

# NETFLIX

## Using Data To Drive Success

Netflix's original content is one way for them to have competitive advantage over others. However, six/seven out of every ten films is unprofitable (Brewer, 2019), meaning that only thirty percent of them turn out to be worth the investment. Netflix's in-house production team could potentially use internal and external data to predict the success of their original content.

### Key Information On Netflix And The Industry



A Netflix customer loses interest after **60 to 90 seconds** of choosing something to watch



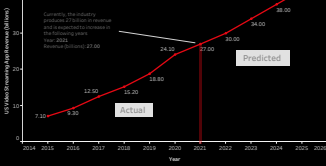
Netflix spent approximate **\$15 billion in original content** in 2019



There are **13,500+** movie and tv show titles available in Netflix US catalog



As of 2019, Netflix had over **60 million subscribers** in the US



### How Netflix Gathers Data From Customers



Ratings of TV show/movie



Whether shows or portion of shows get rewatched



Device user is watching on



User search history



Date/time content was watched



Whether content was paused

Without seeing a single episode of House of Cards, Netflix committed \$100 million for 2 seasons of the show.

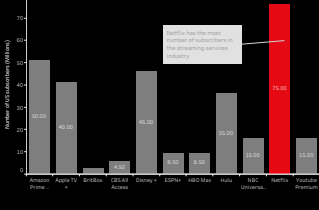
How?

They used the features mentioned above to determine that the British version of House of Cards were watched by many subscribers. Those subscribers also watched many films starring Kevin Spacey - this was one of the influence that led Kevin Spacey to being casted in the lead role. This was one of the first data-driven films produced by Netflix and also one of their most successful program.

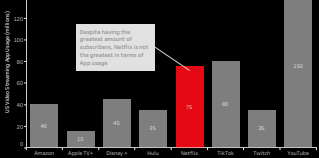


### Netflix Comparison To Streaming Competitors

Number Of US Subscribers For Streaming Services



App Usage For Streaming Services

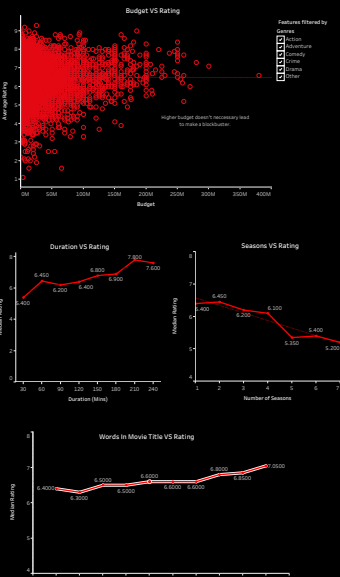


### A Recipe For Success?



Imagine if Netflix could create more originals as successful as Squid Game by utilizing internal and external data. For example, duration and number of seasons could be predictors of success.

The charts below explored the relationship between features (budget, number of seasons, duration of movie etc.) and rating. The data is from a publicly available IMDb movie dataset. If Netflix is able to analyze external data, it will be very useful for creating a 'successful' movie.



### Desired Outcomes and Impact

Using predictive features such as movie duration, number of seasons and number of words in movie title to build a model



Pre-screening model



Decrease Cost



Gain Subscribers



Increase Revenue

Sources:

Brewer, S. M., Kelley, J. M., & Jozefowicz, J. J. (2009). A blueprint for success in the US Film Industry. Applied Economics, 41 (5), 589-606. <https://doi.org/10.1080/000368108021607351>

Streaming revenue, app usage, and subscribers data: <https://www.businessofapps.com/data/netflix-statistics/>  
IMDb movie dataset: <https://www.kaggle.com/stefanoleone992/imdb-extensive-dataset>