

# An Exploratory Study on Netflix Inc. Current Strategy by Case Study Methods

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**Abstract.** Netflix offered special service that allows members to watch TV movies and shows on internet-connected devices, while Netflix movies & TV shows online or stream right to your smart TV, game console. This paper revealed that participants' gender identities were kept confidential through case study. This paper found that Netflix is expected to put out the same shows, with it ensuring that movies available for people in the UK, while it may need to be the same for Individuals in the USA to increase the number of viewership.

**Keywords:** Exploratory Study; Netflix; Current Strategy; Case Study Method.

## 1. Introduction

The past several years have been associated with dramatic change, especially in the media and entertainment sectors. In many ways, the rise of the Covid-19 Pandemic has dramatically facilitated the availability of these changes resulting in increased uncertainties for organizations on whether they will succeed or fail. Netflix allows members to watch TV movies and shows on internet-connected devices. In addition, it has introduced an agile, integrated, and customer-driven strategy to utilize its customer-centric model. However, to ensure long-term and future success, the company has to improve its innovation strategy by considering distributing equally high-quality content to all its markets. Moreover, it needs to put out the same shows to be viewed by people in every country through technology and innovation to increase the number of viewership.

## 2. Company Background

Netflix is a primary subscription-based streaming service that allows members to watch TV movies and shows on internet-connected devices. For that reason, it is one of the world's leading entertainment services having access to over 190 countries with over 231 million paid memberships. Since it was founded in 1997, the company has continued to expand and access more users, especially with its ability to provide games and movie shows in different languages (Allen et al., 2014). According to the research of Wang (2022), the company is about \$ 157.59 B, ensuring that it effectively caters to its operations and can adequately utilize new market opportunities. Netflix has over 10,000 employees, including computer experts in information technology, who ensure that it nicely solves and improves its provision of services to users. Therefore, due to its ability to effectively provide internet entertainment services, it has accessed a wide range of users resulting in its increased profitability.

## 3. Netflix Inc. Current Strategy

Netflix Inc. mainly focuses on digital marketing resulting in its ability to beat its competitors and access more markets. Furthermore, the digital marketing strategy has enabled the company to target its audience adequately. Shattuc (2020) states that the company has adequately used the strategy to target individuals with digital connectivity, such as young and tech-savvy users. Consequently, individuals of diverse demographics and age groups are accessed, especially teenagers, entrepreneurs, collegegoers, and working professionals. In recent years, the company has continuously and aggressively worked on content personalization and expansion to expand its user base while ensuring an effective separation of adult and kid audiences' content depending on their maturity levels (Wang,

2022). For instance, the company launched a contest for \$ 1 million for anyone who could improve its recommendation by 10 percent to ensure the availability of an algorithm that can predict users' movie preferences based on their previous data. Such strategies have enabled the company to improve its operations to the customers' continuously diversified demands and needs associated with constant changes, especially with the modern generation.

Furthermore, Netflix Inc. has introduced an agile, integrated, and customer-driven strategy to make the maximum impact through its customer-centric model. Widia et al. (2021) suggest that this model enables the company to deliver a seamless customer experience by utilizing marketing that incorporates data analytics. The key principles of Netflix Inc.'s current strategy include ensuring customer centricity through building solid connections with users through personal engagement and personalizing their viewing experience (Allen et al., 2014). Using an integrated viewing experience through multi-device and up-to-date services helps improve the experience (Shattuc, 2020). Due to the rise of technology, and modernization, Netflix Inc. has been associated with increased innovation, with its modern marketers using data analytics to create better experiences that adequately delight customers. As a result, there are adequate content recommendations as there is adequate knowledge of what customers like and their preferences. Therefore, Netflix Inc. uses a customer-centric strategy to show customers their services, including ensuring a multi-mode experience of the user's personalized content.

#### **4. Why I Feel That Netflix Inc. Will Be Dominant in the Future**

I strongly believe that Netflix Inc. will be dominant in the entertainment industry even in the future due to its ability to adopt the best strategies in the market that helps to target and attract more customers. The company has been associated with the effective use of personalized content resulting in better customer satisfaction (Widia et al., 2021). In addition, there is the use of technologies to create customized recommendations for customers, allowing the company to enable users to find enjoyable content they prefer without searching through many lists. In addition, the company will be dominant in the future due to its increased strengths in the market, such as a brand reputation, as it has become a household name due to its ability to substitute some of the top-rated television programs. The company's global presence has been associated with increased affordability in most countries, even by middle- and low-income individuals. Netflix Inc.'s adaptability shows that it will continuously modify its services, especially based on the viewers and market choice, to meet the customers' future needs.

Currently, Netflix Inc. uses a subscription-based business model where subscribers pay for monthly plans before they are given access to the company's media library, anywhere and anytime. Consequently, the company has continuously used this as its main source of revenue to cater to its operations and ensure profitability. Furthermore, the company has adopted a pricing strategy that ensures that its services have different prices based on the quality of the video required (basic, standard, or premium). Figure 1 below shows that the effective use of pricing strategy in Netflix Inc. has resulted in increased revenue, increasing chances of success and dominance in the future. Due to increased innovation, the company has incorporated better and more advanced innovations that have ensured the availability of high-quality videos that uses minimal data in recent years (Widia et al., 2021). In addition, it has introduced automatic translating software to ensure that users adequately understand the movies and TV shows provided. Such activities show an increased likelihood of Netflix Inc. succeeding in the future and beating most of its competitors in the entertainment market.

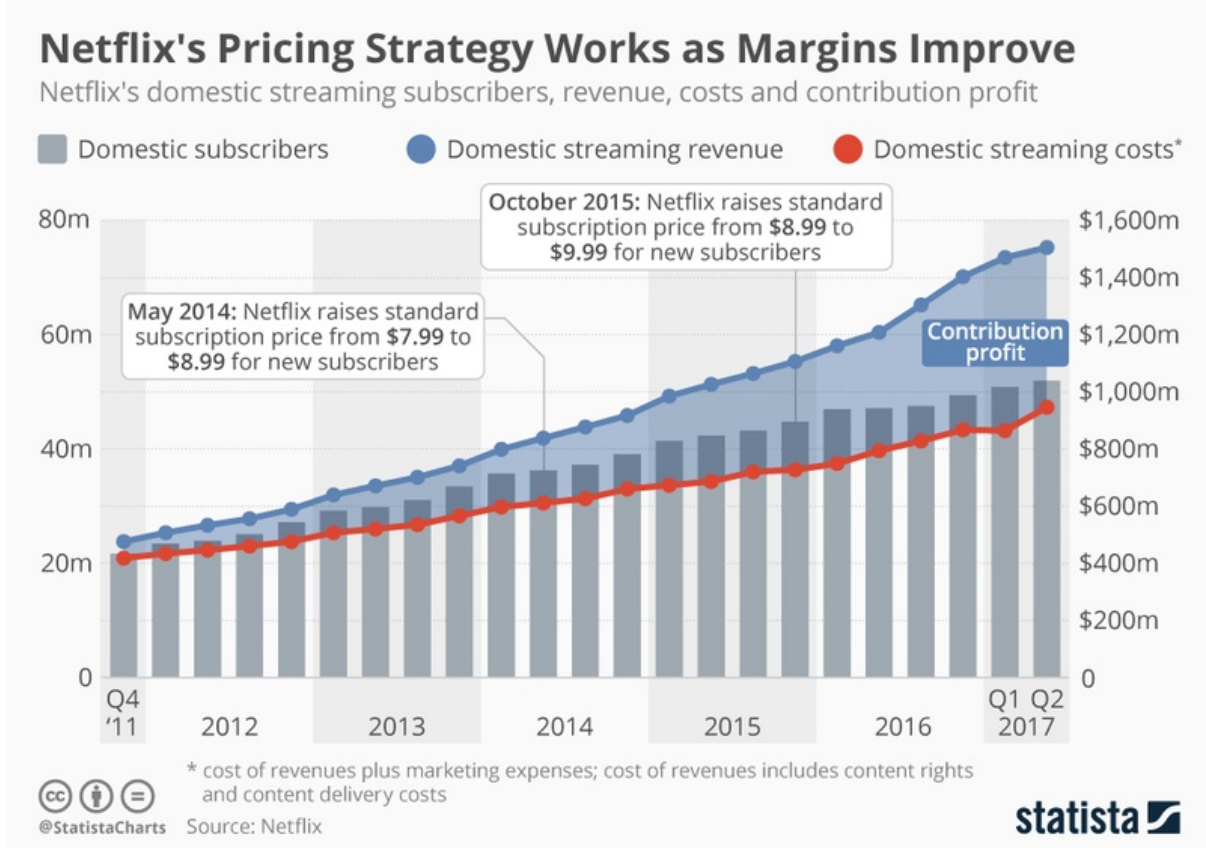


Figure 1: Netflix’s Pricing Strategy from 2012- 2017 (Jain, 2019)

Trends in the entertainment show that people will continue to prefer streaming movies and TV shows from their laptops and smartphones, which shows that Netflix Inc. is more likely to increase its popularity in the future. Additionally, incorporating new technologies to ensure the effective identification of customer needs and preferences is key to ensuring the success of Netflix Inc (Widia et al., 2021). However, the continuous changing of algorithms has been associated with increased weaknesses, such as confusing users who were already used to the previous version. Other key weaknesses that hinder the ability of the company to grow include its limited copyright that tolls upon its revenue. Also, Netflix mainly depends on its North American customer base, which may impact its growth if it fails. Some countries' lack of original content has reduced demand for high-price subscriptions (Gomez-Uribe & Hunt, 2015). Such weaknesses will greatly impact the ability of Netflix Inc. to succeed in the future and ensure its dominance in the market.

## 5. Conclusion

For Netflix Inc. to assure long-term and future success, it has to improve its innovation strategy by considering the distribution of equally high-quality content worldwide. Moreover, the company should also use customer centricity, which mainly focuses on creating solid connections with the customers by engaging with them and personalizing their viewing experience (Wang, 2022). According to Jain (2019), the entertainment enterprise must continue its admirable work of featuring and curating content from different countries and niches worldwide. For that reason, Netflix needs to put out the same shows to be viewed by people in every country; for example, ensuring that movies and shows available for people in the UK need to be the same for Individuals in the US, which will increase the number of viewership.

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