

Netflix – Metrics to measure the success of ad- supported plan

success of such
a launch?



METRICS

L0 metrics (Business)

Revenue: Overall revenue, revenue from ad-supported plans, avg revenue per user (ARPU)

Profitability: Overall margins, margins for ad-supported plans

Subscriber numbers: Total subscribers, subscribers on ad-supported vs premium plans

Churn: Overall churn rate, churn rate by plan type

Customer acquisition cost (CAC): CAC for ad-supported vs premium plans

Customer lifetime value (LTV): LTV for customers on each plan type

L1 metrics (Product)

Ad-supported plan conversion rate: Percentage of visitors to Netflix site who sign up for the ad-supported plan.

Ad-supported plan churn rate: Percentage of ad-supported subscribers who cancel their subscription each month.

Hours of content watched by ad-supported subscribers: Total number of streaming hours by ad-supported subscribers.

Ad-supported sign-up funnel conversion rates: Percentage of visitors that complete each step in the sign-up flow for the ad-supported plan (register, provide payment info, complete sign up).

% of ad-supported subscribers in core target demographic groups: e.g., 18–35-year-olds, females, specific geographic regions)

Content usage data of ad-supported subscribers: Hours streamed per genre by ad-supported subscribers

L2 metrics (Feature)

Ad completion rate: Percentage of video ads watched to completion.

Ad relevance rating: User feedback on ad relevance to the video content.

Rebuffering rate: Increase in rebuffering when switching back from ad to content.

Ad latency: Time taken to load and play video ads. Important to minimize user waiting time.

Frequency capping: Percentage of times the same ad is served repeatedly.

Interaction rates: Percentage of interactive ads clicked/tapped..