

**A STRATEGIC ANALYSIS ON NETFLIX, WITH A FOCUS ON
THEIR OPERATIONS IN BOLLYWOOD**



NAME: OGUNLADE AJIBIKE OLUWADAMILOLA

STUDENT NO: 1918305

MODULE: STRATEGIC MANAGEMENT

LECTURER: DR. GLADIUS KULOTHUNGAN

WORK COUNT: 5847

Table of Content

Introduction	4
Company Overview – Netflix	4
Strategic management	5
PESTLE Analysis of Netflix in India	6
Political and economic factors	6
Social factors	7
Technological factors	8
Legal factors	9
Environmental factors	9
Porter’s Five Forces Analysis	10
Threat of new entrants	11
Bargaining power of buyers	12
Threat of substitutes	13
Bargaining power of suppliers	13
The strategic management framework	13
Corporate strategy	14
Key partners	16
Value proposition	16
Key activities	16
Key resources	17
Customer segments	17
Customer relationships	17
Revenue	18
Value chain analysis	18
Primary activities	19
Inbound logistics	19
Operations	19
Outbound logistics	20
Marketing and sales	20
After-sales service	20

Secondary activities	21
Procurement	21
Technological development	21
Human resource management	21
Infrastructure	22
SWOT Analysis	23
Strengths	23
Weaknesses	23
Opportunities	24
Threats	24
Growth strategies	24
Market development	25
Market Penetration	25
Product development	25
Diversification	26
Green strategy	26
Recommendations	26
Conclusion	27
References	28

Introduction

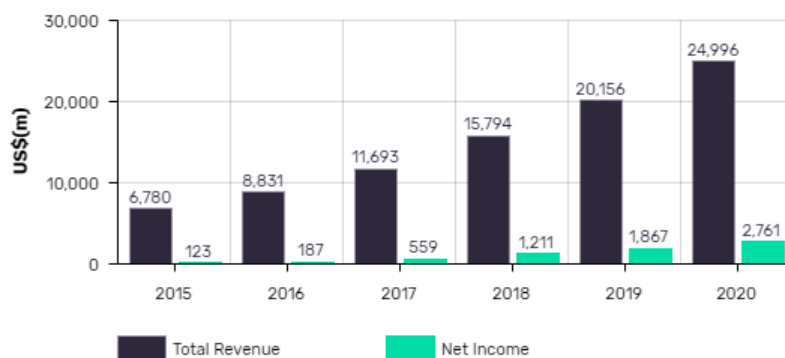
The recent years have seen a rise in the growth of online television, following with the increase in ownership of internet-enabled television sets and smart devices as well as increased access to broadband services and an expansion in the subscription of video-on-demand services (Johnson, 2017). Content on various traditional media platforms is now being taken over by internet media content provided by internet-enabled devices, which can be used at any time in any location (Tana et al, 2020). Research has further shown that on a global scale, young adults between the ages of 18-24 spend an average of about 30 minutes daily utilizing subscription Video-on-Demand services via on-demand streaming platforms like Hulu, Amazon, Netflix amongst others (Arora et al, 2021). However, Doyle (2016) opines that the traditional media platforms have reacted to these nouvelle developments by placing more emphasis and attention on digital platforms as important touchpoints where audiences can interact with good content.

This report set out to understand and analyse the main issues the SVOD platform Netflix faced whilst trying to gain grounds in India using various strategic analytical models and theories to discover how they could create a competitive advantage. The report showed that Netflix has partnered with a number of local movie providers to creating engaging content, however, they can increase the number of producers they partner with as this in turn increases their brand visibility. Netflix India has one of the lowest subscription rates globally which is a good penetration strategy, however, they only just made available the mobile download option for android users. Extending this to iOS users can also help boost their subscription base. Other recommendations are outlined at the end of the report.

Company Overview – Netflix

Netflix Inc. is one of the world leaders in digital entertainment services. They have over 200 million paid subscribers in about 190 countries who enjoy movies, series and documentaries in a variety of genres and languages. Subscribers are able to watch whatever they want at their own convenience using an internet-enabled device. They can also play, pause and resume watching their programmes without the interruption of advertisements. Netflix leads in the delivery of streaming entertainment ever since they started in 2007. Their main strategy is to increase their membership globally as they

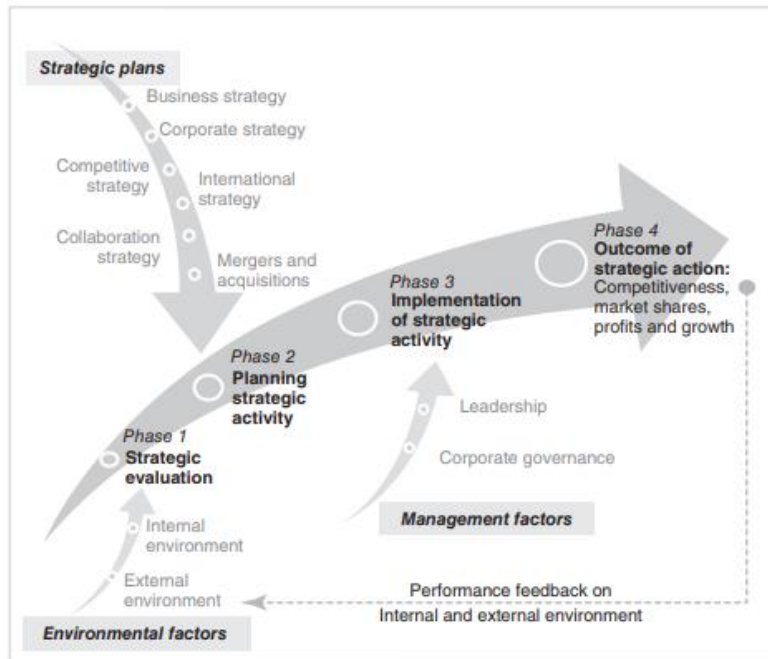
continually explore means of finetuning their customer's experience. This they intend to achieve by expanding their content and paying particular attention to the program mix they share on their platform, all in a bid to ensure customer satisfaction and attract newer members (Netflix report, 2020). Netflix has its headquarters in California, USA and they have about 9,400 employees. In 2020, they had a revenue of over \$24M (Marketline, 2021).



Comparative income and revenue statement of Netflix (Marketline, 2021).

Strategic management

According to Barney and Hesterly (2018), strategic management can be defined as an array of analysis that can increase the likelihood of an organization choosing a good strategy that can bring about competitive advantage, and this is initiated when the company decides what its guiding mission is. Lynch (2018) also explains the concept to be the fundamental decisions by an organization about their future direction; this also includes its purpose, resources and its interaction with its immediate environment.



Components of strategic management

(Sammut-Bonnici, 2015)

PESTLE Analysis of Netflix in India

Political and economic factors

The government of India reformed one of their Information Technology Acts called the Intermediary Guidelines and Digital Media Ethics Code. The reform has included additional obligations on social media intermediaries for them to regulate online content. Some of the provisions within this new code include:

- Putting measures in place of terms and conditions to restrict content which is patently false, misleading, inconsistent with or contrary to the laws of India;
- Taking out any content that violates any law within 36 hours
- Ensuring content that have sexual innuendo be removed within 24 hours of a complaint
- Making available information needed to verify the identity of a user for the prevention, detection, investigation or prosecution of offences to the government of India within 72 hours.

(Grover, 2021).

These regulations have surfaced at the time streaming video-on-demand platforms like Netflix are facing complaints regarding the type of content they show on their platforms (Phartiyal, 2021). In 2020, Netflix faced a backlash in India due to a series on their platform called 'A Suitable Boy' which had a scene where a Hindu woman was kissed by a Muslim man in a Hindu temple. (Toh and Mitra, 2020). It can therefore be argued that due to the conservative nature of India, the above law will restrict Netflix and their operations in India as they have to provide content that will not be offensive in the country or risk dismissal of service. However, this can be mitigated if Netflix partners with indigenous content producers to produce content acceptable to the Indian populace to avoid any implicating situations in the future.

Social factors

India is a nation that has a rich cultural heritage. It is also a country where people have a diversity of thoughts and ideologies (Mohapatra, 2017). However, the conservativeness of the nation reflects on the type of content they consume. Netflix, an American organization would have to ensure the programmes available in India are suitable to their audience. Ayob and Keuris (2017) also suggest that Bollywood cinema plays an important role in the creation of different dichotomies like spiritual/material, Indian/Western amongst others. Another media report from Ormax in 2019 stated that there were over a billion movie tickets bought in 2019 in India (Kohli-Khandekar, 2020). This suggests that Indians prefer to watch movies at their preferred cinema locations. However, reports have also shown that the coronavirus pandemic had a positive boost for OTT (Over-The-Top) platforms as viewership surged last year. Ians (2020) stated that three out of four Indians now prefer to watch a movie via a streaming-video-on-demand platform in this pandemic season. Further buttressing this point is the fact that Netflix India had approximately 8.5 million new memberships between October and December 2020 due to the StreamFest initiative which gave millions of individuals unlimited free weekend access to non-members (Vikas, 2021). However, a quote from the chairman of Star and Disney India, Uday Shankar stated:

"After the pandemic is over and people return to normal life, theatres will become bigger because people will want that... and streaming [platforms] cannot compete with that." (Jha, 2020).

With the above quote in mind, it can be argued that there are still some individuals within the Indian populace that would not subscribe to an OTT platform because of the conservative family culture imbibed by some Indians. Also, post-pandemic, these people who subscribed to Netflix may decide to end their subscriptions and concentrate more on indigenous platforms that offer more localised content.

Technological factors

Netflix recently added the download movies option to their interface in India and this is only available for Android users at the moment (Indian Express, 2021). Whilst this is a laudable initiative, it may pose some issues. Netflix subscribers in other regions of the world have the autonomy to download titles according to discretion, Netflix India has opted to offer the 'downloads for you' option which downloads content based on recommendations. This means that subscribers may have to constantly delete titles that they are not interested in due to this automated service. Competitors like Disney Plus on the other hand give users the opportunity to download whatever is appealing to them and that way, they are in control of the content on their smart devices (McIntee and Cohen, 2020). Disney Plus also has more devices and platforms that people can connect through (Apple and Android powered devices) (DisneyPlus, 2021). This gives Disney Plus an edge over Netflix especially with the fact that only Android users can make use of the download feature. The above can also be a reason why they may lose membership because if Apple device users are unable to make use of their application on their devices, they would rather go for an application that is compatible with their devices and platforms instead of acquiring a device that can work with Netflix.

Legal factors

The recent laws (Intermediary Guidelines and Digital Media Ethics Code) notified by the current government in India has ordered online media and streaming-video-on-demand platforms to adhere to the new laws in a bid to regulate the programs they display on their various platforms. These brands are also to set up a grievance redressal structure in the event of any violation of the rules (Dutta, 2021). Some of the rules are listed below:

- Netflix and competition now have to classify content on their platforms into five age-based categories: U (Universal), U/A 7 years, U/A 13 years, U/A 16 years, and A (Adult).
- They also have to parental lock services on their platforms
- All OTT(Over-The-Top) platforms are now subject to the Norms of Journalistic Conduct of the Press Council of India and the Programme Code under the Cable Television Networks Regulation Act.

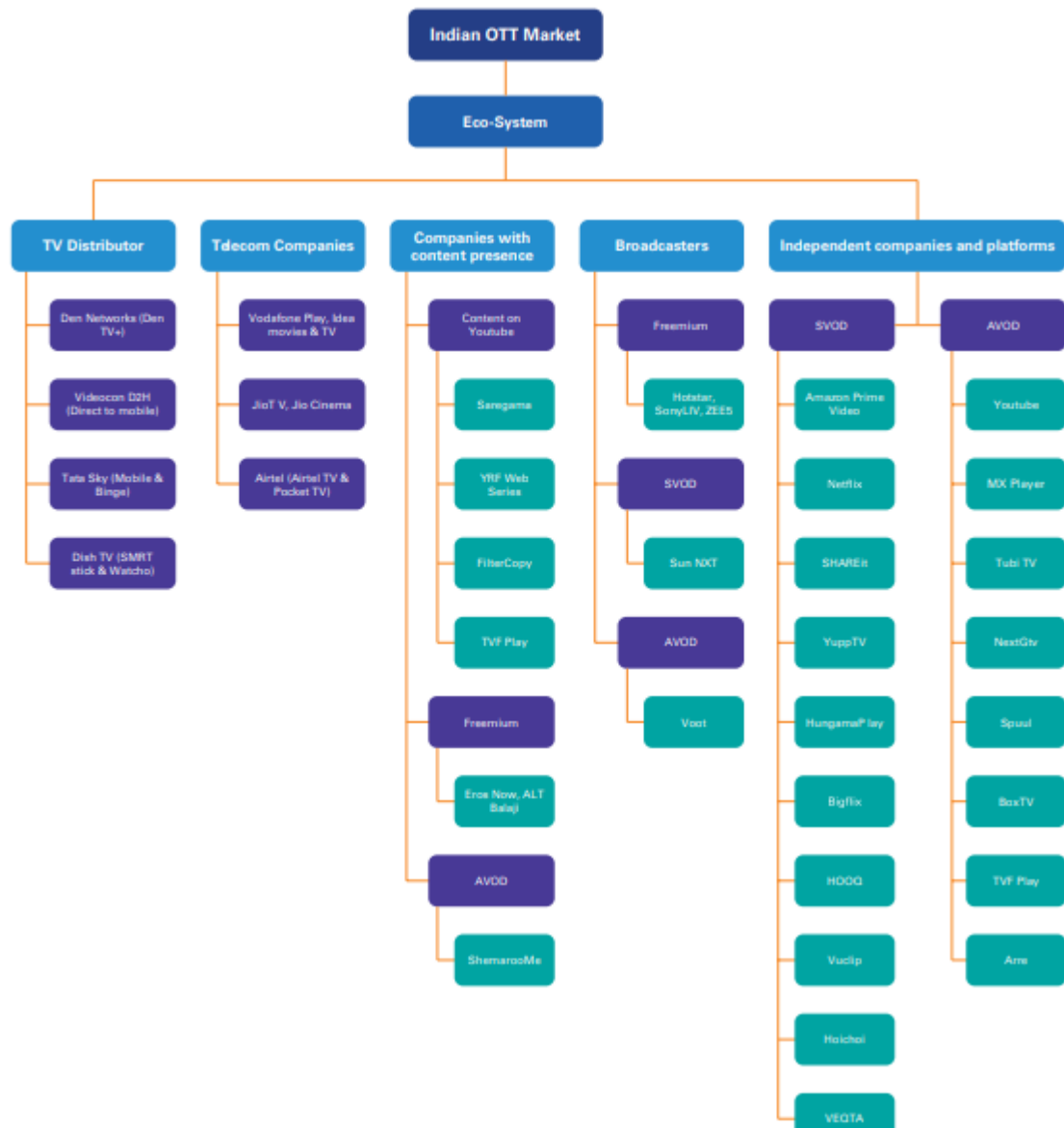
(HT Tech, 2021)

Failure to comply with the above rules may bring untold penalties to Netflix and this further means they have to be cautious with the programs they make available in the nation of India or risk being banned like the social media platform TikTok, which got banned from India in June 2020 as it was considered a threat to national sovereignty (Robertson, 2021).

Environmental factors

With the OTT market inching closer to maturity, a number of global streaming platforms are now focusing on international markets to increase their market share. Basu of Entertainment & Media, PwC India reported that India is now the fastest-growing entertainment and media market globally. (Sundaravel and Elangovan, 2020). The below diagram highlights various OTT services available in India. With each platform comes a feature that may be absent in another, which increases the competition. In order to stand out in this highly competitive environment, Gupta and Singharia (2021) argue that service providers like Netflix may need to find how to increase membership engagement

as well as user experience. An example will be to create a fanbase who are emotionally engaged with programs on their platform and constantly updating them with the most up-to-date information about programs they may be interested in.



The OTT market in India

(KPMG, 2019)

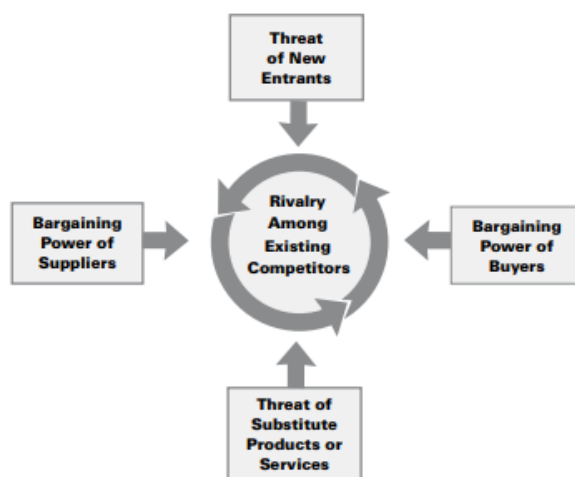
Porter's Five Forces Analysis

This is a framework developed by Michael Porter which is used to analyse the distribution of power within a certain market and assume its profitability. It focuses on five forces

within the microenvironment that enhance competition as well as threaten an organization's ability to make profits. These forces are:

- rivalry between existing competitors (depending on e.g., their number, size, and relative market shares)
- The threat of new entrants (i.e., the extent to which there are significant barriers to entering a market)
- The threat of substitutes (i.e., products in another industry that the consumer may see as alternatives)
- The strength of buyer power
- The strength of supplier power.

The second, third and fourth forces feed back to the first force by pushing up competitive rivalry (Oxford reference, 2021).

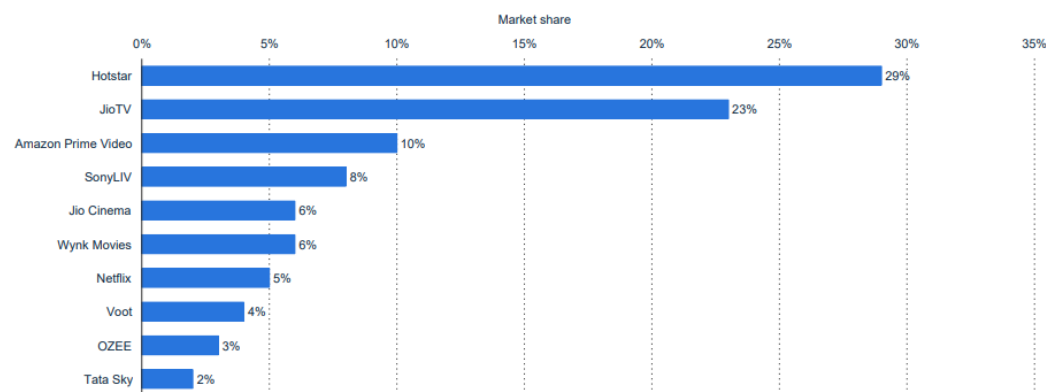


The Porter's Five Forces Framework

(Porter, 2008).

Threat of new entrants

According to Middleton (2020), there is a battle for streaming video-on-demand platforms in India. This is due to the increase in cheap smartphones, affordable mobile data and quick internet access. At present, there are over 40 SVOD players in the country and there is a possibility of this to increase over the years.



Ranking of video streaming apps in India

(Statistica, 2019).

It has also been forecast that newer entrants are targeting the Indian SVOD market as a number of media and entertainment channels are also launching their own streaming platforms or partnering with established platforms to stream their content (IBEF, 2020). Based on the above, it can be concluded that the threat of new entrants is high for Netflix. However, Veale and Sidebottom (2020) argue that to be able to dominate the SVOD platform in India, the platform must be exclusive, affordable and have a regular supply of quality content. If Netflix is able to achieve this, it can increase their competitive advantage in India.

Bargaining power of buyers

Streaming platforms in India registered an increase in subscriber base in recent times. In December 2020, Disney and Hotstar recorded over 18 million subscribers, this stood at about 5.3 million the previous year; Netflix also had an increase of one million subscribers, bringing the total number of users in India to about 3 million at the end of 2020. One of the reasons for these surges could be attributed to the lack of new content on traditional television media platform during the lockdown (Biswas, 2021). Due to the numerous OTT platforms available in India and the above-mentioned subscription surge, it can therefore be argued that the bargaining power of buyers (subscribers in this case) is high. This is due to the fact that they can decide to switch between platforms during the search of content they find appealing. This is also why these SVOD platforms have various

strategies like the first month subscription being free (freemium), in hopes of retaining and increasing their customer base.

Threat of substitutes

The Indian television market is quite competitive as television networks like Zee TV, Sun and Star are intentional about increasing their hours of programming, ensuring new content adorns their screens and also available in multiple languages and various genres (Bavadharini, 2019). India also has a good reputation for their acclaimed film industry as Bollywood is attributed to coloured films that have diverse dance routines with large cast scenes (Dastidar and Elliott, 2019). Cinema in India is not bound by the constraints of mobility or literacy and it has reached and satisfied the Indian public in a way no prior medium had. Therefore, cinema has been the most popular platform of mass media in India (Maheshwari, 2013). Based on the above, it can be said that the threat of substitutes for Netflix in India is medium.

Bargaining power of suppliers

In 2018, Netflix spent about \$13 billion on original content and approximately \$17 billion in 2020, (Trainer, 2019). Netflix also launched over 2500 hours of original content in 2019 and their original productions have had a steady rise in the last five years (Stoll, 2021). This is in a bid to ensure they improve on their competitive advantage with quality original content and talent (Vlessing, 2020). Based on the above, it can be inferred that the bargaining suppliers for Netflix is medium based on their heavy investment on original content and the fact that they also partner with some indigenous producers in India to produce content (Netflix, 2019).

The strategic management framework

The evaluation of a company's strategy is done by a strategic management framework and this can be explained as understanding the strategic position of the organization, assessing its strategic choices and managing strategy in action. It helps the company to

have an understanding of the choices they have and how they can implement strategies (Johnson et al, 2019).



The Strategy Framework

(Johnson et al, 2019).

Corporate strategy

According to Andrews (1980), corporate strategy is

“the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities” (cited in Sitnikov, 2013).

Netflix’s corporate strategy can be further broadly divided into their mission and vision statements. Their corporate mission statement is ‘to entertain the world’ (Netflix, 2021). This is based on the nature of the organization in providing movie and series streaming services and further accentuates their operations within the global entertainment industry. The main points of their corporate mission are:

- **Entertainment:** This details the business nature of the company as their catalogue includes programmes like: movies, stage plays, series amongst others
- **Worldwide scale:** This also refers to their generic strategy for competitive advantage and global growth to be able to entertain people globally, they need to have a massive subscription base.

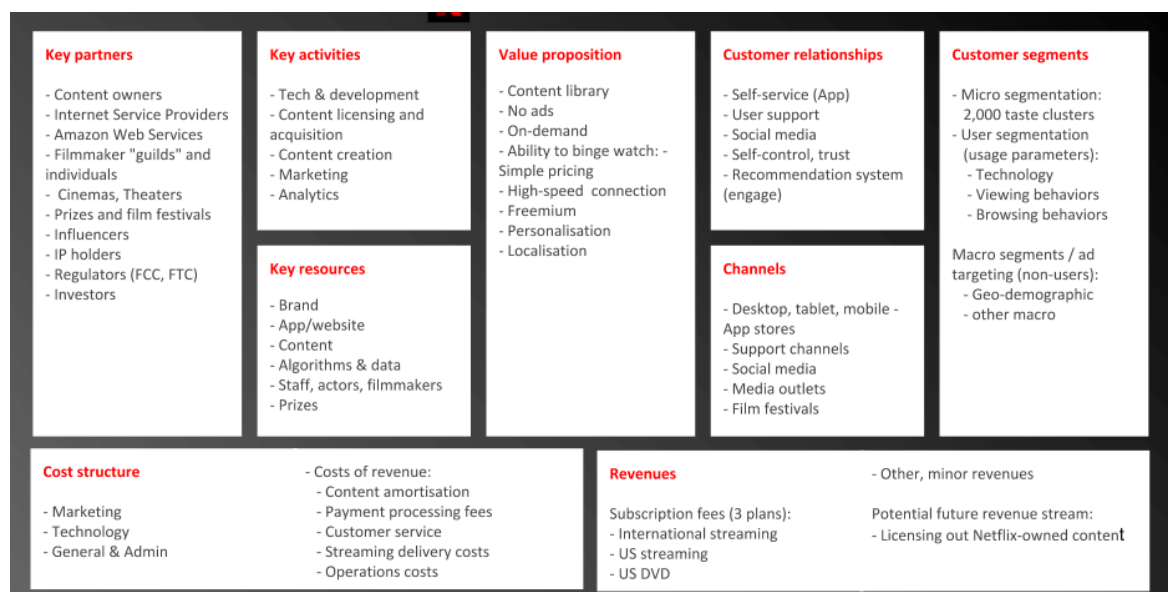
(Rivera, 2019).

Their vision statement is to continue being one of the leading firms of the internet entertainment era. This, alongside the mission statement showcases the strategic objective of Netflix of being a leader in their field. Besides this, they also mention that they strive to 'keep leading by offering an amazing entertainment experience'. Therefore, it can be deduced from the above that their vision statement focuses on the below:

- **Continuing leadership:** where they want to ensure they are leading in the SVOD industry by maintaining their operational effectiveness, while still increasing their membership base
- **Internet:** Here, Netflix is primarily an online media platform
- **Entertainment:** Their sole purpose is to provide premium entertainment experience to their members

(Rivera, 2019).

Netflix business model



Netflix business strategy

(Uenlue, 2019).

Key partners

Netflix has partnered with various businesses synonymous with its operations. In 2020, Netflix India partnered with Reliance Jio, a local telecommunications company to offer free mobile-only subscription to their post-paid subscribers (Jha, 2020). They also had a partnership with Viacom18 studios in India to produce some local series (Shackleton, 2019). These partnerships are integral to the growth and success of the brand in India. Maria Ferreras, the Vice President of Business Development EMEA Netflix was quoted saying:

'Making Netflix available for everyone is about ensuring easy access in using the device and the television is very important in creating these partnerships. It really is integral' (cited in Foster, 2018).

Value proposition

Netflix has various strategies that gives them a strong competitive edge over their rivals. Some of these are:

- Advert free streaming
- Unlimited access to content once an individual subscribes
- Free one month trial upon sign-up with the opportunity to cancel if user is not interested in paying the subscription
- Some localised content available in whatever region the subscriber is in
- Various user profiles

(Gupta, 2019).

Key activities

Some of Netflix's key activities include:

- Content production and acquisition: Netflix as a movie entertainment platform is daily involved with the production and acquisition of content for their platform. They have invested a lot in producing original content and alongside, they also acquire others so as to have a robust library of content.

- Pricing strategy: They ensure they develop their pricing strategy and subscription model to fit the environment they are operating in. It has been reported that India has the third lowest subscription fee globally (Sharma, 2020) and the pricing strategy they use is penetration pricing. This is a competitive approach to draw subscribers to their platform.

Key resources

- Website/Mobile app: This is the most important resource they have as it is the gateway for users to experience their content
- Algorithms: Netflix makes use of algorithms, not only to recommend content that people may like to view based on their previous selections, but also for continuous analysis of data to understand customer behaviours (Uenlue, 2019).
- Original content: Content created by Netflix can be further licensed to other movie platforms and this is an alternate source of income for the company
- Technology: Netflix in itself is a technological advancement within the digital entertainment space as the platform streams uninterrupted content

Customer segments

Netflix has a variety of genres for their members to select from: drama, comedy, documentaries, action thriller amongst others. Netflix also aims to promote family-friendly educational and entertainment content in a bid to provide wholesome family entertainment.

Customer relationships

Subscribers have a variety of ways they can interface with Netflix if they need to reach out; and the brand also uses different approaches to interface with their clients. Some of these include:

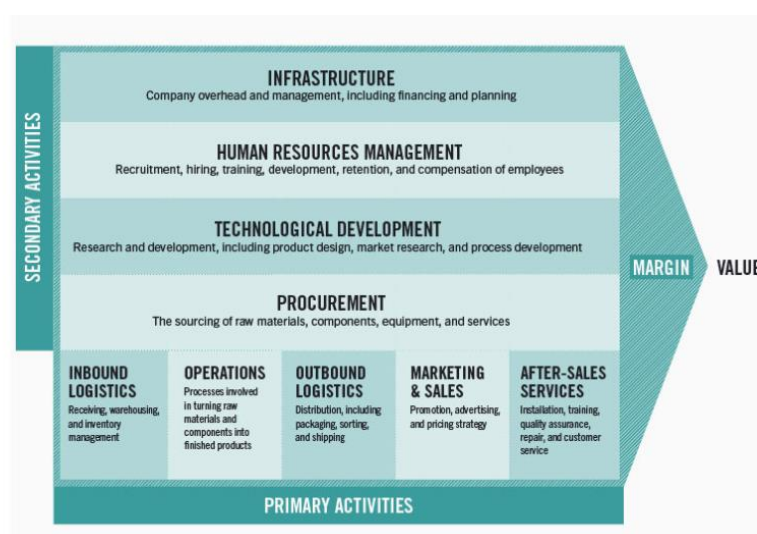
- Social media: Netflix has active social media platforms like Facebook, Twitter, Instagram where they can keep customers updated and customers can also reach out to them (Uenlue, 2019).
- User support: Subscribers can use the live chat option to reach the company or put a call through their designated numbers (Uenlue, 2019).

Revenue

- Subscriptions: The bulk of revenue generated by Netflix comes from monthly or annual subscriptions. Based on the fact that they have original content as a key resource, future licensing of these content to external platforms can also help generate income for the brand.
- Partnerships: Netflix is also able to generate income from the diverse partnerships they have. For example, they can collaborate on a big Bollywood movie, providing some key resources for the production and have a sharing ratio once the movie begins to generate revenue

Value chain analysis

Value chain can be defined as the different activities and processes a business undertakes to create a product or perform a service. It has several stages of the lifecycle of the product or service which includes research and development, sales amongst other activities (Stobierski, 2020). The value chain analysis therefore is used to create competitive strategies, understand what brings about competitive advantage as well as identify and develop relationships and links between activities that create value (Ensign, 2001).



The Value Chain

(Stobierski, 2020).

Primary activities

Inbound logistics

These are various events that are related to receiving, warehousing and inventory management of source materials and components (Stobierski, 2020). The in-bound logistics of Netflix are in form of partnerships especially with entertainment production outfits. This is done to be able to create appealing and engaging content for their subscribers further creating a competitive edge for the company. These partnerships are done in such a way that the content either is exclusive to Netflix for a certain period or premieres on the platform first (BSI, 2021). Netflix India can forge more partnerships with major Bollywood producers and enter a partnership to stream their movies six months after the movie premieres in the cinema. This can attract more customers to their platform and other people can have multiple viewings once the movie is on Netflix, as against revisiting the cinema.

Operations

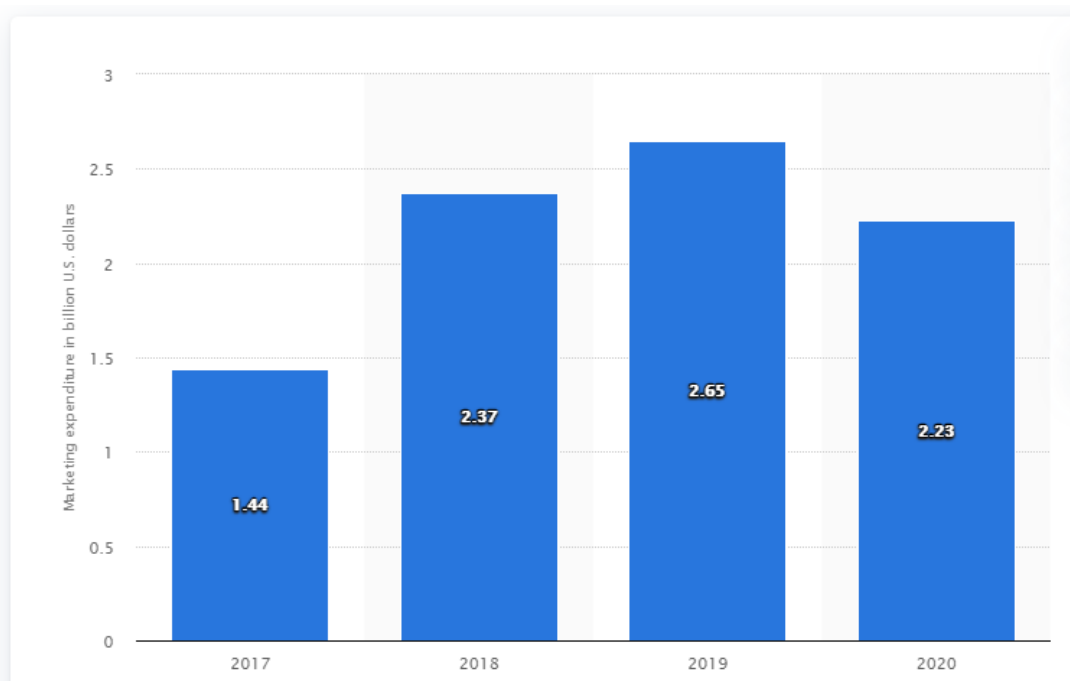
These are the diverse activities involved in ensuring raw materials get converted into finished products or services (Stobierski, 2020). The operations of Netflix mostly happen on its website/mobile application and this also includes the various processes backdoor that enable the application to function effectively. The content on their servers is hosted by cloud architecture, and they also connect different customer devices which allow them to use their account on their preferred device. They also have other features like search and organize, content arrangement into lists amongst others which enables the subscribers to have a good entertainment experience (BSI, 2021).

Outbound logistics

These are various activities that ensure the effective distribution of a product or service (Stobierski, 2020). The brand's outbound logistics include their application and website where content can be accessed from. Netflix has set up applications on iOS and Android platform where it can be viewed by members whose devices are on these platforms (BSI, 2021).

Marketing and sales

These are events that relate to the marketing and sale of a product or service (Stobierski, 2020). Netflix had a marketing budget of about \$2.24 billion in 2020 which was lesser than the previous year. They mentioned that the previous year had an increased budget because of the increased compensation given to employees and also an increase in advertising and payment to marketing partners (Stoll, 2021).



Global marketing spend of Netflix from 2017-2020

(Stoll, 2021).

After-sales service

Netflix has various ways they offer help to their members; they have a customer care centre where issues can be resolved. They also can be reached via email or through their social media platforms and they aim to resolve issues as fast as possible (Uenlue, 2019).

Secondary activities

These activities support the primary activities, further ensuring the competitive advantage is met (Stobierski, 2020).

Procurement

Procurement in Netflix means the ability to obtain movie licenses from other producers and this is very important for their operations. They ensure the content they acquire is appropriate for their platform which can attract new members. Due to the amount of original content produced, this also has provided an opportunity for original content creators to showcase their content to the brand and have their content purchased by Netflix (BSI, 2021).

Technological development

Netflix as a platform involves a lot of technology to operate. They use cloud infrastructure for their operations, and they have also done lots of investments in research and development in order to be on top of their game (BSI, 2021).

Human resource management

It has been said that the culture deck of Netflix has reinvented human resource management (Fuhl, 2020). The document has over five million views has been summarised into five important points:

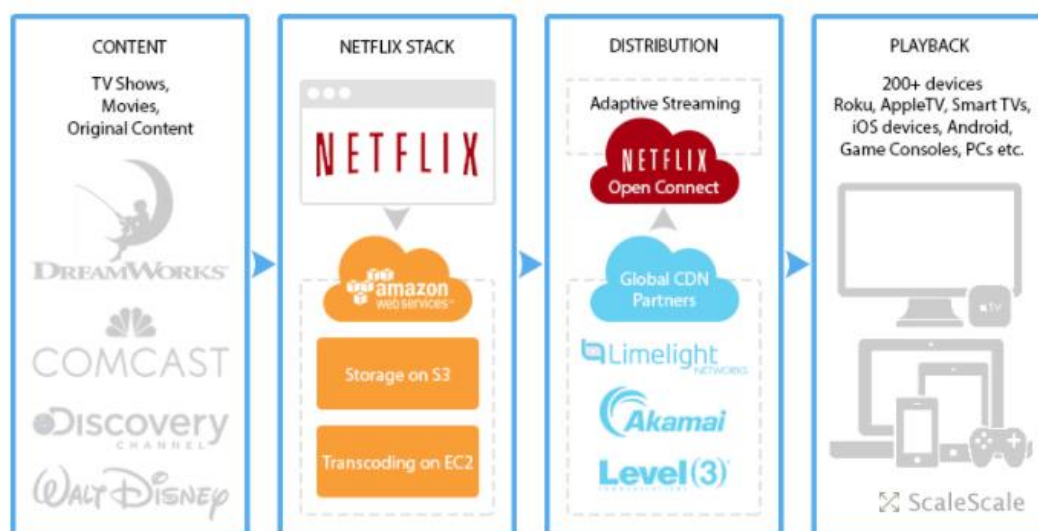
- Hire, reward, and tolerate only fully formed adults. Ask workers to rely on logic and common sense instead of formal policies, whether the issue is communication, time off, or expenses.
- Tell the truth about performance. Scrap formal reviews in favour of informal conversations. Offer generous severance rather than holding on to workers whose skills no longer fit your needs.
- Managers must build great teams. This is their most important task. Don't rate them on whether they are good mentors or fill out paperwork on time.
- Leaders own the job of creating the company culture. You've got to actually model and encourage the behaviour you talk up.

(McCord, 2014).

The above-mentioned points have led to a better value creation for the organization as well as reduce their competitive pressure. This has also encouraged the employees to be more motivated and committed to their responsibilities (BSI, 2021).

Infrastructure

It has been said that Netflix makes use of about 700 microservices. While some of these microservices archives the shows a subscriber views, another is responsible for the monthly deduction from registered credit/debit cards. Each microservice is responsible for the numerous technological activities that ensure content is streamed effectively at the member's output device. In addition to this, the experts behind the controls can make impromptu changes within the application and this does not affect the output, and ensuring everything is working as planned (Nair, 2017).



The Netflix infrastructural system

(Nair, 2017).

SWOT Analysis

Strengths

Market presence and customer base

Research has indicated that Netflix has over 150 million subscribers situated in about 190 nations and their geographical diversity has helped the brand reduce the risks of being overly dependent on a particular territory. Having subscribers all over also hints on the diversity of content the platform holds in order to cater distinctively to their various markets. Netflix has also developed an ecosystem for internet enabled devices as well as acquired more content over the years. Their growing membership has also empowered their operations (Global data, 2020).

Brand name and signature tune

The name Netflix resonates globally with premium entertainment. This can be attributed to the success of the brand in their various markets, as well as the exclusive original content the brand owns.

Weaknesses

Liquidity

In 2019, Netflix recorded a current ratio of 0.9 which fell from the ratio of 1.5 recorded in 2018. This fall could be attributed to the decline in their current assets between both years. Their current liabilities also jumped 6% in 2019. It was also observed that their current ratio was significantly lower than the general average of the telecommunications service industry. This therefore implied that they are unable to pay out their obligations (Global data, 2020).

Over-dependence on North America Market

Despite the fact that Netflix has operations in almost all countries in the world, they are quite reliant on the North American market. The company reported a revenue of about \$10b from North America alone and this figure is representative of about half of its total global revenue (Parker, 2019).

Opportunities

Strategic partnerships to enhance growth

An important aspect of Netflix's growth strategy is acquisitions which expand their library and in turn adds to the value they provide subscribers in different regions of operations. The company in 2020 expanded their distribution agreement with Sky network in the UK to offer customers an option of taking a basic plan on Sky Q. They also had a collaboration with Viacom18 studios in India to produce some drama series (Global data, 2020).

Reduced subscription fees

India has one of the lowest subscription fees from Netflix and this was done in order to attract more subscribers to their platform. If this strategy is adopted in other countries of operation, it may also attract price-sensitive customers to subscribe and gain access to premium entertainment (Parker, 2020).

Threats

Government regulations

The government of India recently updated their laws guiding content on digital platforms. These laws if breached could lead to the disengagement of Netflix in India. This means that content available in India must meet the required standards.

Third-party vendors

Netflix makes use of a third-party network provider called Amazon Web Services (AWS) for their network infrastructure, storage capabilities, data processing amongst other related services. This puts the brand at risk in the event of a disruption in the cloud interface from AWS as such would disrupt activities for Netflix (Global data, 2020).

Growth strategies

One of the frameworks used to analyse business growth is the Ansoff matrix. This was developed in 1965 by H Igor Ansoff and is an approach to analyse product-market growth. The framework has two axes which are new or existing products and new or

existing products; these are further divided amongst four quadrants: market development, market penetration, product development and diversification (Oxford reference, 2021).

Market development

Netflix can find uncharted territories to begin operations. Despite the fact that they are already in over 190 nations, they currently are not in China which is one of the world's most populous nations (Netflix, 2021). Gaining entry into this market can significantly increase their global market share. However, if direct entry is not possible due to country's regulations, they can partner with similar SVOD platforms in China which can be a foot through the door for them, before looking for other ways to be a stand-alone brand in the future.

Market Penetration

This is an important growth strategy for Netflix especially in the expansion of their operations. With operations in over 190 countries and a subscriber base of about 207 million people (Stoll, 2021) and a global digital population of about 4.66 billion (Johnson, 2021), Netflix has a market share of about 4% from the global use of internet users. Whilst there are other factors like multiple SVOD platforms globally, there is still some scope for them to increase their market share. This can be done through other related activities like partnerships in various nations they are operational within.

Product development

Netflix is constantly engaging in production due to the nature of the business. A popular saying states that content is king and for them to build on their competitive advantage, they need to constantly churn out good content to keep subscribers happy. This is evident in the heavy budget earlier mentioned that has been dedicated to original content. A suggestion along these lines would be that they open another exclusive production studio that partners with another set of producers where they produce content for other platforms besides this, this can help increase brand visibility.; after an agreed period, they can add these contents to their own catalogue for viewing.

Diversification

Netflix can decide to create a cheaper platform has includes paid advertisements so as to create another stream of income. They can also develop and sell their own cloud architecture instead of relying on the AWS – this would ensure they are totally in control of their content distribution processes and they can monetise the system by selling to smaller related companies.

Green strategy

Netflix's sustainability strategies focus on these aspects:

Minimum use of electricity

They ensure that devices are turned off after use within their official premises to conserve energy. Their servers are also programmed to increase efficiency yet reduce energy use (Hunt, 2017).

Renewable sources of energy used in their facilities

In April 2017, Netflix joined the Green Power Partnership program which encourages businesses are committed to using green power. This has put them in check to be mindful of the energy they consume as well a finding sustainable way to use this energy, ultimately protecting the environment (Hunt, 2017).

Recommendations

How can Netflix increase their subscription base in India to 100 million? As suggested above, a mixed method approach can be used to achieve this over a specific timeframe. Some of these methods include: expanding partnerships with telecommunications companies like Airtel and Vodafone India; this will enable them benefit from the network's subscription base. This can also tie into their pricing strategy as the prices can be negotiated with each network provider. This can enable subscribers switch between networks or even own multiple networks to be able to covet their benefits.

In order to penetrate deeply into the Netflix market, they can have a strategic alliance with locally owned SVOD and television platforms where they produce some of the content. This in turn increases their brand visibility and can ultimately translate into revenue over the years. They can also work with local movie producers who produce blockbuster cinema releases where an agreement is made in principle that they provide certain resources for the production of the movie and after a certain period of time, they have the rights of airing the movies on their own platform.

Regarding their operations in India, it is recommended that they use a horizontal decentralised approach as against a top-down approach; this is due to the sensitivity of the market and having indigenes manage affairs will work in the best interest of the company. Their global strategy may have to be reconsidered if Netflix wants to succeed in India and this is because of the business and economic terrain of the nation. They may have to adopt some local strategies as well as abide by government regulations regarding digital media use, which is unorthodox in other nations.

Conclusion

This report set out to analyse the strategic management process of Netflix, using Bollywood as a case study. The case study is an interesting one because India is the most populous nation in the world making it a target market for many industries, however, Netflix seemed to struggle in gaining grounds in the nation. It was observed that Netflix has operations in over 190 nations and they have invested and are still pumping lots of funds into the production of original content. They make use of penetration pricing strategy to ensure they are affordable and this has led them to form strategic alliances with diverse companies that are instrumental to their success in their regions of operations.

The above recommendations can boost Netflix's presence in India which in turn can increase revenue for the company. This however brings forth a question of whether they are very keen on generating revenue instantly or ensuring the whole nation is aware of the brand. If they work towards making sure the brand is adequately recognised in India, there is a possibility of this yielding increase in the future, as they maintain their competitive advantage in creating appealing content for the Indian subcontinent.

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