A STUDY ON FACTORS AFFECTING SUBSCRIPTION RATES OF NETFLIX IN INDIA

AN EMPIRICAL APPROACH

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PURPOSE
NETFLIX entered India and 129 more countries on January 6, 2016, with the target to increase its customer base. Through this study we want to understand the reasons behind the low subscription rate and to recommend ways to ensure better growth. Through the literature survey, we have identified various factors affecting low subscription rates of Netflix in India. After we have identified the factors necessary to take into consideration, we have developed a problem statement. We developed a research design which is applied and exploratory in principle.

Methodology: *The demographic consumer research has showed us many qualitative factors which could possibly affect the subscription rates. We also developed a quantitative model through which we took 11 independent variables, performed factor analysis, and formed 4 factors on which we did multiple regressions to identify the explanatory power of factors on subscription rates.*

Findings: *Low subscription rates in India where the competitors like Hotstar, Youtube, Voot are providing the digital content for free. It would be feasible for Netflix to lower down the rates for the middle class consumers who have a willingness to pay an amount till Rs. 200/- per month which could certainly increase the subscription rates.*

Research Implications: *We have presented with the managerial implications for our project which have identified pricing, lack of regional content, payment options available as the major factors contributing to low subscription rates of Netflix rates in India.*

Practical Implications: *Netflix, after its launch in India on January 6, 2016 was a craze amongst the people but after the pricing launch and the non-availability of bollywood films on the app, people did not subscribe to the service.*

Originality/Value: *This is very new concept and no such kind of research is done in India, that makes this research very valuable.*

Key Words: *Netflix, Subscription Rate, Indian Context.*

Introduction

Online Streaming is becoming more and more popular every day. It makes access to digital content, whether it be videos or audio, much faster and easier. While streaming content, the user is not required to download that content but can watch it online. What the user requires is a good internet connection and a good service provider. This is where Netflix comes in. Netflix is among various service providers

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that provide access to unlimited content for a fixed monthly fee.

Netflix is an American entertainment company which was established in 1997, in California by Reed Hastings and Marc Randolph. Its core business was to rent out DVD's by mail. Its primary focus shifted to video on demand via the internet in 2007. Even though DVD sales dropped drastically, Netflix started growing exponentially.

Netflix is one of the most successful dotcom ventures. The company first expanded into Canada in 2010, then to Latin America in 2011 and to parts of Europe, including United Kingdom, Ireland, Sweden, etc. in 2012. Finally, in 2016 it entered India in the month of January. Netflix is not available virtually in the entire world outside of Mainland China, Syria, North Korea, and Crimea. Netflix supports 18 languages for user interface and customer related support purposes. In the first quarter of 2012, Netflix had close to 29.4 million subscribers. This number has only been growing. As of the third quarter of 2016, Netflix has 86.74 million subscribers. What makes Netflix stand out amongst its competitors is its original content. Netflix originals refers to the content that is produced, co-produced, or exclusively distributed by Netflix. Its original content includes shows such as House of Cards, Orange is the New Black, Jessica Jones, etc.

Netflix was launched in India on January 6, 2016. Initially, it saw a lot of excitement from the people. Many people signed up to try this much-awaited service. But as the months passed or as and when the free trial ended, people unsubscribed from the service. The monthly fee starts at INR 500 and goes up to INR 800 with a four-screen login option. The subscription rate is well below their expectation. Through this study, we aim to understand the various factors that are affecting the low subscription rate of Netflix, in India.

Netflix has been successful with the subscription based entertainment model in the western world. Netflix is the undisputed king of entertainment in the US with 47 million customers. The following graph shows the growth and distribution of US and international customers in the recent years:

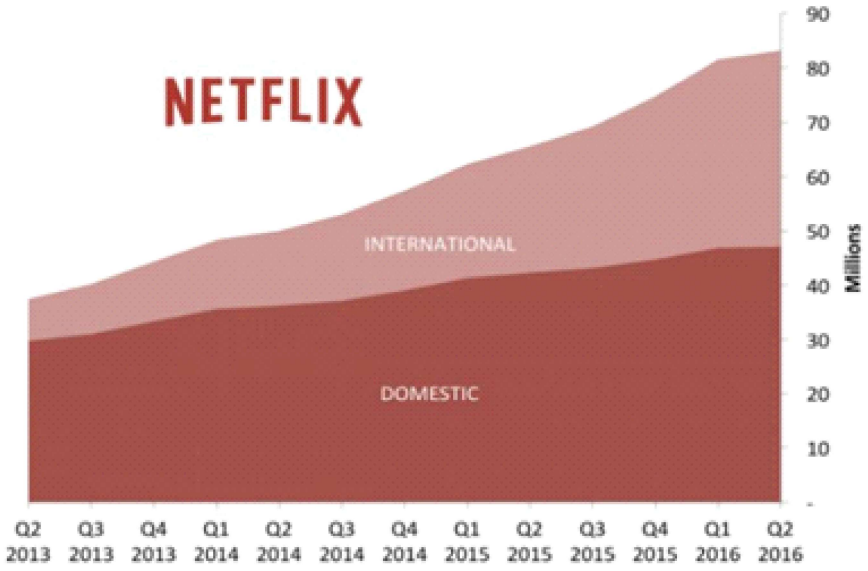

Figure 1: Netflix Subscribers

Source: Business Insider (2016).

About 40% of the US households are using Netflix. Netflix was one of the first movers into the online streaming industry.

Literature Review & GAP Analysis

Not much time has been spent from when Netflix was launched in India alongside 130 countries on January 6, 2016. As a result, not much research or articles on the factors affecting the subscription of Netflix is available for reference. The results of such studies are discussed below:

Adhikari et al. (2012) performed a measurement study of Netflix to uncover its architecture and service strategy. They found that Netflix employs a blend of data centers and Content Delivery Networks (CDNs) for content distribution. They also performed active measurements of the three CDNs employed by Netflix to quantify the video delivery bandwidth available to users across the US.

Rao et al. (2011) stated that when requesting some content, a user would probably think all content is downloaded from a single server. The truth is that Netflix's content is distributed by multiple CDN's (Content Delivery Networks) a collection of "servers" in different points that transfer content to the computer that made that request. That's when the next part of the architecture comes in. The "Dash" protocol used by the company divides the content into small chunks of video segments. The subscriber's system will request one of the chunks at a time, with each request the Dash protocol will run a rate "determination algorithm" to determine the quality of the next chunk to request.

Amatriain (2013) stated that it can be foreseen that Internet of things (IoT) applications will raise the scale of data to an unprecedented level. People and devices (from home coffee machines to cars, to buses, railway stations, and airports) are all loosely connected. Trillions of such connected components will generate a huge data ocean, and valuable information must be discovered from the data to help improve quality of life and make our world a better place.

Mitovich (2014) explained that some repercussions appear regarding video streaming. Film experts fear audiences may be turning "platform agnostic" consuming content regardless the size of the screen or the image quality. Nonetheless, audiences have proven they are willing to return to cinemas if the movie is worth the price of admission.

Lieberman (2013) suggested that technology incorporated by Netflix has used code in the form of images to reproduce works of art and deliver them to a computer that will probably be miles away. When artistic objects are separated both from conditions of origin and operation in experience, a wall is built around them that renders almost opaque their general significance, with which aesthetic theory deals. Khanna (2016) discussed that regional content, speed of internet and demographic characteristics have an impact on the adoption of content services.

Objective of Research

Netflix, after its launch in India on January 6, 2016 was a craze amongst the people but after the pricing launch and the non-availability of bollywood films on the app, people did not subscribe to the service. In the words of Reed Hastings, Netflix is aimed towards the iPhone owners of India, the elitists with a western mind-set. Netflix takes its content based decisions by sitting in Los Angeles. It makes content which could be viewed in all 190 countries which it operates. They try to not get involved in regional content which would cost them highly. The internet speeds in South Asia especially India are not very encouraging in terms of online live video streaming in Ultra HD quality. Similarly, there have been many such factors which have contributed to the subscription rates in India. This research is aimed at analysing the reason for low subscription rates on Netflix in India.

Hypotheses of Study

The Hypotheses proposed for the research are:

H1: Indian consumers are more inclined to watch free content online rather than pay a fee for the same.

H2: Low Subscription of Netflix is due to the non-availability of regional and local TV shows and movies.

H3: Bandwidth infrastructure increase will have a positive effect on the subscription.

H4: Low subscription of Netflix is directly related to the level of awareness among consumers in India in Tier 1 and Tier 2 cities.

H5: The low subscription of Netflix is due to the non-availability of payment options such as Net Banking, Debit Card etc.

Research Methodology Adopted

In order to gain insights from the problem statement, it is important that a strong research methodology be conducted. First and foremost, the nature of research needs to be identified. Since the focus is only on Netflix and its low subscription, the type of research is applied research. We are trying to find the reasons for low rate of subscription in India through exploratory research. We have used both primary and secondary data for the purpose of this study. Secondary data has been obtained from various business articles and reports available on the internet. Primary data, both is the form of qualitative and quantitative data has been obtained through focused group discussions and extensive online survey.

The hypothesis formed earlier needs to be tested. This can be done using the data collected through the questionnaire. The survey was designed keeping the following issues in mind:

Ambiguity: The questions were framed keeping in mind the problem of ambiguity. This included having well defined options. Also, we rolled out a pilot survey and it helped us refine the language of the questions further.

Completion Time: At the onset, we informed our respondents of the expected time it would take for them to fill our survey. We realized that a long survey is exhausting and puts off the respondents and hence the quality of answers suffers. Hence, we tried to make the survey as exhaustive and short as possible.

Duplication of Questions: We avoided asking the same question multiple times. This reduced case of redundancy and ensured that our respondents were not irritated while filling the survey.

Right Scale: We used a 7 point Likert scale for our survey. We wanted to ensure truthful answers and didn't want to force the respondents to take an either-or stand. They were free to take a neutral stand if they so wanted.

Order of the Questions: We began the survey with basic profile questions so as to slowly ease the respondent into the more important questions. Also, we divided the survey into various sections, for users, non-users, etc. so that only the relevant questions were displayed to any particular respondent. Also, the questions should follow a logical flow. We tried to make sure that the earlier question linked to the next one.

Data Analysis

Consumer Research

In this study data were collected from 139 people primarily through google forms and the profiles of the surveyed people was also collected.

A major section of people (51%) spend between 0 and 5 hours per week on watching shows online. Another 41% spend between 5 to 10 hours per week watching shows online.61% people have a free time of 1-2 hours per day. Among working professionals, 41% of the people had more than 3 hours of free time.

Most of the people surveyed were in the age group of 20-30 years. About 68% people were in the age group of 20-25 years. A major section (61%) were college students and 30% (41) were working

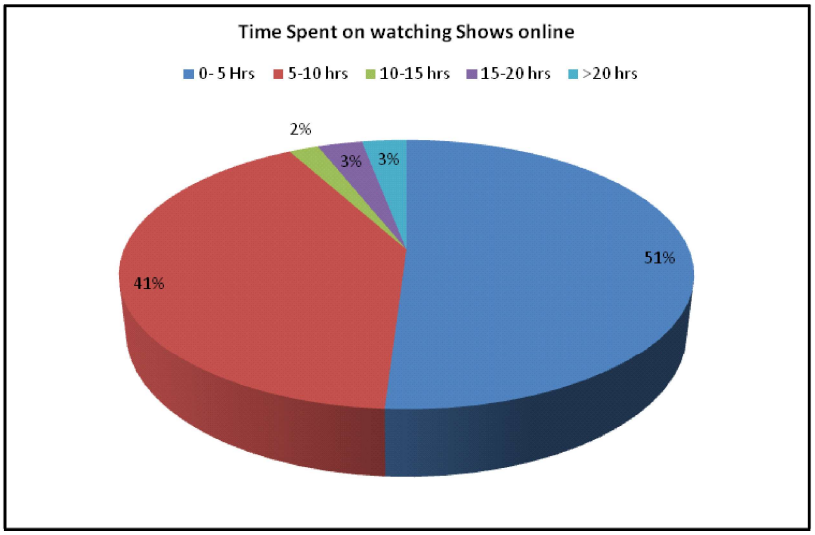

Figure No. 2: Time Spent on Online Shows

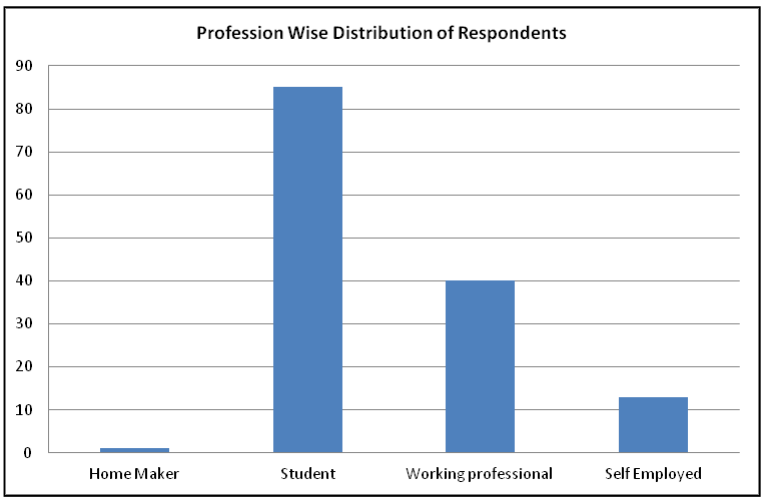

Figure No. 3: Profession Wise Distribution of Respondents

professionals earning more than 2.5 lakhs per year. The working professionals comprised of people from major Indian cities such as Bhopal, Kolkata, Jaipur, Bangalore, Chennai, etc. Overall, most of the responses (67) were from Mumbai. Almost all the people surveyed were either graduates or post graduates.

Only about 28% were willing to pay for online entertainment services. Out of 70 responses, 29% were willing to try out Netflix in the future and 63% said "Maybe". About half the people are willing to pay upto Rs 400 for the services. Slow internet connection and lack of free time emerged as major reasons for not using online entertainment services.

About 97 people (i.e. 70%) use Youtube or/and Hotstar for online entertainment. Only 25% people were found to use Netflix. Almost everyone was found to use the online services for TV shows, movies, and other entertainment content such as music videos.

There were about 26 users who used the Netflix services earlier and have discontinued using them.

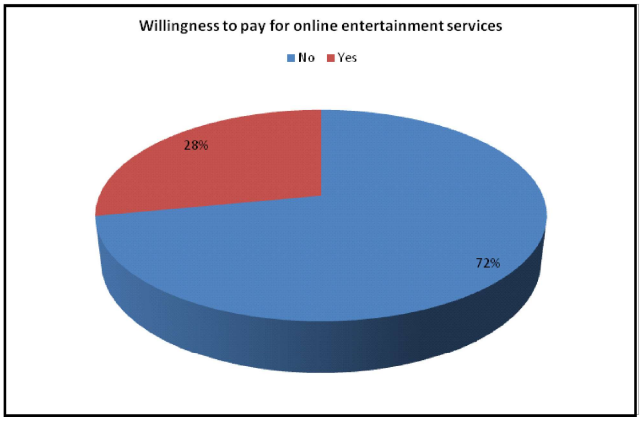

Figure No. 4: Willingness to Pay for Online Entertainment Services

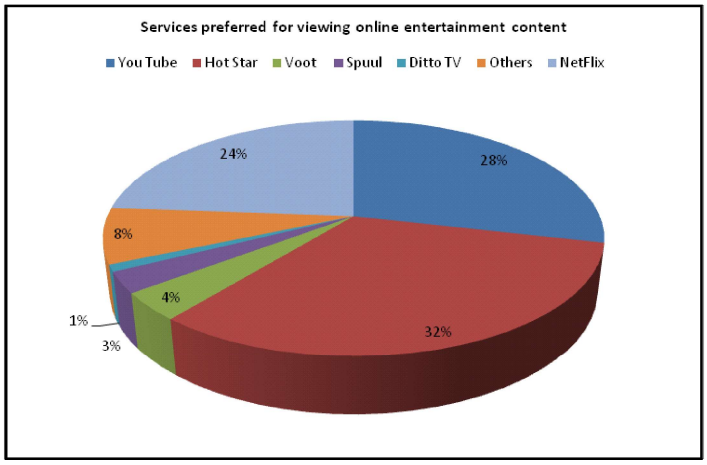

Figure No. 5: Services Preferred for Viewing Online Entertainment Content

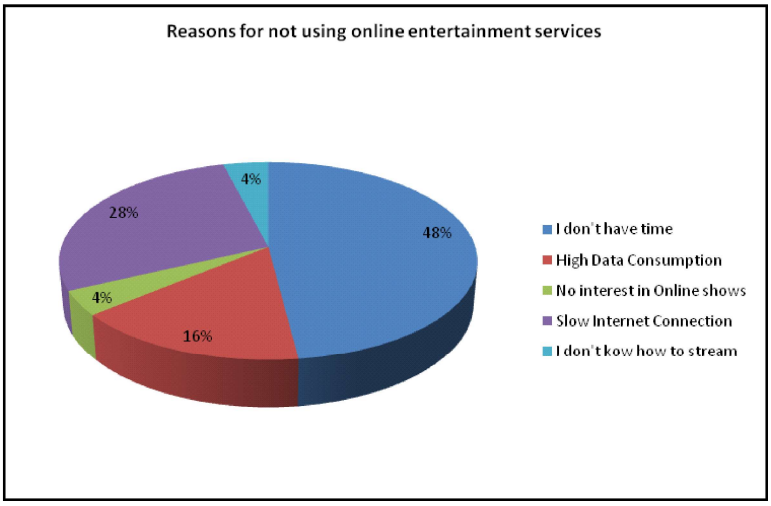

Figure No. 6: Reasons for Not Using Online Entertainment Services

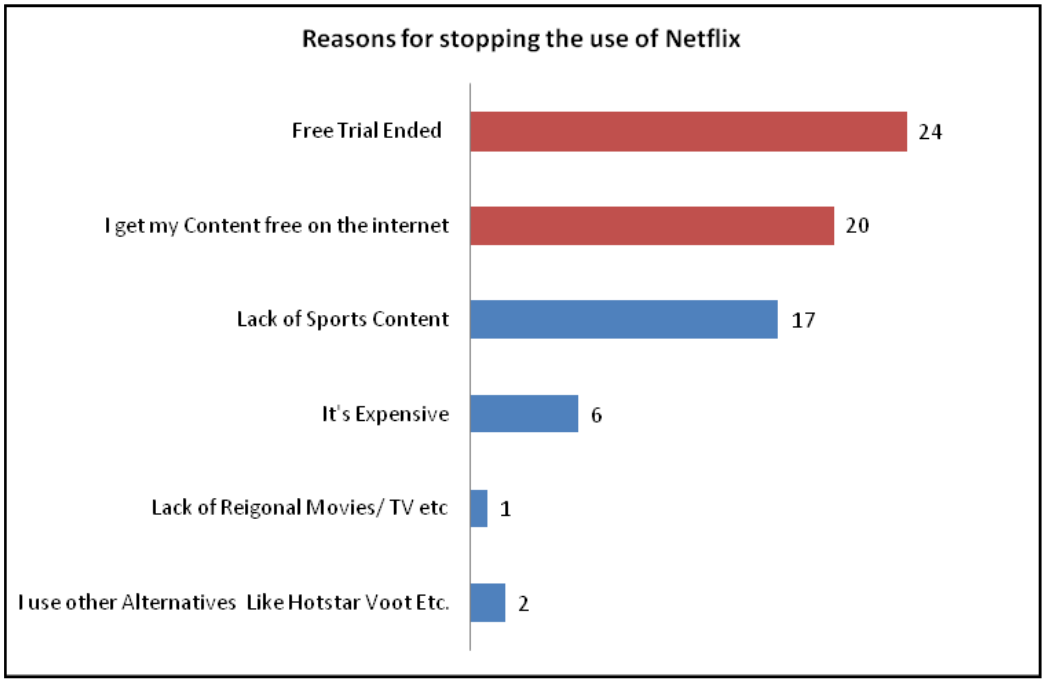

Figure No. 7: Reasons for Stopping the Use of Netflix

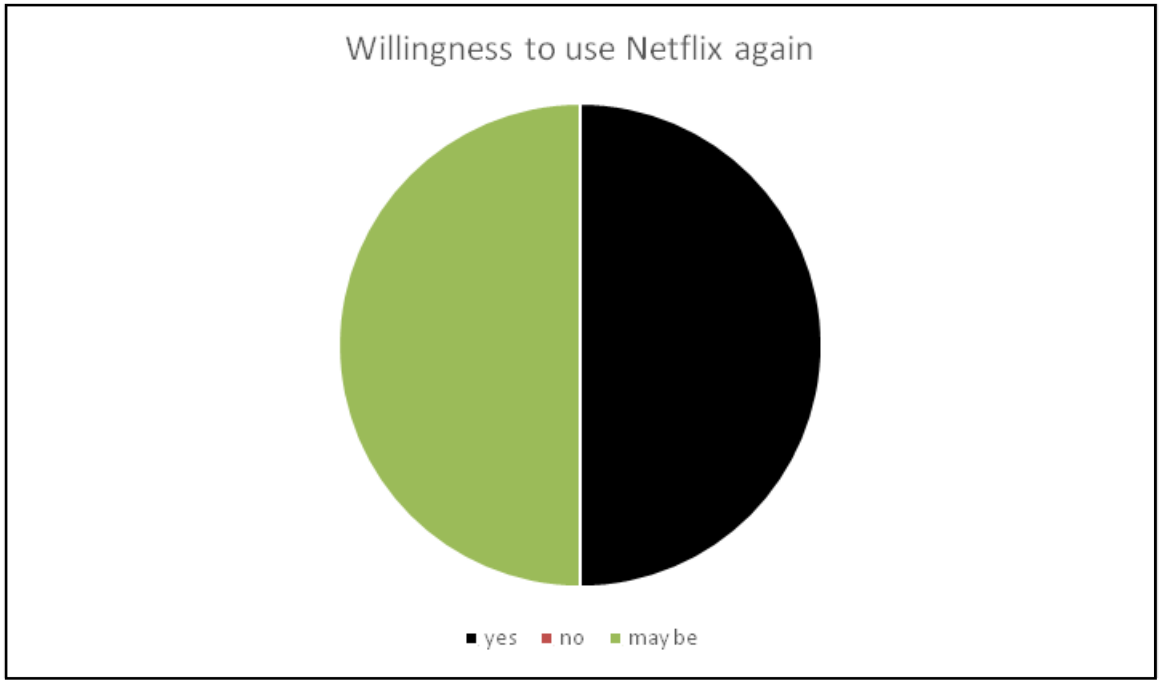

Figure No. 8: Willingness to use Netflix again

It was found that 25 out of 26 had used the Netflix services in the first trial month. However, 50% of the Netflix's past consumers were willing to use Netflix again in the future. Other 50% were not very clear about it now. When enquired about reasons for stopping the usage of Netflix, availability of free content on internet and end of trial period combined with feeling that the service is expensive seemed to be the dominant reasons.

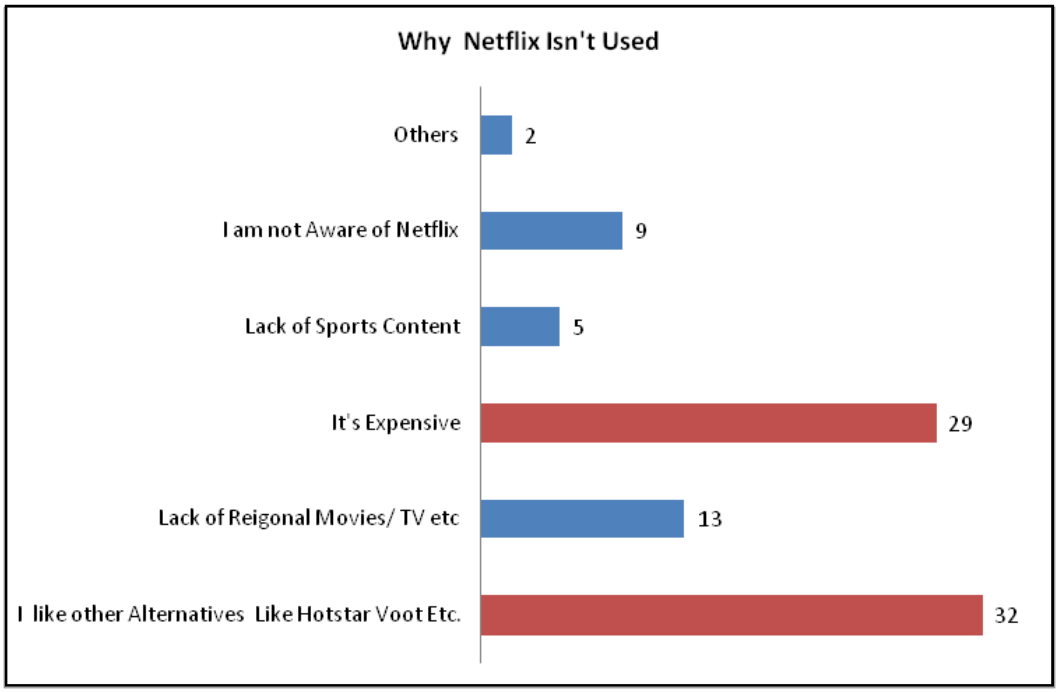

Figure No. 9: Reasons for not using Netflix

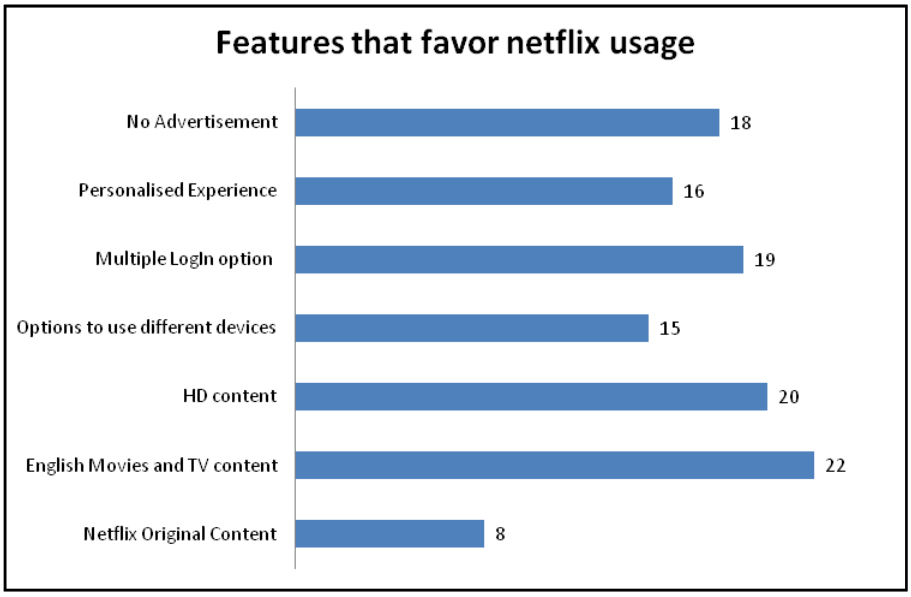

Figure No. 10: Features that favour Netflix usage

Availability of alternatives and expensiveness of Netflix subscription were the major reasons for not using Netflix. Lack of regional content also emerged as one of the major reasons. Only 14% of the people use Netflix currently. Most of the current users spend within 0-2 hours everyday on Netflix. They prefer using computer or smartphone for viewing Netflix. Current users prefer Netflix because of the following reasons: to watch english movies and TV content, HD content, No advertising and personalized content and also it was found that people using Netflix are generally people earning more than Rs 10 lakhs per year.

Quantitative Analysis of Data

Factor Analysis

Table No. 1: Variables of Study

Variable Name	Variable Description
experience	Experience of People on Netflix
price	Price
ease	Ease of Availability at Netflix
content	Content
quality	Video Quality
variety	Variety of Content
transac Ease	Ease of Transaction
satety	Safety of Transaction
speed	Speed of Transaction
user Friendly	User Friendly Interface
options Avail	Option Available for Payment

To understand the subscription rate, we took 11 ordinal variables and checked the dependency amongst them so that we can group them and thus can reduce the number of variables affecting the subscription rate.

Initial check list for the Factor analysis are:

- The variables included must be metric level or dichotomous (dummy-coded) nominal level- all the variables taken satisfied this condition.
- The sample size must be greater than 50 (preferably 100)-We have a sample size of total 152 out of which we took 63 samples for this test.
- The ratio of cases to variables must be 5 to 1 or larger- The number of variables is 10 and thus the ratio is 6:3.
- The correlation matrix for the variables must contain 2 or more correlations of 0.30 or greater variables with measures of sampling adequacy less than 0.50 must be removed- We removed video quality factor after the first run as it has sampling adequacy less than 0.5.
- The overall measure of sampling adequacy is 0.50 or higher.
- The Bartlett test of sphericity is statistically significant- the test was strongly significant with a value of 0.000

Table No. 2: KMO & Bartlett's Test of Sphericity, * Significant at 5% Level of Significance

KMO and Bartlett's Test		Score
Kaiser-Meyer-Olkin	Measure of Sampling Adequacy.	0.629
Bartlett's	Test of Approx. Chi-Square	438.562
Sphericity	df	55
	Sig.	0.000

The test was highly significant with the sample adequacy of 0.629 and level of significance of 0.000.

Communalities

Table No. 3: Communalities

Variable	Initial	Extraction
Experience	1.000	0.583
Price	1.000	0.824
Ease	1.000	0.826
Content	1.000	0.797
Variety	1.000	0.582
Transac Ease	1.000	0.619
Safety	1.000	0.811
Speed	1.000	0.803
User Friendly	1.000	0.791
Options Avail	1.000	0.804
Quality	1.000	0.521

After this we removed the video quality variable as it had communality as 0.486 which is less than 0.5 and the then the new communalities were:

Table No. 4: New Communalities

Variable	Initial	Extraction
Experience	1.000	0.606
Price	1.000	0.838
Ease	1.000	0.798
Content	1.000	0.806
Variety	1.000	0.562
Transaction Ease	1.000	0.624
Safety	1.000	0.797
Speed	1.000	0.846
User Friendly	1.000	0.835
Options Available	1.000	0.847

Extraction Method: Principal Component Analysis

Now since all the commonalties are greater than 0.5, we move ahead and analyze the data for these 10 variables. Now we don't see any problematic variable and we can move ahead with our analysis to see if we can club any of the variables so that it removes redundancy and it becomes easier to analyze the data. We find that the total variance is explained by 3 factors as shown in table no. 5.

We can form 3 factors. Now, looking at the Rotated Component Matrix as the basis we can find out which variable belongs to which factor. Here, the sign is for the direction and thus we only look at

Table No. 5: Total Variance Explained

Initial Eigen values				Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.086	37.149	37.149	4.086	37.149	37.149	3.303	30.029	30.029
2	2.366	21.51	58.659	2.366	21.51	58.659	2.886	26.238	56.267
3	1.474	13.402	72.061	1.474	13.402	72.061	1.737	15.793	72.061
4	0.845	7.681	79.742						
5	0.748	6.804	86.546						
6	0.423	3.844	90.391						
7	0.353	3.206	93.597						
8	0.343	3.121	96.718						
9	0.21	1.906	98.624						
10	0.102	0.928	99.552						
11	0.049	0.448	100. 000						

magnitude. The scree plot tells that after 3 factors, the eigen value goes less than 1 and thus we can visualize that there are 3 factors being formed.

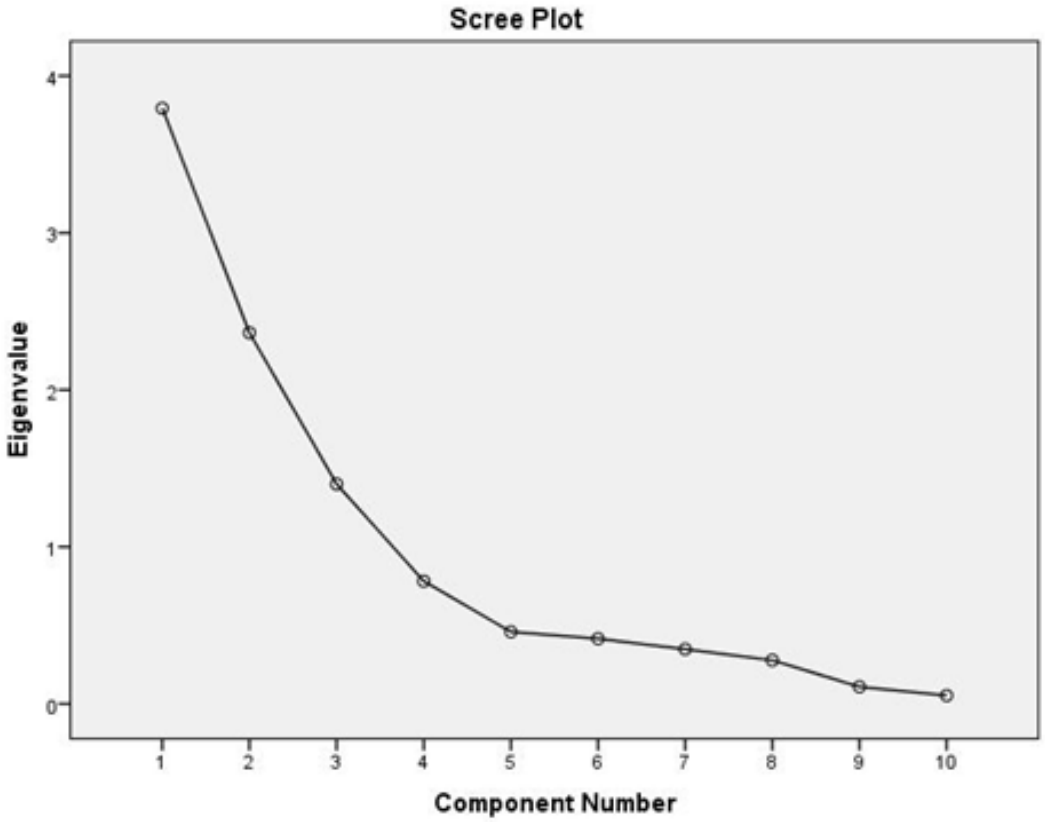

Figure 9: Scree Plot

Table No. 6: Rotated Component Matrix[a]

Variable	Component		
	1	**2**	**3**
Experience	0.090	0.773	0.005
Price	-0.035	0.913	-0.059
Ease	0.244	0.130	0.849
Content	0.053	0.896	0.020
Variety	0.244	0.642	0.301
Transaction Ease	0.761	-0.199	0.078
Safety	0.867	0.177	0.118
Speed	0.900	0.148	0.119
User Friendly	0.879	0.214	0.128
Options Available	0.051	-0.040	0.918

Table No. 7: Component Score Matrix

Variable	Component		
	1	2	3
Experience	-0.017	0.283	-0.037
Price	-0.064	0.346	-0.066
Ease	-0.041	0.003	0.513
Content	-0.041	0.331	-0.026
Variety	0.006	0.214	0.138
Transaction Ease	0.287	-0.127	-0.053
Safety	0.296	0.006	-0.056
Speed	0.311	-0.007	-0.059
User Friendly	0.297	0.019	-0.052
Options Available	-0.112	-0.051	0.592

Table No. 8: Rotation Matrix

Variable	Weighted	
	2	3
Experience	0.241	
Pricing	0.295	
Ease of Availability		0.464
Content	0.282	
Variety	0.182	
Ease of Transaction	0.241	
Safety	0.249	
Speed of Transaction	0.261	
User Friendly Payment	0.249	
Options available for Payment		0.536

Now we have calculated the weights for each variable in the corresponding factor and using this weighted matrix we can conclude that

Factor 1 = 0.241*(Ease of Transactions) +.249*(Safety of Transaction) +0.261*(Speed of Transaction) +0.249*(User friendly Payment)

Factor 2 = 0.241*(Netflix Experience) + 0.295*(Pricing) + 0.282*(Content) + 0.182*(Variety)

Factor 3 = 0.464*(Ease of availability) + 0.536*(Options available for Payment)

Factor 4= Video Quality

Therefore,

Netflix subscription rate =factor1+ factor 2+factor3+Video Quality

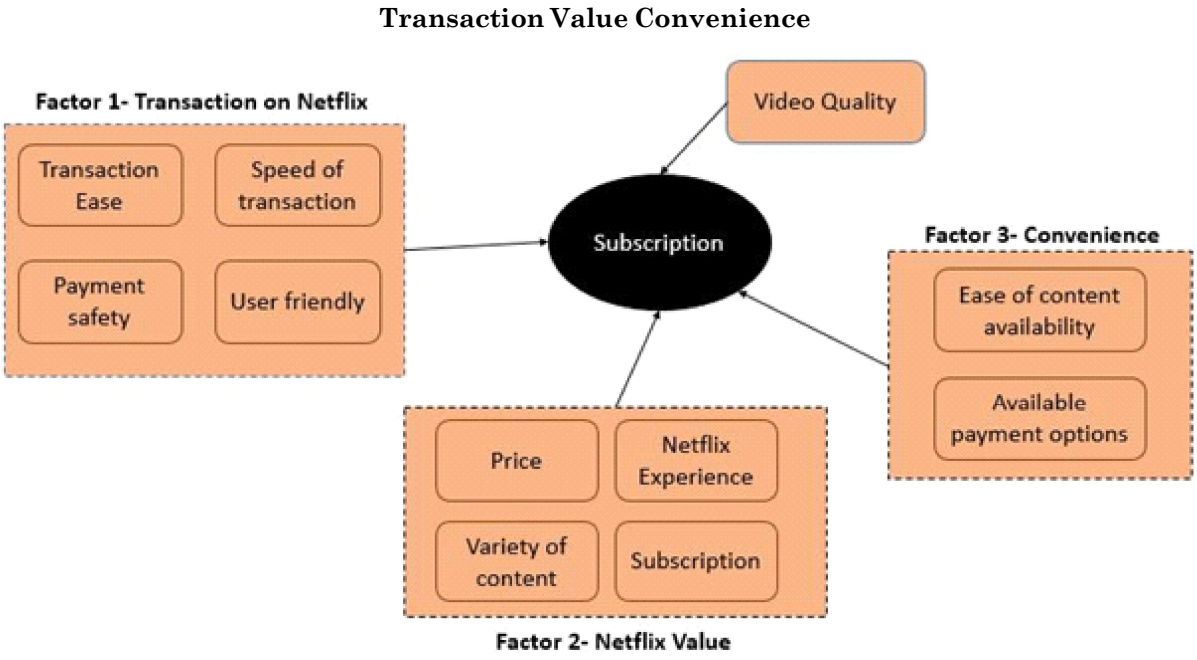

Figure No. 10: Transaction Value Convenience

Multiple Regression

This analysis is done to ascertain the relative importance of the dependent variables in explaining the independent variable. In our case, the dependent variable is the subscription of the Netflix in India and the dependent variables are the Video Quality as the only single variable along with the 3 factors identified in the Factor Analysis which are listed below:

Dependent Variable: Subscription inclination of Netflix (Measured on an Ordinal scale of 1-7)

Independent variable:

1. Transactions – 0.241(Ease of Transaction)+0.249(Safety)+0.261(Speed)+0.249(User Friendly)
2. Value – 0.241(Netflix Exp)+0.295(Pricing)+0.282(Content)+0.182(Variety)
3. Convenience – 0.464(Ease of Availability)+0.536(Payment Options Available)
4. Video Quality

The objective of the Multiple Regression is therefore to identify the major factors which can explain the low subscription rates of Netflix in India. The data has 63 responses for the study. The dependent and independent variables as mentioned. The workable ratio of independent variables:response of 1:10 is maintained at 63 responses for 4 independent variables.

For the independent variables, the hypotheses are

H0 – Null – The independent variable has no effect on the dependent variable. H1 – Alternate – The independent variable has a effect on the dependent variable.

We have kept the significance level to 0.05 i.e. confidence level at 95%, therefore p-value less than 0.05 will render the null hypothesis to be rejected.

Regression Method (Enter Method)

Descriptive Statistics

Table No. 9: Descriptive Statistics

Particulars	Mean	Std. Deviation	N
Subscription	4.49	1.256	63
Transactions	4.7049	1.11009	63
Value	4.9769	1.23412	63
Convenience	5.0499	1.36302	63
Quality	4.9365	1.77685	63

Higher standard deviation also accounts for the higher means.

Table of Correlation

Table No. 10: Correlation Matrix

Particulars	Subscription	Transactions	Value	Convenience	Quality
Pearson Correlation Subscription	1.000	0.469	0.517	0.392	0.593
Transactions	0.469	1.000	0.190	0.293	0.440
Value	0.517	0.190	1.000	0.105	0.335
Convenience	0.392	0.293	0.105	1.000	0.012
Quality	0.593	0.440	0.338	0.012	1.000

Interpretation - We see here that none of the variables have values of correlation greater than 0.8 to have a possibility of collinearity.

Variables Entered

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Quality, Convenience, Value, Transactions[b]	-	Enter

a. Dependent Variable: Subscription

b. All requested variables entered.

Model Summary

Table No. 11: Regression Modely

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	0.774[a]	0.600	0.572	0.821	0.600	21.713	4	58	0.000

a . Predictors: (Constant), Quality, Convenience, Value, Transactions

The Model summary gives us an R square value of the model to be 0.600 which is good enough to show that the independent variables have been able to explain 60% of the variability of the dependent variable i.e. Subscription Rates. Also, the adjusted R square value of 0.572 suggests the sufficiency of the responses or data points.

ANOVA Matrix

Table No. 12: ANOVA Matrix

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.607	4	14.652	21.713	0.000[b]
	Residual	39.139		58	0.675	
	Total	97.746		62		

Dependent Variable: Subscription

Predictors: (Constant), Quality, Convenience, Value, Transactions

The ANOVA table gives us the significance of the overall model which has an F-Value of 21.713 (p-value of 0.000), giving us that the independent variables are highly influential in nature.

Table of Coefficients

Table No. 13: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Collinearity Statistics		
		B	Std. Error	Beta		Sig.	Tolerance	VIF
1	(Constant)	-0.746	0.624		-1.195	0.237		
	Transactions	0.146	0.110	0.129	1.319	0.192	0.724	1.382
	Value	0.321	0.090	0.315	3.549	0.001	0.875	1.142
	Convenience	0.291	0.081	0.316	3.588	0.001	0.889	1.125
	Quality	0.301	0.069	0.426	4.350	0.000	0.721	1.387

a. Dependent Variable: subscription

We will use the standardized coefficients to develop the regression equation for the model.

Subscription = 0.129*Transactions + 0.315*Value + 0.316*Convenience +0.426*Quality

The tolerance values show absence of collinearity in the independent variables.

Research Findings and Conclusions

1. H1: Indian consumers are more inclined to watch free content online rather than pay a fee for the same.

   This hypothesis comes out to be a major factor explaining the low subscription rates in India where the competitors like Hotstar, Youtube, Voot are providing the digital content for free. It would be feasible for Netflix to lower down the rates for the middle class consumers who have a willingness to pay an amount till Rs. 200/- per month which could certainly increase the subscription rates.

2. H2: Low Subscription of Netflix is due to the non-availability of regional and local TV shows and movies.

   This hypothesis also comes out to be true in the quantitative analysis and also from the qualitative analysis when most people on Netflix go for English content and people have moved out due to lack of regional content and in local languages as Tamil, Telugu, etc.

   It would be advisable on the part of Netflix to send teams to study the local content of the regions and develop their own content on similar lines which could be a great benefit for it.

3. H3: Bandwidth infrastructure increase will have a positive effect on the subscription.

   The hypothesis stands rejected as according to the quantitative analysis, this factor seems to be less significant as compared to the other factors. India being a developing economy, has the issue of low internet speeds but this doesn't concern much to people in terms of their low subscription rates.

4. H4: Low subscription of Netflix is directly related to the level of awareness among consumers in India in Tier 1 and Tier 2 cities.

   From the consumer research compiled, this hypothesis also stands rejected as most of the people responded are from Tier1 as they are regular viewers of English TV Serials, Shows. People are very much aware of Netflix but in Tier 2, this factor is important and people are not aware of such a facility.

5. H5: The low subscription of Netflix is due to the non-availability of payment options such as net banking, debit card, etc.

   This hypothesis stands accepted as the result from the quantitative analysis. Currently, Netflix only provides the option of credit card transactions. Since the credit card penetration in India is quite low and people still prefer to do transactions by debit card or internet banking.

Managerial Implications

1. **Better Pricing Strategy:** Currently Netflix is available in India with 3 levels of subscription fees - Rs. 500/ 650/ 800 per month. But for high penetration in Indian market, copy pasting the US pricing strategy model would find it difficult to work. Netflix needs to come up with the better pricing model to handle the parity in income levels. It can come up with some low cost plans targeted at middle class of India to reach out to larger masses with competitive pricing and reach out to larger masses.

2. **Content Enrichment:** To reach out to larger masses and inculcate the habits and choice of Indians, Netflix should come up with the more of regional content and more Indian language content so that people can resonate with it more and thus it can compete with other competitors.

3. **Smartphone Focused, App Only Subscription Option for Non-Metro Users:** The penetration of internet through smartphones is increasing at an exponential rate in India. However, data usage and data speed still remains a bottleneck. Netflix can tap into this market in non-metro areas by launching an 'App only subscription' with fees as low as Rs 99 per month as mobile devices don't require high resolution content, thus using it to leverage low cost offerings for the masses.

4. **More Payment Options Like Debit Cards/ E-Wallets**: Credit card penetration in India is very low but at the same time the reach of debit cards is very high. With Netflix giving the option of credit card only payment creates a negative perception in the minds of people and they don't find it convenient. Providing facility for payment through debit cards and e-wallets like Paytm will give more flexibility of options available for the consumers.

5. **Free Content available for everyone for Trial Purpose:** Even though Netflix offers free trial for a month to its users, this facility is available to users who are subscribed and hence

require a credit card which raises hesitation in minds of users. Making the free content available on the basis of user account without asking confidential credit card information can increase the awareness amongst the target audience and thus would lead to more penetration.

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