

Problem statement

Launching Netflix for Tier 2 & 3 cities in INDIA and recommending Pricing & GTM Strategies



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PRODUCT BRIEF

The Market

- The video streaming market in India was valued at approximately **$3.5-4 billion in 2023** and is projected to grow at a CAGR of around 20-25% over the next few years
- The no of smartphone users in India from tier -2 and tier 3 cities is expected to reach by **400-450M and 250 - 300M by 2030** resp.

What is Netflix??

- Netflix started as a DVD rental company and has pivoted its business model to subscription based video streaming company.
- The video streaming giant currently operates in 190+ countries and has a whopping revenue of $33.7B in 2023 with a 6.6% YOY increase

KEY STATISTICS

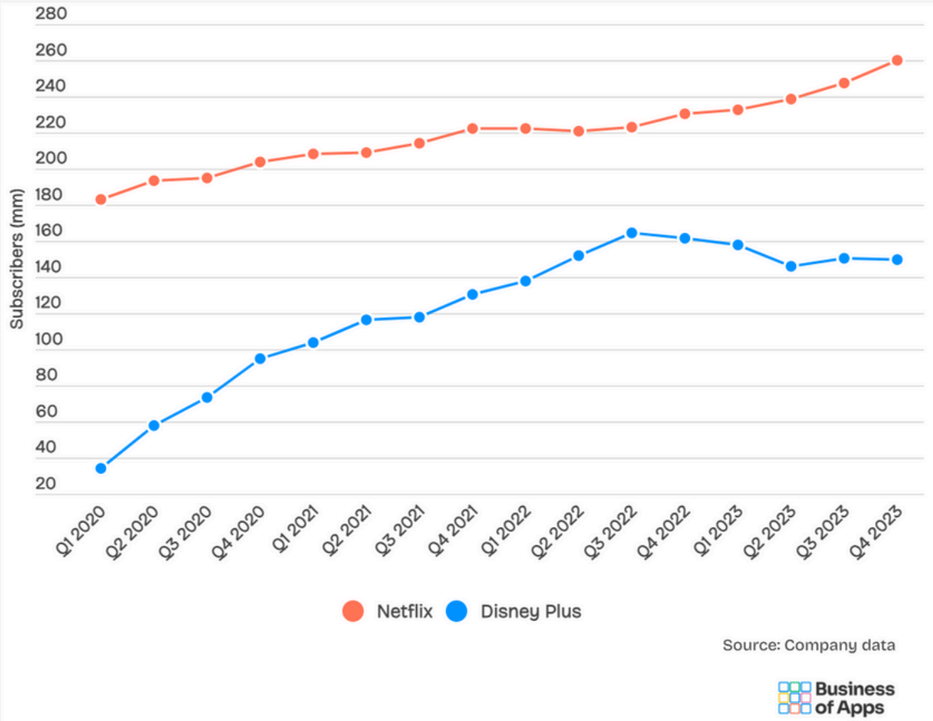
Netflix generated $33.7 billion revenue in 2023, a 6.6% increase year-on-year

In 2023, Netflix had 238.3M subscribers worldwide

$13B dollars spent on content in 2023 alone

$14 billion of Netflix's revenue was generated from North America only, its largest market

NETFLIX VS DISNEY+ SUBSCRIBERS COMPARISON



PROBLEM ANALYSIS

The Problem

People living in Tier 2 & 3 cities are more cost sensitive as compared to people living in Tier -1 cities and these users generally prefer platforms that offers regional content

What is the value generated by solving this now??

For Business

India has reportedly become the second-largest market for Netflix in terms of new paid subscribers added in the second quarter of 2024.The market for tier -1 cities seems saturated but if netflix can tap into tier 2 & 3 cities then it can significantly increase its market share.

For Users

Users find the current subscription plan of OTT platforms too expensive and if we are able to provide them their preferred content at a low price then they would prefer Netflix over other OTT platforms

What research says

Indian OTTs platforms' revenue poised to double to $3.5 bn by 2027: PwC study

The Indian OTT market is growing much faster with a CAGR of 14.32% from 2023-27, while the global growth rate for the OTT segment is 8.4%

LIVE BREAKING NEWS

Business News › Tech › Tech & Internet › India to have 900 million active internet users by 2025, says report

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Mumbai: India's booming streaming market, which includes more than 50 over-the-top (OTT) video entertainment platforms, is ripe for consolidation as large players look for new growth opportunities and smaller ones crave for fresh funds to survive, say industry experts.



Industry › Media/Entertainment › Media › India among key drivers of Netflix's paid net subscriber additions, revenue percentage growth in Q2

ETPrime

India among key drivers of Netflix's paid net subscriber additions, revenue percentage growth in Q2

USER PERSONA



Shrikant Tiwari

Age - 40

Location - Bhopal

Shrikant was raised in a middle class family& is very careful about his spendings. Spends time enjoying with his family and children

Wants & Needs

- Major concern is affordability platforms & wants flexibility on subscription
- **Flexibility to opt out at any point of time**

Pain Points

- Cannot find any affordable plans on OTT platforms
- **Current OTT platforms do not offer flexibility on pausing subscription**



Shashi Mathur

Age - 35

Location - Jaipur

Shashi is a homemaker & is crazy about serials. Usually spends her time watching TV serials. She & her friends loves gossiping about new serials & are generally excited for any new drama release

Wants & Needs

- **Prefers regional content** to which she can relate along with some spicy plots
- **Looks for affordability** & wants to watch at her own pace

Pain Points

- **Low availability of new regional content**
- Cannot watch serials at her own pace as serials have dedicated time slots



Bitti Mishra

Age - 22

Location - Kanpur

Bitti is a college student studying in Kanpur university.She loves watching new series and movies and is always looking out for something interesting & underrated

Wants & Needs

- Wants something unique & refreshing
- **Prefers watching movies & shows with her friends**

Pain Points

- Finds it too difficult to start a show
- **Current OTT platforms do not provide binging with friends**

POSSIBLE SOLUTIONS

Lets look at the proposed solutions keeping in mind the pain points of the customers

SOLUTION	WHAT IS IT??	RATIONALE BEHIND IT
Netflix Regionals	Netflix Regionals provides regional content dedicated to people living in Tier -2 & 3 cities at very affordable rates	Netflix Regionals solves the problem of homemakers like Shashi who loves watching serials and TV Dramas
Netflix Theatre	A special zone where you can watch shows with your friends & families together	Netflix theatre aims at providing better experience in terms of watching and is aimed at people looking out for new experiences
Netflix Pause	A feature that lets you pause your subscription in case you are out of town or don't have time to watch	Netflix Pause solves a crucial problem of people living in small cities who prefers affordability

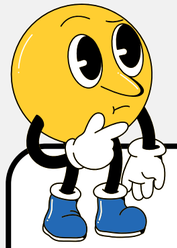
Prioritisation

SOLUTIONS	IMPACT	EFFORT	SOLUTION CHOSEN?
Netflix Regionals	High	Medium	**Yes**
Netflix Theatre	Medium	High	**No**
Netflix Pause	Low	Low	**No**

SELECTED SOLUTION?

NETFLIX REGIONALS

PRICING AND GTM STRATEGIES

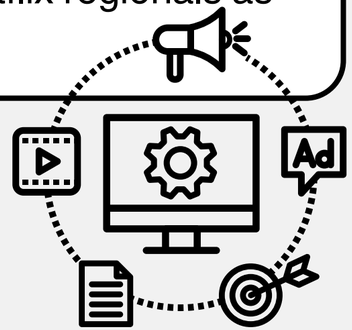


HOW TO GO ABOUT PRICING????

1.PRICING ANALYSIS

- Conducting surveys & polls to get an understanding of the financials of the people living in Tier 2 & 3 cities
- Performing deep research about the competitors and their pricing models for the same market and understanding how we can price Netflix regionals as compared to them

GTM STRATEGY



2.PRICING STRATEGIES THAT CAN BE USED

STRATEGY NAME	HOW IT WORKS??	CONSIDERED??
MARKET PENETRATION	Pricing Netflix regionals at a very low rate in the initial stages and then slowly hiking the prices	No
BUNDLED PRICING	Bundling it with Netflix & pricing these at a lower price than the combined price of each of the products taken individually	No
FREEMIUM PRICING	Offering some shows for free and then eventually charging for all the shows	Yes

PRE LAUNCH

We should begin by conducting a soft launch in a few major cities to test the market's response and gather user feedback. This will help us fine-tune the platform and build initial awareness.

LAUNCH

For the nationwide launch, we should organize a launch event. Given Netflix's brand image in the entertainment industry we can host events with popular regional actors . This will create buzz and generate media coverage. We can also tie up with various brands and create a social media buzz.

POST LAUNCH

After the launch, we should focus on user engagement and retention. Focus on improving the user experience and develop strategies for the same.

KEY METRICS TO TRACK

North Star Metric: Time spent watching Netflix Regionals

TYPE	METRICS	TREND
ACQUISITION	• No of new subscribers gained through Netflix regionals • CAC (customer acquisition cost) • CAC through different traffic streams	
ACTIVATION	• No of people who completed their first show on Netflix Regionals • No of people who completed bought the subscription after ending of free trial	
ENGAGEMENT	• Avg time spent by users watching Netflix Regionals per week • Avg session duration per user per week • No of session per user per week	
RETENTION+ MONETISATION	• No of users who keep using Netflix Regionals after 6 months • No of users who stop using Netflix Regionals after 90 days	
NON - FUNCTIONAL	• Avg page load time of netflix regionals • App crash rates • App not responding rate (ANR's)	