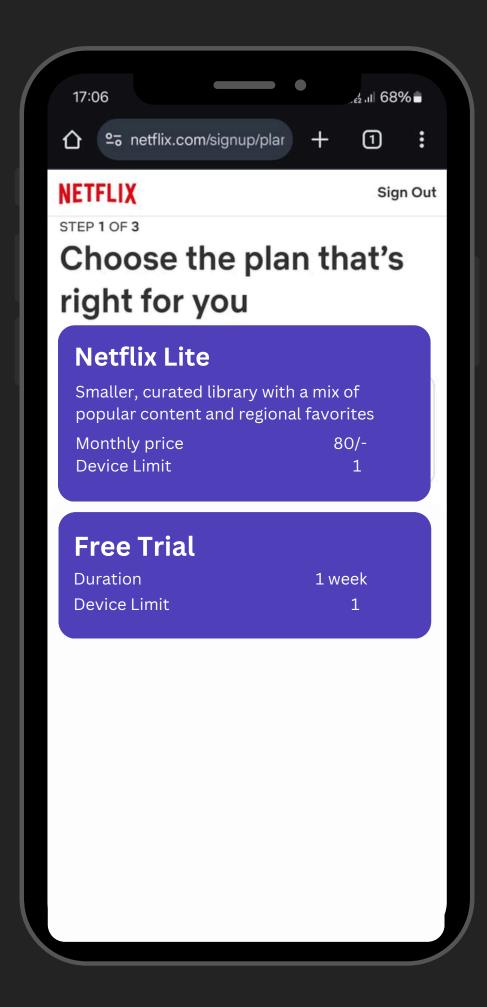
From our primary research, we found that

57 %

of the users don't subscribe due to high costs.

38 %

would like a free trial before subscribing.



Success Metrics

• First-Time Subscription Conversion Rate

(Number of First-Time Subscriptions/ Number of Unique Visitors) × 100

FTSCR= (100,000/20,000) × 100= 20%

• Daily Unique Visitor Growth:

(Target Visitors - Current Visitors/ CurrentVisitors) × 100

Unique Visitors = (125k - 100k /100k) × 100=20%

• Repeat Subscription Conversion Rate:

(Number of Repeat Subscriptions / Number of Returning Visitors) × 100

RSCR= (6000/20,000) × 100= 30%

• Trial-to-Paid Conversion Rate (TPCR):

(Number of Users Who Convert from Trial to Paid / Total Trial Users) × 100

TPCR= (20,000/10,000) × 100= 20%

Repeat Subscriptions

Solution

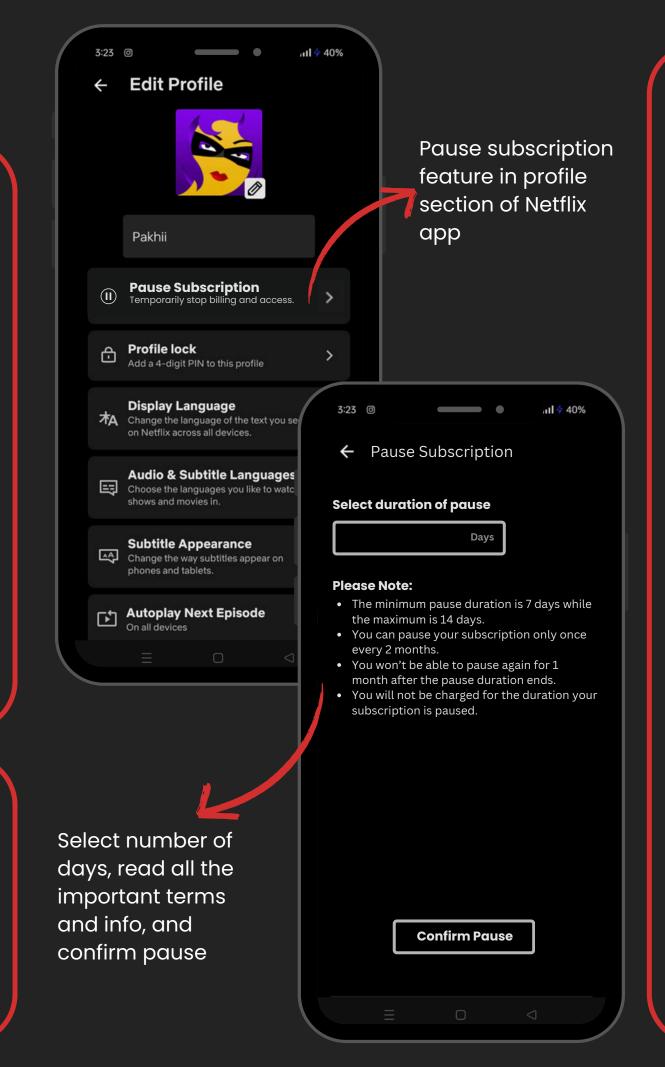
- Temporarily suspends subscription without canceling.
- Helps the users use their subscriptions more efficiently and effectively.
- No charges during the pause period.
- Saves preferences, watch history, and recommendations.
- Users can resume anytime without resubscribing.
- Users can pause for a minimum duration of 1 week and a maximum of 2 weeks.
- Pausing is limited to only once per 2 months
- If a user pauses, they must wait at least 1 month after resuming before they can pause again.

Does this actually solve the problem?

From our primary research, we found that

55%

of the users cancelled their subscription due to high costs or unable to fully utilize their subscriptions.



Success Metrics

• Retention Rate:

(Repeat Subscribers at End of Period/ Total Subscribers at End of Period × 100

RR= (6000/26,000) × 100= 23.07%

• Churn Rate:

(Subscribers Lost in Period/ Total Subscribers at start) × 100

CR= (11440/26,000) × 100= 44%

• Customer Lifetime Value:

(Avg Subscription Value / Churn rate) × 100

CLV= (289/0.44) × 100= 656/-

• Net Revenue Impact:

(New Repeat Subs/Month×Avg Subscription Value)

NR=216,000×289= 62.42 Crore

Prioritization

Features	Reach out of 10	Impact out of 5	Confidence	Effort out of 5	SCOTE out of 10
Marketing	8	3	60%	4	3.6
Free Trial & limited plans	7	4	80%	4	5.6
Pause subscription	5	3	60%	2	4.5

Go To Market

Phase 1 (1-2 Months)

Discovery & Research

Understand audience pain points, identify key influencers, and set up social listening tools.

Phase 2 (3-4 Months)

Soft Launch & Testing

Collect initial user feedback, refine messaging, and test promotional strategies.

Phase 3 (5-6 Months)

Full-Scale Rollout

Launch across all key markets, ramp up ad targeting, and activate influencer partnerships. Phase 4 (Ongoing)

Optimization & Growth

Analyze metrics, fine-tune product features & continuously evolve marketing strategies.

Thank You.

- Prince Arya
- in Anupam Anand
- Himanshi Vaidya in Shagun Agarwal