

NETFLIX

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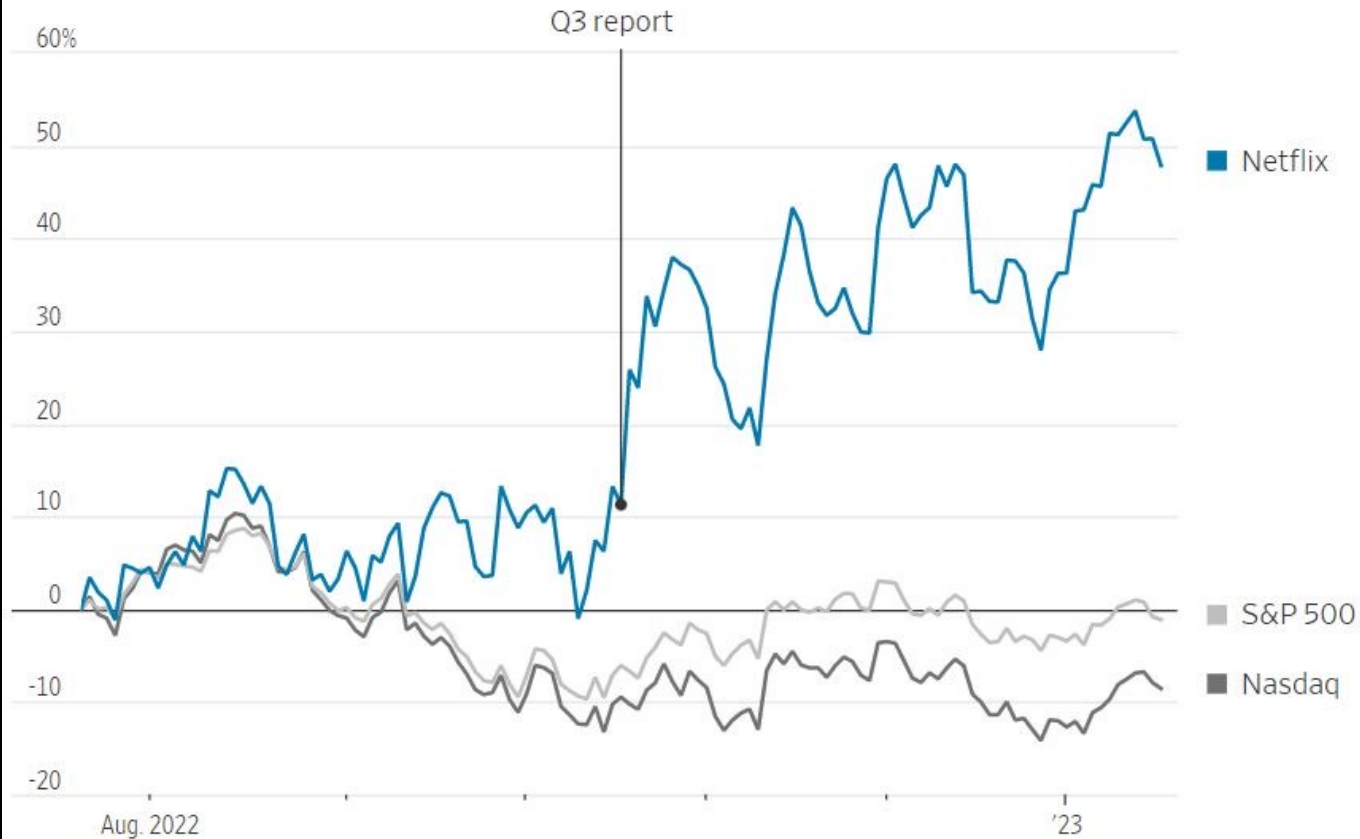
CASE DESCRIPTION - INTRODUCTION



- Founded in 1997 by Reed Hastings and Marc Randolph
- Started with the idea of mailing a DVD
- Netflix has become a streaming mogul over the last 25 years
- Now has nearly 231 million subscribers around the globe

Early Applause

Share price and index performance, past six months

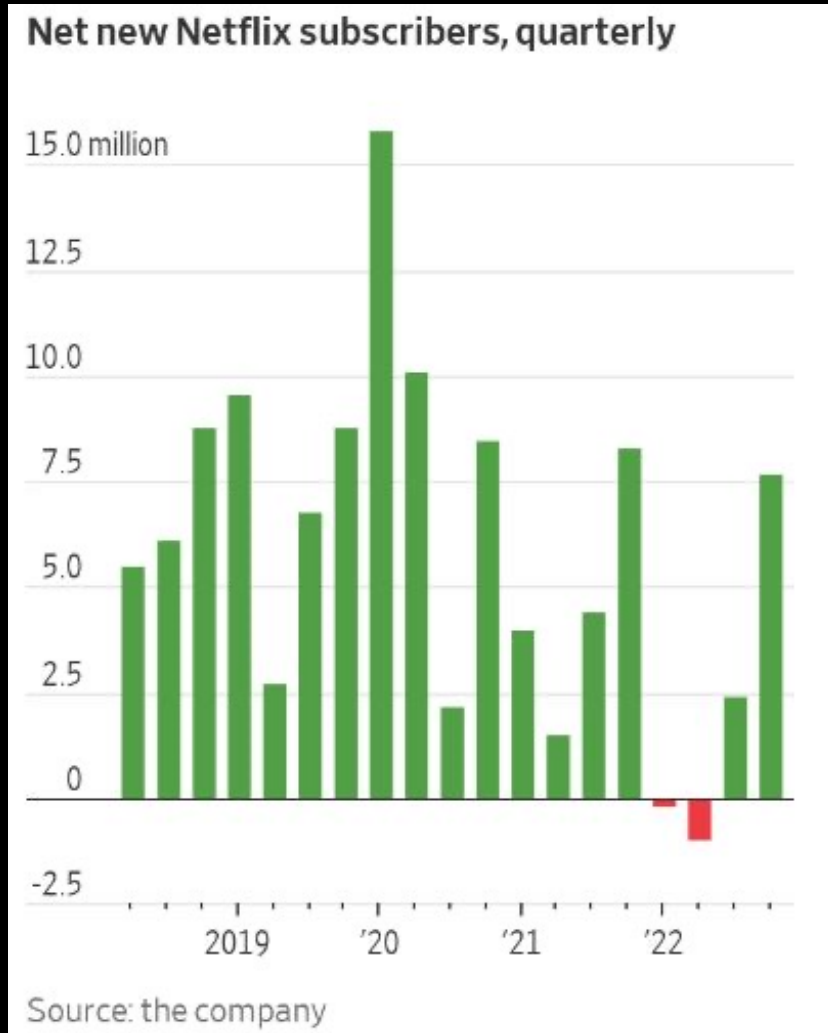


Source: FactSet

https://www.wsj.com/articles/netflixs-new-look-is-already-catching-on-11674171271?mod=article_inline

PROBLEM STOCK PRICES

- ❖ Netflix lost about half its stock value this year due to subscriber growth.
- ❖ Netflix lost about \$50 billion in market cap as a result of its subscription lost.
- ❖ Pulled out of Russia with the Russia and Ukraine tensions.



https://www.wsj.com/articles/netflix-nflx-q4-earnings-report-2022-11674083032?mod=Searchresults_pos13&page=1

PROBLEM SUBSCRIPTIONS

- ❖ Netflix lost subscribers in the U.S. and Europe due to competition, recession, inflation, and the economy in general.
- ❖ More than 40% unsubscribed due to the subscription price increase.
- ❖ Netflix also lost about 46% from the 8.3 million subscribers.
- ❖ Netflix lost several TV shows and movies.
- ❖ Overall Competition

BACKGROUND

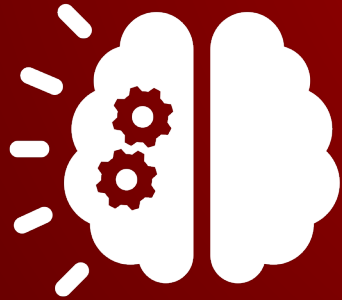
- **Communication:** Netflix has excellent communication with its clients, customers, employees, and more! They have a strong social media presence.
- **Leadership:** Netflix also proves to have strong leadership as well. They've had the same CEO for over two decades.
- **Financial:** Netflix has proven to be very financially stable. They have been in business for over 25 years and continue to grow.



SWOT ANALYSIS

Strengths

- Strong original content unique to Netflix
- Different price tiers



Weaknesses

- Increased prices
- Employee layoffs



SWOT ANALYSIS

Opportunities

- Expanding global customer base



Threats

- Numerous competitive streaming services on the market



RECOMMENDATIONS

Leveraging Strengths and Opportunities

- Original content to draw in new subscribers' interest



Mitigating Weaknesses and Threats

- Recent increase in subscribers the couple months
- Cheaper tiers/options created despite raising standard prices
- Other streaming services still scrambling to reach the numbers Netflix has

CONCLUSION

- Overall, though Netflix has had so many issues and challenges, it is yet to be one of the most leading internet entertainment service worldwide with:
- About 230 million paid membership subscription in more than 190 countries.
- Being one of the most influential brand in the world.
- Ranking 36th with a brand value at \$15.0 billion.

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