Case study on inactive users of Netflix

Netflix
OTT Streaming Platform

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Problem Description

10% of the total Netflix users are inactive. Identify the issues, solutions, and metrics to validate the solution. Finally, provide a detailed explanation to solve the problem of inactive users.
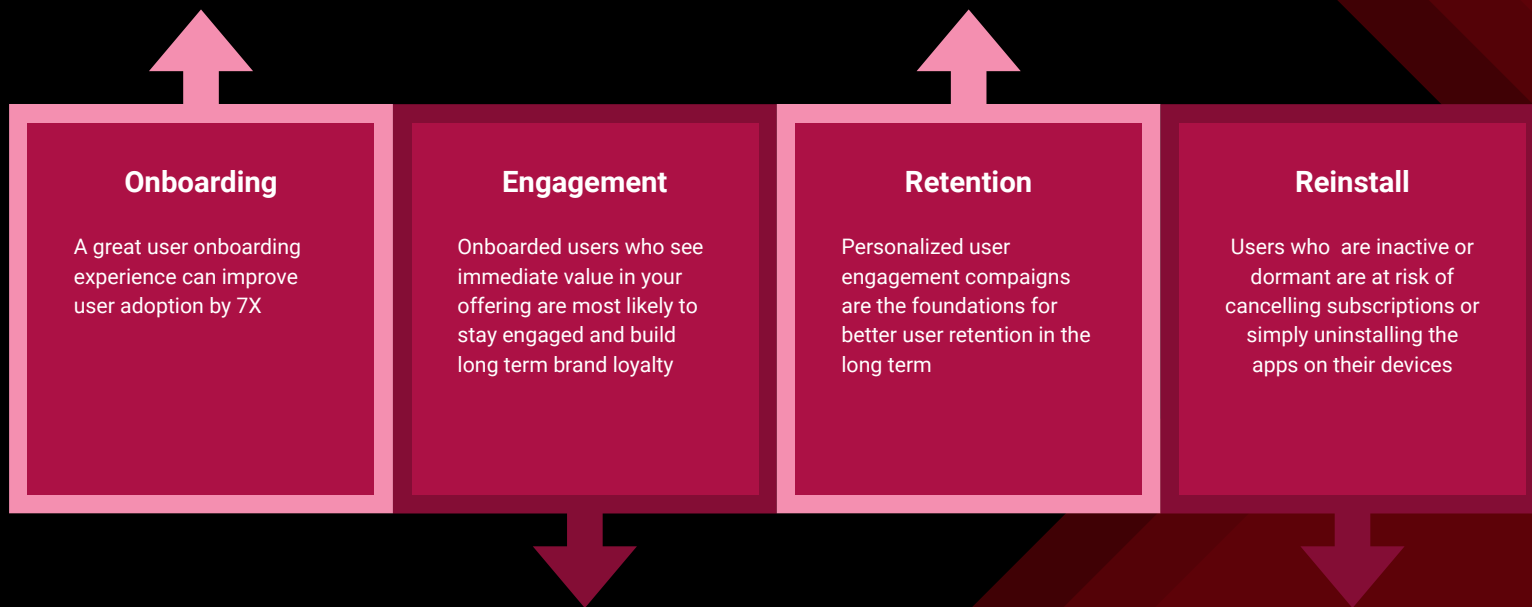
Points to note:

- Active means that a user logs in and watches at least one Netflix show.

- In the past six months, competitors have identified nothing new.

- No new feature changes on websites or mobile apps were done.

- No other significant shows have been launched on competitor platforms.

Introduction

- Netflix, a leading streaming service, has garnered a vast global subscriber base, making it essential to understand and manage subscriber behavior effectively.

- Netflix's success is attributed to its personalized content recommendation system, tailored to individual preferences and viewing habits.

- Netflix uses behavioral segmentation, utilizing Machine Learning to understand how its subscribers use its streaming service. This information is stored and used to categorize users into different groups based on their actions, allowing the company to provide a more personalized experience for its clients.

- Netflix has faced criticism in recent years over the lack of diversity in its content library, particularly regarding the representation of people of color and underrepresented groups.

Analysis

In order to hook users on to the app and increase viewing hours, we must create an engaging streaming experience at every stage of the user lifecycle - from acquisition to advocacy

Onboarding

A great user onboarding experience can improve user adoption by 7X

Engagement

Onboarded users who see immediate value in your offering are most likely to stay engaged and build long term brand loyalty

Retention

Personalized user engagement compaigns are the foundations for better user retention in the long term

Reinstall

Users who are inactive or dormant are at risk of cancelling subscriptions or simply uninstalling the apps on their devices

User Persona

Anne

- Age: 38
- Location: Bangalore Urban
- Working full-time while raising two children

Background

Anne is a working woman and watches movies with family on weekends, balancing content from different cultures and languages

Interests

- Wants an effortless and personalized entertainment experience.
- Appreciates opportunities to provide feedback and suggestions for improving the platform's international offerings.
- Enjoys being notified about new releases or shows similar to those she's watched before.

Pain Points

- Feels overwhelmed by the vast library of content on Netflix and struggles to find something to watch.
- Occasionally misses out on new releases or shows she might enjoy due to lack of engagement notifications.
- Becomes disengaged when she feels she's not getting value for her subscription.

Paul

- Age: 34
- Location: Mumbai
- Working professional who enjoys unwinding with some movies at the end of the day

Background

Paul is a busy professional who doesn't have a specific genre preference and likes to explore different types of content. However, due to his hectic schedule, he often finds it challenging to discover new shows or movies that he might enjoy.

Interests

- Wants smarter curation and organization options for his extensive watchlist, including personalized recommendations based on specific film elements.
- Wants easier ways to share watchlists across family profiles and suggest movies everyone can agree on.
- Values platforms that provide localized content and marketing materials in her native language.

Pain Points

- Struggles to find movies everyone enjoys without spending hours browsing different profiles.
- Disappointed by mainstream recommendations, wants in-depth explorations of specific genres or directors.
- Miss the viewing experience of watching shows or movies with friends or family who are not in the same location.

Proposed Solutions

To effectively tackle the identified pain points associated with inactive users on Netflix, it's essential to propose solutions and prioritize them based on their potential impact and feasibility. Here are some potential solutions:

- ✔ Personalized Content Recommendations
- ✔ Engagement Notifications
- ✔ Reactivation Offers
- ✔ User Surveys and Feedback
- ✔ Localized Content and Marketing
- ✔ Improved User Interface

By prioritizing solutions in this manner, Netflix can focus its efforts on high-impact, feasible strategies that address the pain points of inactive users, ultimately leading to increased user engagement and subscriber retention.

Prioritization - RICE Framework

Feature	Reach (out of 100)	Impact (0.5 - 2)	Confidence (%)	Effort (person-months)	RICE Score	Priority
Personalized Content Recommendations	80 (Broad user base)	1.8 (Drives discovery, improves engagement)	85%	7	924	2
Engagement Notifications	60 (Active users)	1.5 (Increases interaction, reduces churn)	75%	4	450	4
Reactivation Offers	20 (Inactive users)	1.2 (Recovers potential value, boosts activity)	70%	6	100	6
User Surveys and Feedback	10 (All users)	1.3 (Improves understanding, informs decisions)	80%	2	208	5
Localized Content and Marketing	40 (Specific regions)	1.6 (Expands reach, builds cultural connection)	75%	8	480	3
Improved User Interface	80 (Broad user base)	1.4 (Enhances usability, increases satisfaction)	85%	10	1020	1

Improved User Interface

Providing a sneak peek into their friends' preferences and the latest buzz with a glance at likes and notifications, enhancing the search experience with insights and recommendations from user's social circle

Providing the theater experience to Apple users, *SharePlay*, transforming the screen into a virtual theater for unforgettable, cinematic adventures and to experience the magic of shared moments
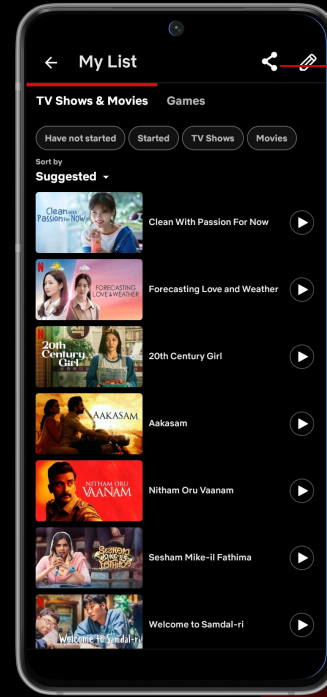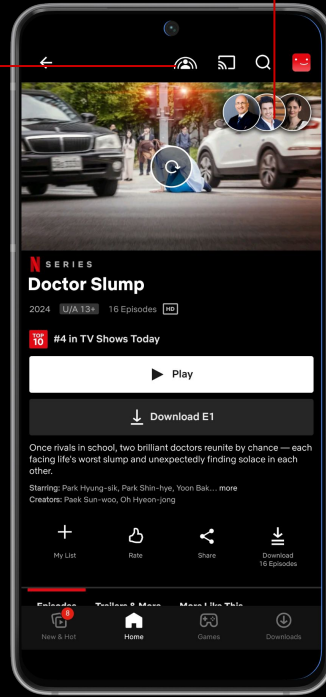
Enabling *Watchlist sharing*, a feature that lets user effortlessly swap recommendations and create shared watchlists with friends and family, making every viewing moment a collaborative delight

Personalized Content Recommendations

- Use Psychographic Segmentation to understand users predominant interests and preferred genres

- Use Newsletters to nudge users to add content to their watchlist and notify users of new releases

- Send push notification or email campaigns encouraging with personalized recommendations based on favorite genres or actors, timed for when the user is typically active

- Weekly Digest Emails (Sending a weekly email containing metrics such as amount of times their profile was active this week, responses to their watchlist, their total invoicing amount, average ticket response times, campaign performance etc. can work great since people love stats about themselves)
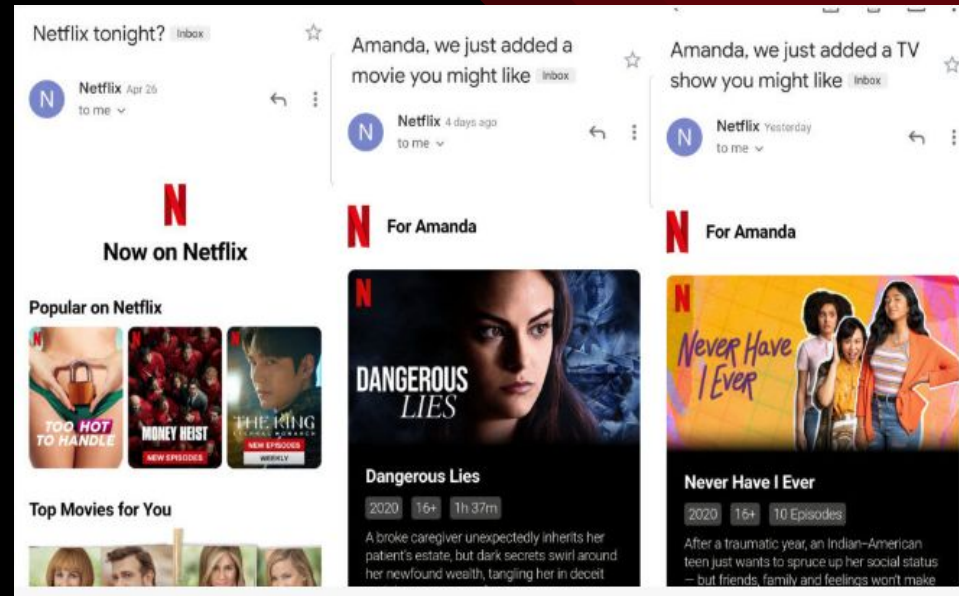
Localized Content & Marketing

Localizing content and marketing is a strategic move that can yield substantial benefits for Netflix in today's increasingly globalized entertainment landscape.

It allows Netflix to reach a broader audience worldwide. It can tap into markets where language barriers might otherwise limit adoption, expanding its global subscriber base.

Other benefits:

✔ Cultural Relevance
✔ Competitive Advantage
✔ Brand Loyalty
✔ Partnerships and Collaborations
✔ Enhanced Discovery
✔ Positive PR and Public Image
✔ Monetization Opportunities
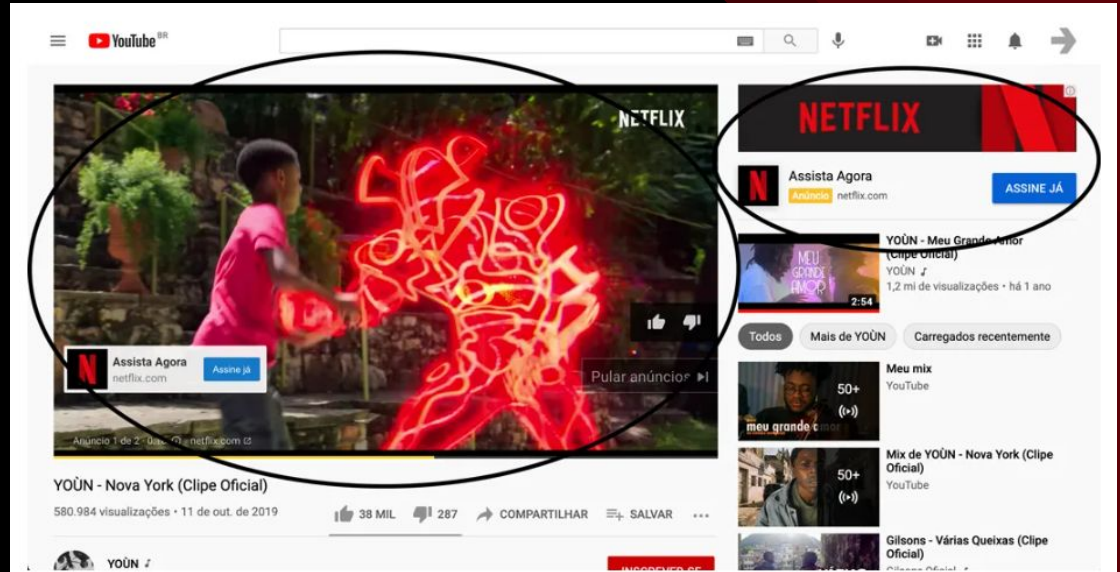
Engagement Notifications

Send Reminder emails

- to resume the abandoned media they last played

- to increase content completion rates

- to notify them the unwatched items on their watchlist

- to renew subscription with payment details using personalized push notifications or email campaigns

Run a 'We Miss You'/ 'Here is what you are missing' push notification or email campaign to encourage such users to relaunch the app highlighting latest offers, additions to your content library and new features
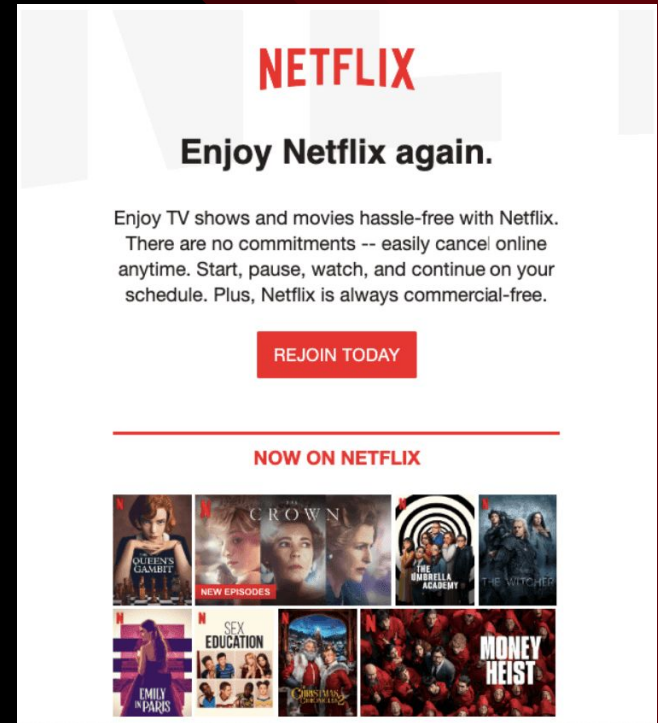
User Surveys & Feedback

Feedback about the platform's user interface, including navigation, search features, and ease of use, can lead to a more intuitive and enjoyable viewing experience, thereby increasing user satisfaction.When users see their suggestions implemented, they feel heard and valued, which encourages continued interaction.

- By actively seeking and acting upon user insights, Netflix can create a more user-centric and satisfying streaming experience.

- By gathering data on content preferences, genres, and viewing habits, Netflix can refine its recommendation algorithms and content offerings to match individual tastes.

- By listening to what users crave, the platform can produce content that resonates with its audience, ensuring the creation of shows and movies that are not only high in quality but also highly relevant.

- By encouraging users to share their thoughts and experiences, Netflix can facilitate discussions and recommendations among its audience, fostering a sense of belonging and engagement.

Reactivation Offers

Reactivation offers are a powerful tool to re-engage inactive Netflix users and reduce churn.

Tailored Offers:

Netflix can create tailored reactivation offers based on the user segments. For example:

- Discounted Subscriptions: Offer a limited-time discount on subscription plans to entice cost-conscious users.

- Exclusive Content: Provide access to exclusive content or early releases not available to other users.

- Free Trial Extensions: Extend free trial periods or offer free trials to those who haven't used them.

- Customized Bundles: Bundle Netflix with other streaming services or relevant subscriptions, creating added value.

Success Metrics

Feature	KPI	Metric
Personalized Content Recommendations	Click-through rate (CTR)	% of users clicking on recommended movies/shows
	Watch completion rate	% of recommended content users watch fully
	Diversity of watched content	Increase in users exploring new genres/directors/regions
Engagement Notifications	Click-through rate	% of users clicking on notifications about new episodes, similar shows, etc.
Reactivation Offers	Conversion rate	% of inactive users returning to Netflix after receiving an offer
	Cost-effectiveness of offer	Return on investment (ROI) for reactivation campaigns
User Surveys and Feedback	Response rate	% of users completing surveys or providing feedback
	Actionable insights	% of feedback leading to product improvements, content additions, etc.
Localized Content and Marketing	Viewership of localized content	% of users watching content in their preferred language or featuring their region
	Engagement with localized marketing	Click-through rate on localized ads/promos, social media engagement
Improved User Interface	Time spent browsing	Decrease in average time spent searching for content
	Task completion rate	% of users successfully completing desired actions (e.g., finding specific content, adding to watchlist)

THANK YOU