

Time: 2 Hours
MM: 40 Marks

Course: Idea to Business Model
Course Code: ED1102

Instructions: It is compulsory to attempt all questions.

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| Q.1 | Apply your learnings to design a Value Proposition Canvas and Lean Business Model for an Old Age Home. Also discuss the heads of start-up cost, fixed cost and variable cost. | Marks
(3+4+3)
(LO
3,5,7) |
| Q.2 | Apply design thinking steps to solve the problem of enhancing students' engagement in the classes. Conclude your findings through a Problem Statement Canvas and problem statement. | Marks (5+5)
(LO 1) |
| Q.3 | a) Illustrate and apply effectuation principles in developing your entrepreneurial traits to succeed in a student's life

b) How would you illustrate the concept of Golden Circle and branding for JKLU. | Marks (5+5)
(LO 1, 8) |
| Q.4 | Discuss the following case-study | Marks (4+6)
(LO 4) |

Netflix: Transforming the Entertainment Industry

Netflix, founded in 1997 by Reed Hastings and Marc Randolph, started as a DVD rental service and has since become a global leader in the streaming industry. Its transformation into a subscription-based streaming platform in 2007 was a pivotal moment that disrupted traditional entertainment models, such as Blockbuster's retail-based rental services. Netflix's ability to identify and solve customer pain points such as late fees and the inconvenience of physical rentals was crucial to its success. By offering on-demand content through a subscription model, Netflix reshaped consumer expectations and set the stage for the modern streaming era.

The Evolution of a Business Model

Netflix's early shift from a DVD rental model to streaming addressed the increasing demand for convenience and accessibility. The adoption of a subscription model, allowing unlimited access to its library, marked a significant departure from pay-per-rental services. As internet speeds and broadband access improved, Netflix's streaming service gained momentum, and the company began producing original content. This move further differentiated Netflix, as shows like House of Cards and Stranger Things attracted millions of viewers and established the company as a producer of high-quality, exclusive programming. Personalized recommendations powered by sophisticated algorithms have been a cornerstone of Netflix's user experience. By analyzing

viewing habits, ratings, and preferences, Netflix ensures its subscribers discover relevant content, driving engagement and retention. This data-driven approach has become a critical competitive advantage, as rivals struggle to replicate Netflix's extensive database of user behavior.

Marketing and Audience Engagement

Netflix's marketing strategy heavily relies on social media platforms like Twitter and Facebook. Through viral campaigns and engaging with audiences directly, Netflix builds excitement around its content and fosters viewer loyalty. For example, it has successfully promoted shows such as *Women in Prison* and leveraged global social media trends to create anticipation before releases. Additionally, Netflix's approach to releasing entire seasons at once popularized binge-watching, further solidifying its position as a cultural force.

Global Expansion and Challenges

Netflix's international growth has been a key driver of its success. By localizing content and investing in non-English programming, such as *La Casa de Papel*, Netflix has attracted diverse audiences worldwide. However, its global expansion is not without challenges. Cultural, political, and regulatory barriers have limited its entry into certain markets, including China. Additionally, the high cost of producing original content strains profitability. Shows like *The Crown* and *Stranger Things* require significant investment, with some episodes costing millions of dollars to produce. Despite its success, Netflix faces growing competition from platforms like Disney+, Amazon Prime Video, and Hulu, which are also vying for market share with original programming and competitive pricing.

Conclusion

Netflix's journey from a DVD rental service to a global streaming giant demonstrates the power of innovation, customer-centric strategies, and adaptability. By redefining the entertainment industry with on-demand streaming, leveraging data for personalization, and creating high-quality original content, Netflix has set a benchmark for others in the industry. However, sustaining this success will require addressing challenges like market restrictions, rising production costs, and increasing competition. Netflix's story is a testament to the importance of continuous evolution in a rapidly changing digital landscape.

Discussion Questions:

Q1. How did Netflix's shift from DVD rentals to streaming disrupt the entertainment industry?

Q2. Build a differentiable and sustainable competitive advantage and strategies for Netflix with increasing competition by using Blue Ocean Canvas and its four-action framework.