

The Entertainment Space and the Rise of Netflix



Clusters of Entertainment Space

- Books
- Live plays, concerts, sports
- Newspapers
- Education (selected offerings)?
- Movie theatres (silent => sound => HD => luxury)
- Radio
- TV
 - 3 NW's
 - Indies, UHF
- Cable
 - Gap filling
 - Higher quality picture
 - Channel explosion/bundling
- VCRs then DVDs for movies (requires players)
 - Buy/rent
 - Automatic mail (NFLX)
- Streaming (NFLX, Hulu, AMZ)
 - HDTV
 - UHDTV

Structure of Value Propositions

- Books/concerts/plays - Pay
- Newspapers – Pay + Ads
- Education (?) – Free => pay
- Movie theatres – Pay (recently + some ads)
- Radio - Free + Ads
- TV (“linear programming”)
 - 3 NW’s – Free + Ads
 - Indies, UHF – Free + Ads
- Cable
 - Gap filling – Pay (+ Ads on TV programs)
 - Higher quality picture
 - Channel explosion (Pay for bundles)
- VCRs/DVDs for movies (requires players)
 - Buy/rent, delayed release- Pay at store, less than movies; watch at home; late penalties
 - Automatic mail (NFLX) – Fixed monthly fee; better selection (but slower response); no penalties
- Streaming (NFLX, Hulu, AMZ, Verizon/Fios)
 - Pay by unit or monthly; near instant play
 - Huge selection; no ads; permits bingeing

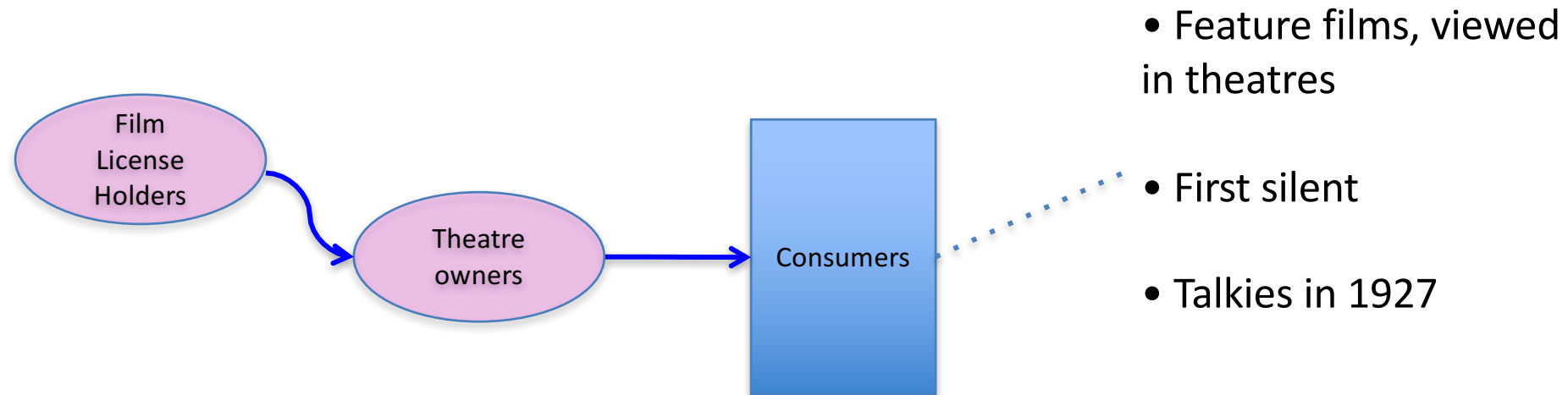
End-User Space

Info/Entertainment Time

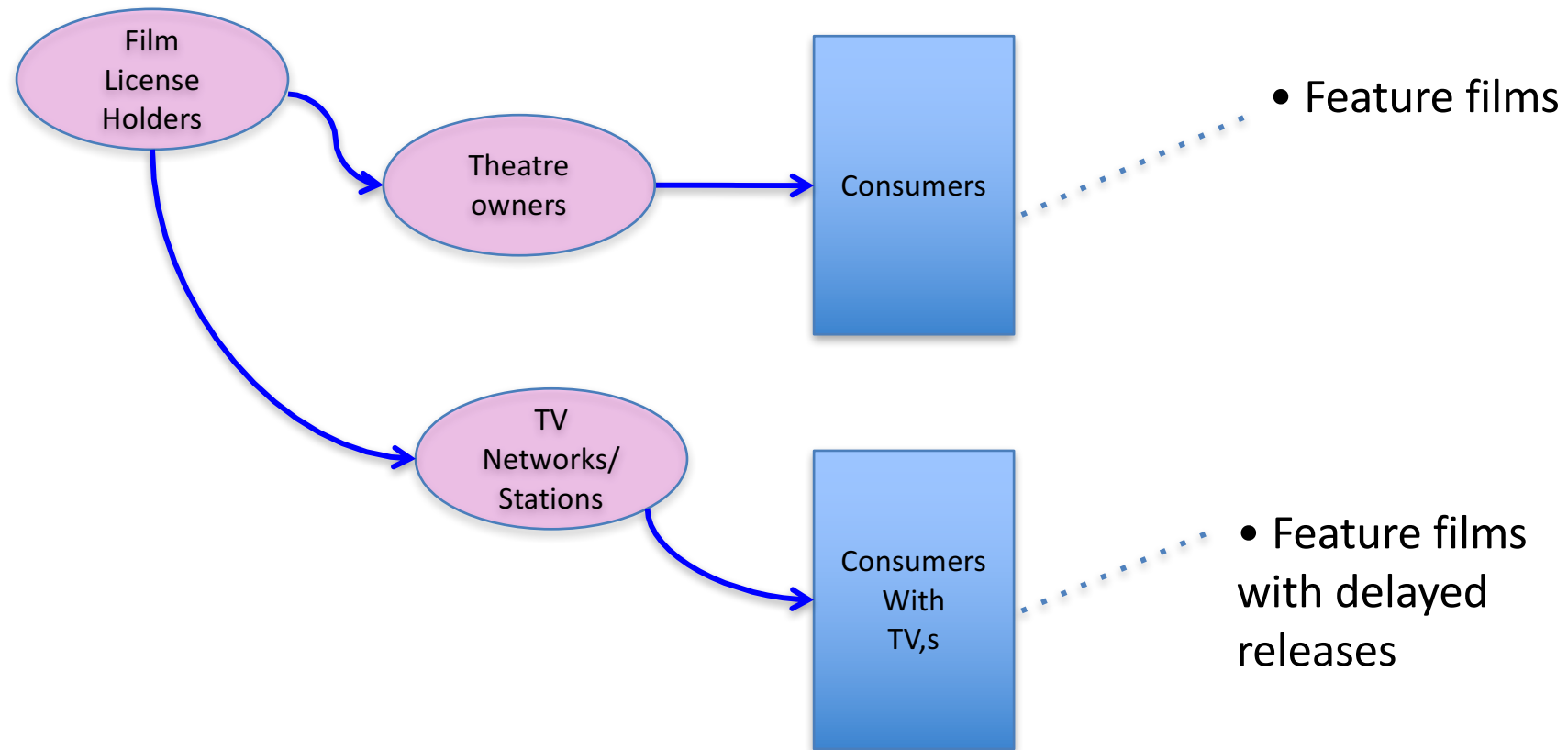
A
U M
D A
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E

- Books
- Concerts
- Plays
- Movie theatres
- News
- Video series
- Films
- Specials
- Sports

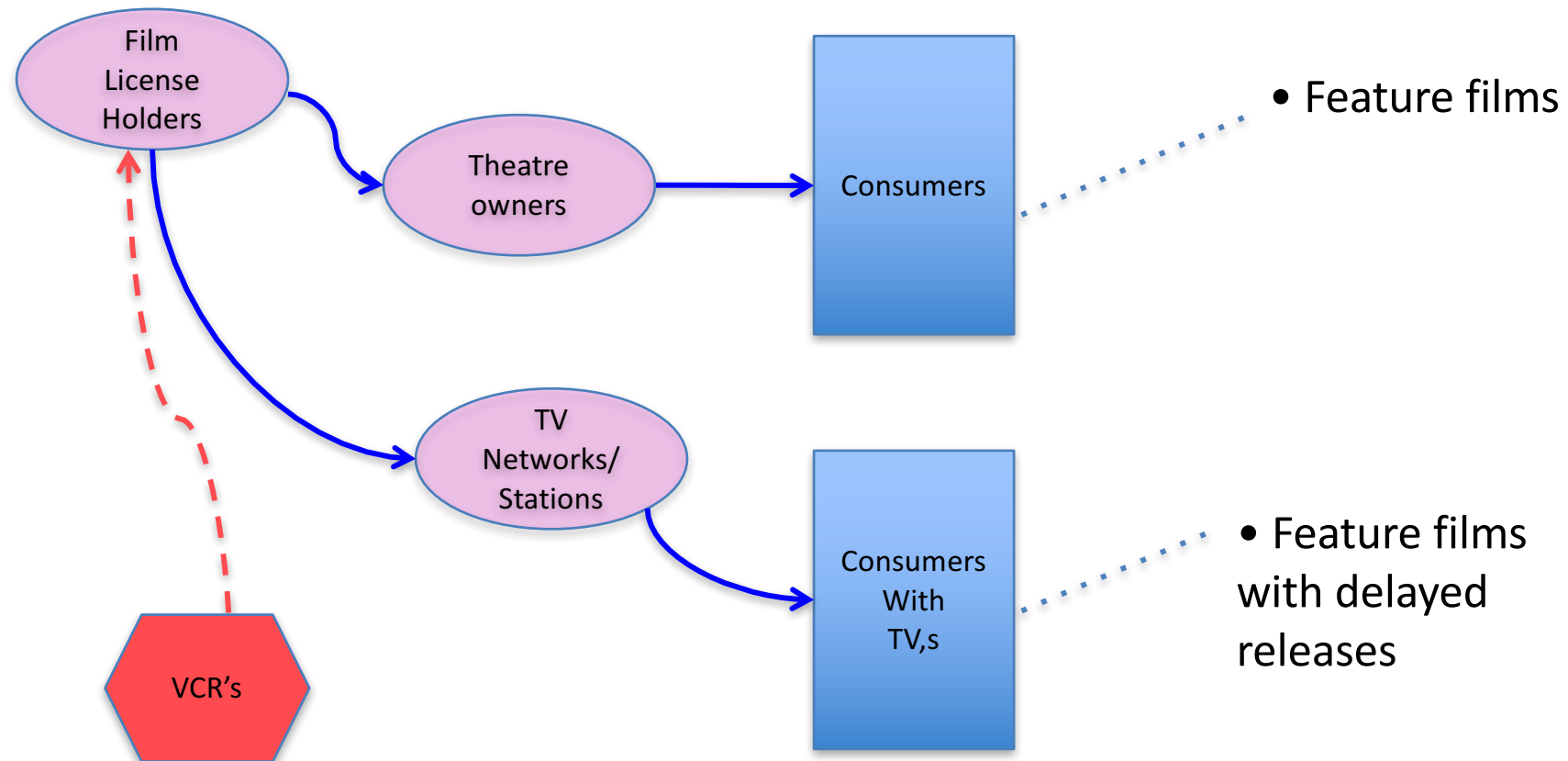
Circa 1900 to early 40's



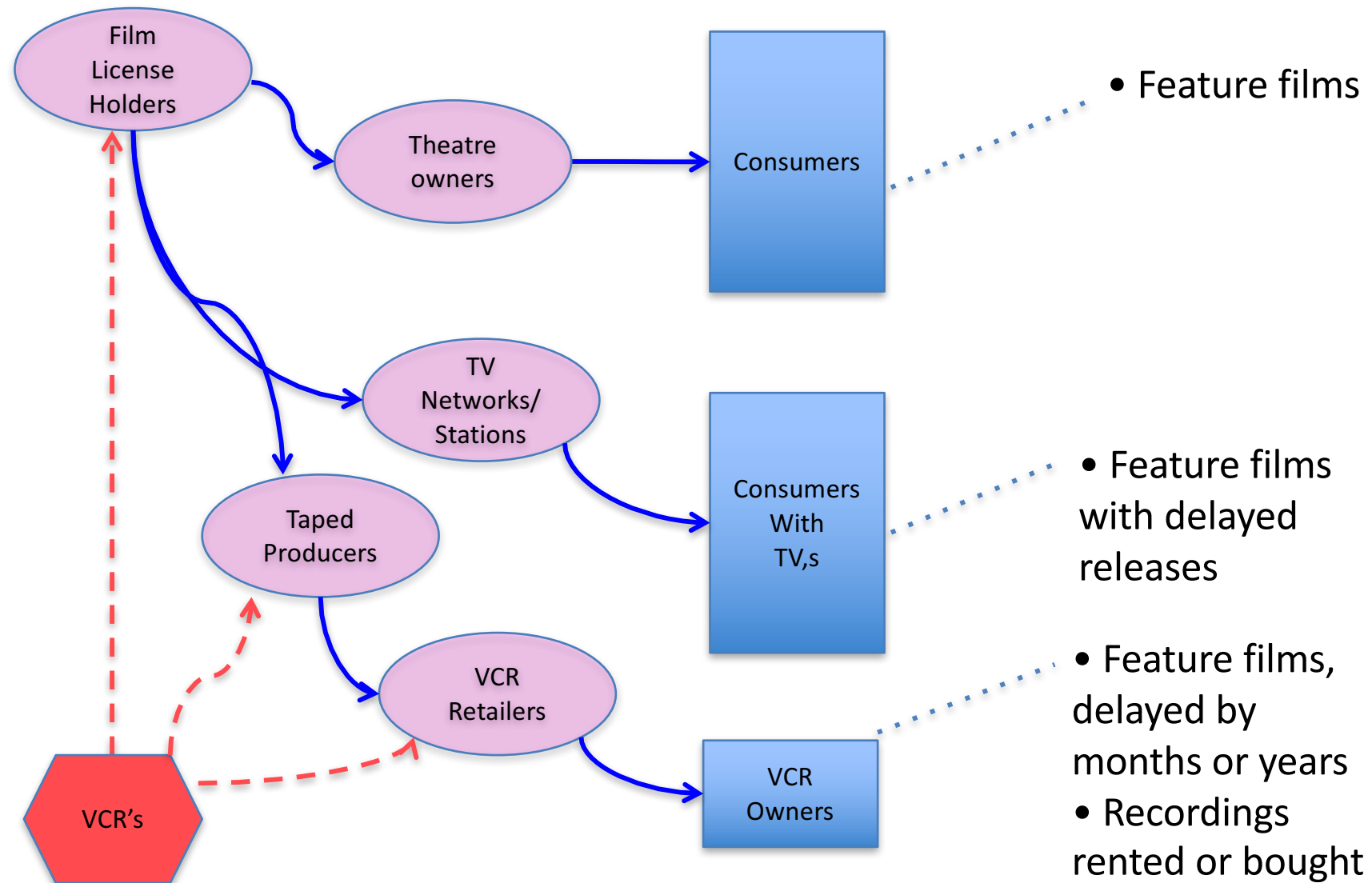
1940's to 60's



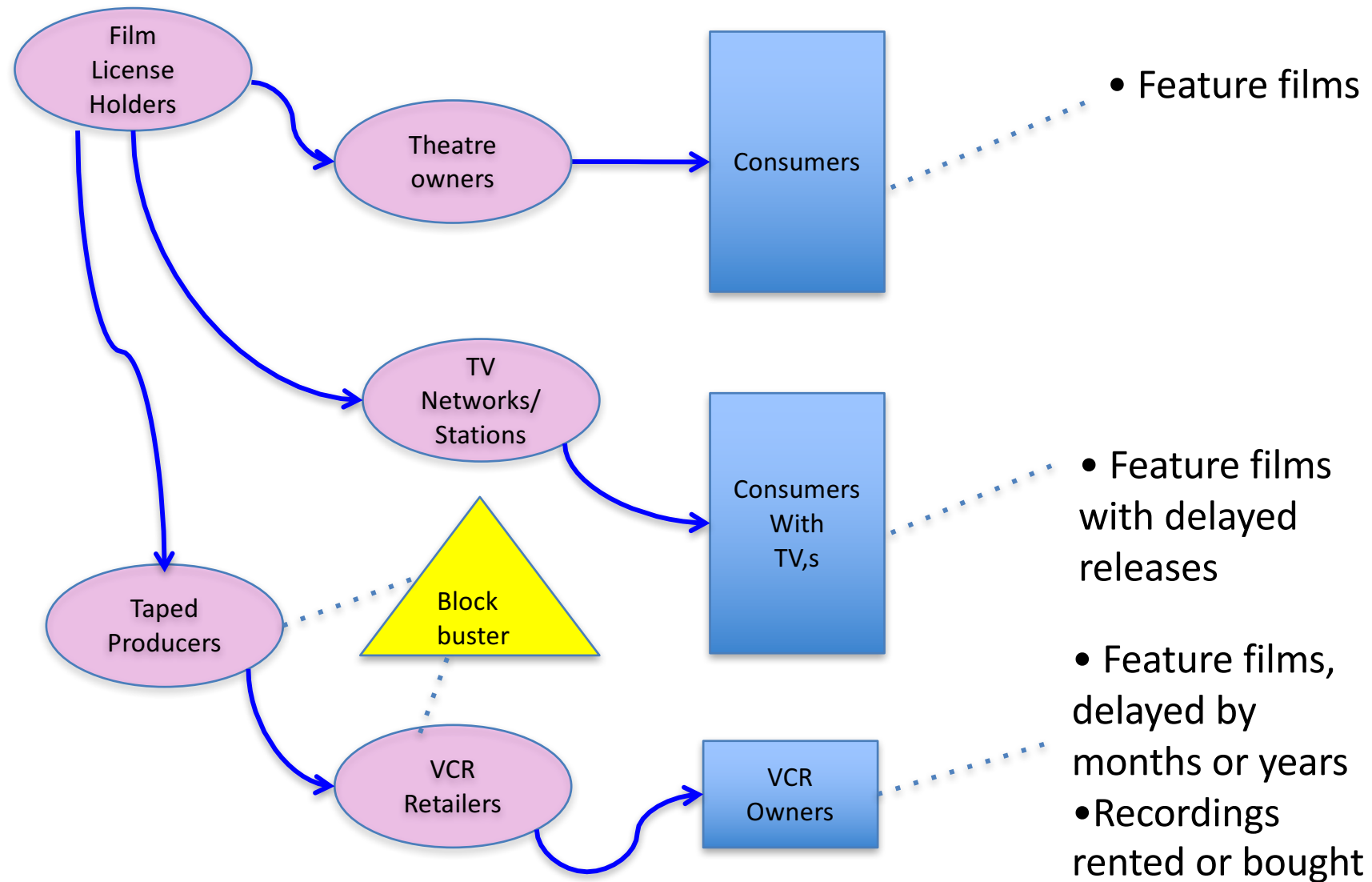
1960's



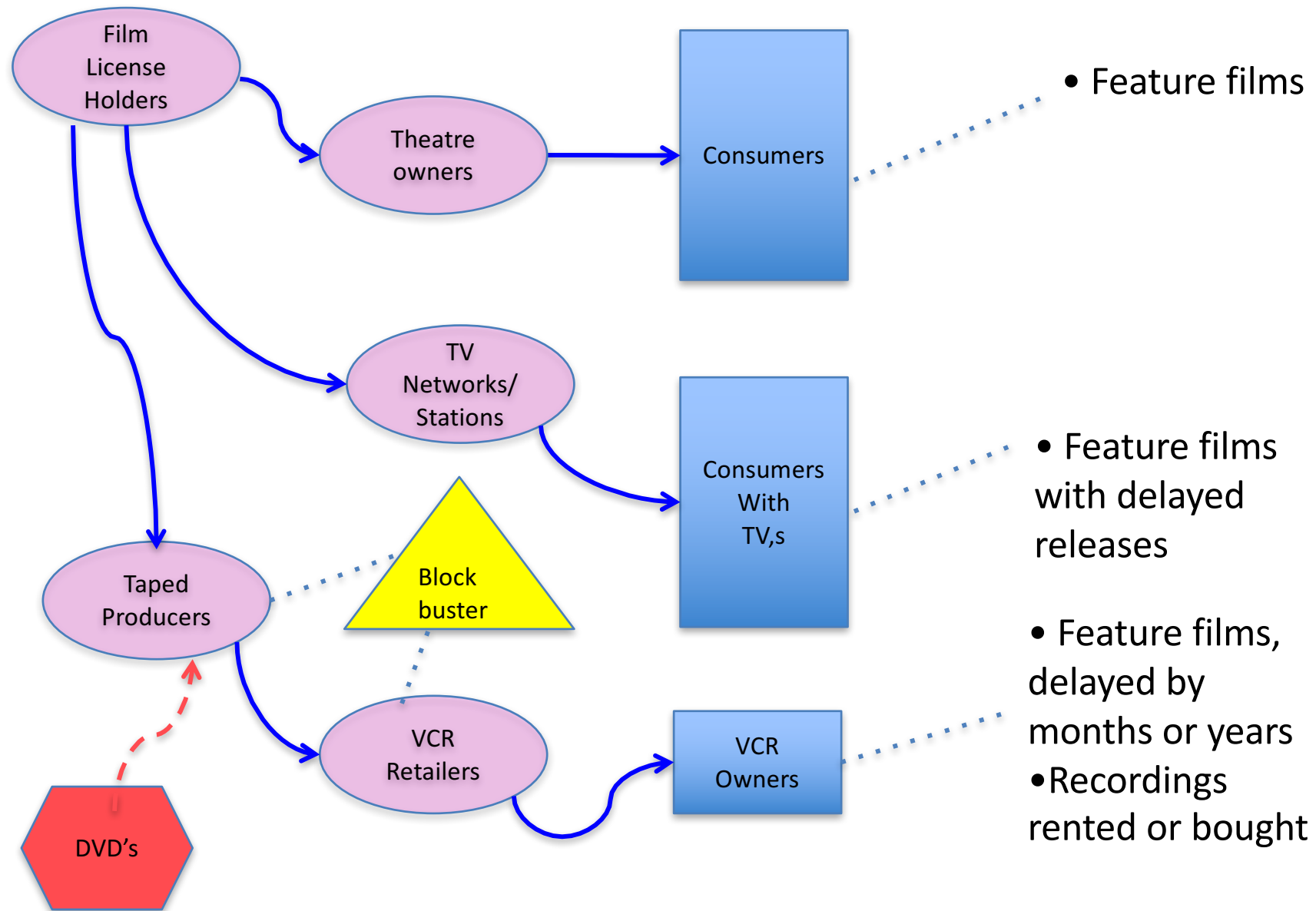
1960's to 70's



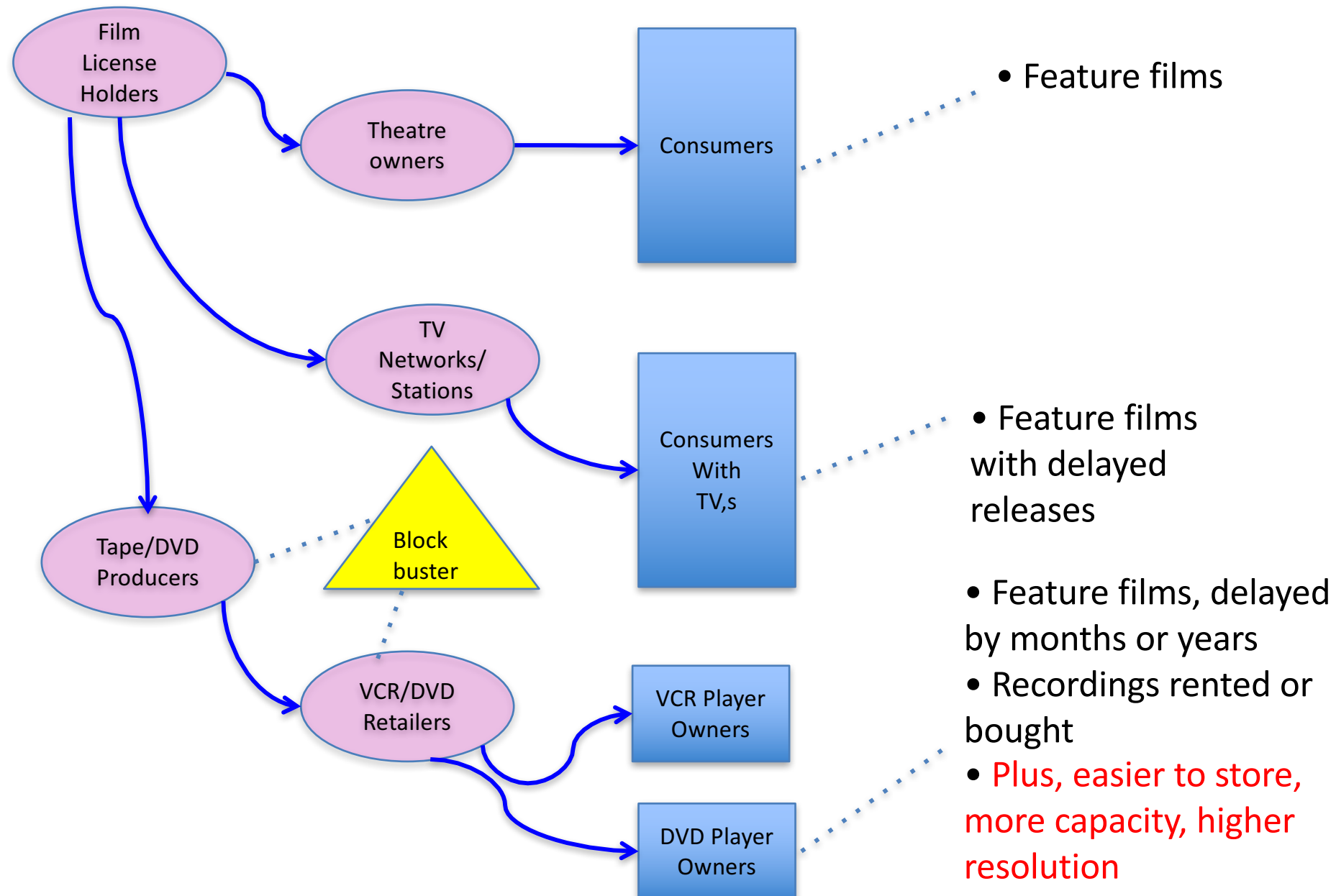
1985 to 90's



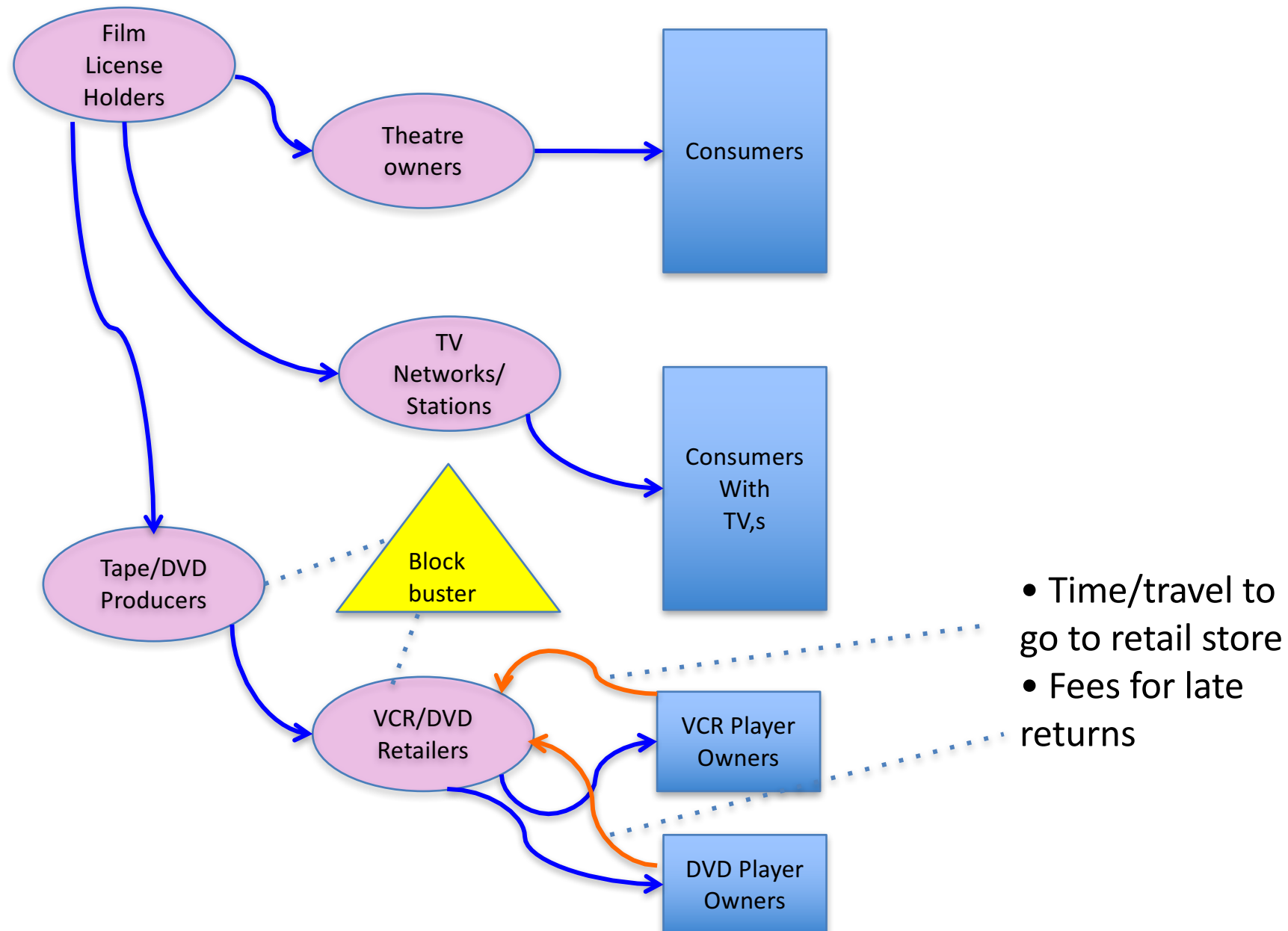
1995



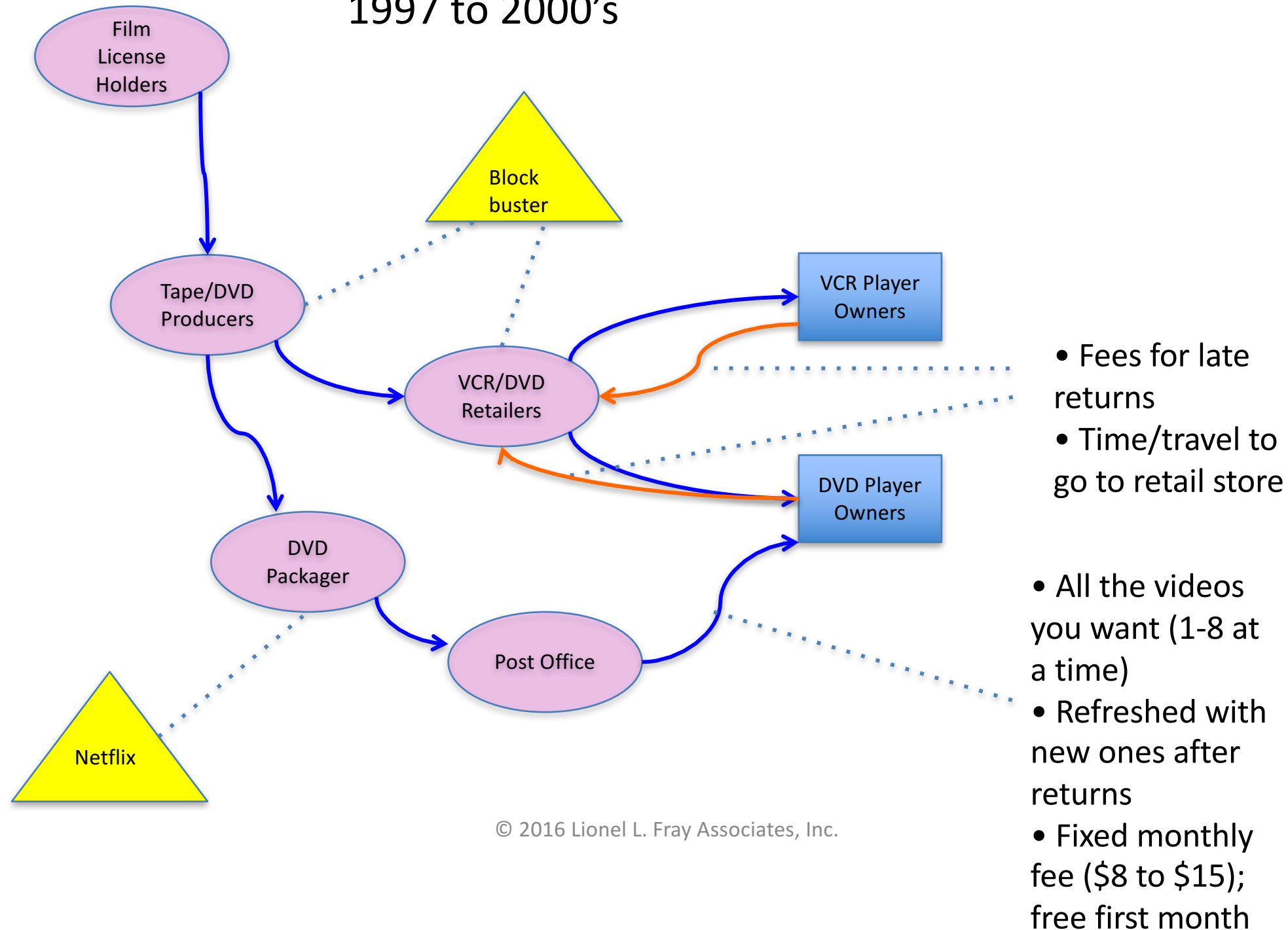
1995 to early 2000's



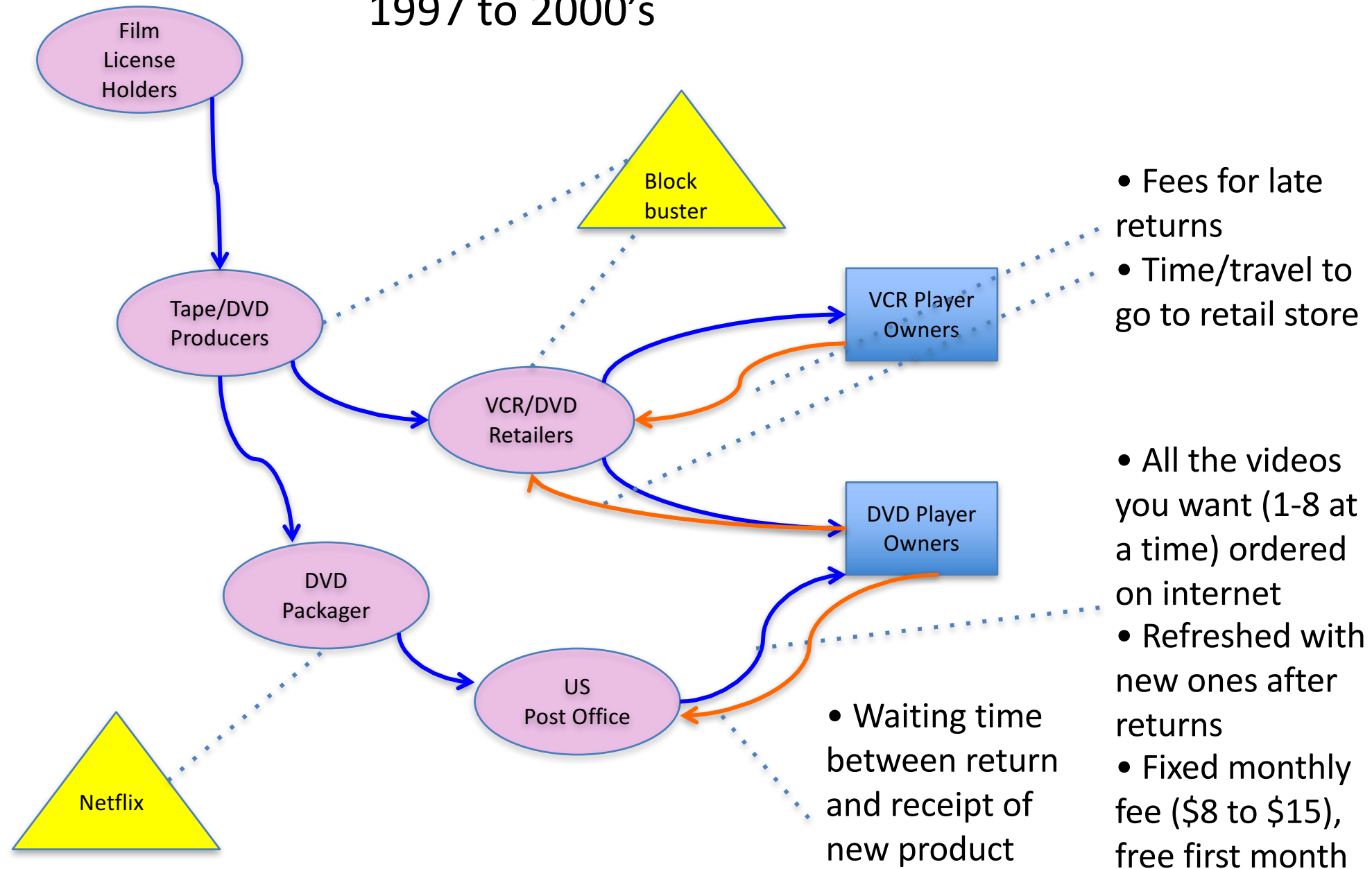
1995 to early 2000's



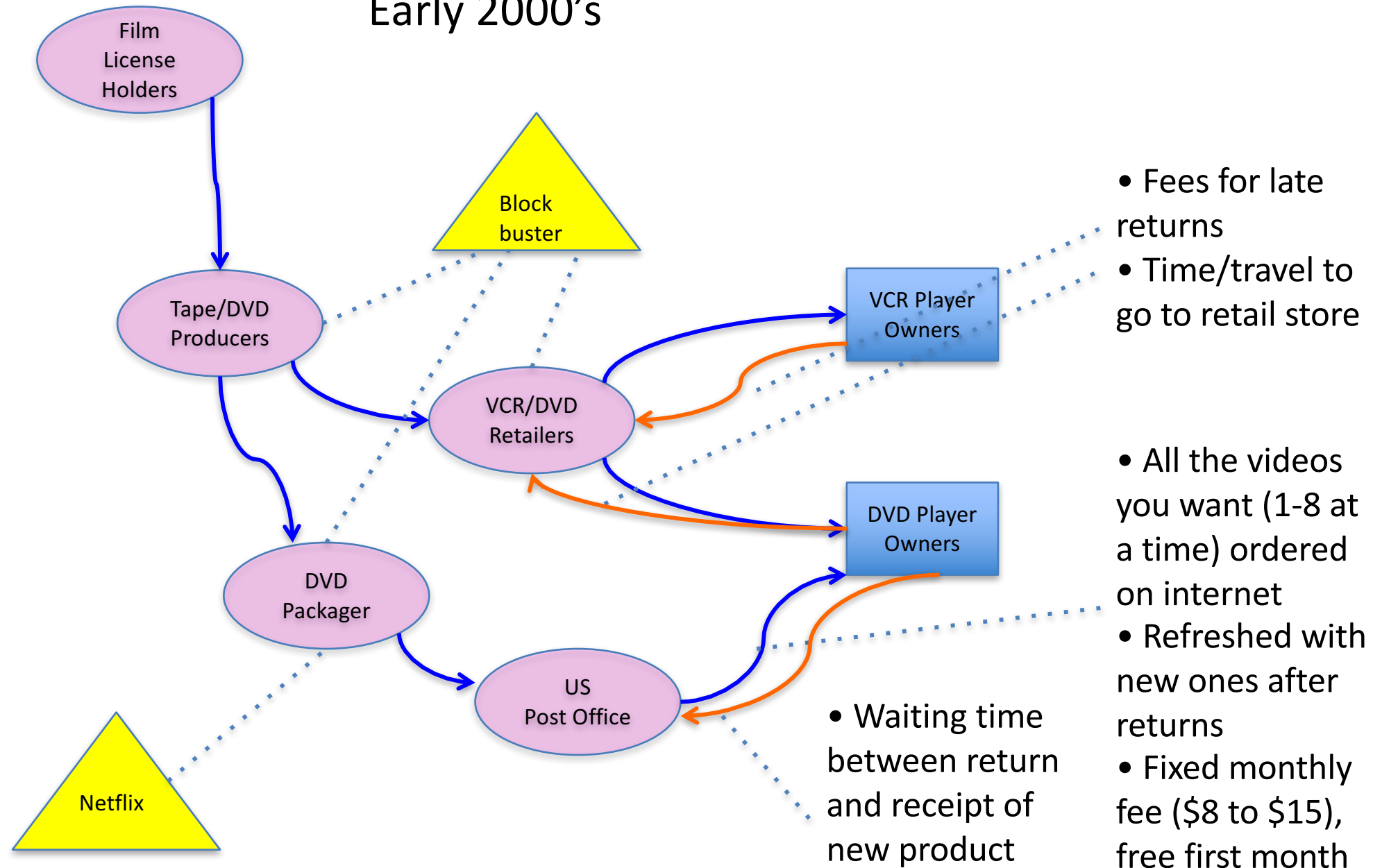
1997 to 2000's



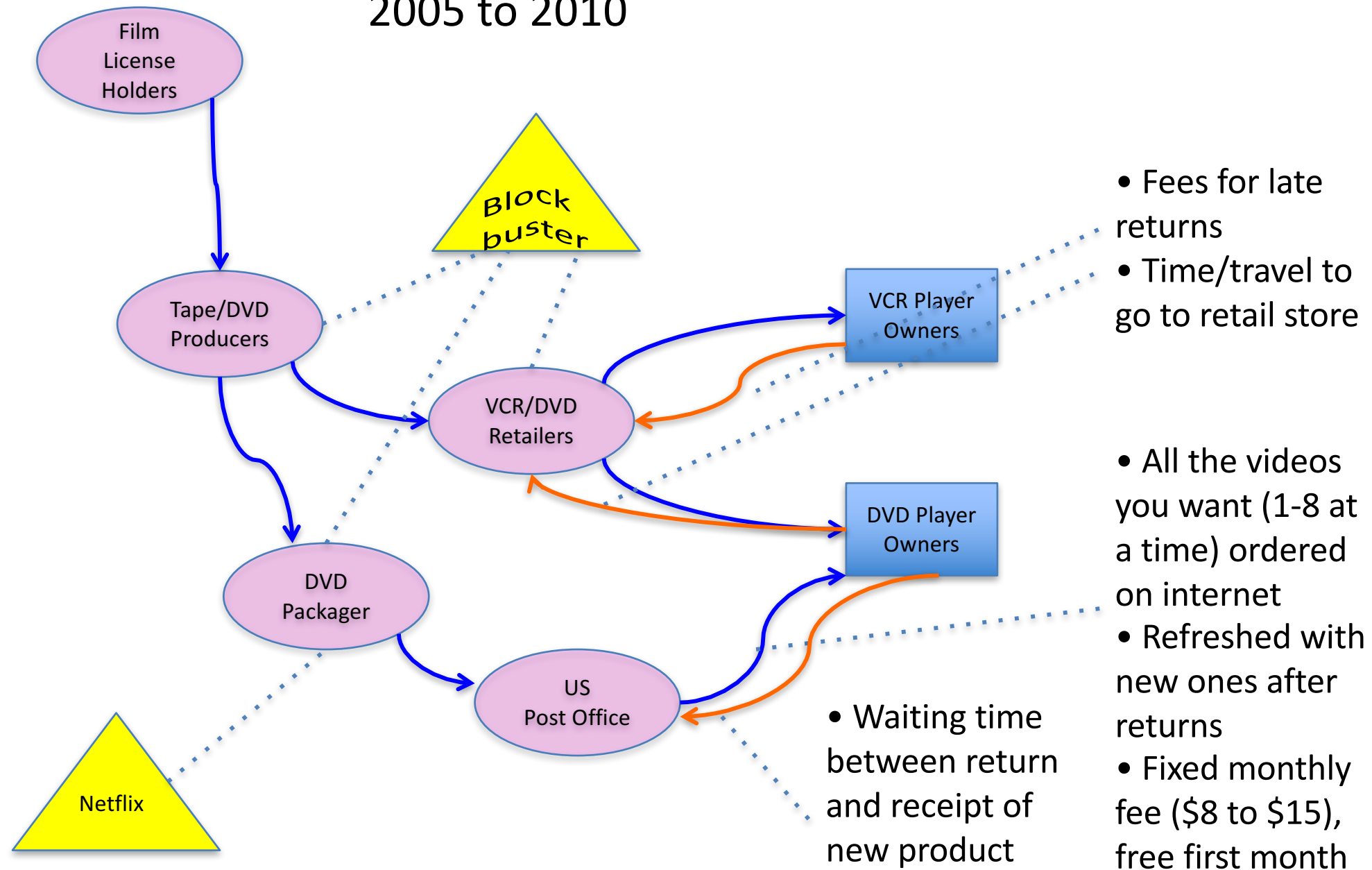
1997 to 2000's



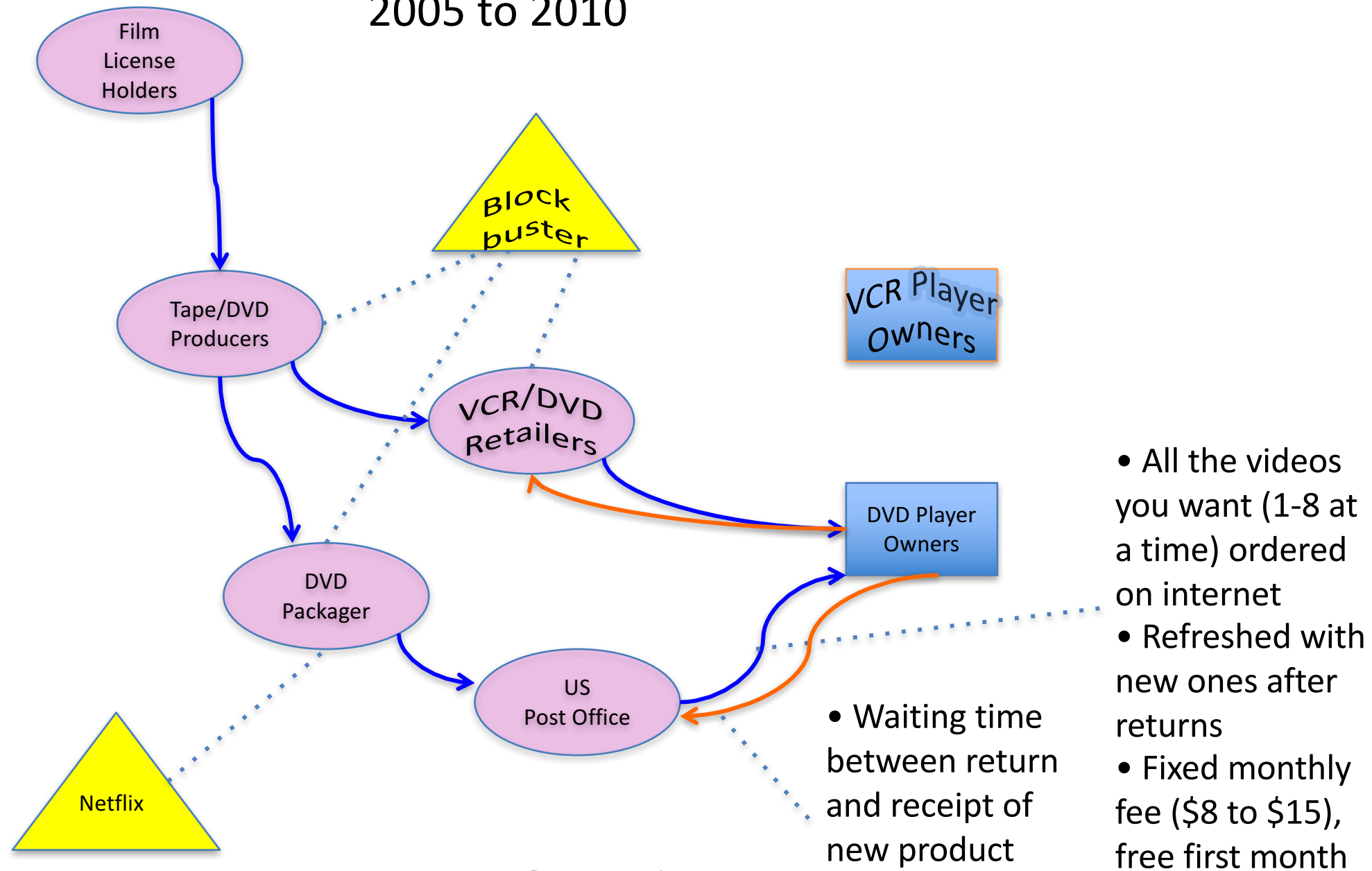
Early 2000's



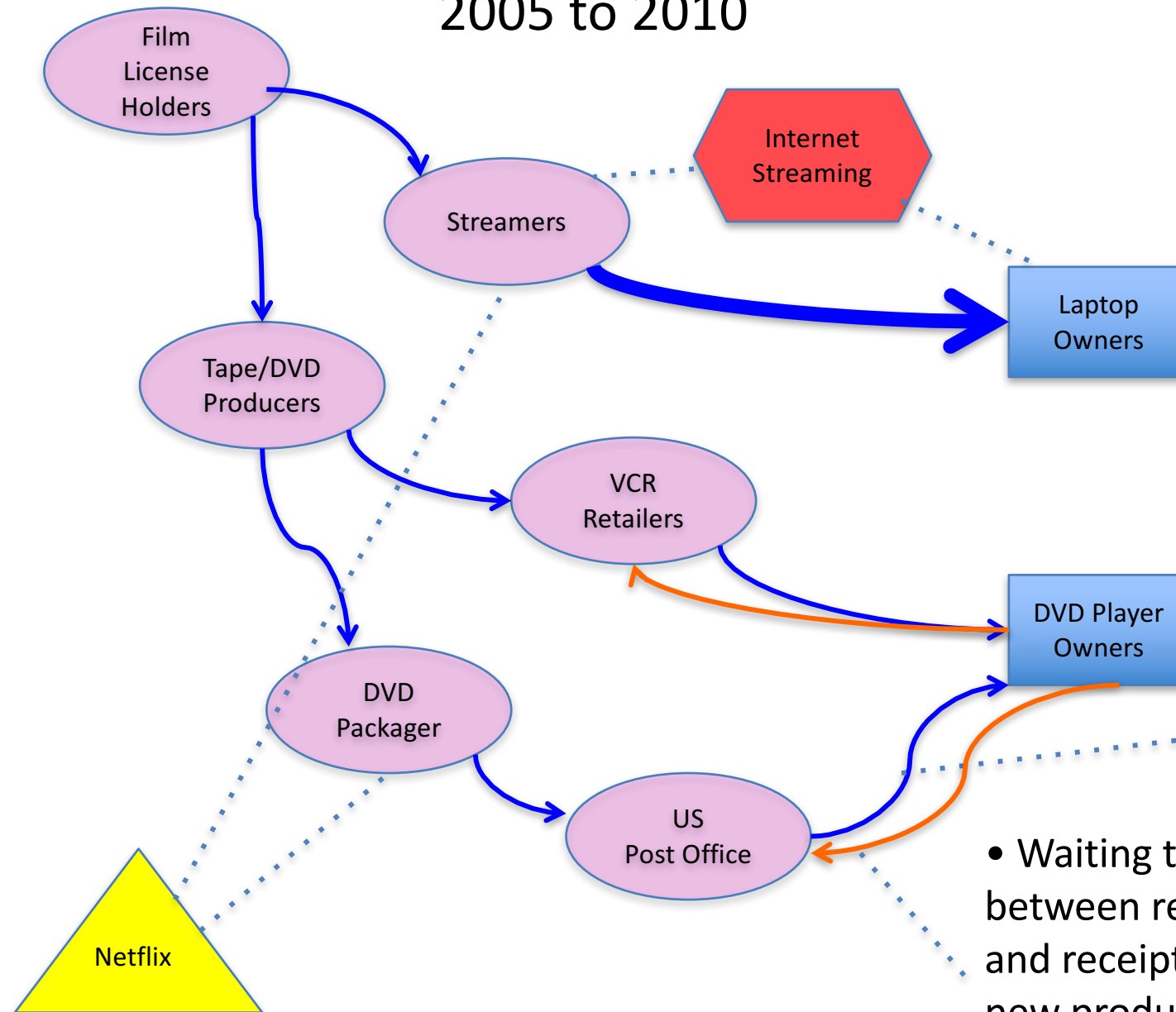
2005 to 2010



2005 to 2010

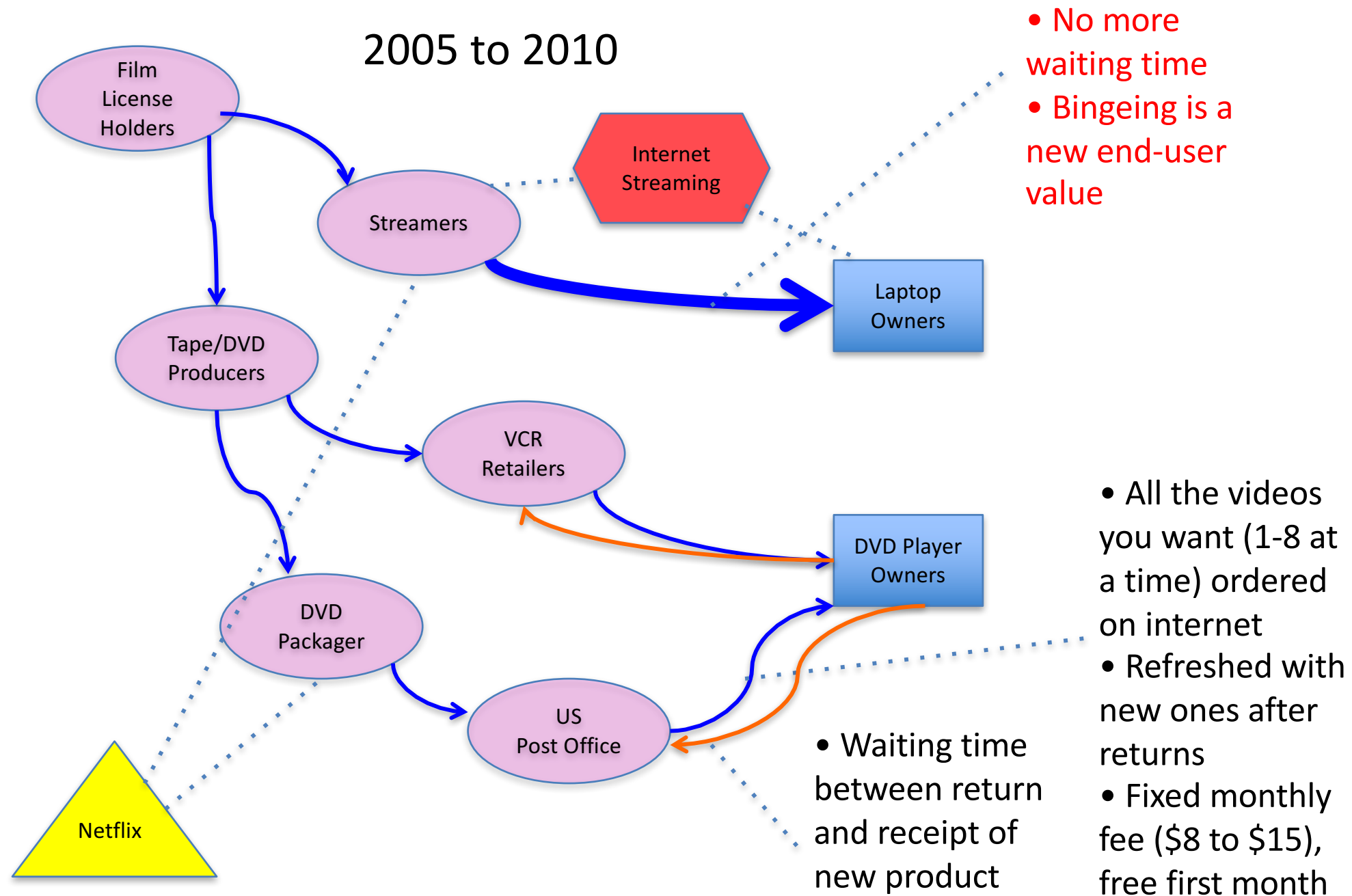


2005 to 2010

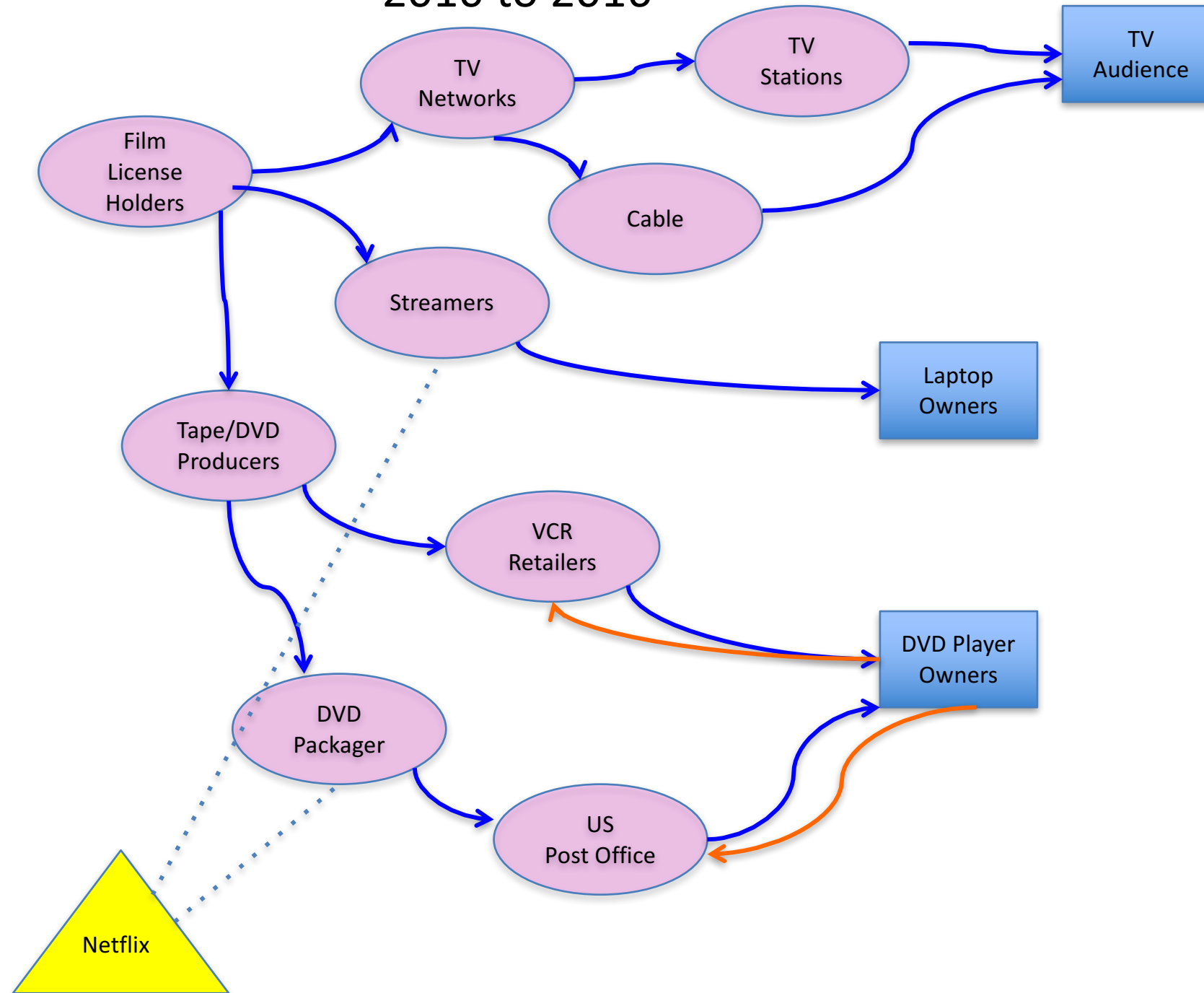


- All the videos you want (1-8 at a time) ordered on internet
- Refreshed with new ones after returns
- Fixed monthly fee (\$8 to \$15), free first month
- Waiting time between return and receipt of new product

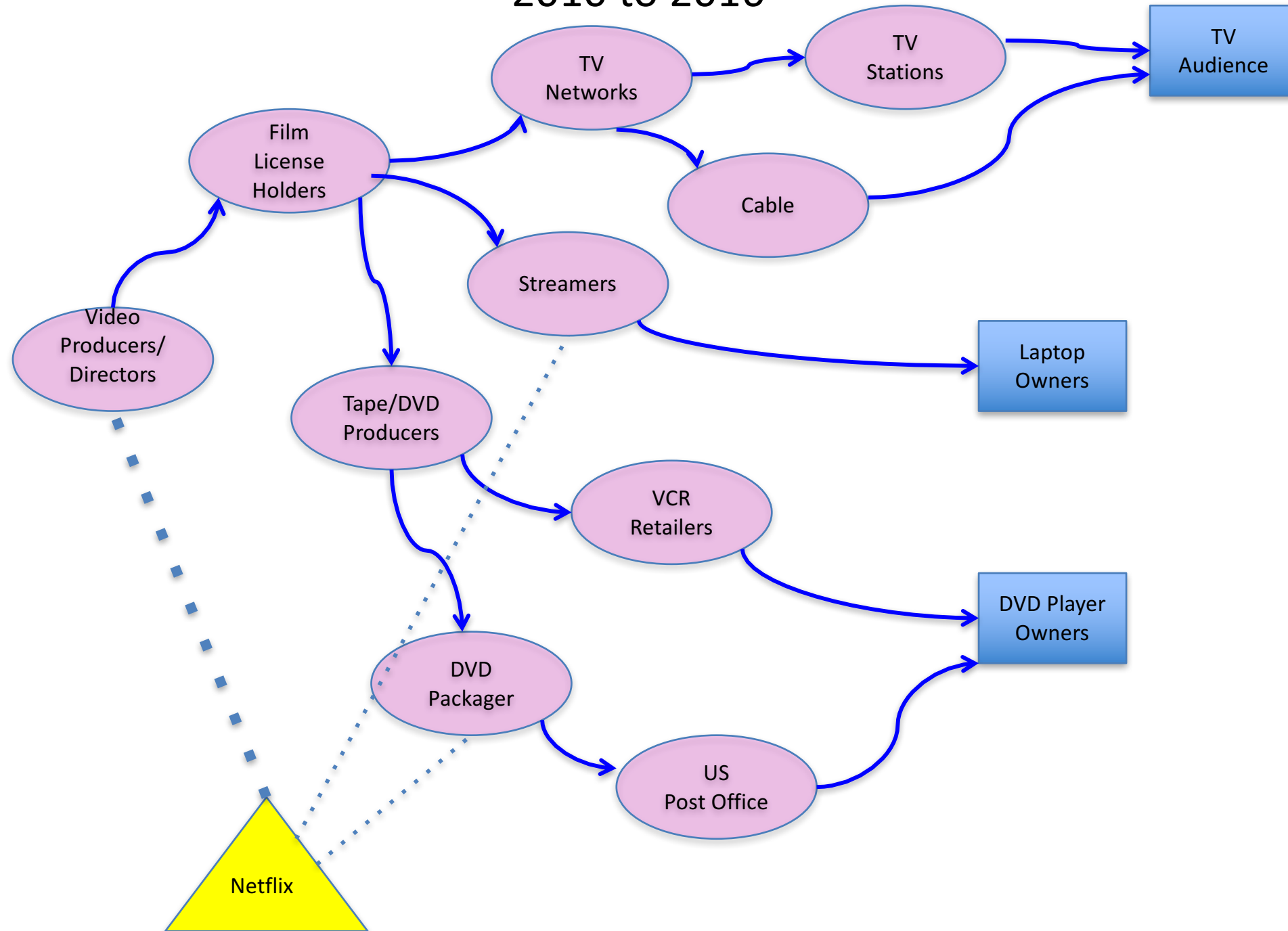
2005 to 2010



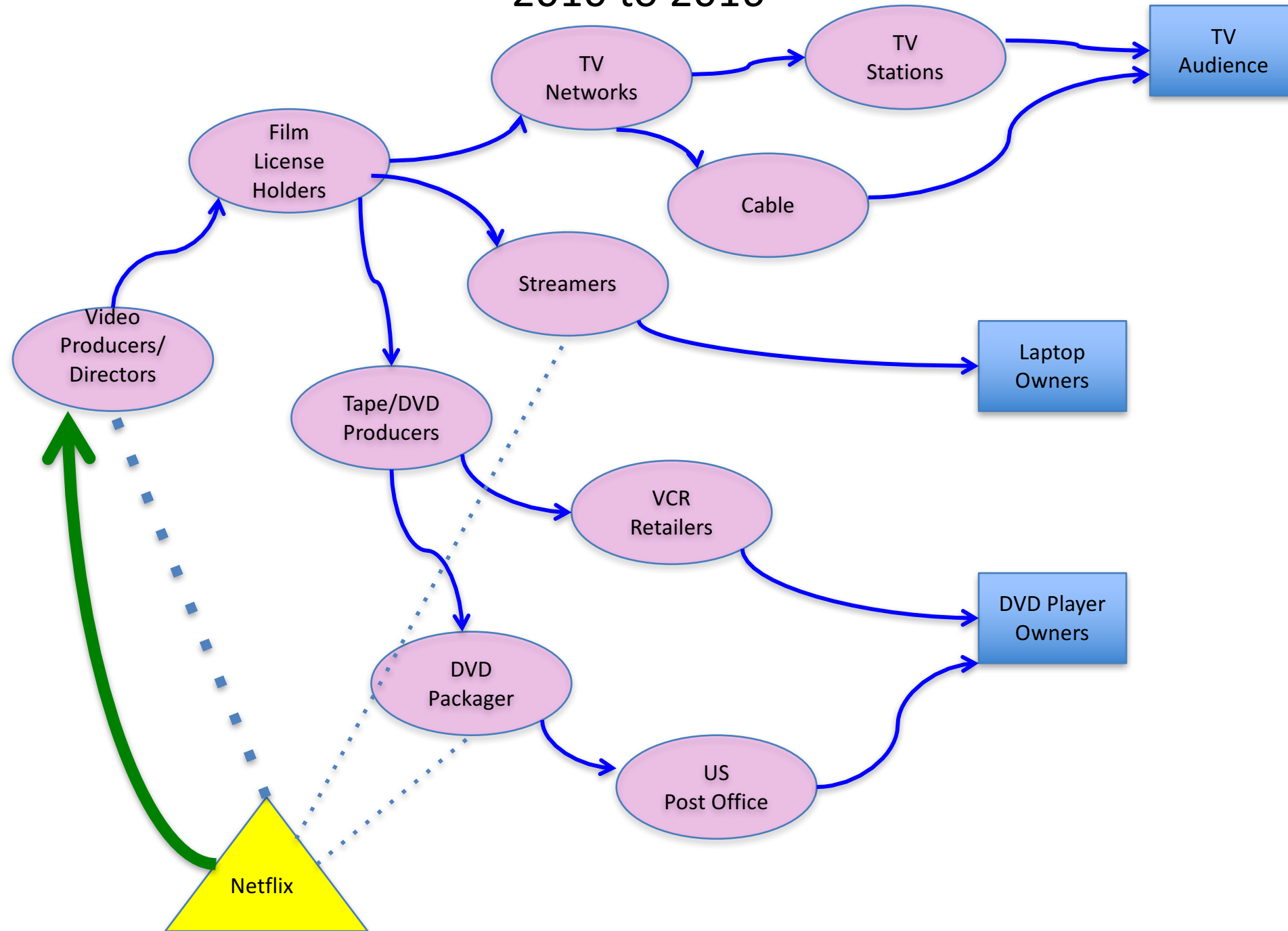
2010 to 2016



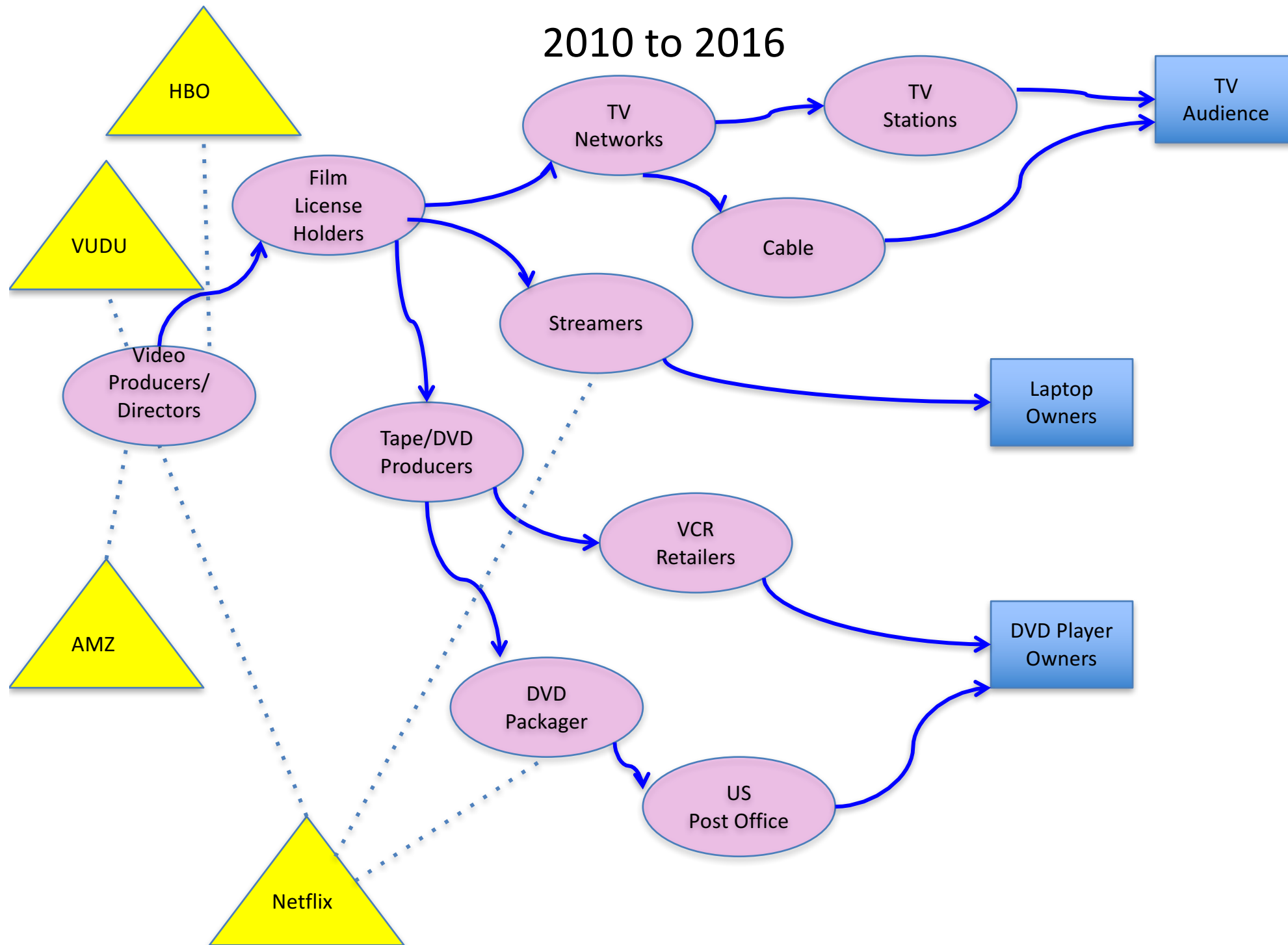
2010 to 2016



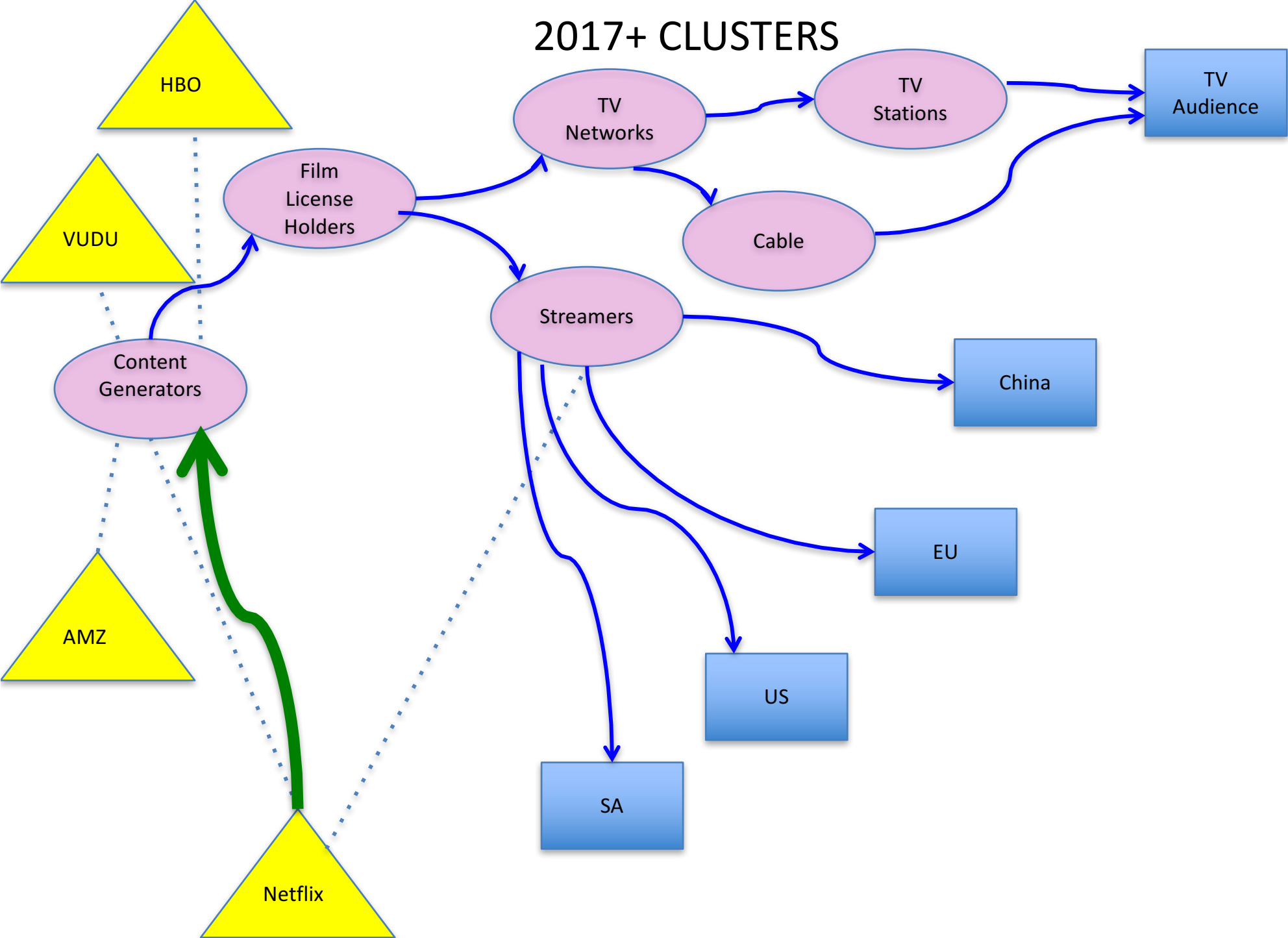
2010 to 2016



2010 to 2016



2017+ CLUSTERS



2017+ CLUSTERS

