

Netflix’s Growth Challenges in India

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Abstract

Netflix, Inc (Netflix), founded by two American entrepreneurs Reed Hastings (Hastings) and Marc Randolph in 1997, was a global provider of online streaming content and video rentals. The company began operating as a ‘rent-by-mail DVD service’ with a ‘pay-per-rental’ model. In 1999, the company began operating as an online entity and switched to subscriber-based model. As years progressed and internet services grew better in speed and penetration, Netflix began offering direct streaming services of select titles to its subscribers. In 2010, a major shift happened in the company’s positioning and Netflix became a streaming only entity. Right positioning, customer centric subscription packages, strategic deals and developing original content catapulted the company’s status in online streaming space. But slowing growth in US market prompted the company to seek lucrative pastures overseas. India with its vast population and impressive internet penetration beckoned Netflix. So, in 2016, Netflix forayed into India with subscription plans starting from \$7.50 per month. In 2021, the company aspired to fetch ‘next 100 million subscribers’ from India. India did prove to be a lucrative market but a difficult one. There were challenges galore; stiff competition from local low-cost players being the most formidable. Moreover, global players like Amazon, with its better value and low-cost proposition seemed to undermine Netflix’s India ambitions. How should Netflix tackle them?

Netflix: Brief Background

Netflix, Inc (Netflix), founded by two American entrepreneurs Reed Hastings (Hastings) and Marc Randolph in 1997, was a global provider of online streaming content and video rentals. The company was headquartered in Los Gatos, California. The company began as a ‘rent-by-mail DVD service’ with a ‘pay-per-rental’ model. Rentals would cost around \$4 with \$2 postal charges extra.¹ Two years later, in 1999, the company went digital and became an online entity switching over to a subscription-based model. Subscribers could order their DVDs from Netflix’s website and get them delivered via mail (along with prepaid return envelopes) to their doorstep. The subscribers could keep the DVDs for unlimited span of time but could rent the next one only after returning the earlier one. The company had a vast library of movie and shows titles and had built over 100 distribution centers to fulfil subscribers’ demand.²

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¹ McFadden C. (2020, June 4) “The Fascinating History of Netflix”: <https://interestingengineering.com/the-fascinating-history-of-netflix>

² Hosch L. W. (2021, October 2021) “Netflix American company”: <https://www.britannica.com/topic/Netflix-Inc>

As years progressed and internet services grew better in speed and penetration, Netflix underwent a shift and began offering direct streaming services of select titles to its subscribers. The company even partnered with consumer electronics manufacturing companies (including video game console and Blu-ray Disc entities) to directly stream its videos on these devices through an internet connection. In 2010, a major shift happened in the company's positioning and Netflix became a streaming only entity. The DVD services were discontinued. Gradually, the company expanded in markets beyond US and became a truly global online streaming player. Quality and diverse content, variety of subscription plans, superior user experience and above all, a personalized experience through Netflix recommendation engine which had unique algorithm behind it, catapulted Netflix to top streaming player.³ As of 2021, the company could boast of over 209 million paid memberships spread across nearly 190 countries. The company's offerings included TV series, documentaries, movies, original content across a wide variety of genres and languages.^{4,5}

Netflix in India

Netflix forayed into India in January 2016 with subscription plans starting from \$7.50 (roughly INR 500) per month. The three plans on offer were Basic, Standard and Premium, priced at INR 500, INR 650 and INR 800 per month respectively.⁶ (To put things in perspective, other players during the time offered cheaper subscription plans. So, while Eros Now offered INR 49/99 per month package, Box TV offered INR 199/month and Hungama plans started from INR 249/month).⁷ The vast population and impressive internet penetration made India a lucrative proposition. Besides, company's growth was slowing in its home market. (The company had plans to reach into 200 markets by the end of 2016. Global expansion was expected to facilitate the company's break even and turning profitable.) To establish itself in India, Netflix provided its content through Direct to Home (DTH) channels of Bharti Airtel and Videocon. It also struck a deal with India's super star Shah Rukh Khan's production company, Red Chillies Entertainment besides developing India specific original content titled 'Sacred Games' which turned out to be a global hit. With an aim to offer quality local content, the 'first batch of shows' were all based on books.⁸ The available international content, too, was impressive: *Dexter*, *Orange is the new black*, *That 70's show*, *Marvel's Daredevil* and *Marvel's Jessica Jones*, *Narcos*, *Sense8*, *Grace and Frankie*, and *Marco Polo*, etc. Sensing that India was a 'mobile first' land, the streaming giant collaborated with the country's prominent carriers-Vodafone and Jio to engage viewers on mobile.^{9,10} In due course, Indian subscribers could access Netflix through an app on a smart TV, a videogame console, a streaming player, a smartphone or a tablet. "We're moving as quickly as we can to have global availability of all the content on Netflix", Hastings had remarked during India launch. Analysts could not agree more. Brian Blau, Research Director at Gartner, remarked similarly, "I think there's been pent-up demand for Netflix outside of the few geographies they were available in previously."¹¹ Ted Sarandos, Chief Content Officer Netflix, had, in an interview, pretty much summed up

³ "7 Key Factors behind the Success Story of Netflix": <https://www.themedialab.me/7-key-factors-behind-success-story-netflix/>

⁴ "Company Profile": <https://ir.netflix.net/ir-overview/profile/default.aspx>

⁵ "Netflix Inc": <https://www.reuters.com/companies/NFLX.O>

⁶ (2016, January 6) "Netflix Launches In India With Plans Starting From INR 500": <https://inc42.com/flash-feed/netflix-launches-in-india-with-plans-starting-from-inr-500/>

⁷ (2016, January 7) "The Arrival Of Netflix In India: All That You Need To Know": <https://inc42.com/resources/the-arrival-of-netflix-in-india/>

⁸ Joshi Namrata. (2018, June 30) "Behind the rise of Netflix in India": <https://www.thehindu.com/entertainment/behind-the-rise-of-netflix-in-india/article24292523.ece>

⁹ (2017, March 20) "Here's How Amazon Is Expanding Prime Video In India", <https://www.forbes.com/sites/greatspeculations/2017/03/20/heres-how-amazon-is-expanding-prime-video-in-india/#3c0f5b5c2ece>

¹⁰ Kashyap Karan. (2017, March 21) "Amazon Prime Video, Netflix & Hotstar Slug It Out For India's \$272M Video Streaming Market", <https://www.forbes.com/sites/krnkashyap/2017/03/21/amazon-prime-video-netflix-hotstar-slug-it-out-for-indias-272m-video-streaming-market/#72fc0118a385>

¹¹ (2016, September 22) "Netflix launches in India, plans start at Rs. 500": <https://www.thehindu.com/business/Industry/Netflix-launches-in-India-plans-start-at-Rs.-500/article13986241.ece>

Netflix's India entry strategy amidst competition, "To me it feels like I don't really have an understanding of how you get this country to focus on one thing because it is so vast. From one block to the next, it's like you are in a new place... We don't focus on competition, we focus on the customer. Netflix has no advertising, no sports. We are laser-focussed on really great professional programming. Scripted, unscripted, documentary, stand-up, drama, comedy... It's a huge universe."¹²

Moving forward, the online streaming giant did make substantial headway in India touching a figure of 3 million paid subscribers as of December 2020.¹³ Several factors worked in Netflix's favour, prominent being having the first mover advantage and the country becoming one of the most inexpensive data markets. In Hastings words, "...the timing of its entry was 'fortunate'. Thanks to Reliance Jio and its cheap data plans, India went from being one of the world's most expensive data regimes to the most inexpensive in just four years. The transformation of the Indian Internet is phenomenal." Besides, India was fast becoming a 'mobile first' country with easy availability of pocket friendly smartphones.¹⁴ Apart from these factors, the company's pricing and content strategy served the company well.

Netflix Pricing Strategy

When Netflix entered India, the pricing strategy was an aggressive one, despite the fact that India was a price sensitive market. Hastings, while acknowledging that entertainment industry worked differently in India, had remarked in 2018, "To be sure, much of the pay-TV in India is supported by ads and the access fee remains too low (\$5). But that was not going to change how Netflix likes to roll. We want to be sensitive to great stories and to fund those great stories by investing in local content. So yes, our strategy is to build up the local content — and of course we have got the global content — and try to uplevel the industry." A year later, Hastings had a change of plans and observing that Indians watched much of the content on their mobile phones thought a low-priced subscription model would be a clincher. So, the company rolled out a mobile only subscription plans for as low as \$2.60 per month in the country. "We want to really broaden the audience for Netflix, want to make it more accessible, and we knew just how mobile-centric India has been", said Ajay Arora, Director of Product Innovation at Netflix.^{15,16} However, despite sounding confident about its pricing, in December 2021, the company slashed the prices of its subscription plans to up to 60%. The aim was to out beat competition and penetrate into Tier -II, -III cities of India.¹⁷

Netflix Content Strategy

While Netflix originally offered US based content to Indian audiences, gradually it diversified into Hindi and other regional language content. Several strategic partnerships with India based entertainment companies and investing in original content in local language (*Delhi Crime*, *Sacred Games*, *AK Vs AK*, etc.) helped the company gain foothold in India's market. "We've been growing every year. We've been just building our team, developing content, figuring out what works, whether that's Sacred Games, or AK vs AK, you know, just

lots of different types of content", Hastings revealed. Incidentally, *Delhi Crime* was huge global success. Monika Shergill (Shergill), Vice President, Content, Netflix India, contended,

¹² "Behind the rise of Netflix in India", op.cit.

¹³ Chauhan H. (2021, May 6) "Is Netflix Wavering in Its Quest for the Next 100 Million Subscribers in India?": <https://www.fool.com/investing/2021/05/06/netflix-wavering-quest-next-subscribers-india/>

¹⁴ Lidhoo P. (2021, February 24) "Netflix and its battle for India": <https://www.fortuneindia.com/enterprise/netflix-and-its-battle-for-india/105217>

¹⁵ Levy A. (2020, June 22) "Netflix Has a Surprising Amount of Pricing Power in India": <https://www.fool.com/investing/2020/06/22/netflix-has-surprising-pricing-power-india.aspx>

¹⁶ Singh M. (2019, July 24) "What lower Netflix pricing tells us about competing in India": <https://techcrunch.com/2019/07/24/what-lower-netflix-pricing-tells-us-about-competing-in-india/>

¹⁷ Kar Ayushi. (2021, December 15) "To woo users from tier-2, 3 towns, Netflix drops pricing in India by up to 60%": <https://www.thehindubusinessline.com/info-tech/netflix-drops-pricing-in-india-by-up-to-60/article37949944.ece>

“We’ve had a tremendous amount of learning in the last five years. What we’ve realized as a service is that the Indian audience is ready to experience all kinds of stories, formats, and genres. And in any country, the core of our strategy is variety and diversity.” When asked about any changes in the content strategy, Shergill replied, “There has not been a change of strategy, but there have definitely been learnings. So, one of the biggest learnings for us has been that people, so long as you give them great stories, are willing to watch. They are actually language agnostic — while it is the biggest truth that Indians love watching Indian stories.” She continued, “And, the second thing is that people are loving the dubbed content — they love watching the best content and franchises from across the world in the language of their choice. So, we are looking at more and more of our offerings actually being dubbed in Hindi and other local languages like Tamil, Telugu and Malayalam.”¹⁸ Shergill divulged that the company aimed to fetch ‘next 100 million subscribers’ from India, and the company planned to roll out a minimum three to four original Indian titles every month. When questioned whether too much quantity would compromise quality in the online streaming space, Hastings had a pretty convincing response, “The more things you try, the more you learn. And your rate of quality improvement depends on how many swings you can take. So, we’re doing more quantity, and that’s helping with the quality.” He was confident that Netflix would be able to strike a balance between quantity and quality.¹⁹ Many analysts believed that Netflix should focus on its content catalog to make it more appealing to Indians. For instance, its competitor Hotstar had had grown in leaps and bounds solely on the basis of streaming live sports.²⁰

Netflix's Challenges in India

There were several challenges to Netflix’s plans for India; fighting off competition was most daunting. It was learned that Amazon, Netflix’s direct competitor, had decided to double down on its investments in the country. There was more. According to a media report, “The likes of Disney+ Hotstar, Apple TV+, and local players like MX Player, ZEE5, and ALTBalaji, among others, too, have their eyes set on what is touted to soon become a \$5 billion video-on-demand market. And unlike Netflix, some of them have high-volume propositions like live sports programming and news.” Netflix’s competition seemed to be racing past it fast.²¹ **(Annexure IA-E)**. Netflix faced competition from not just fellow OTT players, local DTH player Tata Sky had several attractive offerings both on TV and Mobile app in much less price. Tata Sky even had its own Video on Demand (VoD) platform wherein the viewers could choose movies and shows to be watched on demand. DTH was very popular in India and getting innovative too.²²

The competitors were well poised to scoop a sizeable chunk of market share. For instance, Karan Bedi, CEO of the Times Internet-owned MX Player, revealed company’s strategy and stated, “The ‘Netflixes and the Disneys of the world’ are just focusing on the top 2%-3% of the market. There’s this huge gulf of potentially 400 million-500 million people—of whom we already touch more than 200 million—who want to watch entertaining, quality content. We have a fairly sizeable ad-supported business and our revenue probably is higher than most others in the market.” Much in the same manner, PwC’s Global Entertainment & Media Outlook 2020-2024 report reported that, “India will be the fastest-growing OTT market at

28.5% CAGR for the 2019-2024 period against 13.4% worldwide and is on its way to becoming the sixth-largest market by 2024. The next five years present an enormous growth opportunity for subscription-based streaming services in the region.” The consultancy firm Ernst & Young had similar outlook, “In the current context, with people spending more time

¹⁸ James Nandana. (2020, October 2) “How Netflix India is making itself more desi and accessible”: <https://www.thehindubusinessline.com/news/variety/how-netflix-india-is-making-itself-more-desi-and-accessible/article32750789.ece>

¹⁹ “Netflix and its battle for India”, op.cit.

²⁰ Singh Manish. (2019, July 24) “Netflix launches Rs 199 (\$2.8) mobile only monthly plan in india”: <https://techcrunch.com/2019/07/24/netflix-launches-rs-199-2-8-mobile-only-monthly-plan-in-india/>

²¹ “Netflix and its battle for India”, op.cit.

²² Damani V. (2020, September 26) “5 Key Challenges for Netflix in India”: <https://techpp.com/2016/01/07/netflix-india-challenges/>

at home because of the Covid-19 pandemic, OTT players have seen a surge in users. The number of OTT players in the country has also jumped from nine in 2012 to over 30 now. It helps that India now has the second-highest number of Internet users after China, with around 570 million users and a growth rate of 13% annually.” Such a lucrative market was eye popping and could salivate any OTT player.²³

There were some infrastructural challenges too. Despite cheap data availability, in comparison to the rest of the world India had slow internet speed. In fact, some market reports revealed that amongst the Asia-pacific nations, India's broadband was the slowest. According to a survey, a massive 45% of the internet users in India managed with a connection speed of 1-3 Mbps, 30% on less than 1 Mbps, and less than 1% managed with only 50 Mbps. Notably, Amazon and YouTube offered video download facilities to Indian users; something that Netflix did not. A section of analysts believed that permitting Indians to download videos would enable Netflix to expand its reach massively. “Allowing users to download locally would considerably expand the number of Indians who would consider Netflix. Allowing Indians to download would allow several people on slow connections to make full use of Netflix and let them enjoy operator/broadband provider's time related benefits”, contended one analyst.²⁴

Notably enough, India was a culturally and religiously ‘sensitive’ country. The Government and the judiciary of the land was in favour of some regulatory framework or screening process to be put in place to avoid hurting religious, cultural or unethical/objectionable content. There were incidences when OTT platforms landed up in trouble on these accounts. In fact, the debate over regulating the OTT platform had divided the nation into clear for and against voices. While some organizations called the government regulations ‘anti-democratic’ and ‘unconstitutional’, a New Delhi-based actor and journalist countered by saying, “They cannot be given a free hand to show whatever they want to without taking any responsibility for their actions. This is anarchy in the name of freedom. We can't change our parameters based on what is shown in and liked by the West.” Manoj Gairola, Editor-in-chief of the News Nation channel, argued similarly, “Since regulations are in place for other media, such as cinema, television and even newspapers, they should be there for OTT platforms as well. There has to be some kind of level playing field. Either there should be regulations for all or for none.” So, censorship was a huge and touchy issue in the country.^{25,26}

Apart from these, Netflix pricing strategy might prove a major roadblock in India. India was a price sensitive market and its subscription plans were amongst the most expensive. As of 2021, while Netflix's subscription plans ranged from ₹499 to ₹799, Lionsgate Play was priced at ₹699, Amazon Prime Video ₹999, and Disney+ Hotstar ₹399 for a VIP subscription per year (₹1,499 for a premium one). Incidentally, Amazon offered a host of other services under Amazon Prime scheme²⁷ and this rendered Netflix at a disadvantageous position being a purely OTT platform.²⁸

In addition, Amazon, the direct rival, too had chalked out its India expansion plan. With many new movie titles, *Gulabo Sitabo*, *Coolie No. 1*, *Shakuntala Devi*, etc. (These were meant for theatre release but pandemic stalled the plans) in its kitty it was poised well to woo the viewers. These OTT releases had fetched impressive subscription base expansion for Amazon prime.

²³ “Netflix and its battle for India”, op.cit.

²⁴ “5 Key Challenges for Netflix in India”, op.cit.

²⁵ Gill P. (2021, March 5) “Supreme Court challenges India's new rules for governing Netflix, Amazon Prime Video and other OTTs — no 'appropriate action' listed against those who violate regulations”: <https://www.businessinsider.in/policy/news/sc-challenges-new-rules-for-netflix-amazon-prime-video-disney-hotstar-by-indian-government/articleshow/81346798.cms>

²⁶ Sharma K. (2021, April 11) “Netflix and Amazon under fire in India over controversial content”: <https://asia.nikkei.com/Business/Media-Entertainment/Netflix-and-Amazon-under-fire-in-India-over-controversial-content>

²⁷ (2021, June12) “Netflix vs Amazon Prime Video: Which one is Better?": <https://startuptalky.com/netflix-vs-amazon-prime-how-to-compare/>

²⁸ “Netflix and its battle for India”, op.cit.

Aparna Purohit (Purohit), Amazon Head of India Originals, divulged in January 2021 that Amazon had close to 31 film and series in various stages of production and post-production (with another 50 to go in development soon). Revealing Amazon's aggressive original content strategy, Purohit stated, "The original strategy is big-picture, encompassing seasoned directors and launching new talents across a variety of genres. Our strategy is always customer backwards – what hasn't been addressed? Which gaps exist? How can we give customers what they want to watch?" "We want to tell authentic stories that are truly entrenched in our soil. We wanted to tell hyper-local stories, we believe the more local you are the more global you are", Purohit elaborated. With clear focus on appeasing Indian viewers, both in India and abroad, with more regional language content, Amazon was optimistic about its success in India. Gaurav Gandhi (Gandhi), Director & Country General Manager, Amazon Prime Video, India, exclaimed that, "India is one of the most exciting streaming markets in the world right now and there are many kinds of models."^{29,30}

In view of the above challenges, analysts opined that Netflix needed to focus on quality content. Netflix had similar strategy in mind and therefore had decided to continue investing heavily (company invested ₹30 billion through 2019-2020) on original programming. Hastings explained the future path, "The big focus for us is pleasing our members. Particularly in Covid-19, if we had a chance to buy movies that might have gone to the theatre, that made sense. We want to spend on behalf of our members, to provide them content that they love. And if we do that, we grow. [But what] we're most excited about is developing our own content. And that's been a big success for us." Analysts agreed that original content was key for getting profitable.

According to an analyst, "For Netflix to be truly profitable, they need to invest in original programming in India as well. However, with around 15+ major languages being spoken, investing in original programming takes a whole new meaning. The initial catalog on Netflix seems to be predominantly favoring Bollywood/Hindi content with very less content for the rest. Licensing content from broadcast and TV networks will not be profitable in the long run as the leverage would always remain with these broadcast networks."^{31,32}

Meanwhile, the COVID-19 pandemic brought some cheer to the OTT platforms. The OTT video consumption registered a hike of 13% from January 2020 to January 2021 primarily due to sports streaming. Netflix prospects improved too. According to a survey finding, "The Subscription video-on-demand platforms had the highest Net Promoter Score -- which measures customer experience -- in OTT video streaming, with Netflix (78) topping the chart, followed by Amazon Prime Video (56) and Disney+ Hotstar (56). Others such as Zee5, MX Player, Voot and SonyLiv had scores ranging from 42 to 54." With such optimistic statistics, Monika Shergill, Vice President, Content, Netflix India, was confident to sail through the unique and, at times, adverse business environment in India. While acknowledging tough competition, she remained upbeat for Netflix and stated, "I think it's important for all of us to feel excited about the competition and not feel anxious about it. Because if we really have to tell best-in-class stories and bring world-class entertainment to India, it will only happen if we really push the appetite of people. And it's so important to have this competition because we are taking the entire industry up in terms of quality."³³ Gandhi seemed to agree when he remarked, "Broadcasters have streaming services, there are freemium models, plus players that

²⁹ Grater T. (2021, January 8) "Top Amazon India Execs Discuss 2021 Strategy In "The World's Most Exciting Streaming Market": <https://deadline.com/2021/01/amazon-india-2021-strategy-worlds-most-exciting-streaming-market-1234666401/>

³⁰ (2021, January 17) "Amazon Prime Video to continue investing in local content": <https://www.thehindu.com/business/Industry/amazon-prime-video-to-continue-investing-in-local-content/article33593308.ece>

³¹ Majumdar S., et al. (2021, February 11) "The most remarkable change has been Reliance Jio": <https://www.fortuneindia.com/people/the-most-remarkable-change-has-been-reliance-jio/105179>

³² Vikas S. (2021, April 21) "Netflix focused on getting its content fit right in India: Co-founder Reed Hastings": <https://economictimes.indiatimes.com/tech/technology/netflix-focused-on-getting-its-content-fit-right-in-india-co-founder-reed-hastings/articleshow/82175447.cms?from=mdr>

³³ "Netflix and its battle for India", op.cit.

have links to telecom which have aggregation models. On one level they are all competing, but the headroom for growth is huge, in three to four years we believe there will be as many people steaming video on their devices as there are watching TV today, the opportunity is very large.”³⁴ Statistics showed that Netflix had enough room to grow. **(Annexure IIA-D).**

In view of the above market statistics, what should be Netflix’s strategy for future? Should it fight competition with its content or pricing strategy? Which product line would drive revenues in future? Which other streams of revenues should the company explore to fuel further growth?

**Annexure IA
Product Offering: Netflix Vs Amazon Prime (As of 2021)**

Netflix	Amazon Prime
1. Netflix broadcasts 4k and HDR content and it excels in video and sound quality making it stand out.	1. Amazon Prime Video fails to play high-resolution HD content on low-speed connection.
2. You can only stream movies or TV series on it.	2. You can get other benefits such as Amazon Prime Music and faster Amazon delivery.
3. Netflix supports wide range of devices including gaming consoles.	3. Amazon Prime does not support Gaming consoles.
4. Netflix has extensive library of titles including several renowned in-house documentaries as well as series.	4. The library and content of Amazon Prime isn't as extensive as compared to Netflix.
5. Netflix is more expensive. In India, Netflix's mobile plan starts at INR 199 and goes upto INR 799 per month.	5. Prime is cheaper than Netflix. Users are charged INR 999 annually and INR 129 monthly for Prime.
6. Just 897 Netflix movies are not rated.	6. 31,066 of Amazon Prime’s movies are not Rated, which means the movies are too old for rating or are too small to go through the rating process.
7. Netflix provides limited downloads to the user.	7. Amazon Prime Vidoe does not limit the user for the video downloads.

**Source: (2021, June 12) “Netflix vs Amazon Prime Video: Which one is Better?”:
<https://startuptalky.com/netflix-vs-amazon-prime-how-to-compare/>**

³⁴ “Top Amazon India Execs Discuss 2021 Strategy In “The World’s Most Exciting Streaming Market”, op.cit.

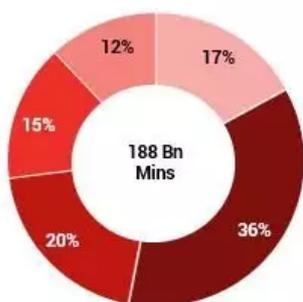
Annexure IB
Netflix Vs Competition (Amazon, YouTube, Disney+Hotstar): Market Share as of 2021



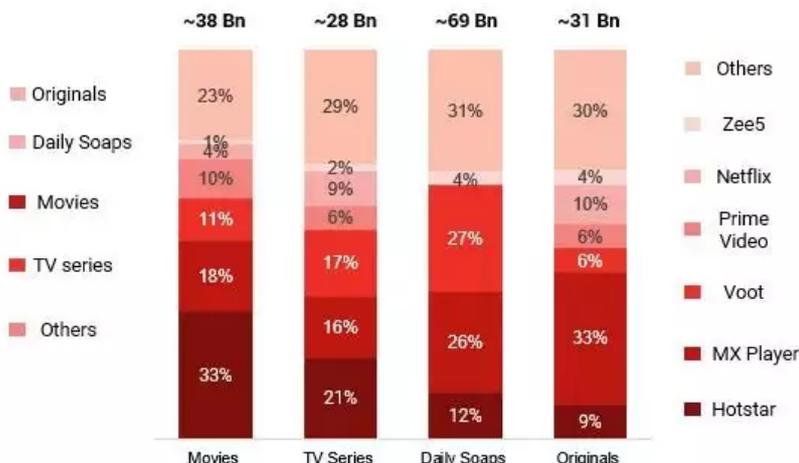
Source: (2021, June 12) "Netflix vs Amazon Prime Video: Which one is Better?": <https://startuptalky.com/netflix-vs-amazon-prime-how-to-compare/>

Annexure IC
Netflix Vs Competition: Genre Wise Engagement (2021)

Genre wise engagement, OTT Video Players
 Bn Mins, Feb 2021



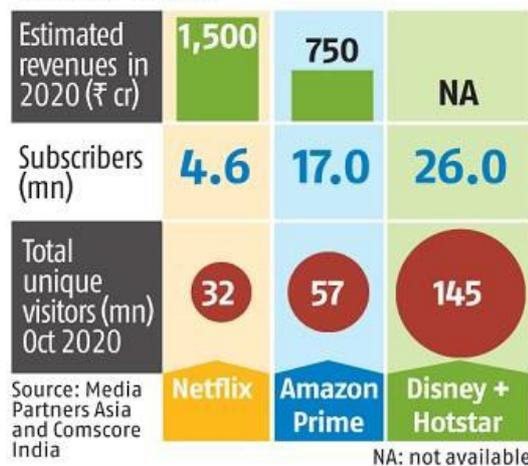
Genre wise Market Share, by engagement, OTT Video
 Bn Mins, Feb 2021



Source: (2021, March) "What Is Driving Consumption On Netflix And Other OTT Platforms?": <https://redseer.com/newsletters/what-is-driving-consumption-on-netflix-and-other-ott-platforms/>

Annexure ID
Key Statistics of Top 3 OTT Players in India

THE TOP 3 SUBSCRIPTION-BASED OTTs IN INDIA



THE INDIA STREAMING STORY

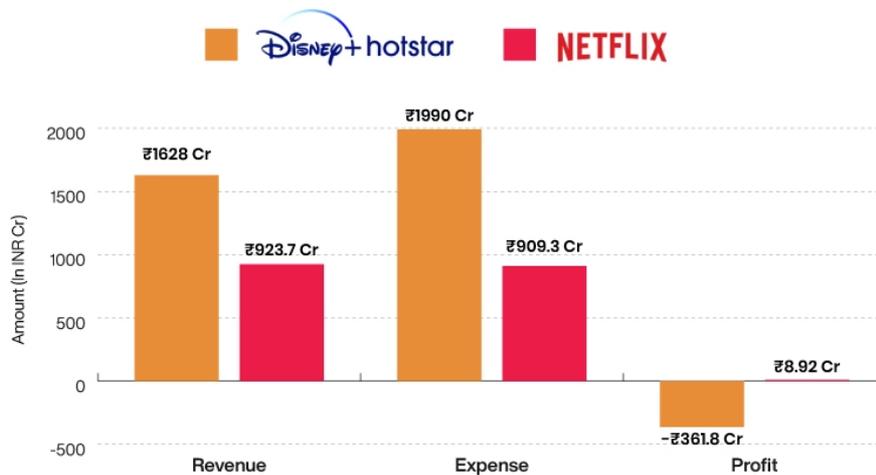
400 mn total unique visitors/viewers | **58.1 mn** subscribers



Source: Kohli-Khandekar Vanita. (2021, May 3) “Battle of subscribers: Netflix slows down in race with Disney+ Hotstar”: https://www.business-standard.com/article/entertainment/battle-of-subscribers-netflix-slows-down-in-race-with-disney-hotstar-121042801307_1.html

Annexure IE
Netflix Vs Disney+ Hotstar: Market Share (India, 2020)

Disney+ Hotstar Revenue And Expenses Tower Over Netflix India In FY20

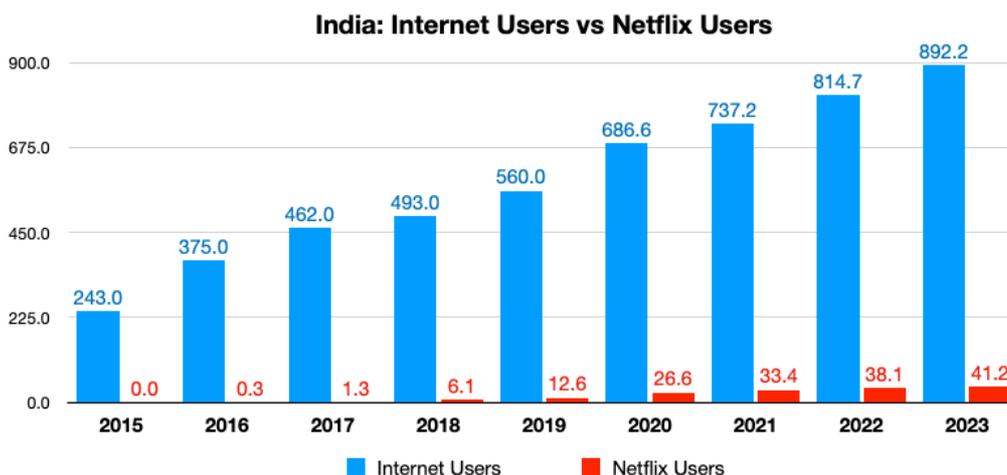


Source: Financial Statements Of Netflix India And Disney+ Hotstar India © 2020, Inc42 Media



Source: Bhalla Kritti. (2021, February 10) “[What The Financials] Disney+ Hotstar Outpaces Netflix India With INR 700 Cr Higher FY20 Revenue”: <https://inc42.com/buzz/what-the-financials-disney-hotstar-narrows-fy20-loss-by-35-ad-revenue-outpaces-subscriptions/>

Annexure IIA
Netflix Growth Potential

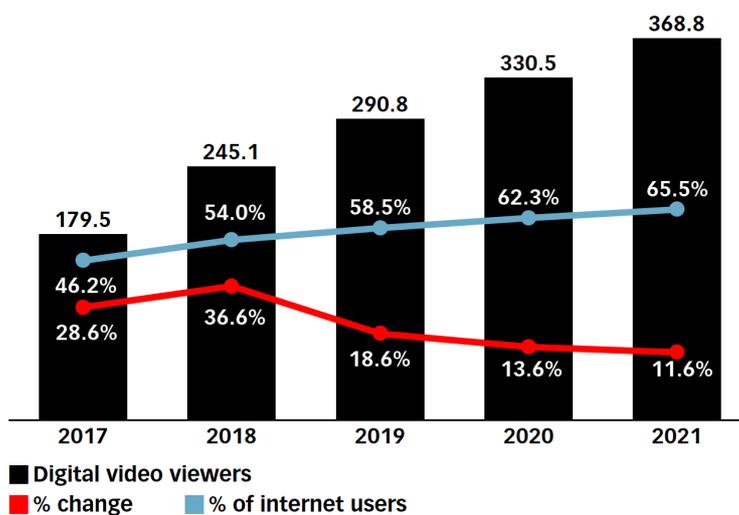


Source: (2020, October 22) “Less Than 5% Internet Users In India Have Netflix Subscription”:
<https://dazeinfo.com/2020/10/22/netflix-users-india-2020-growth/>

Annexure IIB India: Percentage of Internet Users and Netflix Viewers

Digital Video Viewers in India, 2017-2021

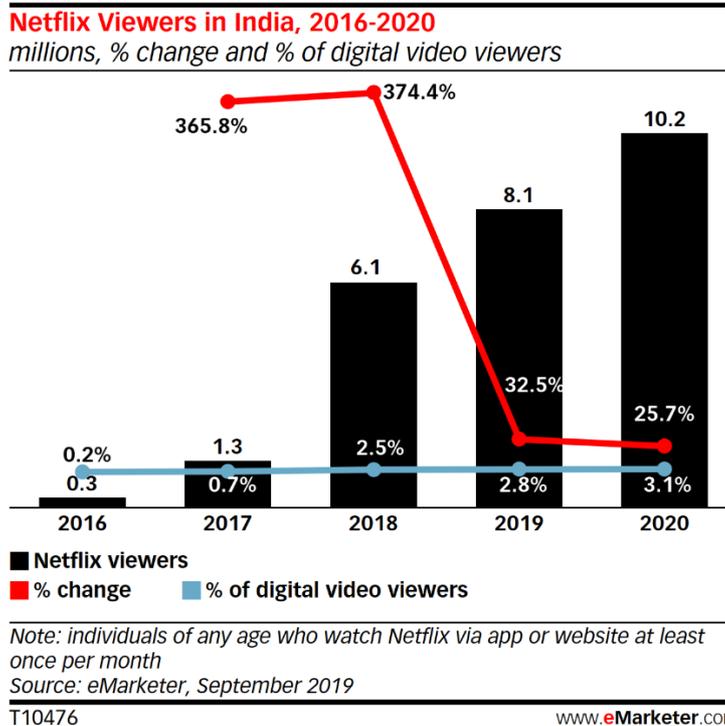
millions, % change and % of internet users



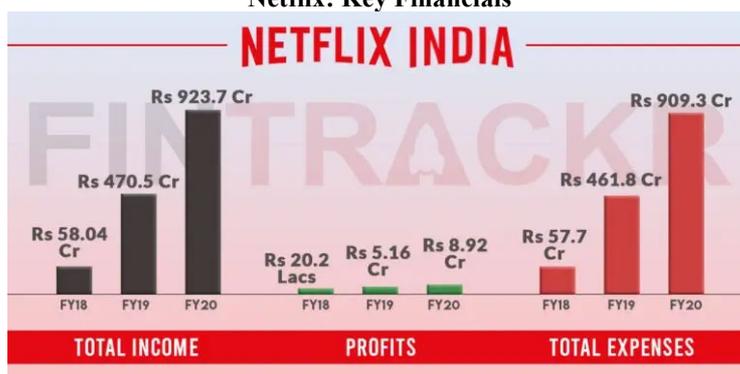
Note: internet users of any age who watch streaming or downloaded video content via any device at least once per month
 Source: eMarketer, September 2019

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www.eMarketer.com

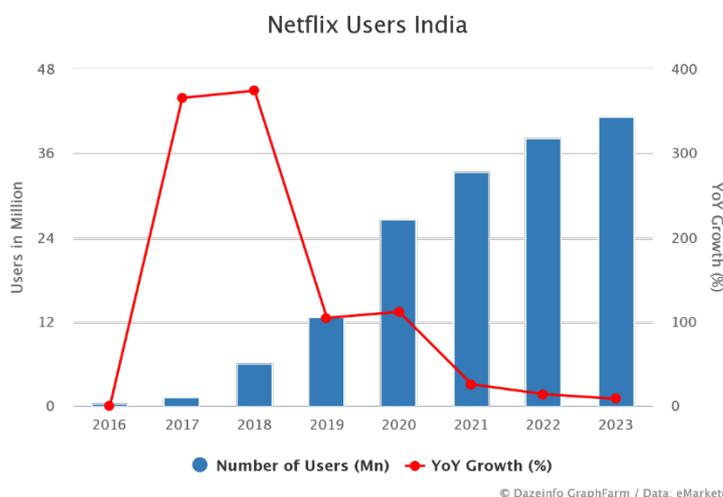


**Annexure IIC
 Netflix: Key Financials**



Source: Vardhan Jai and Tyagi Gaurav. (2020, November 5) “Netflix India’s operating revenue leaps 2X to Rs 924 Cr in FY20”: <https://entrackr.com/2020/11/netflix-indias-operating-revenue-rs-924-cr-in-fy20/>

**Annexure IID
 Netflix: YOY User Growth Decline**



Source: (2020, October 21) “Netflix Users In India By Year: 2020 – 2023”: <https://dazeinfo.com/2019/10/31/netflix-users-in-india-graphfarm/>