

Hook for the chapter – content in chapter PowerPoint to go with each

Use the *Netflix video as the hook* -> <https://www.youtube.com/watch?v=9v00tNmGR2k>

Worksheet -> <https://backinbusinesshub.com/wp-content/uploads/2025/11/Ch16-Starter.pdf>

Then introduce a worksheet linking recent strategic shifts for Netflix around the concept of planning for change.

Encourage group discussion before written responses, this case naturally prompts debate around risk, innovation, and long-term planning.

Activity 1 – Strategic Shifts

Question:

Which of these shifts do you think is most important for Netflix's long-term success? Explain your answer.

Teacher Prompts:

- What does each shift achieve -> revenue, growth, new audiences, or innovation?
- Which shift will have the biggest long-term effect on how Netflix operates?
- What are the risks if Netflix doesn't pursue that change?

Suggested Responses:

- **Ad-supported tier:** Key for revenue diversification and growth in mature markets.
- **Password sharing crackdown:** Boosts short-term subscriber numbers but may affect goodwill.
- **Live events/sports:** A major diversification move; builds brand and viewer engagement.

Activity 2 – Factors Influencing Change

Question:

Identify some external factors that might have forced Netflix to make these changes.

Suggested Answers:

- **Increased competition** from major streaming rivals such as Disney+, Amazon Prime Video, Apple TV+, and new regional platforms.
- **Changing consumer behaviour** as customers look for flexible, lower-cost options and are willing to watch ads to save money.
- **Market saturation** in North America and Europe, leaving limited room for growth and pushing Netflix to expand into new regions like Asia.
- **Economic pressures and inflation** leading households to cut back on subscriptions, encouraging Netflix to offer cheaper plans.
- **Technological advances** in AI, data analytics, and streaming quality that push Netflix to keep improving its platform and advertising tools.

Teacher Prompts:

- What data might have shown management that change was necessary?
- How do investor expectations or cost pressures push a company to adjust its strategy?

Activity 3 – Analysing the Ad-Supported Tier

Question:

Imagine you are on the team in Netflix making the decision to push this new strategy. Identify three factors that might support or drive this decision for Netflix, and three that might hold Netflix back or make it more difficult to succeed.

Factors in Favour (Driving Forces)

1. Creates a new revenue stream from advertisers.
2. Attracts new customers in price-sensitive markets.
3. Builds long-term advertiser partnerships and data insights.

Factors Holding Netflix Back (Restraining Forces)

1. Risk of damaging its image as a premium ad-free platform.
2. Viewers may cancel higher-cost subscriptions and downgrade.
3. Technical and regulatory challenges in managing advertising content / types of advertising shown across global markets.

Teacher Guidance:

Encourage groups to:

- Debate risk versus reward -> link to the concept of *strategic planning as an ongoing process*.
- Identify where planning reduces uncertainty and helps manage resistance to change.
- Conclude whether they would **go ahead, delay, or modify** the strategy -> and why.

Suggested Debrief Points:

- Most students will see the ad-supported tier as a logical, necessary move for future profitability.
- Strong discussion often arises around **brand perception** and **competition**, encourage reference to other streaming platforms (e.g., Disney+, YouTube).