

Can netflix regain lost ground

[Business](#), [Marketing](#)



The paper "Can Netflix Regain Lost Ground" is an excellent example of a case study on marketing. The Chief Executive Officer and founder of Netflix, Reed Hastings, preached incessantly of avoiding ideas that can slow down a successful business and to make hard decisions without racking one's brain the entire time. Unfortunately, Hastings is learning a hard lesson from his unorthodox business methods. In July of 2011, Hastings announced to his customers that Netflix would be attempting to focus more on online streaming of movies and television shows and less on physical DVDs. To accomplish this, Netflix would be split into two separate services, with Netflix heading the online streaming and the new business, Qwikster, taking care of the DVD business. This would have worked to Hastings' advantage had he properly understood what his customers wanted from the service. Prior to making his rash decision, Hastings had always tested products and services with focus groups. This would help to determine what the majority preferred and if there were aspects that needed further explanation or to be changed. In regard to switching around the Netflix business, Hastings did not try to get customer input; not only did he skip the focus groups, but he also refused to heed the feedback that his customers were leaving him on his blog and social networking websites. Hastings simply relied on the number of people who were streaming movies, in comparison to those still receiving DVDs, to make his decision. To make matters worse, Hastings did not properly inform his customers of the price and service changes, which led to a lot of confusion. As a result of Hastings' carelessness, Netflix lost approximately six hundred thousand of its customers since July; analysts believe that this number can only rise in the foreseeable future. Hastings attempted to calm

down Netflix subscribers by telling them that more and new movie and television content would be available for streaming. However, right after the announcement, Netflix lost access to newer films from Disney and Sony. Far from apologizing to his customers, Hastings made a note in his blog that essentially shoved asides complaints that came from customers demanding to leave his service. Netflix has since canceled its plan to become two separate companies, but out of the six hundred thousand customers that left, less than nine hundred have returned.