case **14** assignment questions

Netflix's Strategy in 2018: Does the Company Have Sufficient Competitive Strength to Fight Off Aggressive Rivals?

Assignment Questions

1. How strong are the competitive forces in the rapidly evolving global market for streamed video content? Do a five-forces analysis to support your answer.

2. What forces are driving change in this "new" global industry? Are the combined impacts of these driving forces likely to be favorable or unfavorable in term of their effects on competitive intensity and future industry profitability?

3. What does your strategic group map of this industry look like? How attractively is Netflix positioned on the map? Why?

4. What key factors will determine a company's success in this industry in the next 3-5 years?

5. What is Netflix's strategy? Which of the five generic competitive strategies discussed in Chapter 5 most closely fit the competitive approach that Netflix is taking? What type of competitive advantage is Netflix trying to achieve?

6. What does a SWOT analysis of Netflix reveal about the overall attractiveness of its situation?

7. What is your appraisal of Netflix's operating and financial performance based on the data in case Exhibits 1, 2, 5, 6, and 7? What positives and negatives do you see in Netflix's performance? Use the financial ratios in Table 4.1 of Chapter 4 as a guide in doing the calculations needed to arrive at an analysis-based answer to your assessment of Netflix's recent financial performance.

8. How does Netflix's competitive strength compare against that of its primary rivals as of 2018? Do a weighted competitive strength assessment using the methodology presented in Table 4.4 in Chapter 4 to support your answer. Based on your assessment and calculations, does Netflix have a net competitive advantage over some/all of these rivals?

9. What 3-4 top priority issues does Netflix management need to address?

10. What recommendations would you make to Netflix CEO Reed Hastings? At a minimum, your recommendations should cover what to do about each of the top priority issues identified in question 9.