Netflix Marketing Plan

# Introduction

A marketing plan is an essential aspect of any business. A good marketing plan helps in the success of a business (Armstrong, Kotler, Harker & Brennan, 2015). A video games venture by Netflix is a viable investment with a good marketing plan. In a good marketing plan, several aspects have to be present to ensure effectiveness. This paper focuses on how Netflix can effectively market a new venture in online video games. The marketing plan is meant to create awareness for the video games streaming venture by Netflix. The plan points out the segmentation approach and rationale to be used to market the video games streaming business. The marketing plan also points out the target market for the video games streaming, the position statement and the marketing mix approaches to be used. The success metrics for the plan are discussed in the marketing plan, the considerations for using the plan in the international markets and finally a justification of why the marketing plan should be considered for funding.

# Segmentation approach and rationale

Marketing segmentation is essential to ensure effective marketing of products or services. Marketing segmentation helps in categorizing potential customers into groups that have similar tastes, preferences, and characteristics (Armstrong et al., 2015). Segmentation helps in getting similar responses from a marketing campaign. A marketer is able to personalize their marketing campaign and strategies if they embrace segmentation. Segmentation enhances the cost-effectiveness of a marketing campaign and reduces the time and other resources spent on marketing (West, Ford & Ibrahim, 2015). As a result, the Netflix video gaming streaming venture will embrace a segmentation approach for cost-effectiveness and efficiency. The marketing plan will do a demographic and geodemographic segmentation to ensure that the video gaming marketing plan is successful.

The target market will be divided into three distinct groups based on age and geographical location. The first target group is the children aged between 10 years to 17 years. There will be tailored content for such children which suit their preferences. The second group is that of people aged between 18 years to 35 years, they also form a good market for online video games. The last group will be the people aged 36 years to 60 years; these are people who are likely established and they have a relatively high income and will prefer good video games for entertainment. The video games streaming business will also be tailored to both high end and middle-income areas markets. The cost of video games in the high-end markets will be relatively higher than the cost of streaming the video in middle-income areas. The behavior of consumers while buying video games will also be considered in the marketing campaign. Most people prefer buying video games that are easy to play and interesting. Parents prefer buying child-friendly video games for their children to avoid any negative effects (West et al., 2015). The adults prefer video games that are a bit creative.

As a result, the behavioral and psychological considerations of the consumers will be held into account when the marketing campaign takes place. The psychographic aspects such as the lifestyles of the target market will be considered in the marketing campaign. Most people prefer video games that they can play at their convenience from any place. The video games will be designed to play in all the smart phones, tablets and computers because most people move around with their gadgets and would like to play video games during their convenient time. The millennial prefer the convenience and will have a negative attitude towards a product or service that does not offer the convenience. Offering a convenient video games streaming service will increase the preference for the Netflix video gaming services and earn the company a competitive advantage in the industry.

# Target market description

A marketing plan needs to have the target market. The target market is the audience and consumers that the marketing campaign intends to reach. The choice of a target market for a marketing plan helps in reducing the cost and resources spent in the marketing process (Godwin-Jones, 2014). Establishing the target market helps in ensuring that the content is tailored to suit the specific group that the marketing campaign targets.

The video games marketing plan will target both the high end and medium level income earners markets. The low-income earners' markets may not be a good target market for the marketing plan because the low-income earners may not have enough money to subscribe for the services or buy the gadgets that can play the video games.

Children form a good market for video games. Children are the highest consumers of video games especially those from high-end markets (Hang & Auty, 2011). The socioeconomic status of a family determines whether they will offer their children with such luxuries as video games. The high-end societies have high chances of buying video games for their children and also for adults. The middle-class societies are also gaining interest in luxuries such as video games making them good target markets for the video games venture. The young adults also have a high consumption of video games; the videogames streaming service will also be targeting this market. The old adults also need some form of entertainment at their free time, having tailored content that is suitable for their age will be a good strategy for Netflix to gain a more reliable a loyal category of clients.

International markets have high potential for video games business. While the local market remains one of the targets for the video games streaming services, research indicates that there is a growing number of people in international markets with a high preference for video games services (Hang et al., 2011). As a result, the marketing plan will also seek to target the potential consumers in the international markets. The target for international markets will increase the scope and market coverage of Netflix services. The international market for video games services has not be exploited as much as the local markets. The target for international market will give Netflix a competitive edge over the other players in the industry because of the increased customer based.

# Positioning statement

Positioning statement is crucial in any marketing plan. Netflix is a leading video streaming services company with a global brand (Walker et al., 2017). The company is known for its efficient services in movies and television episodes streaming services. The consumers are offered the services at a relatively affordable subscription fee. The Netflix streaming services are credited for uninterrupted videos and easy subscription process. The company is known for identification of the target market and offering its customers with the right content at all times. Netflix has a wide customer base ranging from children to adults. However, the main customer base has been among people aged between 25 and 35 years because of their high preference for video content. However, the company video games service will be tailored to suit both the old and the young. Since Netflix has an established infrastructure for video streaming, the company will leverage the infrastructure to offer effective video games streaming services.

The good infrastructure, market position, and a strong customer base will give Netflix a competitive edge in the video games streaming services because people are aware of the company services and its abilities. The company understands how to change a prospective customer into a loyal client, the good reputation and strong brand of the company will be used to achieve the intended objectives for the video games streaming services. The company understands the market dynamics and the possible challenges of previous marketing activities. The information will be used to overcome any future challenges when marketing the video streaming services. Meeting the needs of the customers remains the main priority of Netflix video games streaming services. The company will offer quick, high speed and customized services to the customers unlike most of its competitors in the industry.

# Marketing mix

A marketing mix involves the process of ensuring that a product is at the right place, at the right time and at the right price. According to Huang and Sarigöllü (2014), the 4Ps of marketing mix include place, price, product, and promotion.

## Product

Having the right product in the market is one of the key factors that determine the success of any business. A product with high demand will attract a good number of customers which will result in the growth of business (Huang et al., 2014). Before coming up with a marketing plan, a business should conduct research about the product or service they intend to offer to establish whether the service or product is in demand. The product and services are also likely to have different phases from the growth, maturity and the decline phase. A good marketing plan should be conversant with all the phases of a product or service for better planning. A good marketing plan should also consider aspects of diversification of products.

Netflix will offer one of the video games services in the industry tailored to suit all the ages from children, teenagers, and adults. Most of the video games companies are offering video games suited for children and teenagers. Few companies are offering video games that are suitable for all categories of people including the adults. The company intends to fill this gap to gain a competitive advantage over the other players in the industry.

## Price

Price is an essential aspect of any marketing mix. The price of the product can influence the marketing plan as well as the sales volume of the product or service. A good pricing strategy is essential to ensuring the success of any marketing plan (Huang et al., 2014). Customers may not be willing to pay a high price for a product or service they have not used before. However, consumers are likely to pay a high price for a product or service they are familiar with.

The pricing strategy for the video games services to be offered by Netflix will involve a relatively high price for the high-end markets and a relatively low price for the middle-class markets. The pricing strategy is meant to attract the target markets because there are consumers who associate high price with quality and class and that is why the pricing for the high-end markets is relatively high. In the middle-class markets, a slightly low price will increase the market share for Netflix video games. The buyers who subscribe for a long period will have a discount.

## Place

The choice of place is critical to the success of a marketing plan. The place picked for offering a product or service should be accessible to the potential consumers of the service or product. An understanding of the target market of a particular product or service helps in picking the distribution channels that best suit the potential customers (Huang et al., 2014). The place for distributing the Netflix video gaming services will be online. People will have the chance to subscribe to a number of video games online at a fee. The categories for the video games will be indicated based on the target market.

## Promotion

In marketing, promotion plays a very important role to ensure increased sales and brand recognition. The marketing of the video games streaming service will involve the use of both online and offline promotion approaches. The company will invest in radio, television and print adverts to create awareness about the new service. Sponsored adverts through online platforms such as Google and social media will be used to promote the service. Email marketing will also be used to read target audience with tailored content. The company will also use promotions such as one-week free service to attract more customers to subscribe and buy the video games.

# Success metrics

It is essential to establish the effectiveness of any marketing plan. The use of success metrics to measure the success of a marketing campaign helps in addressing the shortcoming and improving on aspects that did not work well (Armstrong et al., 2015). There are different marketing success metrics depending on the nature of the business. For the online video games service, some of the suitable success metrics to be used to assess the effectiveness of a marketing plan include the number of unique visitors, the bounce rate, and the conversion rate.

## Number of unique visitors

The number of visitors who visit the Netflix website to check the video games content during a given period of time after the marketing campaign can be used to tell to tell the success of the marketing plan. Counting the number of people visiting the website for video games can help assess how effective the marketing plan has been (Armstrong et al., 2015).

## The bounce rate

The number of visitors that check on the website and fail to look at any page can serve as a sign of effectiveness or lack of it from the marketing plan. If the bouncing rate is more than 40% it is a sign that the visitors to the website are not impressed (Armstrong et al., 2015).

## Conversion rate

Conversion rate serves as a good marketing success metric. Conversion rate refers to the number of visitors who visit a company website and end up taking a positive action (Armstrong et al., 2015). The visitors subscribe or purchase a product or a service after visiting the website. The number of people who visit the Netflix website and end up subscribing to the video game service will be used to assess the effectiveness of the marketing plan.

# Considerations to use marketing plan in international markets

## Cultural orientation

Before taking the marketing plan international, a business has to assess the cultural orientation of the international market. The assessment helps identify whether the target market culture aligns to the service to be marketed (Ferrell & Hartline, 2012). The language, taste, consumer habits and regional values are essential considerations for international marketing (Madanoglu, Alon & Shoham, 2017).

## The legal and regulatory requirements

Legal and regulatory requirements influence a marketing plan either positively or negatively. The regulatory and legal requirements vary in different international markets (Madanoglu et al., 2017). It is therefore essential for a company to establish whether the regulatory requirements are favorable.

## Economic factors

Economic factors such as the level of income of the target international market are critical in international marketing (Madanoglu et al., 2017). A company has to establish if the target market can afford the products or services offered.

# Conclusion

## Summary of the plan

The paper gives a detailed plan for the marketing of Netflix new service of video games. The success of any business venture depends on a good marketing plan. As indicated in the plan, for the video games business marketing to be effective, there is need for a segmentation plan, positioning statement and use the marketing mix. It is also essential to assess the success of a marketing plan through the use of success metrics as it has been demonstrated in the marketing plan. When marketing internationally, the regional values, demand and the purchasing power of the international market should be considered.

## Justification for funding

The marketing plan deserves funding since there is a high growth potential for video games services because only a few companies offer the service at a very high cost and Netflix will use economies of scale to offer the service at a relatively low price.

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