



# BLOCKBUSTER VS. NETFLIX

A Tale of Two Titans

MANJIRI | MANISH | SAMAR | ADWAIT | ABHISHEK



# BLOCKBUSTER'S DOMINANCE IN THE 1990S

## 1. A Video Rental Empire

Blockbuster reigned supreme in the 1990s, its ubiquitous blue and yellow logo a symbol of convenience and entertainment.

## 2. Convenience at Its Peak

With thousands of stores across the globe, Blockbuster provided easy access to the latest movies and TV shows, catering to a vast customer base.

## 3. Dominating the Market

Blockbuster's dominance was unquestioned, with a massive market share and a thriving business model built on physical rentals.

## 4. BlockBuster's Peak

Year	Stores	Revenue (Billions)
2000	9,000	5.9



# NETFLIX'S EMERGENCE

## 1997: Foundation

Reed Hastings, a visionary entrepreneur, founded Netflix, marking the beginning of a revolution in the entertainment industry.

1

## 1998: DVD-by-Mail Service

Netflix launched its innovative DVD-by-mail service, offering subscribers a convenient and affordable way to access movies and TV shows.

2

## Early 2000s: Growth

Netflix's subscription model gained traction, attracting a growing customer base eager for convenient and affordable entertainment options.

3



# NETFLIX



# **TASK PERFORMANCE & TECHNOLOGY ADAPTION**

# BLOCKBUSTER'S CONSERVATIVE APPROACH



## Organizational Constraints:

- Resistance to change existing business model
- Heavy investment in physical infrastructure
- Limited technological innovation

## Task Performance Issues:

- Focus on maintaining the status quo
- Lack of adaptation to changing customer needs





# NETFLIX'S INNOVATIVE APPROACH

## Productive Behaviors:

- Emphasis on technological innovation
- Data-driven decision making
- Continuous adaptation of service delivery

## Human-Computer Interaction:

- User-friendly website interface
- Sophisticated recommendation algorithm
- Seamless streaming technology adoption

# ORGANIZATIONAL CULTURE AND EMPLOYEE BEHAVIOR



Assistant

Bot · Aug 18

Working at Blockbuster during its decline was a time of frustration, and uncertainty. Employees felt the company as it struggled to adapt to change from digital streaming services like Netflix.

Aspects of the Experience



Quora

What was it like to work at Blockbuster to fail?

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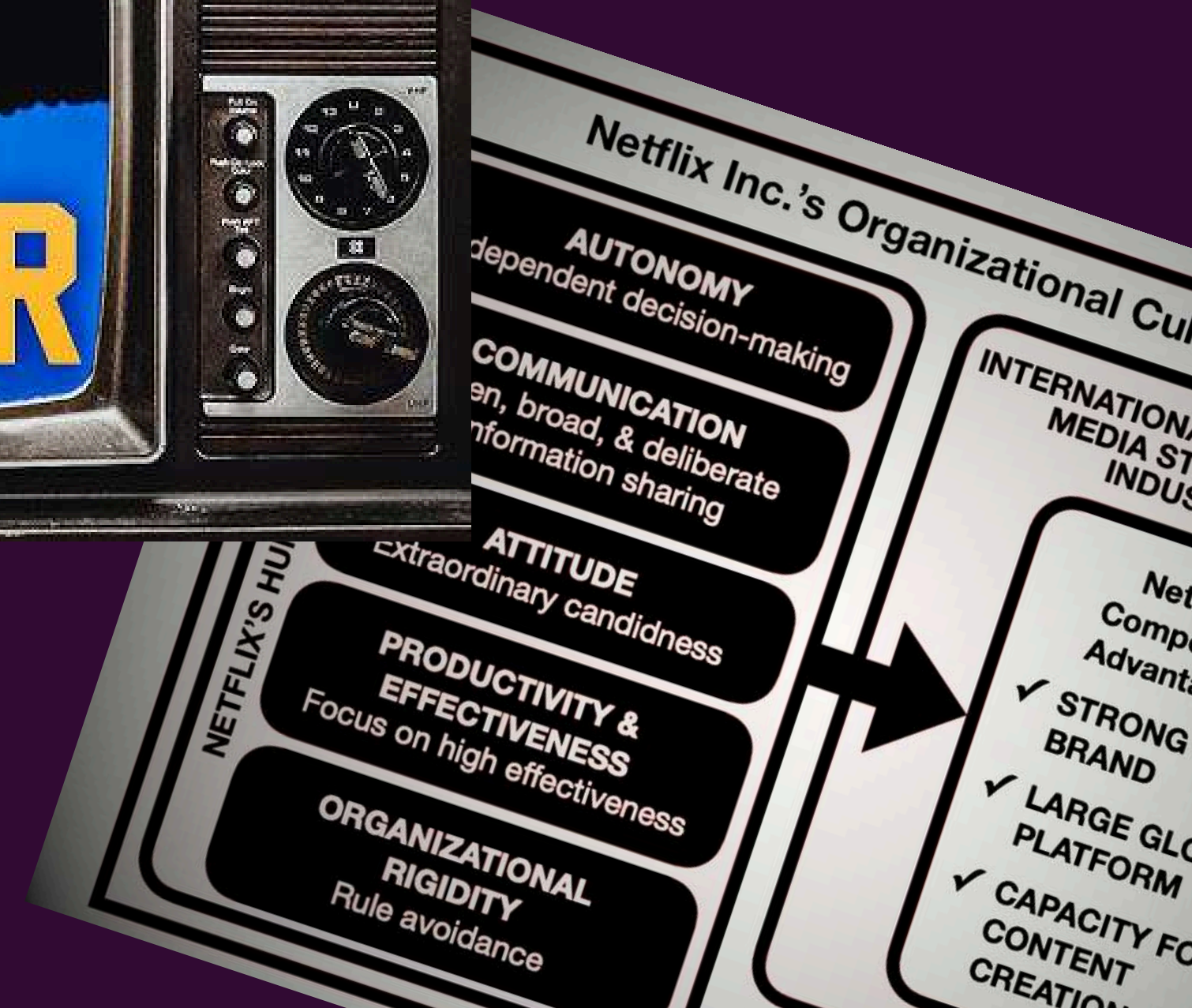
Mimi · Follow  
Former ASM/SM at Blockbuster (company) (2009–2011) · 5y

Would imagine that would depend on what position you held within the company at the time. I was purchased by Dish Network and the closures started to ramp up.

When an ASM/SM, it wasn't unexpected by any means because even if you weren't fully informed on details, regional managers could tell you enough that you could figure out what was happening on your own, but there was only so much you could relay to your team and managers at each point throughout the process.

...because that was your paycheck and I - personally - was a ...

...or. How long would I hav... (more)





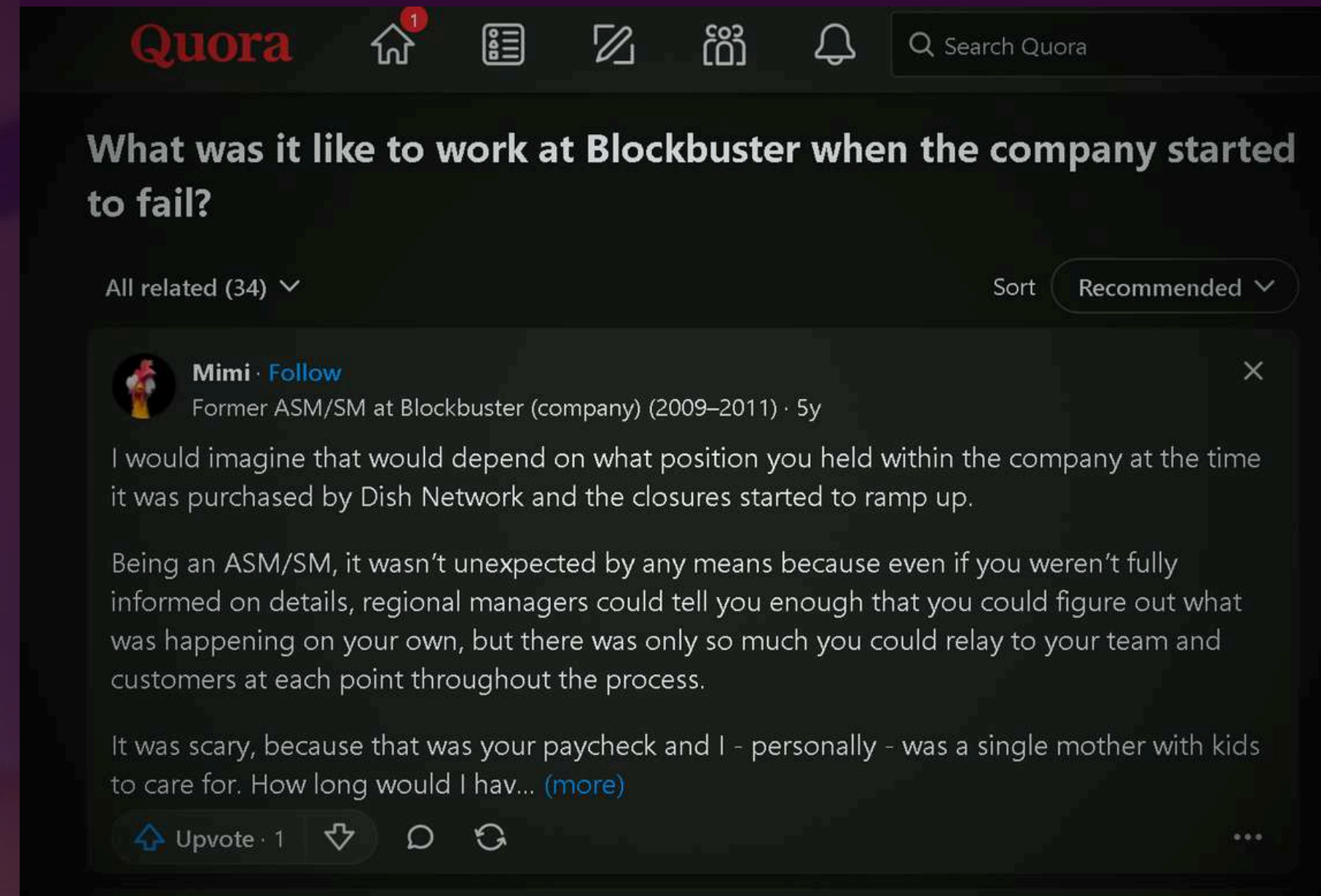
# Blockbuster

## Counterproductive Work Behaviors:

- Rigid corporate hierarchy
- Resistance to change from management
- Focus on short-term profits over innovation

## Organizational Constraints:

- Bureaucratic decision-making process
- Limited employee empowerment



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### What was it like to work at Blockbuster when the company started to fail?

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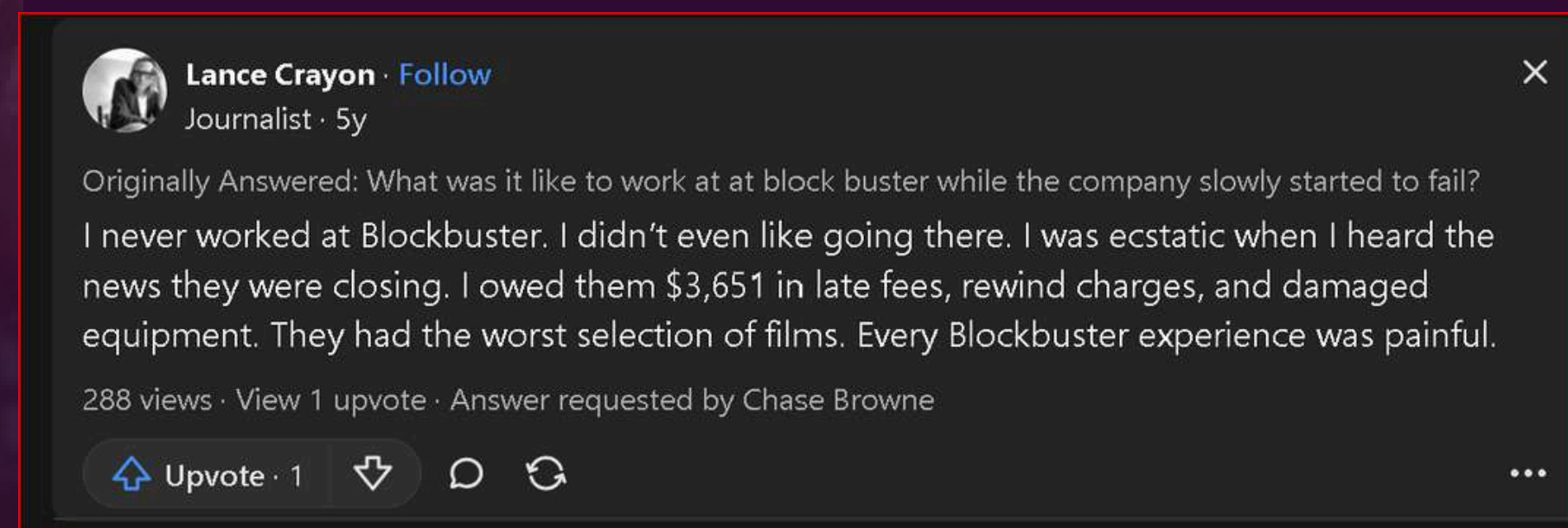
**Mimi** · Follow  
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Being an ASM/SM, it wasn't unexpected by any means because even if you weren't fully informed on details, regional managers could tell you enough that you could figure out what was happening on your own, but there was only so much you could relay to your team and customers at each point throughout the process.

It was scary, because that was your paycheck and I - personally - was a single mother with kids to care for. How long would I hav... [\(more\)](#)

Upvote · 1



**Lance Crayon** · Follow  
Journalist · 5y

Originally Answered: What was it like to work at at block buster while the company slowly started to fail?

I never worked at Blockbuster. I didn't even like going there. I was ecstatic when I heard the news they were closing. I owed them \$3,651 in late fees, rewind charges, and damaged equipment. They had the worst selection of films. Every Blockbuster experience was painful.

288 views · View 1 upvote · Answer requested by Chase Browne

Upvote · 1



# Netflix

## Organizational Citizenship Behavior:

- Culture of freedom and responsibility
- Emphasis on innovation and risk-taking
- High performance expectations with high autonomy

## Productive Work Environment:

- Flexible work arrangements
- Emphasis on results over process
- Strong focus on talent retention and development

Rancord Society

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BUSINESS MANAGEMENT, COMPANY ANALYSIS

### Netflix Inc.'s Organizational Culture & Its Strategic Implications

UPDATED ON NOVEMBER 18, 2019 BY [DAVID ANDERSON](#)

Netflix Inc. presents its organizational culture as unusual, especially with regard to how employees are encouraged to behave in the workplace. The company applies its corporate culture to develop resilience among its workers, as a way to support growth in an increasingly competitive on-demand digital media streaming industry. This organizational cultural system makes the online platform effective toward fulfilling its



Netflix's logo displayed on a MacBook Air. Netflix Inc.'s organizational culture is designed to promote the sharing of great

Netflix's Generic Strategy, Business Model & Intensive Growth Strategies

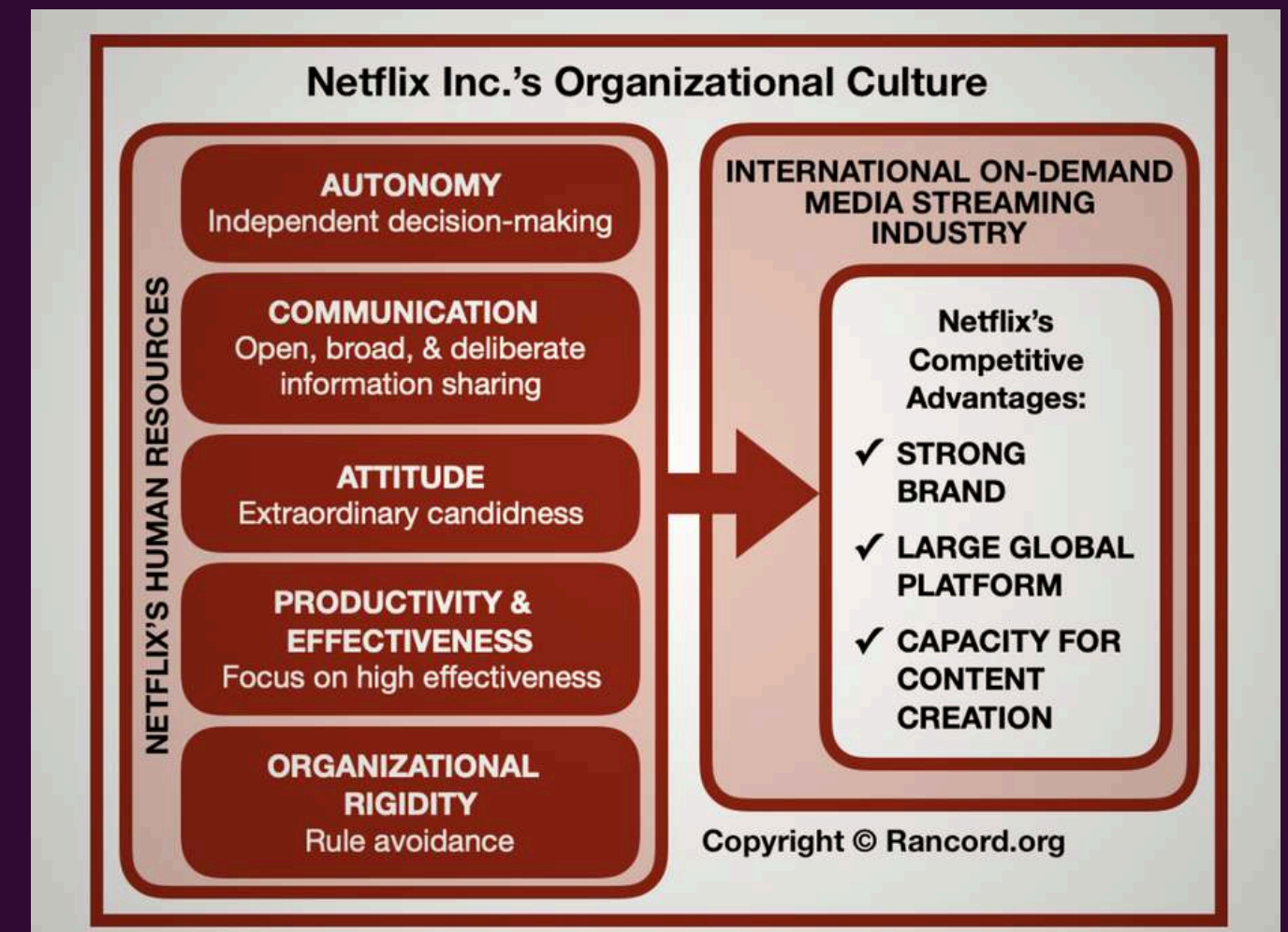
Netflix SWOT Analysis (Internal & External Strategic Factors)

Netflix Inc.'s Organizational Structure & Its Strategic Implications

Netflix VRIO/VRIN Analysis & Value Chain Analysis (Resource-Based View)

Netflix's Mission Statement & Vision Statement: A Strategic Analysis

Spotify's Organizational Culture & Strategic Considerations







**CUSTOMER  
SERVICE AND  
ADAPTATION  
TO MARKET  
CHANGES**



# BLOCKBUSTER'S DOWNFALL



1

## JOB DISSATISFACTION

They didn't focus on customer as well as job satisfaction, that led to less productive behavior.

2

## ORGANIZATIONAL COMMITMENT

Acceptance of organization goals.  
Desire to stay with the organization.  
Willingness to work hard.

3

## FINANCIAL CRISIS

Focusing on the opponents more than employees and investing in wrong area led to financial crisis.

# NETFLIX'S INNOVATIVE APPROACH

## JOB SATISFACTION

Netflix prioritized customer as well as employee satisfaction by. They introduced various new trends to make work environment productive.

## HUMAN COMPUTER INTERACTION

Embracing technological shifts, Netflix led the teams and assembled a user friendly software. This foresight positioned them at the forefront of digital entertainment.

## FINAL NAIL IN THE COFFIN (AET)

Netflix invested heavily in emotions and work that kept work environment happy as well as competitive.





# BLOCKBUSTERS FAILURE TO ADAPT TO MARKET CHANGES

- COUNTERPRODUCTIVE BEHAVIOUR
- LATE FEES A SIGNIFICANT REVENUE SOURCE
- SLOW RESPONSE TO CHANGING CUSTOMER PREFERENCES
- RESISTANCE TO DIGITAL TRANSFORMATION
- ENVIRONMENTAL CONSTRAINTS
- HIGH OPERATIONAL COSTS OF PHYSICAL STORES



# NETFLIX'S SUCCESS

## **CUSTOMER-CENTRIC APPROACH**

NETFLIX PRIORITIZED CUSTOMER SATISFACTION, CONSTANTLY SEEKING WAYS TO IMPROVE ITS SERVICE AND CONTENT OFFERINGS.

## **QUICK ADAPTATION TO STREAMING TECHNOLOGY**

THE COMPANY QUICKLY EMBRACED STREAMING TECHNOLOGY, PROVIDING A CONVENIENT AND ACCESSIBLE PLATFORM FOR ITS SUBSCRIBERS.

## **INNOVATIVE CONTENT CREATION STRATEGY**

NETFLIX INVESTED IN ORIGINAL CONTENT PRODUCTION, CREATING A DIVERSE AND ENGAGING LIBRARY OF SHOWS AND MOVIES.

