Netflix Company

Name

Institution Affiliation

Author’s Note

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**Company History**

In late 1997, Reed Hastings and Marc Randolph pioneered Netflix in Scotts Valley, California. Randolph (2019) stated that the primary focus was to offer a subscription online-based streaming service from a library of television series and films, including these produced in-house. Entertainment was a complex service to the public, and the technological developments emerging within the United States offered a willingness to these founders to make the service easily attainable.

There is an exciting pattern towards the company's attainment of its name. It is a transmission portal of English words “***net***” and ***“flix***” standing for internet and films, respectively. The latest publication by Pettit (2021) about the company indicates that the ownership rotates around the co-founder Reed Hastings, Neil Hunt (***previous chief product officer***), and Ted Sarandos, the current ***chief content officer*** in the company. Their investments in the online company have created significant progression on awareness across the globe, recording over 200 million subscribers for the services.

**Industry History and Stages of Life Cycle**

There are several stages that Netflix has undergone leading to its current status. Some publications state that Netflix began as a rent-by-mail DVD service with the customer having to pay-per-rental approach when searching for a movie to watch. For example, a client would browse and make orders on their website of the films they intend to watch, and Netflix later posts these packages on their doors. The client was then left with the obligation of posting back the movie once they are done watching. Similarly, its cycle in business elaborates that the company expanded to Europe in 2012 with its launch in the United Kingdom and Ireland on January 4th. Based on the firm’s progress within the film industry, it has launched its website with an estimated 925 names accessible for hire charge through a conventional pay-per-rental approach at a subsidized figure. Therefore, we can render Netflix to be on its maturity stage life cycle with the filming, TV production, and streaming being in the product phase.

**Business Model**

The management team uses this subscription-based business approach; however, the income generation practices are based on basic, standard, and premium plans. The users have the opportunity to stream movies, series, and TV shows. Its approach raises a series of debates on how it manages to be a profitable company. Yet, it's running on adverse cash flows because of the down payment issued for authorizing content and production of the original content. There is a need to correlate the difference in sum paid for licensing and production charges relating to what is charged from the 200 million subscribers. According to Haughey (2021), Netflix’s direct costs are the licensing costs and production costs incurred for original content assets attained through amortization. On the other hand, there is a need to look into Netflix’s integrated marketing approach that helps it have its content received across the globe.

The stated marketing strategy is all about innovation and the latest technology, which has helped the firm register significant profits in the long run. Netflix relies on data-driven, omnipresent, customer-centric, and personalized marketing tools to create awareness about its products. These marketing tools often consumer the consumer experience as a priority relating to its objectives and partnerships. It is further commented that the modern marketing approaches are agile because the current marketers are using technology in line with the proposed marketing strategies designed for unrivalled customer experiences and personalization. For example, Netflix uses a multi-channel marketing approach that helps the client receive the desired content, whether online or offline. People can receive their content on smart TVs, smartphones, computers, or tablets other than the previous model, which required doorstep deliveries.

**References**

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