

INNOVATION PROPOSAL

NETFLIX SOCIAL ©



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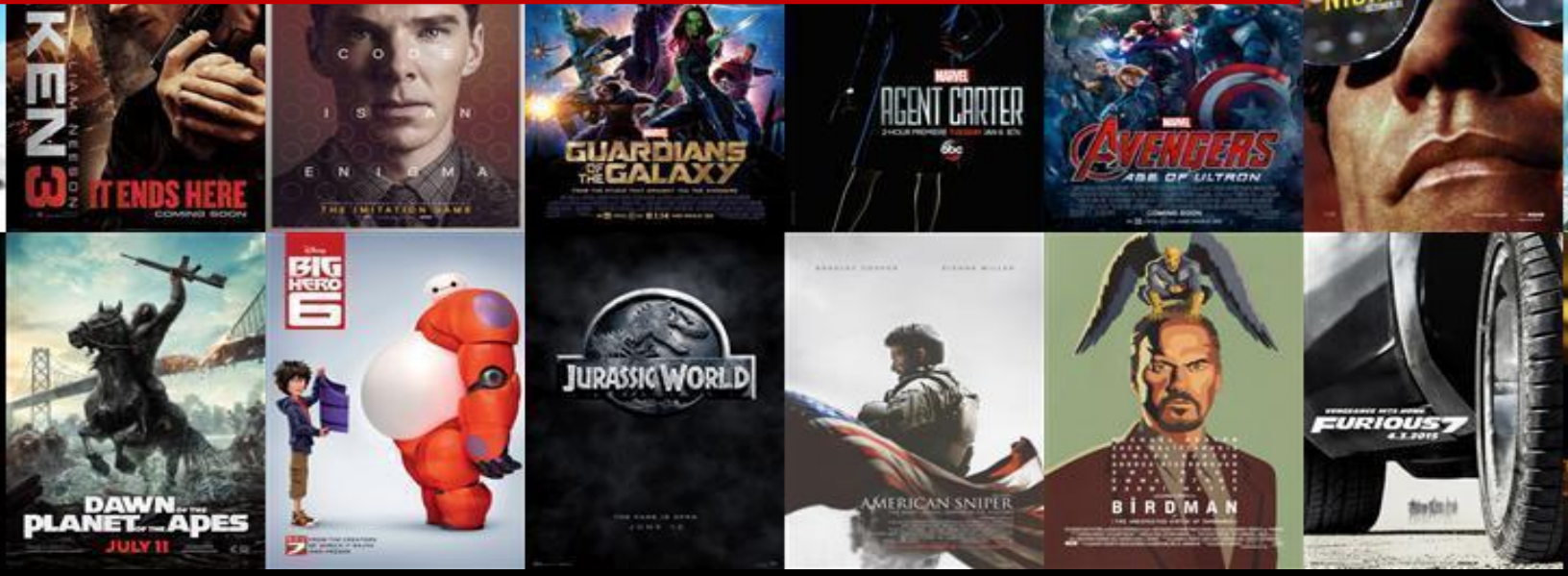


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EXECUTIVE SUMMARY



With over 140 million subscribers, Netflix has built a strong and reputable brand in the OTT industry. Its current market leading position faces threat by niche services and large production studios entering the subscription-video-on-demand space. Netflix Social is the new product innovation by the streaming giant. Netflix Social is an extension to the current service and comes at no additional cost to all Basic, Standard and Premium subscribers. It allows streamers to link their Netflix account with their social media and build a profile page where they can share their cinematic tastes with their network. Through the use of peer-to-peer recommendations, Netflix Social aims to bring people closer to titles they will actually enjoy and restore the memorable experience of watching the *perfect film*. Gamification via badges, points and stats increases the active participation of users and contributes to the loyalty they have towards the platform. Netflix Social will roll-out in North America and UK in Q3 of 2019, on 50 000 exclusive accounts. The plan is to have 50% of Netflix streamers logged on to the network by Q3 of 2020. With the power of organic word-of-mouth and leveraging on the intense and active brand relationships built overtime, Netflix Social will a blue ocean for Netflix in a crowded market.

1. CORPORATE PROFILE

Principle Activities:

Netflix originated as an online DVD-rental store in 1997 (Keating, 2012). Since 2007, the corporate strategy shifted towards dominating the OTT (Over the Top) industry, via a subscription-based content streaming platform.

Coverage:

Netflix operates in all but 4 territories worldwide (see Fig. 1). The internationalization process began in 2010, by entering the Canadian market and global expansion followed in 2016 (see Fig. 2).

Fig. 1 Coverage worldwide: ■ = areas with no operations

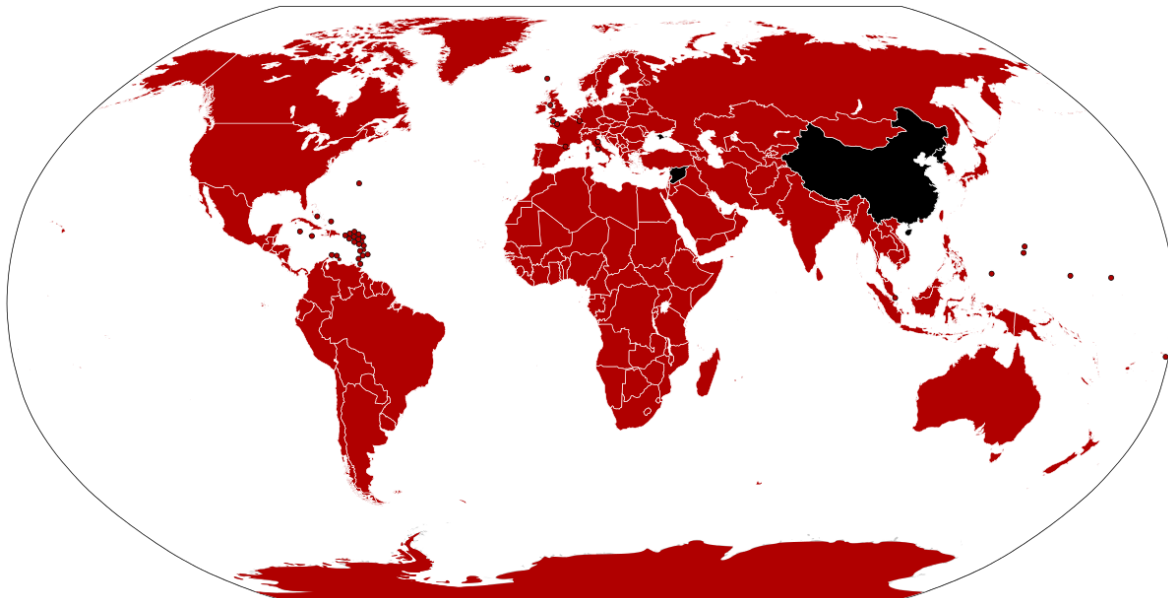


Fig. 2 Timeline of Internationalization



2. INTERNAL & EXTERNAL ASSESSMENT

INTERNAL

STRENGTHS

1. Strong brand with international dominance
2. 148M users in 190 countries
3. First mover advantage / market leader
4. Content diversification based on region and local partnerships
5. Subtitles and audio in many languages
6. Content accessible from any device (smartphone, laptop, etc.)
7. No commercials or advertisements
8. Award-winning Netflix Original content exclusive to platform
9. Offer greater creative control to producers than traditional TV stations or movie studios (Patel, 2018)
11. Range of content (Third-party, Netflix Originals, Innovative interactive films - Bandersnatch)
11. Exclusive partnerships with prolific Hollywood directors → Martin Scorsese's most expensive production (\$190m) due to air in 2019
12. Promising growth figures (Fig. 3)

WEAKNESSES

1. Very expensive third-party content licencing (e.g. 100m per year for the TV show Friends)
2. Industry competitors (Disney, Discovery, AT&T) are reappropriating content rights to their own platforms
3. Subscription prices and indebtedness is rising, to finance production of original content
4. Recommendation system is perceived to be inaccurate and lacks a personalized feel
5. Lack of interaction between users on the platform
6. Rising customer acquisition costs due to the pay-wall business model → difficult to differentiate and show added value to consumers compared to pirated content or other competitors

EXTERNAL

1. Alternative revenue streams from diversified product/membership offerings (e.g. niche offers with more customizable content options)
2. Improved customer insight on what consumers like → will result in cost-cutting by terminating licences to unpopular content.
3. Leveraging on the strong relationships with customers to increase the sense of community.
4. Capitalizing on emerging markets (strategic alliances to provide more tailored, country-specific content)
→ a joint venture will allow entry into China,
5. Look to diversify operations aside from content streaming to increase value and retain users

OPPORTUNITIES

1. Strong competitive pressures from established media production studios (BBC, CBS, Viacom, HBO etc.)
2. Emerging direct competition in the SVOD segment → 5 new platforms to launch this year
→ Apple+, Disney+, NBCUniversal, Warner Media, Criterion Channel
4. Existing platforms are growing and developing niche competencies to seize market share
→ Amazon Prime Video, YouTube Premium, ESPN+, Mubi
5. Other Video on Demand (VOD) revenue models may attract more users due to lack of a paywall:
→ Pay-per-view (PPV),
→ Transactional VOD (TVOD)
→ Advertisement-supported VOD (AVOD); (30% forecasted YoY growth for VOD) (Pelts, 2016)
6. Piracy of content is a continuous concern for any entertainment firm, resulting in indirect losses in revenue and inaccurate viewership statistics (Opam, 2017; Pelts, 2016)

THREATS

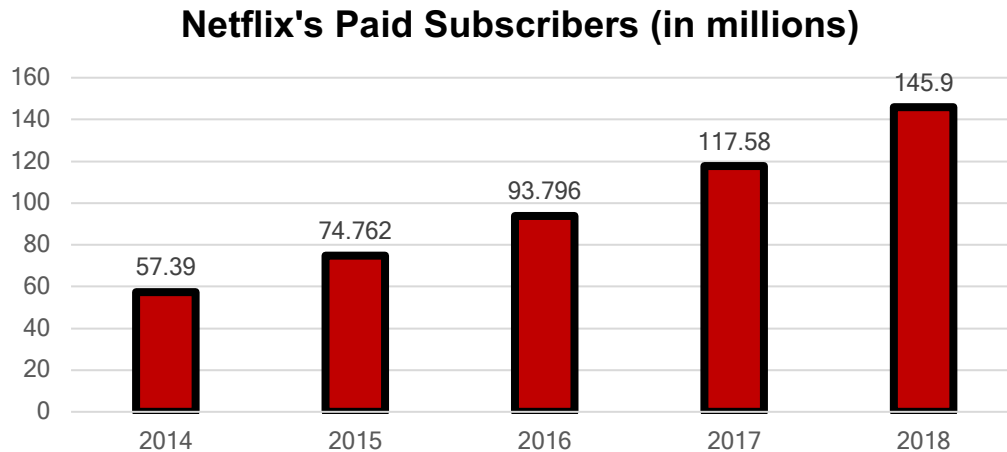


Fig. 3 Subscriber growth overtime (Netflix, 2019)

Netflix's as a Meaningful Brand

As proven by the substantial year-on-year increase of subscribers (Fig. 4), Netflix has established a strong brand identity and meaning. The platform ranks near the top in consumer's minds when thinking about video-streaming, indicating strong depth of brand recall. (Statista 2019). Additionally, consumers seek Netflix's services not only when wanting to watch a movie, but in their moments of free time. This implies a range of use cases for the Company, and thus significant breadth of brand recall (Keller, 2001). Netflix achieves the highest level of the Customer-Based

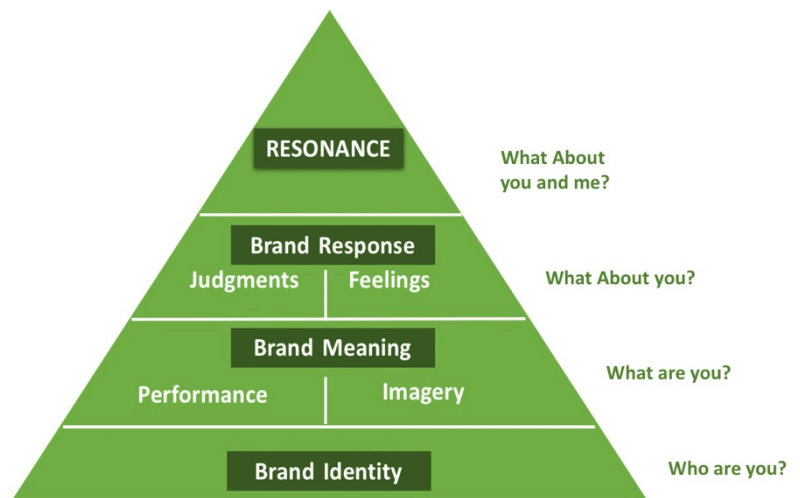


Fig. 4 Keller's Brand Equity Model – CBBE Model

Brand Equity model – brand resonance. Reaching resonance relies on forging *intense* and *active* brand relationships with customers (Keller, 2001). Regarding intensity, Netflix's users experience strong attitudes and sense of community, with the phrase "Netflix and chill" becoming synonymous amongst millennials with relaxing and spending free time. Whereas activity (i.e. how frequently consumers use the product), can be supported by the company's statement that 140 million hours of content are streamed by users every day (Pesce, 2019), indicating the day-to-day loyalty of consumers to the platform.

Competition:

According to the annual report Netflix competes indirectly with various entertainment sources for the “moments of free time of consumers”. They refer to this strategy as “obtaining moments of truth (Netflix 2019).

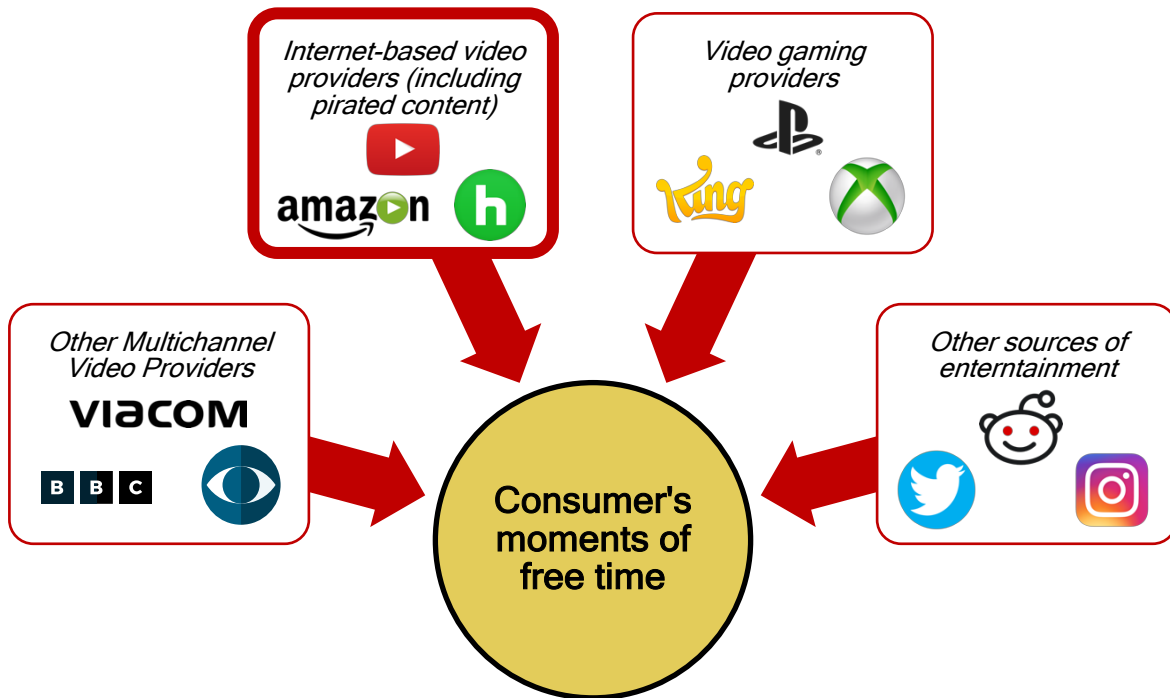


Fig. 5 Indirect competitors for ‘the free time of consumers’

Directly, Netflix competes in the OTT industry (bold in Fig. 5) and specifically within the subscription-based streaming market. Netflix has been a pioneer in the distribution of media in the modern day. The move from DVD-rental to OTT is an example of the company’s focus on Blue Ocean strategies, resulting in Netflix single-handedly creating the concept of “movie streaming”. Recently, the OTT industry and specifically the Video-On-Demand sector is facing and will continue to face high saturation, creating a “red ocean” around Netflix’s operations.

Red Ocean is a metaphor for industries/markets with well-defined boundaries and rules for competition (Kim & Mauborgne, 2005). Red Oceans are characterized by a zero-sum game trade-off between market share and utility. In other words, one company's gains are achieved at the expense of another company's losses (Kim & Mauborgne, 2005). This is particularly true in the Subscription-Video-On-Demand market, where consumers have to make a commitment to a platform by paying a reoccurring fee. Therefore, a consumer's choice of Netflix over Amazon Prime, directly represents a loss for one and gain for the other.

Current and Future Position in the Market

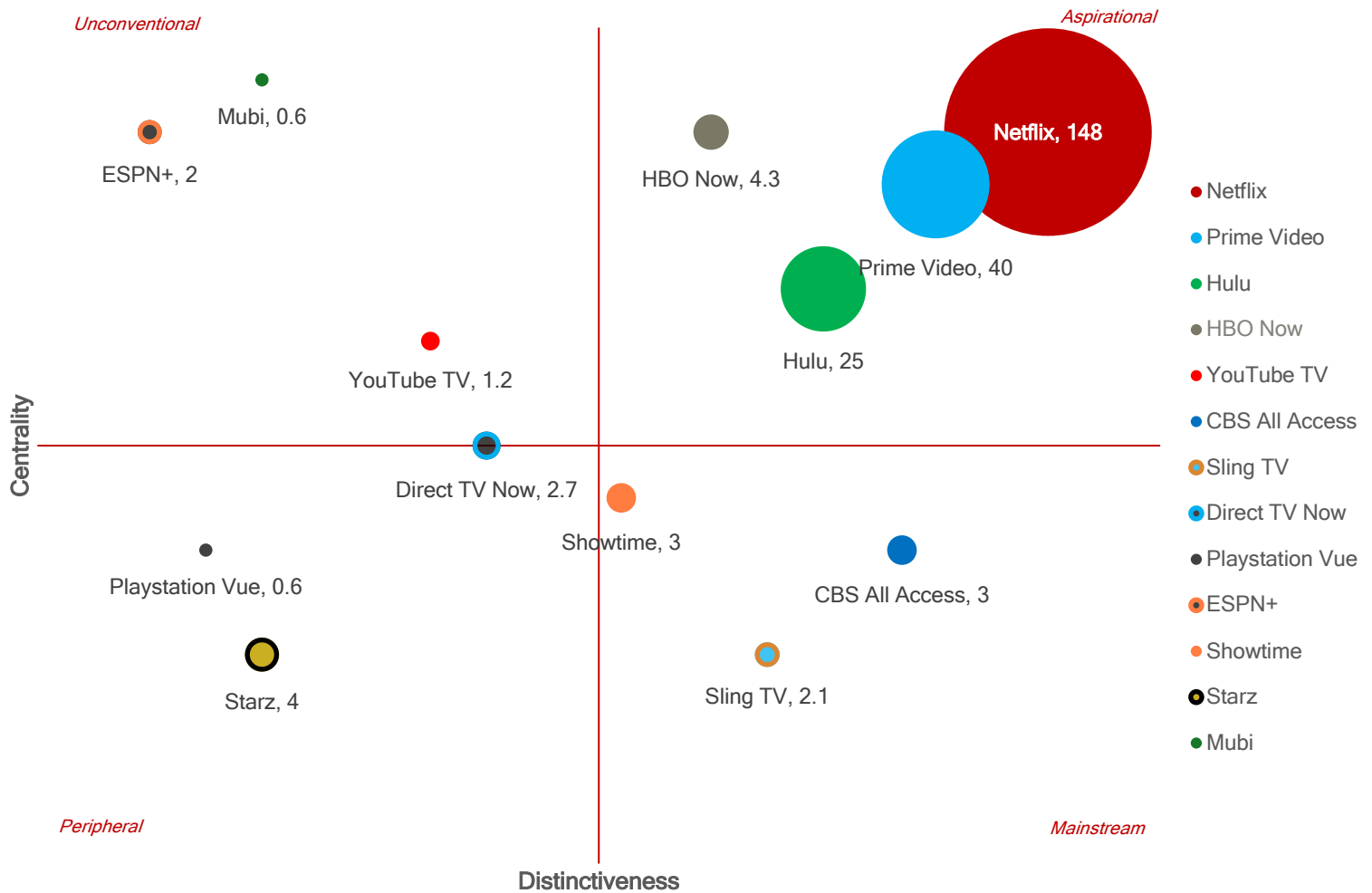
To optimally illustrate the current market position of Netflix in the VOD segment and to determine its future strategy and resource allocation, a C-D map is constructed. The C-D map connects a brand's position on a perceptual map with business outcomes (Dawar & Bagga, 2015). Furthermore, it gives a visualization of two main, seemingly contradictory, goals that marketers aim to achieve in a given product/service category:

1. Centrality – making a brand most representative of its type;
 - i.e. The brand ranks 1st in the consideration set in the minds of consumers (Keller 2001) and it is used as a benchmark for comparing other brands in that category.
2. Distinctiveness – the degree to which the brand stands out from the rest.
 - i.e. offer unconventional products/services and avoid direct competition with widely popular, central brands.

Achieving a successful balance between centrality and distinctiveness is essential. The positioning of a company will have an effect not just on how the brand will be perceived, but also on the sales volume, pricing and profitability in the future (Dawar & Bagga, 2015).

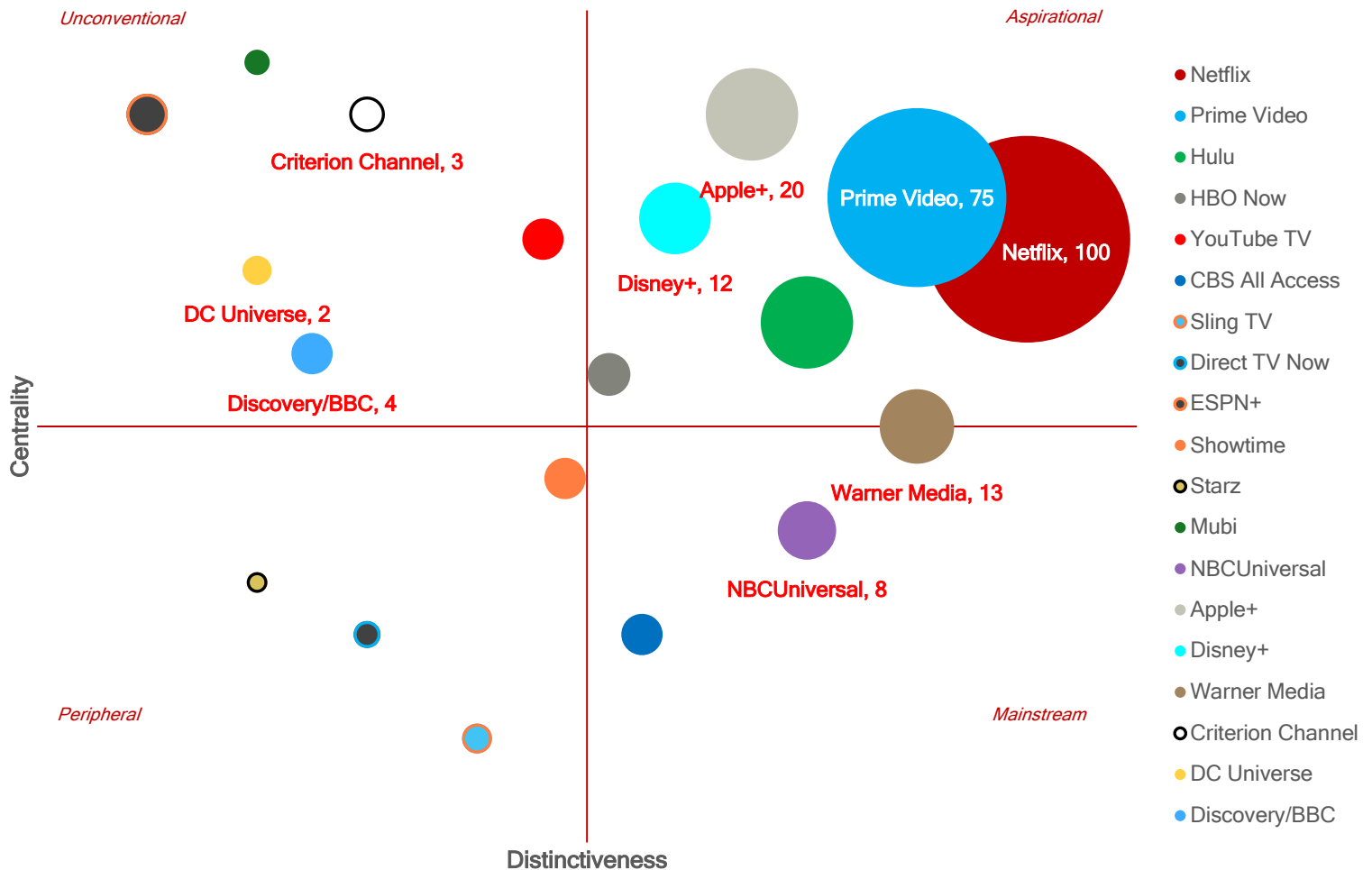
Turn the page for C-D Map comparison of SVOD market in 2019 and 2021 →

Fig. 5: C-D Map of the SVOD Market in Q2 2019 (bubble size = subscribers in millions)



The map above presents an analysis of the current positioning of players in the SVOD market [see Exhibit B in Appendix]. Netflix is positioned as an “aspirational” brand and appears to be the market leader with an effective balance between centrality and distinctiveness. Netflix achieved highest centrality due to its first-mover advantage, global presence and depth of brand recall. The Company’s distinctiveness comes from continuously updating its content library and the recent acclaim of Netflix originals such as Bird Box, Roma and Stranger Things, among subscribers and non-subscribers. Currently the market appears to have low saturation, with few direct competitors to Netflix (Prime Video – the closest), and other smaller services occupying a distinct position in each quadrant.

Fig. 6: C-D Map Forecasting the SVOD Market in Q2 2021 (bubble size = subscribers in millions)

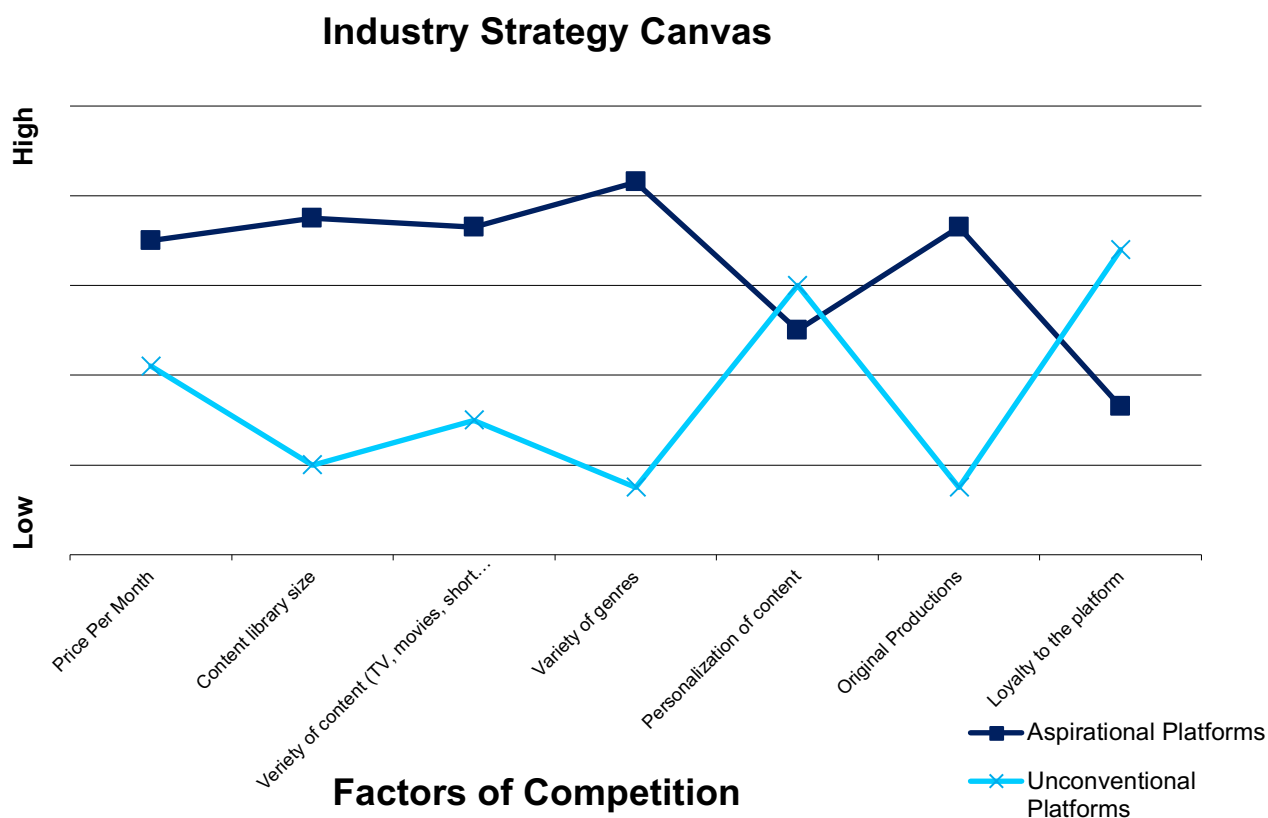


The SVOD market in 2021 appears to have much higher saturation than its current state. The introduction of new streaming services by major production studios (new entrants in red), will have a significant impact on Netflix's positioning and that of other players. The zero-sum game previously mentioned, is clearly reflected in the decrease of forecasted subscribers to Netflix at the expense of an increase in users of new and developing platforms. Netflix will continue to remain central to the market due to its rigid current positioning but will decrease in distinctiveness. The decrease will come from the emergence of more niche services (e.g. Criterion Channel – specializing in classics and foreign language; Discovery/BBC – documentaries and nature) and the reappropriation of rights to original content by production studios who had previously partnered with Netflix (e.g. Disney, Universal). Lastly, Apple's move into SVOD and its new Apple TV app, will offer partner services a platform to advertise their content to anybody with an iOS or OS device – 1.4bn devices (Bloomberg 2019). Netflix refused to participate in Apple's new update due to competitive fears, making its future even more uncertain.

3. FROM RED TO BLUE OCEAN

Strategy Canvas

The analysis above implies that two types of services will thrive in the saturated market. First, huge platforms like Netflix, Apple, etc., which are going to replace traditional networks. Second, unconventional services offering hyper-targeted content with a specific creative filter, catering to a specific audience (Castillo, 2018). On the basis of this argument and using Kim and Mauborgne's (2005) theoretical framework, an strategy canvas is constructed to gain insight on how to redefine the market and reconstruct buyer value elements that reside across industry boundaries (Kim and Mauborgne, 2005):



In the case of aspirational platforms, the issues lay in the lack of personalization and of loyalty to the platform. Streamers who subscribe to large services base their purchase decisions entirely on the size and reputation of the content library offered and will easily switch subscriptions if a service with better titles comes along. In pursuit for a blue ocean, Netflix must drive personalization and loyalty up. A rise in these two factors will move the Company away from head-to-head competition, eliciting significant cost savings and increasing the overall value offered to consumers.

The Movement Game:

Netflix owes its success to its ability to create new demand and innovate within the industry it operates in. Netflix's competitive advantage is built on being a *proactive firm*. Proactive firms are those that embrace new information entering the system, allow for it to disrupt current operations, and adapt in response to the chaos caused by this disruption (Valdani and Arbore, 2013).

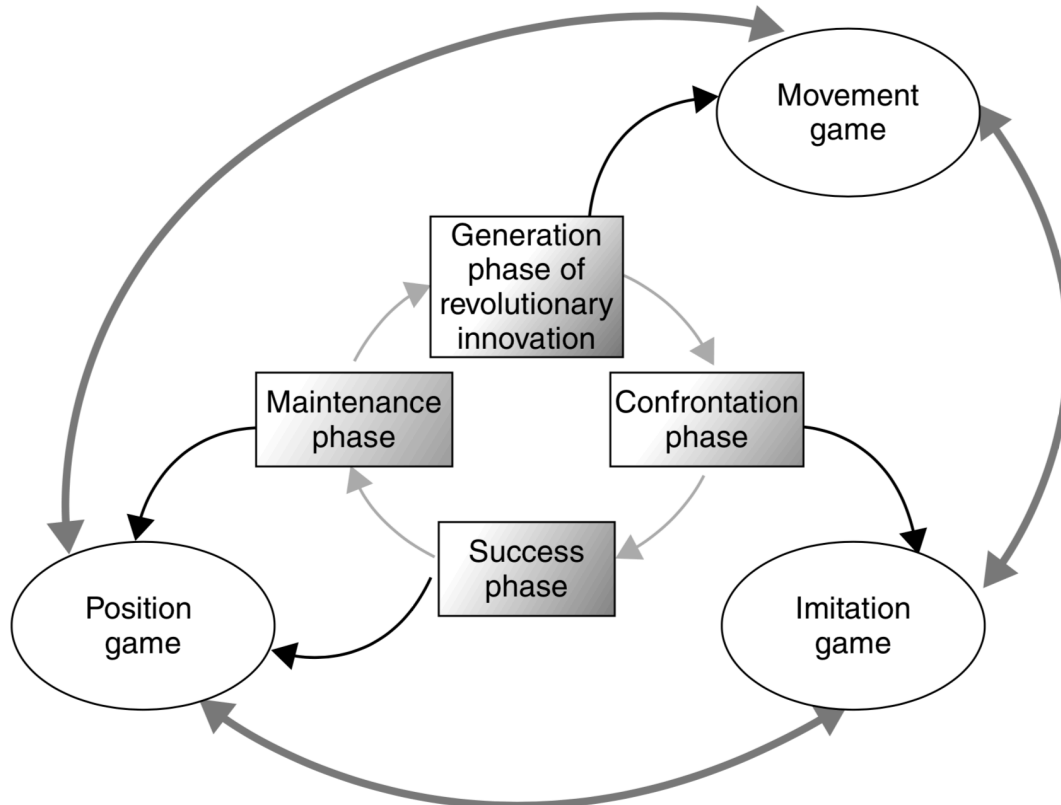


Fig. 7 Innovation cycle (inside) & competitive games (outside)

Figure 7 looks at how a firm can stay proactive, through a Competition-based view. The view suggests that a firm's ability to generate value depends on the competitive game it is playing: Position, Movement or Imitation game (Valdani and Arbore, 2013).

Historically, Netflix was able to break the status quo and engage in a movement game at the right time when new information entered the system.

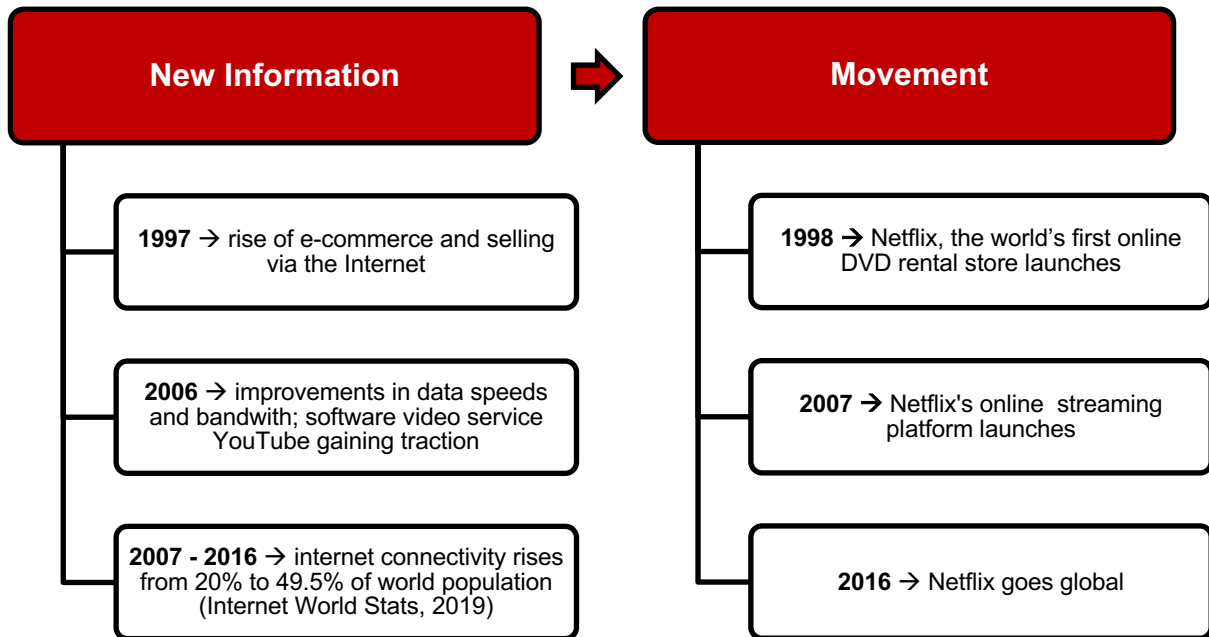


Fig. 8 Netflix as a proactive firm

Since the rise of streaming competitors over the last decade Netflix has engaged in a position game. In a position game, the boundaries are clearly known and maintaining control over a market space equates to continually offering more for less (Valdani and Ardbore, 2013). Netflix's increase in debt undertakings to finance large investments in original productions is an attempt to offer a larger library to users at a fixed price (i.e. more for less). This approach is not enough in portraying value to customers as forecasted in Fig. 6, and the firm needs to revert back to the innovation cycle to break the status quo similarly to the past.

Introducing Netflix Social[®]

Netflix Social will be an additional service offered to new and existing Netflix users. It will be placed as an extension to the current website/mobile app and will come at no additional price to the current subscription. Netflix Social allows streamers to link their Netflix account with their social media and build a profile page where they can share their cinematic tastes with their network. Most of all Netflix Social allows for direct peer-to-peer recommendations, so users can suggest content to their friends and family directly on the platform. The extension also displays key insights about the user's watching behaviour directly on the page. Statistics attracts attention, keeps users engaged and give Netflix another use of the large amount of data they already collect from each user.



Fig. 9 Netflix Social

Netflix Social will contribute to the retention of Netflix's market leading position by shifting the Company's value proposition from providing a service to providing experiences. Experiences occur when a company intentionally uses services as the stage, to engage individual customers in a way that creates a memorable event (Pine and Gilmore, 1999). The feeling after seeing a good movie creates a memorable event for consumers in itself, but often this experience is overshadowed by the lengthy and disappointing selection process. Nowadays, the vast amount of options, inconsistent ratings of movies online, and the failure of AI algorithms to predict human sentiment conflicts with Netflix's ability to create such meaningful experiences.

Breakthrough Features Crafting the Experience

1. *Organic word-of-mouth / peer-to-peer recommendations*

Description → *share with a friend or post publicly on your profile*

Consequence: Receiving WOM is considered superior to formal marketing activity due to the unbiased and trustworthy nature of the communication (Nguyen and Romaniuk, 2014). The peer-to-peer recommendations create meaning for the recommendation receiver, who gets genuine suggestions from people who know her taste, reducing the length of the selection process. It creates meaning for the recommendation giver too, since voicing an opinion increases self-worth, therefore WOM provides the potential for self-enhancement of recommenders (Nguyen and Romaniuk, 2014). Lastly it also allows for cost-cutting by Netflix. The Company can directly track the organic conversation between users about their content and decide which licenses to renew and which movies/shows to take off the platform using meaningful data. Research suggests that in news and entertainment, the quirky and novel stories are shared between consumers, more than major headliners (Berger and Milkman 2011), allowing Netflix to also capitalize on smaller-scale titles.

2. *Gamification*

Description → *Receive points or badges for various interactions on Netflix Social, interaction increases profile rank.*

Consequence: Gamification is the process of enhancing services with (motivational) affordances. This is done to invoke interactive experiences and further behavioral outcomes (Hamari, Koivisto and Sarsa, 2014). The most effective affordances (or features) that lead to positive impacts on behaviour are the incorporation of points, leaderboards and badges (Hamari et al., 2014); all three will be integrated within Netflix Social. These features will increase user's loyalty to the platform, as considerations for switching to a competitor will trigger loss aversion, e.g. all earned points and badges will be lost. Gamification will shift Netflix from providing entertainment to a more escapist experience, by increasing active participation and immersion of consumers on the platform (see Fig. 10).

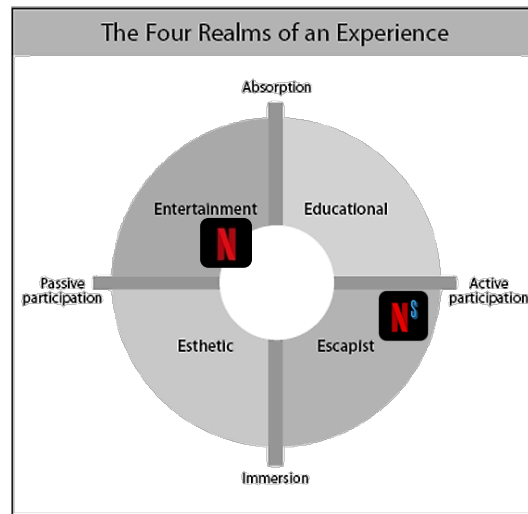
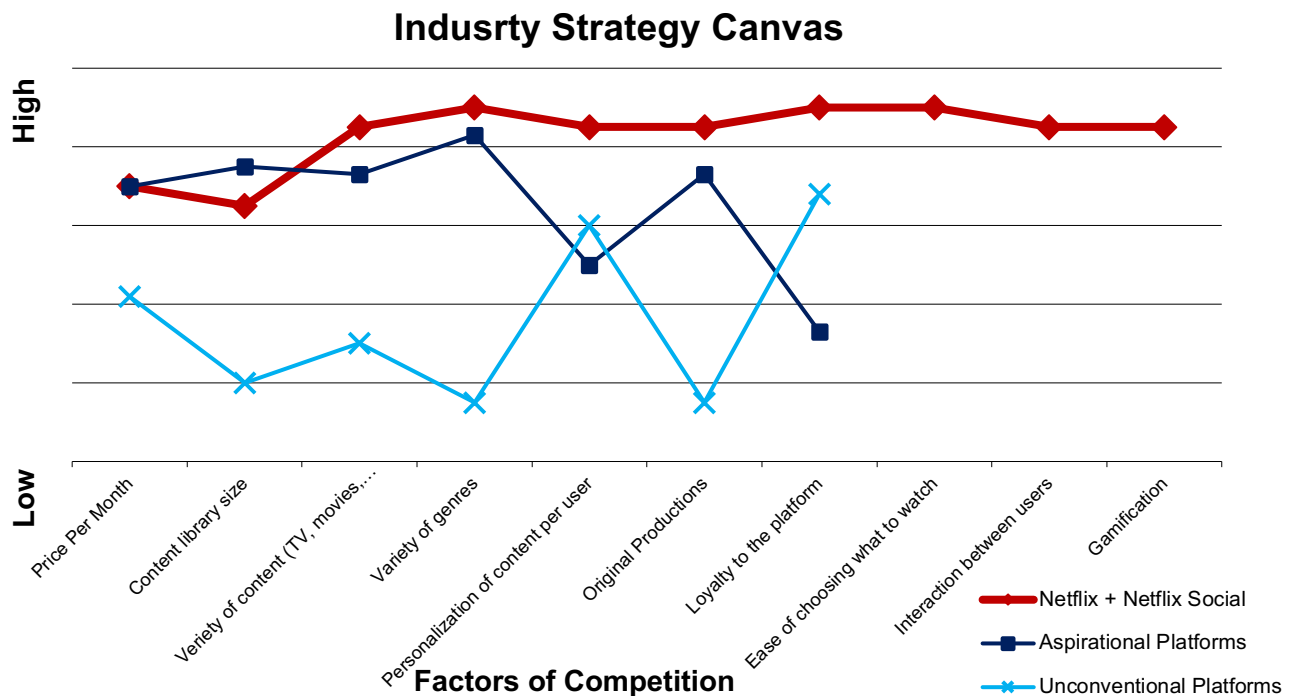


Fig. 10 Netflix vs. Netflix Social categorization of experience (Pine and Gilmore, 1999)

On the basis of the innovation analysis above, a new Strategy Value Curve is constructed to show where Netflix will rank compared to the industry, after the launch of Netflix Social:



- The content library size factor will reduce by a little due to increased market intelligence, showing which titles are not discussed sufficiently and should be dismissed.
- Loyalty and personalization will increase thanks to the tailored recommendations and gamification of the extension.
- Three Blue Ocean factors arise as a consequence of the organic WOM and in-game elements of Netflix Social. High user interaction simplifies the selection process, improves the overall service and reengages Netflix back in a movement game (see Fig. 7)

4. IMPLEMENTATION PLAN

Network Effect

Netflix Social's implementation will be based on the principles of a social media platform. The most important factor when designing product of this kind is the notion of the network effect. The immediate value that the innovation will bring since day 1 will be low, because the value of networks increases as their size increases (Banton, 2019). That is why the placement of Netflix Social and communicating that the value lays in interacting with close friends, will be essential to how easily the extension is adopted. To overcome the slow initial stages of networks, Netflix will use an "invitation-only" trial-campaign to increase demand and create a viral element around the innovation using WOM.

Invitation-Only

Invitations will be sent via e-mail and will give exclusive access to Netflix Social to 50 000 accounts in North America (35 000) and the UK (15 000), as these are the regions where the SVOD market is most saturated (see fig. 6). The accounts will be selected randomly as long as users have passed the benchmark of 40 hours streamed in the last month, slightly above the time spent by an average Netflix user – 35 hours (Pesce, 2018). Each selected account will receive 10 additional invitations to ask friends to join. This will communicate to consumers that the value of the innovation is in creating your own network of people with familiar tastes. The campaign will overcome the tradition barriers of customer resistance, via change agents (leading edge strategy) (Ram and Sheth, 1989). By inviting consumers in saturated markets, we will use their experience and knowledge of the industry, as means of communicating to developing regions about the value of the innovation.

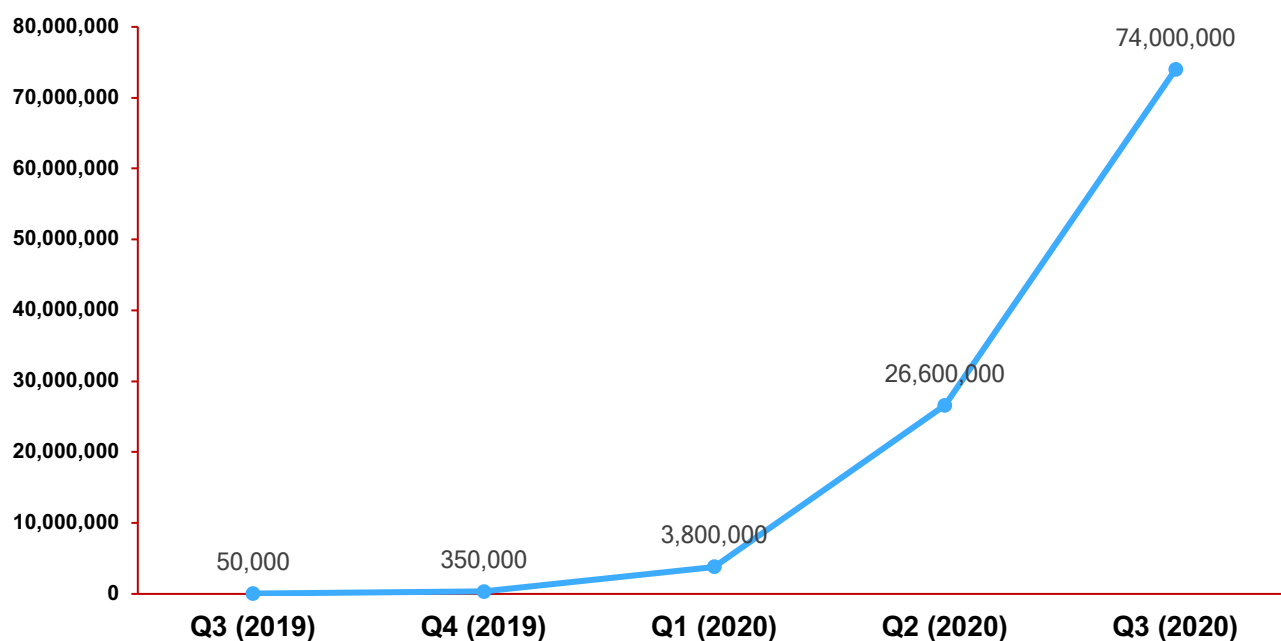
Netflix Social will not require downloading a new app or making a separate account to join the network. This will have positive effects on the pace of adoption and will help overcome the usage barrier of customer resistance, by integrating innovation with preceding activity (Ram and Sheth, 1989).



Fig. 11 E-mail invitation

The campaign will start in Q3-2019 and will be the only way to get access to the extension, adding exclusivity to the new service. If by Q4-2019, customer acquisition has surpassed 350 000 (i.e. 70% of the exclusive referrals have been redeemed), then invitations will extend to 20 000 users in every country of operations (benchmark of 40 hours of monthly streaming still applies). The launch of the extension to all users globally will occur in Q2-2020. It is predicted that 50% of Netflix subscribers would have joined the Netflix Social network by Q3-2020.

Fig. 12 Network Effect
Forecasted Number of Netflix Social Accounts



Budgeting

Netflix's R&D expenses for 2018 equaled \$1.2bn (Netflix Annual Report, 2018), which signifies the magnitude of the potential budget that the company has to spend on incremental and radical innovations. To calculate the initial price of building the MVP (Minimal Viable Product), a breakdown of the essential features, and the duration of the work required, must be conducted:

Feature	Duration
Registration: <ul style="list-style-type: none"> • Name, email, ID • Synchronizing social media account with Netflix • 3rd API's 	100 hours
Basic Set of Features: <ul style="list-style-type: none"> • Newsfeed/activity feed • User profile • Refer a friend +Social sharing • Messaging/chat • Help center 	500 hours
Advanced Features: <ul style="list-style-type: none"> • Push notifications • Image filtering • Video processing 	250 hours
External Features: <ul style="list-style-type: none"> • Secure data travel • Connection to third-party API's 	180 hours
Admin Panel: <ul style="list-style-type: none"> • User data control • User analytics • Crash reporting 	300 hours
<u>Total:</u>	<u>1330 hours</u>

iOS development is most expensive, and will therefore be used as a benchmark in estimating total development costs (salary information courtesy of Upwork, 2019):

<i>Type of iOS Developer</i>	<i>Experience and Skills</i>	<i>Estimated Hourly Rate</i>
<i>Basic iOS Developer</i>	iOS fundamentals: wireframing and storyboarding Objective C and/or Swift Xcode IDE	\$15-40+
<i>Intermediate-Advanced iOS Developer</i>	Fundamentals Frameworks/APIs like Foundation/UIKit, and Cocoa Bug tracking system like Bugzilla Dependency management tools Version control with GitHub	\$35-75+
<u>iOS Developer & UI/UX Designer in one</u>	App development Create mockups with Photoshop/Proto.io Apply color schemes and typography Apple Human Interface Guidelines	<u>\$75-180+</u>

Estimated Costs:

1330 hours * \$180 = \$239 400 → Development Costs for iOS

1330 hours * \$100 = \$133 000 → Development Costs for Android

1330 hours * \$80 = \$106 400 → Web Development Costs

Total Dev. Costs = \$478 800

Marketing Costs:

E-mail Newsletter = \$25 000

Total Costs = \$503 800

Considering the large R&D budget of Netflix, the innovation appears cost-effective and will cause little financial trouble to the Company to implement. Marketing costs usually inflate the budget when rolling out a social platform, yet thanks to the “invitation-only campaign”, these costs will intentionally be kept low, encouraging organic WOM and sparking virality. Netflix social will also cause the general customer acquisition cost, which rose from \$107 per new subscriber in 2017 to \$204 in 2018 (Netflix, 2019), to decrease by roughly 15% (estimated). New users will be incentivized to join Netflix because their friends are interacting on the platform, therefore less will need to be spent on marketing.

5. USER EXPERIENCE (UX) & USER INTERFACE (UI)

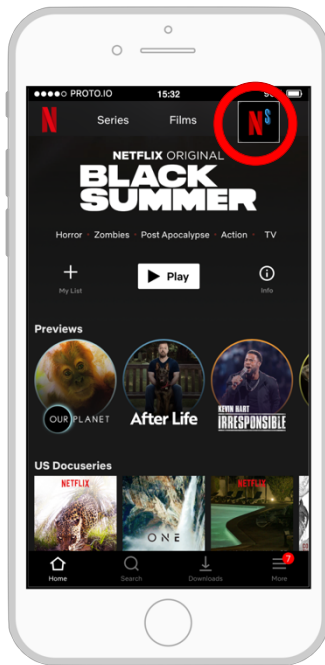


Fig. 13

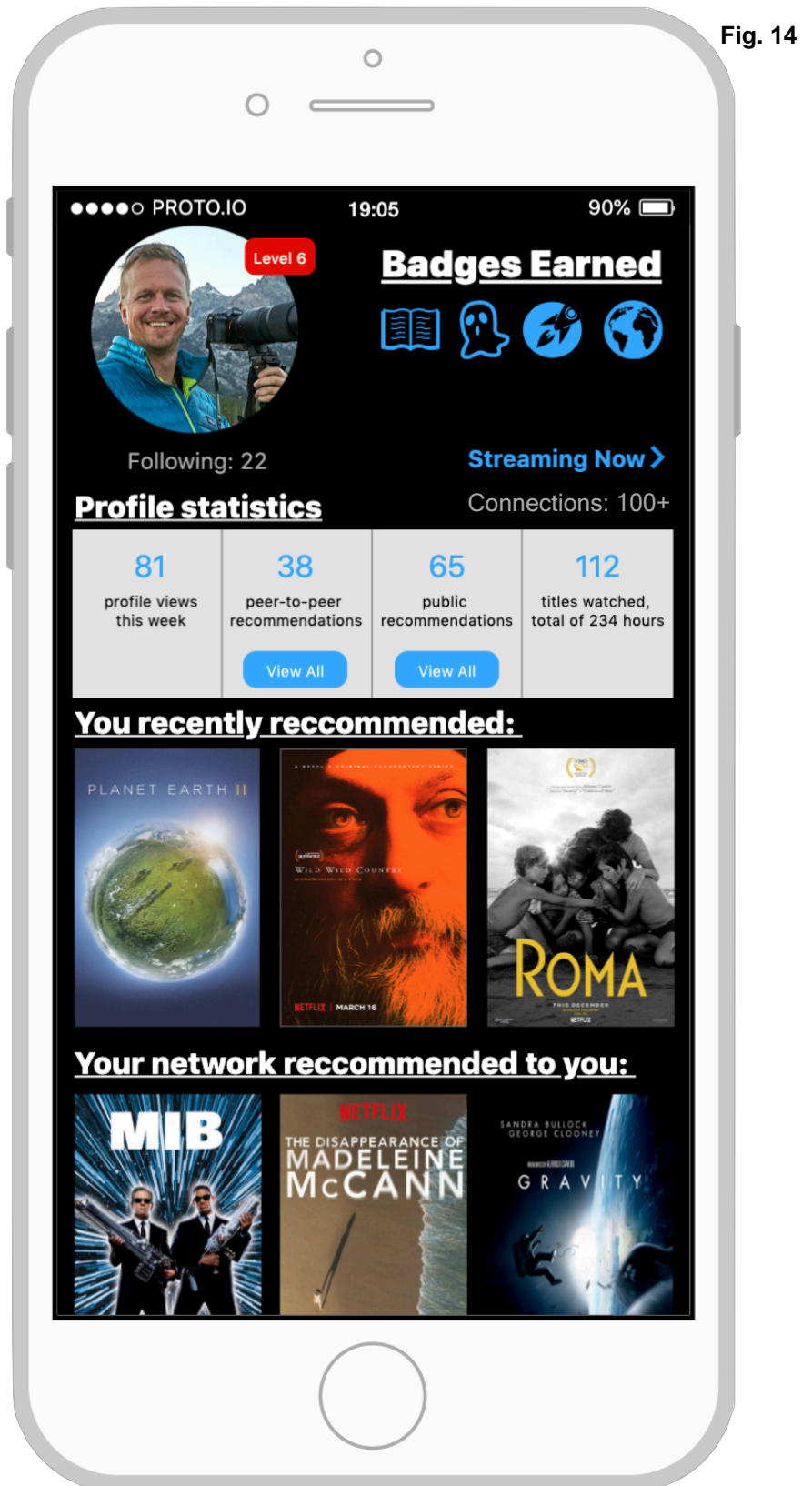


Fig. 14

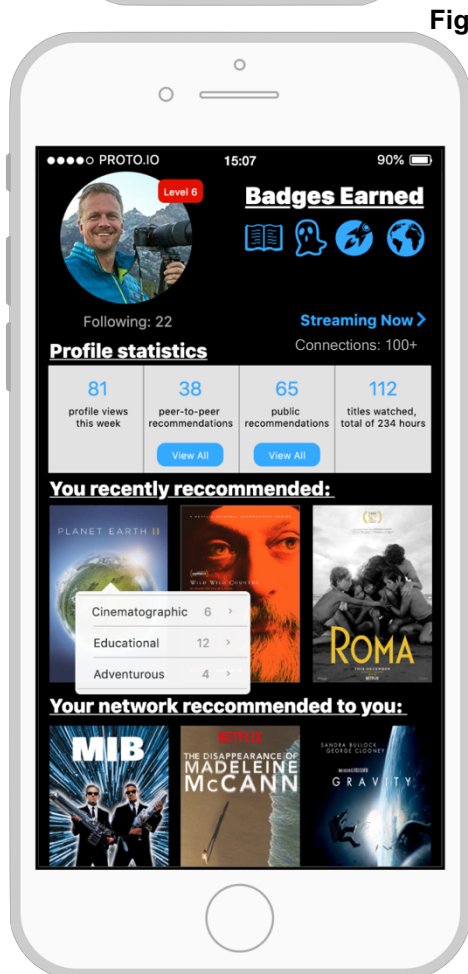


Fig. 15

Fig. 13-15 Prototype and design of Netflix Social on mobile

Features description:

Netflix Social is found on the top right corner of the Netflix App.

1. While watching, users can pause and share the title with a person in their network or simply post that movie or episode as a public recommendation on their profile.
2. Users can make connections with others and receive updates on their recommendations on the main feed. One can only connect with others from their immediate network in real-life/other social media (similar to Linked-In), but can follow any account.
3. When giving recommendations, the sender chooses three traits from a set list to describe the title, helping the receiver contextualize the recommendation (Fig. 15).
4. The more a user interacts on Netflix Social, the more points she will receive and thus her ranking will increase (“Level 6” in Fig. 14,15). Points are given for:
 - a. Successful peer-to-peer recommendations (the most amount of points).
 - i. *If a friend starts watching the recommended movie, points are allocated exponentially the more time she spends watching.*
 - b. Weekly profile views (the higher the profile views, the more points).
 - i. *If people are viewing one’s profile, that signifies that they are interested in their taste. Profile views are reset weekly and are displayed publicly. To avoid shifting the focus of Netflix Social to popularity rather than social interaction, there is no live followers count to show how many people follow an account, and connections stop displaying after 100. However, one can view which accounts a given user follows to get more inspiration.*
 - c. Watching recommended titles.
 - i. *Receivers also get points for watching, which encourages accepting recommendations.*
 - d. Badges earned.
 - i. *Users get badges added to their profile for every 10th successful recommendation in a genre – e.g. Docu Guru (Documentaries), Foreigner (Foreign-language), Spacetrooper (Sci-Fi), Thrill-Seeker (Thrillers-Horrors), etc.*

6. CONCLUSION

Increasing the value-added to new and existing customers and providing cost-cutting opportunities, the revolutionary innovation will reengage Netflix in a movement game. As competition increases, building brand relationships becomes essential for economic performance and relies on tailoring individual experiences. While prior economic offerings – goods, services – are external to the buyer, experiences are inherently personal, existing only in the mind of the individual engaged with them (Pine and Gilmore, 1999). Netflix Social will decrease the length of selecting a movie, cluster tastes of cinema buffs together, and bring titles closer to the sentiment of the consumer.

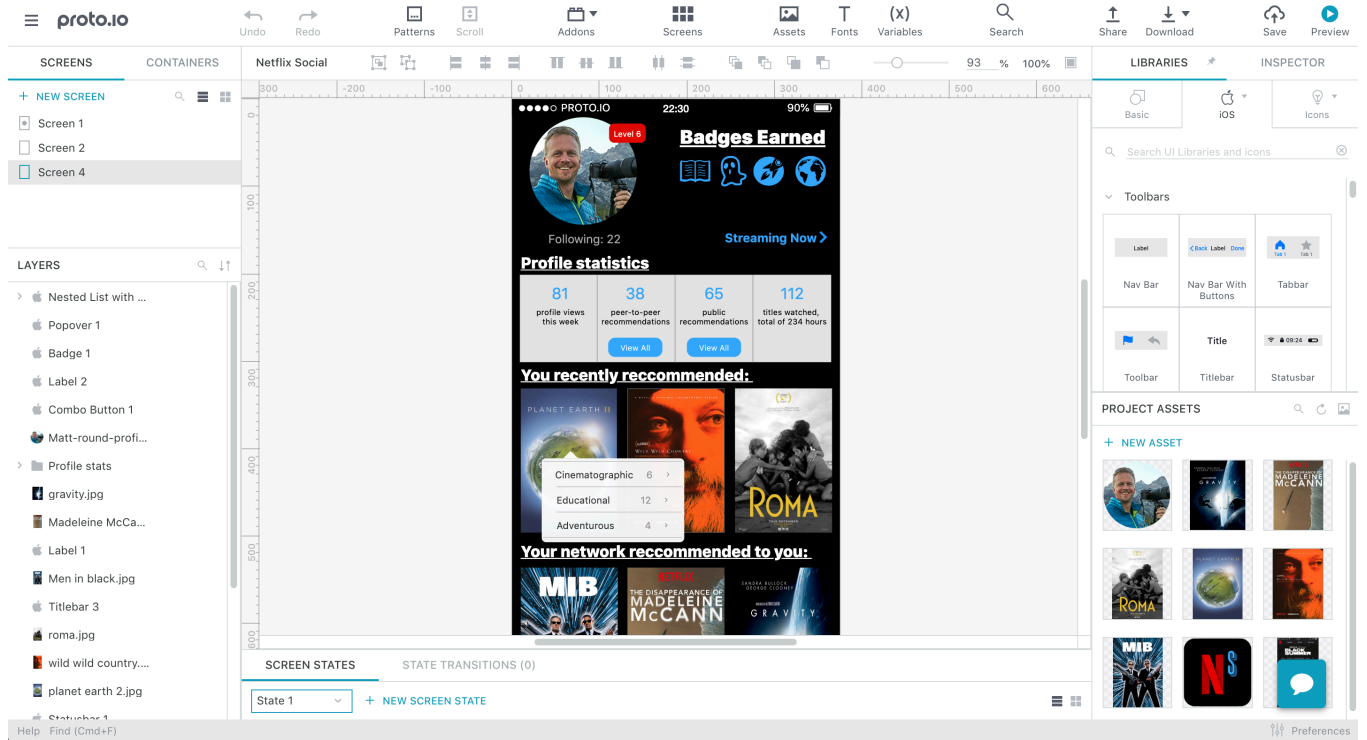
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Appendix

Exhibit A – Screenshot of prototyping software

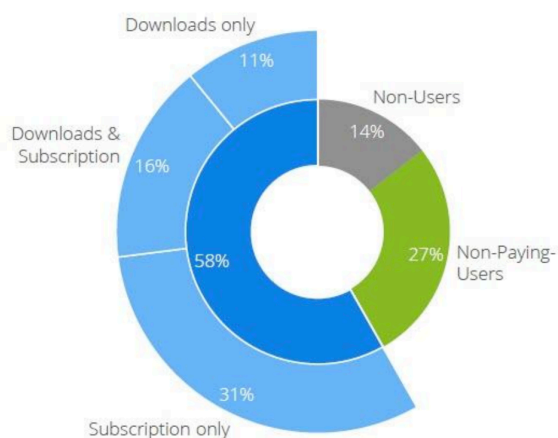


Note: all prototyping and app design was done manually using Proto.io

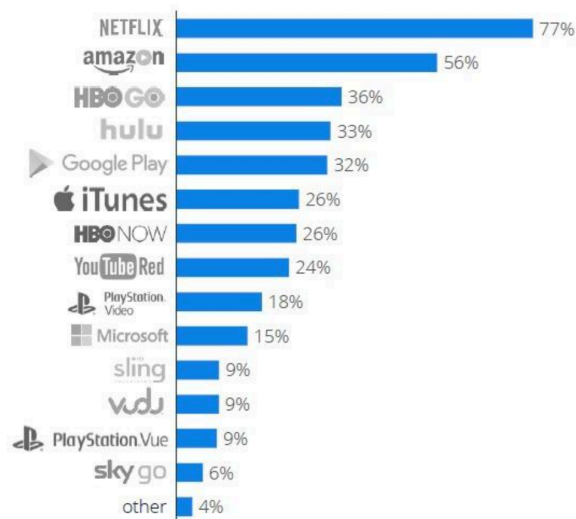
Exhibit B – Statista Global Consumer Survey: State of the VoD market in the US

Note: C-D maps were constructed based on the two sources below and reflect the state of the North American and UK market **only**. They were used as a benchmark since they are most developed within the SVOD segment.

Share of VoD users among U.S. onlineers



Distribution of paying¹ U.S. VoD users among services



1: Download and subscription

"Have you spent money on digital video content in the past 12 months?"; multi pick; n=2,032

"Which of these video on demand providers have you used in the past 12 months as a paying customer?"; multi pick; n=1,183, paying VoD users

Source: Statista Global Consumer Survey 2018

statista

Chloe Albanesius, B. (2019) *The Best Video Streaming Services for 2019, PCMag UK*.
Available at: <https://uk.pcmag.com/internet-3/71265/the-best-video-streaming-services>

Exhibit C – Table for C-D Map: SVOD in 2019

	Centrality	Distinctiveness	Subscribers
Netflix	9	8	148
Prime Video	8	7.5	40
Hulu	7	6.5	25
HBO Now	6	8	4.3
YouTube TV	3.5	6	1.2
CBS All Access	7.7	4	3
Sling TV	6.5	3	2.1
Direct TV Now	4	5	2.7
Playstation Vue	1.5	4	0.6
ESPN+	1	8	2
Showtime	5.2	4.5	3
Starz	2	3	4
Mubi	2	8.5	0.6

Exhibit D – Table for C-D map: SVOD in 2021

	Centrality	Distinctiveness	Subscribers
Netflix	9	6.8	100
Prime Video	8	7.2	75
Hulu	7	6	20
HBO Now	5.2	5.5	4.3
YouTube TV	4.6	6.8	4
CBS All Access	5.5	3	4
Sling TV	4	2	2.1
Direct TV Now	3	3	1.7
ESPN+	1	8	4
Showtime	4.8	4.5	4
Starz	2	3.5	1
Mubi	2	8.5	1.5
NBCUniversal	7	4	8
Apple+	6.5	8	20
Disney+	5.8	7	12
Warner Media	8	5	13
Criterion Channel	3	8	3
DC Universe	2	6.5	2
Discovery/BBC	2.5	5.7	4

Exhibit E – Table for Strategy Canvas

Value Element	Aspirational Platforms	Unconventional Platforms	Netflix + Netflix Social
Price Per Month	7	4.2	7
Content library size	7.5	2	6.5
Variety of content (TV, movies, short films, Independent, etc.)	7.3	3	8.5
Variety of genres	8.3	1.5	9
Personalized content per user	5	6	8.5
Original Productions	7.3	1.5	8.5
Loyalty to the platform	3.3	6.8	9
Personalized content per user	-	-	9
Interaction between users	-	-	8.5
Gamification	-	-	8.5