

Netflix

ABOUT

Category:

Media & entertainment – streaming services

Owner of the brand:

Netflix, Inc.

Key competitors:

Disney, Hulu, Amazon, HBO

BRAND STRATEGY ANALYSIS

Brand essence

Entertaining the world, one fan at a time.

Brand values

Entertainment, convenience, accessibility, joy.

Brand character

Pioneering, bold, confident, innovative, fun, welcoming.

Dominating archetype



The Hero



The Jester



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EVIDENCE

Comments

1

Netflix was first launched in 1997 and is a prime example of a company that successfully underwent a radical digital transformation. Originally founded by Reed Hastings and Marc Randolph, Netflix initially offered a subscription-based DVD rental service before transitioning to streaming in 2007. Today, it is not only the biggest video streaming service but also one of the most significant content producers, responsible for creating series such as “The Queen’s Gambit”, “Orange Is the New Black”, “The Crown”, and “Stranger Things”. It defines itself as “one of the world’s leading entertainment services”¹.

2

In 2011, Netflix’s CEO, Reed Hastings, announced the company’s new pricing plans in the US, separating mail DVD rental from streaming subscriptions. Many subscribers disliked the change as it meant an increase in cost of almost 60% if they wanted to use both services. Interestingly, Netflix believed that people’s anger was a result of the wrong tone of voice of the announcement rather than the pricing change itself. Hastings apologised for the lack of “respect and humility”, but the company didn’t back away from its new business model and pricing plans. Instead, it took them even further and issued another statement informing people that the DVD rental part of its business would be separated from the streaming service and renamed Qwikster. In practice, this meant that people would have to have two separate accounts – one for Qwikster (DVD rental by mail) and one for Netflix (streaming service). The planned separation and rebrand of the DVD rental service received a lot of bad press, and subsequently, Netflix lost approximately 800,000 US subscribers (some analysts believe that it was partly because many people were simply reminded that they paid for this subscription). Netflix reversed its decision less than a month after the announcement and began introducing changes in a more phased approach. A few months later, the company bought the domain DVD.com and started separating the two services in the way it had planned from the start, but with much less fanfare and much more success.

3

Despite changes to its business strategy, Netflix's core product proposition has remained largely consistent over the years: "movie enjoyment made easy"². Everything Netflix does aims to enhance both user engagement (through great content and sophisticated algorithms that help users discover content they'll likely enjoy)³ and ease of use (with continuous improvements to its user experience and multi-device availability).

Previously, the company defined its purpose as "Connecting people with stories" and emphasised the role stories play in people's lives ("Stories move us. They make us feel more emotion, see new perspectives, and bring us closer to each other.")

More recently, Netflix has shifted its focus to the theme of entertainment, highlighting its cultural impact through the attribute of fandom ("When our series and films become cultural moments, you can feel it across music, books, fashion, travel and more."⁴)

Its current brand purpose is articulated as "Entertaining the world, one fan at a time"⁵.

4

In the past, Netflix's messaging was more brand-oriented as its main goal was to educate people about what video streaming is and what the brand stands for (this is still the case in new markets). Today, when in many countries Netflix has become a household name, the company promotes the brand mostly through content⁶, with original TV series being the main promotional vehicle.

In 2014, Netflix unveiled its new logo, and in 2015, it introduced a completely revamped look based on the identity system called "the stack"⁷. This system uses overlapping pictures to visualise the "ever-changing catalogue and the custom-curated selections". The new branding allowed Netflix to integrate imagery from various sources in different styles, ensuring a consistent and "on-brand" appearance. Alongside the visual identity, the company launched a global tagline: "See what's next", which was updated in 2020 to "We're only one story away".

5

Netflix has built a unique but also controversial employer value proposition (EVP). The company is famous for its “high performance” culture downplaying the role of talent retention. It hires high achievers and fires anybody who is not one. It promotes effectiveness, initiative, accountability and a highly rational approach but also encourages individual opinions and disagreements. The company says: “We model ourselves on a professional sports team, not a family. (...) Professional sports teams (...) focus on performance and picking the right person for every position, even when that means swapping out someone they love for a better player.”⁸

6

Netflix represents the values characteristic of two brand archetypes: The Hero and The Jester. Its constant focus on improving things, making its algorithms more accurate, getting more and better content are elements typical of Hero brands (in this respect, Netflix resembles Amazon). At the same time, the company focuses on entertainment, uses a humorous tone of voice and enjoyment is part of its brand essence, which is indicative of the Jester archetype.

7

Dominant colour: red.

Tagline

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Official brand statement

“We are here to entertain the world, one fan at a time.

Thrilling everyone again and again.

Whatever you're into, whatever your mood, Netflix delivers the next series, films and games you'll obsess over. This is entertainment the world never sees coming – and can't stop talking about.

We do this through:



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Reach

We are entertaining over half a billion people in more than 190 countries and 50 languages, programmed for just about every taste and culture.

Recommendations

To help you discover something great every time, no matter what you're looking for.

Fandom

When our series and films become cultural moments, you can feel it across music, books, fashion, travel and more.”⁹

Interesting facts

Netflix's recommendation system originally used 76,897 hyper-specific micro-genres¹⁰ like “imaginative time travel movies from the 1980s” or “critically-acclaimed witty independent comedies.” Now, it relies on advanced algorithms that learn from users' viewing habits.