



Netflix's New Users

Insights to Help Analyze Their Market Share
Growth

May 2015 Insight Report

The Netflix logo, consisting of the word "NETFLIX" in white, bold, sans-serif, uppercase letters. The letters are set against a solid red rectangular background. The text has a slight 3D effect with a dark shadow.

Project Introduction

Netflix continues to add more subscribers to their streaming service. In the first quarter of 2015, the streaming service [added more subscribers than projected](#). They added 4.88 million subscribers, compared to their forecast of 4.05 million new subscribers. In terms of U.S. customers, Netflix added almost half a million (0.48 million) more subscribers than the company had originally estimated.

In this Insight Report, we look at:

- **Who are the customers who have joined Netflix over the past year?**
- **How do newer customers compare to those who have had an account longer than a year?**
- **Who are the *potential* Netflix users?** (those who don't use the service yet, but would like to)

**Note: Netflix did not initiate, participate in, or endorse this research study. The data included here is part of CivicScience's InsightStore™ platform and is available to all its subscribers.*

About this Study

- CivicScience developed this report using our InsightStore™ – an online, enterprise consumer research platform that mines real-time consumer opinions and custom research responses from millions of anonymous, voluntary poll takers.
- Insights for this report were collected from the following question, **asked to U.S. adults only**:

“Which best describes when you joined Netflix?”

- Collection dates: 4/29/2015 to 5/11/2015
- Total respondents (U.S. Census, 18+): 6,189

- In this report we focused on three different groups:
 - **Recent subscribers** – those who responded “I signed up within the past 6 months” and “I signed up within the past year.”
 - **Long-term subscribers** – those who responded “I signed up over a year ago.”
 - **Potential subscribers** – those who responded “I haven’t signed up yet, but would like to.”
- Next, the groups were cross-tabulated against hundreds of other questions in the InsightStore™, allowing us to gain insight into the different segments’ demographics, media consumption / entertainment habits, and technology usage.



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Report Highlights

Recent Subscribers:

- Slightly more likely to be younger to middle-aged individuals.
- They are slightly more likely to be parents, have larger household sizes than average, and are more likely to have school-aged children living with them.
- Keep up with the latest trends and current events in the TV and movie industry, and consume media more in general.

Long-Term Subscribers:

- Are younger in age than recent and potential subscribers.
- Are more likely than average to have a larger household.
- Are more engaged with Netflix than recent subscribers.
- More tech savvy than recent subscribers.

Potential Subscribers

- 58% are women, which is slightly higher than the general population.
- Are more likely than the other groups to still live with their parents.

Long-term Netflix subscribers are Millennials and young professionals who are more tech savvy, whereas more recent subscribers are slightly older, more likely to be parents, and are more likely to have school-aged children living with them. Both have larger household sizes than average, which means different people will potentially be using the same account.

A black and white aerial photograph of a dense urban skyline, likely New York City. The Empire State Building is the most prominent skyscraper in the center. Other tall buildings are scattered throughout the frame, creating a complex pattern of vertical lines. The sky is overcast with soft, diffused light. The text 'Recent Subscribers' is centered in the middle of the image in a large, white, sans-serif font.

Recent Subscribers

Profile of Recent Subscribers

When compared to the average U.S. adult, recent Netflix subscribers are...

Demographics

- **Gender:** Fairly even gender split - 49% male, 51% female.
- **Age:** 37% are Millennials (18-34), which is 23% more likely than average.
- **Residential status:** slightly more likely to be adults who still live with their parents, although the majority (61%) of recent subscribers are homeowners.
- **Suburban living:** 50% live in the suburbs, which is slightly more than average (+9%).
- **Household income (HHI):** 42% have a HHI of \$50K and under, 35% have a HHI of \$50K-\$100K, and 23% have a HHI over \$100K.
- **Education:** They are slightly more likely than average (+11%) to say their highest level of education is an associate or bachelor's degree.
- **Parental status:** 24% more likely to be parents and 52% more likely to have school-aged children living with them.
- **Household:** 38% more likely to have 4 or more people living in their current household.



Profile of Recent Subscribers (continued)

When compared to the average U.S. adult, recent Netflix subscribers are...

Media Consumption:

- Over 2X as likely to follow trends and current events in the TV and movie industry very closely.
- 68% more likely to say they primarily watch TV via online streaming.
- 67% more likely to spend an average of over 4 hours on social media each day.
- 42% of recent subscribers watch Netflix a few times a week.
- 40% more likely to actively visit YouTube (daily or weekly).
- 40% more likely to go to the movies at least once a month.
- 23% more likely to stream music online.



Technology Usage:

- 57% more likely to say social media influences their electronics purchases.
- 31% more likely to closely follow trends and current events in electronics and technology.
- 14% more likely to own a tablet.

A black and white aerial photograph of a dense urban skyline, likely New York City. The Empire State Building is the most prominent skyscraper in the center. Other tall buildings are scattered throughout the frame, creating a complex pattern of vertical lines. The sky is overcast with soft, diffused light. The text "Long-term Subscribers" is centered in the middle of the image in a white, sans-serif font.

Long-term Subscribers

Profile of Long-term Subscribers

When compared to the average U.S. adult, long-term Netflix subscribers (customers for 1 year or longer) are...

Demographics

- **Gender:** Fairly even gender split - 49% male, 51% female.
- **Age:** 46% are Millennials, which is 30% more than average.
- **Residential status:** 27% more likely to rent and 30% more likely to still live with their parents.
- **Education:** 16% more likely to have an associate or bachelor's degree.
- **Parental status:** 21% more likely to be parents (but not grandparents). They are also 32% more likely to have school-aged children living with them.
- **Household:** 31% more likely to have 4 or more people living in their current household.



Profile of Long-term Subscribers (Continued)

When compared to the average U.S. adult, long-term Netflix subscribers (customers for 1 year or longer) are...

Media Consumption:

- Over 2X as likely to say they primarily watch TV via online streaming.
- 57% of long-term subscribers watch Netflix a few times a week.
- 45% more likely to stream music online.
- 40% more likely to go to the movies at least once a month.
- 38% more likely to actively visit YouTube (daily or weekly).
- 29% more likely to spend an average of 1-4 hours on social media each day.
- 25% more likely to closely follow trends and current events in the TV and movie industry.



Technology Usage:

- 38% more likely to follow trends and current events in electronics and technology very closely.
- 36% more likely to own an eReader.
- 27% more likely to say they are addicted to their digital devices.
- 25% more likely to own a smartphone.
- 21% more likely to own a tablet.

A black and white aerial photograph of a dense urban skyline, likely New York City. The Empire State Building is the most prominent skyscraper in the center. Other tall buildings are scattered throughout the frame, creating a complex pattern of vertical lines. The sky is overcast with soft, diffused light. The text "Potential Subscribers" is centered in the middle of the image in a large, white, sans-serif font.

Potential Subscribers

Profile of Potential Subscribers

When compared to the average U.S. adult, potential Netflix subscribers are...

Demographics

- **Gender:** More likely to be women - 42% male, 58% female.
- **Age:** 38% of those who would like to sign up are Millennials, which is 27% more than average.
- **Residential status:** 2X as likely to live with their parents.
- **Household income (HHI):** 25% more likely to have a HHI under \$25K, which is probably largely due to their age.
- **Education:** 35% more likely to have a high school diploma / GED.
- **Parental status:** 18% more likely to not have children.



Profile of Potential Subscribers (Continued)

When compared to the average U.S. adult, potential Netflix subscribers are...

Media Consumption:

- 65% more likely to closely follow trends and current events in the TV and movie industry.
- 58% more likely to spend an average of 2+ hours on social media each day.
- 38% more likely to actively visit YouTube (daily or weekly).
- 23% more likely to stream music online.

Technology Usage:

- 36% more likely to own an eReader.
- 33% more likely to say social media influences their electronics purchases.
- 27% more likely to closely follow trends and current events in electronics and technology.



An aerial, black and white photograph of a dense urban skyline, likely New York City. The Empire State Building stands prominently in the center background, its spire reaching towards a cloudy sky. To its right, another tall building with a distinctive angled top is visible. The foreground and midground are filled with a variety of skyscrapers and commercial buildings, creating a complex pattern of vertical lines and architectural details. The overall tone is professional and high-contrast.

Report Highlights

Highlights

Insight / Attribute	Recent Subscribers	Long-term Subscribers	Potential Subscribers
Gender	49% male, 51% female	49% male, 51% female	42% male, 58% female
Age: 18 – 34	37%	46%	38%
Age: 35 – 54	42%	39%	38%
Lives with parents	13%	13%	20%
Household size: 4 or more	36%	34%	24%
Primarily watches TV via online streaming	32%	43%	8%
Goes to movies every few months or more	50%	55%	47%
On social media an average of 2+ hours/day	21%	20%	25%
Watches Netflix weekly	42%	57%	N/A

Recap

When it comes to **recent and long-term subscribers**, some of the most important **differences** are their **age**, their primary **TV watching habits** (live, online streaming, DVR, etc.), **Netflix engagement**, and their **tech savviness**. Long-term subscribers are more likely to be younger in age. They are also more likely to watch the majority of their TV via online streaming and are 36% more likely than recent subscribers to watch Netflix a few times a week. Long-term subscribers are more tech savvy than recent subscribers given their personal device ownership, personal device dependency, and following of tech and electronics trends. Both recent and long-term subscribers have larger household sizes than average, although recent subscribers are more likely to have school-aged children living with them.

Recent and potential subscribers differ from one another when it comes to certain demographics and psychographics. Potential subscribers are more likely to be **women** than recent subscribers and they are more likely to **live with their parents**. Potential subscribers watch far less TV via online streaming than recent subscribers. This could be due to the fact that they do not subscribe to any online streaming services. Both subscriber groups spend more **time on social** than the average. Recent subscribers are more **influenced by social media** when it comes to their electronics purchases.

In the past year, Netflix has been attracting younger to middle-aged individuals who spend a lot of time on social media and are influenced by social media. Many of those who would like to sign up for the streaming service are younger in age, still live with their parents, and have a lower income than average.

A black and white aerial photograph of a dense urban skyline, likely New York City. The Empire State Building is the most prominent skyscraper in the center. To its right, another tall building with a distinctive angled top is visible. The foreground and midground are filled with a variety of other high-rise buildings of different architectural styles. The background shows a hazy horizon with more distant city structures and water. The word "Methodology" is written in a large, white, sans-serif font, centered horizontally and vertically over the image.

Methodology

About the CivicScience Methodology:

CivicScience collects real-time consumer research data via polling applications that run on hundreds of U.S. publisher websites, cycling through thousands of active questions on any given day. Respondents answer because they are interested in offering their opinions voluntarily and to see the results; they are kept anonymous, allowing for greatly reduced bias and higher levels of engagement. Using technology, CivicScience builds deep psychographic profiles of these anonymous respondents over time, providing valuable consumer sentiment data to the decision makers who care. Automated data science technology allows clients to rapidly gain robust consumer insight and trending reports. The CivicScience methodology has been validated by a team of academic leaders and by independent consulting firms. Responses may be weighted for U.S. census representativeness for gender and age. CivicScience currently has millions of anonymous consumer profiles and 600 million responses stored, growing daily.



Thank you.

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