NETFLIX Inc.

A STRATEGIC ANALYSIS

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Table of Contents

Overview

Netflix is amongst the most recognizable dotcom brands today. Starting as a DVD rental service, the company encountered difficulty in maintaining a sustainable, cash-flow-positive business before their popularity escalated through their status as pioneers in the restructuring of the online entertainment streaming industry. This perception aligns with Netflix's strategic mission of revolutionizing the way in which people access and engage with content. Their stated vision of how to accomplish the aforementioned is to become the best global entertainment provider (meaning one whom is the fastest, the easiest, and the most reliable), licensing the world over and helping content creators find a global audience. Netflix is now amongst the world's leading internet entertainment providers, boasting over 130 million memberships in hundreds of countries worldwide (Netflix.com, 2018). They account for over a third of total internet traffic in the United States, as users have unlimited, de-commercialized, and ubiquitous access to the service's plethora of TV series, full length films, and more (Favaro, 2018). While Netflix has dominated the online streaming market, the space is changing rapidly and so the company must continually re-evaluate their strategy in order to realize sustained success. Through an internal and external analysis of Netflix, this report examines the strategic challenges facing the streaming giant and proposes recommendations that will enable them to achieve their key objectives. Following these recommendations are key actions and an estimated timeframe for implementation.
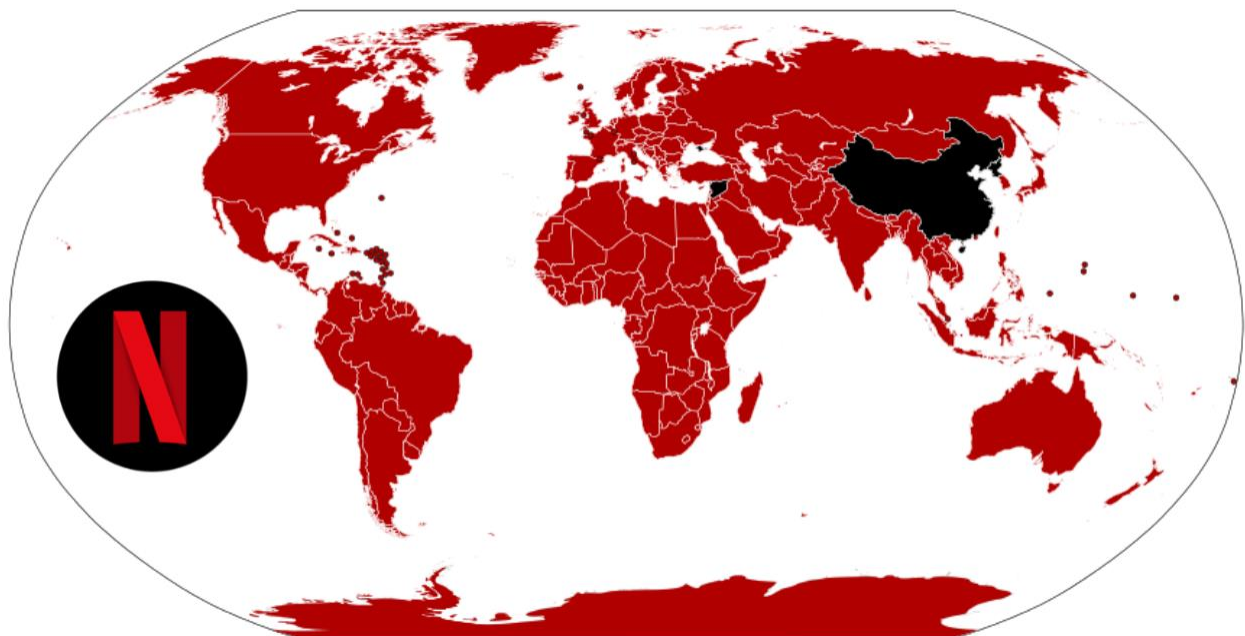
External Analysis

As do all players in the content streaming industry, Netflix is presented with and must consider the external forces that impact their strategic decision making. To gain or sustain a competitive advantage, managers must continually tailor their strategies to align with the environments in which their businesses operate; external environments play an important role in shaping the future of industries, especially those that are changing rapidly like Netflix's. This is largely due to the increasingly digitalized nature of the world and advances in technology, factors that will be considered throughout the following external analysis.

PESTEL Analysis

Given the nature of the market and size of Netflix, traditional analytical tools like the PESTEL Analysis represent an excellent lens through which one can examine the company's situation, serving to unearth disparities that subsequently enable management to plan risk reduction and leverage Netflix's internal strengths. The politics, economies, social structures, technological conditions, and legal environments of the countries in which Netflix operates significantly affect their success; Netflix's business is driven by having favorable economic conditions in the 190 countries in which they operate, so understanding such things bears pertinence (Favaro, 2018). Furthermore, the company is heavily invested in international growth, making the following PESTEL analysis even more important (Christian, 2017).

Netflix PESTEL Analysis	
Political	• Copyright and content laws • Piracy regulation/governmental effort in services sector • Political stability • Navigating global political climate (operating in multiple countries) • Repeal of net neutrality that could lead to a shift/restructuring in power (to ISPs)

Economic	• Exchange rates = key issue
	  o Bear pertinence to expansion where exchange rates move Netflix into the category of a luxury purchase
	• Essential for competitive pricing in the current economic landscape
	• Multitude of economic climates to navigate
	• Liquidity effected as cash outflows continue to increase
	• Efficiency of markets and capital required to sustain presence
	• Economic growth impacts purchasing power
	  o Increases in disposable income lead to more spending on entertainment

Socio-cultural	• Continually changing consumer preferences o Reduction in attention span $\rightarrow$ necessitates breadth of product offering • Diverse cultural context/need to appeal and understand many markets

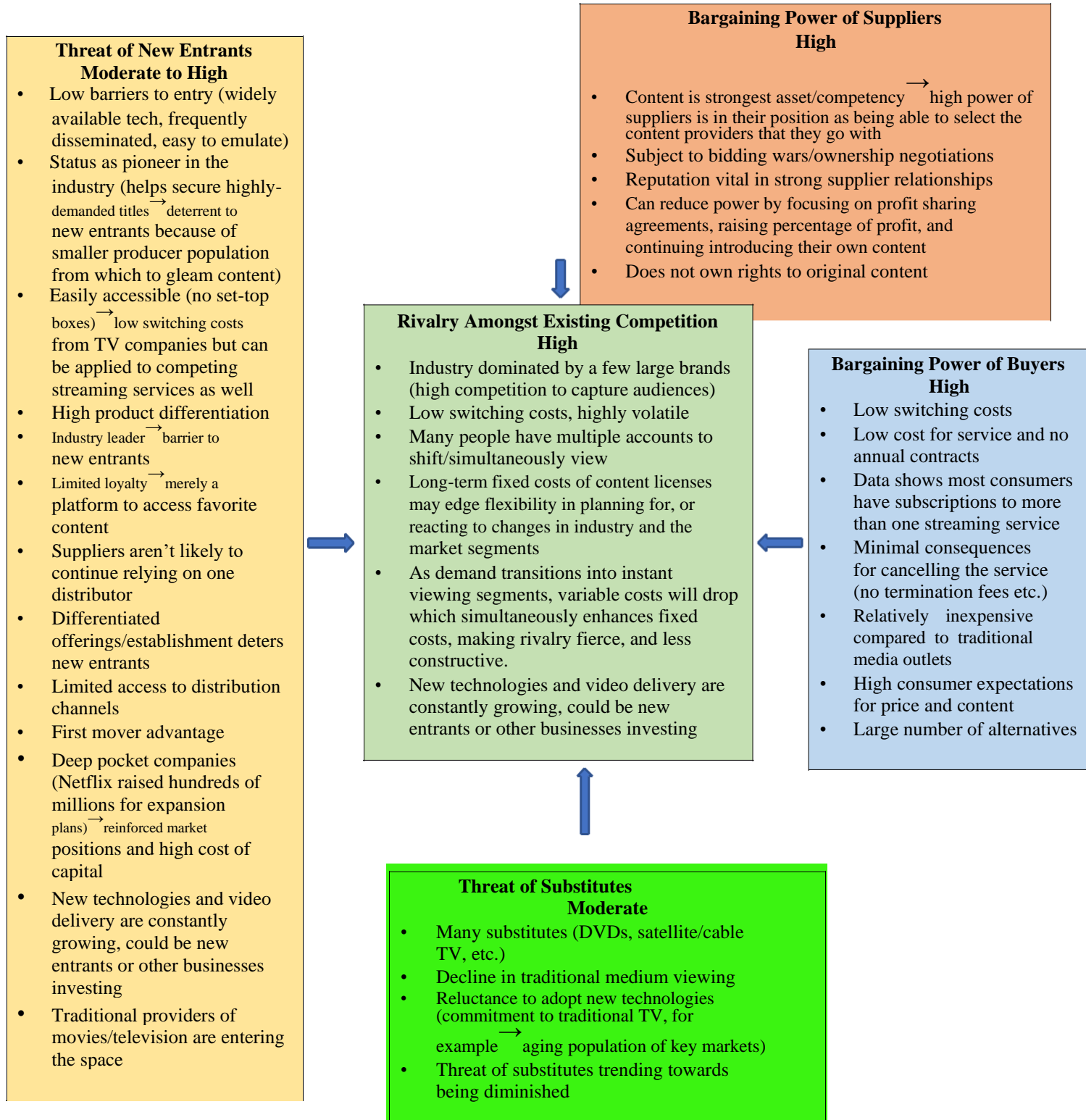|	
	• Watching is a social phenomenon (trend away from constant access would be detrimental)
	• Changing demographics/continual adoption from new segments
	• Changing attitudes towards health/environmental consciousness etc. that impact viewership
	• Genres/content heavily dependent and fluctuating depending on socio-cultural trends o Changes in leisure interests
	• Web series gaining tremendous amount of popularity (younger markets have far fewer viewers of traditional television)
Technological	• Nearly 50% YoY growth for the 4k television market
	• Increases in VOD demand
	• Requirements for internet speed/capacity
	• Impact on product offerings/modalities of dissemination and access
	• Rate of technological diffusion
	• Improvements in compression techniques that improve streaming quality with less data usage
	• Continual need to modernize business model
	• Need to maintain content library, recommend and support relevant content across different interfaces and devices (high technological competency)
	• Lower barriers to entry for content streaming with technological advancement
Ecological	• Competitors using renewable energy/best practices • Laws affecting energy usage/sustainability goals • Sociocultural attitudes toward renewable energy/best practices
Legal	• Legal framework to enforce contracts • Tariffs in service industry • Pricing regulations for services • PR/financial implications from consumer lawsuits • Employment laws • Legal battles against geoblocks etc. • Strict censorship in large markets (such as China)

Porter's Five Forces Analysis: Overview

In continuing with an analysis of Netflix's external environment, the five forces model bears tremendous significance to Netflix's strategy formulation. While the PESTEL analysis allows one to evaluate the external environment and identify subsequent opportunities and threats, this framework helps determine profit potential and to derive the implications that these forces have upon Netflix. For example, a report issued by Nielsen illustrates that while 90% of US households with streaming subscriptions elect Netflix as their provider of choice, 33% of these subscribe to more than one service; this speaks to the high power of Netflix's buyers. Other key takeaways from a five forces analysis of Netflix (included below):

- The cost of switching for Netflix's consumers is minimal; there is no annual contract, and the recurring fees are negligible.
    - o Most streaming services offer a free trial, making it easy for customers to frequently switch between providers
- Netflix must keep user preferences in mind
    - o They have to stream tailored content and add compatibility to accommodate viewing preferences like closed captioning and foreign languages.
- As video streaming has become more popular, the number of new entrants has increased.
    - o Many of these players are taking on genres, as opposed to competing directly with Netflix (i.e. focusing on foreign movies, documentaries etc.)
        - ▪ This necessitates the continual evaluation of whether competition in these niche spaces makes sense.
- Netflix must refine its brand to appeal to a broad range of consumers
    - o New competitors are often considered to be trendy for specific demographics.
    - o Netflix should ensure that the technology behind its streaming service works well, and that viewers can relate to the brand in other ways, such as through how they search.

Five Forces Diagram

Threat of New Entrants
Moderate to High

- Low barriers to entry (widely available tech, frequently disseminated, easy to emulate)
- Status as pioneer in the industry (helps secure highly-demanded titles $\rightarrow$ deterrent to new entrants because of smaller producer population from which to gleam content)
- Easily accessible (no set-top boxes) $\rightarrow$ low switching costs from TV companies but can be applied to competing streaming services as well
- High product differentiation $\rightarrow$ barrier to new entrants
- Industry leader $\rightarrow$ barrier to new entrants
- Limited loyalty $\rightarrow$ merely a platform to access favorite content
- Suppliers aren't likely to continue relying on one distributor
- Differentiated offerings/establishment deters new entrants
- Limited access to distribution channels
- First mover advantage
- Deep pocket companies (Netflix raised hundreds of millions for expansion plans) $\rightarrow$ reinforced market positions and high cost of capital
- New technologies and video delivery are constantly growing, could be new entrants or other businesses investing
- Traditional providers of movies/television are entering the space

Bargaining Power of Suppliers
High

- Content is strongest asset/competency $\rightarrow$ high power of suppliers is in their position as being able to select the content providers that they go with
- Subject to bidding wars/ownership negotiations
- Reputation vital in strong supplier relationships
- Can reduce power by focusing on profit sharing agreements, raising percentage of profit, and continuing introducing their own content
- Does not own rights to original content

Rivalry Amongst Existing Competition
High

- Industry dominated by a few large brands (high competition to capture audiences)
- Low switching costs, highly volatile
- Many people have multiple accounts to shift/simultaneously view
- Long-term fixed costs of content licenses may edge flexibility in planning for, or reacting to changes in industry and the market segments
- As demand transitions into instant viewing segments, variable costs will drop which simultaneously enhances fixed costs, making rivalry fierce, and less constructive.
- New technologies and video delivery are constantly growing, could be new entrants or other businesses investing

Bargaining Power of Buyers
High

- Low switching costs
- Low cost for service and no annual contracts
- Data shows most consumers have subscriptions to more than one streaming service
- Minimal consequences for cancelling the service (no termination fees etc.)
- Relatively inexpensive compared to traditional media outlets
- High consumer expectations for price and content
- Large number of alternatives

Threat of Substitutes
Moderate

- Many substitutes (DVDs, satellite/cable TV, etc.)
- Decline in traditional medium viewing
- Reluctance to adopt new technologies (commitment to traditional TV, for example $\rightarrow$ aging population of key markets)
- Threat of substitutes trending towards being diminished

Implications of the Five Forces for Netflix

In examining each competitive force, Netflix can address them in the following ways:

Competitive Force	How Netflix Can Mitigate
New Entrants	• Continually innovate in new products and services. • Build economies of scale to lower fixed costs per unit • Build capacities and R&D; new entrants are less likely to enter a dynamic industry where the established players such as Netflix keep redefining standards. This significantly reduces the profit window for new firms
Bargaining Power of Suppliers	• Build efficient supply chain with multiple suppliers. • Experiment with using different suppliers and always have contingency plans to mitigate lost contract opportunities/fall-throughs • Develop dedicated suppliers whose business depends upon Netflix
Bargaining Power of Buyers	• Continue to grow the user base; reduces bargaining power and presents the opportunity to streamline sales and production • Rapidly innovate and develop new offerings, reducing consumer defection
Threat of Substitutes	• Commit to being service vs. product oriented • Develop further understanding (leverage data capabilities) of customers needs rather than what the customer purchase history $\rightarrow$ predictive analyses • Increase switching costs
Rivalry Amongst Existing Competition	• Build sustainable point of differentiation • Continually develop scale • Collaborate with competition to increase market size $\rightarrow$ don't have to keep competing for a dwindling market

Internal Analysis

The following internal analysis of Netflix is a necessary complement to the previous analyses. The company's ability to gain and sustain a competitive advantage is largely driven by such things as core competencies, and the identification of these unique strengths embedded within the firm must precede the formulation of strategic recommendations. As the best firms conscientiously identify their competencies, resources, and capabilities with regards to their competition, this report will do the same.

Core Competencies & Potential Sources of Competitive Advantage

Netflix's most noteworthy competencies are content based. The company is a pioneer in content delivery; their content has tremendous brand name recognition, comprised of dozens of Emmy and Oscar award winning programs, both original and licensed, that viewers love (Netflix, 2016). To this end, Netflix is a leader in original content development among streaming services. The variety and quality of their original content is one of their primary sources of competitive advantage. They have the infrastructure and the distribution network necessary for such an endeavor, and their content aligns with the VRIO decision tree: it is valuable, costly to imitate, rare, and organized to capture value. This original material is also not substitutable given the breadth and continual innovation backing it. Another of Netflix's core competencies is their superior data collection and analytical capabilities. This is evidenced by their unrivalled variety of product offerings, all of which are developed and implemented with intimate knowledge of their consumers' preferences and viewing habits; simply put, one of Netflix's main strengths is finding something for everyone.

The company's other most noteworthy competencies include:
- Reputation and brand name recognition (on a global scale)
- Highly experienced and valued employee base
- Technological expertise
  - Seamless front-end user experience
  - Ease of use
  - Capabilities for multi-device streaming
- Uniquely localized content
  - Leverages expertise in local responsiveness
  - The company has more foreign subscribers than all other streaming services combined (Brennan, 2018).
  - Best practices in content dubbing, closed captioning, etc.

Financial Performance Relative to Competitors

Netflix's financial performance, in relation to key competitors such as Amazon, is also important to consider in developing strategic recommendations as it helps to assess current positioning and goal formulation. Netflix has reported total revenue increases of ~34% YoY, which trumped their competitors' average revenue growth of ~21% YoY (Netflix, 2016). However, their net margin of ~10% contributed to their admission of having lower profitability than their competition. This could attributed to several factors, such as investment in expansion and development, and thusly should not be taken as an objectively bad thing. Furthermore, Netflix shares have performed well in 2018, more than doubling in price so far this year (Toy, 2018). From a stock-market perspective, Netflix represents a growth stock, where much of its valuation is predicated upon the expectation of continual growth.

SWOT Analysis

The SWOT analysis, included on the following pages, is useful in the development of a forward-thinking strategy for Netflix in its consolidated examination of both internal and external factors. This analysis serves to identify factors pertinent to Netflix's current or future competitive advantage; for example, Netflix's strengths can help them capitalize upon opportunities to expand into more international markets given their experience with culturally tailored programming, their breadth of content, and the infrastructure and resources necessary to support such an expansion.

Helpful towards achieving the objective	**Harmful** towards achieving the objective

Strengths

- Exclusivity with regards to licensing through studios/broadcast networks
- Status as pioneer in the industry (helps secure many highly-demanded titles to build database $\rightarrow$ deterrent to new entrants because there is a smaller pool of producers from which to gleam content)
- Competitive first-mover advantage
  - o Strong brand name/knowledge base
- Established economies of scale
- Strong focus on innovation across the organization
- Flexible infrastructure with low operating costs
- Tons of consumer data AND expertise/data analysis capabilities to generate audience-specific content
  - o Strong understanding of the user base
  - o Knowledge AND understanding of target audience and consumer preferences
- High quality ratings for in-house content
- Convenient one-stop-shop
- No reliance on ad agencies
- Netflix has more subscribers worldwide than all other streaming services combined
- Tremendous breadth of content offerings
- Not fragmented (license content AND own the platform that content is consumed through $\rightarrow$ access data to drive success across entire business $\rightarrow$ vertically integrated)
  - o Important to leverage this information
- Ability to promote content on the platform itself
- Lots of customer interaction through media
- Little traditional advertising $\rightarrow$ organic brand content strategy (subscribers grow, social media engagement based on high-quality content and resulting word of mouth)
- Account for more than one-third of North American internet traffic

Weaknesses

- Heavy dependence on suppliers (networks etc.)
  - o Suppliers are becoming competitors
- High fixed costs
- Financial resources are strong, but limited with regards to competition (like Amazon)
- Low brand loyalty (but high brand recognition)
- High cost to develop in-house content
- Environmental costs $\rightarrow$ terrible ranking for environmental awareness (garnered bad publicity as competitors like Amazon and Facebook use over 40% renewable energy with their services)
  - o Data server capacity puts tremendous pressure on the environment

Opportunities

- Further leverage consumer data and gain more impactful insights as technology and data mining techniques/processes evolve
- Reduce reliance on suppliers/licensing by continuing to develop and market in-house content
- Development of international business which has a long way to go before reaching maturity (such as partnerships in Europe)
- Improve consumer perception of environmental awareness $\rightarrow$ explore solutions to reduce carbon footprint
- Technological advancement (VR, 4K etc.) present new revenue streams and ways to deliver content
- Growing market for content in foreign languages (region-specific content)
- Huge revenue potential from advertisements
- Further leverage niche markets (documentaries, specials etc.) that Netflix excels in
- Increased ubiquity of the internet
- Leverage complements
  - o Potential movie deals to get in-house content in cinemas (which have good profit sharing)
- Video streaming in china will more than quadruple by 2020
- Capitalize on nearly 50% YoY growth for the 4k television market (continue R&D to support efficient 4k streaming)

Threats

- Studios/broadcasting networks taking away exclusivity from programming
- Development of existing/new alliances amongst competition
- Few barriers
- Content piracy
- Industry deregulation
- Net neutrality $\rightarrow$ unfavorable terms and consumer frustration
- Technological penetration
- Amazon looking to acquire live sports broadcasting rights
- Fierce competition
  - o Few barriers to entry, market subjective to changes from rapid technological change
- Potential for investment into original content to shrink library
- Revenue from international markets is affected by changes in exchange rates
- Increases in subscription rates could lead to consumers switching to competition

Netflix Company Strategies

Competitive & Corporate Strategy

Netflix's differentiated competitive strategy is focused on three primary components: spending, content, and user experience. The company invests a tremendous amount of resources into new content development annually, especially now geared towards its original shows and movies, moving away from their previous strategy of focusing on licensing content under ownership by other studios. This competitive strategy is rooted in their desire to build a content portfolio of lasting value, which comes with large upfront costs, but which also will likely drive growth for years to come (Bylund, 2018). Netflix's focus on content is not one where quality is compromised by quantity. The billions of dollars that are invested towards content-production are largely spent on attracting industry-best directors, writers and actors whom are given a tremendous amount of autonomy, enabling them to do their jobs well. As a result, Netflix's content portfolio received a leading 112 nominations at the 2018 Emmy Awards (Bylund, 2018). This strategy has led them to become a high-quality entertainment platform, where exclusive content keeps subscribers coming back for more.

The third most noteworthy component of Netflix's competitive strategy is that of the user experience, which the company has prioritized (Sonenshine,2018). The interface is simple and consistent across all devices; it is easy to navigate, and Netflix doesn't try to blend advertising content into its streams like Hulu or Amazon who try to steer viewers towards downloads not included in their service (Bylund, 2018). Netflix has realized that additional advertising revenue ultimately isn't worth the detraction that results from viewer dissatisfaction; anything that takes away from viewers' focus on content is removed from the platform (Bylund, 2018).

Global Strategy

Netflix is very much a global enterprise. As of 2017, it had operations in over 190 countries, and more than half of its 130 million subscribers lived outside of the US (Netflix, 2018). In Q2 2018, international streaming revenues for the company exceeded domestic revenues for the first time, a fact that is impressive given how rapidly they expanded internationally (Brennan, 2018).

Netflix's global strategy is unique in that it must secure content deals on a regional basis. The company faces many regulatory restrictions, and customers in new markets often prefer local-language tailored content. Furthermore, many subscribers in new geographic areas are accustomed to free content and hesitate to pay for streaming services (Brennan, 2018). Netflix's global strategy is important in that there already exists strong competition in many foreign countries, where leaders offer localized content that mitigates any opportunity for a first-mover advantage. The table on the following page examines key phases of Netflix's global strategy:

Key Component of Global Strategy	Details
Selective market entrance	Netflix selected markets based on perceived differences, first selecting those that were less differentiated; through this process, they learned how to properly expand and enhance their capabilities beyond the US (Brennan, 2018).
Faster, post-learning, expansion	Drawing on the lessons from the first phase, Netflix selected markets based on attractiveness (similarities, affluence etc.), and supported the rollout with local partnerships and investments in localized content and data analytics
Rapid expansion	Expanded rapidly using the expertise generated from previous phases; helped to determine content preferences, marketing tactics, and company-wide organization. Focused in this phase on adding more languages, optimizing personalization algorithms, and expanding support for devices and operations

Strategic Issues and Challenges

Netflix has the potential to dominate the next phase of entertainment distribution, but they must certainly overcome obstacles to do so. Historically, one can observe that new phenomena created opportunities for the success of new companies; as broadcasting replaced radio, or cable replaced broadcasting decades later, companies that didn't continually innovate lost out and became illegitimate. Today, cable providers are losing millions of subscribers to streaming services like Netflix, and only those who have built strong economies of scale remain. This is something that Netflix managers must consider. Though they have capabilities and intangible assets that are impressive, their physical infrastructure is still dwarfed by large cable and TV companies across the world who can leverage these capabilities and their brand name recognition to stay relevant.

Additionally, while Netflix is the undisputed leader of worldwide streaming, increased competition and stagnated subscriber growth in their strongest markets hinder continual success. As the streaming market becomes increasingly saturated, Netflix and their competition face mounting pressure from one another. With companies like Disney investing heavily into streaming services, Netflix must continually spend more each year on content; in 2018 alone, they are projected to spend over $8 billion (Toy, 2018). The wealth of options that exists in the industry, from Amazon to Hulu to Netflix, is overwhelming to consumers and means that one provider cannot hope to provide all of the most desirable content at any one time (Toy, 2018). To this end, Netflix is in a uniquely vulnerable position; if the subscription-content model loses popularity, they don't have another business to fall back on like Disney, Apple, or Amazon do (Toy, 2018). Even though consumers pay for multiple services, the expanding environment means that Netflix will have to work harder to attract and retain their subscriber base.

Finally, though inexpensive in comparison to cable and other streaming services, Netflix is in many ways a premium product, which poses additional challenges. Exchange rates place the service in a more expensive category in several countries, ad their high quality, professionally-produced content further this perception. While Netflix's strategic approach has been undoubtedly successful thus far, one can see that platforms like YouTube are actually better poised to dominate the streaming market in perpetuity. This is largely due to such things as the rapid rate of technological change that make the production of professional-grade content easier and revolutionize machine learning that better enable Netflix's deep-pocket competition to catch up (Moskwitz, 2018). Sustained success will require a shift in Netflix's strategy; though their subscription model requires spending a lot of money for content acquisition, streaming is not necessarily overtly difficult or expensive to penetrate. Furthermore, the recent repeal of net neutrality may shift power to other places along the supply chain where internet service providers or cloud platforms will have more power and autonomy. As the company currently stands, there is no guarantee of pricing power over consumers or legislation to help with pricing power over suppliers (Philleo, 2018).

Growth Strategies

Netflix recently missed its global subscriber targets by over a million and added the same number of subscribers that they did in the same quarter last year; this indicates that they are nearing the saturation point for subscriber growth (Southern, 2018). It is therefore evident that Netflix must implement a new strategic approach where they are not as susceptible to fluctuations inherent to this saturated industry. To continue growing, Netflix has several options to consider:

1. Continue focusing on original content development, allocating less and less funding towards licensing content
2. Maintain presence in current markets, domestically and internationally, focusing only on customer retention and competitive customer acquisition
3. Focus on international markets to continue growing
4. Diversify the current platform to include different types of content, becoming a more holistic online destination for consumers

Strategic Recommendations

Netflix is currently in the business of buying and making content. While they have experienced tremendous success with this business model, they are fighting a battle over content acquisition and creation that is only becoming more competitive and expensive as new entrants appear. Furthermore, many of their competitors, such as Amazon and Disney, have deeper pockets and more resources. To best leverage their existing position, I recommend Netflix take several actions, each of which are proposed in consideration of the following key decision criteria:

Key Decision Criteria	Weight (1 to 5)	Source(s)
Become the best global entertainment provider	5	Williams, 2015 Netflix.com, 2018 Grant, 2018
Help content creators find a global audience	4	Williams, 2015 Netflix.com, 2018 Grant, 2018

1. Diversify their platform

a. I recommend that Netflix consider a strategy akin to YouTube, adding capabilities to their existing platform that allow third party content providers to sell directly to subscribers, but with prices controlled by Netflix.

b. This is both feasible and attractive when one considers Netflix's primary strengths: they possess an impressive and virtually unparalleled infrastructure for content creation and delivery, tremendous brand name recognition, an unrivaled subscriber base, and are attractive for many third parties (Hagiu, 2018). These parties are not limited to video content providers, as the platform also appeals to marketers and game developers.

c. Allowing third parties to sell products within the service but outside of the subscription, Netflix could add a substantial revenue source to their business that fulfills the growing needs of their subscriber base.

d. Expanding their offering to become a more holistic destination for online entertainment, Netflix can tap into an entirely different growth dimension; this is competitively necessary.

e. This added breadth to their offerings can augment customer retention, as Netflix can become a one-stop-shop for online content. This aligns with the key decision criteria, enabling many more content creators to reach global audiences, and making Netflix's platform a more holistic entertainment destination.

Key Risks for Diversification Addressed

a. While there are undoubtedly risks inherent to this strategy, such ventures have historically worked in the past. Amazon, for example, started as a retailer before adding a marketplace where consumers purchase directly from third parties. This is now arguably their most successful endeavor, one that Netflix has the opportunity to mimic in a digital context.

b. Being a platform for content is much more scalable and defensible than their existing infrastructure, which is essentially centered upon reselling and producing expensive content.

c. This is a relatively low-risk-high-reward scenario; by shifting towards becoming a hybrid aggregator, Netflix can mitigate competition and experience immediate growth in markets that they haven't yet entered; additionally, expense is limited as they needn't create this content or radically change their infrastructure to accommodate third parties.

    i. They also have the resources and technical expertise necessary to integrate third party content within the existing platform.

d. Another risk inherent to opening up the platform is that of quality control and inefficient resource allocation. However, given Netflix's resource-rich nature and proven ability to innovate, this can be mitigated through continual monitoring and a phased rollout (see Time Frame and Key Actions).

e. This new strategy will also help in realizing cost reduction and resource efficiency. Netflix's content licensing agreements constitute one of their most significant expenses

    i. For example, they spend an average of almost $200 million to access Disney content for just one year (Jalan, 2016).

f. The compound annual growth rate of video content consumption across mobile technologies has been 100% for several years

      i.   While Netflix has the second largest share of the market with 9%, YouTube possesses over 70% (Philleo, 2018). This is noteworthy in the context of the proposed strategy: with the largest streaming services all intent on acquiring and producing as much engaging and diverse types of entertainment as possible, implementing this recommendation will allow Netflix to mitigate multiple or continually switching subscriptions as users won't be able to exhaust their endless offerings and will be less incentivized to juggle multiple subscriptions.

2. **Continue focusing on original content development, allocating less and less funding over time towards content licensing**
3. **Continually allocate resources to international expansion, namely in countries where there is high pressure for localization that Netflix can uniquely satisfy (unlike key competitors)**

    a. In conjunction with diversifying their current platform, I recommend that Netflix continue their efforts regarding original content development and international expansion. Though growth has stagnated, these endeavors have proved tremendously successful and are primary drivers behind the company's success. These recommendations both align with Netflix's key decision criteria; their proven success in developing original content has allowed them to attain high user ratings on a global scale. This is largely due to their expertise in local responsiveness, which the recommendation of continuing international expansion furthers. Having established industry-leading practices in such things as dubbing shows in a manner that maintains authenticity in tone and language, for example, they personalize content in as many ways as are possible for members regardless of location (Netflix, 2018). They don't think of their users by market as other companies so often do. Rather, they understand that their users can and often do have the same tastes as someone on the other side of the world. Netflix focuses on these taste communities that transcend borders and allow them to promote their content in a compelling way.

    b. The risk of foregoing these strategies is higher than that of pursuing them. Netflix is reliant on these endeavors for funding, current growth, and customer retention. Though they can be altered over time, they should maintain the status quo for the time being (see time frame and key actions, below, for more details).

      By focusing on the aspects of their business that have been so successful thus far and leveraging these competencies to diversify their platform to include third party developers, Netflix will be poised to become the best global entertainment provider, helping an increasing number of content creators find an audience.

Quantitative Analysis

The proposed recommendations are supported by the following quantitative analysis, which examines the various growth strategies against the key decision criteria.

Key Decision Criteria	Weight	Option #1 Focus on original content development	Total	Option #2 Maintain	Total	Option #3 Intl. Expansion	Total	Option #4 Diversify	Total
Become the best global entertainment provider	5	4	**20**	2	**10**	4	**20**	5	25
Help content creators find a global audience	4	2	**8**	1	**4**	2	**8**	5	20
TOTALS			**28**		**14**		**28**		**45**

Time Frame & Key Actions

The following outline examines how Netflix can best implement these recommendations:

Recommendation	Time Frame & Key Actions
Diversify the current platform by allowing third party content providers to sell on it	1. Develop beta testing module through which third party content producers (including individuals, gaming platforms etc.) apply to test content on Netflix's platform 2. Perform focus group research in the most established markets, testing tailored-recommended content of third parties 3. Launch multi-channel marketing campaign, spanning all mediums available, to generate awareness and inform the user base 4. Launch third party platform as a separate viewing option within the existing Netflix platform 5. Slowly integrate third party content through tailored user recommendations 6. Integrate third party content within broader framework 7. Continue to grow network of third party providers with a vetting process to maintain content quality
Continue focusing on original content development, allocating less funding towards content licensing	1. Maintain existing investments in original content creation for FY2019 2. Focus on sequel development, continuing to leverage data analytics to maximize ROI 3. Phase out licensing of non-Netflix content based on viewership and ratings on an annual basis
Continually allocate resources to international expansion, namely in countries where there is high pressure for localization and which Netflix can uniquely satisfy (unlike key competitors)	1. Slow investment in foreign market expansion, instead focusing on becoming more established in existing, expansive, network 2. Focus on established best practices for localization within existing international markets: language dubbing, local content generation, joint ventures with existing companies etc. 3. Continue strategy of identifying markets that Netflix can uniquely enter on a quarterly basis, driven by seasonality and other such viewing considerations

Netflix Vs Hulu Competition Analysis

Netflix was launched and founded in 1997, and the current CEO is Reed Hastings. It is known as the "world's leading" internet media streaming service (Cook 2019). The company started out as a subscription-based DVD rental mail order service, where users would choose the movies and shows they want online, and they would be shipped to the user's house until the user was finished, and they would send it back and get the next movie on their queue. Now, Netflix is an instant streaming movie or television show service, with over 151 million paid memberships around the world (2019).

Netflix - Coordinates

When it comes to the coordinates of Netflix, the company has both business and communication goals. The primary business goal of Netflix is to increase sales and subscriptions, but not only do they want to make money and keep customers paying, they also want to keep their customers happy and satisfied. This is a big focus for Netflix on the business side. That being said, Netflix's main communication goal is to entertain fans. They constantly seek to entertain and communicate with their fans, and this is a clear and targeted message on their end. They always keep their target audience in mind, and they are informed by social listening (Letki, 2017).

Netflix - Social Media Analysis

Netflix has various social media platforms, consisting of Facebook, Twitter, Instagram, LinkedIn, Youtube, Pinterest, and TikTok. However, they have three primaries actively managed platforms which consist of Facebook, Instagram and Twitter. On all three of these platforms, Netflix has a high following and like count. The United States Facebook page has 61 million likes / followers, while the United States Instagram account has 18.6 million followers and 2,068 posts. The United States Twitter account has 6.8 million followers and 30,300 tweets. All three of the accounts use geo-targeting, which means the platforms split their content by regions and have relevant information analyzed to meet their target audience preferences.

Facebook

Facebook is known as Netflix's primary social media network. In one year, they had about a million new Facebook users following the United States page and seven million global Facebook users (Letki, 2017). Across the different region's pages, Netflix posts content every three and a half hours, according to Netflix themselves (2017). The United States Facebook page is updated the most: approximately three to eight times daily. Posts include videos, images, and GIFs that are all related to currently streaming television shows and movies. Hashtags are utilized in every post, whether it be popular hashtags or hashtags related to movies or television shows currently streaming on Netflix. Netflix's Facebook page is known for posting behind the scenes stories of

movies and television shows that are available to stream. They are also known for their apparent and obvious humor, and they consistently answer and respond to fans on the platform.

Netflix's United States Facebook page has a diverse mix of categories, such as people, events, calls to action, and amusement (Figure 1). People were defined as celebrities and fans where the post was spotlighting them specifically. Events were defined as something that was coming to Netflix, just added, or when something else was happening. Calls to action was defined as Netflix asking the audience to do something, such as tagging someone or commenting on the post. Amusements were content designed to inspire the audience. When analyzed from October 17th, 2019 to October 24th, 2019, it was found that 16 percent of their content consisted of people, 27 percent consisted of events, seven percent consisted of calls to action, and 43 percent consisted of amusement.

Instagram

In addition, Instagram is another actively managed social media account by Netflix. Like Facebook, Netflix's Instagram has separate regional accounts. The two most popular accounts are the United States, with 18.5 million followers, and Brazil, with 14.5 million followers. On the United States account, Netflix posts approximately two to four times per week. Similar to Facebook, the content on Instagram consists of high-quality pictures and videos related to current shows and movies on Netflix. Many posts include celebrities and stars, which assists in increasing the audience engagement. While Netflix will occasionally post promotionally content, they still make the post humorous and interesting to the audience in order to keep the audience engaged. The content is funny, and Netflix uses language that the fans and target audience use. Unlike the other platforms, Instagram does not typically use hashtags in their posts.

Netflix's United States Instagram page has a mix of categories, similar to Facebook (Figure 2). This data was analyzed between October 17th, 2019 through October 24th, 2019. The categories fell into people, events, calls to action, and amusements. 42 percent consisted of people, 33 percent consisted of events, 8 percent consisted of calls to action, and 17 percent consisted of amusement.

Twitter

As Netflix's most posted on platform, Twitter is the fastest and most content consuming platform compared to the others. Like Facebook and Instagram, there are multiple regional accounts. The United States Twitter account has 6.7 million followers. Hashtags are a big part of Twitter's content, and they use hashtags that are related to shows and movies on Netflix, such as #thedoover. Their mission on Twitter is to keep fans entertained. Their content is diverse, but still relevant to the audience. While there is cross promotion between Facebook and Twitter, there is Twitter exclusive content, and Netflix works to keep the right balance (Letki, 2017). Many of their posts are retweets from other Netflix regional accounts, celebrities, or fans. There are more retweets when there is a new show or movie added to Netflix that is popular. For

example, the show "Living With Yourself" was recently added to Netflix. On Twitter, Netflix retweeted many fans' posts about their opinion of the show.

Netflix's United States Twitter page also has a mix of categories, consisting of people at 38 percent, amusements at 32 percent, inspiration at 16 percent, and events also at 16 percent (Figure 3). This was analyzed over the course of October 23rd, 2019 through October 29th, 2019. Many posts consisted of retweets. When the posts were analyzed October 25th, 2019 through October 29th, 2019, 82 percent of their posts were retweets.

Netflix - Content Categories

Overall, on Facebook, Instagram, and Twitter, the category mix is diverse, but most of the posts are either amusements or people (Figure 4). When analyzed as a whole between October 17th, 2019 and October 24th, 2019, it was found that 37 percent of their content consisted of amusements, 33 percent consisted of people, 20 percent consisted of events, six percent consisted of inspiration, and four percent consisted of calls to action.

Netflix - Social Media Strategy Analysis

Evaluating Netflix's social media strategy brought forth three priorities and three strategies. The three priorities are to give customers what they want, share information openly, broadly and deliberately, and offer Netflix Originals. The three corresponding strategies are context (not control), consistency, and customer relationships. These three priorities and strategies are directly related to each other. For the first two, the connection can be seen between the ability with customers to select what they want to watch on Netflix and when they want to watch it without restrictions. For the second two, it can be easily seen that Netflix is extremely interactive on their social media pages. This can be seen through consistent posts and comments. This could be very valuable to the target audience, and it shows effective interacting with customers as well. As for the last two, it has been shown through many studies that Netflix Originals do very well in comparison to their competitors on customer satisfaction (Spangler, 2019).

Netflix - Other Communication

Netflix is currently developing many other types of communication besides their top three social media platforms. The main thing that Netflix has announced in regards to other forms of communication is that they are hoping to expand and become more active on the Reddit platform (Beer, 2019). They are also focusing on reinventing their mobile app with interactive features for sharing shows. They also hope to expand on their podcasts. Netflix has only announced the practice run of their new features that include short videos to help their customers reach a deeper and more meaningful level with the shows they love. Netflix is currently still working on some

new features on their mobile app that would allow users to customize title art and can share directly to Netflix (2019).

Netflix - Links and Nodes

When it comes to the links and nodes of Netflix, it is simple to see in the graph that the bullseye is the main focus and also represents the main website. With this, it is clear that the three main social media platforms are linked directly to the website, while the website is not connected back to the social media platforms.

Hulu - Overview Analysis

Hulu started in 2007 but was not launched until 2008. The current CEO is Randy Freer, and it is currently owned by three major companies which include Walt Disney, Comcast, and Time Warner. Hulu operates as an online television streaming platform that enables users to watch television shows, clips, documentaries and feature films. It is the only service that gives viewers instant access to current shows from every major United States broadcast network (About Hulu, 2019). This blend of options is what differentiates Hulu among other digital bundles. Hulu currently has 25 million subscribers, which is far behind its competitors, but this is because it only serves the United States (Hulu by the Numbers, 2018).

Hulu - Coordinates

For the coordinates of Hulu, the company has both business and communication goals. Hulu's main business goal is to make money through subscriptions, advertising, and now live television plans (Castillo, 2017). They want to continue to increase customer subscriptions as well as increase revenue through subscriptions in order to beat other competitors. They do this by advertising about what they have to offer. It is important for Hulu to continue to get people to subscribe to their service in order to make money and beat competitors. Hulu also has communication goals, and their most important goal is to connect and engage with current and potential users to form a relationship. They do this by interacting with fans on each of their social media platforms.

Hulu - Social Media Analysis

Hulu has multiple social media platforms that consist of Facebook, Twitter, Instagram, Youtube, Pinterest, Snapchat and TikTok. However, they have three primary actively managed platforms which includes Facebook, Instagram and Twitter. On all three of these platforms Hulu has a continuously growing follower count. They make use of pictures, videos, and hashtags in order to inform people of the shows that are included with their service. Each of these platforms are used in different ways in order to promote their services, interact with the audience, and increase customer loyalty.

Facebook

Hulu's Facebook page currently has three million followers which makes it the most followed social media platform. Hulu posts content two to three times throughout the day. The main focus of this social media platform, in addition to advertising new content, is to highlight just how new the shows that they offer are (Soko, 2015). They primarily share trailers and teasers for upcoming shows. The primary goal of Hulu's Facebook page is to increase customer loyalty. Hulu actually makes an effort to connect with customers and build long lasting relationships (2015). They connect with customers by consistently replying and helping with any problems that people may be encountering.

After observing Hulu's Facebook account from October 17th, 2019 to October 24th, 2019, it was shown that they have a variety of categories in which the content that they post fits in. These categories are amusements, people, events, and calls to action. Amusements has nine percent, because some of the content posted on Hulu's Facebook page is to entertain people. People has 37 percent because a lot of the content that is posted is of celebrities and people who are features in the shows. Events has 39 percent because the majority of the Facebook posts are about upcoming shows and when they are going to air. Lastly, there are calls to action with 15 percent, because Hulu is trying to get people to subscribe in order to watch the shows that they offer.

Instagram

The next social media that Hulu manages is Instagram. It is the least active of all of its social media platforms. It currently has 286 posts and 476 thousand followers. The main goal of this social media platform is to promote the cast members and upcoming shows. Most of the photos posted consist of promoting the cast members that are in their shows, and they will post at least once a day. They also make use of the stories feature and Instagram television (IGTV) in order to give fans a behind the scenes look. When posting photos, they make sure to tag celebrities and use creative hashtags as well.

Hulu's Instagram page has a mix of categories, which is similar to Facebook. This data was analyzed between October 17th, 2019 through October 24th, 2019. The categories were the same as Facebook, which include people, events, calls to action, and amusements. The people category has 39 percent, because the majority of the content consists of cast members. Events has 26 percent, because they promote their upcoming shows. Calls to action has five percent, because although they do want to get people to watch their shows, they primarily focus on cast members on this platform. Lastly, there is amusements with 30 percent, because they make use of stories and IGTV in order to entertain fans.

Twitter

The last primary social media account that Hulu has is Twitter. This is Hulu's most actively managed platform. They currently have 43.8 thousand tweets and 699 thousand followers. They post videos, GIFs, and images that include humor, trailers and advertisements of upcoming shows. The primary goal of this social media platform is to engage with the audience.

They constantly reply to fans and retweet them. Hulu posts at least five times a day on Twitter, but this does not include the multiple posts that they retweet.

Hulu's Twitter has a variety of categories similar to its other platforms that were analyzed between October 17th, 2019 through October 24th, 2019. The categories include entertainment, people, events, calls to action, and inspiration. This data was analyzed between October 17th, 2019 through October 24th, 2019. Amusements is the highest category at 30 percent due to all the humorous posts that are shared on this account. People is at 27 percent, because Hulu continues to post about cast members from shows. Events has 17 percent, because there are countdowns that are posted leading up to upcoming shows. Calls to action has 19 percent, because Hulu tries to persuade people to subscribe and watch their shows. Lastly, the inspiration category is at seven percent, because content is posted in order to uplift fans.

Hulu - Content Categories

Overall, on Facebook, Instagram, and Twitter, the category mix is diverse, but the majority of their posts consist of amusements and people. When analyzed as a whole between October 17th, 2019 and October 24th, 2019, it was found that 34 percent of their content consisted of amusements, 37 percent consisted of people, 14 percent consisted of events, four percent consisted of inspiration, and nine percent consisted of calls to action.

Hulu - Social Media Strategy Analysis

Like Netflix, Hulu's overall social media strategy is driven by three main priorities. First, Hulu aims to give their subscribers the best journey when using their services. In order to achieve this, Hulu's strategy is to create tangible content, such as sneak peeks of upcoming shows during advertisements, which is also posted on Hulu's social media platforms, capture and share curated content such as GIFs and memes of television's greatest moments, and post in-house custom artworks that would captivate users. The priority of focusing on the subscriber journey allows Hulu connect with users and bring value to the kind of content being posted across Hulu's social media platforms. Second, technology and products play a big portion in consumer loyalty. In order for Hulu to attain and provide their users with the latest technology updates, Hulu focuses on being mobile friendly and feature offline content, as this allows users to stream and watch shows anywhere, anytime. This is a gateway of being valuable to its users, as Hulu gives and provides what its consumer wants. Third, in order to focus on the content and advertising aspect of Hulu's priorities, Hulu leverages user data, such as recommended shows, fan favorites, and reviews, to customize and tailor messages that Hulu's users would find

relevant and engaging. In addition, this produces the right content at the right time and eliminates the possibility of losing user interest.

Hulu - Measurement of Effectiveness

There are many ways to measure how effective Hulu's social media strategy is. As mentioned earlier, since Hulu is the only streaming service that has Live television shows along with advertisements, the revenue that is garnered from monthly user subscriptions and advertising contributes a big portion of how effective Hulu's social media is. In addition, Hulu's main website traffic is a contributor, as this can evaluate whether or not Hulu's social media content is enough to drive traffic. In continuation, Hulu's social media team also looks at the level of engagement of their users by the analysis of the feedback contributed under Hulu's social media content. Lastly, in order to keep consumer loyalty, Hulu also monitors user feedback on their social media platforms. By doing this, Hulu can further leverage data and target current and new users. Although Hulu has the advantage with revenues from advertisements, Hulu is still implementing other features to keep up with their competitors and meeting business goals in order to be considered one of the biggest streaming services in the United States (Moore & Albanese's, 2019).

Hulu - Links and Nodes

Across all social media platforms, there is a connection back to Hulu. However, the connection is weak, indirect, and it may cause confusion. For example, Hulu's main website, which is the bullseye, as this is the platform that users are most likely to sign up for Hulu's services, links to Facebook, Twitter, LinkedIn, Youtube, and Instagram. However, Twitter, which is the marketing tool for most business to business (B2B) (Lin, 2019), does not have a connection back to the main website. Twitter instead links to Hulu's Live TV feature, "Hulu Has Live Sports". Although users can still sign up for Hulu's services on Hulu Has Live Sports, it may be perceived that Live Sports is the only kind of service that Hulu offers. In addition, the tactics used on Instagram should be considered for Twitter. For example, providing the link to connect back to Hulu's main website and having additional Instagram accounts specifically for Hulu Has Live Sports may be helpful. By doing this, users can differentiate between the two.

Effectiveness Analysis

Hulu and Netflix both show effectiveness when it comes to their primary platforms: Instagram, Twitter and Facebook. Three separate charts were created to break down each platform. It was then broken down into three categories, followers, accounts, and posts. These three were chosen because they fell in line with both companies' business goals.

Instagram

When choosing a social media platform, it is important to take into consideration whether it is worth the energy and time to be on it. A good starting point is to look at the demographics of the platform. Instagram's average user is 19 to 29 (West, 2019). Hulu's average user is 32, and Netflix's average user is 19 to 29. Knowing this information makes it very important for both companies to be on this platform. When it comes to followers on this platform, Netflix is much more effective than Hulu. Netflix has over 18 million followers, and just over a year ago Netflix only had seven million followers. This shows that Netflix is effective at expanding their content and increasing their follower count. Netflix has shown multiple times that fan engagement is important to them; the company is timely at responding to customers and engaging with them like a friend rather than like a company. One specific example that sets Netflix apart from Hulu is that Netflix shows fan-created content. It is a recently added tool that was added to Netflix's mobile app that allows users to share title art right from the Netflix app to their Instagram story By doing this, more conversation is created with the fan base, and it allows Netflix to reach a broader audience without doing extra work. In addition to Netflix's original Instagram account, they also have an account called "Uppercut." Uppercut shows off more "edgy" content. Having more than one account may be difficult to manage at times, but what makes this effective and worth continuing to manage is that it is different content than what they are posting on their original account. In addition, it also has the link in their bio that goes back to the website, which increases subscriptions and traffic. Both accounts stay relevant by posting daily, making this an effective use of the platform. Netflix also has an abundance of original content on their Instagram account.

Hulu lacks effectiveness in one of three areas when managing Instagram. As stated earlier, Hulu needs to increase fan engagement and have all their content in one area in order to become more effective in increasing followers. Hulu is only domestic, and having content spread out is not an effective social media strategy when lacking followers compared to competition. When analyzing Hulu's social media goals, it is clear to see that they want to push the ability to stream live television. Unlike Netflix, Hulu has one of their strongest content abilities on a completely different account (@mrhuluhaslivesports). Netflix posts their strongest content on the original Netflix page, and Hulu should follow this same strategy in order to become more effective in both post and accounts.

Twitter

Hulu is most effective on Twitter, and it is their strongest platform. This is the most beneficial platform that ties in well with their business goals and social media strategy making; this a platform they should be on. Hulu's Twitter page is effective in many ways, such as it is consistently increasing followers and posting fresh content.

 Even though Twitter is the strongest platform for the company, it still has areas where it is ineffective. During Halloween, Hulu changed their profile photo and Twitter handle to "Huluween." This is great for promoting one aspect of the company, but during the month it lost traction in promoting its live sports and live television. Hulu's live television costs 44 dollars a month, and the normal streaming service can go as low as four dollars per month. By lacking

promotion and conversation about live television, it could hinder the effectiveness in increasing memberships in where the money is to be made. In the repair plan, it will be elaborated on how Hulu can still advertise Huluween and remain effective on their strongest platform. Since Twitter is Hulu's strongest platform, it is important to note that they are missing a link to their home page. Instead, the bio has a link to the live sports page. To make this more effective, it would be better to have links to both the Hulu website and Hulu Live Sports. The reason behind this is because one of Hulu's goals it to generate revenue through advertising, and if the social media page is promoting content, it would be more effective to have a link to the home website. Twitter is still an effective platform for Hulu to be on because it has been a long time location for television networks to connect with audiences, and a majority of the content they have on Hulu is up to date television shows.

As opposed to Hulu, Netflx stays consistent on their Twitter page. Their Twitter name, picture, and location continually stays the same. This is more effective, because it gives the audience a consistent design to reference when accessing their account. As mentioned earlier, followers are a crucial aspect of Netflix's social media goals. The social media strategy of increasing follower engagement is well managed on their Twitter page. In order to stay effective in this area, it is important to be watching and listening in the right places and the right times, so the company can tap into real time conversations and receive results. An example of this is Netflix responding to a fan saying the "Lost in Space" reboot was "hot". The fan's post later went viral and prompted night show host James Cordin to way in on it. Netflix is so effective in creating fan engagement that it sometimes backfires for the company. At the height of the movie "Bird Box," a hashtag ended up backfiring on the company. The hashtag was the "Bird Box Challenge", intended to be harmless fun, which escalated to a more dangerous level. Netflix later said it simply follows fans leads. Netflix is willing to take risks and generate content that keeps fans entertained. Following this method of strategy Twitter is an effective platform for Neftlix to be on.

Facebook

One of the most effective social media strategies that Netflix uses across all platforms is geo-targeting. Netflix is a large company and is passively managing a platform is a route this company would go, when they do decide to post they know it will be getting to the proper target audience. When trying to create the proper content for the audience, it is important to have consistent goal. After examining the other social media platforms, it is clear that Netflix works to promote their original content. On Facebook, they use an effective strategy to show their fans behind the scenes footage of their Netflix originals, enticing fans to go to their service and watch. As a whole, Netflix uses this platform effectively. This platform is the highest followed account out of the Netflix social media platforms. Knowing this information, Netflix is very effective in connecting fans to their other social media accounts on their Facebook page. When comparing Hulu's use of Facebook compared to Netflix, the connections are the biggest difference. Hulu misses the connections goal completely on their Facebook page. Being that this is also the highest followed social media platform for Hulu, it is surprising to see that there are no connections to their other pages.

All social media platforms can be very effective for both companies, but it is clear that Netflix is a lot stronger at following the five C elements of social media strategy and are seeing great benefits from it. In the repair plan, it will be examined how Hulu can become more effective in areas that they are lacking effectiveness.

Evaluation Tool

An evaluation tool is of utmost importance when it comes to determining the effectiveness of a company's social media strategy. This way, there is a strategy in place to hold companies accountable for making sure they are getting the most use out of their platforms, and it allows for continuous improvement. This evaluation tool has three columns consisting of categories, criteria, and a rating scale (Figure 5). The categories are based off of the five C's, which are coordinates, channels, content, connections, and corrections. There are 23 questions revolving around these five C's, and the user will rate themselves based on these 23 questions on a scale from one to ten. One is low, and 10 is high. They will rate themselves based on how much they can identify or agree with the statement. For example, the first question under coordinates states, "our social media efforts are aligned with our business goals." If the user's company always considers their business goals, their efforts are consistent with them coordinates, and their social media fully reflects that, they would rate themselves a

However, if the company never takes into account their business goals, and their social media does not reflect the goals, then they would rate themselves a one.
The first round of categories is coordinates, which is targeted at the business and communication goals, values, mission and vision of the company. The next group is channels, which talks about audience preferences, the target audience, and tactics, followed by content. Content involves the category mix, the target audience, and feedback. Following content is connections, which talks about links and nodes. Lastly, there are corrections, which deals with being proactive, evaluation, and responding to potential issues that come up and the handling of those issues.

Rating Evaluation Analysis

After the user rates themselves on the 23 questions, they will add up their score and it will determine their level of effectiveness (Figure 6). If the total score is between 23 and 75, the company is very ineffective. This means that their social media needs serious work and reconstruction, so the user should go back to the evaluation tool and reassess the low numbers and work from there. They may need to go back to the basics of the platform and re-evaluate their strategy. If the score is between 76 and 128, this means that they are still ineffective, and there is very much room for improvement, and they should go back and reassess the low scoring numbers. If their score is between 129 and 180, that means they are moderately effective. This means that there is still room for improvement. The user can go back to the tool and reassess the low numbers and act accordingly. Lastly, if the score is between 181 and 230, they are effective.

This is the target area and where the user wants to be. If applicable, the user can go back to the tool and reassess their low numbers. This evaluation tool makes it simple for users to check to see if their social media strategy is effective and what areas, if any, need work. This tool makes it easy to see what exact areas need improvement, and the categories cover all the bases that a

social media strategy should have.

Who Wins?

When looking at the evaluation tool with the scores of Netflix and Hulu, it is clear to see where each company did something right and where they went wrong (Figure 7). Some examples can be found below for each of the five C elements to see how and why these companies were scored the way they did. The first example that will be looked at is the coordinates. For example, one statement reads: "Our business and communication goals are aligned with our company values, mission, and visions." Hulu scored an eight, and Netflix scored at a 10, because even though all of their goals were fairly well aligned, it was clear that Hulu was missing some important details. The second example that will be looked at is the channels. One example from this category is: "My company looks for new opportunities." Hulu and Netflix both scored a 10 for this one, because they both make effective use of their social media channels when it comes to introducing new opportunities and / or content. The third example that will be looked at is content. For example, a statement reads: "I pay attention to what my audience likes to see." Hulu scored a two, and Netflix scored a 10. This is due to non-relevant social media posts. The audience is not likely interested in seeing certain content that Hulu posts, because they would rather be seeing more information or entertainment around the shows they like to watch, like what can be found on Netflix's profile. The fourth example that will be looked at is connections. "All links providers are not broken." Both Hulu and Netflix scored a 10, because every link they had worked when trying to get to the next website. The fifth and final example that will be looked at is corrections. "My company's social media tests different images, words, calls to action, and timing of posts in order to test and improve my posts." Hulu scored a seven, and Netflix scored at an eight, because neither of these companies were trying relatively hard on anything new they might have come up with. Every once in a while, it might be possible to notice something new on their social media platforms, but it will not be consistent.

Rating Evaluation

When viewing the evaluation tool, it is clear to see where Hulu and Netflix ranked as companies and who the winner was (Figure 8). In conclusion, Hulu finished with a total score of 91, being labeled as "ineffective", and Netflix finished with a final score of 217, being labeled as "effective" on the rating evaluation chart.

Analysis of Hulu

After evaluating Hulu against Netflix, there are notable elements that may have contributed to why Hulu was labeled as "ineffective." First, Hulu's lack of ability to interact with its users across all social media platforms resulted in unsatisfied users. As mentioned earlier, Hulu's response rate has room to grow. In addition, the differentiation between viewers and fans

may help Hulu, as viewers will go where the content is, while fans will stay where other fans are. Second, Hulu seemed to be too overly focused on "fighting the last war" with curated content. Although connecting with users with curated content can be beneficial to a certain extent, too much can hurt. Third, the lack of authenticity in Hulu's content is causing Hulu to lose out on its biggest competitor. Custom artworks and content does not have to be aligned with Hulu's products. It can consist of raw, retable, refreshing content that users can find amusing. Fourth, Hulu's biggest challenge is to create growth, whether that is in subscriptions, adveristings, or content. However, Hulu's social media content implied too much focus on quantity, when the focus should be shifted to the quality of the posts, content, and products. In other words, Hulu is posting content just to post without any value or significance. For example, on Twitter, Hulu retweets posts that does not seem to align or leverage any sort of connection and engagement of users. This can result in a missed opportunity with new users and current users.

However, there are elements that Hulu is being a champion in. First, they are effective at capturing some of television's greatest moments. As mentioned earlier, this is a tactic that Hulu does to fulfill its social media strategy. Likewise, being able to detect and differentiate what their users enjoy can set the company out from other streaming services. In continuation, Hulu is willing to innovate by using cultivating words to bring interest to their content from users. For example, having the right hashtag at the right time with "Huluween" for this past Halloween season. Furthermore, Hulu is highly successfully in targeting the right audience at the right time with the right advertisements; Hence why ads are still a successful feature on Hulu and will probably be there to stay.

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