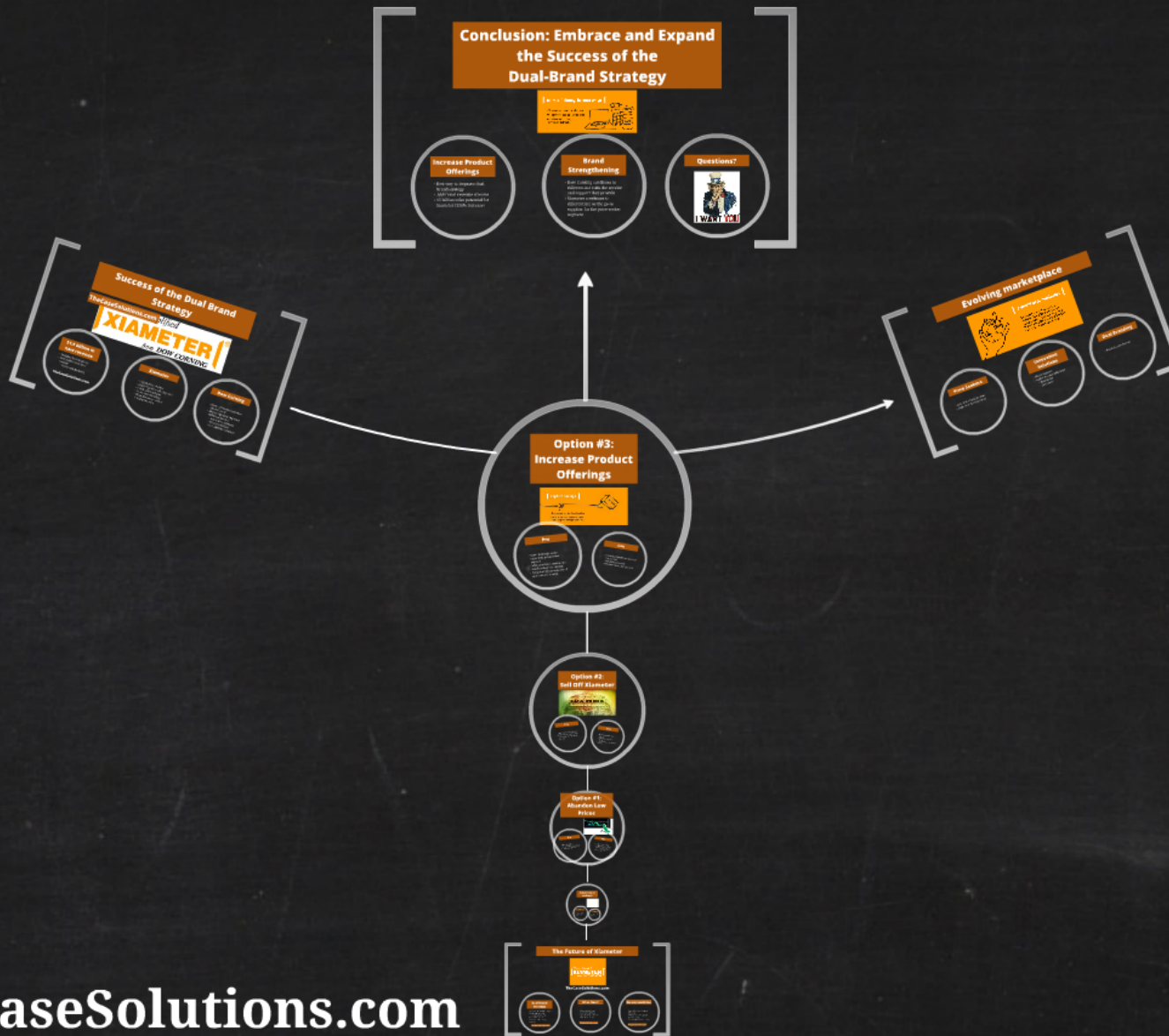


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Netflix (A): Business Model Innovation



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The Future of Xiameter



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Dual Brand Strategy

- Sales Growth of 60% in 4 years
- Market segmentation
 - Customer Demand
- Economies of Scale
- Access to Dow Corning resources

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What Next?

- Continue Status Quo
- Abandon Low Prices
- Spin off/Sell off Xiameter
- Offer More Products

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Recommendation

- Expand Xiameter Product Offerings
- Embrace and develop dual brand strategy
- Create new revenue streams

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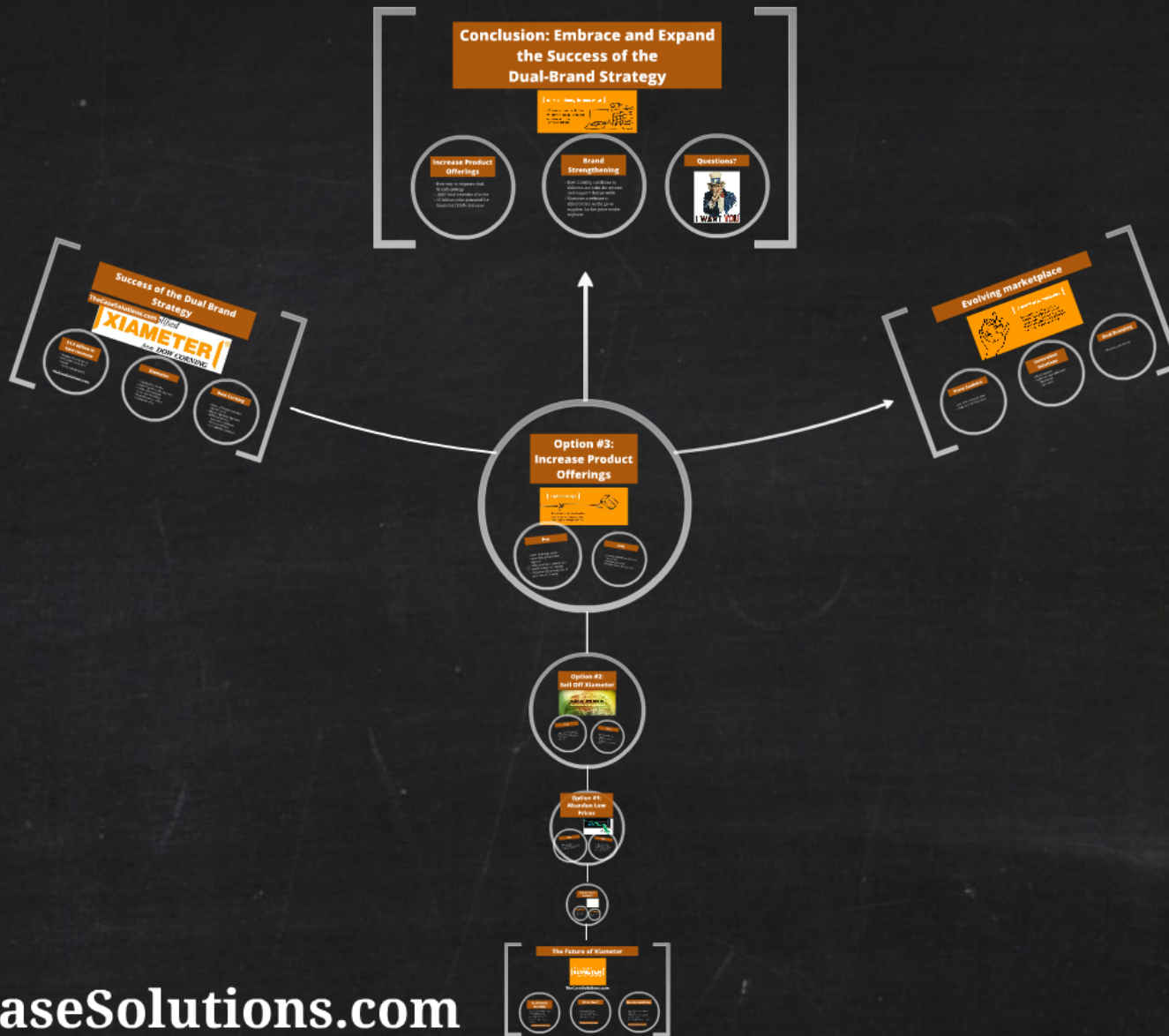
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Success of the Dual Brand Strategy

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\$1.5 billion in new revenue

- \$1 billion from Xiameter
- \$500 million from Dow Corning
- Previously declining

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Xiameter

- Targets Price seekers
- Limited product offering ~350
- Quick online pricing
- No services bundling
- Takes advantage of Dow Corning resource

Dow Corning

- Range of Premium product offered -7,500
- Market segments requiring additional services
 - Innovative Solutions
 - Proven Solutions
 - Cost Effective Solutions

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