Netflix Brand Audit

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TABLE OF CONTENTS

I. BRAND INVENTORY

A. Introduction

The rise of technology has changed the entertainment and movie industry. In August 1997, Netflix was established by Reed Hastings and Marc Randolph in Scotts Valley, California (Mandal *et al.,* 2017). Currently, Netflix's headquarters is in Los Gatos, California. Netflix is presently the leading subscription-based streaming service that uses Over-the-Top technology (OTT) to offer premium entertainment to its members (Pereira *et al.,* 2015). Netflix started as an entertainment company providing streaming media, video-on-demand, and DVD by mail (Mandal *et al.,* 2017). With over 9,400 employees as of 2020, Netflix has become a global brand and a significant player in the entertainment industry today (Stoll, 2021). Netflix's product category is under the "Internet Publishing and Broadcasting and Web Search Portals (NAICS 519130) and Internet publishing and broadcasting (SIC 27419909)" (Yaney, 2020). The Netflix industry is also known as the video streaming industry.

Netflix's growth has risen by the year; as of Q2 2021, Netflix has "209 million global paid membership" (Kats, 2021). Netflix's growth has taken a different turn every year. In 1999 Netflix introduced a monthly subscription concept that increased its brand revenue (Pereira *et al.,* 2015). In 2002, Netflix announced its 5500000 shares at $15 each (Pereira *et al.,* 2015). In 2005, DVD sales were heightened, as well as the popping entertainment vibe (Yaney, 2020). As time went on, there became a decline in DVD sales, leading to Netflix's introduction of other sustainable services. In 2007, Netflix started an online streaming service in the United States; this was the beginning of a new era in the video streaming industry (Pereira *et al.,* 2015). In 2008, Netflix stopped its DVD rental (Pereira *et al.,* 2015).

With its continuous success, Netflix decided to expand to Canada in 2010 and Latin America and the Caribbean Islands in 2011 (Mandal *et al.,* 2017). The English-speaking countries were not left out; in 2012, Netflix started its broadcasting operation in the United Kingdom, Ireland, and the Scandinavian countries (Mandal *et al.,* 2017). In 2013, the Netherlands was the only country Netflix broke into due to rising costs (Mandal *et al.,* 2017). However, in 2013, Netflix's popularity grew immensely with the release of its political drama *House of Cards* (Mandal *et al.,* 2017). In 2014, Netflix expanded into France, Austria, Belgium, Germany, Luxembourg, and Switzerland (Mandal *et al.,* 2017). In 2015, Netflix broke into countries like Japan, Spain, Portugal, and Italy (Mandal *et al.,* 2017). In 2016, Netflix introduced a Consumer Electronics Show that airs in every country except China, Syria, and Crimea (Mandal *et al.,* 2017). In 2016, Netflix also announced its expansion into 130 new territories to promote its service worldwide (Timeline of Netflix, 2021). In 2017, Netflix partnered with iQiYi, a local Chinese streaming platform, to serve the Chinese market (Mandal *et al.,* 2017). From 2017 to 2021, Netflix has grown tremendously by releasing original shows and dramas; this has increased Netflix's market share. As of 2020, Netflix generated" $24.9 billion in revenue and a 23.8% increase year-on-year" (Iqbal, 2021).

As expected, Netflix has competitors who crave to be the market leaders and take over Netflix's No. 1 spot. Netflix competitors include Hulu, Disney Plus, Amazon Prime Video, and HBO Max.

Hulu is a streaming service that offers the latest TV shows, clips, and movies with commercials and subscriptions (Yaney, 2020). With its launch in 2008, Hulu offers a wide range of services that includes networks such as ABC, FOX, and NBC, with a subscription as low as $6. Netflix however, does not offer these networks, and its subscription starts at $9. Hulu offers more than 65 live channels and has over 30.7 million subscribers as of February 2020 (Yaney, 2020).

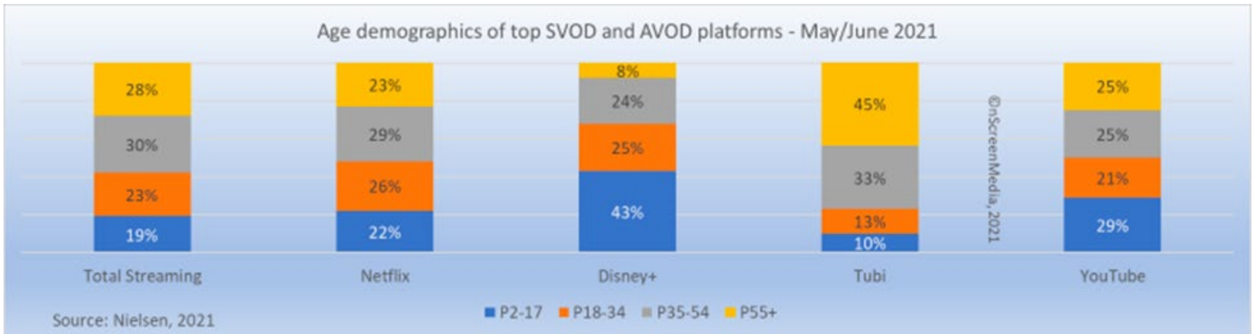
Disney Plus is a streaming service that contains all Disney movies and entertainment content, including Walt Disney, National Geographic, 21st Century Fox, Pixar, Marvel Studios, and many other video content. Disney Plus launched in Fall 2019 to offer a variety of entertainment channels. As of September 24th, 2021, Disney had 116 million subscribers (Barnes, 2021).

Amazon Prime Video is another prominent Netflix competitor. Amazon Prime Video is a streaming subscription-based service with an extensive video library (Osur, 2016). Amazon Prime also has the broadcasting rights to stream live sports making; this is perceived as a threat that could lower Netflix earnings (Mandal *et al.,* 2017).

HBO Max is a streaming service that shows only HBO original series, blockbuster movies, and TV shows provided by Warner Media. In May 2020, HBO launched with a $15 subscription plan without commercials and $10 inclusive of ads monthly (Webb, 2021). Currently, there are 67.5 million HBO subscribers worldwide (Webb, 2021). HBO Max is set to expand to 60 other countries by the end of 2021 (Webb, 2021).

The streaming service and over-the-top technology (OTT) market are highly competitive. This competition increased during the COVID-19 pandemic (Harvard, 2021). There is also competition over intellectual property because each streaming service tests effective ways to retain its customers (Harvard, 2021). Therefore, most streaming services no longer give other companies licenses to premier their original movies and shows because one of their selling points is original content and movies (Harvard, 2021). For example, Netflix constantly releases original shows, its latest being *Squid Game.* Disney Plus also benefits from its old shows and movies from Pixar, Fox, Marvel, etc. (Harvard, 2021). These streaming services are also in a competition to search for content and shows from providers who can offer exclusive rights (Harvard, 2021). For example, Walt Disney's partnership with Proximity media contributed to the release of *Black Panther* in 2018 (Harvard, 2021). Amidst the intense competition, Netflix's international subscriber count continues to rise while its domestic subscriber growth is a bit slow (Mandal *et al.,* 2017).

Irrespective of all these developments in the industry, Netflix is focused on its target audience and quality shows (Mandal *et al.,* 2017). Netflix's teen audiences are always ready to consume information and stay updated with movies (Hidalgo-Mar, 2021). Netflix's primary target audience is 18- 44-year-olds (Stoll, 2021). Most of the streaming services have channels for children, teens, and adults. The video streaming service audience is different people of various ages and ethnicity. Figure 1 shows the different streaming media and their age demographics.



Source: Screen Media, August 22, 2021

B. Market Research

1. Developments/Trends in the Video Streaming Market

A shift from regularly programmed networks, the age of video streaming has redefined how society engages with television shows, movies, sports watching, and even news and information sharing. This global phenomenon of pushing into a post-TV era (Strangelove, 2015) has opened opportunities for emerging streaming companies, as well as existing non-streaming services, to enter into a relatively immature and expanding market with immense fragmentation. The 2000's renaissance of Internet integration with mass media digestion coupled with the exponentially growing smartphone market has resulted in a vast array of over-the-top (OTT) streaming services that distribute their original or licensed content via the web. A promising future can be observed for content creators, telecommunications firms, social media platforms, and naturally, streaming services themselves.

As of 2018, approximately 100 different streaming services existed in the United States alone. (Hebert *et al.*, 2018) Today, a bloated number of over 300 services are catering to an increasingly fragmented market (Hersko, 2019), in which consumers pay for an average of 3 to 4 different services based on their diverse viewing habits. Though Netflix, Hulu, and Amazon Prime are regularly deemed "leaders" in the expanding market, hundreds of niche services are emerging daily and threatening loyalty to such esteemed brands. (Herbert *et al.*, 2018) The versatility of uses and gratifications that streaming content provides has led to a recent development in live streaming, coined the 'next big frontier of streaming,' (Sanson & Steirer, 2019) to which has led to the creation of Twitch and other developments in social media; such an example includes social media platforms Twitter, Instagram, and Facebook which now have options for users to engage their audience with a live feature. Though not immediately in the market of video content streaming, such advances in other avenues (markets with paralleling purposes) have threatened the landscape of consumer engagement for many streaming services. Further, media services tend to offer consumers varying uses and benefits that can be expanded upon, demonstrated by Youtube's incorporation of Youtube Music to contribute to its multifunctionality.

Regardless of the purpose(s) of each streaming service, certain market factors remain prevalent and affect how such brands position themselves in comparison with a surmounting compilation of competitors. Considering the market's compounding growth, there naturally exist central key components leading to a boom in the industry. The two key drivers of the market include the rising demand for content "on-the-go" and "on-demand," where users can keep up-to-date with their favorite shows and movies, emphasizing the criticality of high-speed Internet. Whereas in 2010, users had to wait a week to watch a new episode of *Jersey Shore,* services such as Hulu now offer the opportunity for yearly-devoted and new fans to "binge-watch" the series, a term which very well could possibly have been the trendiest word of 2015. (Spilker & Colbjørnsen, 2020) Such a phenomenon has disrupted traditional ways of television programming, muddying the benefits of weekly episode releases. Further, binge-watching has influenced how streaming services capitalize on user engagement. After seeing such success with Netflix and Hulu's binge-worthy series uploads, HBO penetrated the movement by releasing its seventh season of *Game of Thrones* on HBO Max instead of its typical Sunday evening cable-TV releases. This introduces the concept of the "streaming generation," where contemporary movie and television show fanatics are demonstrating their preferences of engaging with their chosen content on streaming platforms in comparison to cable television. (Spilker & Colbjørnsen, 2020)

Not only are audiences selectively choosing where and when they engage with video streaming, but they are also basing their buyer choices in TVs on the features they provide to enhance streaming experiences. Representatively, the rise of smart TVs and hardware digital media players (Roku, Amazon Firestick) can be noted in the past 5+ years, as the capabilities of assessing platforms such as Netflix and Amazon Video on a big screen threaten the need to pay for cable TV. (Mandal *et al*., 2017)

Other developments within the streaming market include the rise of media companies such as Disney launching their own platforms, to which users can engage with content that the company owns. Instead of seeking out licensing agreements to air third-party content, Disney Plus, launched in November of 2019, releases its classic favorites such as *Toy Story, Hocus Pocus,* and the complete Disney Channel series, *Hannah Montana* and *That's So Raven* on its platform, bypassing routine purchasing of non-owned content due to the voluminous material already associated with the media conglomerate. (Merkley, 2019) This move has posed a threat to services that liberally spend mass amounts of their earnings in order to provide popular content.

Subscriptions have remained an integral factor in the success of the video streaming market. As of 2020, subscriptions accounted for the largest share of the market, with a staggering 43% market share. (Bhasin, 2019) A variety of monthly and yearly plans for users provided by services such as Amazon Video and Netflix, among others, has allowed for such a prominent place within market shares. Further, advertising has also been attributed as being a signifier of market share. With platforms such as Hulu, advertisements remain critical for success. However, it can be assumed that not all services rely on such a dependent business model, as noted with the lack of commercial advertisements for a provider such as Netflix.

Certain implications for the continuing rise of video streaming services exist for the future of the product category. Artificial intelligence and blockchain technology are perceived as tools to better the visual display of the content and ultimately the user experience, surfacing to act as future developments in the industry. (Bhasin, 2019) Additionally, there remains the optimism held by different streaming services to expand into global markets and dominate on an international level. Few have displayed success within a global market, though it remains a fruitful frontier for aspiring corporations seeking globalized relevance.

2. *Main Competitors*

Quality content is a determiner of streaming platform consumer choice, as numerous competitors emerge and continue to fragment the immature market. If each service is centered on creating or acquiring the rights of distribution of content that appeals to an audience, then what differentiates one platform over another? The originality of the content distributed comes into play for services selectively choosing media that will engage audience interest. (Vikash, 2019) Subsequently, this has led to tension within streaming providers who must factor in the originality and creativity of their offered content, as well as updates in popular culture. To cater to audience demand, companies must attempt to acquire popular licensed content or create their own content to attract and sustain a customer base. (Vikash, 2019)

Subscription-based service has distinguished itself as a point of parity for streaming providers. As of 2021, every provider utilizes direct consumer subscriptions (monthly/annually) as a means to generate revenue. (Vikash, 2019) Likewise, as of 2021 subscription prices for Internet TV streaming services fall within an average price range of $5-$16, factoring in different plans. Therefore, the cost of differentiation has emerged as a point of difference for Internet TV providers who are seeking to establish brand loyalty.

A range of Internet TV providers acts as dominators and innovators of the video streaming market, including Netflix. However, each streaming service positions itself differently in regard to what it offers and how it distributes content. This notion has led to a competitive edge in the market, as top service providers attempt to match and outweigh the benefits of one another. As of 2021, the leading brands within the video streaming market include:

- <u>Amazon Prime Video</u>

  Amazon has distinguished itself as a brand with numerous contributions to varying markets. The multinational technology company started in 1994 has perhaps made most of its brand associations off its e-commerce capabilities, making the shopping experience easier with access to over 75,000,000 products, as of 2021 (ScrapeHero, 2021) The ever-expanding enterprise distinguished itself as a global innovator in 2007 with the launch of the streaming platform and online store, Amazon Music, founded to cater to audiences who seek cheap and hassle-free access to music. Most notable to the present context, the brand has expanded into the market of video streaming and currently offers a subscription-based service in both a stand-alone form and as part of its membership program, Amazon Prime Video (Prime TV). Employing a complementary business model, Amazon is able to use its existing capability to offer bundles, in which Prime members can access music, student discounts, and Prime TV for a fixed price. (Vikash, 2019) Revenues for Amazon “come exclusively from either Amazon Prime’s $99 annual subscription, or by the $10.99 instant video subscription” (Mazzolini & Bozzolan, 2016). This serves as a strategic opportunity for Amazon to generate higher brand loyalty from a multitude of consumers, whether they seek subscriptions from the company for a bundle of reasons or exclusively for access to its streaming content.

With over 60 million subscribers spanning across the globe, Amazon easily establishes itself as a fierce competitor against Netflix. Not only are Prime members granted exclusive deals on e-commerce and music, but they are also compelled by the variety of content the company produces as far as Internet TV— all for a fixed price. Further, Amazon has ventured into live streaming sports events, an avenue in which companies like Netflix and Hulu have failed to consider. (Vikash, 2019) However, Netflix and Amazon Prime Video may have more in common with their content acquiring strategies than either would care to admit. Firstly, Prime TV licenses content from broadcasting networks and cable providers, and the company delivers quality HD videos, comparable to both Netflix and Hulu. (Mazzolini & Bozzolan, 2016) Further, Prime TV and Netflix services are similar in price, video quality, and device supports. Conclusively, both services are also emphasizing a push away from generating mass amounts of licensing contracts and are welcoming the prospect of creating content in-house. This leads to a differentiation in original content.

- Hulu

Dynamic service provider Hulu, founded in 2006, has consistently been identified as Netflix's closest competitor. Founded by an NBC Universal executive and now majorly owned by The Walt Disney Company/ partly owned by Comcast, the big-name streaming service has expanded its offerings to differentiate itself from Netflix and Prime Video. Offering three main products at varying prices, Hulu has a subscription-based live-TV service that represents a cable bundle and its video-on-demand services, featuring content with and without ads—based on the chosen subscription plan.

Disney has announced that as of the third quarter in 2021, Hulu had 42.8 million paid subscribers. This considerable consumer base can perhaps be attributed to the advantage of Hulu's reputation as a next-day streamer of shows from other networks (Lee, 2019) and its partnerships with NBC, ABC, Fox, and CNBC, among others. (Sagar, 2021) By releasing cable content on its platform, Hulu is able to reach a significant amount of diverse interests held by consumers.

Hulu makes such immense profits using its three primary sources of revenue, including subscriptions, add-ons, and ad revenue. As of 2021, 54% of Hulu's total revenue came from its subscriptions. (Statista, 2021) However, the service has positioned itself in the video streaming market with its basing a large section of its profits on revenues derived from ads. (Merkley, 2019) Whereas competitors focus exclusively on generating revenue from subscriptions, Hulu capitalizes off of the deployment of commercial advertisement breaks prevalent in an assortment of its different subscription plans.

For its strategic planning, Hulu is focused on balancing its subscriber base, expanding its premium advertising offerings, adding longer hours of content, producing award-winning original series, and expanding its regional footprint in the live pay-tv space. (Hulu Statistics and Facts, 2021) A recent yet monumental move for Hulu has been its expansion into international markets as of February 23, 2021. With this modern development, Hulu will continue its efforts to expand its consumer base, now holding the advantage of transcending country borders.

- Disney Plus

Disney Plus made detrimental waves in the video streaming market with its 2019 launch, prompted by the multimedia giant, Disney, as it sought ways to penetrate the market with its own platform. The relatively young service brought immense success and revenue for Disney, as audiences were intrigued by the prospect of watching childhood movies that were not previously as accessible to the public. The company not only owns film studios and TV networks in which they pull content, but it also offers exclusive content that competitors can't seem to match. To further drive loyalty from the market, Disney Plus has begun to release movies originally scheduled for theaters on their own platform, limiting views to only those with subscriptions and demanding the attention of a mass market. (Cho, 2020)

As of March 2021, Disney Plus surpassed 100 million subscribers, propelling it alongside its leading competitors and distancing itself from lower-tier services such as HBO Max and Peacock. (Iqbal, 2021) With a more gradual means of uploading content, quality over quantity has emerged as Disney Plus's main selling point. With Pixar, Lucasfilm, and Marvel developing content for the streaming service, the relatively young video streaming provider is reaching a variety of audiences with diverse demographics and psychographics. Hosting the complete *Star Wars* enterprise as well as a slew of Marvel movies, the service has successfully driven in a multitude of new consumers.

To further its success and presence within the market of video streaming services, Disney Plus has begun offering bundle deals for all of Disney's on-demand content such as the service itself, Hulu, and ESPN. With the price of the Disney bundle currently being $13.99, such a competitive price distinguishes the video service provider as offering quality content for a vying price. Disney Plus is projected to expand its subscription numbers and bring in over $10 million for the year 2021, as compared to the estimated $4.5 million acquired in 2020. (Iqbal, 2020) The app has been downloaded over 150 million times since its 2019 launch, and it is only continuing to expand as the global enterprise makes new developments with its owned content and its bundle offerings.

- HBO Max

Launched by AT&T Inc. in 2020, HBO Max features a variety of video content ranging from the content provided by the channel, Warner Bros Studio, and original HBO programming content. Debuting during the height of COVID-19, HBO Max capitalized on the opportunity of a global isolation period, where media consumers were spending large portions of their day binge-watching series on streaming services such as Netflix, Hulu, and Prime Video. To generate awareness for the immature streaming development, AT&T Inc. has sought out distribution agreements in order to reach more users and generate awareness on a larger scale.

Selling the Max parent company, WarnerMedia, to Discovery Networks in 2021, AT&T has since left the streaming scene, and HBO Max continues to witness steady growth. (Adalian, 2021) HBO Max has established its credibility with its strong subscriber growth, mass amounts of original content, strong collections of quality retro content, and a same-day movie-premiere strategy, with all 2021 Warner Bros. streaming on the platform the day they hit theaters. This particular development has distinguished HBO Max amongst its conglomeration of competitors, as it is not only driving consumer attention away from cable television but also theater experiences. No longer exists the necessity to experience a new film release in a theater, as providers such as HBO Max and Disney Plus have introduced the trend of providing same-day content releases on their platforms.

HBO Max subscribers pay $14.99 per month for access to its exclusive subscription-based content. Critical has it remained that the relatively new streaming service provides high-quality content for its higher price. To justify the existing price premium, HBO Max offers critically-acclaimed and popular titles such as *Lord of the Rings* and *Pulp Fiction,* among others. As of September 2021, HBO Max had 45.2 million subscribers, and this has been attributed to its strong international and ad-supported growth. (Szalai, 2021) Though HBO Max remains further down the list of top leaders, its demonstrated success throughout its first year of existence has hinted towards a future of category domination if it continues to offer quality, exclusive content that caters to mass interest.

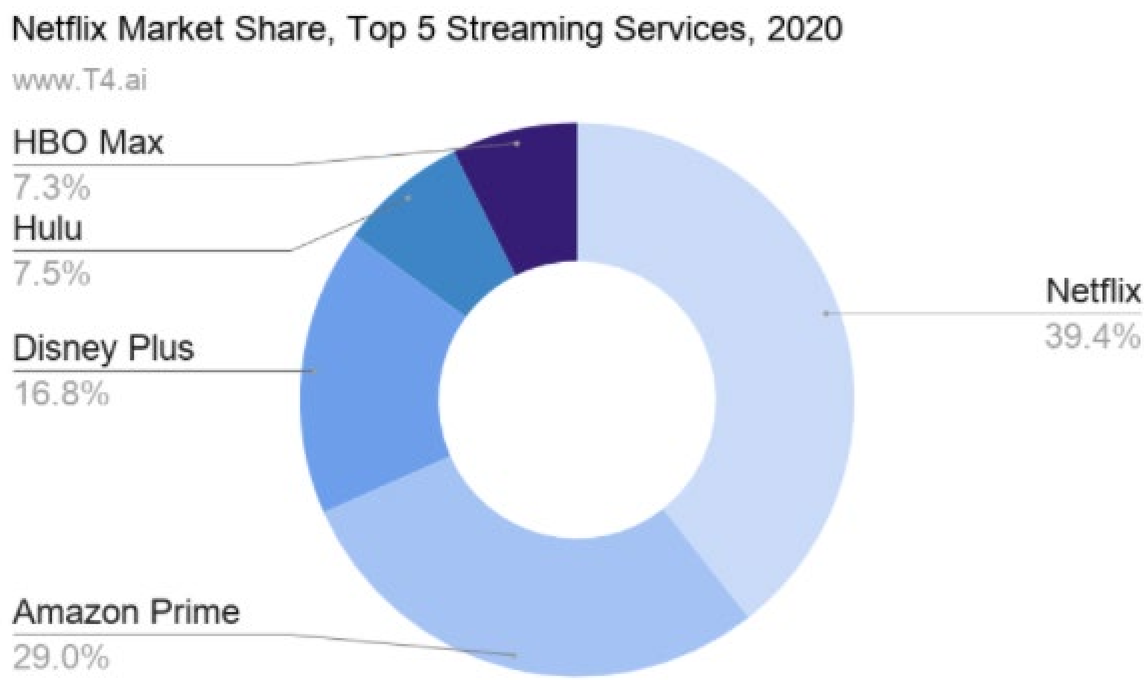
❖ <u>Netflix</u>

Transforming from a DVD-by-mail service to a large-scale enterprise and leader of the streaming service market, Netflix has reaped generous success with its 2007 switch to a subscription video-on-demand business model. From early revenue days totaling 1.36 billion to today's estimated number of 25 billion (Stoll, 2021), Netflix has managed to sustain its dominant presence within the market, though it is easily meeting some resistance from its competitors. With 2020's penetration of the market with Peacock and HBO Max entering the scene, Netflix faced relatively substantial pressure, as reports (Hepburn, 2021) reveal that the global powerhouse lost 31% of its market share in 2020.

Netflix has had to reposition itself and its brand offerings based on new trends in viewer interest, as well as the increasing competition diluting the distinction of Netflix's points of difference. Originally focusing on licensing content from third-party sources, Netflix has since had to rebrand and first analyze the offerings of competitors to match consumer trends in interest. Similar remains Amazon's methods for acquiring content, and too similar are a majority of service providers' content collections. Therefore, Netflix has begun to focus its attention on building an original portfolio of movies that will attract and retain viewers, as well as optimizing the licensing costs of such films to the number of subscribers who watch them. (Mandal *et al*., 2017) Further, Netflix is most recently tailoring the content it launches on its platform to fit its three categories of specialty: original content, stand-up comedy/other popular TV shows, and movies with high ratings. (Mandal *et al*., 2017) To effectively consider the interests of consumers, Netflix has conducted immense research on its consumer segment, which is allocated by database data displaying "clients' expressed preferences, intentional appreciations, conscious choices, and unconscious reactions and behavioral patterns" (Naranjo, 2020). Therefore, there holds importance in noting the effect Netflix has held within audiences in the market. The streaming service is presumed to "own a part of its viewers' psyche"

(Naranjo, 2020), which can be found within this push to specialized content, as desired and initiated by consumers.

2021 reports show that Netflix is still at a considerable vantage point over competitors, having a 20% market share in the United States, followed by main competitors Amazon Prime with 16%, Hulu with 13%, HBO Max with 12%, and Disney Plus with 11%. (Hepburn, 2021) Further, its subscription rates continue to rise to about 214 million as of 2021, compared to its 22 million subscriber account in 2011. (Stoll, 2021) With such prominent media companies rushing to enter the market, Netflix's accreditation as the leading OTT service provider may be relinquished within the relatively near future. Though the platform still ranks first in the category, its market share has decreased from 39%, according to 2020 records (Netflix Market Share, 2021) and continues to decline as competition rises. It remains up to Netflix's marketing and branding strategies to ensure their leadership in the fragmented world of video service as technology develops and media trends adapt.

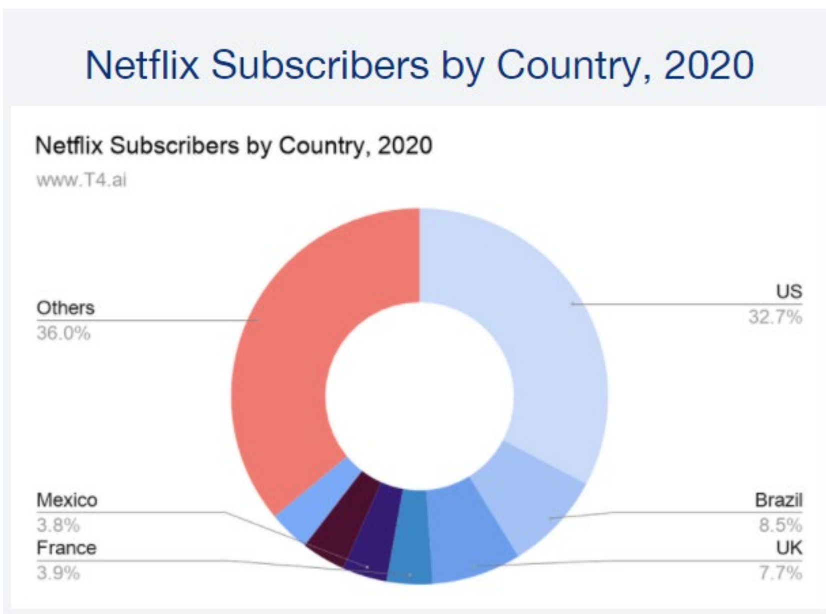


Source: T4, March 12, 2021

3. Main Marketing/Branding Strategies

Within the video streaming service industry, audiences are segmented by both demographics (adults, children) and usage-based segmentation strategies, which is a common tactic for service providers across the industry, regardless of the type of content distributed on each platform. Though once segmenting its consumers by geographic region, Netflix has since stopped in 2016, and instead focuses on treating its subscribers as a "single, cohesive audience or a community of members with similar movie and TV show preferences." (Bhasin, 2019) Further, Netflix bases its segmentation strategies on the content viewed by consumers. Therefore, demographic and psychographic alignments can be recognized as fueling consumer engagement with certain genres and titles, creating "profiles" of consumers based on their lifestyles, attitudes, personality, and overall, how they use the platform to benefit their needs. Other leading video streaming providers such as Hulu and HBO Max, which collect ad revenue, further segment their consumers by categories of "streamer" and "advertiser." An integral trend is emerging within the industry, though, as video streaming providers create and track consumer segments by observing the content they engage with, ultimately leading to the development of movie/TV recommendations, or "TV for You."

To remain a credible and subscription-worthy video provider, brand/product differentiation is critical. As discussed above, the 2021 top 6 video streaming services have each established points of parity and points of difference that have contributed to each's success in the fragmented market. Whether it be the type of content that is offered, the personalization of the recommendations provided to consumers, or the multiplexity of revenue sources, it is imperative to provide consumers with a streaming experience unlike any others in order to remain visible in a saturated market. Netflix has differentiated itself in its market by being the first to establish a solid global reputation and impact. Considering the ventures of other leading services attempting to go global, it can be inferred that Netflix has been the only video service provider that has distinguished its brand as having successfully targeted a global streaming audience. (Spilker & Colbjørnsen, 2020)



Source: T4, March 12, 2021

A once-point of differentiation that Netflix held was its competitive advantage of producing both its own original content, along with streaming content from third parties. (Bhasin, 2019) Currently, many streaming services are moving in that direction, specifically considering Hulu and Amazon Prime. The recent development of hosting a variety of content has implemented a mass trend within the industry and what consumers expect of their streaming provider. However, a point of difference that Netflix does still hold in the face of its competitors is its ability to sustain its content spending without needing to involve advertising revenue, which is important to maintain as research continues to develop on how advertisements negatively affect the streaming experience.

Source: T4, March 12, 2021

Considering Netflix's existent competitive advantages, its focus on its three categories of content that have demonstrated high audience engagement and feedback can be expected to drive growth and maintain a sense of consistency within the brand's offerings (Vikash, 2019) Remaining as a global leader in the market, Netflix needs to maintain its understanding of consumer motivations for seeking and using video-service providers. As society is pulling away from a reliance on cable TV and expecting streamable content on-the-go, anywhere and at any time, Netflix, along with the other leading (and emerging) streaming services, must match these demands. Further motivators behind consumer engagement with streaming services are capitalizing on the possibility for time-shifting and on-demand retrieval, access to vast libraries of content and a limitless number of channels, and the use of multiple devices for retrieval. (Spilker & Colbjørnsen, 2020) However, these will remain as points of parity for brands attempting to break into the market category and establish a presence and what's more, credibility.

4. ***Brand Portfolio Analysis***

Netflix currently does not have any brand extensions. Although Netflix introduced Netflix Games with various game options: *Stranger Things, Shooting Hoops, Card Blast, Teeter*

Up, and Stranger Things 3, this was not announced as a brand extension but as part of members' subscriptions (Verdu, 2021). According to Keller (2012), a brand extension is when a company uses an established name to introduce a new product. This is not the case for Netflix. There was no special product launch, social media page, or buzz about the Netflix games from research. It is a released feature for the Netflix platform, not a product or sub-brand.

5. Brand Element Analysis

According to Keller (2012), brand elements contribute to a brand's equity. Brand elements include brand names, uniform resource locators (URLs), logos and symbols, characters, slogans, jingles, and packaging (Keller, 2012). Netflix has used these brand elements to its advantage and has strategically positioned itself in the OTT services industry. The following is an evaluation of Netflix against each brand element to get a comprehensive analysis.

❖ Brand Name

Keller (2012) noted that a brand name must be easily recalled and reflect positive associations to aid its product positioning. Using this to measure against the Netflix brand name, it can be argued that Netflix can be easily pronounced, recalled, and could create positive associations. Similarly, Park (2017) stated that Netflix popularized OTT services in the United States and changed the traditional TV status quo. Following Keller's (2012) analysis, a brand name should be different, credible, and desirable. The sudden change in the television viewing experience by the audience shows that Netflix has positioned the brand in its designated product category. A contributing factor to this would be its brand name. Also, Netflix developed brand associations such as streaming, TV viewing, and binge-watching TV shows. Susanno *et al.* (2019) referred to Netflix as a distinguishable brand. Netflix as a brand name stands out and works well for the brand; no other brand uses that name or has used it in the past.

Furthermore, Keller (2012) mentioned specific brand naming mistakes such as using cliche words, initials, extra-plus, adopting license-plate shorthand, adding various names together, asking uninformed sources, and using names that can be found in a dictionary. Netflix is a unique name devoid of all these mistakes, so its growth can be attributed to good branding with the brand name element.

❖ Uniform Resource Locators (URLs)

Netflix's current URL is "Netflix.com." Apart from using its name, the only addition is ".com," a common domain name that companies use to be easily accessible on the web. Consumers can easily recall this URL, and this domain name is affiliated with Netflix. Further, a quick search of "Netflix" into any search engine will prompt the URL.

❖ Logos and Symbols

Netflix has a strong wordmark logo that is easily recognizable because it bears the brand name. As with the brand name, the Netflix logo is distinctive and recognizable. McDonald and Smith-Rowsey (2016) believe that Netflix is a personalized brand from a marketing perspective.

Netflix's logo color is red with a significant N symbol and a distinctive wordmark. Netflix's logo is easily recognizable and has transcended over the 190 countries Netflix is currently present in (Netflix, n.d.). Netflix's logo can be easily changed and substituted with the brand name.

❖ Characters

Netflix currently does not have any brand character; this has made a positive contribution because the Netflix brand has not struggled with one brand element dampening the effect. Each of Netflix's brand elements stands out uniquely in the absence of a marketable character.

❖ Slogans

In the past, Netflix has used various slogans such as "See what's next," "Reinventing TV," "Stories Can't Wait," etc., to represent the brand. These previous brand slogans have helped define the Netflix brand accordingly and have created brand awareness. Interestingly, many young people use the term "Netflix and Chill" when talking about Netflix, which demonstrates that Netflix has dominated the internet and has become a household name (Bhati & Verma, 2018). Currently, Netflix defines its mission with the slogan "Leading Global Internet Television Network," and this slogan shows that Netflix is all about internet television (Lozic, 2021). This slogan reinforces Netflix's brand position, product category, and the value it offers.

❖ Jingles & Packaging

Netflix is an OTT streaming service focused on building a brand via the internet. Netflix's marketing mainly uses online media channels more than traditional channels. According to Susanno *et al.* (2019), Netflix is focused on understanding the values of the Internet generation by using changing technologies and exploring consumer behavior. Therefore, these brand elements are not part of Netflix's core focus and branding. Majorly, the packaging is about producing containers and wrappers for a physical product (Keller, 2012); Netflix is not a physical product but an online service; therefore, brand packaging does not apply to the brand.

6. Major Marketing Programs

❖ Netflix

Netflix's first major global ad campaign called "One Story Away" was a force from Netflix to show empathy in 2020 (Pallota, 2020). The campaign was launched in September 2020 by an ad agency called AKQA (Pallota, 2020). This campaign debuted in 27 countries and was aired across TV, print, and social media (Pallotta, 2020).

Netflix intended for the campaign to celebrate the power of storytelling. The video was an infusion of different Netflix original series such as, *When They See Us, Roma, Stranger Things, Marriage Story,* and a voiceover (Pallota, 2020). There was a connecting story for each scene, with the famous Netflix red line showing the connection between the story told and the action in the video. From research, there have been little or no released metrics as to the success or failure of this campaign. However, Netflix was one of the most successful brands in 2020 in the United Kingdom (McGonagle, 2020). From a marketing standpoint, this campaign is effective, and as the COVID-19 pandemic spread globally in 2020, there was no better time for Netflix to release an emphatic campaign, “One Story Away.” This created an emotional connection with their subscribers who have watched all Netflix’s top original shows.

Netflix’s campaign “The World is on Netflix” uses aliens to express the different emotions and genres of movies on Netflix (Netflix, 2021). It starts with an alien swiping through a TV in a room filled with TV screens; in the process, some of Netflix’s famous movie scenes, such as *Queen’s Gambit* and *Stranger Things*, pop up (Netflix, 2021). After the different movies are visualized through the various TV screens, the aliens show emotions per scene, i.e., crying, laughing, smiling, etc. At the end of this commercial, the words “*The World Stories are on Netflix*” close the commercial (Netflix, 2021).

This campaign, “The World is on Netflix,” employs a storytelling technique to show viewers that all the shows and movies they need are on Netflix. In literal terms, the campaign pushes the narrative — “if you lose, you snooze.” Netflix uses this campaign to show that it has different genres of movies— hence, the various emotions displayed by the aliens.

- <u>Hulu</u>

Hulu launched one of its major campaigns, “Start with Hulu,” earlier this year (Lafayette, 2021). The campaign featured Kris Jenner, a famous TV star known in the reality TV show *Keeping Up with The Kardashians* (Lafayette, 2021). Hulu used this campaign as a medium to reinforce its brand positioning with the strong messaging “*Everything I love is on Hulu*” (Lafayette, 2021). The ad campaign shows different individuals realizing that every show, exclusive series, and channel they love is on Hulu. This realization leads them to drop everything they were physically holding, from coffee-filled mugs, handbags, flower vases, fish, etc. The ad campaign finishes with the line, “*Time to have everything you Love, Time to have Hulu*” (Lafayette, 2021). After Hulu’s research team had gathered data, this ad campaign showed that their primary target audience expected Hulu to be fun and modern (Lafayette, 2021). As such, Hulu decided to push this campaign on Television and YouTube.

Hulu also has a popular series of commercials under the tagline “*Time to have Hulu*” (Hulu, 2021). In these commercials, Hulu sells its point of difference such as “Hulu has live sports,” “Hulu has live TV,” “Hulu has live dating shows,” “Hulu has live game shows,” “Hulu has over 75 live channels,” and “Hulu has live news” (Hulu, 2021). In these ads, Hulu features people in action representing each word. At the same time, the principal act sits on a couch, pressing a button on a TV remote while landing on each activity center (i.e., game center, reality TV show, live news, etc.). This series of commercials features a celebrity, Chloe Bailey — a popular young music star.

Hulu’s campaigns hit the nail on the head. They are straight to the point and drive home a specific fact: the value they offer. Kris Jenner, Andra Day, Chleo Bailey making celebrity appearances in the ad was a deliberate attempt to drive home the upbeat, modern vibe so Hulu can seamlessly connect to their primary target market through these commercials.

❖ HBO Max

HBO Max's major ad campaign "*We got the Lolz*" with the tagline "*Where HBO meets so much more*" combines different WarnerMedia movies such as *Game of Thrones, Big Bang Theory, Gone with the Wind,* and *Joker* in a video ad campaign (HBO Max, 2020). The campaign's message is tailored around the maximum satisfaction people can get from HBO Max — a platform that has all the movies and shows people need. The campaign sparks emotions such as fun, delight, and surprise. The ad is centered around laughter from various movie characters and genres. The branding messaging for this ad states HBO Max is filled with drama, action, suspense, animation, and undiluted laughter (HBO Max, 2020).

HBO Max's ad campaign had a clear brand messaging and displayed the product category effortlessly. The showcase of different movie genres conveys that HBO Max is for everybody, regardless of age and personality. It signified that HBO Max is where those can find their laughter.

❖ Disney Plus

Disney Plus' commercial takes an adventurous turn; it encompasses all original Marvel, Pixar, National Geographic, Walt Disney Animation Studios, and Pictures movies and shows. It explores all the different shows available on Disney Plus. This ad speaks to viewers enjoying Disney adventurous movies from the comfort of their homes. The ads use a voiceover to highlight Disney Plus, point of difference, i.e., adventurous movies, action shows, and drama. The primary brand positioning line, "*Find Everything you Love at Disney Plus*," ends the commercial (Missing, 2020). Disney Plus gives a breakdown of the shows they offer using action scenes from various genres. It emphasizes their original shows and the audience they are targeting.

❖ Amazon Video

Amazon Prime Video's campaign opened up with a scene of a crowd cheering with a prominent actor in the middle. Amazon Prime Video pops up in the center, and the actions in the ad are filled with hilarious, dramatic acts. This ad showcases movies, shows, comedies, reality TV shows, and background music that changes with each scene (Amazon Prime Video, 2021). This ad has no main tagline, but the logo with the words *"Prime Video"* remains constant at the left side of the video. This campaign was majorly to showcase what Prime Video offers; like its other competitors, Amazon Prime Video uses video storytelling to intrigue viewers. This ad shows clearly, Amazon Prime Video's brand positioning and the value it offers. It displays different emotions in a variety of ways.

II. BRAND EXPLORATORY

A. Primary Consumer Research

1. Methods & Participant Recruitment

Primary data was collected through the conduction of 5 in-depth interviews with Netflix users/subscribers. All 5 participants were enlisted through their voluntary participation and were either friends/family to the researchers or supervisors/faculty. By utilizing the method of in-depth interviews, the researchers were able to control for the validity of the results, as one-on-one discussions are presumed to allow more honest testimonies from participants, versus in a setting of 5-10 individuals engaging in a group discussion. 60% of participants were 40+ in age, and the remaining interviewees fell in the 23-27 age range. This diversification in the age range for participants is largely due to the broad target demographic that Netflix caters to.

Each interview received approval to be recorded, and data analysis involved the usage of predetermined codes that were developed based on research and assignment criteria. Themes emerged through a qualitative content analysis and expanded upon the predetermined set of codes. Through the conduction of primary research, consumer perceptions and attitudes towards Netflix were revealed, allowing for the emergence and understanding of its brand equity sources. The results can assist researchers and marketing managers in determining how to match consumer expectations and maintain a strong brand positioning in the face of rising competitors in the streaming industry.

2. Results

Certain constructs of viewing habits emerged during the data analysis of the 5 interviews, initiating the idea that streaming consumers tend to interact with Netflix and other streaming services in similar ways. A primary motivator behind subscribing to any streaming platform involves the seeking of a certain movie or TV-show title; thus, directed searches are presumed to reel consumers in and drive subscription memberships. COVID-19's push for mass quarantine has also demonstrated itself as a prime time for consumers to engage with streaming services and begin subscriptions that otherwise would not have been considered—as a means to keep busy while socially distancing. Another significant trend notable from this research involves the non-paying user access and usage of a subscriber's account, primarily within lesser developed platforms such as Disney Plus and HBO Max. Another notable trend present within the data involves the bandwagon resistance from younger generations to pay for cable and consume "appointment TV," as streaming services provide on-demand content that can be accessed anytime and anywhere and thus are preferred.

However, with streaming consumers who also pay for cable, certain trends also emerged with their usage. Primarily older subscribers (40+ years), such cable and streaming consumers have demonstrated a pattern in how they engage with the platforms, which generally follows a timeline of tuning into broadcasting cable before browsing OTT providers. Regardless of whether one pays for both cable and a streaming service(s) or just a streaming service, commonly-held attitudes and preferences emerge from the data and can assist in forecasting the future of consumers' role within the developing streaming scene.

Netflix has emerged as a preferred source for research participants to browse for documentaries and critically-acclaimed TV shows and movies. Amongst all participants, Netflix was not attested to be used daily or even routinely. Most participants conveyed their brand associations for Netflix as a leader, a universal brand, and a "gold standard" that insinuated a global craze and opened the market for other streaming services to form. Though opinions of Netflix were generally found to revolve around the brand being illustrious, daily habits of viewing are not prevalent due to a lack of time needed to browse. However, consumers have been found to be relatively loyal to Netflix, with subscription terms running no lesser than a year. Further, Netflix was determined to be regarded with a higher status and immense brand awareness levels globally. As a result of this research, Netflix was found to be the most esteemed of all OTT platforms.

Hulu, Amazon Prime Video, HBO Max, and Disney Plus were found to be less commonly subscribed to amongst participants, though strong brand associations were still uncovered. Hulu was regarded as transitioning more into cable with its vast offerings of old/current reality television and its new pay-to-access Live TV feature. Prime Video was commonly revealed to be considered as a second or third option when direct searching, being recognized as still developing. Amazon was generally found to be more esteemed for its online shopping and shipping benefits instead of its streaming video features, making Prime Video less distinguished in comparison to Netflix; correspondingly, brand awareness for Prime Video was insinuated by interviewees to hold less of consumers' attention. Disney Plus was determined to be currently subscribed to by no interviewee, though 60% of respondents reported having used the app, primarily for reasons of engaging with childhood content or consuming for the holidays of Halloween and Christmas. Across all counts, HBO Max was determined to hold the least amount of consumer awareness, and the majority of research participants claimed to have used the platform through a second-party account. 2 participants confirmed a subscription to HBO Max, though 1 regarded it as "Home Box Office"—and was unaware of his access to HBO Max until our discussion.

Participants have been exposed to a variety of marketing efforts for streaming services dating back to 2015 with the launch of the "Netflix and Chill" campaign. During contemporary times, however, research participants have reported seeing a rise in traditional marketing for emerging services such as Disney Plus' "Let it Be" television campaign and Amazon Prime's movie theater advertisements. Further, 1 interviewee who still uses cable daily has attested that he has witnessed the usage of product placement for Paramount+ on talk show interviews, but not much for more accredited services like Netflix and Hulu. Netflix has been shown to reach audiences less with overt marketing campaigns and instead has raised awareness and subscriptions through the usage of leading actors and actresses promoting Netflix's shows via social media. One interviewee, who falls between the 23-27-year-old range, confirmed this marketing tactic through her engagement with TikTok and Instagram. On the contrary, another interviewee, who falls within the 40+-year-old range and is also an active social media user, has reported a lack of experience witnessing this sort of promotion. Instead, he attests that advertising for streaming services is presently occurring through a rise in memes created from popular television shows/movies primarily found on Netflix—as seen with the 2021 TV program, *Squid Game,* and Twitter's comedic take with the series. Lastly, the final interviewee, who also is 50+ yet only holds LinkedIn and TikTok accounts, reported a lack of exposure to any marketing efforts from streaming services aside from Hulu's 2020 Black Friday promotional advertisement of its basic package sale of $1.99 for the first year of subscription-- a tactic which proved to be successful, resulting in a subscription. Regardless of the marketing efforts noted by the research interviewees, one common theme has emerged as a predominant source of influence to subscribe to any streaming service, and that is interpersonal word-of-mouth. Thus, it can be understood that the most effective advertising that drives higher subscriptions involves the sharing of positive experiences and recommendations to a non-subscribing user.

B. Consumer Analysis

1. *Consumer Profile*

The demographics for Netflix's consumer base have demonstrated to expand beyond what Netflix targets— specifically in regard to age. Whereas Netflix primarily focuses on the age range of 18–44-year-olds, results from the primary research expose 60% of interviewees with a Netflix subscription account were between the ages of early 40s-mid 60s. Thus, Netflix has transcended its original limited scope for consumers and has shown that the brand appeals to much older audiences than expected. Further, each of the older subscribers were male, and the younger (22-27-year range) users were female; however, due to the small number of research participants, this is not a generalizable finding. Considering income as an analyzable demographic, those with Netflix subscriptions attested to having the sufficient disposable income to do so. 2 of the 5 research participants were found to pay for both cable and Netflix subscriptions, though both did note the high expense that they met and have disclosed an interest in dwindling down the number of subscriptions they do pay for. 1 of the younger participants solely subscribed to Netflix, and the other held no subscription but considered herself a regular user of her family's account. This notion alludes to the understanding that young adult users of Netflix have significantly less disposable income to pay for multiple streaming services, as well as cable.

Regarding race, 5 of the 6 participants were Caucasian, and 1 was Hispanic-American. 60% of participants lived in a 2-person household or less, constricting their familial access to their Netflix accounts. Only 1 research participant, who is in his mid-50s, held a 5-person household, where his spouse and 3 daughters held access to and personal profiles on his Netflix account. This demographic element displays an understanding that regardless of the size of one's family, Netflix subscribers can enjoy similar luxuries of consuming streaming content, whether independently or with others. The usage of Netflix, disregarding whether or not it be routine, begins with an interest of viewing either a specific title or simply a category of genres. Each participant confirmed their product usage as being a means of entertainment, accessing and engaging with content that ranges from select original TV shows to critically-acclaimed movies.

Considering psychographics, those who enjoy a diverse range of media titles are segmented as prime consumers. Therefore, TV and movie engagers who prefer to access titles on-demand and on-the-go are determined to lead lifestyles and engage in activities that align with Netflix's offerings. Opinions on cable TV do serve as a source of influence for subscribing, as Netflix is perceived to offer a service that is not matched by regularly scheduled programming.

It can be inferred from the findings that a potential target market for Netflix is indeed not an 18-44-year-old with an interest in unwinding by streaming, but rather *anyone* with an interest in a collection of on-demand titles. Further, demographics such as sex, race, and family do not hold to be influencing factors as to whether a potential target member subscribes to Netflix or not. However, income and age do come into play when considering a potential target market. Those with less established sources of income (typically younger adults) seem to be more prone to subscribing to only 1 streaming service (Netflix), or not subscribing at all, and instead accessing a third-party account. Therefore, Netflix's marketing managers should consider this notion and expand its target market regarding age.

When analyzing Netflix's competitors and their consumers, it can largely be understood that there are many of the same findings in terms of demographics, psychographics, and product usages. Hulu, Prime Video, HBO Max, and Disney Plus each serve the same purpose, which lies in showcasing streamable content. 2 of the 5 respondents subscribed to Hulu for reasons of accessing particular titles, one being *The Handmaid's Tale.* The 2 subscribers were also male and in their mid-50s, 1 being Caucasian and 1 being Hispanic-American, and 1 belonging to a 5-person household, whereas the other lived alone. Hulu users, however, involved all but 1 of the research participants. Their reasons for accessing Hulu included watching specific titles not located on Netflix, specifically within reality television. The same 2 of the 5 research participants held Prime subscriptions, though not exclusively for its streaming features. However, all 5 participants disclosed their access to a Prime Video account and have expressed their previous/current usage of the streaming platform. Each interviewee attested to accessing Prime Video for direct searches and to browse for titles not located on Netflix. HBO Max was discovered to be subscribed to by 2 participants, both male, Caucasian, and 50+ years-old, though 1 noted his lack of actual usage within his subscription. Each of the 5 participants were found to have been familiar with the platform and have used it through a third-party account. Similarly, HBO Max was discovered to be used for Home Box Office movies and TV shows not available on Netflix. Lastly, regarding Disney Plus, no research participant was found to hold a current subscription, though 3 of the 5 have disclosed a previous usage, and 1 of the 5 has current access through a third-party account. Reasonings behind formerly/currently using the platform include the access to Disney movies, primarily during holiday times. However, a lack of subscription by all research participants remains noteworthy and could be expanded upon by further research.

2. ***Core Benefits/Compelling Reasons to Subscribe***

The core benefits and reasons to subscribe to Netflix largely transcend across groups of target markets. Accessing content that is not regularly scheduled by cable television is one leading element behind subscriptions. Further, the move away from physical DVD copies is another contributing factor to the push towards subscribing to Netflix. On-the-go and on-demand content remains as a universal and compelling reason for the target market to subscribe and/or use Netflix, as well as the other leading and emerging streaming platforms. However, users could be segmented into cable television watchers and non-watchers. Those who pay for cable view the benefit of Netflix as being a secondary option to consume media content, especially select titles that either do not run on cable anymore (old TV shows) or are not on-demand during cable viewing periods. Those who do not watch cable TV may view Netflix and other OTT streaming services as an adequate exchange and a less expensive means to consume media. Regardless of whether one pays for cable or not, Netflix is positioned as benefitting subscribers and users by its user-friendly access and diverse category of titles, including Netflix originals, which are not attainable by cable altogether.

3. *Main Points of Parity/Differences*

Netflix holds the necessary points of parity to establish itself in the product category of streaming services, but it also competitively positions itself with its points of differences. Thus, the generation of each of these points has successfully lent Netflix the leading title amongst its competitors, and its non-exhaustive list of such points are as follows:

- Netflix Points of Parity
  - **OTT service provider**: Netflix establishes itself in its product category by offering exactly what it positions itself to, which is to provide streamable content with its technology.
  - **Providing content on-demand**: Netflix's content is on-demand and on-the-go, and consumers have access to the platform anywhere. With Internet access, users can stream certain titles, but consumers also have the option of downloading specific media to consume without online access.
  - **A subscription-based service**: Akin to other OTT services, Netflix utilizes a subscription-based platform, where consumers pay a monthly/annual fee to access a conglomeration of TV show and movie titles.
  - **A collection of movie/TV titles**: Netflix holds licensing agreements to air third-party movies and TV shows.
- Netflix Points of Differences
  - **Product Category Formation**: Netflix was the first of its form to truly establish the product category and expand the market to allow for emerging streaming providers to penetrate.
  - **Global Craze**: Netflix has successfully integrated into numerous countries outside of the United States, offering a diverse range of titles and catering to a variety of niche audiences with different backgrounds.
  - **Original Content:** Netflix was the first to begin the trend of streaming providers creating in-house content. Not only does this cut the cost of licensing outside media, but it also narrows exposure of such titles to those who subscribe/use the platform.
  - **Absence of Ads:** Perhaps the most fan-favorite point of differentiation for Netflix is its non-disruptive content devoid of advertisements. Since there is a mass push away from cable, advertisements can be deemed as characteristic to programmed television, and Netflix has resisted that.

III. BRAND POSITIONING AND THE SUPPORTING MARKETING PROGRAM

Brand image is the customer perception of a brand; it is what they feel, think, and know from their experience interacting with a brand. Netflix, over the years, has been able to maintain an elite brand image, leading in the OTT services industry. Interestingly, Netflix has been able to maintain a considerable subscriber base, resultantly increasing the number of TV series and movies regardless of the COVID-19 pandemic (Dębińska, 2021). Netflix has found a way to have an edge over other streaming platforms, leading to an increase in the total assets and earnings of the company (Yaney, 2020). Netflix is also unique in its brand image, being one of the first OTT services to define digital video content; it has an array of movies that consumers can easily select from, and Netflix's content scope is broad to accommodate children, teens, and adults. Netflix also operates differently from other brands. Additionally, Netflix's point of difference are the price of its subscription and the content it offers, both original and licensed shows.

Despite Netflix's numerous successes, it is not devoid of failures. Viewers have criticized Netflix for streaming certain shows like *365 Days* or the French movie *Cuties*, leading to online protests and social justice leaders canceling their subscriptions (Schroder, 2021). Following this, Netflix's stock dropped by 7% (Schroder, 2021). Also, Shaw (2021) noted that Netflix's share of online video streaming has decreased to 48.1% and has dropped by 31% in U.S subscribers.

For Netflix to remain a thought leader in the video streaming industry, it would have to strengthen some of its current practices, such as releasing more original Netflix series. The competition in the streaming industry is rising by the day, with Hulu, Disney, Amazon Prime, etc., constantly staying updated with what the market wants. Netflix needs to research innovative ways to offer services and products to their consumers. This would help in creating a huge loyal consumer base.

Also, Netflix should investigate consumer preferences in terms of price and content both globally and locally. In research conducted by Nagaraj *et al.* (2021), they found that individuals who are likely to stream OTT services are consumers who love to expand and upgrade their viewing experience constantly. That is, these consumers would love a variety of shows and intriguing experiences. Two of Netflix's biggest shows, *Squid Game* and *Bridgerton*, with 142 million and 82 million views, respectively (Clark, 2021), are Netflix original shows which have increased their ratings tremendously. *Squid Game* made Netflix rank No.1 on Netflix for the week of September 20-26 (Hipes, 2021). Therefore, it is logical to state that Netflix should create more original shows to increase their rating and viewership.

Netflix can also increase its brand associations by embarking on deliberate strategic partnerships with similar platforms in the industry like Disney Plus. Although Netflix stands out as a major thought leader in the industry, the launch of Disney Plus has given Netflix a run for its money (Martínez-Sánchez, 2021). Disney Plus constantly threatens the hegemony of Netflix with its reasonable subscription price and original Disney shows, which appeal to Netflix's similar target audience and kids (Martínez-Sánchez, 2021). Therefore, it would be logical for Netflix to partner with Disney Plus to show Disney's movies and shows. This would not only increase their rating but create positive brand associations.

Technology is ever-evolving with new changes and interactions. Netflix can leverage this to create a more satisfying user experience for its consumers. According to Palomba (2021), the user experience and quality of an OTT service will determine brand loyalty and the brand equity of the streaming platform. Therefore, Netflix can investigate and research ways to improve their customer experience to remain top-notch in the industry.

Netflix can create strategies to reduce the risk of piracy. According to Perez (2019), Netflix is losing about $192 million monthly from piracy. The growth of Netflix and other OTT services also increases the rate of illegal movie downloads through BitTorrent and other platforms. As such, Netflix is faced with the problem of how to manage piracy (Perez, 2019). Therefore, Netflix can look for strategic ways to create its services at a great cost with a good user experience to reduce the number of customers who watch pirated movies. Netflix can also initiate a marketing campaign focused on the ills of piracy and how it affects society. Netflix can also use the law to identify those who create pirated movies and consume pirated content. Netflix can develop ways to convince those who watch pirated content to switch to the platform through education and copyright and piracy laws.

A. Brand Objectives, Strategies, and Tactics

I. *Focus on Creating Original Content*

Netflix should leverage the success of its recent original show, *Squid Game*, and produce more original content. As the competition from Hulu, HBO Max, Disney Plus, and Amazon Prime is growing continuously, each of these platforms wants to retain their customers and have exclusive access to their original shows. Therefore, it becomes a game of who has more authentic, engaging, and entertaining content. Harvard (2021) rightly found that the need to own original and recognizable content as a streaming platform is more important now than ever. Consequently, Rahman and Arif (2021) noted that producing exclusive content is a differentiating factor in the streaming service industry. Also, with the rate of working from home and COVID-19 restrictions, individuals are forced to stay at home more often; about 68.6% of the respondents in research about binge-watching on Netflix during the COVID-19 period watched Netflix because of its range of shows (Rahman & Arif, 2021).

- ❖ Strategies to Implement this Objective
    - Netflix can partner with scriptwriters, popular actresses, and actors to release an original show every quarter of the year. These shows could differ in terms of the genre so that Netflix can satisfy and retain its primary target audience.
    - Netflix can also enter into strategic partnerships with content providers to license certain shows and movies. This will give Netflix exclusive access to the original content.
- ❖ Tactics to Implement this Objective
    - A primary tactic Netflix can use is research for content providers who need a massive platform like Netflix to air their shows. Netflix can partner with these providers and gain exclusive access.

Netflix can also financially assist these providers with any materials or human resources they may need in making the shows or movies a success.

- Netflix can track consumer engagements with various titles already present on the platform to understand where consumer interest is most prevalent. By doing so, the brand will obtain a thorough understanding of which genre benefits best for the launch of new original content.
- Netflix can create a program to train individuals interested in filmmaking — producer, director, screenwriter, production designer, art director, costume designer, cinematographer, editor, actors, etc. In the long run, this will help Netflix have a resource of people they can always use to make original content.
- Netflix should delegate a yearly budget to the creation of Original shows and content. This budget should also include creating a buzz for each original content on social media and using influencers to create hype for each Netflix Original.

II. ***Focus on Creating Shows in Local Languages***

Beyond creating original shows and movies, Netflix should focus on producing shows in the local languages of countries they stream in. Netflix is currently present in 190 countries (Netflix, n.d.), tailoring shows to specific countries in their language will be advantageous to Netflix. It would also make them unique and relatable on a personal level. According to Palomba (2021), for a consumer to be loyal to an OTT service, they must create services and products that interest and resonate with their consumers. For example, a Netflix Original in Africa must relate to African culture and include African actors.

- Strategies to Implement this Objective
  - Collaborate with local content providers to air their shows and movies on Netflix. This will help increase Netflix subscribers, create a connection and improve brand loyalty on a deeper level.
  - Netflix can partner with independent foreign filmmakers to create Netflix Originals that are authentic in their home-country perspectives and creations.
- Tactics to Implement this Objective
  - Netflix can have partnership deals with local content providers, who would air their content on Netflix as an original show or movie. This will help Netflix penetrate the local market and acquire new segments.
  - Netflix should also conduct local research to know what type of movies and shows appeal to specific countries.

- Netflix can create branches in these different countries and employ the citizens of these countries as staff to enable an efficient working environment to achieve goals specific to those countries.
- Netflix can also create social media pages for specific countries. For example, NetflixGhana, NetflixEgypt, etc. These specific social media pages will build an online audience for Netflix and deepen relationships with citizens of each country.

III. *Improve User Experience for Current & Prospective Customers*

Netflix should focus on the objective of creating a memorable user experience for consumers. Netflix can make the selection of shows and movies easy for consumers by ensuring they have a wide selection of movies. Netflix can also allow users to write reviews about the movies they have watched and add emojis to describe their feelings regarding a movie. This would help other consumers know more about the movie before they watch it. This would also improve their user experience and help consumers find shows in good time while fulfilling their expectations. Netflix can also create a share button. This will aid the awareness of Netflix in different countries as it will be easier for individuals to share with their friends and family.

- Strategies to Implement this Objective
  - Conduct market research on knowing the kind of features consumers would add to Netflix’s service.
  - Innovate ways to observe consumers’ preferences through navigation buttons and screen time on Netflix.
- Tactics to Implement this Objective
  - Netflix could develop an internal team to conduct in-depth research and learn more about the features consumers would love to see on the platform. Alternatively, Netflix can use third-party companies like Gartner to conduct in-depth research.
  - Netflix can also create a team of User experience researchers that will analyze consumer data to create meaningful results. These results will guide Netflix on what features to add and how to improve their user experience.

IV. CONCLUSION

Currently, Netflix is dominating the industry. However, the video streaming service should focus on creating original shows and movies and maintaining their industry position. The Netflix marketing team should research creative ways to engage their followers on social media and conduct online campaigns to boost their online presence, create an emotional connection with users, and improve the overall user experiences.

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V. Appendix

A. Interview Guide

1. Which streaming platforms are you subscribed to?
    - Which streaming platforms do you use but do not subscribe to?
2. What specific factors motivate you to subscribe/use a specific streaming platform? (Ex: price, ad usage, content specialties)
3. What do you think of when you think of Netflix?
    - HBO Max
    - Hulu
    - Amazon Prime Video
    - Disney Plus
4. Have you ever been exposed to advertising for streaming services?
    - If so, for which brand?
    - If so, where and how did you witness the advertising?
    - Have you ever been swayed to subscribe to a streaming service from advertising efforts?
5. How do you perceive streaming services as using social media?
    - Do you follow any streaming services?
    - From what you have witnessed, how do streaming services engage their followers on social media?
6. How aware are consumers of Netflix? (Domestically and globally)
    - HBO Max
    - Hulu
    - Amazon Prime Video
    - Disney Plus
7. How do you use Netflix?
    - Do you binge-watch any series?
    - Do you watch every day?
    - What about with other streaming services?
8. Are you loyal to any streaming platforms?
    - How long have you been subscribed to Netflix?
    - What are your attitudes/preferences towards Netflix over other streaming services?