

Netflix faces biggest subscriber loss since 2011

Popular streaming service, Netflix, saw a dip in subscribers globally for the first time since October 2011.



Source: www.pexels.com

According to www.theverge.com, the company reported a loss of 200,000 subscribers globally compared to Q4 and it's forecasting even bigger losses to come. Netflix estimates it could lose up to two million subscribers in the second quarter.

"Our revenue growth has slowed considerably," Netflix acknowledged in its [letter to shareholders](#). "Covid clouded the picture by significantly increasing our growth in 2020, leading us to believe that most of our slowing growth in 2021 was due to the Covid pull forward." Netflix ended the quarter with roughly 222 million subscribers, so it's still the largest streamer — but it's facing a slew of challenges.

What happened?

[CNN reports](#) that there are many different factors behind its subscriber stagnation, including competition from traditional media companies that have gotten into the streaming market in recent years, as well as widespread password sharing.

Earlier this year, the company announced that it will start charging some customers more to share their accounts with people who aren't in the same household in an effort to crack down on unauthorised password exchanges, according to businesstech.co.za

The Verge reports that the streaming giant has recently indicated it will tighten the screws on customers who share passwords and login info as it seeks to maximize revenue from the users it already has. And it's not a small problem: Netflix now estimates that as many as 100 million households are using the service via shared passwords. "It's harder to grow membership in many markets," as a result of the situation, Netflix said.

The company also blamed "macro factors" that are affecting many companies right now, such as "sluggish economic growth, increasing inflation, geopolitical events such as Russia's invasion of Ukraine, and some continued disruption from Covid are likely having an impact as well."

Netflix said that pulling out of Russia cost the company 700,000 subscribers.

What now?

Netflix is facing intense competition, as companies from Amazon and Apple to traditional media firms like Disney pour money into their online streaming services.

According to [CNN](#), Netflix told investors that it plans to turn the tide by doing what it's always done: Improving the service.

"Our plan is to reaccelerate our viewing and revenue growth by continuing to improve all aspects of Netflix — in particular, the quality of our programming and recommendations, which is what our members value most," the company said.

Netflix also said it will focus more on "how best to monetize sharing" in terms of passwords. The company added that it's "doubling down on story development and creative excellence" and that it launched the "double thumbs up" tool that will allow members to "better express what they truly love versus simply like."

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