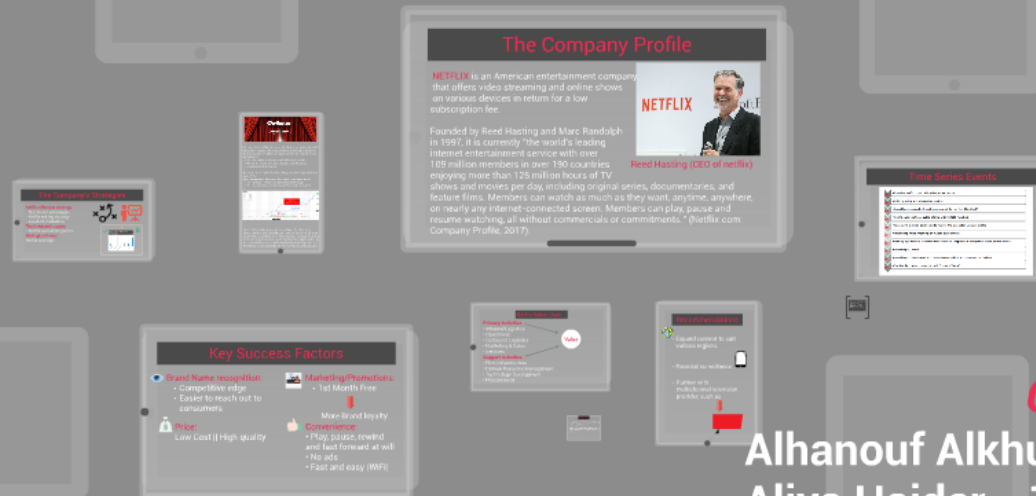


Group 24

Alhanouf Alkhuraisi - 14111811
Aliya Haider - 14111756
Faiza Alamri - 14111942
Sheikha Naif - 14111748
Wasan Alruzaig - 14111713

Netflix || Case Study



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Netflix || Case Study

The Company Profile

NETFLIX is an American entertainment company that offers video streaming and online shows on various devices in return for a low subscription fee.

Founded by Reed Hasting and Marc Randolph in 1997, it is currently "the world's leading internet entertainment service with over 109 million members in over 190 countries enjoying more than 125 million hours of TV shows and movies per day, including original series, documentaries, and feature films. Members can watch as much as they want, anytime, anywhere, on nearly any internet-connected screen. Members can play, pause and resume watching, all without commercials or commitments." (Netflix.com: Company Profile, 2017).



Reed Hasting (CEO of netflix)

Time Series Events

1997

•Founding Netflix.com to offer online movie rentals.

1999

•Offering selling and subscription services.

2000

•Launching a personalized movie recommendation service (CineMatch)

2002

•Issuing an international public offering with 850,000 members.

2006

•Announcing a million dollar prize to improve the CineMatch accuracy by 10%.

2007

•Introducing online streaming on PCs and other devices.

2008

•Forming a partnership with consumer electronic companies to incorporate Netflix on their devices.

2010

•Launching in Canada.

2011

•Launching in Latin America and the Caribbean and the Announcement of Qwikster.

2013

•Starting the original programming with "House of Cards"



On June 2011 Netflix announced a whole new pricing plan that adequately increase the price of the monthly subscription by 60% for consumers who were paying \$9.99 per month for the capability to:

- Receive unlimited number of DVDs each month.
- Watch unlimited number of movies and TV shows streamed on the internet.

The customers reacted to this change negatively and was not keen of the

new management decisions that were made because of:

- the increase in the price subscribes had to pay.
- the inconvenience of dealing with separate accounts.



Netflix CEO Hastings decided to continue the streaming service by the name of Netflix, Inc. and shift the DVD-by-mail to the website Qwikster.com. This resulted in customers being more upset and it eventually effected Netflix's stock market to take several hits. As a result, Hastings immediately cancelled the idea of moving the DVD-by-mail service to Qwikster.com.

Netflix Value Chain

Primary Activities

- Inbound Logistics
- Operations
- Outbound Logistics
- Marketing & Sales
- Services

Support Activities

- Firm Infrastructure
- Human Resource Management
- Technology Development
- Procurement

Value

```
graph LR; subgraph Primary_Activities [Primary Activities]; direction TB; P1[Inbound Logistics]; P2[Operations]; P3[Outbound Logistics]; P4[Marketing & Sales]; P5[Services]; end; subgraph Support_Activities [Support Activities]; direction TB; S1[Firm Infrastructure]; S2[Human Resource Management]; S3[Technology Development]; S4[Procurement]; end; Primary_Activities --> Value((Value)); Support_Activities --> Value;
```

The Company's Strategies

Netflix offensive strategy:

- first mover advantages
- Netflix pricing strategy
- excellent marketing

The Company's scope:

- Netflix partial integration

Strategic alliance:

Netflix and iQiyi





Best Cost Provider Strategy

