**NETFLIX: Business Strategy Analysis**

When it comes to streaming services on the internet, Netflix was not the first to market but however they were one of the first. Having started as an online DVD rental, they also had some experience to their name and some customer base to start with. Netflix moved to streaming videos on the internet in 2009. This was a time when the vast majority of the market was untapped and that gave Netflix an opportunity to capture a significant market share early on.

**Things Netflix is doing well:**

There are certain key aspects where Netflix is doing well in comparison to other streaming platforms.

1. Content, Quality and Netflix Originals: There is over 4200+ movies and 1800+ series to choose from. In addition to having strong partnerships with production houses worldwide, Netflix also has a great production house of their own which is known to produce high-quality original content. This is backed by the fact that Netflix bagged 26 trophies in the Emmy Awards 2022, ranking second among all other streaming platforms. These shows bring more customers and consequently more revenue since they are exclusive to the platform.
2. Ad-free streaming: Netflix is one of the very few providers that support ad-free streaming. This helps in attracting new and retaining existing customers. Given that the vast majority of users typically are on streaming platforms for around 30 minutes, adding ads in the mix is a make or break to holding customer attention and keeping them glued.
3. The look and feel of the app:

* The color palette of the app, the large tile-based content representation and automatic preview on hover, all provide viewers a cozy theater experience with a push of button at the convenience of one’s sofa.
* Personalized recommendation list with what’s trending makes the “what to watch” process much simpler.
* Carefully curated subtitles broaden the choices and allows users to watch movies/shows in various languages.
* While maneuvering and searching are easier and intuitive, seeking is where Netflix wins hands down when compared to its competitors.

1. Adaptability: Netflix also has a great partner ecosystem - new smart TVs now come with a Netflix button on the remote which goes on to convey the same. Netflix is also supported on Android, Apple, TV, tablet, laptop and on various web browsers. With cross-platform support, they also provide a seamless user experience by gracefully handing off from one device to another when the user decides to switch.

**Things Netflix can work on:**

Netflix has lost over 900,000 customers in the last quarter which is unlike their customer retention rate in the past.

1. Pricing model: Netflix charges $19.99 which is one of the most expensive of them all. HBO Max and Amazon Prime Videos both charge $4 less. It is important to note here that HBO Max bagged the highest number of Emmys in 2022 and Amazon Prime Videos has a fairly comparable market share as that of Netflix.
2. Regional content: There is not much diversity in terms of content on Netflix. The content is tailored to the North-American market and overly relies on it. Based on sheer population and potential user base, there is still a huge untapped market in the South American and Asian subcontinent. Netflix lacks in other language content when compared to their competitors.
3. Ads: Netflix has huge potential to make more revenue with advertisements. These needn’t necessarily be a video ad that disrupts the user experience, it could be as simple as leveraging the home page to show some subtle ads. For example: There can be partnerships forged with food delivery platforms to make the Netflix at home experience more wholistic.

**Do they know me?**

1. Netflix does a great job with suggestions tailored to my liking. The categories/Genres are also custom sorted.
2. It also promptly reminds me of new seasons from the shows I’ve watched before.
3. What is trending and Netflix top10 are also custom sorted which also goes on to convey that they know me well.
4. I am a big fan of the “Surprise me” feature that picks a movie/show for indecisive audience such as myself. In my experience as a user, this feature does a good job of picking relevant shows that suits my taste

**Scope for knowing me better**

* Something that Netflix lacks is a collection of good series in my regional language.
* They can use the viewer’s language preferences to suggest more regional content.
* It doesn’t notify me of the shows that are going to be removed.