

**Case Title:** Netflix, Inc.

**Unique ID:** MHE-FTR-043-1259927628

REV: February 4, 2017

**Abstract:** In less than two decades, Netflix has grown from a DVD-by-mail service into a \$55-billion-dollar global company. Along the way, it disrupted established industry players and changed how television is watched. Netflix's success has attracted the attention of aggressive competitors like Amazon, HBO, and Hulu. Netflix CEO Reed Hastings must find ways to work with internet service providers (ISPs) to ensure that subscribers can access its content. As Netflix expands internationally (to 190 countries), it also needs to ensure that it invests in the content that will be relevant to its customers. How can Netflix keep subscribers loyal and acquire new ones?

**Concepts:** Strategy Process; Long Tail; Disruptive Innovation; Business Model Innovation; Network Effects; Core Competencies; Diversification; International Expansion

**Context:**

- Protagonists: Reed Hastings (CEO)
- Countries: USA, global expansion (190 countries)
- Sector: Home entertainment and movie industries
- Company Employee Count: ~ 4,000
- Company Revenues: \$55 billion
- Ticker Symbol: NFLX
- Event Year Begin: 1997
- Event Year End: 2017