

NETFLIX

Revenue growth slowdown

Ideating solutions & defining metrics

RICE Framework Parameters to evaluate the efficacy of solutions

| Solution | Reach | Impact | Confidence | Effort | Priority |
|---|-------|--------|------------|--------|----------|
| Content Diversification: <ul style="list-style-type: none"> Regional/Indian content Dubbing Existing content in regional languages In-house low production cost content (made with AI) | H | M | M | H | 4 |
| Pricing: <ul style="list-style-type: none"> Ads infused low pricing model Cheaper packs for family content | M | L/M | L/M | L | 3 |
| Community recommends: <ul style="list-style-type: none"> Build a community of close friends Get tailored recommendations from your trusted ones | H | H | H | M | 1 |
| Watch party: <ul style="list-style-type: none"> Watch your favourite shows with loved ones who are far away from you | M | L | M | H | 2 |

For a country like India, the sense of community in the selected user segment age group is relatively very high, hence sharing the movie experience with fellow mates will be a good way to increase both awareness and acquisition. Moreover, in long term this can even increase engagement by building Netflix community and further increase retention.

The user stories for the chosen solution

For Users who want to Recommend Others:

- As a user, I should be able to search a friend via contact list or email address on Netflix Community.
- As a user, I should be able to Add Friends to my community list.
- As a user, I should be able to find a 'Recommend Others' button either once I have finished watching a content or below any content tile.
- As a user, I should be able to write reviews and rate my experience on any content I want to recommend.
- As a user, I should be able to select whom to recommend a particular content piece.
- As a user, I should get to know once anyone has watched or added to watchlist any content that I have recommended for validation.

For Users who are seeking Recommendations:

- As a user, I should be able to search a friend via contact list or email address on Netflix Community
- As a user, I should be able to Add Friends to my community list.
- As a user, I should be able to find a cumulative list of all the recommendations I have got from my friends.
- As a user, I should be able to sort the type of content and check the ratings/reviews on each content on my recommendation list.
- As a user I should be able to order the list on the basis of most or least recommended content.
- As a user, I should be able to either watch now or Add to List any content on the recommendation list.

Netflix is launching a cheaper, ad supported subscription plan to acquire new subscribers.

Success Metrics

Subscription Rate for cheaper plan = $\frac{\text{\#new users onboarding with the new plan}}{\text{total \#people visiting the website or downloading the app}}$ [NSM]

Ad CTR or Ad impression on cheaper plan [L1]

% increase in overall subscriptions post launching the feature [L1]

Ratio of $\frac{\text{\#new users subscribed to cheaper plan}}{\text{\#new users subscribed to existing plan}}$ [L2]

Retention Metrics

Retention Rate = % user renewing subscription to the cheaper plan

Plan Upgrade Rate = % user upgrading from cheaper to existing plan

Drop-off rate = % users dropping-off from Netflix

Plan Degrade Rate = % users degrading to a cheaper plan post a month from launch

Revenue Metrics [L0]

%increase in Revenue MoM

Growth of Average Revenue Per User

%Ad revenue out of total revenue

Total Revenue Generated = Overall subscription Revenue + Ads revenue

Average Profit Ratio Per user with Ad plan subscription : existing plan subscription MoM

Check Metrics

Overall Content Watch Time per day

Customer Satisfaction Score

Ad Watch Time or Ad Impression