

Strategic Management

Assessment 1

Study Case : Netflix Goes to Bollywood

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1. Executive Summary

The OTT platforms have become a very important medium for the customers to observe various shows and movies according to their flexible timing significantly. However, the OTT platforms have become very much convenient for the customers to enhance their watching experience in the organisational world effectively. Netflix has enhanced its popularity within the business world significantly and it has targeted India for its next expansion process distinctively. This report will describe the success factors and analysis of the industry distinctively. In addition to this, it will also evaluate the internal and external factors from the perspective of Netflix significantly. It will also impose several strategies as well as recommendations that will be able to resolve the problems of the company particularly.

2. Introduction

Globalisation has become a crucial concept in the 21st-century business environment. It has enabled companies to successfully establish themselves in the international market. However, globalisation has also increased the competition significantly in the global market. Strategic management plays a vital role in enabling business organisations to ensure the sustainability of an organisation in the competitive market. Moreover, it has also helped businesses to predict future market needs and operate accordingly. The primary focus of strategic management is enabling the adaptation of business organisations according to environmental conditions due to the gradual increase in more variable features. Strategic management refers to the continuous process of planning, organising, monitoring, evaluating, and assessing the requirements of an organisation for meeting its objectives and goals. In order to match pace with the changing business environment, organisations are required to constantly analyse their strategies for a competitive advantage. Strategic management further enables businesses to expand their businesses successfully in the global market.

Netflix Inc. is one of the leading subscription streaming services and production companies globally. The company provides a broad range of award-winning movies, TV shows, documentaries, anime, and many more. The company has recorded a revenue of 748.3 crores USD as of the third quarter of 2021 and has over 12,135 employees. Streaming of Netflix is available in over 190 countries; however, it is facing a struggle to completely capture the market of a few countries like India. Though Netflix is highly popular in India, the company is struggling to attract people from smaller cities due to its content and price. The report will analyse various factors that influence the operations of Netflix. These factors involve industry analysis, internal and external factors analysis. Additionally, the report will further provide

strategies and recommendations that will enable Netflix to gain a competitive advantage in the Indian market and increase the company's sustainability.

3. Industry Analysis

The term Industry Analysis can refer to the assessment tool which is designed to provide a business entity with an extensive idea regarding the complexities of a particular industry. As per observations, in 2019, the global size of the OTT markets was valued at \$121.61 billion. By 2027 the value is projected to reach a value of about \$1040 billion. The arrival of the COVID-19 pandemic has positively affected the OTT platforms as it increased the number of subscribers to access the contents at home using OTT devices (Allied Market Research, 2021). In India by the year 2020, the profits from the OTT platforms increased to about 19 billion INR. During the year 2022, this profit is expected to rise to Rs.46 billion. The Indian market value of digital media has grown up to 49% making a record in the entertainment industry in the year 2019-2020 (Selectra, 2021). The revenue from the OTT platforms in India exceeded \$2 billion in 2020 and it is expected to be \$7 billion by the year 2026. The most commonly used OTT streaming platforms around the world are Netflix, Disney+, HBO Max, ESPN+, YouTube TV, and many more (Wilbert, 2021). Among these, Netflix has gained much popularity and has become one of the leading OTT platforms in the world. In present times, Netflix has established itself as a renowned company of streaming video on demand (SVOD), operating in about 190 countries with almost 168 million subscribers. Unlike televisions, OTT platforms like Netflix depend on a completely different set of financial goals. The platform makes money when with paid subscriptions of the subscribers. As several other competitor platforms are existing in the market

like Disney+, HBO Max, Amazon Prime, many more, the share of interest of Netflix has decreased 2.5% to 45.8% points (Wilbert, 2021).

4. Defining the Key Success Factors

People valued their time and comfort level more than other aspects and Netflix is the first company that has given preference to these factors effectively. It should be mentioned that the innovative steps of this company have worked as the success factors of the company particularly (Sherman, N., 2021). Randolph and Hastings had served over 3,00,000 subscribers in the year 2000 and they had taken the initiative to provide a 49% stake of blockbuster to the viewers that will enhance their brand name in the organisational world (Brand Minds, 2020). The major success factors of this company are:

Flexibility for the viewers: Netflix has emphasised the flexibility of the viewers in the organisational world so that they can watch their shows as well as their movies at their preferable times effectively (González *et al.*, 2020, p. 251-274).

Investment in the original content: The company has been able to invest in the original content that people wish to watch in their daily lives. It is measured that in the year 2019, Netflix has invested \$15 billion to the original content distinctively (Brand Minds, 2020).

Lesser advertisement: The company has tried to reduce commercial advertisements that can create interruptions for the viewers effectively (Sherman, N., 2021). It is noticed that the viewers get irritated when they face any obstacles during their watch timings effectively.

Personalised recommendations: Netflix is able to overview the taste of the viewers and it has helped them provide personalised recommendations of shows and movies particularly. However,

it can be regarded as one of the major successful key aspects to make the customers understand their values and importance for Netflix.

Enhanced viewer's experience: Netflix is also able to facilitate the experience of the viewers by providing them rating facilities and analysing the search engine of the customers within the application of the company significantly (González *et al.*, 2020, p. 251-274).

5. Internal Analysis

5.1 Financial and Business Highlights

Netflix initially started its business as an online DVD retailer that provides a rental service for competing with big retailers such as Wal-Mart and Amazon. The company launched its service with 925 movies to rent and 30 employees in 1998. In order to improve its services, Netflix launched a subscription plan which involved renting unlimited DVDs with subscription fees of \$22 a month. The company acquired about 300,000 subscribers by 2000, however, the stats were not completely profitable for Netflix. The company, in 2002, provided access to the library including over 11,500 movies to over 600,000 subscribers. The value of Netflix was approximately \$1.5 billion by the end of 2006. By 2014, Netflix was able to accelerate its subscribers to reach approximately 40 million in the US (Keating, 2014).

Netflix gradually started to increase its subscriber base by becoming an attractive channel of distribution for media companies and acquiring licensing deals with them. The first Netflix exclusive series was launched in 2013 named House of Cards which cost \$100 million. The company started to spend more on its original series in 2017. In 2018, the company spent about \$13 billion, about \$15 billion in 2019, and in 2020 it was \$17 billion (Morris, 2020). It is also predicted by analysts that Netflix has planned to invest approximately \$26 billion per year in

creating original content around the global streaming platforms. According to Investing (2021), the revenue of Netflix increased by 20% as recorded in September 2021. The net income of the company increased drastically from \$2.22 billion to \$4.51 billion. Revenues reflecting the EMEA segment of Netflix also increased by 27%.

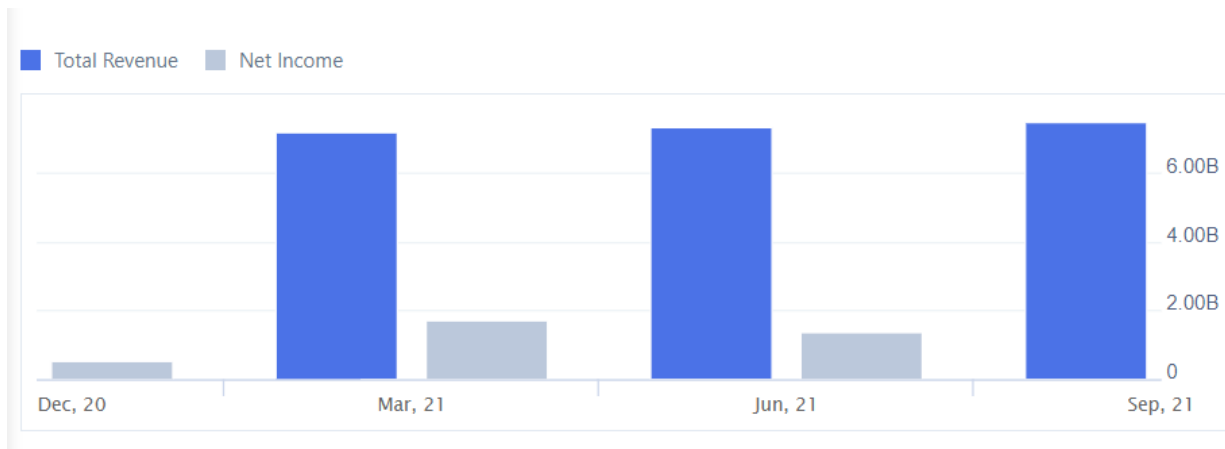


Figure 1: Revenue of Netflix

(Source: Investing, 2021)

5.2 Value Chain Analysis

Value chain analysis explains different processes and activities involved in developing products or services to gain a competitive advantage. Analysing the value chain of Netflix is complex as the innovative business model of the company is based on its sales of digital content.

Primary Activities of Netflix

Inbound Logistics: Elements of inbound logistics of Netflix are associated with storing, receiving, and circulating the input of the company. The company has strong and secure relationships with major content developers like Warner Bros. Digital content organisations offer their media at a lower price to Netflix which provides the company profit. Similarly, Netflix provides easier access to these contents and media which provide media companies with a competitive advantage (Edraw Max, 2021).

Operations: The efficiency and effectiveness of Netflix operations depend on the content on its server. Quick search, stability, easy access, and security are major factors that influence the company's operations. Cloud architecture is used by Netflix for storing its content and enabling users to connect through multiple devices (Walker *et al.*, 2017).

Outbound Logistics: Activities of outbound logistics are related to products or services' distribution to customers. The value chain of Netflix involves retailers and wholesalers order fulfilment, scheduling, processing, distribution, and storage. Services associated with the company's outbound logistics involve delivering digital media content to consumers through streaming and downloading.

Marketing and Sales: The marketing and sales of Netflix are based on an agile and innovative approach to brand development by focusing on managing customer relationships (Haughey, 2021). The company has spent over 2.65 billion USD in 2019 on marketing endeavours. This mostly involved advertisements and promotions for expanding its customer base. However, the advertisement and promotion campaigns of Netflix lag behind its competitors.

Services: Since Netflix delivers its services online, quick and robust after-sales services are essential. The support team of Netflix resolves queries of customers regarding payment or account. Moreover, the support services of Netflix are available 24/7 and in several languages due to its global operations (Netflix, 2021).

Support Activities of Netflix

Infrastructure: Since Netflix operates at the digital level, the major infrastructure of the company involves data security and management, and managing online media content. The company's planning and finance are managed at a corporate level; additionally, accounting, quality management, and legal issues are managed at unit levels (Walker *et al.*, 2017).

Human Resource Management: The HRM of Netflix emphasises rewards and employee participation. The company provides bonuses and increments that have enabled the company to motivate its workforce. Moreover, employees of Netflix are involved in innovation and providing excellent customer service.

Technology Development: Netflix has significantly focused on its technical development as the company provides digital services. The company uses cloud infrastructure for storing its content and managing its operations. The company has highly invested in R&D for implementing new technology for enhancing customer experience (Netflix, 2017).

Procurement: Netflix's procurement involves activities such as acquiring a licence for digital content and copyrights for its original contents. The company ensures that it has proper access to the in-demand and original content. The original content of Netflix such as Lucifer, Stranger Things, The Umbrella Academy, and many more attracts more customers and adds more value.

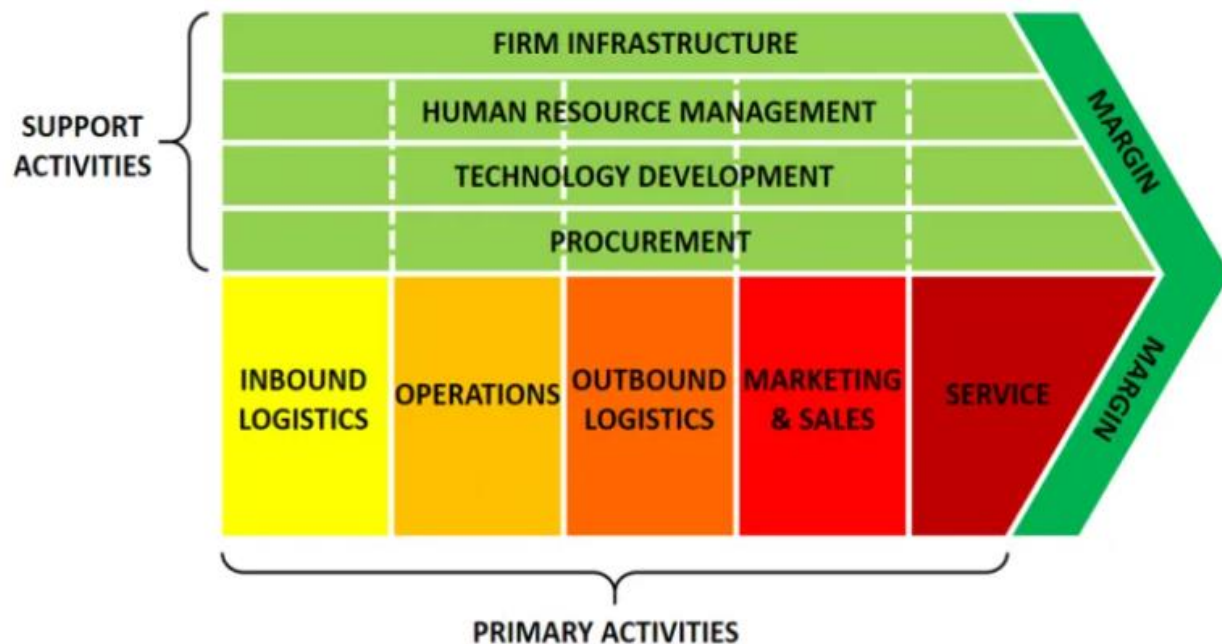


Figure 2: Netflix Value Chain Analysis

(Source: Bruin, 2018)

5.3 Resources and Competence Analysis for Netflix

Two major frameworks are used for analysing internal resources and core competencies of an organisation namely VRIO analysis and McKinsey's 7S. These frameworks are discussed in the context of Netflix.

VRIO Analysis

<i>Organisational Resources</i>	<i>Valuable</i>	<i>Rare</i>	<i>Inimitable</i>	<i>Organised</i>
<i>Competitive disadvantage</i> Highly dependent on third-party media companies for content.				
<i>Competitive Parity</i> - Technological assets - Innovativeness	✓			
<i>Temporary Competitive Advantage</i> Licences and support from copyright holders and content creators.	✓	✓		
<i>Unexploited Competitive Advantage</i> - Enhanced distribution channel of online music. - Enhanced distribution for online textual content.	✓	✓	✓	
<i>Long-term Competitive Advantage</i> - High brand equity. - High capacity for creating original content.	✓	✓	✓	✓

Table 1: VRIO Analysis of Netflix

(Source: Author)

Netflix is one of the leading streaming platforms operating at the global level. Analysing the organisational resources and capabilities of the company using the VRIO framework will enable the company to understand its core competencies while understanding resources that are providing a competitive disadvantage to the company (Rivera, 2019). Since most of the content on Netflix is provided by other creators, the dependency on third-party is significantly high. Alternatively, the company is focusing more on original content to minimise this dependency. The technical development of the company and innovation in its processes provides competitive parity to the company. Long-term competitive advantage is acquired by the brand equity of Netflix (Rivera, 2019).

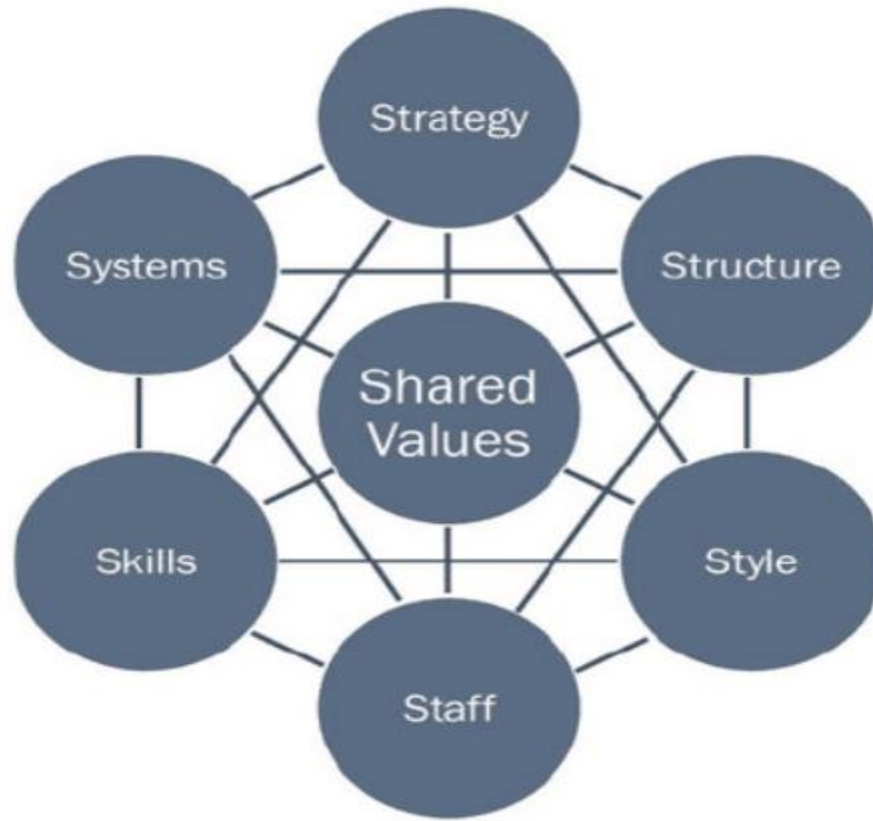
McKinsey's 7S Analysis

Hard Elements	Soft Elements
Strategy: The strategy of Netflix is well-defined and communicated among the workforce. The major strategies of the company are focused on gaining a competitive advantage in the global market. Structure: Netflix has a flatter organisational hierarchy that has fewer managerial levels. This has increased the effectiveness of communication and flow of decisions within the company. Moreover, the company has a centralised structure for supporting overseas operations (Anderson, 2019). Systems: Netflix has different departments and operations are managed by a well-demarcated system. Major departments involve finance, marketing, operations, PR management, and IT.	Shared Values: The core values of Netflix involve improving lives, exceeding expectations, and delivering entertainment and excitement. The organisational culture of Netflix encourages independent decision-making, sharing information openly, and encourages employees to be extraordinarily candid with each other (Netflix, 2021). Skills: Skills of employees working in Netflix are enhanced constantly through training programs and workshops. Moreover, the company prides itself on recruiting highly skilled employees. Training regarding adaptability to new technology is also provided by the company (Netflix, 2021). Style: Netflix has a democratic leadership style that encourages employees to highly participate in decision-making. Since innovation in terms of content is required for the company, the leadership and management style prioritise innovation. Staff: Netflix has a total of 12,135 employees as recorded in 2021. Staff associated with the company is provided with bonuses and incentives. Netflix has launched a relief fund

of \$100 million for supporting its cast and crew members during the pandemic (Lee, 2020).

Table 2: McKinsey's 7S of Netflix

(Source: Author)

**Figure 3: McKinsey's 7S**

(Source: Author)

6. External Analysis

6.1 Porter's Five Forces Analysis for Netflix

Analysing competition is crucial for an organisation to expand its business operations successfully in a foreign market. Porter's five forces framework enables the organisation to understand different factors that have the potential to provide a competitive edge. This framework has been used for analysing the competition for Netflix in the Indian market.

New Entrants' Threat: Entering the industry of OTT platforms has significantly high barriers due to the huge cost of initial investment and difficulty in obtaining licences or copyrights for streaming media. However, it will be easy for well-established companies to enter the market based on their brand equity (Harappa Education, 2021). The brand equity of Netflix is quite high, thus it will be easy for the company to establish itself in the Indian market.

Buyers' Bargaining Power: Buyers have significantly high bargaining power as the switching cost is quite low due to the availability of many subscription-based OTT models. There is availability of many organisations that are providing similar content while maintaining a sensitive rate of subscription (CFI, 2021). This will be a major disadvantage for Netflix as the company's subscription rate is quite high. However, the company has reduced its price from ₹499 to ₹199 per month. Additionally, the original content of Netflix is quite popular and highly praised which will help the company to restrict the bargaining power of buyers.

Suppliers' Bargaining Power: Suppliers in the OTT platform industry have significantly high bargaining power. Media content providers are major suppliers in this industry. The power resides with media content providers regarding their content and has a bargaining edge over price negotiations. However, about 37% of the content of Netflix is its own content which reduces the supplier bargaining power in the context of the company (Netflix, 2021). This provides Netflix with a major competitive advantage over other OTT platforms in India.

Substitute Products' Threat: Streaming platform organisations in India face major competition from different physical entertainment industries like tv movies and shows along with other online platforms like YouTube. Nowadays, many original contents are available on YouTube as well. This is creating a competitive disadvantage to Netflix as these contents are substitutes that have relatively low prices compared to the subscription price of Netflix.

Competitive Rivalry: The competition in the streaming industry is significantly high in the Indian market. Major competitors of Netflix in the Indian market are Amazon Prime, HBO Max, Disney+, ALTBalaji, ErosNow, SonyLiv and many more (Rajawat, 2020). Additionally, platforms like Disney+ have removed the original content of Disney from Netflix to present in its own platform. Price is another factor that is providing a competitive disadvantage to the company as major competitors have low subscription prices compared to Netflix considering that the Indian population is price sensitive.

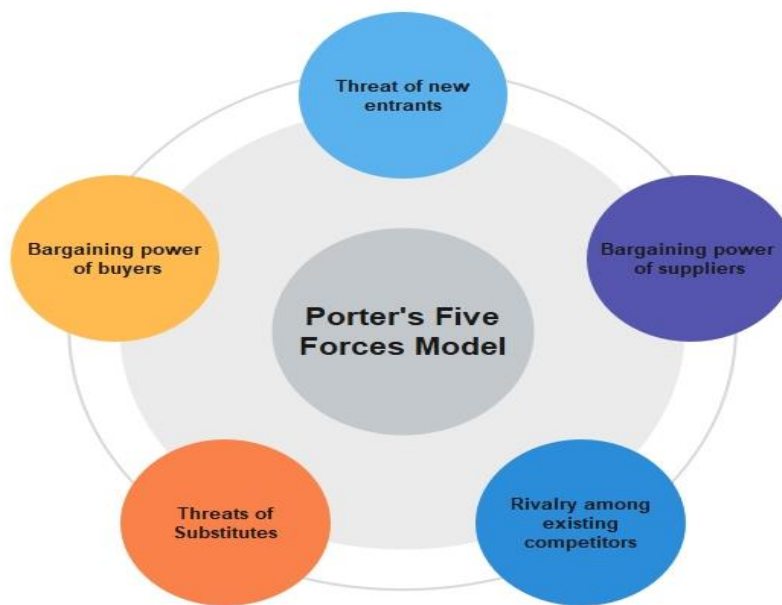


Figure 4: Porter's Five Forces

(Source: Author)

6.2 PESTLE Analysis of Netflix

Factors	Description	Impact
Political	The contents of the OTT platforms may be unappreciated by the	Low

	citizens if any bad reputation is marked by the government. OTT platforms like Netflix have taken their advertising banners down to avoid the misconceptions of the political sentiments among the public. This avoidance of advertising did not affect the popularity of the platforms in India (Financial Express, 2021).	
Economic	- Being a democratic company, the tax system of India is well developed. Income tax, service tax and sales tax are imposed by the Union government of India on the OTT platforms. - It is estimated that the gross annual income of Indian households will grow about 140 million by 2025 which indicates that the country's population is largely of middle-class income (Statista, 2021). - Fluctuation in the Indian currency rate can be seen compared to the US dollar. The Indian rupee has weakened and is currently recorded at 76.14 per USD.	High
Social	- The preferences towards local languages are high in India apart from Hindi and English; so the OTT platforms offer an option to customise their preferred language of streaming (Jha, 2021). - On average, about 70 minutes were spent by users each day on online video platforms, with a frequency of 12.5 times viewing per week. - Indian customers are highly sentimental regarding their religious	High

	views which make an impact on the contents streamed on OTT platforms. • Due to the COVID-19 pandemic and the closure of the halls and theatres, the preferences of the customers have significantly increased towards the OTT platforms as they can access the OTT devices easily by sitting at home (Jha, 2021).	
Technology	• The arrival of several new OTT platforms in India has made the existing platforms stream more developed, useful and entertaining content to keep their hold in this industry. • The OTT platforms in India are now accessible from several multimedia devices like smartphones, laptops, desktops and tablets at the same time from one account or subscription. This makes them invest in their plans of accessibility in different devices (Jose, 2020). • The platforms maintain the fact of age groups and so display the strict age and content descriptions along with certain mechanisms to access like the child locks used by the parents or elders in their accounts so that the children cannot watch the contents which are not meant for them. • The online streaming platform offers a special algorithm to its audiences by which the platforms help in suggesting other series and movies based on the past search history and the likings of the subscribers (Jose, 2020).	High

Legal	• Unlike television programmes, the OTT platforms in India enjoy greater freedom due to no regulations on it at present. • The uncensored content in the OTT platforms in India, allows the filmmakers and series-makers to enjoy great freedom to experiment with their contents.	Low
Environmental	• Pollution is one of the major environmental problems in India which is influencing the CSR activities of businesses.	Low

Table 3: PESTLE analysis of Netflix

(Source: Author)

India is the second-largest media subscription market in the Asia Pacific region. Though Netflix is an American video streaming platform, it has developed a good reputation and market position in the Indian market industry too. As of January 2021, India has about 5 million Netflix subscribers. According to a report, Netflix commands 14% of the total online video revenue market in India. The economic, social and technological factors of India have made a high impact on the streamings of the contents on the OTT platforms (Jha, 2021). Due to these highly influencing factors, Netflix has set up itself as a leading and widely used OTT screening platform across India. Keeping in mind, the economic condition of India, Netflix has levied their subscription fees. Due to the advancement in the present technologies, Netflix has also brought advancement in its accessing and streaming processes. Apart from these, the environmental, political factors and legal factors have also made an impact on the OTT platforms like Netflix, in India but they are of mere importance (Tapalanga, 2019). Overcoming all these factors which more or less impacts any OTT platform, Netflix has emerged itself as a renowned and successful OTT streaming screen in India.

6.3 SWOT Analysis

Addressing the strengths and weaknesses of an organisation is crucial for acquiring a long-term competitive advantage in a foreign market. Additionally, it enables a business to capitalise on opportunities and deal effectively with threats. The SWOT framework of Netflix will enable it to analyse external factors along with the strengths and weaknesses of the company for developing relevant strategies.

Strengths

- Netflix has witnessed significant growth in its operations as it operates in over 190 countries globally.
- The company's major strength is its own content. Series such as Narcos, Lucifer, Stranger Things are global hits.
- The company provides flexibility to its customers as they can stream or download Netflix content on devices such as laptops, mobile phones, desktops, televisions, and other devices (Netflix, 2021).
- The company has a positive and strong relationship with its stakeholders such as media content providers, employees, and investors.
- The brand equity of Netflix is significantly high

Weaknesses

- The price of Netflix subscriptions is quite high compared to its competitors which is a major weakness in India as the Indian population is price-sensitive.
- The company has invested heavily in marketing, however, Netflix has failed to prioritise advertisement and promotion which are crucial for capturing new audiences (Bhasin, 2020).
- Though the company has its operations in over 190 countries, it is majorly dependent on the US market as its segment of domestic streaming generates the highest revenue.

compared to its competitors (Rivera, 2019).

Opportunities

- Since Netflix has captured the global streaming industry, it has the opportunity to enter other industries as well.
- Developing alliances with telecom companies will provide Netflix with an opportunity to further increase its customer base (Bhasin, 2020).
- Netflix has a high opportunity for expanding the library of its own content as it is highly preferred by customers.

Threats

- The major threat for Netflix is the competition from other similar organisations such as Disney+, Amazon Prime, and many more.
- The threat of privacy is quite high for major brands like Netflix. There are many unethical organisations that provide pirated Netflix content for free. This reduces the brand image and customer base of the company (Bhasin, 2020).

Table 4: SWOT analysis of Netflix

(Source: Author)

7. Strategies for Sustaining its Competitive Advantage

7.1 Netflix Strategic Priorities

Netflix has been able to establish itself as a platform business model for its different streaming processes within the company that will help the customers to observe this platform effectively and prioritise their choices within the business world. The company has made several strategies that can help them in enhancing their existence in the competitive business world efficiently (Moore, A., 2019). The competition level in the OTT platform has been fostered in recent times

as many companies have been able to occupy a distinctive position. The first priority of the strategy is associated with the prices and packages of the company particularly (Roig *et al.*, 2021, p. 125-139). On the other hand, the next concerning factor for the company is the content of the company offered to the customers and viewers so that they can increase their interest in this OTT platform effectively. The company has also adopted the “Cost Plus” strategy to bring in different television shows and make them available on a global level efficiently. It has covered over 60% to 70% of television networks for their customers significantly. The company has also spent \$1.5 billion to impose advanced technologies such as different software, staff costs and management processes within the company so that they can enhance their workability in the business world efficiently. They also impose YouTubers and commercial advertisements during their shows that are irritating for the viewer’s distinctively.

7.2 Growth Strategies

Strategies	Description
Market Penetration	This strategy is regarded as the least risky strategy for any company as it helps the company to enhance its position in the business world efficiently. In this strategy, the company concentrates on their existing market and tries to strengthen its position with the help of its existing products and foster the selling rate by stimulating the interest of existing customers significantly (Penpoin, 2021).
Market Development	This strategy helps the company to expand their branches in new markets so that they can accomplish themselves as a multinational company particularly. However, the company enters into new markets with their

	existing products that are compatible with the trend of the company or have innovative characteristics in the market (Zanjani <i>et al.</i> , 2020, p. 151-178). It requires the company to observe the macro-environmental factors of the new market as well as the requirements of the customers in the new business market efficiently.
Product Development	This strategy helps the company to identify the deficit areas regarding their existing products and services so that they can resolve those areas efficiently. It helps the company to enhance its existence in the old market with the help of new products and services in the business world effectively (Zanjani <i>et al.</i> , 2020, p. 151-178). It will help the company to accomplish its new identity in the existing organisational world after analysis of the requirements of the customers in the business world (Penpoin, 2021).
Diversification	This strategy is regarded as a risky strategy for the companies as here the product and the market both are new and different from their existing products and markets. Thus, it has a high risk of losing and down falling in the organisational world effectively (Zanjani <i>et al.</i> , 2020, p. 151-178). However, the company needs to analyse the market and product requirements in the business world effectively.

Table 5: Ansoff's Growth Matrix analysis

(Source: Author)

According to the position of the company in the organisational world, it is noticed that the company has been able to enhance their branches in international places by providing them

streaming facilities significantly. However, the company can acknowledge two strategies from Ansoff's growth matrix effectively (Penpoin, 2021). The company first needs to penetrate their existing market by investing in the advertisement actions within the business world. It will help the company to enhance the interest of their existing customers towards the company and their offered services effectively (Rancord, 2021). On the other hand, the company needs to focus on the prices of the products and introduce new television shows as well as new packages to the existing customers (Rancord, 2021). It will impose significant competitive advantages within the company and keep up the growth of Netflix.



Figure 5: Ansoff's growth strategy

(Source: Penpoin, 2021)

7.3 BCG Matrix

Stars	Cash Cow
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The company introduces those products that have a high potential to enhance the growth rate of the company in the organisational world effectively (Adamkasi, 2018). The company also needs to invest in those products that can contribute positively to the growth and have a high market share in the organisational world as it is the most profitable factor of the company.	The company possesses its concern on those products that may not be able to contribute to the growth rate of the company particularly but it can enhance the market share of the company in the competitive world that can foster the profitability of the company in the business world distinctively (Moose, S., 2020).
Question Marks This quadrant identifies those products or services that are able to enhance the growth rate in the competitive business world significantly. Alternatively, these products do not have an enhanced market share in the business world (Moose, S., 2020). Additionally, it should be mentioned that these segmented products have high chances to become the Stars in the future prospects.	Dogs This quadrant basically observes the deficit areas and mainly the weakening factors of the company in the business environment effectively. However, these segmented areas can create significant obstacles for the company and it can diminish the potentiality of the company as it does not have opportunities for growth as well as the market share of the company.

Table 6: BCG matrix analysis

(Source: Author)

According to the analysis of the BCG matrix in the above part, Netflix has two types of product segmentation within the company as the streaming process of the company has a relatively high

growth rate as well as the market share of the company in the organisational world. However, the international streaming process of the company is able to enhance the growth rate of the company by attracting every type of viewer within the platform and providing them with every type of television show and movie (Adamkasi, 2018). It helps the company Netflix to enhance its market share with different organisational chains effectively and it can impose its concern in widening its networks in the competitive business world. Netflix has been able to keep up the streaming market domestically by 60% effectively (Adamkasi, 2018). In addition to this, the subscription in DVDs has low growth potential in the industry effectively but it has a relatively high market share in the business world.

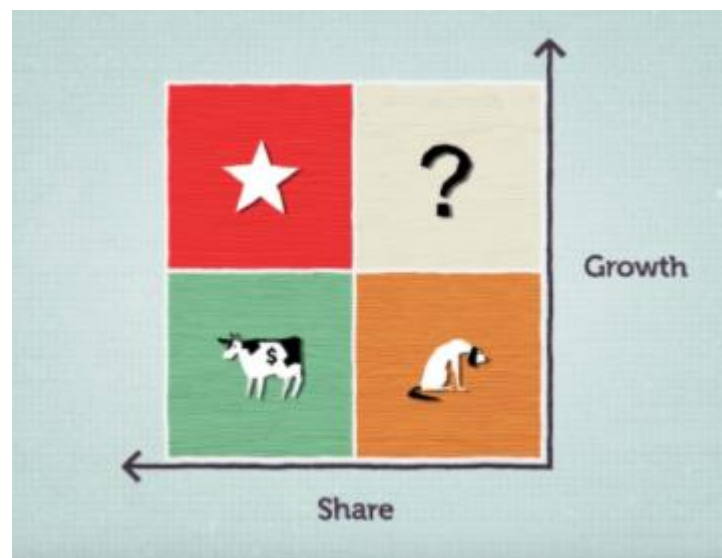


Figure 6: BCG Matrix

(Source: Moose, S., 2020)

7.4 Porter's Generic Strategies

Factors	Description
Cost Leadership Strategy	The first strategy is associated with the reduction of the internal cost of the

	company by reducing the labour cost of the company effectively (Mind Tools, 2019). However, the company is able to enhance its diversification in different genres effectively.
Cost Focus Strategy	The company needs to identify the investment areas by which it can increase its success rate significantly. It also helps the company to reduce the prices of the products within the company and enhance its sales in the organisational world (Kabure, L. and Ragui, 2020, p. 49-63). Moreover, this strategy has aimed at the pricing process of the company to reduce the spendings of the customers and get an enhanced experience.
Differentiation Strategy	This strategy helps the company to possess their concern in diversifying their thoughts in different fields so that they can enhance their success rate in the business world. The company will be able to establish itself in other industries that can foster profitability in the business world (Mind Tools, 2019). It will contribute to the versatile nature of the company and sustain its existence in the problematic situation.
Differentiation Focus Strategy	It helps the company to identify the area where they need to differentiate their services and maintain a pace with the changing environment of the organisational world distinctively (Kabure, L. and Ragui, 2020, p. 49-63). However, it also helps them to obtain competitive advantages within the company particularly.

Table 7: Porter's Generic Strategy of Netflix

(Source: Author)

The analysis of Porter's Generic model has been able to identify the most efficient areas of the company that can enhance the potential of the company effectively. These four strategies are able to obtain the competitive advantages within the company effectively (Kabure, L. and Ragui, 2020, p. 49-63). Among all four strategies, the cost focus strategy is able to enhance the services of Netflix and also help them to strengthen their existence in the Indian market. It also assists them to enhance their sales rate in the competitive world where Amazon Prime and Disney+ Hotstar have been able to occupy a particular place. Netflix needs to observe a cost focus strategy by which it can diminish the prices of the products so that people will be more attracted towards the company significantly.

7.5 Bowman's Clock Strategy

Strategies	Description
Low value	This strategy explains the quantity selling process of the company as it helps the company to enhance the quality of the products and services as well as to look into the costs of the internal spendings (Issuu, 2020).
Low cost	The company needs to understand the competitive quality of the market trends and set the pricing according to that.
Hybrid	This is a mix-up strategy of differentiation as well as a low-cost strategy that helps the companies to maintain a competitive position in the organisational world (Get Lucidity, 2021).
Differentiation	The company needs to diversify the actions of the company effectively so that it can enhance its genres distinctively.

Focused Differentiation	This strategy helps the company to provide high value to the products and services of the company.
Risky high margins	This strategy helps the company to enhance the margins by increasing the prices of the products (Get Lucidity 2021).
Monopoly Pricing	This strategy is particularly applicable for those companies who are operating in the monopoly market effectively.
Loss market share	It is the riskiest strategy for companies to lose their market share in order to cope up with losses efficiently (Get Lucidity, 2021).

Table 8: Bowman's Clock Strategy

(Source: Author)

The analysis of Netflix has shown that the previous strategies of the company have failed to enhance the growth rate of the company in the business world. After evaluating the stages of Bowman's clock strategy it is noticed that the company needs to establish itself in the Hybrid position where they need to impose an attractive pricing strategy within the company (Issuu, 2020). Additionally, they also need to differentiate their product items in the organisational world so that they will be able to succeed and obtain competitive advantages within the company. It will help the company to establish itself as the most innovative as well as attractive OTT platforms among the customers directly in the Indian organisation (Issuu, 2020).

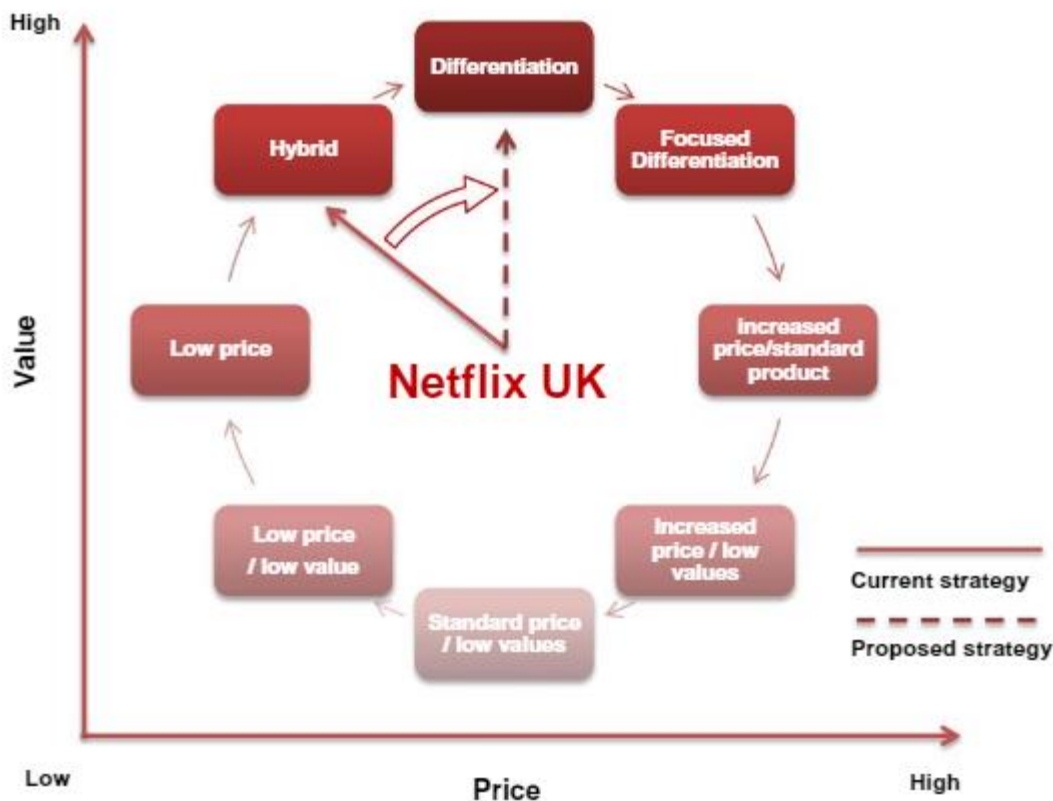


Figure 7: Analysis of Netflix from the perspective of Bowman's Clock strategy

(Source: Get Lucidity, 2021)

8. Recommendation

Recommendation 1: Enhancing effective pricing strategy: After comparing the packages of other OTT platforms it is observed that the prices of this platform are higher than the respective OTT platforms distinctively. The Indian economy is based on the middle earners so the prices of the products of this company should be relevant to the earning capacity of individuals in the organisational world effectively. Additionally, providing affordable packages to the customers can attract vast Indian customers in the organisational world.

Recommendation 2: Possessing more concern to the advertisement and connecting with Indian telecom companies: Netflix is unable to impose an effective advertisement process

within the business environment and the reputation of the company can be enhanced with the help of this strategy. The customers require acknowledging different types of advertising processes that will be able to provide efficient knowledge regarding the areas of the company. The company needs to enhance their shares and connects their name with renowned telecom companies of India effectively.

Recommendation 3: Prioritising sentiments of the viewers and choosing content: The company has prioritised the sentiments of the viewers so that they can observe those sentiments effectively and promote the cultures of the nation. However, the company needs to identify the contents after examining the tastes of individuals in the organisational world effectively.

9. Conclusion

It is important for companies to strengthen their business strategies effectively so that they can operate in a problematic and competitive environment significantly. The above parts have analysed the capabilities of the company that have helped the company Netflix to stay competent significantly. The first part of the report is associated with the internal analysis of the company in the business world efficiently. It includes financial highlights along with the value chain and resources analysis of the company efficiently. The next part has discussed the external environment along with the capabilities of the company particularly. The next part has built up several sustainable strategies that will assist them to enhance the growth rate of the company effectively. It has included five strategic steps as well as three recommendations that will resolve the identified problems of the company distinctively. Moreover, these recommendations are able to strengthen their existence in the Indian economy particularly.

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11. Appendix

Netflix subscriber growth

Quarterly paid subscribers added, both U.S. and international. First quarters of each year are highlighted.

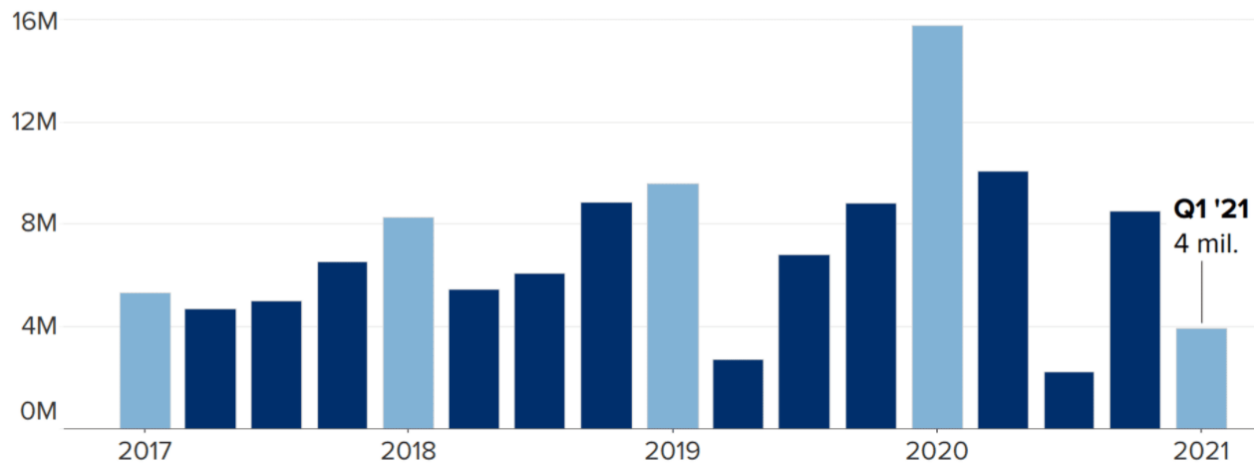


Figure 1: The growth of Netflix subscribers

(Source: CNBC, 2021)

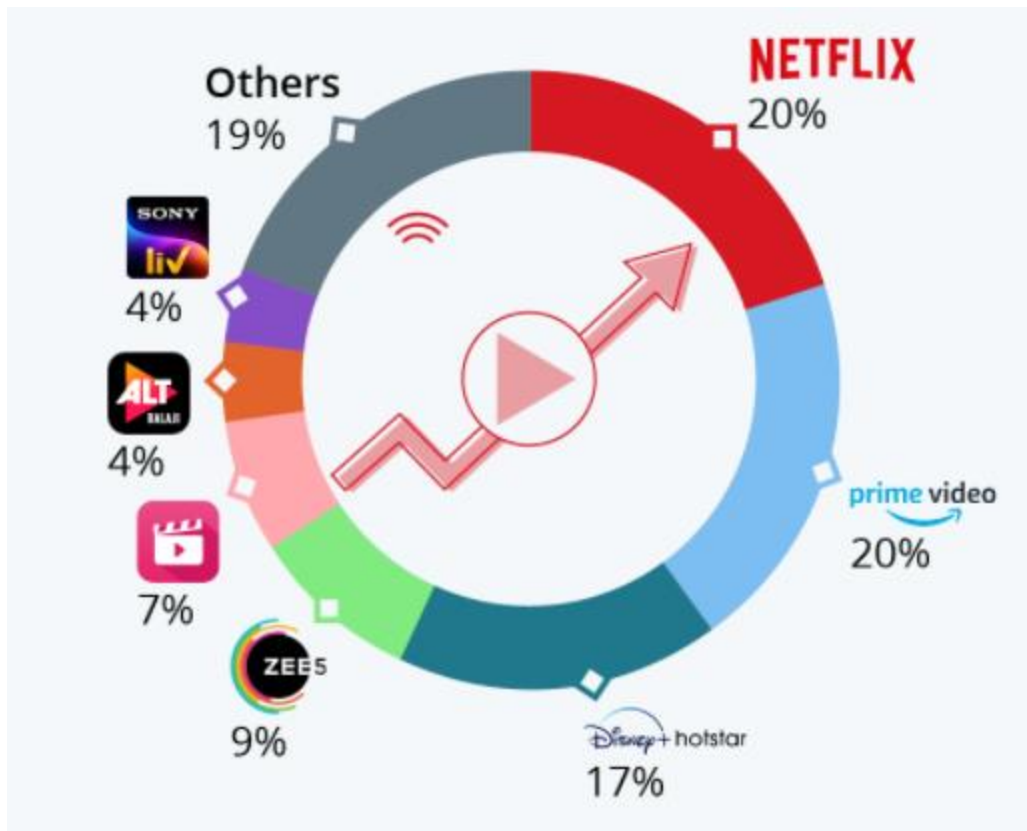


Figure 2: Usage of OTT platforms as per subscription process

(Source: Buchholz, 2020)