

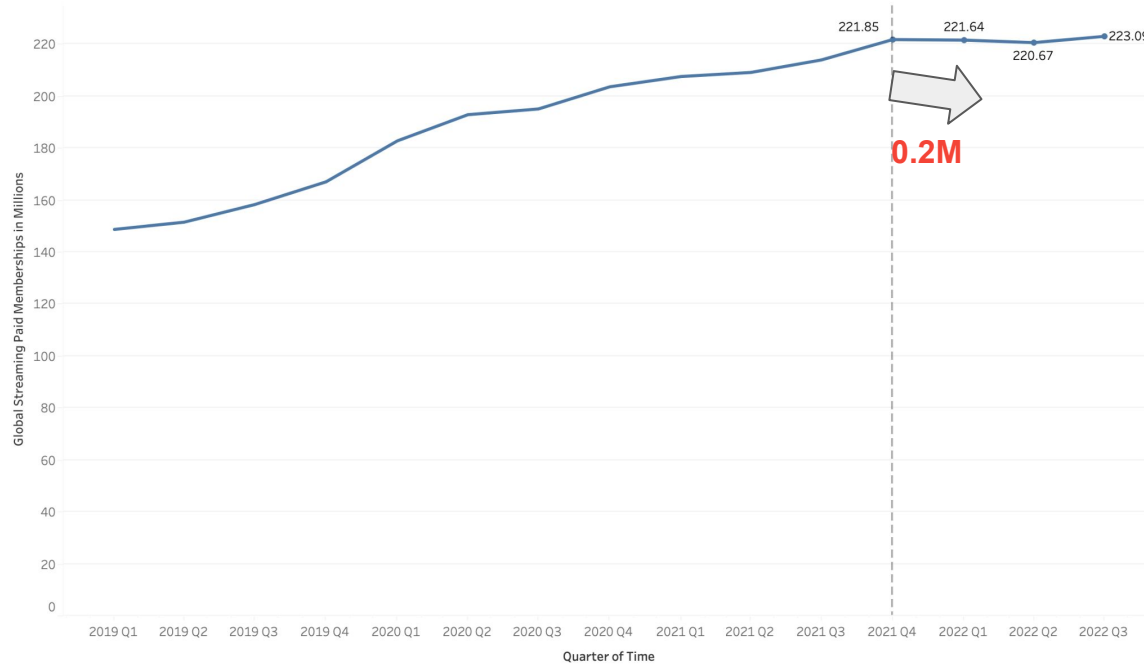
NETFLIX

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Problem Statement

Netflix is losing subscribers starting from this year, its first subscriber loss in over a decade

Global Streaming Paid Memberships on Netflix over time



The trend of sum of Global Streaming Paid Memberships for Time Quarter.

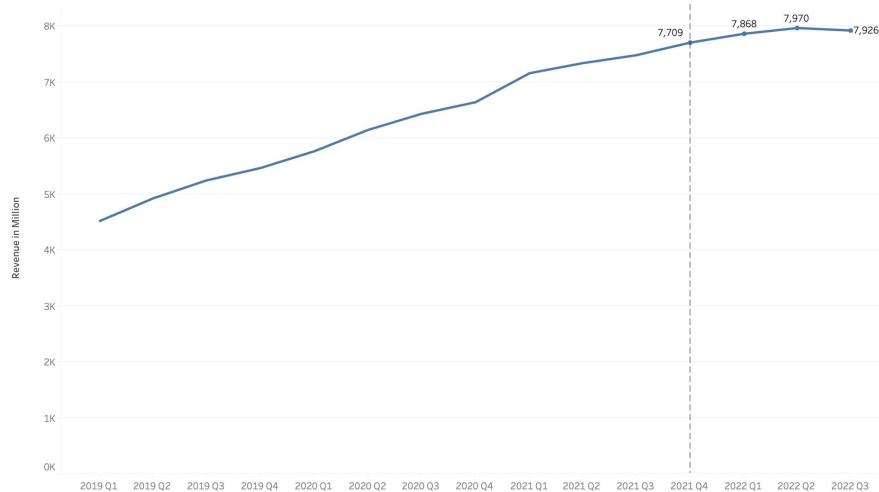
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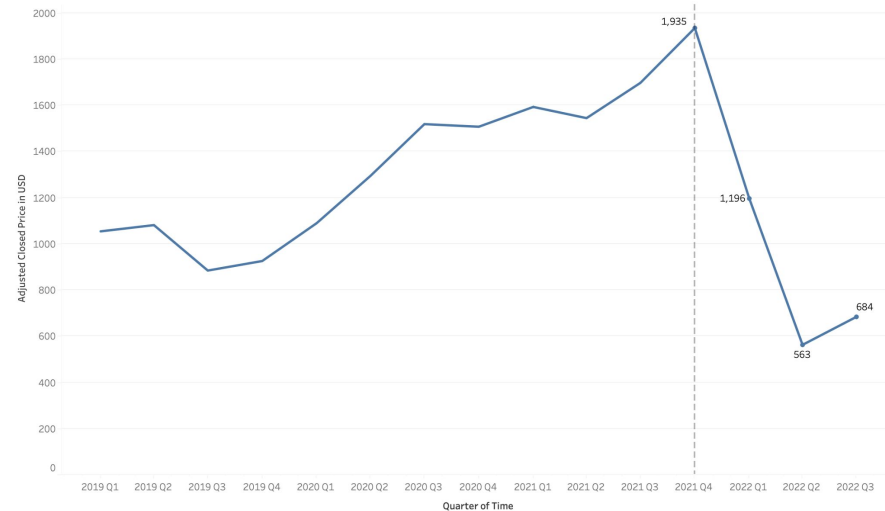
-> hampered its revenue growth

-> decreased its market share and stock price

Netflix Revenue over time



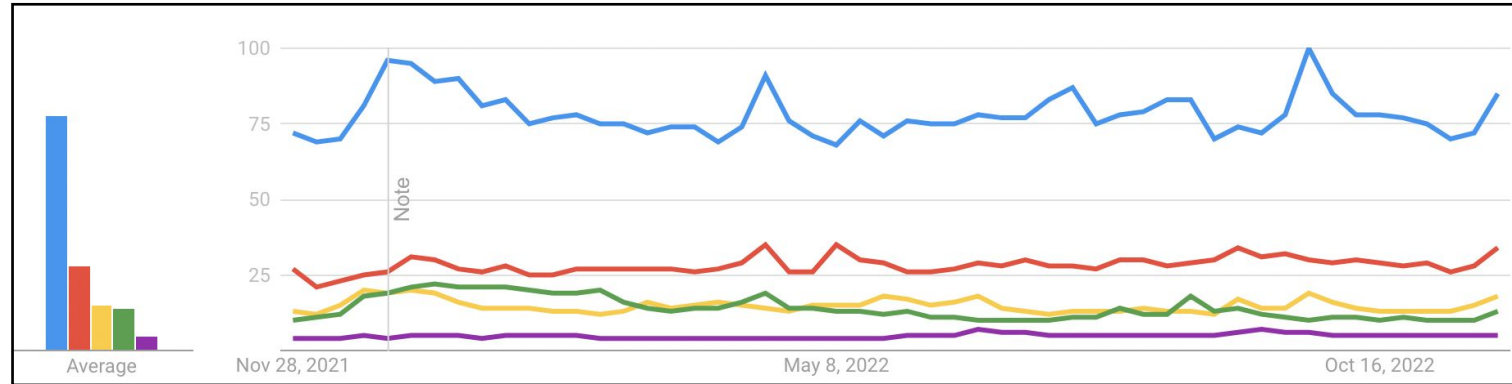
Netflix Stock Price over time



The trend of sum of Adj Close for Date Quarter.

What are some possible reasons for the drop?

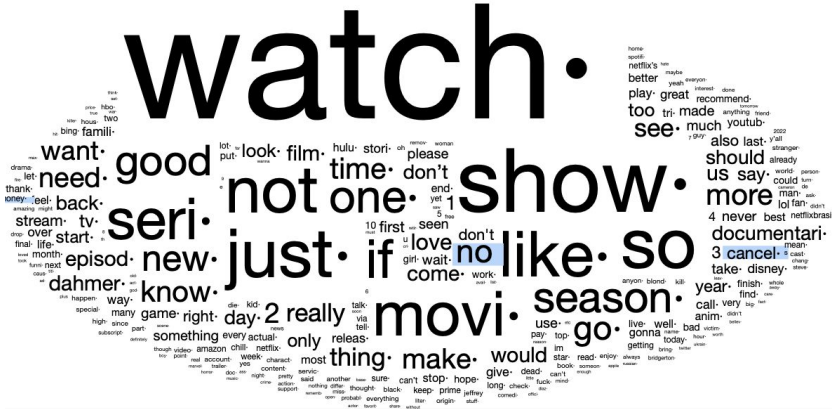
Challenge from Hulu and other streaming services



Trend analysis: # of search of Netflix and its competitors in US over past year

- Netflix
- Hulu
- Disney+
- HBO Max
- Amazon Prime video

What are some possible reasons for the drop?



Sentiment analysis: Google Play Store Review & Twitter

Increased subscription price

@batemanjason What really sucks is that Netflix is raising their prices on 2/11 and I'm gonna have to **cancel** it. I think I may re-subscribe when part 2 airs. It's too bad really. The price had all but doubled in the last 10 years and I've gotta draw the line somewhere. [122]

Cancellation of shows and lack of variety

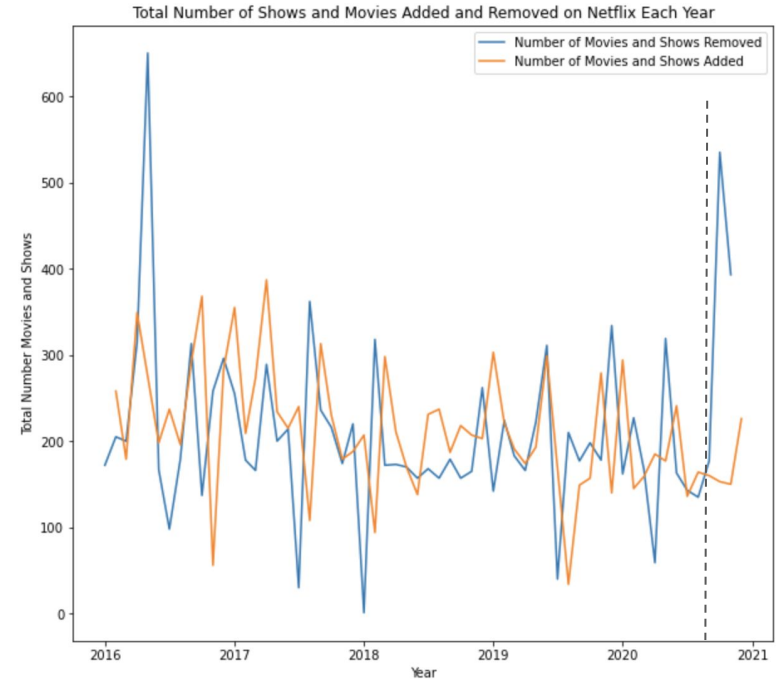
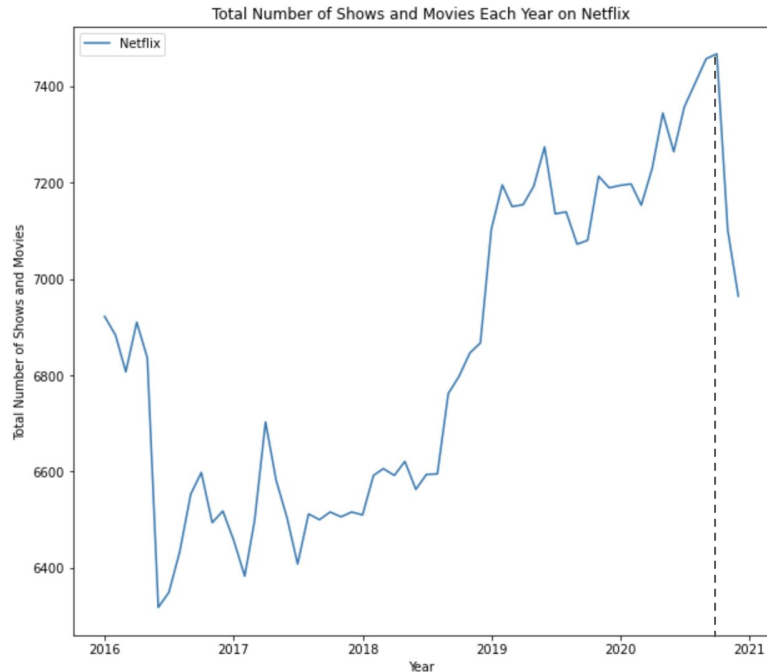
Rewatching #TheOrder. Why on Earth @netflix chose to **cancel** it after two series, I'll never know. [887]

Netflix increasing their monthly price to \$20 but **cancelling** every show after their 2nd season

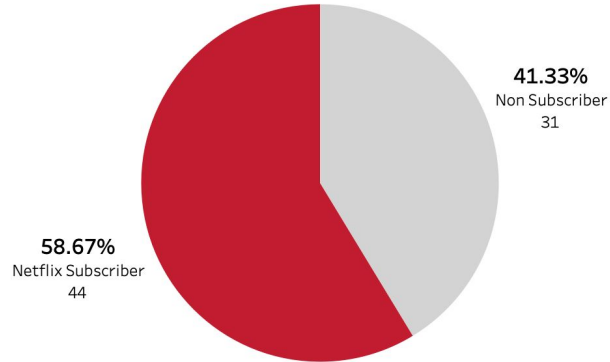
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What are some possible reasons for the drop?

Number of content on Netflix started to decrease since mid-2020 (Netflix Catalogue dataset from Kaggle)



Exploratory Data Analysis - Survey



- 58.67% of our respondents are current Netflix subscribers



- Among the 31 non-subscribers, 16 of them have subscribed Netflix before, for some reason they canceled their subscription (churned).

Cluster Analysis

Segment 1 (47%) Hopeless Romantic

- Females
- Enjoy Romance and Reality TV Drama
- Value original content
- Do not enjoy Action, Science Fiction, or Documentary

Segment 2 (17%) Video Streaming Unenthusiasts

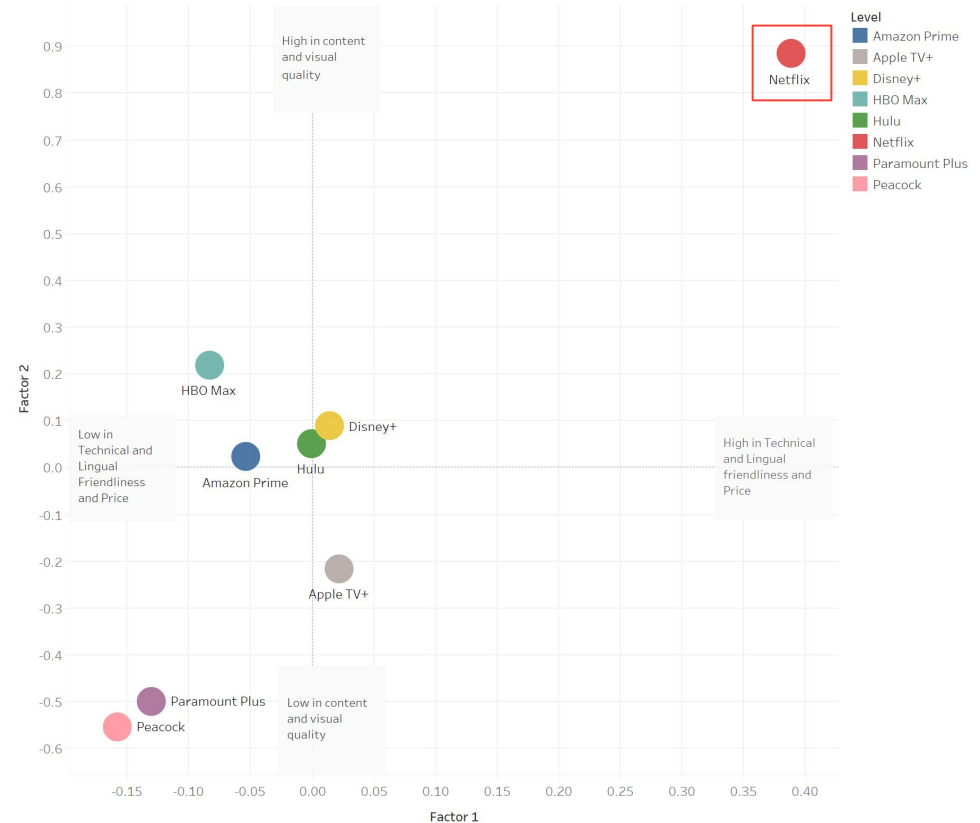
- Seldom use streaming services
- Prefer other types of entertainment

Segment 3 (36%) Streaming fanatics

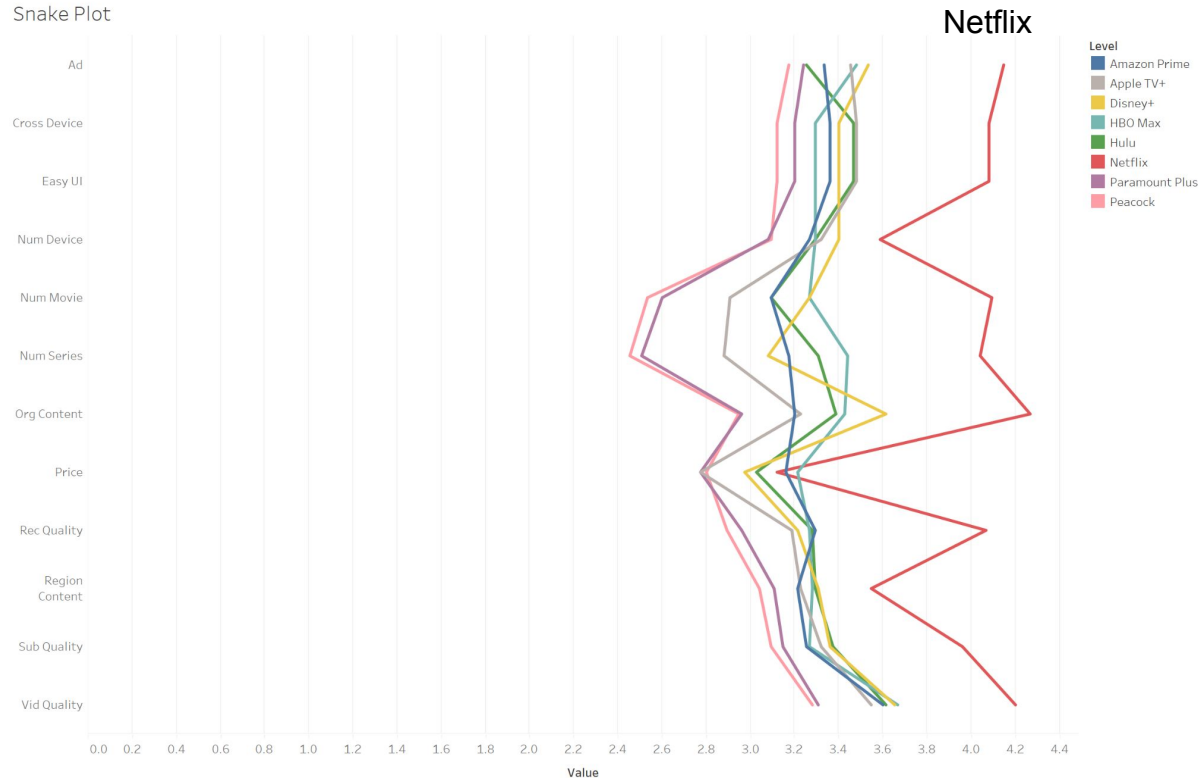
- Desire a seamless and smooth experience
- Enjoy Action, Comedy, Fantasy, Science Fiction, and Documentaries
- Not enjoy Romance

Positioning Analytics - Perceptual Map

- Netflix scored highest in both factors
- Factor 1: Technical, Lingual, and Price Friendliness
- Factor 2: Content and Visual Quality



Positioning Analytics - Snake Plot



- **Netflix:**
highest-performing
streaming service in
all variables but
ranked 3rd in Price

Regression

On a scale of 1 to 5, how likely are you going to continue subscribing to Netflix over the next 3 months?

▼ Summary of Fit

RSquare	0.601079
RSquare Adj	0.560165
Root Mean Square Error	0.659686
Mean of Response	4.181818
Observations (or Sum Wgts)	44

▼ Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	4	25.573200	6.39330	14.6910
Error	39	16.972254	0.43519	Prob > F
C. Total	43	42.545455		<.0001*

▼ Parameter Estimates

Term	Estimate	Std Error	t Ratio	Prob> t	VIF
Intercept	0.7318113	0.582708	1.26	0.2166	.
number_of_movies_n	0.4590098	0.150339	3.05	0.0041*	1.7882481
recommendation_system_n	-0.484534	0.156658	-3.09	0.0037*	2.09683
user_interface_n	0.5172137	0.128676	4.02	0.0003*	1.794256
cross_device_n	0.3327188	0.138119	2.41	0.0208*	1.6020049

- Subscribers' perception on **user interface** has the biggest positive impact on willingness to continue subscription.
- Perception on **number of movies** and **cross-device experience** rank 2nd and 3rd in terms of unit positive impact.
- Perception on **recommendation system** has a negative impact on intent for continuing subscription.

Recommendations

- Prioritize productions of Romance and Reality TV Netflix Original content
- Continue to optimize user experience on the platform
- Explore alternative sources of income other than its traditional subscription fee
- Improve cancellation rule and deepen the collaborations and conversations with the showrunners and producers

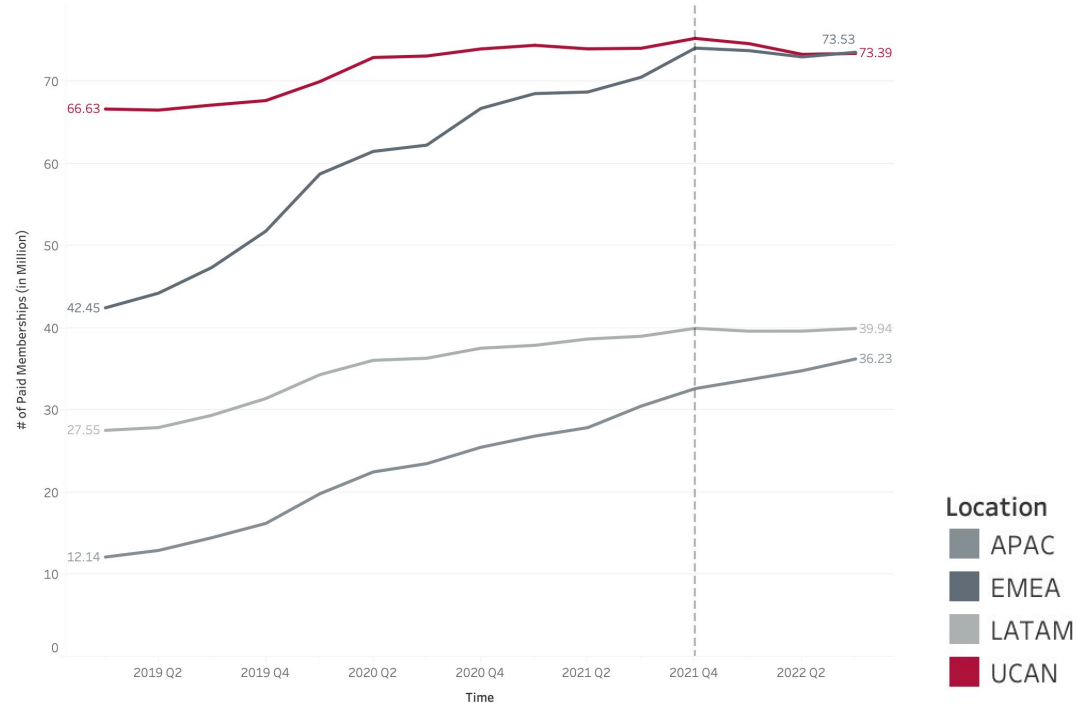
Thank You!



Problem Statement

Netflix lost 1,940,000 subscribers in UCAN in the first half of 2022 - its first subscriber loss in over a decade

Number of Paid Memberships on Netflix across Time



What are some possible reasons for the drop?

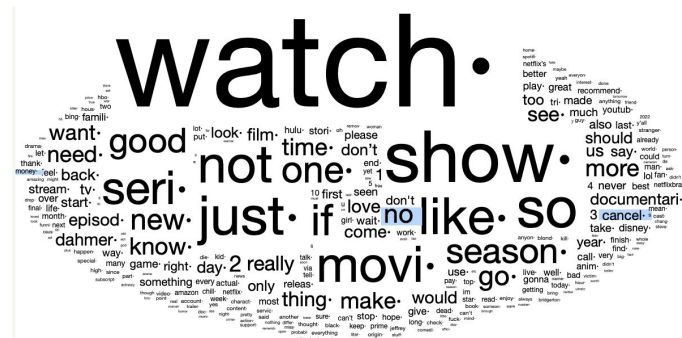
Sentiment analysis on Twitter

Term	Count
cancel	518
money	279

Increased subscription price

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A 20% increase is a bit rude, don't you think? Amazon prime for instance just charged me \$58 per 12 month on 4 devices.
Netflix made a tonne of the pandemic and people are doing it tough. Shame on Netflix to take advantage
[939]



Cancellation of shows and lack of variety

Mohranner i'm already fully acquainted with Netflix's **cancelling** habits at this point, but yeah
 it STILL
 sucked to know the series wasn't going to continue past the second season. so much incredible
 potential
 wasted....but i guess that speaks to the great quality of the show [224]

BRUH @netflix WHY DID YOU CANCEL SO MANY GOOD SHOWS. Like 7SEEDS and The Healing Powers of Dude [366]

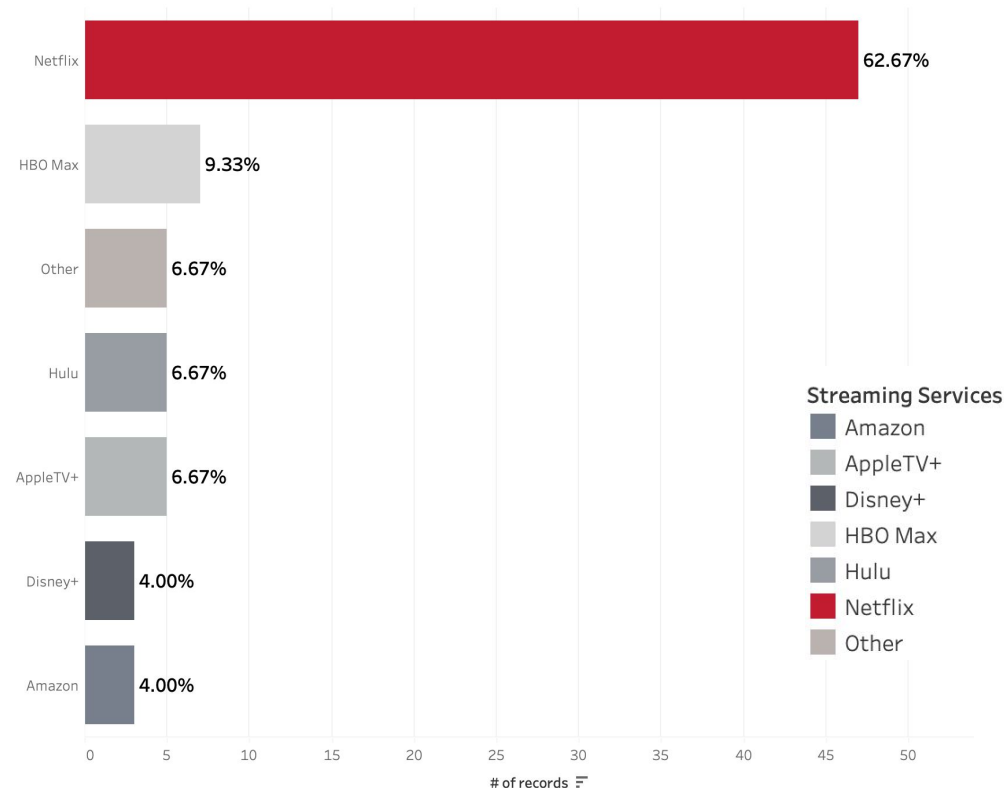
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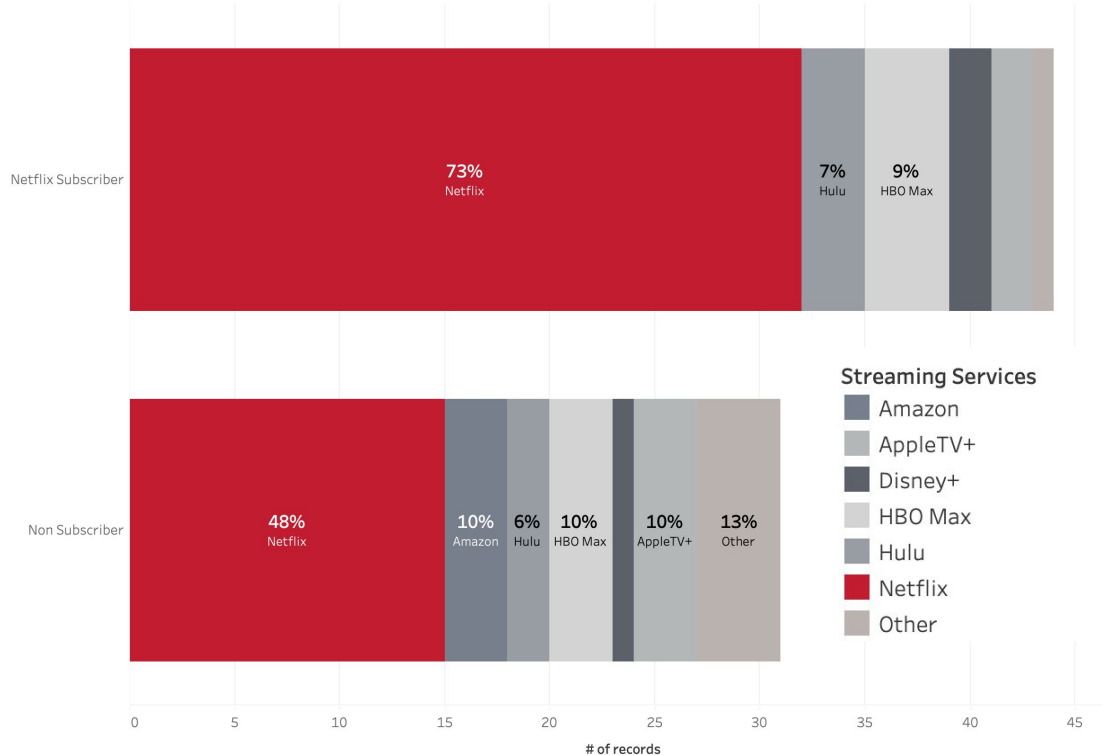
Which video streaming service do you like the best?



- 62.67% of the respondents chose Netflix as their favorite video streaming service.

Exploratory Data Analysis

Which video streaming service do you like the best?



- 73% of the 44 Netflix current subscribers chose Netflix as their favorite streaming service.
- It's interesting that none of the netflix current subscribers chose Amazon Prime Video as their favorite streaming service.
- None of our respondents chose Paramount Plus or Peacock as their favorite.

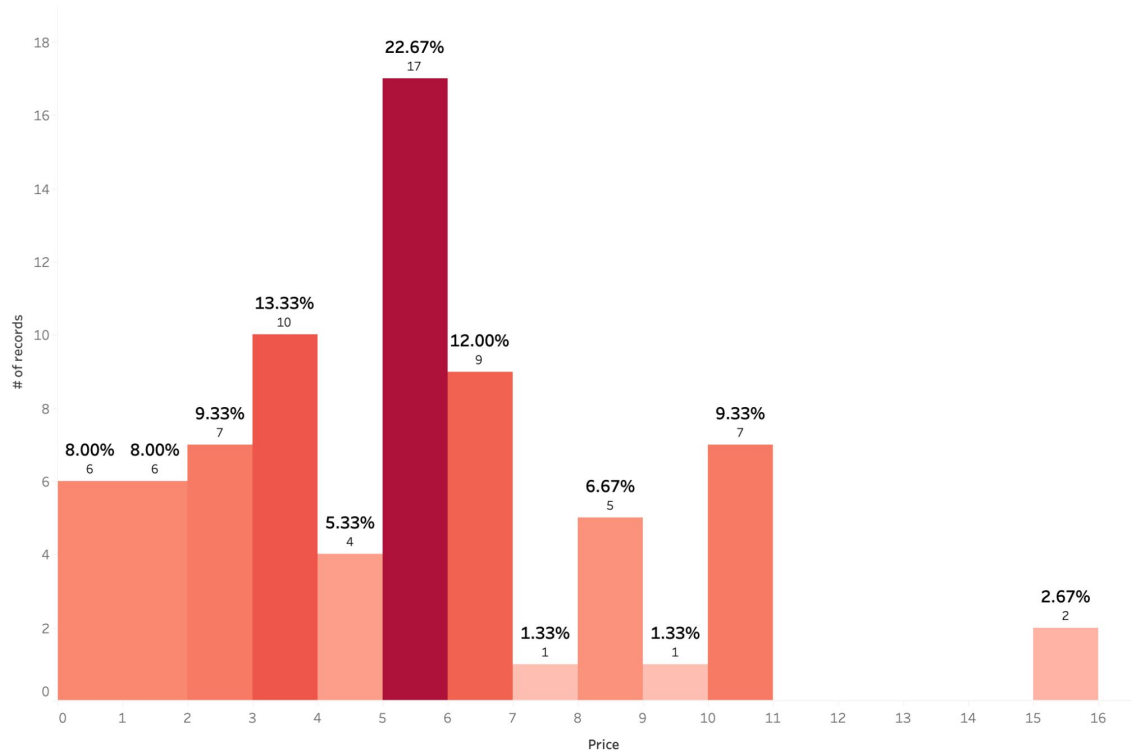
Exploratory Data Analysis - Survey

	Basic with ads
Monthly price	\$6.99
Video quality	Good
Resolution	720p
Watch on your TV, computer, mobile phone and tablet	✓
Downloads	—

- The “Basic with Ads” option will include an average of four to five minutes of commercials per hour.
- Those ads will be 15 or 30 seconds in length and will play before and during TV series and movies.
- Subscribers can enjoy limited Netflix content in HD video quality on only one supported device.

Exploratory Data Analysis - Survey

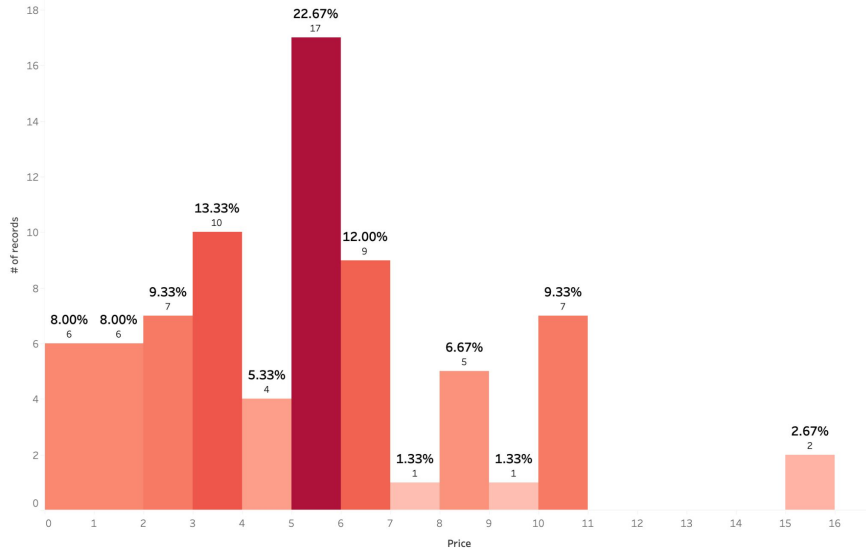
What is the highest price you're willing to pay for the Netflix "Basic with Ads" plan?



- The survey results are showing that most respondents would like to pay approximately \$5 for this service which is a little bit lower than Netflix's offer of \$6.99.

Exploratory Data Analysis - Survey

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Problem + Google trend / Social media (< 1min)

EDA

Clustering (1min 15sec)

Factor (perceptual map/snake plot) (1min 15sec)

Regression (1min 15sec)

Recommendation (1min 15sec)