

# Netflix Post Analysis Recomendations

## Main Stream of Income

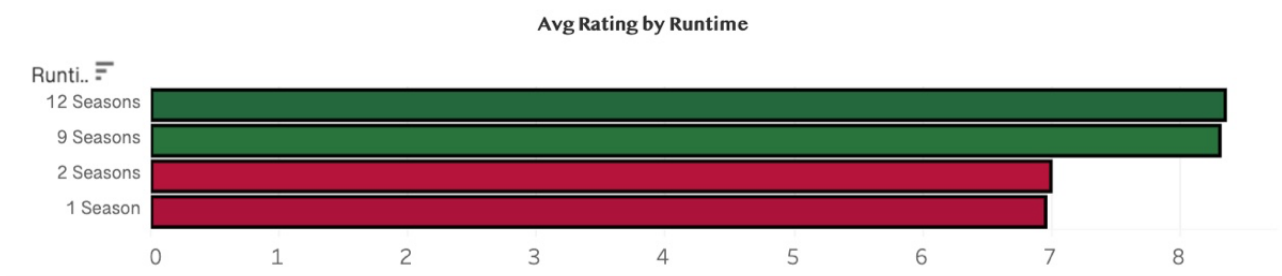
How does Netflix generate it's revenue?

Netflix relies on a subscription based system for its main source of revenue. To ensure the subscriptions don't cancel and users stay subscribed is the main solver for revenue streams. Netflix also developed an algorithm recommendation system in order to keep users satisfied, resulting in personalized content enjoyable for all users. The personal video tracker, is one of the main algorithms used to recommend movies and shows based on the user's engagement, and their viewing of certain genres. Higher engagement leads to an increase of revenue, due to events such as word of mouth, as in people talking about their favorite finds on Netflix with others. This introduces an opportunity for others to consume the content, or subscribe to Netflix themselves if they haven't. The customer's satisfaction can be highly correlated to the ratings of the content Netflix provides. Thus, here is a list of recommendations which may potentially improve revenue in the long run, based on satisfaction of the user measured by IMDb ratings.

### 1. *The quality over quantity mindset*

A common reason for churn is lack of compelling content. By tying IMDb ratings to retention trends, Netflix can identify which types of shows keep users subscribed longest.

Netflix should prioritize in the quality and investment of each content. Data shows a trend in which TV shows with more seasons receive higher IMDb ratings. This results in user satisfaction, ensuring more positive word of mouth and user retention.



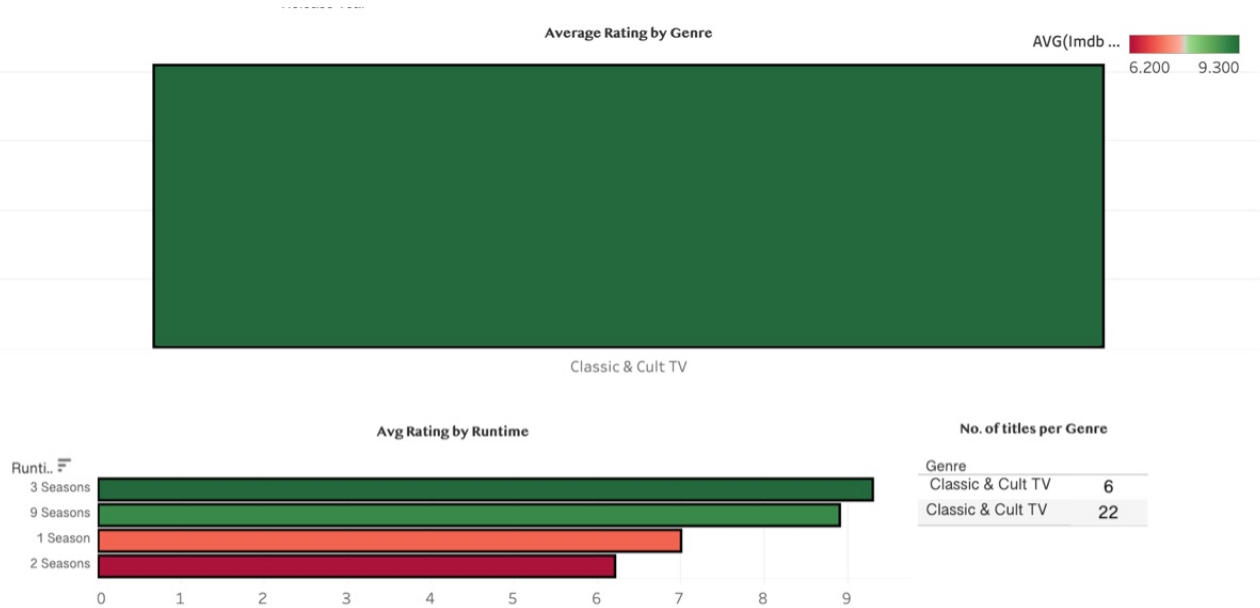
Users may be subscribed, but if they do not have an interest in watching the content due to slop content, this will reduce revenue in the long run. To combat this, invest more in *long-running shows* with proven engagement, extend seasons of already popular content (instead of canceling after 1-2), and pilot fewer but more carefully curated new shows.

Segmented Impact

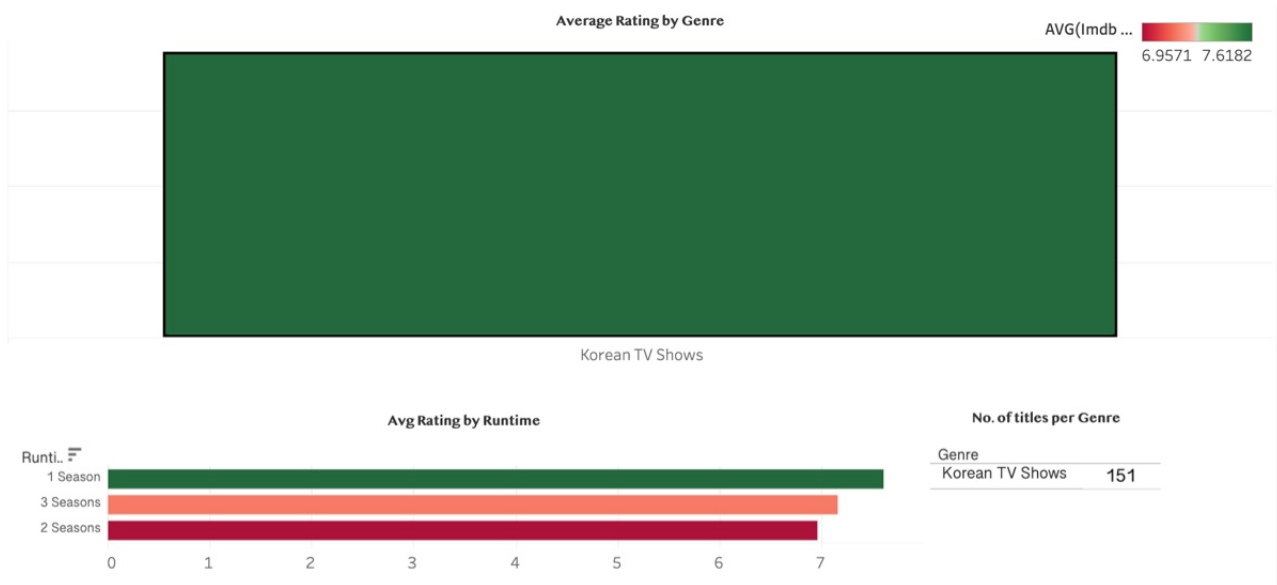
2. TV Shows deep dive and focus

- Lets dive deeper into the TV shows side of the content. TV shows have longer run time, like multiple episodes and seasons thus, has an increase runtime than movies. Users stay engaged with the Netflix platform for longer periods of time when consuming TV Shows.
- Some genres of TV shows perform better with fewer seasons than others. This can be seen through the IMDb ratings according to the runtime. That being said, its not recommended that all genres should invest in longer seasons, but every genre is unique, and needs a curated approach. Here's a look at different genre's and their performance by user ratings.

Classic and Cult TV - Performs better with longer seasons



Korean TV Shows - Fewer seasons produced better ratings



*Docuseries - Another popular genre performing well with higher season count than lower.*

