

Review Paper - Study on Product Life Cycle of Netflix

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ABSTRACT:-

The product life cycle (PLC) is a theoretical framework that delineates the stages a product traverses throughout its existence in the market. The concept encapsulates four principal phases: introduction, growth, maturity, and decline. During the introduction stage, a product is launched, initial sales are modest, and companies typically invest heavily in marketing and distribution. As the product gains traction, it enters the growth phase, marked by exponential sales growth, intensified competition, and rising profitability. Subsequently, the product transitions into the maturity stage, characterized by a plateau in sales growth, increased competition, and a focus on differentiation strategies. Finally, the decline stage ensues, where sales decline due to market saturation, changing consumer preferences, or technological advancements. Companies may opt to discontinue the product or pursue rejuvenation efforts to prolong its lifespan. Understanding the product life cycle aids businesses in formulating effective strategies for product development, marketing, pricing, and resource allocation across its lifecycle stages.

INTRODUCTION:-

The product life cycle (PLC) is a fundamental concept in marketing and product management that illustrates the various stages a product goes through from its introduction to its eventual decline or discontinuation in the market. Understanding the PLC is crucial for businesses as it helps them anticipate changes in consumer demand, plan marketing strategies, allocate resources effectively, and make informed decisions about product development and diversification. A product life cycle is the length of time from a product first being introduced to consumers until it is removed from the market. A product's life cycle is usually broken down into four stages; introduction, growth, maturity, and decline. Product life cycles are used by management and marketing professionals to help determine advertising schedules, price points, expansion to new product markets, packaging redesigns, and more. These strategic

methods of supporting a product are known as product life cycle management. They can also help determine when newer products are ready to push older ones from the market.

The PLC typically consists of four main stages:

- **Introduction:** This stage marks the launch of a new product into the market. During this phase, sales are typically low, and companies invest heavily in research and development, product design, manufacturing, and marketing efforts to create awareness and generate demand. Consumers may be unaware of the product's existence, and initial sales may be limited to early adopters.
- **Growth:** In the growth stage, the product experiences rapid sales growth as consumer awareness increases, and demand expands. Positive word-of-mouth, effective marketing campaigns, and distribution efforts contribute to this growth. Competitors may enter the market, leading to intensified competition and potential market fragmentation. Profits tend to increase during this phase as sales volumes rise and production costs decrease due to economies of scale.
- **Maturity:** The maturity stage is characterized by a slowdown in sales growth as the market becomes saturated, and competition intensifies. Most potential customers have already adopted the product, leading to a more stable market environment. Companies focus on maintaining market share through product differentiation, pricing strategies, and marketing tactics. Profit margins may stabilize or decline as companies engage in price competition and invest in product enhancements or line extensions to prolong the product's lifecycle.
- **Decline:** In the decline stage, sales begin to decline due to factors such as technological advancements, shifting consumer preferences, or the emergence of substitute products. Companies may decide to discontinue the product, reduce marketing support, or explore alternative strategies such as harvesting or rejuvenating the product. Eventually, the product

either exits the market entirely or transitions into a niche segment with limited sales.

OBJECTIVE OF PLC:-

The product life cycle can be used across your business from advertising to pricing and innovation to marketing. A new product can be promoted as a ground-breaking or an improvement on existing products, while an established product can be promoted based on a long, successful and trusted history in the marketplace. The pricing of your product should also be informed by the life cycle, with newer products being priced to entice buyers and more established products in their growth stage can be priced higher.

SCOPE OF PLC:-

- Clearly defining the different stages of the PLC (introduction, growth, maturity, decline) and their characteristics.
- Identifying the current stage of the product being studied based on factors like sales figures, market share, and customer behaviour.

RESEARCH METHODOLOGY:-

The methodology section is the blue print of researcher activity and tells how the researcher has to study the people or describe social settings of respondents. We can also say that the methodology section make easy for the researcher to know the desire study and how to do it.

Research Design

A research design is the arrangement of condition for collection and analysis of data in a manner which may result in an economy in procedure. It stands for advance planning for collection of the relevant data and the techniques to be

used in analysis, keeping in view the objective of the research availability of time. There are three types of research designs. They are,

- Exploratory research design.
- Conclusive research design.
 1. Descriptive research design.
 2. Causal research design.

Data Collection Method:

The data collection method for the study the researcher should keep in the mind the two sources of data.

- Primary data
- Secondary data.

Questionnaire

The questionnaire was prepared keeping in view the objectives of study. Different questions were so arranged to know satisfaction level of customers towards services provided by company. The questionnaire not only focused gathering information on the above-mentioned areas but also about the service suggestions to be envisaged under support, update and engage.

Study Conducted-

The primary data was gathered through personal interaction. The information was gathered from the structured questionnaire. The set of replies from the respondents led to the formulation of our data analysis and findings.

Secondary Data Analysis:

- **Industry Reports:** Analyze reports from entertainment industry research firms like Nielsen or Statista to gather data on Netflix's subscriber base, market share, and revenue growth over time. This data can help you identify potential turning points in their PLC stages.
- **Academic Articles and Case Studies:** Review existing research on Netflix and the PLC. This can provide insights into strategic decisions, market dynamics, and competitive factors that have shaped their journey.
- **News Articles and Business Publications:** Explore articles and publications that discuss Netflix's growth, challenges, and future outlook. This can offer valuable context about external factors influencing their PLC.

Primary Data Collection:

- **Expert Interviews:** Conduct interviews with industry experts, analysts, or former Netflix employees to gain deeper insights into their decision-making processes, the impact of specific strategies, and their perspectives on Netflix's current PLC stage.
- **Customer Surveys:** Develop surveys to gather data from Netflix subscribers about their viewing habits, satisfaction with the service, and perception of Netflix's content and platform. This can provide insights into user behavior throughout different PLC stages.

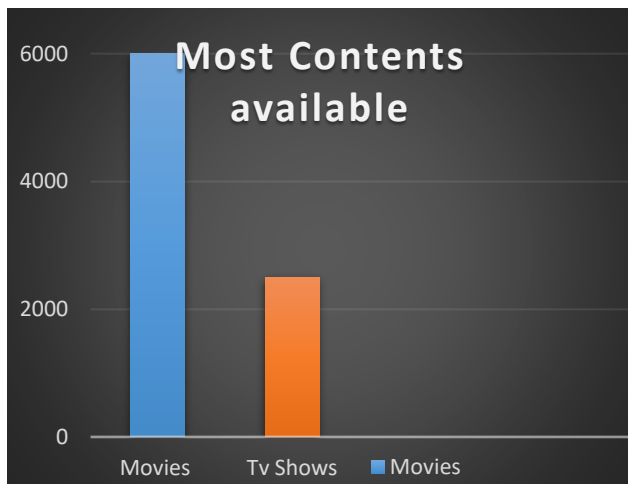
- **Social Media Analysis:** Analyze online conversations and sentiment on social media platforms like Twitter to understand user opinions, reactions to content releases, and brand perception. This can offer real-time insights into customer engagement throughout the PLC.

DATA ANALYSIS AND INTERPRETATION

Q1: What type of content does Netflix have more Movies or TV Shows?

Ans)

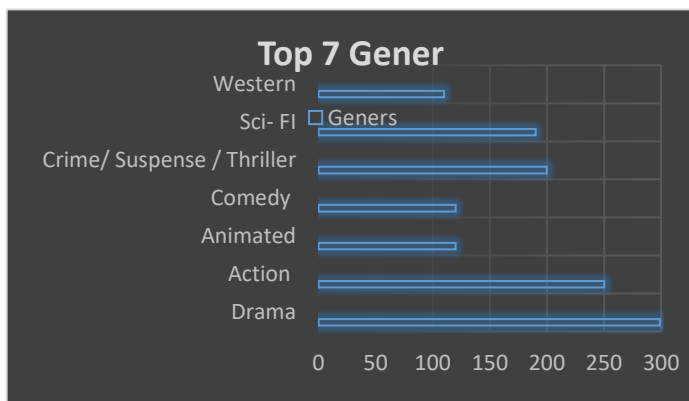
- Movies
- TV Shows



Interpretation:- This visual representation shows the amount of Type of contents that are most available and found in Netflix, and it shows that 6131 number of movies are there and 2676 number of TV shows are available.

Q. 2) Top 7 Geners ?

Ans)

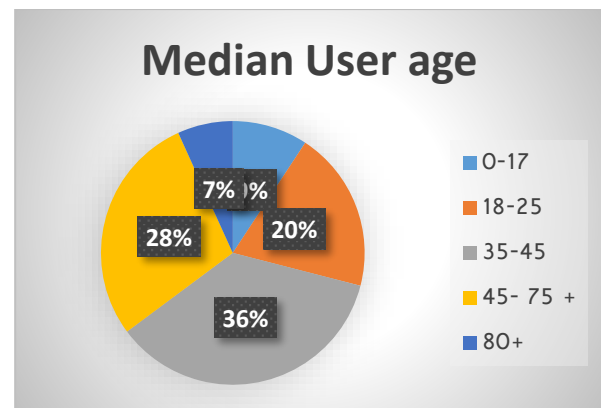


Interpretation – This reveals that Most of the Top genre are given to Drama, Action and along with Animated most of the public is interested more in dramas with 300 % and Lowest for Western with 110 %.

Q. 4) What is the median age of a Netflix user?

Ans) 0 - 17

- 18 - 25
- 25 - 35
- 35 - 45
- 45 - 75

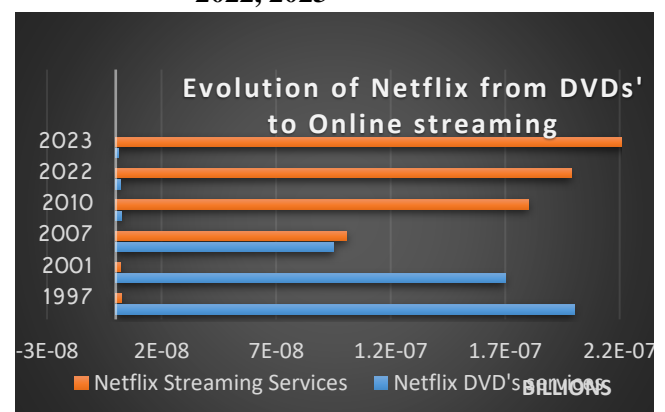


Interpretation - The median age is between 35-44 years old who is most likely and active users for Netflix streaming app. It denotes that 36% of young population uses and is actively interested in using this.

Q.7) Netflix Evolution from Netflix DVD's TO Netflix streaming services?

Ans)

- 1997, 2001
- 2007, 2010
- 2022, 2023

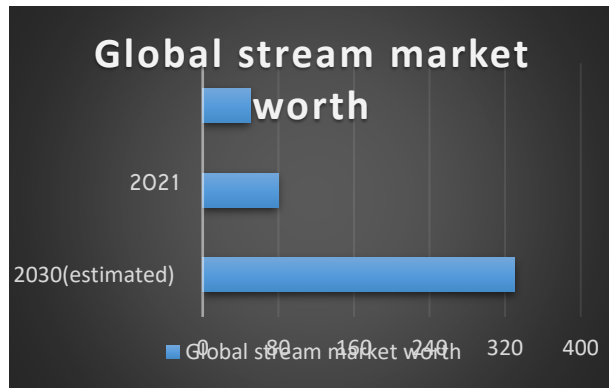


Interpretation:- Netflix was found in 1997 was a DVD rental Service similar to blockbuster. In 2000 it introduced subscription model enhancing customer experience. In 2001 Netflix was hit hard by .com bubble and offered \$50 million. In 2007 Netflix launched its video streaming services getting separated from

Blockbuster. And by 2010 DVD rental services went out of the business. By 2022, It became worlds leading streaming services by \$31.6 Billions and now Earning all over \$220 Millions with market value of \$200 Billions of worth.

Q.9) How much is the global video streaming market worth?

Ans)



Interpretation:- The global video streaming industry was valued at whopping \$50.11 billion in 2020 and Rose to \$60.1 billion by 2021. The market is expected to grow annually by 21% between 2021 ND 2028, giving it an estimated total value of \$330 billion by 2030.

Results(findings of the study):-

- Trends in user satisfaction and content perception can be analyzed. Declining satisfaction might indicate a need for innovation in maturity.
- User excitement for new releases can be gauged. Waning excitement could suggest a need for content strategy adjustments.

Suggestions of the study:-

- Analyze the impact of Netflix's data-driven approach on content decisions and user experience personalization throughout the PLC.
- Investigate how Netflix leverages technology like AI and machine learning to optimize content delivery and recommendations across different PLC stages.

CONCLUSION:-

In conclusion, the product life cycle (PLC) is a critical concept that guides businesses for Eg, Netflix's transition from DVD's to streaming is a textbook example of a company leveraging the PLC framework to navigate a changing market. They successfully identified an opportunity, adapted their business model, and continuously innovated to stay ahead of the curve. The future of streaming remains uncertain, but Netflix's ability to adapt and cater to evolving consumer preferences will be crucial for maintaining their dominance in this dynamic entertainment landscapes.

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