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Revenue growth slowdown

Identifying the problem & target users

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User segment of non-subscribers

Demographics of the segment

Gender — Men

Age Group — 35-50 years of age

Devices — Mobile, Laptop & TV

Geography — Indian Tier 1/2 cities

Family Income — > Rs. 80,000 / month

Psychographics of the segment

Goals
Spend 2-3 hours of leisure/family time everyday

Pain Points
- Limited & repetitive content
- Ads act as a flow breaker

Behaviour
Currently watch YouTube, Facebook videos or TV serials in their leisure time

Preferences
Drama, romance, action or content from their younger years.

Estimated size of the segment
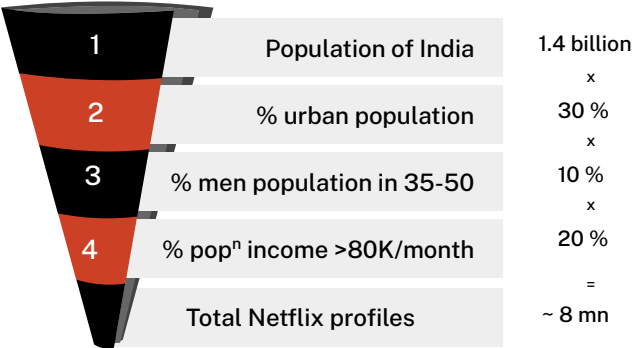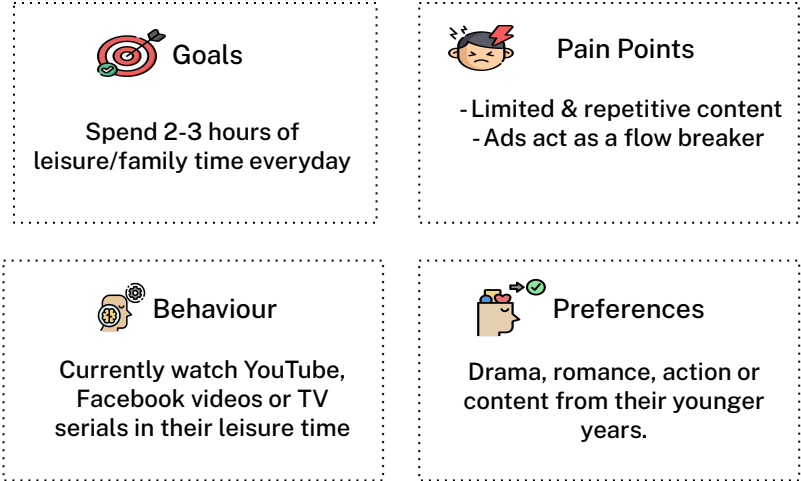
Approach

We follow the top-down approach where we start with the population of India and then scope out the quantum of people who satisfy our constraints

Funnel

#		
1	Population of India	1.4 billion
		x
2	% urban population	30 %
		x
3	% men population in 35-50	10 %
		x
4	% pop^n income >80K/month	20 %
		=
	Total Netflix profiles	~ 8 mn

(Assuming, 1 account is shared by 4 profiles)
This is assuming that avg #members in a family is 4, one account can be shared by them all

~ 2 mn potential accounts

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1:1 User Interview Questions for the user segment

How might we help the India's urban mid-aged population to use Netflix for watching online movies and series ?

🔍📊 **Research context**

We are exploring potential untapped markets for Netflix to increase subscription rates and boost revenue.

💡 **Hypotheses**

- Language and Content barrier [No regional content]
- High Pricing
- Lack of content awareness

Questionnaire

- Can you walk me through your daily routine? --- How do you spend your leisure time? Do you have spare time to watch a movie or series then? --- How many times a week or what particular days would you chose to watch a movie? Is it weekends? ****_[Is it like you can watch a movie on weekends and series on weekdays, or any similar pattern]_** --- What time is that usually- morning, afternoons, evening, late-night?

- Do you watch alone or are you usually accompanied by other members in your family? --- Who are your movie-buddies? --- Do you guys discuss the plots?

- What do you prefer to watch, are there any specific genres you like? --- What language movies/series do you watch? --- Can you tell me your favorite experience of watching a movie or series?

- Which platform do you use currently? Is it cable TVs or some online platform as well? --- Which platforms and what do you love about them? --- What do you not like about them? --- What is the most frustrating part of these platforms? --- Tell me more about what is it that you are looking for in these platforms. What's missing for you?

- Have you heard of Netflix? --- What do you know about it, what do you you think of it?

- How much would you be willing to spend on an OTT platform if it satisfies all your interests? --- Why X? --- Anything else you would like to add?

User Insights from 1:1 Interview

Behaviour

❖ The target segment consists mainly of men aged 35-50 who are working and have families. They have limited leisure time, 1-2 hrs on weekdays & 4-5 hrs on weekends.
❖ They prioritize family viewing and prefer content that can be enjoyed together by both adults and children.
❖ Based on user research, potential customers in this segment are willing to pay between Rs. 400 to Rs. 600 per month for an OTT platform that fulfills their needs.
❖ Currently, they are subscribed to either a cable TV or Amazon Prime/Hotstar.

Pain Points

For TV:
❖ Too many commercials disrupts their viewing experience.
❖ Expressed frustration with the inflexible schedule of cable TV.
❖ Has no parental control
❖ Same shows and movies are often repeated

For Prime/Hotstar:
❖ Substandard Recommendations make discovery of good content on Prime difficult .
❖ The inconsistency in content quality and no way to filter content based on quality.
❖ Lack of educational content that can engage their children in learning.

Expectations

❖ More family-friendly content, especially content that appeals to both adults and children.
❖ Both local Indian content and international shows and movies in their their native language or Hindi
❖ Interested in different genres and types of content, including action, drama, comedy, animated shows, and educational content.
❖ Want Parental Control to ensure that their children are watching age-appropriate content
❖ Platform that is easy to navigate and provides a good overall user experience

User Persona

"I love action and thriller movies. During my college days, I was always the first one to watch the latest releases and had a collection of all those films. I used to show them off to my friends."

Shrikant Tiwari | 47 year

😎 A cool Dad (or atleast wants to be) of 2 teens aged 12 & 17 years, living in Nagpur. He works in a government office and can speak Hindi or Hinglish

🧗 He's striving to bond with his kids by staying updated with their interests, even though he often finds it challenging

🎵 His evenings are dedicated to leisure and family time, which he currently spends watching YouTube videos and TV serials. However, he's frequently bored by repetitive content and annoyed by excessive ads.

New User Onboarding - Customer Journey Map
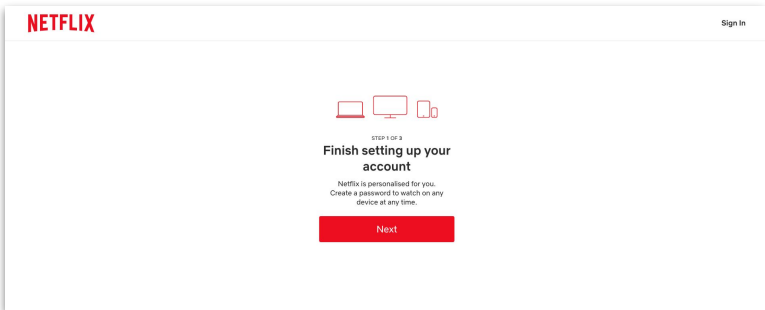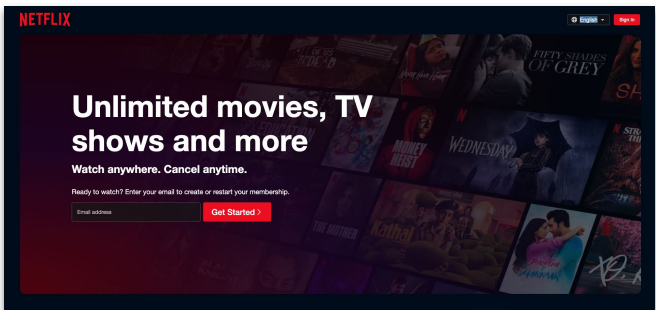

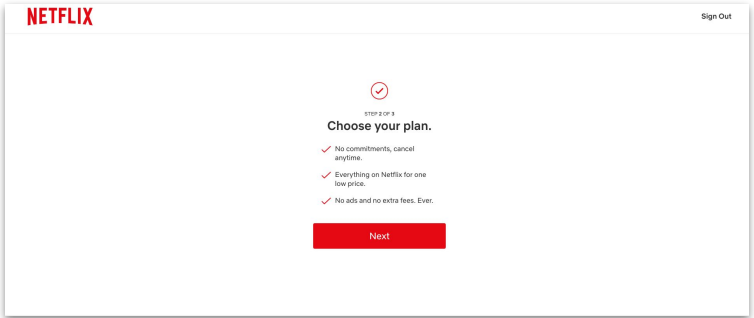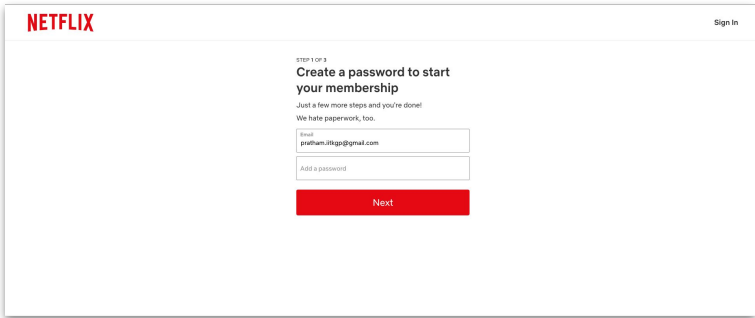😎 **Persona**

Shrikant Tiwari

🧠 **Scenario**

He is back from work and is just planning to sit with his family for dinner. He sees a Netflix ad of a family film on Facebook in the evening and eagerly wants to watch this film everyone in his office is talking about. Hence, opens Netflix

Expectations

He expects a smooth and quick onboarding process as time is of the importance here

Doing

Step 1 : Opens Netflix and fills in his email address

Step 2 : Reads about creating a password and presses Next

Thinking

Now I can watch unlimited movies anytime, anywhere! But how long will this onboarding process take? I want to surprise everyone at dinner

Okay, but why add an extra step for this? This information can be added in the next step as well

Saying

I am not fast at typing, so if while typing my email, they already populate domain name after @, I could help me save time

I quickly want to move to the next step

# New User Onboarding - Customer Journey Map

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Doing

Step 3 : Creates a password for his account

Step 4 : Reads about creating a password and presses Next

Thinking

Thinks about a strong and easy to remember password. It's good that Netflix doesn't have any guidelines for password

Solving one of my biggest pains, Ads. Good that I can cancel it anytime, what if I don't like the content?

Saying

Funny prompt- We hate paperwork, too. I find this relatable

I feel good that they confirmed I can discontinue anytime. Also there are no extra changes.

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New User Onboarding - Customer Journey Map

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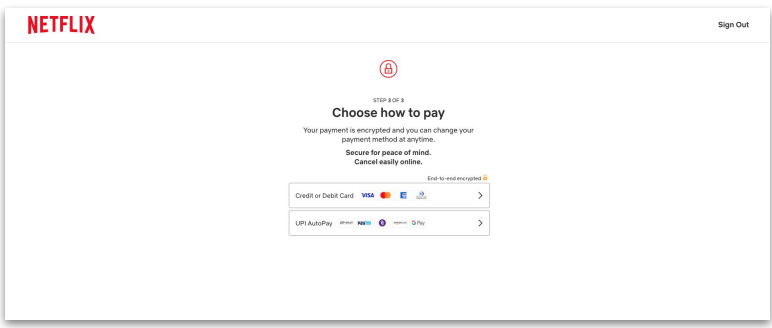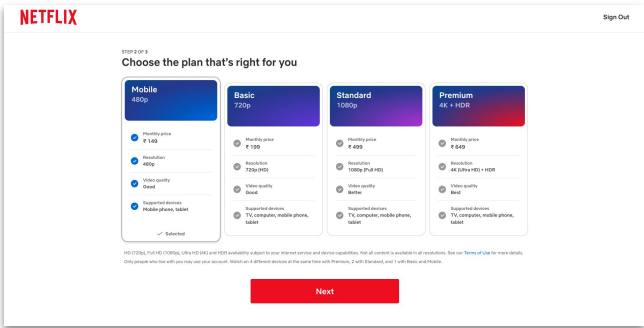
Doing

Step 5 : Chooses the right subscription plan

Step 6 : Chooses the mode of payment

Thinking

Which plan should I choose? I don't want to overpay as I don't know much about the content inside. Also, what's the difference between 4K & 1080 p?

I don't have access to my credit card right now, let's pay via UPI. But what is AutoPay? I don't want to commit to AutoPay. Ugh! I'll have to bring my wallet

Saying

This decision is a difficult one for me, I wish Netflix could have helped me here

I wish there was an explainer on AutoPay. What if I don't want to activate AutoPay? Netflix wasted my time

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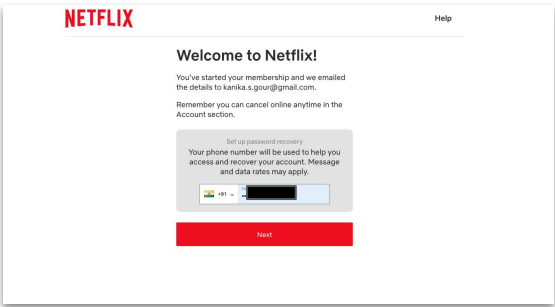
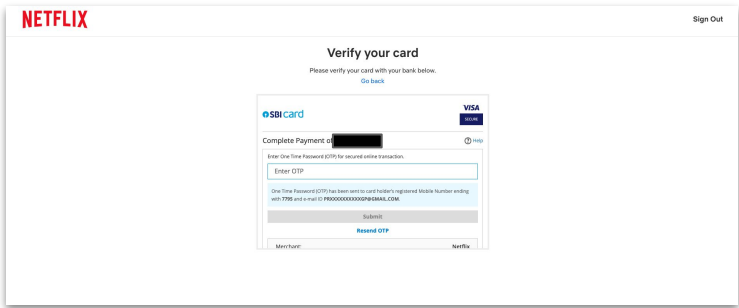### 😎 Persona

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Doing

Step 6 : Fill in the credit card details and clicks on Start Membership

Step 7 : Card Verification process

Thinking

This is too much time taking!

Why an extra click for just telling me some information? Could've easily force verified this

Saying

How long is this going to take? I've been called 3 times for dinner till now

Please take me to the homepage soon!

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Doing

Step 8 : Bank Verification process

Step 9 : Recovery information

Thinking

Important stuff! Am I making the right decision? Hope this is worth it

Why this process in the onboarding part? And why is it mandatory? I should be able to skip this

Saying

I have to be extremely careful at this step. Its related to banking.

How many steps more??

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Doing

Step 10 :   Bank Verification process

Step 11 :   Language Selection

Thinking

Why can't it take me to the homepage directly? These can be optional steps which I can do afterwards!

Okay this seems to be an important step, this should have been way earlier!

Saying

I can make accounts for my wife and children here and they can have separate experience and choice

How many steps more??

# New User Onboarding - Customer Journey Map

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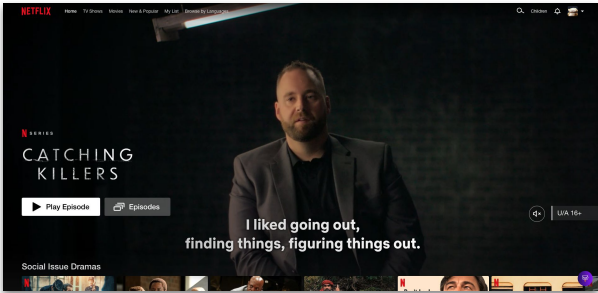He expects a smooth and quick onboarding process as time is of the importance here

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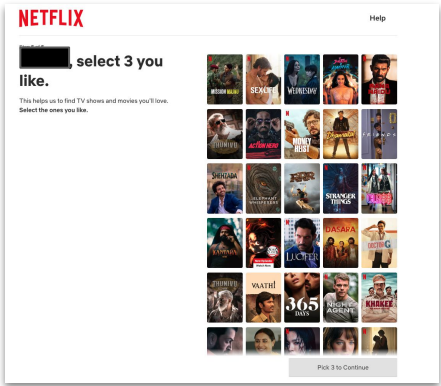
Doing

Step 12 : Selecting 3 preferred movies/series

Step 13 : Finally, homepage!

Thinking

Good that Netflix wants to know my preferences. What will it do with this? Wait a minute, there are very few movies that I know of, these don't seem relevant for me

Finally, after 12 steps, I reached to where I wanted to. This was time taking !

Saying

Too much wait. When will this end?

The entire process could have been faster and easy!

What is the true problem?

Users are unable to derive/find value in Netflix currently because they are either unaware of the existing content and platform, or those who are aware struggle to find the right content for themselves and their families

Why?

Netflix currently caters to a niche population segment in India, resulting in a lack of content suitable for mid-aged individuals who make up a significant user base

&

Even if suitable content exists, users are unable to discover it due to inadequate recommendations that do not align with their preferences and interests.

True Problem

Users are unable to discover/find the content of their preferences on Netflix due to a lack of content suitable for their segment and ineffective recommendation algorithms.

How do we know it is a real problem?

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Data from UXR research suggests that a significant number of users in this segment are willing to use a digital platform for their entertainment needs. They are already saturated with existing platforms like TV and are actively seeking a better experience and more diverse content options to cater to their family viewing preferences.

Currently, Netflix holds a market share of only 8%[1] among its competitors in India, which indicates that there is untapped potential for growth and capturing a larger share of the market. The limited penetration suggests that there is a need to address the preferences and content requirements of the target users more effectively.

What value generated by solving this problem?

For customers

A new OTT platform with a broader range of movies and series, enhancing their experience and fulfilling their overall entertainment needs. This would provide them with a platform where they can discover and enjoy content suitable for their demographic and family viewing preferences.

For business

A substantial annual revenue boost, estimated at nearly $90M. With an estimated 2 million new accounts on the Netflix, the increased user base would not only contribute to revenue growth but also strengthen Netflix's position in India.

**2M x $4/month x 12 = $90M (Assuming avg AOV= ₹300)

Who is facing this problem?

Users are primarily working men from tier 1 and 2 cities in India, aged between 35-50, with a higher income bracket (household income roughly greater than 80k per month). They are digital natives but not very tech-savvy, and have an hour or two every day to spend on consuming good family content.

Why should we solve this problem now?

Netflix's revenue is currently declining due to insufficient new user onboarding and stagnant growth. Additionally, the recent disabling of password sharing has led to a backlash and potential churn among existing users. To cope with this and regain momentum, Netflix needs to focus on bringing new users onboard promptly. By addressing the problem, Netflix can position itself as the go-to platform for mid-aged individuals and their families, ensuring sustainable growth and market dominance.