

NETFLIX NOW

Product

- NetflixNow offers live streaming of shows on selected networks, commercial free, in HD, and available when the user is offline (after initial stream)
- NetflixNow offers shows from ABC, NBC, and FX, and movies from Warner Brothers and the Weinstein company.
- This is an upgrade from the basic Netflix account, when signing up for NetflixNow the user will also have access to all the other features of Netflix.

Price

- The base membership will be \$9.99 a month which includes the basic video streaming and DVD delivery.
- The next tier up will cost \$14.99 and will include the basic video streaming, DVD delivery and HD/commercial free/on and off-line viewing of movies that are currently in theaters and being distributed by Warner Brothers and the Weinstein Company.
- The all access tier will be \$24.99 and gives the views complete freedom for their viewing pleasure. For \$24.99 a month, the viewer will get all the previously stated perks from the other price ranges and in addition, get live streaming of television shows from three networks: ABC, NBC, and FX.

Distribution

- The process in which customers go through to subscribe is made simple.
 - It's a self service.
 - It takes a few minutes to create the Netflix account and to start watching instantly. It all reflects the convenience aspect of the service.
- Netflix partners with companies to develop Netflix programs specific to their platforms that will come pre-installed on all their devices.
 - It explores partnerships with cable and gaming companies to develop instant streaming options for video games.

Promotion

- Original promotional method which is internet advertising.
- Promoted on television
- Advertise on its mobile app-smartphones, tablets, and social media
- A 14 day free trial

Situation Analysis

Economic factors

- Consumers are more likely to buy subscriptions.
- Consumer spending changes can influence changes in interest rates, tax rates, and the unemployment growth rate

Social factors- people with increased leisure time availability tend to watch more movies and TV shows

Technology factors- new innovations put Netflix Now at risk of being out of business. New technology devices are able to give the opportunity to expand their service.

Political factors- dependent on the internet's regulations and restrictions such as the FCC, Network Neutrality, VPPA, content monopolies, and funding problems. (according to www.slideshare.net)

Legal factors

- Customer privacy laws
- The use of licensing
- Contracts with content providers.

SWOT

Strengths:

- Watch their favorite TV shows at the same time as other time zones.
- No commercials and affordable prices.
- Download the app for Netflix Now and a preloaded app for Apple TV users.
- You do not lose any of your previous footage.
- Don't have to rely on a DVR and you can watch TV shows and movies immediately (as soon as it premieres).
- Appeals to people of different age groups

Weaknesses:

- People may not want to pay for something that they can watch at a later time.
- A monthly fee may discourage members that are less frequent TV and movie watchers.
- Price adjustments: customers might not want to pay a higher price for Netflix Now service.

Opportunities:

- Able to expand on partnership with technology providers and content providers.
- Can expand its product line for TV shows and movies and in their international market.
- Able to reach an older market with its new partnership with certain production studios.

Threats:

- Competitors such as Hulu and Amazon will create a product similar to Netflix Now
- As well as cable networks that are setting up their own streaming services for a monthly fee.

Marketing Objectives

- 30% of existing netflix users within first month
- 10% increase from each month for six months
- half year evaluation

Positioning & Differential Advantages

- Our product allows users to not only access the regular Netflix that we use today, but it also allows users to access TV shows and Movies that are brand new and have aired recently.
 - Basically you are able to access Movies still in theaters, and you are able to watch tv shows as they air on tv. Our product allows people to to have some of the newest media available.
- In order to usually access this type of media, you either have to pay for cable to watch the tv shows you want, or you have to go to a movie theater to watch a new movie. Either that or find a pirated version of the movie online, which is illegal. With our product you can almost eliminate your cable bill, and never have to pay for an overpriced movie tickets again. Our product allows you to search by TV Network or Movie production studio for easy access to your favorite media.

Target Markets and Market Demand

- Ages of 18-36 **46%** (paid cable subscribers) **43%** (Netflix users).
- Netflix: 6/10, Network Websites: 5/10, Hulu: 4/10, Amazon Prime: 3/10
- Peaks views in 2014: 1 billion hours, **90%** (from U.S.)
- 78%** of Netflix users watch on their TV

Marketing Plan

Netflix Now is designed to appeal to the need it now generation. Logically, the marketing plan will target the 18-36 young working adult population who are generally users of the existing streaming services and are tech savvy. However, the plan is also to grow market share by secondarily targeting the high disposable income by lower tech savvy demographic in the 36-50 category. Our strategy will therefore have two distinct strands:

1. Existing Streaming Users: For this population we will look to 'upsell' them from existing basic streaming services to Netflix Now. The focus will be on instant gratification and leading edge 'see it first' opportunities. Mobile compatibility for this demographic will be essential. Demonstrating how the service can stream high quality video on demand to smart phones and tablets as well as laptops.
2. High disposable income less Generation X: This population is currently less heavy subscribers to streaming services and has high potential for growth. The strategy for this demographic is to focus on convenience and value. Leveraging their assumed busy lifestyles and the hassle of seeing movies at a theater, Netflix Now can use the convenience factor of streaming direct to homes and the value of seeing new releases for a monthly subscription versus the weekly cost of a movie theater ticket.

Executing this strategy will require use of a mix of marketing channels. Our primary channels will be:

- A. Existing user promotions: Focusing on upselling existing users will give the services the faster initial sales.
- B. New user advertising: We will focusing on two channels primarily:
 - a. Selected TV advertising on Friday and Saturday nights between 7-11pm
 - b. On-line streaming site advertising in particular You Tube, linked to channels which appeal to our target audiences

We will use supplementary channels in the form of:

- C. Direct mail: Coupon advertising to target households
- D. Online content: via Google for movie related searches by our target demographics
- E. New Hardware sales: by partnering with Apple to offer NetFlix Plus as a pre installed service for all Apple TV users.