NETFLIX

NETFLIX VR

Marketing Plan Project

Chelsea Payton, Marcus Gleinser, Salman Bin Habib
MKT 5321 – Marketing Management

Contents

EXECUTIVE SUMMARY 3
INTRODUCTION 4
SITUATION ANALYSIS: THE INTERNAL ENVIRONMENT 4
- Brief Description of the Firm 4
- Current Product Lines, Brands, and Markets Served 5
- Current Marketing Performance 5
- Firm's Major Current Competitors 5
- Firm's Marketing Resources and Capabilities 6

EXTERNAL ENVIRONMENT 7
- Technology Issues 7
- Economic Growth and Stability 9
- Political, Legal, and Regulatory Issues 9
- Socio-Cultural Trends 10

BRAND AND CUSTOMER ANALYSIS 11
- Brand Strengths and Weaknesses 11
- Current Customer Segments 12
- Customer Brand Selection 12
- Customer Brand Non-Selection 13

DESCRIPTION OF THE NEW LINE EXTENSION 14
- New Product Description 14
- Product-Company/Brand Fit 15
- Product-Market/Industry Fit 15

MARKETING GOALS AND OBJECTIVES 15
- Qualitative Goal and Quantitative Objective 15
- Justification and Rationale for Goal and Objective 16

TARGET MARKET 16
- Target Market for New Product Line 16

COMPETITION AND POSITIONING 20
- Levels of Competition 20
- Strategic Themes 20
- Positioning Statement 20

Positioning Map 21
Product Strategy 21
Price Strategy 23
Channels and Levels of Distribution 25
Promotions Strategy 26
MARKETING IMPLEMENTATION AND CONTROL 28
Implementation Schedule 28
Marketing Costs, Revenue, and Return on Marketing Investment 30
CONCLUSION 30
REFERENCES 31

EXECUTIVE SUMMARY

This marketing plan discusses the potential of a new product line for Netflix, called Netflix VR. Virtual Reality in the entertainment industry is growing at an exponential rate, and this report discusses how Netflix can integrate VR as a product line to grow their market share and solidify their dominance as a leader in innovation and customer-centric company.

Netflix VR presents a disruption in the video watching experience by integrating state-of-the-art virtual reality technology with a social aspect where users can watch high-resolution Netflix content along with their loved ones in a virtual setting with chat, voice, and avatar functions to give an immersive experience. Adding this product line is set to cement their legacy as an innovative company while increasing profit margin by adding the VR product to their existing premium tier. Furthermore, Netflix will partner with Oculus to allow its users to buy/rent VR headsets at a discounted pricing to get the ultimate VR experience.

Netflix currently has 74 million subscribers in North America with an average subscription fee of $13.32/subscriber. The multifaceted purpose of the new product line involves not only being the leader in innovation and early mover in a growing industry but also enjoying higher profit margins by marketing their premium tier with VR. By conducting industry analysis, target market analysis, and a marketing mix, we expect to gain a 12% increase in market share within the first year and a 45% increase in premium subscriptions in the next five years.

The target market of Netflix for the new product consists of users who are typically outgoing, love watching movies with friends and family, are open to trying new technologies, and have an annual income of over $25k. External environments are in favor of this new product line and enable us to be the market leader and thus achieve an edge over competitors. Netflix VR as a product will have a sleek, easy-to-use interface that will work best with the Oculus 2 VR headset, which customers can either rent or buy at a steep discount. Users can browse any shows on Netflix through the VR functions with gaming features as well. Pricing is the same as the current premium subscription rate at $17.99. Multiple promotional strategies will be used, which include press releases, online marketing campaigns such as advertising on social media, partnerships with social media influencers, viral marketing, as well as billboard advertisement across the US. By introducing this product, Netflix will have a competitive edge over its competitors for the foreseeable future and open its doors to venture into many other possibilities with VR.

INTRODUCTION

Netflix is one of the leading streaming services on the market. It started as a DVD rental service and transformed into one of the most well-known streaming services, used by over 200 million subscribers. Netflix has been providing entertainment to its consumers since it began renting out DVDs in 1999. It was able to reach a bigger market once it expanded to streaming online and started to create its content. Netflix became a market leader in the world of streaming services, with many other companies following their success.

Netflix has always been an innovator. They transitioned from DVD rentals to streaming in the early 2000s because they saw it as a viable market. They saw that success and then started to create their TV shows and movies, to give a bigger incentive for consumers to use their service. Netflix provided a way for people to gather around and enjoy shows and movies easily in their own homes. With the recent Covid-19 pandemic, it became harder for people to gather together to watch shows on Netflix. They would need to be on some sort of video call, and then try and synchronize their movie together. Netflix is used as a means for people to gather and be entertained, and this has become harder.

That's what Netflix VR is trying to change. Netflix VR offers a way for Netflix subscribers to gather in virtual reality to watch their favorite shows together. Users can scroll through Netflix, pick up what they want to watch, and enjoy it together, all in a virtual setting. Users can create avatars, pick what location they want to watch a show or movie from, and just hang out with their friends and family who are in a completely different location. They don't have to worry about trying to synchronize up their movies or having multiple applications open on their devices. It's a streamlined way for Netflix users to come together and watch their favorite shows.

Our Marketing Strategy is to target people who enjoy the social aspect of Netflix and are willing to try innovative technology. We would direct our customers to partner companies for easy VR headset rentals, to help overcome the barrier to entry that these headsets propose.

SITUATION ANALYSIS: THE INTERNAL ENVIRONMENT

Brief Description of the Firm

Netflix is a streaming service created by Reed Hastings and Marc Randolph in 1997. It started out as a DVD rental service that sent its DVDs in the mail. In 2007, the company started streaming its content along with DVD rentals. Once the streaming aspect became more successful, they abandoned the DVD rental aspect and started streaming full time. They partnered with consumer electronic companies to have different devices, like Xbox 360 and Blu-ray players, stream. By 2010, Netflix is expanding outside of the United States and users can access the service on even more devices, including mobile. In 2012, the firm started to create its content, providing unique shows and movies that could only be found if you had a Netflix subscription. As of Q2 of 2021, Netflix has about 209 million global paid memberships, which is a major increase of 2020.

Current Product Lines, Brands, and Markets Served

Netflix is in two main industries: video streaming services and film production. Netflix offers a way for users to watch different shows and movies from the comfort of their home and many different devices without ads. Right now, Netflix only has one streaming service but has it divided it so parents can have their children watch content that is only appropriate for children 12 years and younger. The service also uses algorithms to help learn more about its users and suggests content that Netflix thinks each user would enjoy.

Netflix not only streams shows and movies from various networks and creators, but actively makes its own, working with different directors, actors, and comedians to create content for its service. This gives an incentive to not only use the streaming service to watch different content but to specifically use Netflix to watch these unique shows and movies that are not provided anywhere else.

Current Marketing Performance

Netflix has been a market leader in streaming services. While they faced major opposition from Blockbuster when they did DVD rentals, the pivot to streaming gave them a major advantage in the industry, that they still see today. They are known for their innovation, thus their move from DVDs to streaming, and customer satisfaction. Netflix has been changing and adapting to keep its place as a market leader. Because of their success, many other companies have started their streaming services, causing Netflix to lose some of its market shares. As of now, Netflix holds 20% of the U.S streaming market, which still makes them the leader in the industry.

While the company may be losing market share in the U.S., they still have a large customer base, with 209 million global paid memberships. Of those 209 million, 74 million are from North America. This does not even count those consumers who use someone else's account. They also saw an increase in profit, with a reported $4.5 billion in 2020, with a majority of their profit and revenue coming from North America. The combination of Netflix's decision to start streaming early on and its well-known branding helped it see repeated increases in both users and revenue in the past decade.

Firm's Major Current Competitors

The streaming market is dominated by a wide variety of services including Amazon Prime Video, Hulu, HBO Max, and Netflix. More streaming services are being created each year, trying to get into the market to compete against the major competitors. Netflix is the market leader and has been in the industry for more than a decade. With the increase in competition, they are losing market share, but are still in the lead. Even with a declining market share, Netflix is seeing an increase in its subscribers. From 2020 to 2021, global subscribers increased by 16 million. With this success, and the success in creating their content, other services, like Amazon and Hulu, have started to create their shows and movies, to draw in more subscribers.

Streaming Service	Price/month	Market share
Netflix	Basic: $8.99/month Standard: $13.99/month Premium: $ 17.99/month	20%
Amazon Prime Video	With Prime: $9.99/month	16%
Hulu	With Ads: $6.99/month Without Ads: $12.99/month Hulu+Live TV with Ads: $64.99/month Hulu+Live TV without Ads: $70.99/month	13%
HBO Max	$14.99/month	12%
Disney+	$7.99/month	11%
Peacock	Free with Ads Premium with Ads: $4.99/month Premium Plus without Ads: $9.99/month	5%

Hulu has been one of Netflix's biggest competitors. Starting in 2008, it's been around almost as long as Netflix. Hulu is also considering creating a VR version of their service, helping their customers come together and watch in a virtual setting. This could potentially take away enough market share that Netflix is no longer the market leader. Netflix has been known to adapt to the times, and this is a case where it is important to do so.

Firm's Marketing Resources and Capabilities

Netflix, like many other streaming services, offers an easy and convenient way for users to watch their favorite shows and movies. With Netflix being around for so long, they have brand awareness and a loyal user base from giving consistent service and content for over a decade.

Netflix has used technology to help create the best experience it can for its users. They use data gathering and algorithms to recommend the best content for each user profile. It also introduced a "shuffle" feature, to help overcome the analysis paralysis that comes from scrolling through such an extensive media library. This feature "shuffles" and gives the user a random show or movie based on their previous watch history. Notifications for upcoming shows were recently introduced, to help remind users of new shows that will be coming out soon. Netflix can provide a personalized experience for its user, giving them content, they might be interested in, all without ads.

Netflix enjoys a first-mover advantage since it was the first streaming service in the U.S. when it switched in 2007. They have been able to retain a customer base and increase as time has moved on. Despite being around for over a decade, they have kept consistent branding, only evolving as time passed to a more modern look. Still, people understand that a red "N" is the Netflix logo, and their colors are black and red. Netflix is a brand known for adapting to the times. They switched from DVDs to streaming, made sure game consoles and other media devices could support their service, and, eventually, started to create their content to make their service even more unique.

EXTERNAL ENVIRONMENT

Technology Issues

Industry Perspective

Netflix had less than half a million customers in 2001. It now has 209.18 million paying subscribers, and its market capitalization is approaching $300 billion. Much of this is attributed to a technological revolution in the past 15 years. As technology is always evolving and becoming more accessible to its users, it helps Netflix reach a wider audience. As the world went through the pandemic, Netflix saw its highest profit and subscriber count surge at 74 million in North America. Even a decade back, watching movies in a physical theater was the norm, but with the technological revolution, consumers have adapted to watching videos online. Big data has contributed towards catering to individual needs, increasing watch time.

Although Netflix still rules the streaming universe, Disney+, HBO Max, AppleTV+, Amazon Prime, Hulu, and YouTube have snatched viewers away from Netflix.

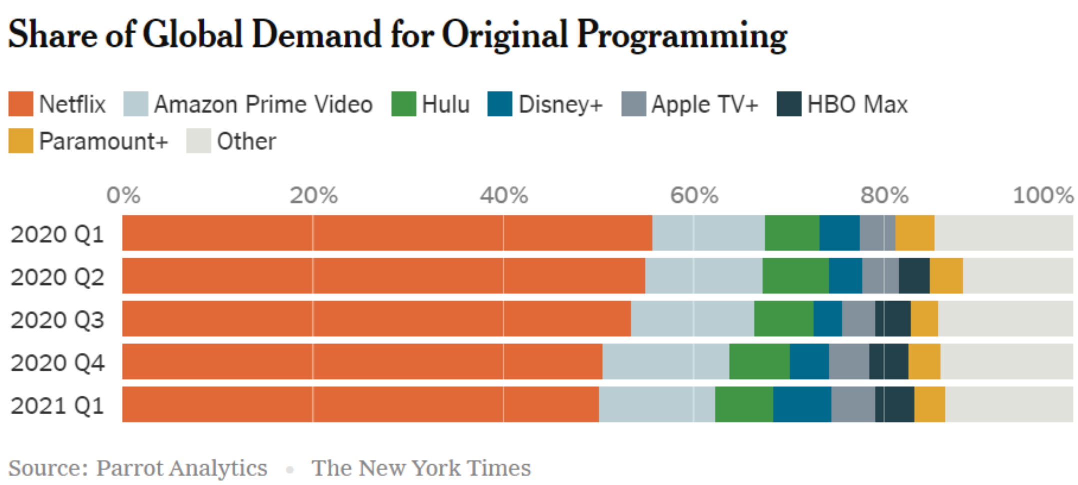

Figure 1: Global Demand for Original Programming

These relatively new streaming platforms have strong parent companies which invest a lot in their platform. As a result, they are taking market shares from Netflix. The battle for market share in the US is especially difficult compared to other regions in which Netflix still dominates. Although these competitors are bleeding money to gain market share, Netflix has finally seen profit.

Technological factors are in favor of Netflix, as people have more access to smartphones and 4G. Netflix is focused on providing a great user experience, therefore their machine learning technologies and sophisticated algorithms will help them outperform their competitors.

According to research by Nielsen in 2021, streaming accounts for 26% of all time spent on TV (Netflix and YouTube hold the majority market share of 6% each). This is a huge jump from 20% last year and it is predicted to grow to 33% next year.

A survey conducted by PWC in 2021 reports on average an American uses almost 8 streaming services. Ease of use is the most important factor to consumers when streaming, and most consumers want the streaming platforms to find movies for them based on their mood. Companies must use consumer behavior data and apply advanced analytics, AI, and ML techniques to blend data to give the best UI and streaming experience to their target market.

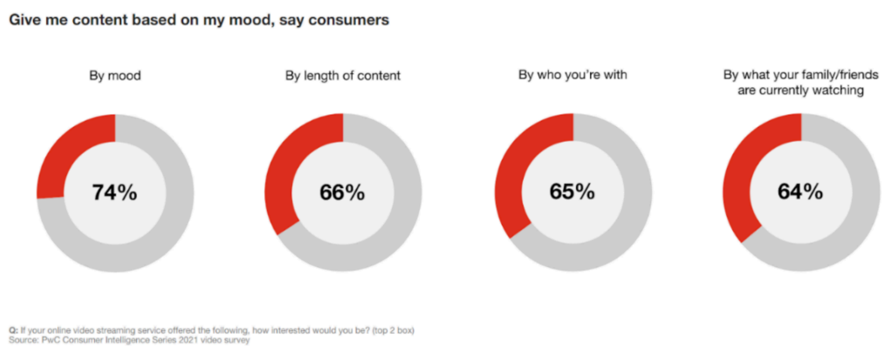

Figure 3: Content Recommendations Based on Mood

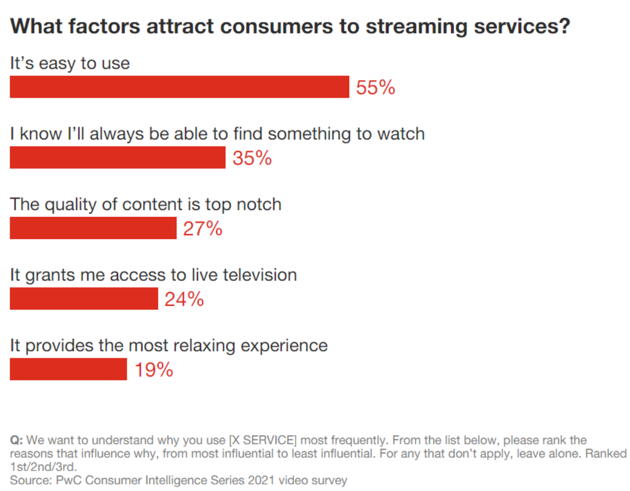

Figure 4: Factors Attracting Customers to Streaming Services

Among the many possible scenarios of the future of technology for streaming services, Deloitte brought up four interesting scenarios which have some commonalities. Leveraging customer data, the future of streaming services is all about smart selection and recommendations supported by AI. Advertising and Customer Relationship will shift to digital platforms. Personalized content, use of VR, and high-resolution content will be the most preferred form of use by consumers. All in all, a market leader like Netflix needs to focus on these factors to truly be the kind of streaming in the long run and avoid obsolescence.

Economic Growth and Stability

Netflix only added a little over 15,000 new users after 2020 in the US and Canada market. The United States economy grew at a 2% annual rate in the third quarter of 2021, the lowest rate of recovery since the pandemic, as supply chain concerns and a sharp drop in consumer spending slowed the expansion.

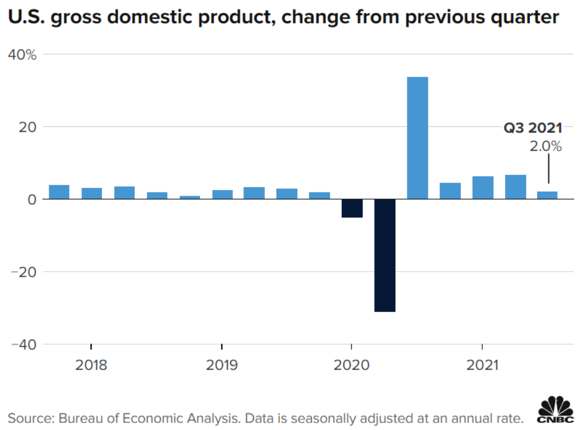

Figure 5: US Gross Domestic Product Trend

The global economy has performed admirably for several years, resulting in increased spending on services such as Netflix by consumers all around the world. Netflix's business can be negatively affected by prolonged times of low economic activity. Although there is a ray of hope for Netflix, since unemployment rates are falling and economists predict economic growth and consumer spending to rebound, Netflix will have more opportunities.

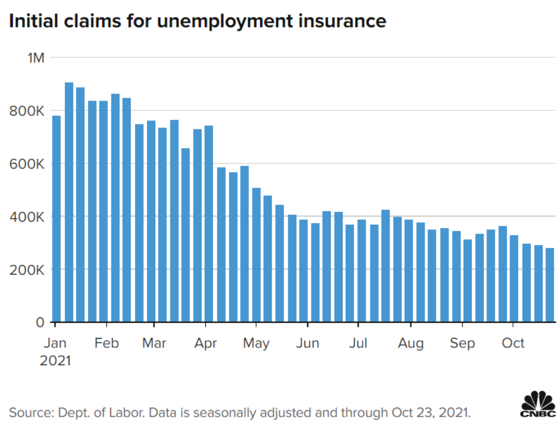

Figure 6: Unemployed Insurance Claim Trend in The US

Political, Legal, and Regulatory Issues

Legal:

Running a global streaming platform comes with its pitfalls. Netflix being the biggest streaming platform often comes with government scrutiny and regulation such as consumer privacy, data collection, and new tax laws. Legal issues for Netflix often arise in the form of complying with laws of different countries to show or block certain content. An example of it was when they withdrew an episode from Saudi Arabia, of Hasan Minhaj's show *Patriot Act*, at the request of the government. Netflix faces legal battles often in the areas of patent rights, copyright, defamation, corporate espionage, and employee poaching among many others. Recently Netflix was sued by its ex-legal affairs director for alleged discrimination based on race and whistleblowing for tax evasion.

Political and Regulatory:

An average Netflix user is more likely to identify as a liberal. In a survey, it was shown 42% of Netflix users are Democrats, while only 25% are Republican. The general trend of many Netflix originals also follows a similar pattern to lean towards leftist ideologies and agendas. In the US, many tech companies do tend to get involved in politics these days. Netflix is restricted in over 130 countries and facing issues in censorship and permissions from regional governments is always a difficult task. In the current dynamic of US Politics, it will get increasingly difficult for tech companies like Netflix to survive without political backlash.

Socio-Cultural Trends

Netflix's average user is a millennial with a yearly income of less than $50,000, according to US statistics compiled for Insider by Morning Consult Brand Intelligence. Netflix caters to a global audience, making it necessary for the corporation to consider the diverse interests and preferences of people from other societies and cultures. This is why Netflix has made the material available in a variety of genres and languages. In the US, it faces social backlashes due to some of the content of the shows. The most recent with Dave Chappell's Netflix special *The Closer*, which allegedly made insulting remarks about Trans and LGBTQ+ communities. These controversies are often political as well. Netflix needs to address these sensitive issues and bring changes accordingly to avoid future ramifications.

With genres ranging from action and horror to family-friendly, Netflix has concentrated on expanding its content offering to appeal to children, teens, and adults. Our new product line will be launched in the US, which is known as the melting pot of cultures. Netflix must be wary of the sensitivity of its content to cater to its diverse target market. Millennials and Gen Z are its major viewers. So, Netflix tailored its products to cater mainly to the taste of the modern generation.

BRAND AND CUSTOMER ANALYSIS

Brand Strengths and Weaknesses

Market Position, Performance, and Perception

Netflix is currently ranked the #1 streaming service in the United States, with around 74 million subscribers in North America alone. Based on a survey published by Whip Media, it was also voted the "most essential" streaming service, meaning if they could only choose one streaming service to keep, 41% of respondents said they would keep Netflix. For comparison, Hulu followed it in second place with only 21%. Netflix is thought of as affordable entertainment by most consumers. Some may even consider subscribing to it a need if their favorite shows are exclusive to the site.

Current Satisfaction, Loyalty, Repurchase, and Recommendation Rates

In terms of streaming service satisfaction, Netflix's biggest competitors are Hulu, Disney+, and HBO Max. According to a 2021 Whip Media survey, HBO Max had the highest with 51% of survey respondents saying they were "very satisfied" with the service, 46% for Netflix, 46% for Disney+, and 45% for Hulu. Loyalty is high with automatic recurring subscriptions across platforms. Netflix had a 74% retention rate, which the company maintained throughout 2020.

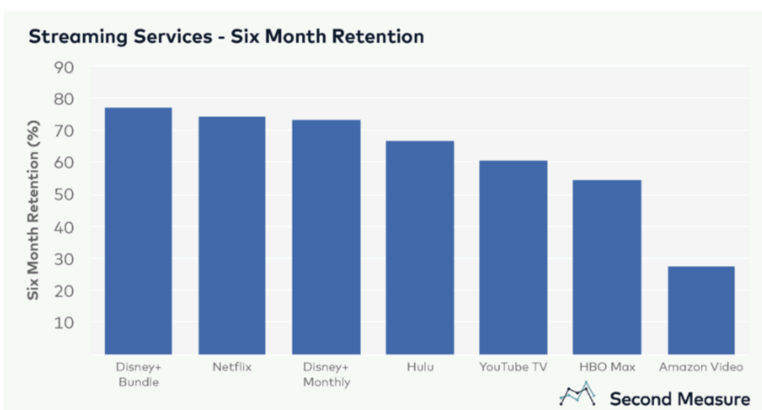

Figure 7: Streaming Service Retention

One issue Netflix is facing in 2021 is that of their customer base transitioning back into the workforce and having less time to spend streaming shows, compared to when we were deep in the COVID-19 pandemic. Recommendation rates are high, with many popular shows being exclusive to the platform, such as "The Queen's Gambit", "Stranger Things", "Sweet Tooth", "Bridgerton", and "Squid Game". All these shows have accounted for hundreds of millions of viewing hours for Netflix and have influenced modern society.

MOST POPULAR SERIES AND FILMS

	Top 10 Series	View Hours
1	Bridgerton: Season 1	625M
2	Money Heist: Part 4	619M
3	Stranger Things 3	582M
4	The Witcher: Season 1	541M
5	13 Reasons Why: Season 2	496M
6	13 Reasons Why: Season 1	476M
7	You: Season 2	457M
8	Stranger Things 2	427M
9	Money Heist: Part 3	426M
10	Ginny & Georgia: Season 1	381M

	Top 10 Films	View Hours
1	Bird Box	282M
2	Extraction	231M
3	The Irishman	215M
4	The Kissing Booth 2	209M
5	6 Underground	205M
6	Spenser Confidential	197M
7	Enola Holmes	190M
8	Army of the Dead	187M
9	The Old Guard	186M
10	Murder Mystery	170M

Figure 8: Netflix Most Viewed Shows and Movies

Brand Extension

Netflix is thought of as being a modern, evolving, and adaptive company. It has been a pioneer in digital entertainment for almost two decades, adapting and persisting to changes in consumer preferences and the markets it operates in. Netflix underwent a rebranding in 2015, following recommendations from a company called Gretel. They altered their brand image to be sleeker and more minimalistic, which was accepted positively by their users. This change also influenced other streaming services' brand images and website layouts. Beyond creating new series and movies, Netflix has stagnated some in terms of innovations in the time since their rebranding. There are many avenues that Netflix could branch into and become a pioneer for or use to create a new, unique experience for their customers.

Current Customer Segments

Netflix describes its audience as anyone who watches movies, but there is more to Netflix's consumer base than that. The main group Netflix serves are adults aged 18-44. This age range is most likely influenced by the fact that younger generations tend to be more technologically inclined and that consumers under the age of 18 cannot legally purchase a subscription. While the parameters are not disclosed by the company, Netflix further segments its customers into three categories.

The first is Micro Customer Segmentation, which consists of over 2000 "taste clusters" which consumers are put into based on their viewing history. The second is Usage-Based Segmentation, which is based on parameters such as browsing patterns and average watch time. The final way customers are segmented is by Geographical Segmentation, which is done by geographic location and is used for content localization, translating and subtitling, and ad targeting.

Customer Brand Selection

New customers select Netflix for similar reasons as they would select any modern, online streaming service. They want a cheap way to watch shows or movies in a private setting. This is not exclusive to homes, as many small businesses such as cafes and doctor's offices will pay for a subscription to play interesting shows to keep their customers entertained and happy. The main reason consumers may choose a streaming service other than Netflix would be due to the shows and movies offered. If a consumer is only interested in a handful of shows that Netflix does not offer, they would have no reason to subscribe. Another reason is that Netflix is the only one of the big streaming services that also offer physical DVDs to be sent to you via the postal service. For those without streaming capabilities on their TVs, this makes Netflix the only option.

Customer Brand Non-Selection

Unmet Needs of Non-Customers

The main need that may not be met for potential customers is that Netflix does not carry enough shows or movies to interest them enough to subscribe. Another reason could be that the potential customers find the monthly subscription price too expensive. Non-customers could also be less tech-savvy and prefer more "traditional" entertainment outlets, such as cable TV. Non-customers may also include those who do not pay for subscriptions but use a friend's subscription instead. These users are Netflix's consumers, but they do not pay Netflix for use of their service. Finally, non-customers could include those who do not subscribe to any service and choose to pirate movies and shows instead.

Problems with Marketing Mix

The product offered is most likely the biggest thing that prevents purchase. Second to this is the price being too expensive for potential customers. Issues regarding promotion are difficult to track. Many people have advertisement blocking software installed in their browser, so potential customers may not be receiving ads from Netflix about series which they might be interested in. Netflix also tends to advertise more online compared to their use of physical advertisements. The locations Netflix uses physical advertising also tend to be in more modern, urban areas. There is a possibility that more rural areas could benefit from tailored advertising. However, currently, those in more rural areas and without consistent access to the internet are less likely to be aware of Netflix and its offerings.

Competition Advantages

Other streaming services, such as Disney+, are obtaining some of the streaming services market share due to this exclusivity as well. These are hard comparisons to make, as it is a complicated subject to try and compare streaming services as if they are substitutes. One can think of each platform as having a monopoly over the shows it has the rights to. For example, if you want to stream Avengers: Infinity War, there is only one option for you, which is to get Disney+. It all comes down to how diverse the libraries of each service are and how well they are fulfilling the needs of their customers. Because Netflix is thought of as the most essential streaming service by consumers, it is at a major advantage compared to the other streaming services for the time being.

SWOT ANALYSIS

Strengths: • Highest market share of streaming services (20%) • Platform-exclusive shows and movies • High brand awareness and customer loyalty • Voted "most essential" streaming service	Opportunities: • People want to connect with others from separate locations • VR is an up-and-coming market with a lot of interest • Streaming is on the path to surpassing cable TV in terms of watch time • More people have been stuck at home bored
Weaknesses: • Starting to stagnate on innovations • Negative controversies surrounding some shows on the platform • Do not put much focus on acquiring older demographics • Growth rate in new paid subscriptions has slowed	Threats: • Other streaming services, which boast higher satisfaction and exclusivity • The global economy has been underperforming within the past year • More people are unemployed, so have less money to spend on streaming services • Political and legal barriers which Netflix must adapt to/overcome

DESCRIPTION OF THE NEW LINE EXTENSION

New Product Description

Netflix VR will combine Netflix's current features with VR chatroom. Users would be able to watch the same movies and TV shows that they normally do on other devices in a virtual environment of their choosing. Netflix VR would allow users to create an avatar, use voice or text chatting, and sync movies and shows so a group can all watch together. People would be able to come together to watch a movie and all be in separate locations.

Netflix VR will still have the user's profile, allowing them to see Netflix's recommendations, reminders for upcoming shows, and watch whatever they like by themselves. If users want to watch with others, they simply create a party in the app and send out the randomly generated code for their friends to join. After everyone has joined, users can scroll through Netflix like they would at home. The movie or show would be synchronized, so everyone would be seeing the same thing at the same time.

Netflix VR can be offered as a new feature on Netflix's premium price tier. Those who are currently paying the basic or standard price tier can upgrade if they wish to use Netflix VR. For Netflix users who do not have a VR headset, Netflix will direct customers to Oculus to discuss renting a headset or different purchase options. Revenue will be generated from Netflix's normal subscription cost.

Product-Company/Brand Fit

Netflix has a history of innovating and creating new trends. Since they were the first successful streaming service, they have to be. They have partnered with various technology companies to make sure that their application was on various devices, like game consoles or Blu-ray players. Netflix VR is simply the next step in their innovation. VR technology has been slowly expanding and getting better, and few streaming services have considered working with it.

Netflix VR is just another way for Netflix to prove it is the market leader in the streaming services market. With their history and current market share, Netflix would be successful at implementing a VR version of their service. It would show that they are still innovating, and help them maintain, or even increase, their market share, by offering something new compared to the other streaming services.

Product-Market/Industry Fit

The Covid-19 pandemic prevented people from coming together and spending time with each other. While there were a host of third-party apps that synchronized a group's Netflix viewing experience, there is a lack of any official way to do so. Netflix VR allows people to come together from separate locations and feel like they are all together in one room watching Netflix. Hulu has been the only other streaming service to even talk about implementing a VR version of their service and is still developing it.

Netflix VR adds another feature to Netflix's current service while expanding the number of devices that can utilize streaming services. As VR becomes a bigger industry in entertainment, streaming services need to take advantage.

MARKETING GOALS AND OBJECTIVES

Qualitative Goal and Quantitative Objective

Quantitative objectives can be stated in terms of market share, # of customers, # of units delivered/sold, revenue, profits, or other measures

- To maintain their 20% market share over 12 months
- Have 32% of Netflix's North American customer base pay the premium price tier in the first 12 months
- Generate $5 billion in revenue from premium customers

Justification and Rationale for Goal and Objective

Netflix currently faces a lot of competition in the streaming industry. With more streaming services being released, Netflix is slowly losing market share. Right now, it is still the market leader and has the most market share. Netflix being able to maintain the 20% market share in the face of increased competition would be significant. By introducing a new feature on their premium plan, along with new shows, Netflix should be able to maintain its current market share. Netflix still has its first-mover advantage and its reputation as the market leader.

The North American Netflix user generated an average of $13.32 in 2020. This meant about 21% of the users in North America already subscribed to the premium tier of Netflix. This generates about $3 billion. A 12% increase in premium subscription seems feasible, especially with the added VR benefits. Now in 2021, North American users generate an average of $14.40 according to data from Q1 and Q2. This means more people are upgrading to the standard and premium tier, making our prediction of getting 32% of the North American customer base to upgrade likely. The revenue goal is calculated from 32% of the 74 million North American users paying for premium Netflix at $17.99 a month for 12 months.

TARGET MARKET

Target Market for New Product Line

From a 2021 study by Morning Research Brand Intelligence, a Netflix user's profile is remarkably similar to that of a typical American. The average Netflix subscriber is a millennial with a yearly income of less than $50,000. Furthermore, they are often more likely to be female. While two-thirds of Netflix users have some or no college education, approximately a third have a bachelor's degree or above. They also tend to reside in the suburbs and identify as Liberals or Moderates, with just 34% of Netflix customers identifying as conservatives. VR experiences are unique, and the technology is immersive. When a user is immersed in VR, he or she feels as if they are truly there, which makes the experience more powerful.

Demographics

Age: VR is embraced by all age groups, which includes Baby boomers, Millennials, and Gen Z. Our target age group would include 18-65+ year-old users, with an emphasis on the 18–34-year-olds, as they would be more open to experiencing VR.

Figure 10: Virtual Reality Consumer Report

Gender: Our demographics for Netflix VR would contain all genders.

Education: Netflix attracts viewers from a wide spectrum of educational backgrounds. Hence, we would target people of all education levels in the US.

Income: As our product line would only be available on the top-tier premium subscription, we would target customers who earn at least $25k and above. This is not our user demographics as customers might purchase the product but not use it, like mothers buying Netflix subscriptions for their children.

Device ownership: In the US, most users typically watch Netflix on TV and sign up using a laptop/mobile. Our product will work best with Oculus VR headsets. Hence our target market would-be customers who have access to Oculus Quest 2 or similar VR consoles.

The 5 Best VR Headset For Movies

Category	Expert's Pick	Rating
Best Overall	Oculus Quest 2	4.7
Runner Up	Oculus Go	4.1
Cheapest Option	Google Cardboard	2.7
Highest Resolution	HP Reverb G2	4.9
Most Comfortable	Oculus Rift S	3.9

Figure 11: Best VR Headsets

Geography

Country: We plan to market our product in the North American region, although for simplicity we will only focus on launching the product in the US for the time being. The US has the most subscriber count for Netflix at over 65 million, hence it is sensible to launch our premium product line in the US.

Psychographic

Personality traits: The new product would excite the extroverted nature of the users who want to watch movies with friends in a virtual setting. Also, users would generally tend to be sociable and creative, as they make their avatar with various in-app functionalities.

Lifestyle: Netflix VR will typically attract innovators, achievers, and strivers. Our product is innovative and priced at a premium (adds prestige to the owner), hence users with these lifestyle preferences will prefer to buy our product.

Activities: As Netflix is growing their user watch time. Our product would significantly help to enrich that effort by attracting users who love going to movies with friends and using social media.

Benefit Sought by Target Market:

Behavioral segmentation is central to the marketing strategy of Netflix. Through the use of big data and a complex algorithm, they can personalize content for individual users. The benefit sought by our target market would involve:

- High-resolution content like in theaters
- Immersive experience similar to that of watching a movie in a theater
- Top of the line UI for creating avatars and communicating with friends through the app
- Accurate recommendation features based on mood
- Wide range of movies and shows to binge

Trends in Selected Target Market:

<u>Brand loyalty</u>

Due to the introduction of several streaming services like Disney+ and HBO Max, the battle for the market share is intense. While Hulu had a churn rate of 2.5% since 2019, Netflix had a churn rate of 0.1%. This is remarkable with the level of competition Netflix is currently facing as the market leader. Furthermore, Netflix is a leader in the resubscribe rate as well. This shows the target market of Netflix has high brand loyalty.

<u>Type of purchase</u>

As the options in the streaming industry are currently high for consumers as opposed to two years ago. Consumers are faced with the difficult task to subscribe to a particular brand, as each has its exclusive content. The general trend in purchase behavior has moved from a dissonance-reducing buying behavior to variety-seeking buying behavior. This implies the target market of Netflix may choose to try other products and brands as well by either unsubscribing them momentarily or subscribing to multiple streaming platforms at the same time. Netflix should keep a close watch on the churn rate and figure out the reasons why a consumer might switch. Reasons can vary from a fad, FOMO, to more long-term effects such as lack of good content, high subscription cost, or bad UI/ recommendations.

Expected Per-Capita Consumption:

One of our primary goals of launching the VR product is to take significant market share in the long-term while moving our consumer base up the value chain system by adding more premium services within the existing subscription model and attracting customers to move from the standard and basic subscription to premium. The current growth rate in new paid subscriptions has significantly slowed down in the US and Canada markets. Only 15000 new subscriptions have occurred since 2020, while 9.2m new subscriptions in the past 2 years. This is relatively a low number compared to the overall growth of Netflix.

- Estimated growth in premium subscription (VR) in year one: 12% (7.39m new subscription)
- Estimated growth in premium subscription (VR) in year five: 45% (36.5m new subscription)
- Annual sales in year one from Netflix VR: 23.68×$17.99 = $426 million

Exploratory Primary Research:

<u>Recommended primary research methods</u>

VR in the streaming industry is fairly a novel idea, which requires extensive primary research before investing heavily in it.

The recommended primary research methods are:

- Open-ended surveys to diverse demographics beyond the target market
- Focus group interviews
- Observational research

Justification

The research methods mentioned can be analyzed qualitatively and quantitatively to deduce strong ideas about a product's demand and target market. For our product Netflix VR we need a deep dive into primary research which can be achieved through grounded research through open-ended surveys, focus group interviews, and observational research.

Limitations

- The budget for primary research can be a big factor that is not often provided by companies.
- Grounded research and qualitative analysis take time and it is a very time-consuming process.
- Reaching a wide demographic audience can be an issue aligned with the time limitation.

COMPETITION AND POSITIONING

Levels of Competition

Netflix, being the first-mover in the streaming industry, is still dominating by a fair margin. With the introduction of a few strong competitors in the past couple of years, it is still going strong and holds a majority share of the market. Although Netflix is NOT a first mover in the VR streaming industry (Hulu is a first-mover), due to Netflix's strong dominance and brand value in the regular streaming service, the product line Netflix VR is also expected to dominate. Hence, Netflix is poised to be a Market Leader.

Strategic Themes

The strategic themes for the new product are as follows:

- *More innovation to stand out:* Netflix has been the market leader in streaming platforms for almost 15 years. To keep up with the technological innovations and be an industry leader in the next big thing, this new product will bring that edge to stand out from the competition and keep the reputation as an innovative company.
- *Improved user satisfaction:* Netflix has significantly improved their recommendations by utilizing big data and machine learning. Now, with the social aspect of the new VR experience, users will get an improved experience with avatars and chat and audio-enabled capabilities.

Positioning Statement

For the creative people who seek a unique streaming experience, Netflix VR provides a revolutionary, immersive Virtual Reality experience for streaming videos anywhere, anytime, while interacting with your loved ones, which is even better than a physical theater, as you can create your realistic movie theater and gossip or chat with your friends and family using VR functions.

Positioning Map

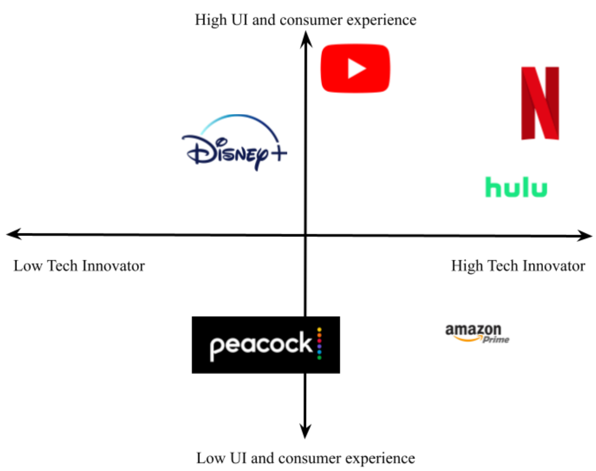

Figure 12: Perceptual Mapping of Streaming Industry in US

MARKETING MIX

Product Strategy

Major Product Attributes and Ingredients

Netflix VR aims to expand Netflix's product offerings into a new market with plenty of growth potential. It will feature virtual environments to watch shows and movies alone or with friends. To fulfill the need for users to be able to connect with friends, the VR platform will include social features, such as text and voice chat functions and customizable avatars. Netflix VR will also include special 360^{o}, immersive viewings, so viewers can feel they are "in the moment" in special recorded events where 360^{o} recording is available.

Figure 13: Image of 360 VR Experience

Performance Features and Benefits Provided

This new VR extension of Netflix will showcase the company's commitment to innovation. It will provide users with a safe, social space in which they can enjoy their favorite shows and movies with their friends and family. It will be especially useful for users who want to connect with others who live too far away to visit in person. Finally, Netflix VR will cater to the small, but growing, VR community, drawing users from platforms such as VR Chat.

Brand Elements

As with any Netflix product, Netflix VR will feature a sleek, easy-to-use interface. While many VR systems will be compatible with Netflix VR, the focus will be Oculus brand systems. This includes Oculus Gear, Oculus Quest, Oculus Rift, and Oculus Go. Oculus's flagship model, the Oculus Quest 2, will be the primary device promoted on the Netflix VR site. Interested users will have the opportunity to purchase a limited, "Netflix Red" Oculus Quest 2 or Oculus Go when they upgrade to or have an existing Premium account at the beginning of Netflix VR's release.

Packaging

The only packaging to take under consideration will be that of the limited-edition systems, the Netflix Oculus Quest 2, and the Netflix Oculus Go. Oculus's packaging already matches Netflix's sleek and minimalistic design, so the only significant changes will be the addition of the iconic "Netflix Red" and Netflix logo.

Figure 14: Oculus and Netflix Packaging

Customer Service Strategy and Complementary Products

Netflix customer support will handle any service issues related to the Netflix VR platform. Customers having VR hardware issues will be referred to their respective manufacturers for support. The complementary products to Netflix VR consist of the entire, pre-existing Netflix offerings. With an entire library of shows and movies to choose from, users can still enjoy the other benefits of their Premium subscription. Netflix also recently launched its gaming platform, which contributes to the overall offerings of Netflix's subscription services

Warranties and Returns

Netflix VR will recommend users to the Oculus website if they do not have a VR headset. Oculus will oversee the VR headset rentals and any warranties and returns associated with the hardware. Netflix will only be accountable for the Netflix VR platform. Users can request a refund on their account upgrade or subscription if they only purchased it for Netflix VR and are unsatisfied with the product. In the case of one of these requests, the user's payment for the month will be refunded and their account will lose its "Premium" status and revert to its pre-purchase status.

Price Strategy

Overall Pricing Objectives, Policies, and Strategies

There will be no added cost for Premium subscribers to access Netflix VR. Users on the Basic and Standard subscriptions will not have access to the platform but will be informed that they can access it if they upgrade their subscription tier to Premium. Netflix will not oversee selling or distributing the VR devices offered through Oculus. Rentals, purchases, warranties, and returns will all be taken care of by the respective manufacturers of the VR gear people will use to access Netflix VR.

Price Setting Factors

The subscription prices will be affected by cost and competitive factors. Netflix recently raised the prices of its Standard and Premium tiers by $1 and $2, respectively, in the U.S. Subscription prices have also gone up in some regions of Canada. These increases were implemented by Netflix after determining the effects of outside influences on the company's profit margins. The costs of Netflix subscriptions are also influenced by how much other popular streaming services are charging.

Price Sensitivity of Customers and Perceived Value of Product

The price sensitivity of customers is of little concern. Netflix is thought of as the most essential streaming service. This means that, if customers could only choose one platform to be subscribed to, Netflix was the option chosen the most. Because other streaming platforms are the main substitutes for Netflix, Netflix must keep their subscription price within a similar range as the other services. Netflix has had consistently high customer satisfaction regarding its offerings, so the fear of customers switching due to being unsatisfied by the platform is relatively low. Other companies' attempts to integrate VR into software have had a mixed reception by consumers in the past. Netflix VR is expected to gain consumer interest due to Netflix's brand recognition and the partnership with Oculus.

Legal Issues to Consider

Because VR is a relatively unexplored media, there are not many legal regulations guarding it. Some things for Netflix to take under consideration include virtual privacy rights, copyright and piracy concerns, virtual crime, and concerns over adverse health effects. It is important to try to safeguard consumers' virtual privacy rights early. These practices will not only help foster consumer trust but also prevent running into issues if privacy laws are implemented in the future. Copyright and piracy are always concerns of streaming platforms and will be difficult to track and reduce, so there should be systems created in advance to help prevent these issues from occurring. Virtual crime is also something Netflix should take under consideration, specifically regarding scamming and underage users interacting with adults over the VR social features. This can be regulated by only allowing "child" accounts marked by parental control to connect with other children over the social space. Finally, there are adverse health effects such as nausea, dizziness, eye strain, and deregulation of one's circadian rhythm which are sometimes caused by extended VR and screen usage. Netflix should continue to implement warnings when consumers are using Netflix VR for an extended amount of time, to help limit adverse health effects VR and screens can produce.

Target Market Pricing Tactics

The pricing tactics used by Netflix will be odd-even pricing and product-line pricing. Each of Netflix's subscription plans features odd-even pricing. The Premium subscription, for example, is priced at $17.99, which leads customers to think of it as "$17" instead of "$18".

Netflix is also taking advantage of product-line pricing by offering different “tiers” of service at different costs. This usually coerces customers who would purchase the lowest tier into purchasing the middle tier, as they see all the additional features, they could get for only a few more dollars a month. These methods have been successful for Netflix, so there is no need to change them.

First-Year Discount Strategies

For the first month following the release of Netflix VR, the Premium subscription will be the same price as the Standard subscription, enticing customers who pay for standard to upgrade. Because Netflix is a recurring subscription, many users will forget about their plans to downgrade back to Standard, keeping them subscribed to Premium. Netflix will also partner with Oculus to have special, limited “Netflix Red” editions of the Oculus Go and Oculus Quest 2. The objectives of the combination of the discount and limited-edition systems are to increase the awareness of Netflix VR, encourage pre-existing users to upgrade and try out Netflix VR and bring in new subscribers who are either already VR users or who are looking to enter the world of VR.

Competitors Reaction to Price and Firm Counters

The online streaming market has been highly competitive for over a decade now, and most of the firms have kept their prices consistent with each other. If Netflix must raise their subscription prices in the future to cover the cost of maintaining Netflix VR, competitors will most likely point out the increase to consumers if Netflix does not do so first. It is not expected that competitors would lower their prices for their services. It would be more likely that they would see Netflix, the market leader of streaming services, raise their prices then use that to justify raising prices themselves. If this reaction was to harm Netflix’s subscriber retention, it could choose to either unbundle Netflix VR from the Premium plan and have it as its own, “add-on” entity, or advertise how much more it offers compared to the competition.

Marketing Goals and Objectives

The pricing policy will encourage current, Standard Netflix subscribers or potential customers to purchase the Premium plan to use Netflix VR. This is expected to bring in additional revenue and subscribers to Netflix, as well as increase current subscriber retention, as they will have more features to utilize with their subscription. Netflix will also benefit monetarily and competitively from its partnership with Oculus, allowing it to promote itself into a new market. All these actions will benefit Netflix’s bottom line, allowing Netflix to maintain the 20% market share they gained during the COVID-19 pandemic.

Distribution Strategy

Channels and Levels of Distribution

Because Netflix VR is a service available on the internet, Netflix will be able to deliver the service instantly to consumers. Netflix VR will be able to be delivered to subscribers who wish to utilize the service, without bothering those who have no interest in it. The distribution of the headsets promoted with Netflix VR will be left to Oculus. Consumers can choose to buy from Oculus or another provider of VR hardware, then activate and access Netflix VR whenever they wish.

Key Partners in the Distribution Network

The biggest influence over Netflix VR will be Oculus. Netflix and Oculus will enter a unique strategic market alliance. Netflix will directly promote the Oculus Go and Oculus Quest to consumers through advertising and the Netflix VR platform. Oculus will promote Netflix VR with the limited-edition Netflix Oculus Go and Quest, encouraging Oculus customers to either subscribe or upgrade their Netflix subscription to try their new VR gear. Potential additional partners could include popular VR platforms, such as VRChat.

Value Delivery and Purchase Promotions

Netflix's willingness to collaborate with the existing VR community would be beneficial to the overall evolution, acceptance, and success of Netflix VR. If done right, collaboration with platforms like VRChat would also allow Netflix to market directly to the VR customer base in an environment where they are comfortable. Netflix will also be offering the Premium subscription discount mentioned previously, which will remove some of the mental barriers customers face when considering upgrading to a more expensive service. Finally, Netflix will have the limited-edition VR systems offered through their collaboration with Oculus, encouraging impulsive purchasing of the systems due to their "limited" run.

Promotions Strategy

Overall Goals for Marketing Promotional Activities

The goal of promotions for Netflix VR is to bring awareness of the platform's existence to current and prospective customers. The promotions should detail all the features of Netflix VR, highlighting the shows, movies, and special experiences that are available on the platform. It should also focus on the needs of the target market by showing consumers how they can connect with friends and family over long distances through the platform. In general, innovation and connection are the two big, overarching themes all the marketing promotional material needs to include.

Sales Promotions, Public Relations, Selling Activities, and IMC

The launch of Netflix VR will be heavily promoted, featuring a strong mix of physical and digital advertising. These advertisements will use Netflix's signature stack design, created by the digital design company Gretel. Netflix will continue using their current channels of promotion for physical ads, with large, eye-catching billboards in major cities with high traffic. Another major element focused on through advertisements will be that of bringing people together, which is one of Netflix VR's main goals. Netflix's priority will be to advertise the new addition to the Premium subscription. In 2018, Netflix spent roughly 1.81 billion on marketing, 1.88bn in 2019, and 1.45bn in 2020. Including the expenses related to the addition of this new service, Netflix should be able to keep their marketing expenses between 1.45 and 1.80 billion. Another major focus of Netflix should be to market to and get in good favor with the existing VR community. VRChat, the largest virtual reality platform, has roughly 40,000 active users whose opinion would be essential for improvements to Netflix VR in the future.

Collaboration with VTubers, virtual YouTubers and streamers, would also help Netflix gain clout with the VR community. In 2020, YouTube's *Culture and Trends* report included statistics over the growing popularity of VTubers and stated that VTubers on YouTube's platform alone has amassed over 1.5 billion views per month. One of the most popular VTubers was able to obtain more than $100,000 over a week from donations and subscriptions alone. This further shows that the VR community has plenty of untapped potentials and if Netflix can introduce itself into the community in an organic way, it could obtain more loyal fans and subscribers. Due to the recent explosion of this new VR trend, it is hard to estimate the potential profits and views Netflix could obtain with these collaborations and promotions.

Online Tools and Social Media

True to Netflix's brand, social media promotion will be interactive with the audience, asking them questions and giving them chances to share their opinions on the new features of Netflix VR. Since Netflix will be partnering with Oculus, advertising on Facebook and Instagram will be the most important social media to focus on. On Instagram, Netflix can share a funny video of one of their subscribers trying VR for the first time. On Twitter, Netflix can run a poll asking followers which system they plan on using to access the Netflix VR platform. If expected to be profitable, Netflix may also want to consider a paid ad campaign across these social media sites to try to gain more attention than what can be obtained organically. In addition to these, Netflix will continue to run paid ads on YouTube, as it has done in the past, this time promoting Netflix VR. These promotions will encourage user interaction, increase brand awareness, and entertain followers, increasing the rate at which they will be organically shared. This shareability will contribute to consumers' awareness of Netflix VR, as they will learn of the new platform their virtual word-of-mouth.

Figure 15: Mock Instagram Post

Sample Promotional Material

The following promotional material follows Netflix's "stack" design of advertising and is an example of an ad that could be used to promote Netflix VR.

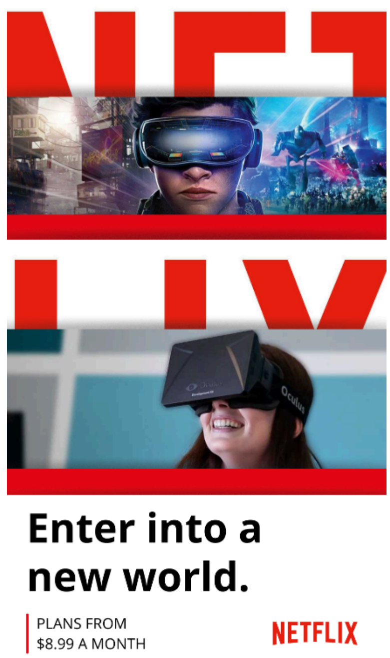

Figure 16: Potential VR Ad Design

MARKETING IMPLEMENTATION AND CONTROL

Implementation Schedule

	January	February	March
Online	Product introduction through YouTube (skippable and non-skippable in-stream video ads). Viral marketing through collaborating with influencers (influencer and brand ambassador marketing) *Frequency: High*	Product introduction on YouTube and Instagram. Benefit and emotional appeal advertisement. Continue to advertise through influencers. Focus on viral content for organic reach and WOM. *Frequency: High*	Product introduction on YouTube and Instagram. Benefit and emotional appeal advertisement. Continue to advertise through influencers. Focus on viral content for organic reach and WOM. *Frequency: High*
Offline	Press release, 1000 billboards, and posters across main cities in all States	Spread 1000 more billboard advertising in stations, airports, and local shops	Keep as is

	April	May	June
Online	Focus on viral marketing on Facebook, Instagram, and TikTok through influencers and creative content from Netflix's social media pages. Reduce video ads on YouTube to discovery and non-video ads for product reminder *Frequency: Moderate*	Keep as is	Heavy promotion through Oculus partnership on Facebook. Reduce viral marketing to focus on reminding the target market about the product and generate sales. Summer promotions *Frequency: Moderate*
Offline	Keep as is	Reduce billboards to focus only on shopping malls and major cities to focus on product sales (emotional appeal)	Keep as is

	July	August	September
Online	Focus on organic reach and WOM through engaging content on Instagram, Facebook, and Twitter. Continue paid	Keep as is	Keep as is

	promotions through influencers. *Frequency: High*		
Offline	Use influencers in billboard ads	Keep as is	Use Meta to advertise content (benefit of Oculus+Netflix)

	October	November	December
Online	Keep as is	Aggressive social media marketing for existing customers to move to the premium tier (Netflix VR). Focus on increasing sales of Netflix+Oculus bundle (discounted Oculus headsets). *Frequency: High*	Benefit appeal with influencers on all social media platforms *Frequency: High*
Offline	Keep as is	Holiday advertisement in major cities and shopping malls across the US	Keep as is

Marketing Costs, Revenue, and Return on Marketing Investment

Netflix VR	**Yearly amount in $**
Estimated Cost of Marketing	(150 million)
Cost of developing and maintaining social media functions	(100 million)
Development and maintenance of VR functionalities, and maintenance	(100 million)
Monthly subscription fee	17.99
Revenue generated between existing customers & new customers	5.00 billion
Estimated profit from the new product (25% margin)	4.65 billion

CONCLUSION

Netflix VR is a new and innovative way for Netflix to address the needs of its current customers, as well as branch into an upcoming market. The platform will make Netflix subscribers happy, as it will give them a way to connect with their friends and family over long distances. By minimalizing the switching costs of upgrading for current subscribers for the first month, there is expected to be a higher Premium subscription rate following the release of

Netflix VR. Promotional activities on social media will raise awareness of the platform and encourage followers to try out the new content. The collaboration with Oculus, including the special edition “Netflix Red” VR systems, will contribute to the excitement surrounding the platform’s release, encouraging impulse buying due to the limited availability of these systems. There is also plenty of potentials for Netflix to engage with the current VR community, allowing the chances for more collaborations, followers, and profits.

Overall, the Netflix VR platform is a great addition to Netflix’s current lineup and will allow it to further command the streaming market as the market leader. Netflix’s entry into virtual reality will place the company in an optimal spot to take advantage of any opportunities in the VR market in the future. Netflix VR will show consumers that Netflix is still a leader in innovation. Finally, it will show consumers that Netflix is a company that wants to provide its customers with safe social spaces they can take advantage of in a world still struggling to adapt to the COVID-19 pandemic.

REFERENCES

After a boom year in video streaming, What comes next? PwC. (2021). Retrieved November 22, 2021, from https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/consumer-video-streaming-behavior.html.

Avery, C. (2020). Netflix: The New Outlet for US progressive politics? University of Birmingham. Retrieved November 22, 2021, from https://www.birmingham.ac.uk/research/perspective/netflix-us-progressive-politics.aspx.

Bowman, J. (2021, January 24). *Does netflix have a competitive advantage?* The Motley Fool. Retrieved November 22, 2021, from https://www.fool.com/investing/2021/01/24/doesnetflix-have-a-competitive-advantage/#:~:text=Netflix%20prices%20its%20service%20to,giving%20it%20a%20competitive%20advantage.

Bursztynsky, J. (2021, June 17). About one-quarter of U.S. TV time is spent watching streaming services, says Nielsen. CNBC. Retrieved November 22, 2021, from https://www.cnbc.com/2021/06/17/nielsen-streaming-makes-up-only-26percent-of-time-spent-in-front-of-tv.html.

Camillo, J. (2021, June 25). VRChat Partners With Anthos Capital to Close $80M Series D. Retrieved November 19, 2021, from https://www.businesswire.com/news/home/20210625005073/en/VRChat-Partners-With-Anthos-Capital-to-Close-80M-Series-D

Canales, K. (2021, September 18). Meet the average Netflix user, a millennial woman without a college degree living in the American suburbs earning less than $50,000 a year. Business Insider. Retrieved November 22, 2021, from https://www.businessinsider.com/typical-netflix-user-subscriber-demographic-millennial-age-political-views-income-2021-9.

Clark, T. (2021, September 21). Netflix is the most essential streaming service, but HBO Max leads in customer satisfaction. Retrieved November 19, 2021, from https://www.businessinsider.com/netflix-is-the-most-essential-streaming-service-survey-data-2021-9

Dean, B. (2021, October 7). Netflix subscriber and Growth Statistics: How Many People Watch Netflix in 2021? Backlinko. Retrieved November 22, 2021, from https://backlinko.com/netflix-users.

Everything you need to know about how Netflix built a world-class brand. Academy. (2021, October 17). Retrieved November 22, 2021, from https://rocketium.com/academy/guide-netflix-brand/.

Future scenarios for the TV and video industry by 2030. Deloitte. (2018, October 25). Retrieved November 22, 2021, from https://www2.deloitte.com/global/en/pages/technology-media-and-telecommunications/articles/gx-future-of-tv-video.html.

Gretel. (n.d.). Netflix. Retrieved November 19, 2021, from https://gretelny.com/netflix

Hepburn, T. (2021, April 6). *Netflix lost more than 30% market share to competitors in 2020*. Cord Cutters News. Retrieved November 22, 2021, from https://www.cordcuttersnews.com/netflix-lost-more-than-30-market-share-to-competitors-in-2020/.

Iqbal, M. (2021, November 12). *Netflix revenue and Usage Statistics (2021)*. Business of Apps. Retrieved November 22, 2021, from https://www.businessofapps.com/data/netflix-statistics/.

Jay, A. (2021, March 26). Number of netflix subscribers in 2021/2022: Growth, revenue, and usage. Financesonline.com. Retrieved November 22, 2021, from https://financesonline.com/number-of-netflix-subscribers/.

Katz, B. (2021, April 30). Netflix growth is slowing, but its customers remain the most loyal of all. Observer. Retrieved November 22, 2021, from https://observer.com/2021/04/netflix-subscriber-growth-slowing-but-customers-are-loyal/

Kats, R. (n.d.). *Netflix statistics: How many subscribers does Netflix have? worldwide, US member count and growth*. Insider Intelligence. Retrieved November 22, 2021, from https://www.insiderintelligence.com/insights/netflix-subscribers/#:~:text=As%20of%20Q2%202021%2C%20Netflix,same%20time%20period%20last%20year.

Kelts, R. (2021, July 26). Japan's virtual YouTubers have millions of real subscribers - and make millions of real dollars. Retrieved November 19, 2021, from https://restofworld.org/2021/vtubers/

Lee, E. (2021, April 20). Netflix's dominance starts to slow as rivals gain. The New York Times. Retrieved November 22, 2021, from https://www.nytimes.com/2021/04/20/business/media/netflix-subscribers-earnings.html.

Leibach, H. (2017, March 31). Meet the consumers that will make or Break virtual reality next year. Singularity Hub. Retrieved November 22, 2021, from https://singularityhub.com/2015/12/17/vr-consumer-insights-for-2016-provided-by-greenlight-vr/.

Lotz Fellow, A. (2017, April 4). The unique strategy Netflix deployed to reach 90 million worldwide subscribers. Retrieved November 19, 2021, from https://theconversation.com/the-unique-strategy-netflix-deployed-to-reach-90-million-worldwide-subscribers-74885

Petrov, C. (2021, November 1). *45 virtual reality statistics that Rock the market [2021]*. TechJury. Retrieved November 22, 2021, from https://techjury.net/blog/virtual-reality-statistics/#gref.

Plans and pricing. Help Center. (n.d.). Retrieved November 22, 2021, from https://help.netflix.com/en/node/24926.

Shaw, L. (2019, November 10). Hollywood Torrent: Netflix's politics problem, Bob Iger's gamble. Bloomberg.com. Retrieved November 22, 2021, from https://www.bloomberg.com/news/newsletters/2019-11-11/netflix-has-a-politics-problem-bob-iger-s-gamble-on-disney.

Spangler, T. (2021, September 27). Netflix Releases New Data on Most Popular TV Shows and Movies. Retrieved November 19, 2021, from https://variety.com/2021/digital/news/netflix-most-popular-tv-shows-movies-1235075301/?sub_action=logged_in

Statista, R. (2021, January). Netflix: Ad spend 2020. Retrieved November 21, 2021, from https://www.statista.com/statistics/688525/netflix-ad-expense/

Statista, R. (2021, January). Netflix: Marketing expenditure 2020. Retrieved November 19, 2021, from https://www.statista.com/statistics/1097045/netflix-marketing-expenditure/

Stoll, J. (2021, October 22). Netflix subscribers count in the U.S. Statista. Retrieved November 22, 2021, from https://www.statista.com/statistics/250937/quarterly-number-of-netflix-streaming-subscribers-in-the-us/.

StudiousGuy. (2020, June 09). Business Model of Netflix. Retrieved November 19, 2021, from https://studiousguy.com/business-model-of-netflix/

Uenlue, D. M. (2019, June 8). *Netflix Business Model*. InnovationTactics. Retrieved November 22, 2021, from https://innovationtactics.com/netflix-business-model-canvas/.

Yeo, L. (2021, January 13). Disney takes customer retention crown from Netflix. Retrieved November 19, 2021, from https://secondmeasure.com/datapoints/disney-takes-customer-retention-crown-from-netflix/