

**A STUDY ON THE IMPACT OF COVID-19 ON
SUBSCRIPTION BASED BUSINESS MODEL AND
PROMOTIONAL STRATEGIES OF NETFLIX AND
SPOTIFY**

Project Report

Submitted by

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Under the guidance of

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In partial fulfillment of requirement for award of the degree of



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CERTIFICATE

This is to certify that the project report titled '**A STUDY ON THE IMPACT OF COVID-19 ON SUBSCRIPTION BASED BUSINESS MODEL AND PROMOTIONAL STRATEGIES OF NETFLIX AND SPOTIFY**' submitted by **ARDRA ANILKUMAR and ANN SOPHIA** towards partial fulfillment of the requirements for the award of degree of Bachelor of Commerce is a record of bonafide work carried out by them during the academic year 2022-23.

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DECLARATION

We, Ardra Anilkumar and Ann Sophia, do hereby declare that this dissertation entitled, '**A STUDY ON THE IMPACT OF COVID-19 ON SUBSCRIPTION BASED BUSINESS MODEL AND PROMOTIONAL STRATEGIES OF NETFLIX AND SPOTIFY**' has been prepared by us under the guidance of **Ms. Elizabeth rini K.F**, Assistant Professor. Department of Commerce, St. Teresa's College, Ernakulam.

We also declare that this dissertation has not been submitted by us fully or partly for the award of any Degree, Diploma, Title or Recognition before.

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CHAPTER I : INTRODUCTION

1.1 INTRODUCTION

We live in a society where convenience is king. We prioritize businesses that can make our busy lives easier. One such business model that made our hectic lives a lot easier is the Subscription-Based Business Model. Subscription-Based Business Models (SBMs) are business models based on the idea of selling a product or service to receive monthly or yearly recurring subscription revenue. These business models focus on customer retention over customer acquisition. The past few years have witnessed substantial growth in the Subscription-Based Business Models, particularly the streaming platforms and services, and have attracted a large number of customers, globally, and are continuing to do so. Whether it's by automatically sending us disposable razors before we run out or by refilling our monthly vitamins, subscription-based companies are growing rapidly. From Amazon Prime to Chewy, these subscription-based companies are the future of E-commerce. You would be hard-pressed to find anyone that doesn't have at least one subscription-based product on auto-delivery. Recently the economy is trending more towards the practice of subscribing to products and services rather than owning them. Netflix subscriptions have replaced DVD collections, and Spotify has taken the place of CD shelves. Meanwhile, companies like Blue Apron, Dollar Shave Club, and Stitch Fix deliver everything from dinner to dresses straight to customers' doors on a "set and forget" recurring schedule. As a result of this increasing trend, companies are also shifting to subscription economies. Furthermore, millions of people were forced to find pleasure indoors as Covid-19's wave after wave made it difficult and dangerous to go outside. Uncertainty and boredom were pervasive throughout this time. Online streaming platforms have seen a sharp increase in subscribers as a result of individuals turning to them when they are unable to visit movie theaters to fulfill their entertainment needs. When this happened, streaming services like Netflix, Amazon Prime, Hotstar, Hulu and Disney+ stepped in and offered access to several hours of at-home entertainment. Subscription businesses constantly listen,

assess, improve and try to figure out how to happily surprise their subscribers every day, and in return, customers provide such businesses with reliable recurring revenue, increased loyalty etc. Thus a mutually beneficial long-term relationship between the customers and the companies is created by the subscription economy.

1.2 SIGNIFICANCE OF THE STUDY

Since the advent of Covid 19, one of the business sectors that has boomed is the Subscription-Based Business Model. SBMs are convenient for the users since there is the availability of personalized content. The ad-supported content helps the customers in discovering new products. Cost friendly aspect of it makes it more accessible than a higher one-time expense. The subscription space acted as a life jacket for traditional businesses that were drowning under the pandemic's impact. These particulars of the Subscription Economy have made it a success, especially during the pandemic time that the growth rate of SBM was significant in comparison to other businesses. Also the study on this particular topic is very relevant in this era as subscription businesses have become a part of everyone's daily life. As a result of technological advancements many consumers are forgoing cable TV subscriptions that may cost a lot of money per month in favor of streaming video services like Netflix, which can be had for a comparatively lower price. This study is conducted to understand the growing trend towards SBMs, particularly the streaming platforms, in the post-Covid era, OTT platforms and major video and audio streaming apps and promotional strategies of netflix and spotify.

1.3 SCOPE OF THE STUDY

The subscription business model has come a long way from 17th century Western European cities. It is a business model that is bound to change depending upon the market and demand. This study aims to comprehend the post-Covid trend towards SBMs, specifically streaming platforms, OTT platforms, significant video and audio streaming apps, and marketing tactics used by Netflix and Spotify.

This study is focused on youngsters of age 18-30 from different parts of Ernakulam and Thrissur districts of Kerala. Ernakulam and Thrissur are among the top districts of Kerala when it comes to accessibility to cutting-edge technology and related services.

1.4 STATEMENT OF THE PROBLEM

Corona outbreak and lockdown declaration were two such events that no one has ever envisaged. Due to lockdown, people were looking for different options for self-entertainment in their houses. One option was online video and audio streaming services. Several businesses provide online video and audio streaming services in our country, including Netflix, Spotify, Amazon Prime Video, Gaana, Disney+ Hotstar, Apple Music, Hulu, Sony and so on. The number of service users in our country is likewise very high and is increasing very quickly every day, just like the number of service suppliers. In order to evaluate if the present trend will continue for a considerable amount of time, this study is being conducted to look at how usage of online video and audio streaming services has altered both during and after the lockdown. In addition to understanding the growing tendency towards SBMs, especially the streaming platforms, in the post-Covid age, this study also

aims to learn more about OTT platforms, prominent video and music streaming apps, and the promotional strategies of Netflix and Spotify.

1.5 OBJECTIVES

1.5.1 OVERALL OBJECTIVES

The overall objective of this study is to determine whether the pattern of SBM consumption, especially that of online video and audio streaming services, has changed before, during, and after the lockdown. It also aims to find out more about OTT platforms and well-known music and video streaming applications. The study also seeks to comprehend the marketing techniques employed by the two most popular OTT apps, Netflix and Spotify.

1.5.2 SPECIFIC OBJECTIVES

- To study the changing trends in the Subscription economy.
- To study the OTT Streaming platforms of Subscription-Based Business Models during the post-COVID era.
- To gain more knowledge about different audio and video streaming services like Spotify, Apple Music, Amazon Prime Video, Netflix, and Disney.
- To conduct an in-depth study on the promotional strategies used by Netflix and Spotify

1.6 METHODOLOGY OF STUDY

1.6.1 RESEARCH DESIGN

The research design of current study is both descriptive and analytical in nature. In particular, the major video and audio streaming platforms are examined in the study along with how they were affected by the pandemic to discover the distinct SBM characteristics. Additionally, it analyses and interprets the information gathered to assess whether the current patterns will last for an extended length of time and how Netflix and Spotify created a unique space for them.

1.6.2 COLLECTION OF DATA

The data for this project is mainly collected through primary sources and data were collected through secondary sources for understanding the company profiles and promotional strategies of Netflix and Spotify.

- **Primary Data:** Google form, which is a structured questionnaire online survey was the tool used for obtaining the primary data.
- **Secondary Data:** Published sources like articles, journals, reports, case studies and online websites were used for the collection of secondary data.

1.6.3 TOOLS AND TECHNIQUES

The analysed data is represented using percentages. Pie charts, tables and histograms are the diagrammatic renderings of data that were used to convey the

data. For proper analysis and interpretation of increase in usage of streaming applications in comparison to their usage during lockdown period a scale of 1 to 5, least to most was applied. For understanding the respondents thoughts on matters like SBM streaming apps becoming a future trend in entertainment industry, preference of respondents on OTT services over theaters for movies and satisfactory level of such applications were decided by using the 5 point scale of strongly disagreement to strongly agreement or vice versa.

1.6.4 POPULATION

The population is made up of youngsters from the districts of Thrissur and Ernakulam, majority ranging in age from 18 to 30. They participated in the data collection process in order to offer information on the aspects of uptake, effect, usage etc of online video and audio streaming platforms.

1.6.5 SAMPLING DESIGN

- The sampling technique used here is the Convenient Sampling Technique.
- The sample size of this project is 120, roughly 90 individuals from Ernakulam and remaining 30 respondents from Thrissur.

Sampling is a technique for choosing certain individuals or a small portion of the population in order to draw conclusions about the population as a whole and estimate its characteristics. The number of individuals or observations included in a study is referred to as the sample size.

1.7 LIMITATIONS OF THE STUDY

Subscription-based business models are spreading incredibly fast across many industries. Considering the range of this study, the data collected are bound to the following restrictions and limitations.

- The geographical range of this study is confined to two districts of Kerala - Ernakulam and Thrissur.
- The primary data collection was time bound to 48 hours.
- The respondents were selected by sampling and the selected sample might not give a true representation of population.

1.8 KEYWORDS

- **SBM** - Subscription Based Business Model (SBMs) are business models based on the idea of selling a product or service to receive monthly or yearly recurring subscription revenue.
- **E-Commerce** - Electronic commerce is the trading of goods and services over an electronic network.
- **GAAP** - Generally Accepted Accounting Principles are a collection of commonly followed accounting rules and standards for financial reporting.
- **SaaS** - Software as a service is a way of delivering applications over the internet - as a service.

- **OTT's** - An over-the-top (OTT) media service is a media service offered directly to viewers via the Internet.
- **App** - Application (apps) is a computer software, or program, most commonly a small, specific one used for mobile devices.

1.9 CHAPTERISATION

1. CHAPTER I - INTRODUCTION

Starting from a brief introduction, this chapter contains significance, scope of this study, problem statement, methodology, objectives, limitations and chapterisation regarding the study.

2. CHAPTER II - REVIEW OF LITERATURE

This chapter contains Review of Literature. Starting from the history of subscription business it includes literature review of subscription economy, streaming services and their change in trends along the timeline, and reviews stating the promotional strategies of Netflix and Spotify.

3. CHAPTER III - THEORETICAL FRAMEWORK

This chapter includes Theoretical Framework including the meaning, pros and cons, and types of SBM, information about streaming services, OTT streaming and Major audio and video streaming platforms.

4. CHAPTER IV - NETFLIX AND SPOTIFY'S COMPANY PROFILE AND PROMOTIONAL STRATEGIES

This chapter includes company profiles of major video streaming app Netflix and famous audio streaming app Spotify along with their various promotional strategies and various campaigns used by Spotify to publicise their application.

5. CHAPTER V - DATA ANALYSIS AND INTERPRETATION

This chapter contains the analysis and interpretation of data collected for the purposes of understanding the knowledge and reach of SBM based video and audio streaming applications, OTT platforms and their preferences and means and ways by which Netflix and Spotify gained popularity among the youngsters. It is under this chapter the various diagrammatic representations are used for easy understanding.

6. CHAPTER VI- FINDINGS, SUGGESTIONS AND CONCLUSION

This chapter includes the findings of the data, suggestions, and conclusions made on the basis of study.

CHAPTER II : REVIEW OF LITERATURE

REVIEW OF LITERATURE

A literature review is a scholarly paper that presents the current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. It is a written summary of significant books and other sources on a certain subject. The review's sources may include academic publications, journal papers, reports from the government, websites, etc. Literature reviews are secondary sources and do not report new or original experimental work. Most often associated with academic-oriented literature, such reviews are found in academic journals and are not to be confused with book reviews, which may also appear in the same publication. Literature reviews are a basis for research in nearly every academic field. A literature review can be an informative, critical, and useful synthesis of a particular topic. It can identify what is known (and unknown) in the subject area, identify areas of controversy or debate, and help formulate questions that need further research. Each source is described, summarised, and evaluated in the literature review. Typically, it is written as a stand-alone chapter of a graduate thesis or dissertation. The goal of the literature review is to present a critical written description of the ongoing research on a chosen topic.

Ramon Casadesus-Masanell and Feng Zhu⁽¹⁾ in their paper “Strategies to Fight Ad-Sponsored Rivals”(2010) evaluated the best strategy for a high-quality incumbent facing a low-quality ad-sponsored competitor and also allowed the incumbent to consider changes in its business model in addition to competing through tactical variables such as price or the number of ads a product carries. They considered four alternative business models: subscription-based, ad-sponsored, a mixed model in which the incumbent offers both subscription-based and ad-sponsored products, and a dual model in which the incumbent offers two products,

one based on the ad-sponsored model and the other on the mixed business model. They showed that the best response to an ad-sponsored rival frequently necessitates business model reconfigurations. They also discovered that when an ad-sponsored entrant enters the market, the incumbent is more likely to prefer the subscription-based or ad-sponsored model over the mixed or dual model due to competition and endogenous vertical differentiation concerns. In this paper, they discussed how their research contributes to a better understanding of strategy concepts such as strategy, business model, and tactics.

Girish Punj⁽²⁾ in his research “The Relationship between Consumer Characteristics and Willingness to Pay for General Online Content: Implications for Content Providers Considering Subscription-Based Business Models” (2015) tried to identify consumers who are more likely to pay for online content and estimate how much they are likely to pay. The results revealed that while the estimated amount paid for digital content was related to income and education, willingness to pay was more related to age and gender. The findings provided important implications for digital content providers who were evaluating the possibility of shifting from an advertising-supported content-for-free model to a subscription-supported pay-for-content business model.

Alenka Lena Klopčič, Štefan Bojnec, Jana Hojnik and Drago Papler⁽³⁾ in their article “Global Transition to the Subscription Economy: Literature Review on Business Model Changes in the Media Landscape”(2020) says that in the past ten years, the financial models of media firms and organisations have undergone a noticeable transition that has resulted in a considerable change, moving from a model based on advertising revenue and printed copy distribution to a one based on subscriptions. The experimentation with "different mixtures of paywalls" by legacy media is demonstrated in this article. The practice of charging users for access to online information that was previously unlocked and/or freely available is known as

the subscription economy model, and it is one of the models that media businesses are converting to. In addition, traditional media has experienced significant economic uncertainty as a result of the collapse of the "advertiser model" and the effects of the global recession, forcing it to look for new business plans for sustainable journalism and inspiring thought about the media industry's future in general. The study's goal was to outline and illustrate, based on a survey of the literature, the real changes in the media environment related to the subscription economy. The study's key findings showed that the media landscape is evolving quickly, particularly in terms of new digital tools being developed and implemented. As a result, there is a rapid rise in "non-conventional" competition to the conventional media, as well as an urgent need for various new business models.

Eren Odabasi⁽⁴⁾ in his study "Streaming Popular Hindi Cinema: Digital Media Platforms and Diaspora Audiences" (2019) discussed the media consumption habits of diaspora populations, which have changed dramatically in the last decade with the introduction of digital streaming platforms. There are numerous web-based streaming options for popular Hindi films, with multiple content providers offering large libraries of Indian films to consumers outside of India. This study distinguishes two distinct models of diasporic media consumption made possible by digital technology. First, there are major streaming services based in the United States, whose global expansion necessitates the continuous expansion of content in languages such as Hindi, Tamil, and Telugu. Second, this analysis identified television networks primarily based in India that have launched online streaming platforms to make their catalogues available to customers outside of the country. This study also identifies various curatorial strategies (with a focus on exclusive original content, multi-episodic works, and films in regional Indian languages) and examines two case studies that have attracted a sizable diasporic viewership via streaming platforms (Kapoor and Sons by Shakun Batra from 2016 and Lust Stories, a 2018 Netflix anthology film by four directors).

Erezi Ogbo, Tim Brown, Jon Gant, Alex Davis, and Douglas Sicker⁽⁵⁾ in their study “The Impact of Over-the-Top Services on Preferences for Mobile Services: A Conjoint Analysis of Users in Nigeria” (2021) examines the impact of access to OTT services on user preferences for mobile services in Nigeria. The study extends research on how access to OTT affects mobile phone use, the demand interrelationship between Internet services and traditional mobile services, and the impact of zero-rating services on consumer preferences. They also found that the mobile carrier business model and the price of a mobile plan were the most critical determinants of the impact of access to OTTs on user preferences for mobile services. The results also indicated that the use of OTT in a pay-as-you-go market operates as a driver for the choice of mobile plan. The results of the study confirm that mobile users are price sensitive and may be willing to spend more on Internet services than on traditional mobile services. The sample distribution in this study was composed of older, rural respondents with lower educational levels as compared to the urban respondents.

Garima Gupta and Komal Singharia⁽⁶⁾ in their study “Consumption of OTT Media Streaming in COVID-19 Lockdown: Insights from PLS Analysis”(2021) undertook a threefold research agenda. First, with intensifying competition in streaming services, the paper delves into the role of impacting the consumer's willingness to continue with a particular service provider. Second, the paper seeks to investigate the mediating role of satisfaction in affecting the aforesaid linkage. Third, the research aims to explore the possible moderating impact of consumers' increased usage and consumption of streaming services (conceptualized as ‘habit’) during the period of coronavirus lockdown in affecting the association between consumers' satisfaction and their future behavior. The findings showed that 85% are paid subscribers with Netflix, Amazon, and Hotstar as the top three OTT platforms where respondents prefer and use their services over others. It was suggested that providers devote attention to developing a ‘fan base’ of customers

who are emotionally engaged with the firm and its offerings. By providing offers in accordance with customers' interests and buying behavior, the providers can further create a distinction and eventually reap additional benefits of target advertising. Consumers can be given the option to accept ad-supported content, that is, advertising in exchange for 'free' (non-subscription) content. Finally, it considers the situation stimulus provided by the lockdown as the trigger for habit formation.

Michael Johnson Jr⁽⁷⁾ in his article "Hollywood survival strategies in the post-COVID-19 era"(2021) details the decline of television services in the entertainment industry due to the lockdown in America. Though the sudden advent of Covid resulted in many big-budget movies being shifted for release later which resulted in massive losses, the financial performance of streaming platforms like Netflix, Disney+, etc improved dramatically. The behavioral psychology of consumers in the article reveals that the transition to all digital on-demand streaming will continue to escalate well into the future. It concludes that every major entertainment company without a streaming service is facing a future at the mercy of those who do.

Peter Csathy⁽⁸⁾ in his article "10 Predictions for Media & Entertainment in 2021 (Guest Column)"(2021) provides 10 predictions regarding the change in the media and entertainment services triggered by the Covid pandemic. The predictions range from a shift in films to a homeward route, virtual engagement activities, acceleration of cloud-based gaming, in-person event comebacks, adding new bundling modeling techniques, and many more. She states that Hollywood's exclusive theatrical release windows are coming to an end as more feature films geared towards families and adults are made available for in-home streaming on Day One. With the advent of the new world order, theaters will be fewer and immersive, multi-hour event experiences will be more prevalent. As streaming platforms like Netflix and Disney are gaining more and more subscribers, these

assumptions are not far-fetched from the near reality.

Chuck Tryon⁽⁹⁾ in his paper “TV Got Better: Netflix’s Original Programming Strategies and Binge Viewing”(2015) analyses Netflix's marketing tactics and presents the argument that the firm is a supporter of the discourses of distinction, as coined by Pierre Bourdieu. The streaming service emphasizes what Tryon refers to as the promises of plenitude, participation, prestige, and personalisation in particular. In addition to its continuous relationship with HBO, which is a pay-cable channel, Netflix also draws attention to these discourses through marketing initiatives like the TV Got Better campaign, which aimed to normalize binge watching as a part of cutting-edge storytelling and technology.

Yujin Luo's⁽¹⁰⁾ article “The Streaming War During the Covid-19 Pandemic”(2020) gives a thorough examination of Netflix and Disney+ during the lockdown. Since the pandemic started, Netflix has twice its estimated number of new customers due to the following reasons :- (1) The Corona Effect - The coronavirus epidemic has accelerated the pre-existing trend of viewers moving from linear TV to on-demand viewing, which has undoubtedly been very advantageous for Netflix. (2) Popularity and a wide range of programming - By using fewer teams and having a high turnover rate, Netflix was able to immediately benefit on the productions of its episodes that were completed before the pandemic shut down. (3) No requirement for content licensing to other platforms since it does not depend on sports, live events, or advertising and enjoys high levels of client loyalty. In addition to opportunities, Netflix also encountered several difficulties. (1) Financial considerations: Because Netflix has a set monthly fee, viewing time is not monetized, so it is unable to profit from any spikes in viewership during social distancing (2) Broadband Penetration - During the epidemic, New Zealand, Indonesia, Thailand, India, and the Philippines lacked the possibility for growth that

will come with increasing broadband rates. (3)Slowdown in Subscriber Growth: If a person didn't subscribe to Netflix during lockdown, they are unlikely to do so later. 4)Infrastructure- Netflix has been relying on Amazon Web Services for nearly a decade and the public cloud service will potentially cause issues for Netflix.(5)Ineffective subscription strategy - Netflix's present business model necessitates that it purchase and create a wide range of material that may be of interest to a large portion of its audience.

Isidoro Arroyo-Almaraz⁽¹¹⁾ in his study “The meme phenomenon in the creative strategy of Netflix Spain on Twitter”(2021) tried to look into the innovative ways in which Netflix Spain uses audience-engaging memes to market its content on Twitter, a platform chosen for its openness, wide influence, and expanding reach. The key goal of the study was to determine whether the memes generate the kind of engagement that causes their contents to spread like wildfire. The precise goals were to determine which formats and contents get the most retweets, likes, and replies, as well as to measure the level of attraction that shared memes generate in comparison to other resources published by Netflix Spain on its Twitter account (@NetflixES). Additionally, he tried to determine the communication goals for which memes are used. A sample of 112 memes from 307 publications from the fourth quarter of 2019 was used in the study, which combined quantitative and qualitative methods. Findings: Memes rank third in terms of popularity, after emoticons and web links; there is no clear relationship between the most popular formats (visual text, image macro, and video clip) and the most participatory ones (graphic, collage and video clip). Memes are posted with the intention of promoting the Netflix name and its library while also sparking user conversation. The study concludes that memes are a favoured method of communication in Netflix Spain's creative strategy. They are a very potent type of attraction that forges strong emotional bonds between the Netflix platform and its customers.

Megan Atwell⁽¹²⁾ in her article “Spotify Streaming’s Noteworthy Effects on Japan”(2022) provides a SWOT Analysis of Spotify’s entering into the Japan market. Spotify is the first streaming service in Japan that offers a freemium model for its user base. On top of partnership deals, Spotify uses insider information to be able to have the easiest grounding for entering the country and being able to have enough knowledge to effectively enter the market. Starting from podcast differentiation and freemium model the consumers who have subscription plans do not have a need for an internet connection as long as the content that is desired at those moments is already downloaded and the accessibility of the platform gives it a great competitive advantage in comparison to its competitors. There are also certain features that are super appealing to customers such as algorithm personalization along with features such as discover weekly and Spotify Wrapped. Music streaming is an easy market to transfer into another country after all the basic programming is done as well as focuses on language integration. Opportunities for Spotify in Japan included the following, ease of tapping into global markets, focusing on video podcasts, artist endorsements, and prioritizing partnerships. For the artist’s fans, artist endorsements increase consumer loyalty and market share which leads to the fans having more of an incentive to use Spotify.

Nadia Putri Amalina⁽¹³⁾ in her research “Proposed marketing strategy based on behavioral intention in using Spotify; Differences between free and premium users”(2019) shows what all strategies for promotion were opted by Spotify in Indonesia. Starting with (1)Email Marketing- Spotify lets users set their specific preferences on what types of emails they would like to receive. (2)Social Media Marketing- Spotify in Indonesia has three active social medias, Instagram, Facebook, and Twitter. However, it doesn’t have an Instagram account specifically made for Indonesia users. (3)Bundling Package- Spotify has collaborated with Indosat Ooredoo, a cellular operator in Indonesia on its payment scheme. This has been beneficial for Spotify because Spotify through Indosat Ooredoo indirectly

raises media coverage and reaches the people of Indonesia, both users and non-users of Indosat Ooredoo. (4)Seasonal Promotion- Spotify seasonally offers trials or deals where users can get Spotify Premium for a fraction of the regular price, or even free, for a specified time. (5)Spotify on Stage- Spotify on Stage as an offline activation marketing effort is aimed to build brand image. The presence of social influencers on the event, and exposure from the media is used as a good tool in building awareness about Spotify.

Aoife Coffey⁽¹⁴⁾ in their research paper “The impact that music streaming services such as Spotify, Tidal and Apple Music have had on consumers, artists and the music industry itself”(2016) describes the various audio streaming platforms like Spotify, Apple music and Tidal. Focusing on Spotify, consumers can explore the many playlists set up by Spotify in order to find a new artist or song to listen to. This gives artists the opportunity to find new fans in countries where their music may not be sold. But the relationship between artists and music streaming services has been fragile since the beginning. Many artists state that they do not receive as much royalties as they would from an album sale and as a result, do not wish to be involved with music streaming services. For all the positives which Spotify offers to the music industry, the main negative part of the service is the effect of the freemium service on artist’s album sales and royalty distribution, which resulted in new competition in the form of Apple Music and Tidal. It is clear that the current subscription based business model that Spotify operates is both accepted and rejected in the music industry community. Despite all this, Spotify is still the most popular streaming service leading to a decline in CD sales.

CHAPTER III : THEORETICAL FRAMEWORK

3.1 Subscription

Consumers in the 21st century are looking for solutions to simplify their lives. To do this, they want digital services to be consumed in a way that is more adaptable and scalable. This requires a new business strategy that modifies how and to whom goods and services are offered. Executives must first decide what this "new" business model should resemble in order to change from or expand from a more traditional form. They must also figure out where the company is right now and where it needs to be in order to best respond to client demands and market trends. The company needs to have a thorough understanding of the target market, competition, and disruption. To transition to a subscription business model, it may need to make modifications to business capabilities, operating strategies, and technological platforms. Subscription business models can be a crucial facilitator for businesses to recover during and after the crisis of Covid-19, as they are good at cultivating customer loyalty and creating recurring income. Investing in a subscription-based business model is beneficial for both consumers and business owners, as it involves maintaining and looking after loyal customers. Quality items and superior customer service are essential for success.

Subscriptions are a shift away from the 'buy and waste' approach, offering ongoing value such as new content, personalization, and access to updates. **A subscription is an agreement between a customer and a company for recurring services, allowing the company to automatically deduct a fixed amount from their account.** Subscriptions are used to build revenue and customer retention by offering convenience, product discovery, and/or personalization to encourage people to stay subscribed for multiple cycles. A successful subscription offering should address both sides of the relationship.

3.2 TYPES OF SUBSCRIPTION

1. Fixed usage subscription:

Fixed usage subscriptions offer a set price for a fixed quantity of goods or services over a set time frame, such as magazine subscriptions. Customers pay a set amount upfront to receive the magazine at regular intervals.

2. Unlimited usage subscription:

The unlimited usage subscription model offers a set price for unlimited access to a good or service, either personal or transferrable. Examples include gym memberships and phone contracts.

3. Pay-as-you-go subscription:

The pay-as-you-go-subscription model is popularized by subscription 'beauty boxes' and similar services, where customers pay monthly and receive a monthly delivery of beauty products. Customers can cancel their subscriptions at any time.

4. Freemium model

The freemium model is used by websites and cloud service providers to offer limited levels of content for free, but only offers additional content or premium features to paying subscribers.

3.3 SUBSCRIPTION-BASED BUSINESS MODEL

The subscription model is a recurring revenue model in which customers pay a weekly, monthly, or yearly fee in exchange for a product or service. The

Subscription Economy is a concept from Zuora's Subscription Economy Index that reflects the growth metrics of hundreds of subscription companies in modern industries. It has a positive impact on resource scarcity by increasing the efficiency of existing resources. Over the last decade, there has been a steady increase in the number of industries and companies using subscription services to monetize their offering.

3.4 ADVANTAGES OF SUBSCRIPTION-BASED BUSINESS MODEL

1. Attracting more customers

Subscription fees lower the entry barrier for goods and services, allowing customers to access the product anytime they desire and benefit from the company's advancements.

2. Predictable revenue

Subscription companies use recurring payments to forecast revenue and cash flow, while consumers can rest easy knowing their needs are being met. This helps to prevent stocking up on inventory or ordering more supplies than necessary.

3. Increased return on customer acquisition costs

With the customer acquisition cost being constant, the customer lifetime value increases in relation to their subscription period. Reduction in the customer churn rate is the critical aspect of increasing the returns on customer acquisition cost.

4. Earning more through up- and cross-selling

Consumers find subscription prices to be more reasonable when factored into their budget, especially for clients who use subscriptions to study and develop.

5. Easy to offer a proof of concept

Subscription-based products and services allow users to provide free versions of their services to entice customers into signing up. Customers benefit from the product being always up-to-date, allowing them reduced time-to-value for new features. Even if customers don't sign up immediately, their contact details can be used to send newsletters and promotions.

3.5 DISADVANTAGES OF SUBSCRIPTION-BASED BUSINESS MODEL

1. High churn risk

Subscriptions have a predictable income, but the risk of cancellations can be mitigated by maintaining the product's freshness and building strong client ties.

2. Trend fades

A new strategy must be developed after taking advantage of the current trend. To stay in the market it is necessary to be one step ahead of the curve as trends may change.

3. Increasing Competition

There are more opportunities for rivalry because subscription-based firms are popping up left and right. The company can be set apart by focusing on consistency, quality, and human connection.

4. Initial Sign-Up Avoidance (Commitment issues)

Consumers can purchase a new product and return it if they don't like it, but many are reluctant to sign up for a continuing subscription due to fear of commitment.

5. Lack of Technical Competency

Small businesses may not be able to execute an in-house or outsourced IT team due to lack of technological expertise, human resources, and financial constraints.

3.6 TYPES OF SBM'S

The subscription business model enables entrepreneurs to put an exciting twist on products usually considered a chore to purchase, giving access to a lucrative gap in the market. The rising rivalry among businesses using subscription-based business models have led to diversification in the management of subscriptions.

1. Replenishment subscriptions

Refillment subscriptions are a convenient way for consumers to pay for the replacement of an item or service on a regular basis, typically monthly or quarterly. Customers can also benefit from discounts if they join up for a longer term.

2. Curation subscriptions

Curated subscription boxes are a thoughtfully packed experience designed to surprise and delight customers with a variety of products chosen based on their preferences. This encourages strong brand loyalty among customers as the products

are chosen specially for them. Popular product categories include beauty, confectionery, and apparel.

3. Access subscriptions

Access subscriptions allow users to view and use a certain service or content for a monthly or yearly charge. The SaaS industry often employs this subscription business model, but preparing the service for use requires significant expenditure.

4. Add-on subscriptions

Add-on subscriptions allow companies to sell goods and services on a one-time basis and offer customers the option to purchase them as part of a subscription plan, generating recurring income.

3.7 THE HISTORY OF THE SUBSCRIPTION ECONOMY, ITS GROWTH, AND HOW COVID-19 HAS AFFECTED IT

Subscription services have been around for centuries, with milkman deliveries and magazine subscriptions starting in the late 1800s. Today, subscription services are a huge part of our lives, from phone contracts to music, meals, films, and wine. Businesses have emerged to provide the infrastructure for subscription services, and subscriptions are typically focused on either products, experiences, or digital. Today, the subscription business strategy has established a strong reputation in the marketplace. The subscription-based business model has been adopted by many companies with great success. It persuades people to go with memberships rather than outright purchases, and is becoming more relevant in the industry as a result of

COVID-19, which altered how people worked and lived. Customers benefit from such practical services, and it is becoming more relevant in the industry. The pandemic increased consumer demand for subscription services, leading to a significant change in consumer purchasing habits. Subscription enrollment and user numbers both grew year over year in 2020, suggesting a significant change in consumer purchasing habits. Even after the country resumed operations, consumers were unwilling to give up the convenience and cost savings of subscriptions.

The global economy has experienced a swift and detrimental impact due to COVID-19's distribution. A study of hundreds of subscription-based businesses conducted by Zuora found that half had no noticeable effect on subscriber growth, while the other quarter saw even quicker customer acquisition rates. Of the remaining businesses, half are continuing to expand despite the slowdown in growth. OTT video streaming, e-learning and communication services have an accelerating trend, while B2B, B2C software services and information services had a limited impact. Music industry revenue has been on the rise again due to Spotify and Netflix's transparent, flexible, responsive, and personalized service.

3.8 STREAMING SERVICES

A streaming service is an online supplier of entertainment that sends content to a subscriber's computer, TV, or mobile device via an Internet connection. Examples include Netflix, Amazon Prime Video, Hulu, Spotify, and Apple Music. Streaming is an alternative to file downloading, where the end-user obtains the entire file(s) before watching or listening to it. Streaming media includes live closed captioning, ticker tape, and real-time text. Video on demand and streaming television providers use streaming the most, as well as music and video games.

3.9 OTT STREAMING SERVICES

An over-the-top media service (OTT) is a streaming video service that is made available to viewers directly over the Internet. It is often used to refer to subscription-based video on demand services that provide access to media like movies and TV shows. OTT players such as Netflix, Hulu, Peacock, Disney+, HBO Max, Discovery+, Paramount+, and Amazon Prime Video offer movie downloads that start playing before the download is finished. On desktops, cellphones, and other OTT devices, OTT material can be streamed. However, a subscription may be necessary for services like Netflix and Disney+, where customers may subscribe on a monthly or annual basis and access curated content at any time. An important advantage over traditional TV programming is that consumers can stream OTT video whenever and wherever they want.

OTT content is popular due to its accessibility and original material. Customers need a connected device and a high-speed internet connection to stream content over the internet. Following COVID-19, OTT has created a special possibility for live streaming significant events.

3.9.1 OTT STREAMING PLATFORMS

A. VIDEO STREAMING PLATFORMS

Video streaming is the continuous transmission of video files from a server to a client, allowing users to watch videos online without having to download them. Examples of streaming video content include movies, TV shows, YouTube videos, and live streamed content. It has been a huge success for services like Netflix and Hulu. The famous OTT video streaming platforms are as follows :

1. Netflix

Netflix was founded in 1997 by Reed Hastings and Marc Randolph to rent DVDs by mail. By 2005, it had 4.2 million devoted DVD-by-mail rental customers. In 2007, it made the daring revelation that subscribers could also stream TV shows and movies directly to their Desktops. Netflix offers a large selection of movies, TV episodes, and original content, and can be accessed on smart Televisions, streaming devices, and smartphones and tablets using the official iOS or Android app.

2. Disney+ Hotstar

The Walt Disney Company's Disney Media and Entertainment Distribution and Novi Digital Entertainment are the owners and operators of the Indian subscription video on demand over-the-top streaming service known as Hotstar. It was initially introduced as Hotstar for a streaming service carrying content from Disney Star's regional networks, including movies, TV shows, live sports, and original programming. In 2019, Disney acquired Star India's parent firm 21st Century Fox, and the co-branded service included Disney+ original programming, movies and television shows from its primary content brands. In October 2022 and early 2023, the Philippines and Vietnam are scheduled to debut Disney+ Hotstar. Hotstar caters to Indian expats in Singapore, Canada, and the UK, specialising in domestic entertainment and sports programming from Disney Star.

3. Amazon Prime Video

Amazon Prime Video is an American subscription over-the-top streaming and rental service for on-demand video content. It primarily distributes movies and television shows made by Amazon Studios and MGM Holdings or licenced to Amazon as Amazon Originals. A 30-day free trial of Amazon Prime is available to new subscribers, while college students have an even longer trial period and are eligible for a free six-month subscription. Prime Video also lets users pay extra for

purchasing particular movies and shows that aren't already included with the membership. Apple TV only provides it as a feature.

4. Hulu

Hulu is a 2007-launched Internet streaming service that offers footage of movies and television series financed by advertisements. It was a joint venture between News Corporation, NBC Universal, Providence Equity Partners, and The Walt Disney Company. In 2010, it introduced its subscription service, Hulu Plus, which offered full seasons of shows from the company and its partners as well as immediate access to brand-new episodes. Over ten years have passed since the launch, and more than 40 million people subscribe to it, making it one of the greatest and biggest streaming services in the country.

5. Jio Cinema

JioCinema is an Indian over-the-top streaming and on-demand video service owned by Viacom 18, a division of TV18. It was introduced on September 5, 2016, and its content library consists of movies, TV shows, web series, music videos, documentaries, and sports. In 2022, JioCinema became available for free to all subscribers, regardless of network.

6. Apple TV+

Apple TV+ is a paid streaming service available in the United States. It debuted on November 1, 2019, and offers a variety of original movies and TV shows under the name Apple Originals. The service is accessible via Apple's website and Apple TV app, which has gradually been available for various Apple devices and other competitive streaming devices. It was initially offered in only 100 countries, and customers who purchased specific hardware items received a complimentary one-year subscription. The service was acknowledged for having "established an

impressive track record for turning out consistently good - and sometimes great - programming for subscribers" and received numerous nominations for the 2021 Golden Globe Awards in both the television and film categories.

B. AUDIO STREAMING PLATFORMS

India's music market is currently the 15th largest in the world and has the potential to surpass the top 10 by 2022 due to the rapidly increasing internet penetration and the explosion of streaming services. Audio recordings have improved dramatically as technology has advanced, allowing listeners to listen to, play, and stream the desired audio on an audio streaming platform. This type of data transfer needs specific protocols for managing the chronology of data packets or other transmission types. Millions of soundtracks are immediately available for streaming on sites like Apple Music, Spotify, and many others. For dependable audio streaming, all that's required is high-speed internet access, a streaming platform subscription, or a mobile app. Some of the famous audio streaming platforms are as follows:

1. Spotify

Spotify is a private Swedish company that offers audio streaming and media services. It has 489 million monthly active users, including 205 million paid members, as of December 2022. Basic functions are free with commercials and restricted control, but other capabilities like offline listening and commercial-free listening are only available with paid memberships. Users can make, update, and share playlists and search for music based on an artist, album, or genre. Spotify pays royalties depending on the percentage of artist streams to all songs streamed, and 70% of the overall earnings is given to rights holders.

2. Apple Music

Apple Music is a streaming service for music, audio, and video created by Apple Inc. Customers can listen to pre-existing playlists or choose songs to stream on-demand to their device. The service offers three live, round-the-clock radio stations: Apple Music 1, hosted by DJ Zane Lowe, Apple Music Hits, and Apple Music Country. It is not necessary to have an Apple Music subscription in order to access the Apple Music Radio service. Subscribers to Apple Music can make a profile to share their music with friends and follow other users to see the music they frequently listen to. The service is also tightly connected with Apple's own internal products, including the personal voice assistant Siri and the AirPlay audio and video streaming standard.

3. Amazon Music

Amazon Music is an online music store and streaming service owned by Amazon. It was the first to offer music from the four major music companies and many independent artists without DRM in January 2008. Users can make their own playlists and have access to a huge selection of music and albums. For qualified Amazon Prime members, it offers unlimited, ad-free access to on-demand streaming of selected playlists and Stations, as well as millions of albums.

4. Gaana

Gaana is the biggest commercial music streaming service in India, offering both Indian and foreign music content. It was introduced in April 2010 by Times Internet and offers music in 21 different Indian languages. In 2013, it entered into a partnership with the South Indian Music Industry Association to secure the rights to music from 79 different companies. After failing to get new funding or a buyer, it changed to a subscription-only service and stopped offering free streaming on September 9, 2022.

5. Wynk

On November 27, 2019, New Delhi Wynk Music, an Airtel OTT music streaming service, became increasingly well-liked among Indian smartphone users. Wynk provides music in 14 different Indian languages, and regional songs currently make up 26% of the app's overall 3 billion+ monthly streams.

6. Youtube Music

YouTube Music is a music streaming service developed by YouTube, a Google subsidiary. It offers ad-free playback, background audio playback, and music downloads for offline listening. On December 1, 2020, the service replaced Google Play Music as the company's primary streaming music brand. There are 100 nations where the service is offered. The free tier plays songs in their music video version, while the premium tier plays the album's official tracks. Students who meet the requirements can save money on an individual plan. Both individual and family versions of the YouTube Music Premium and YouTube Premium programmes are available.

3.10 CONCLUSION

Since the 17th century, when it made its first appearance in public, the subscription concept has advanced significantly. Customers and the market have both paid close attention to the Subscription business model's tactics. Both businesses and consumers can benefit greatly from this. This business model would spread even further and produce fantastic results for the businesses in the coming years. And after the industrial revolution, subscription is seen as the next major breakthrough. It is predicted that purchasing products and services on a subscription basis will become the norm in the upcoming 22nd century rather than the exception.

**CHAPTER IV : NETFLIX AND
SPOTIFY'S COMPANY PROFILE
AND MARKETING STRATEGIES**

NETFLIX

A. Company Profile :-



Founders : Reed Hastings, Marc Randolph

Founded on : August 29, 1997

Headquarters : Los Gatos, California, U.S.

Industry : Technology and Entertainment Industry, Mass Media

Products : Streaming Media, Pay television, Video on Demand, Mobile Gaming

Services : Film Production, Film distribution, Television production, Television Distribution

Type of Business : Public

Type of site : OTT Streaming Platform

Revenue : US\$31.6 billion (2022)

Operating Income : US\$5.6 billion (2022)

Net Income : US\$4.5 billion (2022)

Total Assets : US\$48.6 billion (2022)

Total Equity : US\$20.8 billion (2022)

Employees : 12,800 (2022)

Users : 230.747 million (31st Dec 2022)

B. Promotional Strategies of Netflix :-

Netflix's marketing approach is characterised by its flexibility, data gathering, user centricity, personalisation, and devotion. To increase its user base, Netflix actively pursues content customisation and expansion. Based on their respective ages, they divide the audiences into children's and adults' sections. Netflix has a wide-ranging demographic and age audience. In order to provide a seamless experience, Netflix adheres to a customer-centric model. The platform uses content marketing wisely for data analytics and adheres to integrated marketing for precise targeting.

5 Major Concepts From Netflix's Marketing Strategy:

1. Tailored Content:

Netflix is committed to building strong relationships with its users by interacting with them directly and tailoring their viewing experience. As a result, they may quickly locate the consumers' favourite material without having to go through numerous lists. Additionally, it guarantees that users always receive the best and most recent content. Online visitors need this level of personalisation since it improves their experience and increases the likelihood that they will visit a site again in the future.

2. Guarantee Multi-mode Experience:

Netflix's path, which began with a DVD service, has been successful due to its multi-device approach. With seamless content continuity, Netflix services may be viewed on TV, computer, smartphone, and tablet devices. The business has no boundaries when it comes to accommodating customers wherever they are. To increase user engagement, Netflix employs both online and offline promotion techniques. Regardless of the medium, their marketing strategy is consistent wherever it can be effective

3. Combine technology and marketing strategies:

There won't be a similar interface or recommendations between two Netflix accounts. The order displayed in the recommendation is dynamic and based on user behaviour. Netflix makes good use of contemporary technology. To create a sense of freshness, they frequently modify the artwork. The site constantly introduces new features to increase interaction. A tested technological trend that will advance marketing research is machine learning. What supports Netflix Marketing Strategy is the incorporation of machine learning into advertising.

4. Target Emails:

One excellent example of a business maximising email marketing is Netflix. By combining email campaigns with machine learning technologies, they are one step ahead. More user preferences and data are gathered, and the data is further segmented into several user categories for accurate and successful client targeting. Email marketing can therefore introduce Netflix to new subscribers and provide them with useful recommendations. Being innovative and taking chances are two key pieces of advice from Netflix email marketing.

5. Better Relationships Can Make a Buzz:

Throughout the past ten years, Netflix has employed the most effective content marketing strategy. The business comes up with a novel idea to get users' attention right away. They are delivering unique experiences and stand-alone items. The platform also includes a seamless communication route to increase fleeting awareness and recognition. Consumers can contact the Netflix staff by using the website's contact form, sending emails, calling the agent directly, or chatting with them live. Using social media sites like Facebook, Instagram, and LinkedIn, Netflix

interacts with its audience as well. To attract clients with high attraction and grow its customer base, it advertises and offers incentives. In addition to various gift cards and special promotional discounts, Netflix provides its subscribers with these items as part of their subscription package.

Thanks to its creative social media optimization strategies, which include 90% videos and 10% photos, Netflix has amassed 61 million Facebook followers. Additionally, they post GIFs, memes, and text messages with inquiries about recently released movies and TV episodes. They also include interviews with actors and excerpts from upcoming movies and TV shows. Netflix's Instagram postings are pictures, moments from TV programmes, behind-the-scenes videos, and actor interviews, with an average of 14 tweets each day. Netflix is known for its quick comebacks and replies on Twitter. This demonstrates the importance of brand interaction and how highly the company values brand recognition.

Netflix is one of the few businesses that gets everything right, from its branding and content to its business model and product. The platform's unmatched hype keeps users glued to binge-watching, and its digital marketing strategies have produced huge returns for the company. Netflix has managed to establish a profound grasp of its audience due to its market share and emphasis on metrics, and its potential is limitless due to its reliable, reasonably priced product.

SPOTIFY

C. Company Profile :-



Founders : Daniel E K, Martin Lorentzon

Founded on : 23 April 2006

Headquarters : Stockholm, Sweden

Industry : Audio streaming, Podcasting

Products : Audio streaming services

Services : Music Streaming, Audio book services, Podcasts.

Types of Business : Public

Type of site : Audio streaming platform

Revenue : €11.7 billion (2022)

Operating Income : €-659 million (2022)

Net Income : €-430 million (2022)

Total Assets : €7.6 billion (2022)

Total Equity : €2.4 billion (2022)

Employees : 10,151 (December 2022)

Users : Free: 295 million

Paying: 205 million

Total (MAU): 489 million (December 2022)

D. Promotional strategies of Spotify :-

Spotify's downloaded application or web platform can be accessed at any time and from any location. Although the internet is required, paying subscribers have access to an offline option. Spotify has mostly promoted itself through social media, particularly Facebook. With about 24 million Meta followers and a strong Twitter presence, the business leverages social networks to increase brand recognition and encourage engagement. Its emphasis on accessibility and excellent user experience has generated a lot of word-of-mouth advertising.

5 Major concepts from Spotify's promotional strategies :-

1. Freemium Model:

This platform's main selling point is that it is free for users, with some adverts playing in the background while the music is playing. Because consumers can access free music without purchasing a membership, it has been discovered that Spotify's freemium model strategy has worked remarkably well. In order to continue pressuring users to upgrade to premium membership and listen to music uninterrupted by commercial breaks, Spotify also made the most of this feature by promoting adverts in between tracks. It was able to increase its global membership base thanks to this inventive marketing tactic.

2. Minimalistic App Interface:

The fact that Spotify's user interface is utterly basic, simple to use, and elegant in both the app and on Chrome is an important component of its marketing approach. This makes it a top option for both musicians and music lovers.

3. Artist Collaborations:

Nearly every major industry's top musicians are connected to Spotify in tight ways. This gives consumers a means to interact with their favourite musicians, which results in open live events—another great approach to entice new subscribers who will enjoy the exclusive content.

4. Emotional Ads:

Using emotions in you advertising can improve the connection with the target market and expand both local and global reach. Even in India, Spotify advertisements frequently include a family, which packs a punch of levity and emotional power. Hence, either during Christmas, Diwali, etc., will have specialised advertisements. These cultural advertisements can better market the company thanks to their lasting effect.

5. Personalisation:

The experience is more individualised and very user-centric thanks to a simpler and more user-friendly AI interface. The AI interface for Spotify has been designed to be user-specific. It doesn't matter if a millennial is searching for hot Instagram music or listening to podcasts on Spotify or a Gen Xer is. Spotify is prepared to cater to each user's tastes.

The most innovative **marketing strategies** used by Spotify to help make music the world's language are as follows:

1. Thanks 2016. It's been weird :

A campaign was started by Spotify in December 2016 that included a number of amusing advertisements that highlighted the odd happenings of the year. The advertisements, which featured stars like John Legend and J.K. Simmons, received a lot of social media shares.

2. Sounds of Summer :

The most popular Spotify tracks over the course of the summer of 2018 were highlighted in a series of TV advertisements and social media posts for this campaign. The advertisements, which mixed established artists with up-and-coming performers, were made to get people in the mood for summer.

3. Your daily drive :

In order to keep people motivated and engaged while driving, Spotify created the "Daily Drive" playlist, which was the centrepiece of this promotion, which debuted in 2019. The advertisements showed actual people telling their tales about how the playlist has kept them motivated and focused while driving.

4. I'm with the banned :

When it came to marketing initiatives, Spotify never shied away from promoting innovation and the unrestricted exchange of ideas. Spotify started a campaign dubbed "I'm With the Banned" to help affected musicians in the wake of the travel restriction that the Trump administration enacted in 2017. A playlist of songs from artists who were impacted by the ban, a number of social media posts, and a statement from Spotify CEO Daniel Ek denouncing the ban were all included in the campaign.

5. Behind the Lyrics :

This effort was started by Spotify in 2016 to give consumers more context and information about the lyrics of their favourite songs. The addition of the "Beyond the Lyrics" function to the app was well received. Through this advertising campaign, Spotify was promoted as the go-to place for music fans interested in discovering the meanings of their favourite songs.

Spotify's relationships with music festivals, concert tours, and other live events

serve as its primary means of promotion. Spotify may connect with a sizable and active target audience by partnering with well-known music events. Using social media sites like Facebook, Instagram, and Twitter to communicate with users and promote new features and content is another crucial component of Spotify's marketing approach. Also, the business uses email as a tailored marketing tool to connect with customers and advertise playlists and new albums.

As part of its marketing approach, Spotify also uses word-of-mouth advertising and encourages its users to share their favourite tracks and playlists with their friends and followers on social media. This aids in extending the service's reach and attracting new customers. In addition to these initiatives, Spotify also spends money on conventional advertising mediums like print, radio, and television in order to build its brand and attract new customers.

CHAPTER V : DATA ANALYSIS AND INTERPRETATION

Data collection is the process of obtaining and examining precise data from a variety of sources to identify trends, probabilities, and other information needed to evaluate potential outcomes. The following information was gathered in order to analyse and interpret the findings in order to understand the issue better. Both quantitative and qualitative data were gathered. Many techniques and metrics are used to organise and summarise raw data in order to define, analyse, and optimise solutions for various factors. This study targets young people and middle-aged people between the ages of 18 and 30 accounting for a total of 120 responses. Hence, the age category may be skewed in the data collected. The variables included in the questionnaire are :

Demographic variables:

1. Occupation
2. Gender
3. Age

Specific variables:

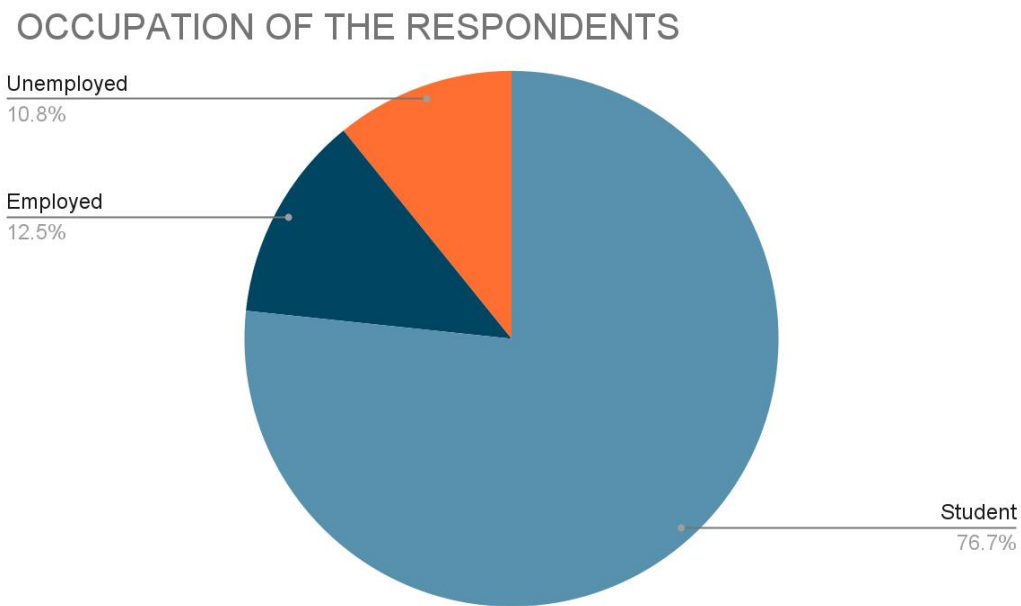
1. Awareness about SBM, OTT services, and streaming activities
2. Usage of streaming services
3. Time period
4. Intensity of usage
5. Knowledge about study matter
6. Opinions and preferences on trend
7. Satisfactory levels

TABLE 5.1 OCCUPATION OF THE RESPONDENTS

Occupation	Responses	Percentage
Student	92	76.7%
Employed	15	12.5%
Unemployed	13	10.8%
Total	120	100%

Source : Primary data

FIGURE 5.1 OCCUPATION OF THE RESPONDENTS



INFERENCE:

The above figure 5.1 shows the number of respondents based on their occupation. Among the 120 respondents, 92 respondents were students, 15 were employed and 13 were unemployed. The majority of the respondents belonged to students category constituting to more than 3/4th quarter of the respondents, while employed and unemployed together constituted to quarter of the respondents.

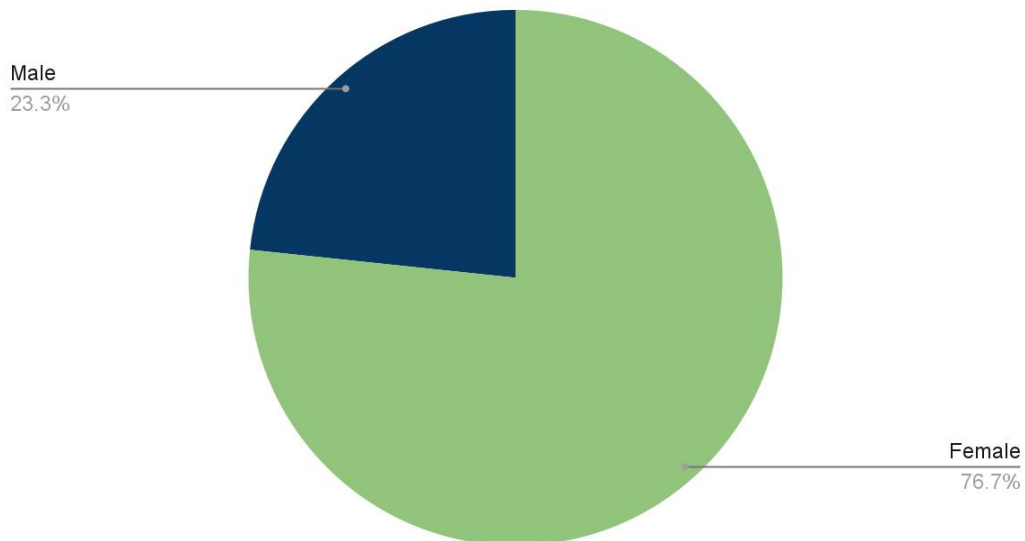
TABLE 5.2 GENDER OF THE RESPONDENTS

Gender	Responses	Percentage
Female	92	76.7%
Male	28	23.3%
Total	120	100%

Source : Primary data

FIGURE 5.2 GENDER OF THE RESPONDENTS

GENDER OF THE RESPONDENTS



INFERENCE :

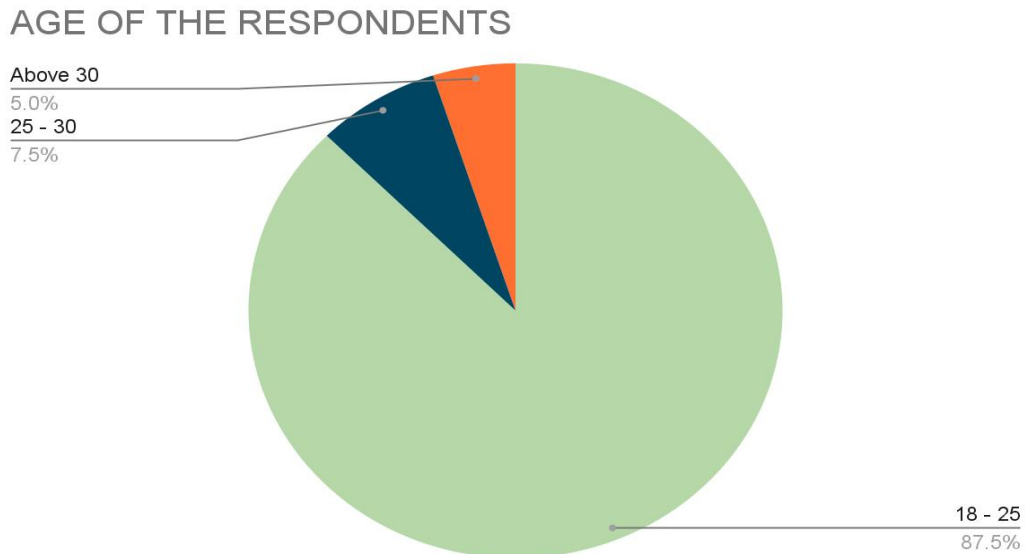
The given figure 5.2 shows the number of responses for the gender category of the respondents. Only female and male respondents have filled the questionnaire. The female respondents constituted to 92 responses whereas male respondents constituted to 28 responses. The majority of the respondents were female amounting to 73%, whereas male respondents contributed to only 23% of the responses.

TABLE 5.3 AGE OF THE RESPONDENTS

Age	Responses	Percentage
18 - 25	105	87.5%
25 - 30	9	7.5%
Above 30	6	5%
Total	120	100%

Source : Primary data

FIGURE 5.3 AGE OF THE RESPONDENTS



INFERENCE:

The above figure 5.3 shows the demographic data of age of respondents. The youngsters of age 18 - 30 gave 108 responses whereas respondents of age 25 - 30 gave 9 responses and respondents of age above 30 gave 6 responses. Though the option of below 18 were there, it had no responses. The majority of responses were from the youngsters of age 18 - 25 constituting almost 90% of the responses. While remaining responses together constituted the remaining 10%.

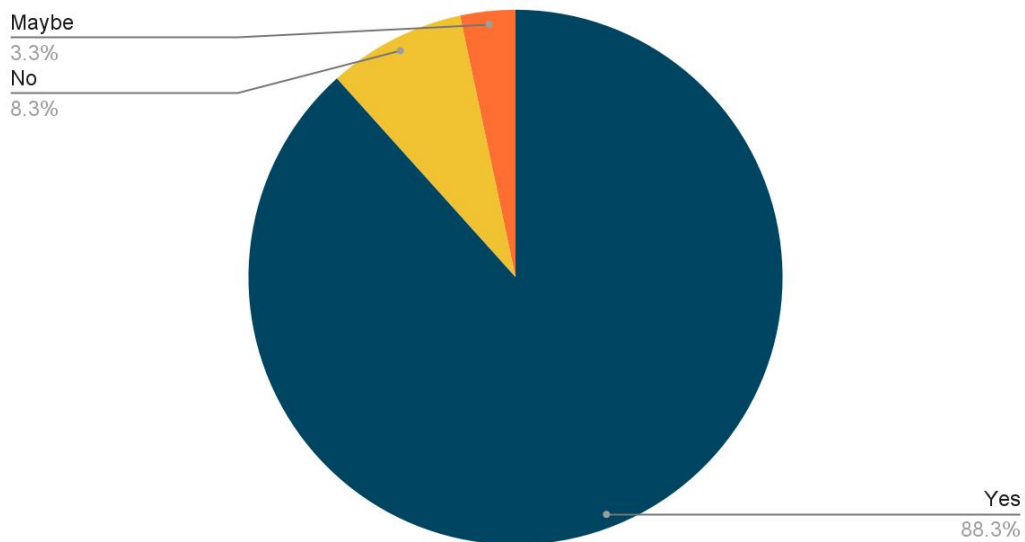
TABLE 5.4 AWARENESS ABOUT SBMs

Awareness	Responses	Percentage
Yes	106	88.3%
No	10	8.3%
Maybe	4	3.4%
Total	120	100%

Source : Primary data

FIGURE 5.4 AWARENESS ABOUT SBMs

Have you heard about Subscription-based Businesses ?



INFERENCE:

The figure 5.4 represents the responses to the awareness about SBM's. The responses contributed to 106 yes, 10 no and 4 maybe. The data shows that the majority of the respondents are familiar with the Subscription Business Model. Though minority of the responses are vague, almost 10% of the responses are not aware of SBM's in comparison with those who are aware of it.

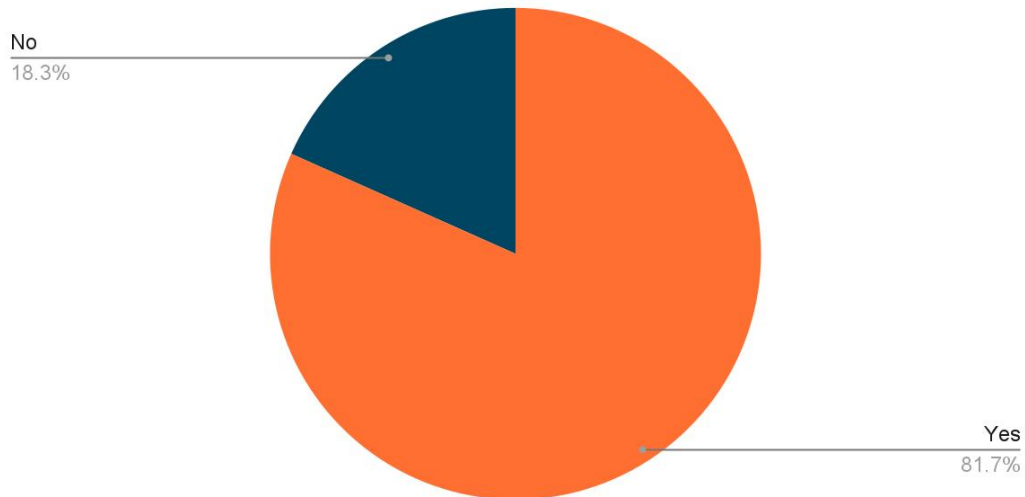
TABLE 5.5 USAGE OF STREAMING SERVICES

Usage	Responses	Percentage
Yes	98	81.7%
No	22	18.3%
Total	120	100%

Source : Primary data

FIGURE 5.5 USAGE OF STREAMING SERVICES

Have you ever used any Subscription-based audio or video streaming services like Netflix, Spotify etc ?



INFERENCE:

The figure 5.5 shows the respondents usage of SBM based audio and video streaming apps. Among 120 respondents, 98 respondents have used the app while 22 respondents haven't. The data shows that the majority of the respondents are familiar with the video and audio streaming services like Netflix, Spotify etc, though 18.3% of the respondents were not familiar with the streaming services providing applications.

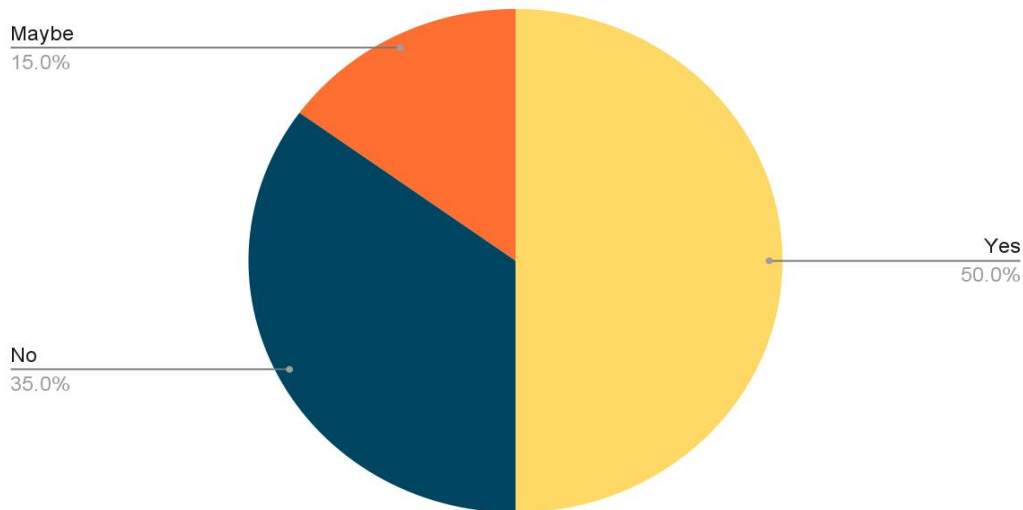
TABLE 5.6 USAGE DURING COVID-PANDEMIC

	Responses	Percentage
Yes	60	50%
No	42	35%
Maybe	18	15%
Total	120	100%

Source : Primary data

FIGURE 5.6 USAGE DURING COVID-PANDEMIC

Did you start using such apps during lockdown period ?



INFERENCE:

Figure 5.6 shows the responses during the pandemic period regarding the streaming apps usage. The data collected had 60 yes, 42 no and 18 maybe. It shows that half of the respondents have used the subscription-based services during the Covid period while 35% have not, while remaining were not sure of their usage. The affirmative response may mean that they started using the services during the covid period. In contrast, the negative reactions may mean that they either haven't used these services before or they have started using them before the pandemic.

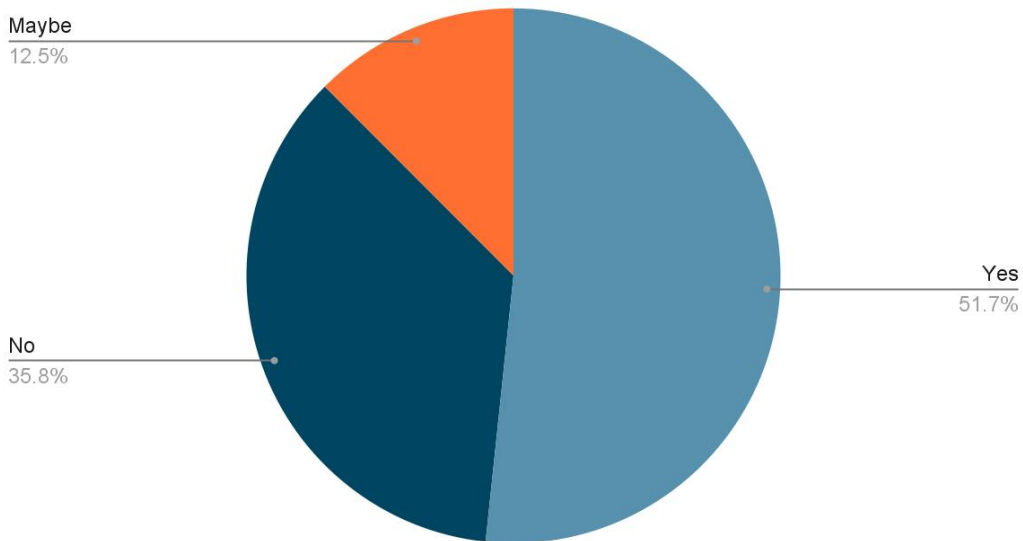
TABLE 5.7 USAGE BEFORE COVID PANDEMIC

	Responses	Percentage
Yes	62	51.7%
No	43	35.8%
Maybe	15	12.5%
Total	120	100%

Source : Primary data

FIGURE 5.7 USAGE BEFORE COVID PANDEMIC

Have you ever used such apps before Covid pandemic?



INFERENCE:

The figure 5.7 shows the usage of subscription based streaming applications by respondents before the pandemic. The responses constituted to 62 yes, 43 no and 15 maybe. The data shows that more than 50% of the respondents have used the subscription-based applications before the Covid pandemic. It may mean that these respondents have started using these apps before or after Covid pandemic. Though some minority were not sure of their usage, nearly 36% have not used them.

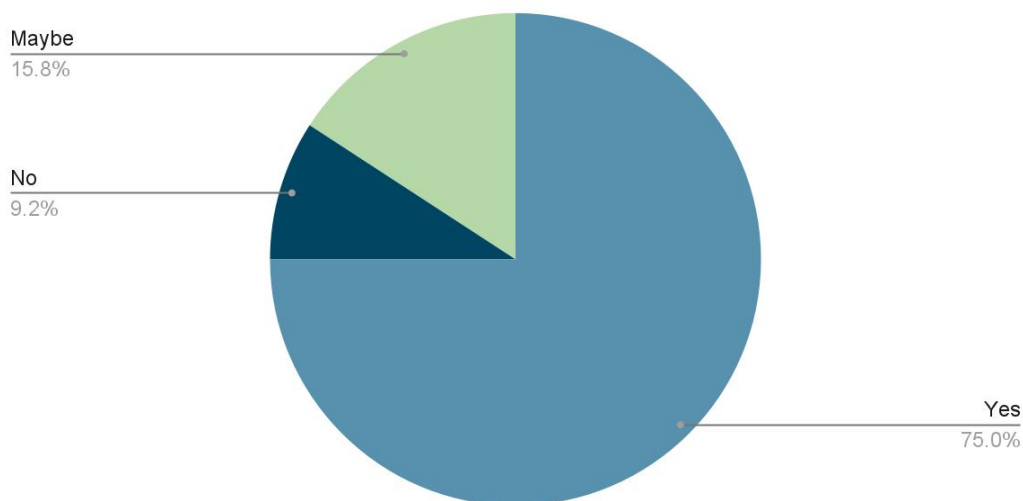
TABLE 5.8 USAGE AFTER COVID PANDEMIC

	Responses	Percentage
Yes	90	75%
No	11	9.2%
Maybe	19	15.8%
Total	120	100%

Source : Primary data

FIGURE 5.8 USAGE AFTER COVID PANDEMIC

Would you say that your use of such apps increased after Covid pandemic



INFERENCE:

The figure 5.8 represents the responses to the usage of SBM based streaming apps after the pandemic. The responses were 90 yes, 11 no, and 19 maybe. Even though the majority (75%) have responded with affirming that the usage has increased after the pandemic, some are not sure of the change relating to it. The minimal response (9.2%) belongs to the category of people who denied the increase in usage.

TABLE 5.9 INCREASE IN THE USAGE OF STREAMING APPS

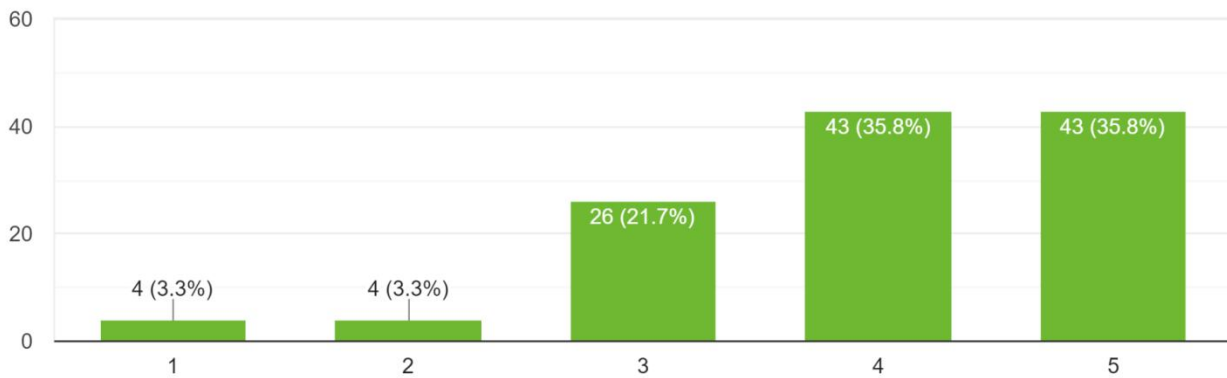
Rating	Responses	Percentage
1 (Least)	4	3.3%
2	4	3.3%
3 (Neutral)	26	21.7%
4	43	35.8%
5 (Most)	43	35.8%
Total	120	100%

Source : Primary data

FIGURE 5.9 INCREASE IN THE USAGE OF STREAMING APPS

If yes, on a scale of 1-5 , How would you rate the increase of usage of such apps in comparison to your usage during the lockdown period.

120 responses



INFERENCE:

The figure 5.9 above shows the responses to increase in usage of SBM based streaming apps in comparison to it's usage during lockdown period. Most of the respondents have agreed that the usage has increased after the pandemic with 43 responses each to 4 and 5 on a scale of 1(least) to 5(most). Though 26 respondents' changes were neutral with the usage, the least responded with a total of 4 responses each for 1 and 2 in a scale of 1(least) to 5(most).

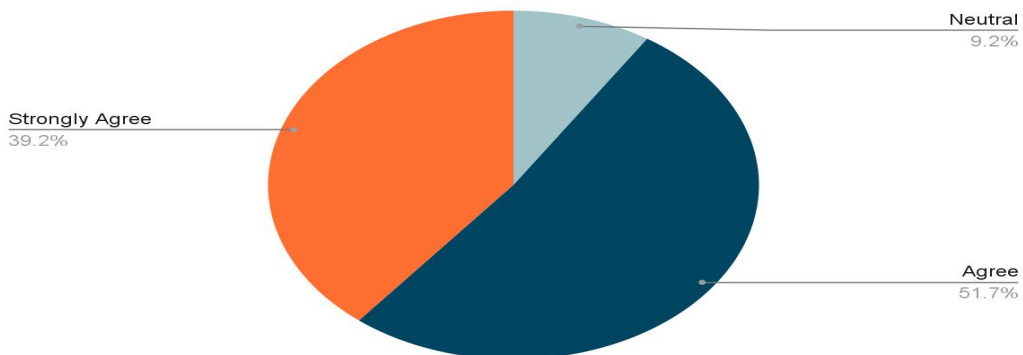
TABLE 5.10 CONSUMER’S OPINION ON FUTURE TREND OF SBM APPLICATIONS

	Responses	Percentage
Neutral	11	9.2%
Agree	62	51.7%
Strongly Agree	47	39.2%
Total	120	100%

Source : Primary data

FIGURE 5.10 CONSUMER’S OPINION ON FUTURE TREND OF SBM APPLICATIONS

Do you think that the utilization of subscription-based applications will continue to be a popular trend in the



INFERENCE:

The given figure 5.10 shows the consumer’s opinion on SBM applications as a future trend. The responses varied from 11 respondents being neutral, 62 respondents agreeing to the statement and 47 respondents strongly agreeing with the same. Though none of the respondents disagreed or strongly disagreed leaving with 0 responses for those both. The majority of the respondents believe that subscription-based applications are becoming a major trend in the industry. Though some were neutral in their responses, none of the respondents disagreed with the statement.

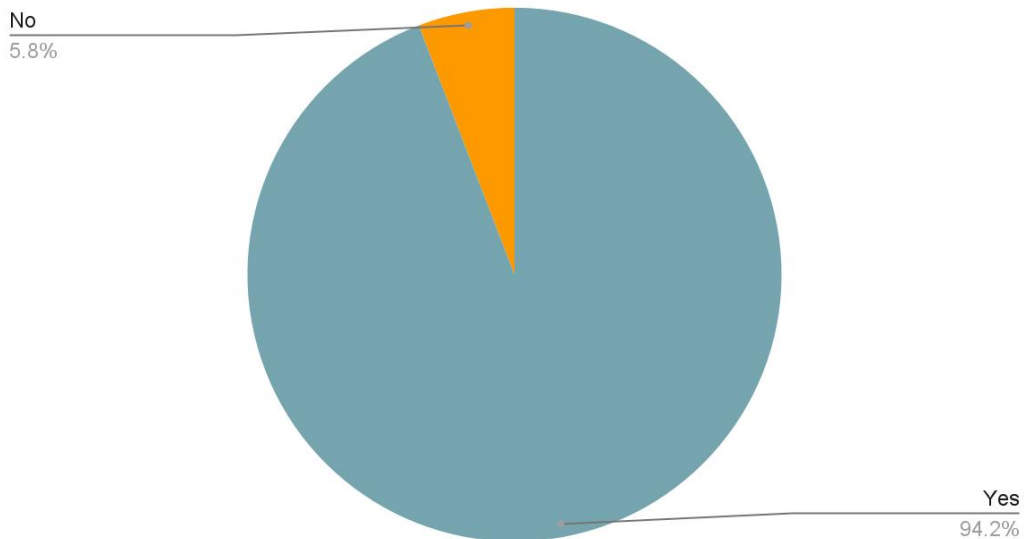
TABLE 5.11 AWARENESS ABOUT OTT PLATFORM SERVICES

	Responses	Percentage
Yes	113	94.2%
No	7	5.8%
Total	120	100%

Source : Primary data

FIGURE 5.11 AWARENESS ABOUT OTT PLATFORM SERVICES

Do you know about OTT platform services ?



INFERENCE:

The data in figure 5.11 demonstrates the awareness about OTT Platforms among the respondents. While 113 respondents were familiar, 7 respondents were unfamiliar with such services and platforms. The vast majority of respondents were conscious of OTT platform services constituting about 94.2% of responses. Only 5.8% of respondents lacked knowledge about OTT platforms. This leads us to the conclusion that most people are aware of OTT platform services.

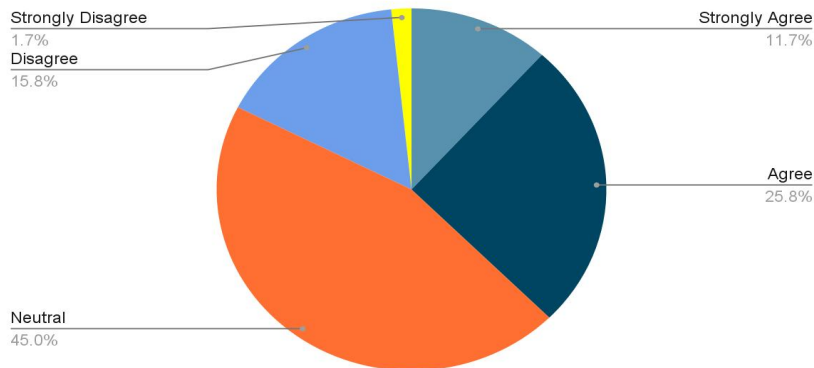
TABLE 5.12 PREFERENCE OF OTT SERVICES OVER MOVIE THEATRES

	Responses	Percentage
Strongly Agree	14	11.7%
Agree	31	25.8%
Neutral	54	45%
Disagree	19	15.8%
Strongly Disagree	2	1.7%
Total	120	100%

Source : Primary data

FIGURE 5.12 PREFERENCE OF OTT SERVICES OVER MOVIE THEATRES

If yes, would you now prefer seeing movies on OTT platforms rather than going to movie theatres



INFERENCE:

Respondents were questioned about their preferences for viewing movies on OTT platforms over movie theatres, in relation to the aforementioned question about subscription-based applications being a significant trend in the industry. In figure 5.12 it is evident that most of the respondents were undecided about their choice leading to 54 responses, while the next-largest majority (36.5%) preferred OTT platforms over movie theatres, and the remaining 21 respondents did the opposite.

TABLE 5.13 PREFERRED APPS FOR ONLINE VIDEO STREAMING

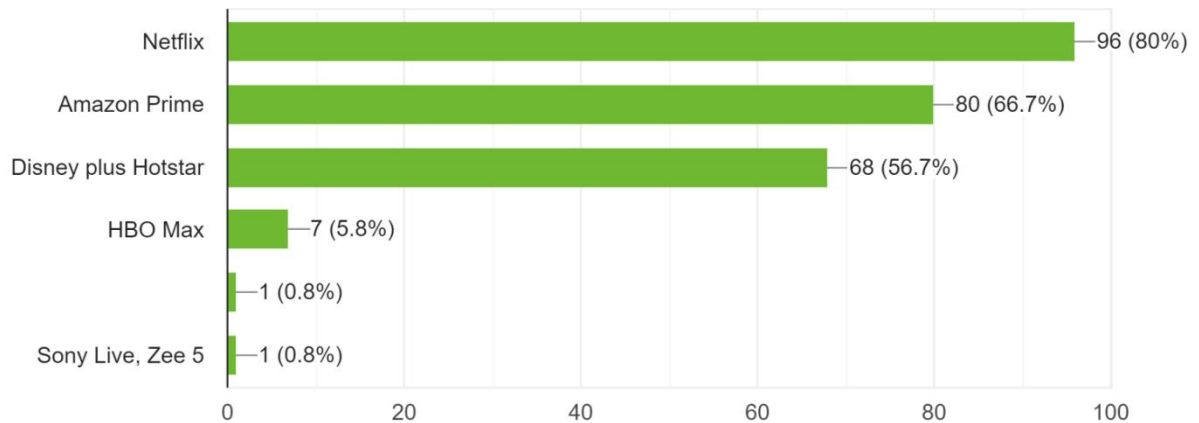
Apps	Responses	Percentage
Netflix	96	80%
Amazon Prime	80	66.7%
Disney+Hotstar	68	56.7%
HBO Max	7	5.8%
Others	1	0.8%

Source : Primary data

FIGURE 5.13 PREFERRED APPS FOR ONLINE VIDEO STREAMING

Which apps would you prefer for online video streaming?

120 responses



INFERENCE:

The question asked was a multiple choice one and a single respondent could opt for multiple options. The data from the table 5.13 shows that from the list of given OTT applications, respondents were most familiar with Netflix (80%) giving 96 responses followed by Amazon Prime (66.7%) with 80 responses and Disney+ Hotstar (56.7%) giving 68 responses. Among the minorities, HBO Max (5.8%) was chosen by 7 respondents, and the new options of Sony Live and Zee 5 were opted for by single respondents each.

TABLE 5.14 PREFERRED APPS FOR STREAMING MUSIC

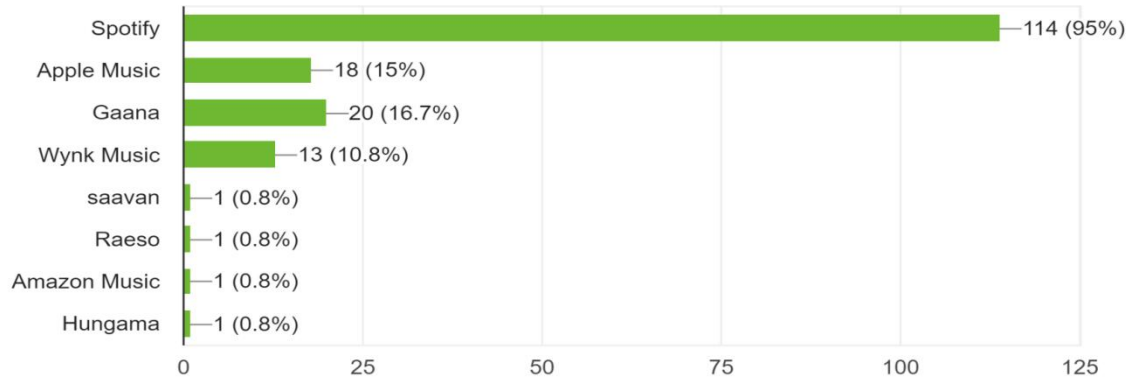
Apps	Responses	Percentage
Spotify	114	95%
Apple music	18	15%
Gaana	20	16.7%
Wynk music	13	10.8%
Others	1	0.8%

Source : Primary data

FIGURE 5.14 PREFERRED APPS FOR STREAMING MUSIC

Which apps would you prefer for Streaming music?

120 responses



INFERENCE:

Similar to video streaming applications question, the given question was also a multiple choice one and a single respondent could opt for multiple options. Figure 5.14 shows that among various audio streaming services respondents were most familiar with Spotify (95%) providing 114 responses followed with almost similar percentages by Gaana (16.7%) 20 responses, Apple Music (15%) 18 responses. and Wynk Music (10.8%) with 13 responses. Among the minorities, variety of applications Saavn, Raeso, Amazon Music and Hungama were opted by one individual each.

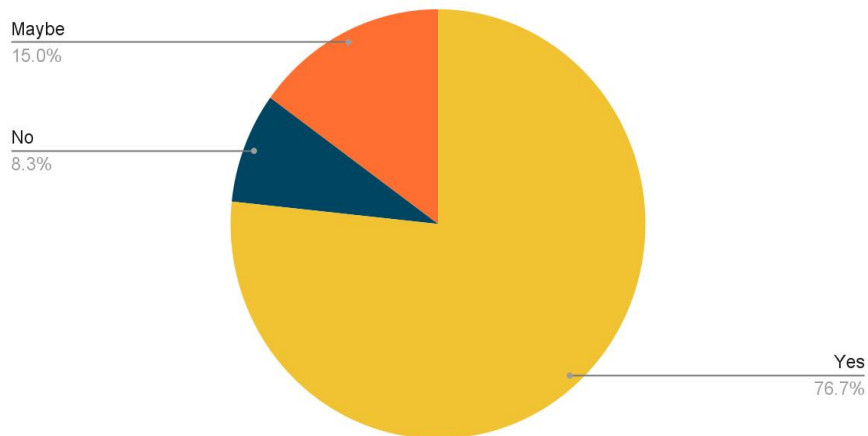
TABLE 5.15 PREFERENCE OF AUDIO & VIDEO STREAMING APPS OVER TELEVISION

	Responses	Percentage
Yes	92	76.7%
No	10	8.3%
Maybe	18	15%
Total	120	100%

Source : Primary data

FIGURE 5.15 PREFERENCE OF AUDIO & VIDEO STREAMING APPS OVER TELEVISION]

Do you rely more on such apps than television to meet your entertainment needs ?



INFERENCE:

From the given table 5.15 it is seen that majority of the respondents (92 responses) preferred to use such apps to meet their entertainment needs rather than using television. Though 18 respondents (15%) were not sure of preferring such applications over television, minority of 10 respondents chose television over such apps for satisfying their entertainment needs.

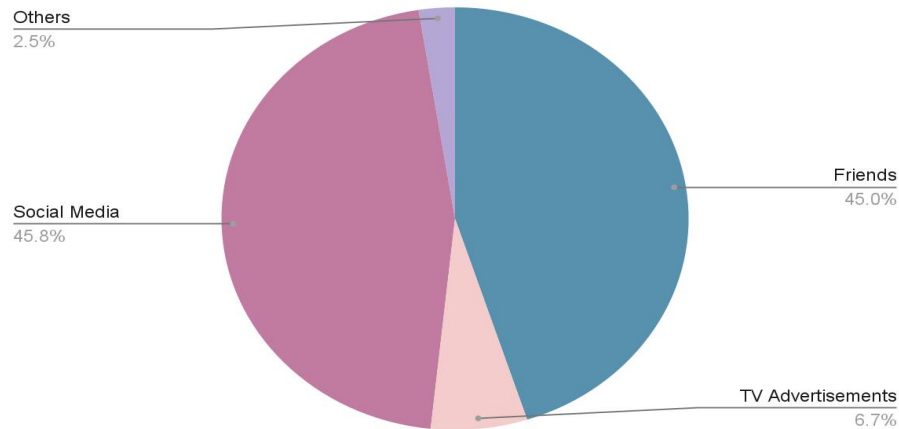
TABLE 5.16 THE VARIABLES THAT INTRODUCED CONSUMERS TO SPOTIFY

	Responses	Percentage
Friends	54	45%
TV Advertisements	8	6.7%
Social Media	55	45.8%
Others	3	2.5%
Total	120	100%

Source : Primary data

FIGURE 5.16 THE VARIABLES THAT INTRODUCED CONSUMERS TO SPOTIFY

What introduced you to spotify?



INFERENCE:

From the given options in table 5.16 the respondents were asked to choose through which they were introduced to Spotify, and an equal majority of 45% for friends and social media were chosen each having 54 and 55 responses respectively. Though minority of options led to TV Advertisements by 8 respondents and Daughter with 1 respondent as means for introduction, 2 respondents were not familiar with the application and led to single negative responses of “never used” and “idk”. (idk is abbrv for I don’t know).

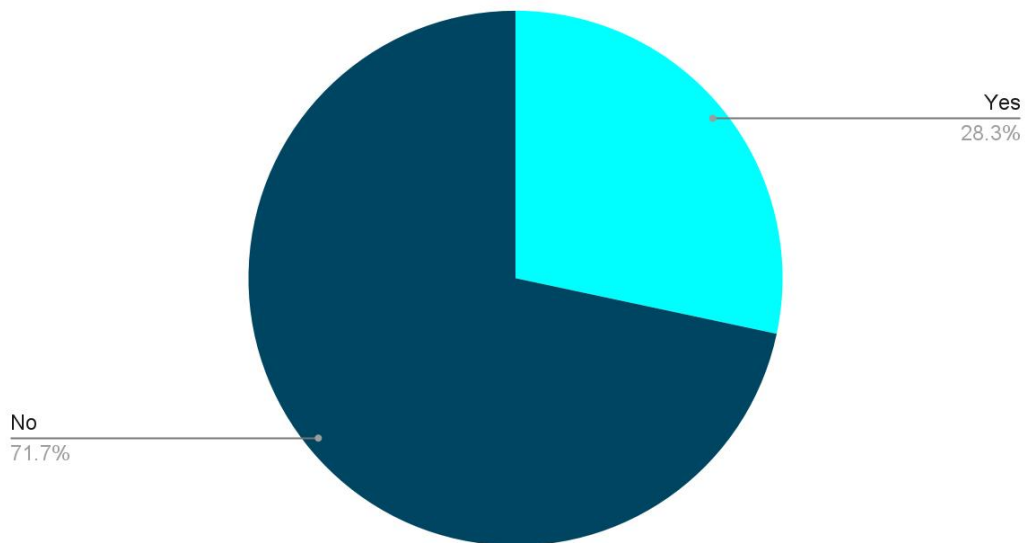
TABLE 5.17 USAGE OF PREMIUM SUBSCRIPTION OF SPOTIFY

	Responses	Percentage
Yes	34	28.3%
No	86	71.7%
Total	120	100%

Source : Primary data

FIGURE 5.17 USAGE OF PREMIUM SUBSCRIPTION OF SPOTIFY

Have you ever used a premium subscription of Spotify ?



INFERENCE :

From the given data in figure 5.17 about respondents usage of Premium subscription plans of Spotify, it is seen that, 86 respondents have not used the Subscription plans even though they were familiar with the usage of Spotify,. Freemium model of Spotify was opted by these respondents. The remaining 34 respondents have used the premium subscription plans of Spotify.

TABLE 5.18 SPOTIFY SUBSCRIPTION PLANS POPULAR AMONG CONSUMERS

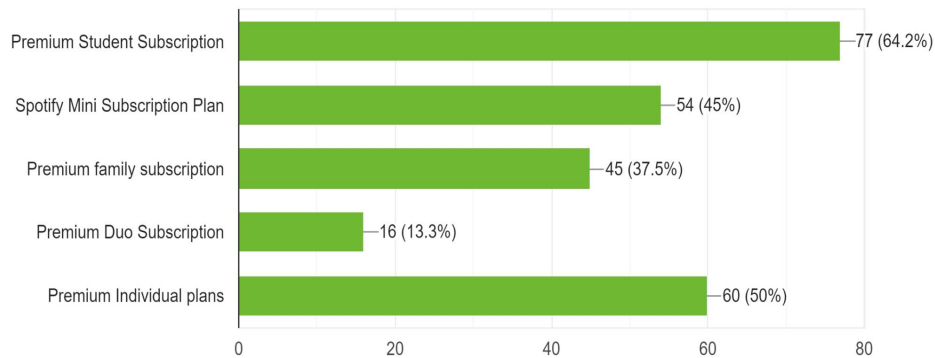
Plans	Responses	Percentage
Premium Student Subscription	77	64.2%
Spotify Mini Subscription Plan	54	45%
Premium Family Subscription	45	37.5%
Premium Duo Subscription	16	13.3%
Premium Individual Plans	60	50%

Source : Primary data

FIGURE 5.18 SPOTIFY SUBSCRIPTION PLANS POPULAR AMONG CONSUMERS

Which of the following subscription plans of spotify are you familiar with ?

120 responses



INFERENCE:

The given question regarding various subscription plans of Spotify was multiple choice and a single respondent could opt for multiple options. Though many of the respondents have not used the subscription plans of spotify, majority were familiar with the various subscription plans. Figure 5.18 shows that most were familiar with Student subscription plan giving 77 responses, followed by Individual plans with 60 responses, Mini subscription plan having 54 responses, Family subscription plan with 45 responses and finally Duo subscription plans with least responses of 16.

TABLE 5.19 POPULAR FEATURES OF SPOTIFY

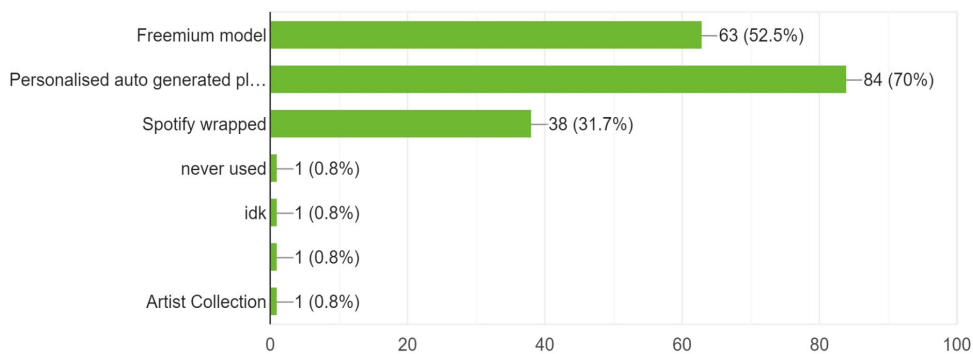
Features	Responses	Percentage
Freemium model	63	52.5%
Personalised auto generated playlists	84	70%
Spotify wrapped	38	31.7%
Others	4	3.2%

Source : Primary data

FIGURE 5.19 POPULAR FEATURES OF SPOTIFY

Which of the following features of spotify do you think made it popular ?

120 responses



INFERENCE:

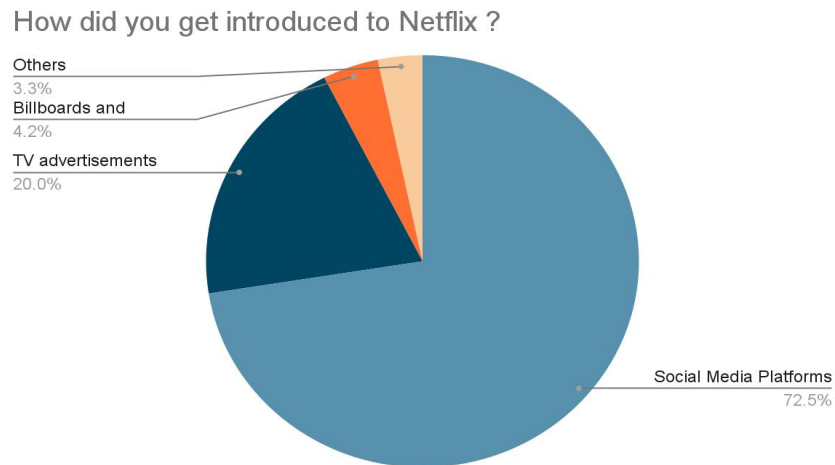
Similar to last question the given table of options were also multiple choice. Figure 5.19 shows the most popular feature of Spotify which made it famous among the respondents were the Personalised auto generated playlists opted by 84 respondents, followed by Freemium model selected by 63 respondents, and Spotify wrapped by 38 respondents during the year-end. From the remaining respondents 3 responses were vague and on the never used category one of them gave the option of Artist Collecton.

TABLE 5.20 THE VARIABLES THAT INTRODUCED CONSUMERS TO NETFLIX

	Responses	Percentage
Social Media Platforms	87	72.5%
TV advertisements	24	20%
Billboards and Magazines	5	4.2%
Others	4	3.3%
Total	120	100%

Source : Primary data

FIGURE 5.20 THE VARIABLES THAT INTRODUCED CONSUMERS TO NETFLIX



INFERENCE :

The table 5.20 shows the variables that introduced the respondents to Netflix. From the data provided it can be seen that 2 extra options of ‘friends’ and ‘relatives’ got added. Majority of the respondents got introduced to Netflix through Social media platforms having 87 responses, followed by TV Advertisements of the various shows streaming on Netflix giving 24 responses. Among the minorities, Billboards and Magazines got 5 responses, Friends got 3 responses, and Relatives was opted once.

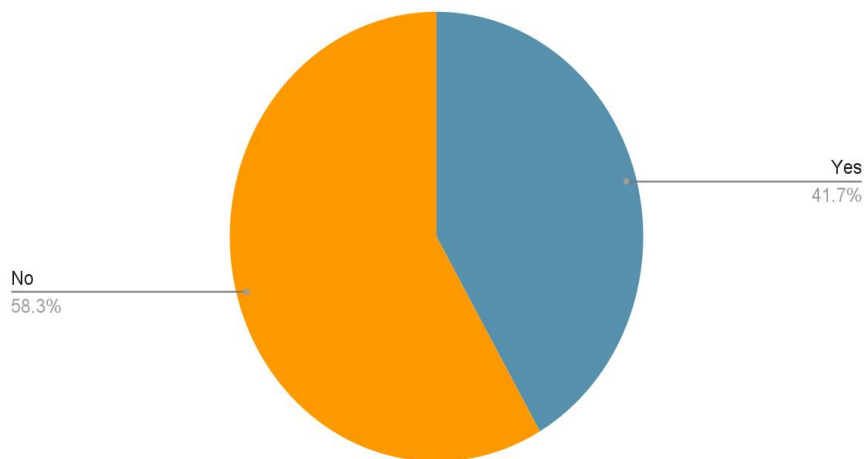
TABLE 5.21 USAGE OF ONE-MONTH PROMOTIONAL FREE TRIAL BY NETFLIX

	Responses	Percentage
Yes	50	41.7%
No	70	58.3%
Total	120	100%

Source : Primary data

FIGURE 5.21 USAGE OF ONE-MONTH PROMOTIONAL FREE TRIAL BY NETFLIX

Have you ever subscribe to the one-month promotional free trial by Netflix ?



INFERENCE :

The data from the table 5.21 shows the respondents usage of one-month promotional free trial by netflix. The responses contained 50 yes and 70 no. Less than half of the respondents have used the one-month free trial for Netflix subscription plans while 58.3% of the 120 respondents did not use the trial.

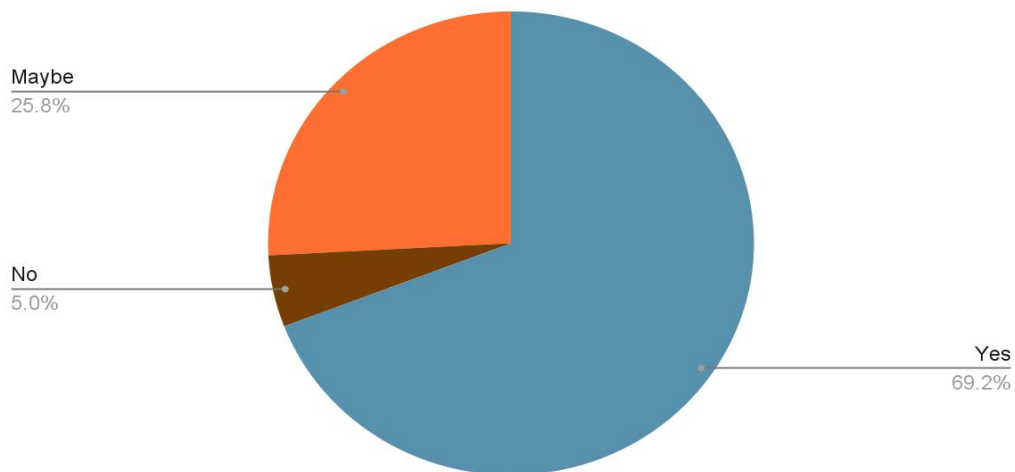
TABLE 5.22 EFFECTIVENESS OF THE MEMES THAT NETFLIX USES ON SOCIAL MEDIA AS A MARKETING STRATEGY

	Responses	Percentage
Yes	83	69.2%
No	6	5%
Maybe	31	25.8%
Total	120	100%

Source : Primary data

FIGURE 5.22 EFFECTIVENESS OF THE MEMES THAT NETFLIX USES ON SOCIAL MEDIA AS A MARKETING STRATEGY

Do you think that the memes that Netflix uses on social media as a marketing strategy is effective



INFERENCE :

The figure 5.22 shows the effectiveness of memes that netflix uses on social media as a marketing strategy. Among 120 respondents, 83 respondents agreed with the statement while 31 respondents were not sure of it and the remaining 6 respondents disagreed. As many of the respondents were introduced to Netflix through various social media platforms, it was the meme strategy used by them was more helpful in connecting the audience with the various shows of Netflix.

TABLE 5.23 POPULAR FEATURES OF NETFLIX

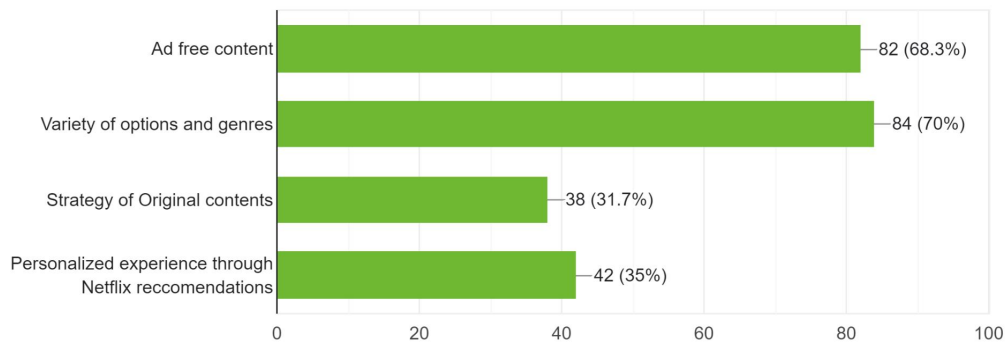
Features	Responses	Percentage
Ad Free Content	82	68.3%
Variety of Options and Genres	84	70%
Strategy of Original Contents	38	31.7%
Personalized experience through Netflix Reccomendations	42	35%

Source : Primary data

FIGURE 5.23 POPULAR FEATURES OF NETFLIX

Which of the following features of Netflix have put them at the top of the game ?

120 responses



INFERENCE :

The given question regarding the various options of Netflix features was a multiple choice question. From the table 5.23 it is understood that Ad free content got 82 responses, variety of options and genres were selected by 84 responses, Originals contents options by 38 responses and personalised experience by consumers got 42 responses. Most famous feature contributed to Variety of programme options and genres available in Netflix ,closely followed by Ad-free content and among the least opted ones were Personalised experience through Netflix recommendations and finally the Strategy of Original contents release.

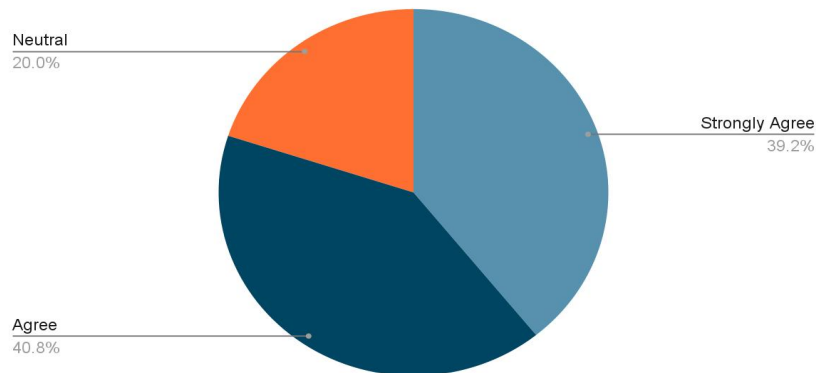
TABLE 5.24 LEVEL OF CONSUMER SATISFACTION WITH WITH THE SERVICES OFFERED BY AUDIO & VIDEO STREAMING APPS

	Responses	Percentage
Strongly Agree	47	39.2%
Agree	49	40.8%
Neutral	24	20%
Total	120	100%

Source : Primary data

FIGURE 5.24 LEVEL OF CONSUMER SATISFACTION WITH WITH THE SERVICES OFFERED BY AUDIO & VIDEO STREAMING APPS

Would you say that you are satisfied with the services offered by such applications.



INFERENCE:

The table 5.24 shows the satisfaction levels of consumers with the the various services offered by audio and video streaming applications. The responses ranged from strongly agree to neutral. From the total 120 responses, 47 respondents strongly agreed, 49 respondents agreed and 24 respondents were neutral, while strongly disagreed and agreed got 0 responses. The respondents were majorly satisfied with the services provided by the streaming applications, though 20% of them were neutral with it. From the data it is clear that none of the respondents were dissatisfied by these services.

**CHAPTER VI : SUMMARY,
FINDINGS, SUGGESTIONS
AND CONCLUSIONS**

6.1 SUMMARY

The enormous and widespread use of technology, mobile devices, and the internet has prompted the creation of subscription business structures. The development of Covid-19 significantly sped up that expansion. In order to determine whether the current trends will persist in the future, this study was done to examine how the consumption of SBMs, especially the online video and audio streaming services, has changed before, during, and after the period of lockdown. In addition to gaining a better grasp of the growing trend towards SBMs, this study also aims to learn more about OTT platforms, well-known video and music streaming apps, and the advertising strategies of Netflix and Spotify. The primary data collection through G-form aids in the conscious evaluation of the effects of COVID-19 on SBMs, their expansion, and the efficacy of Netflix's and Spotify's promotional strategies.

6.2 FINDINGS

- Majority of the respondents are female (76.7%) and most of them are students (76.7%) of the age group between 18 and 25 (87.5%).
- Most of the respondents (88.3%) are aware about the subscription based businesses.
- A large percentage of the respondents (81.7%) have used subscription based audio and video streaming services like Netflix, Spotify etc.
- Among them 51.7% of respondents have started using such apps even before Covid-19 lockdown period.
- 50% of the respondents started using such audio and video streaming apps during covid lockdown period.
- Among the respondents who have used such services, 75% of them claims that their usage of the same has increased after covid pandemic.

- 51.7% of the respondents are of the opinion that the utilization of subscription based applications will continue to be a popular trend in the entertainment industry.
- There is only a very small percentage of respondents(5.8%) who are not aware of the OTT services.
- 37.5% of the respondents prefer seeing movies on OTT platforms rather than going to movie theatres whereas 45% of respondents' opinion on the same was neutral.
- The most popular apps for streaming videos, according to the respondents, are Netflix (80%) followed by Amazon Prime (66.7%), Disney plus Hotstar (56.7%) and HBO Max (5.8%).
- The most popular apps for streaming music, according to responses, are Spotify (95%) followed by Apple Music (15%), Gaana (16.7%) and Wynk Music (10.8%).
- 76.7% of the respondents rely more on such apps than television to meet their entertainment needs.
- Majority of the people are introduced to Spotify through friends, T V advertisements and social medias.
- A considerable percentage of the respondents (71.7%) have used the premium of Spotify.
- The popular subscription plans of Spotify are Premium Student Subscription plan (64.2%) followed by Spotify Mini Subscription Plan (45%), Premium Family Subscription (37.5% Premium Individual plans(50%), Premium Duo Subscription Plan (13.3%).
- The features that made Spotify a Chart-topping app are Personalised auto generated playlists (70%), Freemium model (52.5%) and Spotify wrapped (31.7%).
- Majority of the people were introduced to netflix through social media platforms, T V advertisements and billboards and magazines.

- Only 41.7% of the respondents have used the promotional free trial by Netflix.
- One of the many promotional strategies that Netflix uses is the memes that they upload through their social media handles. 69.2% of the respondents are of the opinion that the memes that Netflix uses on social media as a marketing strategy is effective.
- The features that made Netflix popular among consumers are variety of options and genres (70%), AD free content (68.3%), personalised experience through Netflix recommendations (35%) and strategy of original content (31.7%).
- 80% of the respondents are satisfied with the services offered by the audio and video streaming apps whereas 20% of the respondents says otherwise.

6.3 RECOMMENDATIONS

- Business models that rely on subscriptions run the risk of having a high rate of cancellations. Maintaining the product's freshness and building strong client relationships are effective approaches to overcome this drawback.
- People's innate dislike of contracts is possibly one of the subscription business model's major drawbacks. They bind you and force you to consent to future actions that you're not entirely sure you'll still want. A lot of work can be put into proving the product's continuous worth to counter this trick.
- The likelihood of competition in this market has increased as subscription-based companies continue to proliferate. It could be harder to draw in and keep clients because of the competition. We may address this issue by establishing a strong and distinctive brand, offering top-notch customer service, and offering the highest-quality product available.

- It's crucial to periodically analyze and update your communications when it comes to subscription-based businesses. Because consumers have a limited attention span, it's important to regularly update your product or your perks because they can decide to switch to something else.
- A further issue is privacy. Customers must provide sensitive information, such as contact information and financial information, along with personal and professional information. These clients may be at risk of identity theft, financial loss, and other negative exposures if a company's database is breached. Therefore, appropriate, effective, and efficient steps should be made to prevent data theft and leaks.

6.4 CONCLUSION

We are in the era of subscription economy where we witness the shift from the old product economy. The old product economy has given way to the subscription economy and people prefer products more when they may use them on a regular basis but are not required to own them. Instead of ownership, they favor constant developments and surprises. If a company is not innovative enough to draw in and keep its consumer base, it cannot thrive in the market. If there is one business model that has endured the difficult times of Covid-19, it would have to be subscriptions. The digital subscription market has grown significantly in recent years and the users were happy with that. The advantages of digital subscriptions over traditional ones include greater flexibility, reduced waste, and lower costs. Digital subscriptions have made several daily tasks more easy for consumers, including online movie watching, news reading, attending to the gym, and automobile rentals. As we all know, the subscription economy started in the late 17th century when the general public started subscribing to journals. The manifestation of this ancient journal

subscription are the subscription applications we use today, including Netflix, Amazon Prime, Uber Eats, and others. Over time, more individuals have become aware of these services, and the market for them has grown steadily. The performance of SBMs has increased due to the enormous and widespread use of technology, smartphones, and the internet. In this study we tried to analyse the impact of Covid-19 on subscription based business model and promotional strategies of Netflix and Spotify, two major SBM apps. For the aim of the study, information was gathered from 120 individuals, most of whom were in the 18–30 age range and lived in the Thrissur and Ernakulam districts.

The study's findings indicate that the COVID pandemic and lockdown have had a significant impact on subscription-based businesses and have undoubtedly accelerated the growth of the subscription economy in general and the online audio and video streaming platforms and applications in particular. OTT streaming apps saw a huge increase in popularity during the lockdown. This significant trend shift is still ongoing and is anticipated to last for a considerable amount of time. Additionally, during the lockdown, major OTT applications like Netflix, Amazon Prime, and music streaming apps like Spotify, Wynk, Apple Music, etc. had the biggest growth in subscribers. The report also examined the key attributes and marketing techniques that Netflix and Spotify employed to achieve such great success in the SBM market.

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APPENDIX

QUESTIONNAIRE

A survey on the impact of Covid-19 on the Subscription-based Business Model , specifically the online streaming platforms and the promotional strategies of netflix and spotify

1. Occupation *

- Student
- Employed
- Unemployed

2. Gender *

- Female
- Male
- Other
- Prefer not to say

3. Age *

- Below 18
- 18-25
- 25-30

Above 30

4. Have you heard about Subscription-based Businesses ? *

Yes

No

Maybe

5. Have you ever used any Subscription-based audio or video streaming services like Netflix, Spotify etc ? *

Yes

No

6. Did you start using such apps during lockdown period ?

Yes

No

7. Have you ever used such apps before Covid pandemic? *

Yes

No

Maybe

8. Would you say that your use of such apps increased after Covid

pandemic ? *

- Yes
- No
- Maybe

9. If yes, on a scale of 1-5 , How would you rate the increase of usage of such apps in comparison to your usage during the lockdown period ? *

- | | | | | | | |
|-------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------|
| | 1 | 2 | 3 | 4 | 5 | |
| Least | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Most |

10. Do you think that the utilization of subscription-based applications will continue to be a popular trend in the entertainment industry ? *

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

11. Do you know about OTT platform services ? *

- Yes
- No

12. If yes, would you now prefer seeing movies on OTT platforms rather than going to movie theatres ? *

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

13. Which apps would you prefer for online video streaming? *

- Netflix
- Amazon Prime
- Disney+ Hotstar
- HBO Max
- Other

14. Which apps would you prefer for Streaming music? *

- Spotify
- Apple Music

- Gaana
- Wynk Music
- Other

15. Do you rely more on such apps than television to meet your entertainment needs ? *

- Yes
- No
- Maybe

16. What introduced you to spotify? *

- Friends
- T V Advertisements
- Social Media

17. Have you ever used a premium subscription of Spotify ? *

- Yes
- No

18. Which of the following subscription plans of spotify are you familiar with ? *

- Premium Student Subscription
- Spotify Mini Subscription Plan
- Premium Family Subscription

- Premium Duo Subscription
- Premium Individual Plans

19. Which of the following features of spotify do you think made it popular ? *

- Freemium Model
- Personalised auto generated playlists
- Spotify Wrapped
- Other

20. How did you get introduced to Netflix ? *

- Through social media platforms
- T V Advertisements
- Billboards and Magazines
- Other

21. Have you ever subscribe to the one-month promotional free trial by Netflix ? *

- Yes
- No

22. Do you think that the memes that Netflix uses on social media as a marketing strategy is effective ? *

- Yes
- No
- Maybe

23. Which of the following features of Netflix have put them at the top of the game ? *

- Ad free content
- Variety of options and genres
- Strategy of Original contents
- Personalised experience through Netflix recommendations

24. Would you say that you are satisfied with the services offered by such applications ? *

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

