



From Screen to Stage: Netflix's Live Reinvention

How Live Cultural Experiences Can Drive the Next Wave of Engagement

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Presented to: think-cell  **NETFLIX**

Executive Summary

Recommendation

Netflix should expand into live cultural entertainment to **increase willingness to pay** and leverage its existing subscriber base to drive sustainable **topline growth**.

Current Situation

Netflix’s future growth depends on expanding willingness to pay (WTP) among its current subscribers: not by chasing costly Tier-1 sports rights, but by unlocking new forms of engagement.

Goals

Expand **engagement** and **willingness to pay**

Establish **new revenue streams**

Strengthen **cultural leadership**

Differentiate through **live culture content**

- 1. Scale live comedy specials through **Netflix Is A Joke** to establish a global household presence
- 2. Partner with top auction houses, fashion houses, and museums to craft **Netflix Atelier** streams
- 3. Stream concerts and festivals through **Netflix Stage** to own live music broadcasting experiences

Impact

\$4.7B

Profit Growth

43%

CAGR through 2030

+3x

User Adoption

INSIGHTS

- 1. Market
- 2. Company
- 3. Competition
- 4. Customers

IMPLEMENTATION

- 1. Feasibility
- 2. Roadmap
- 3. Risks & Mitigation

APPENDIX

1-5. Data Support

RECOMMENDATION

- 1. Overview
- 2. Netflix is A Joke
- 3. Netflix Atelier
- 4. Netflix Stage

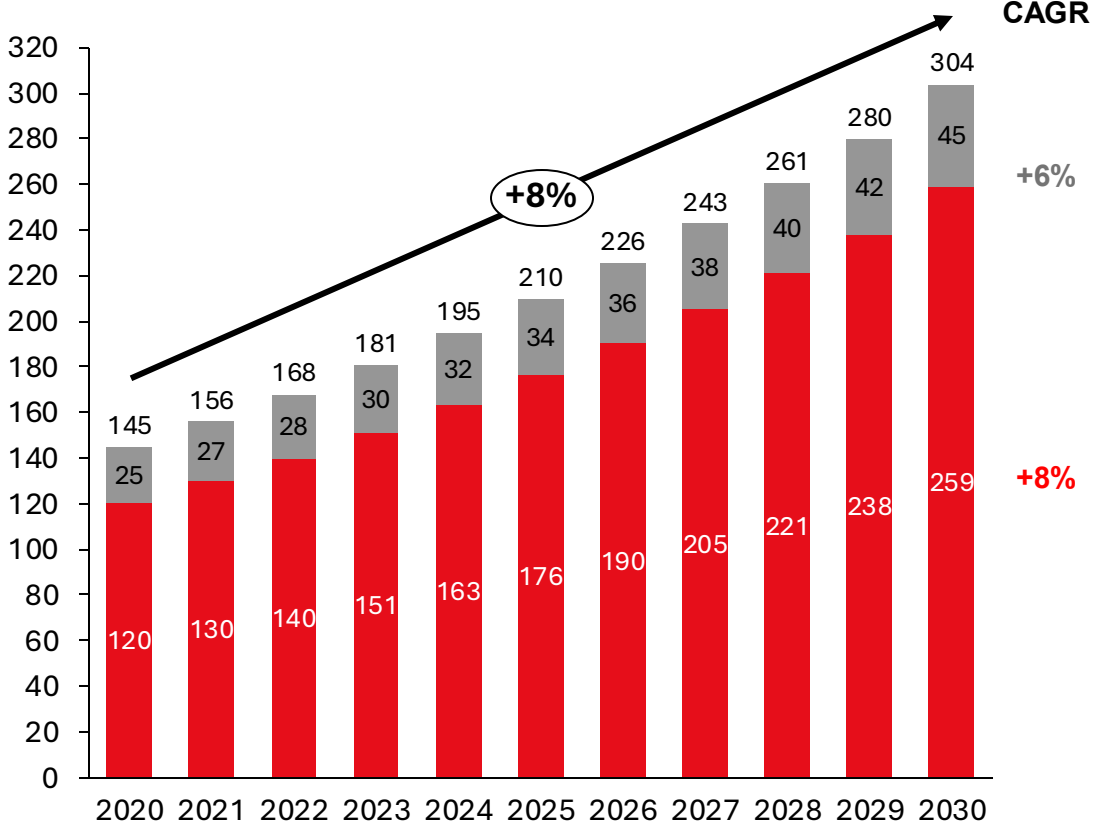




INSIGHTS

Live content market will exponentially grow through 2030, **driven by live cultural experiences** rather than high-cost live sports broadcasting

US Live Streaming Market (\$B)



Live Sports Streaming

- ↑ **High, inelastic fan demand** for live sports due to strong retention
- ↑ **Growing streaming spend** from big tech media owners (new deals & platform exclusives)
- ↓ **Extreme cost inflation & incumbency** (\$110B NFL's US media rights deals for 11 years)
- ↓ **Limited upside for new entrants** (while rights are growing, spending on rights in many cases is out-pacing broader TV revenue growth by a factor of ~5x in the U.S)

Live Cultural Experiences

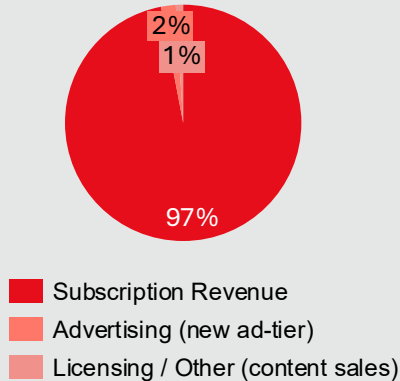
- ↑ **Global live cultural experiences projected to grow** to \$859B by 2034 (CAGR ~5.3%), while virtual cultural experiences market expected to rise \$455B by 2034 (CAGR ~15.8%)
- ↑ **Fragmentation = opportunity.** The rights and partners are distributed across artists, promoters, festivals, agencies; no single gatekeeper holds the whole ecosystem
- ↑ **Large & growing TAM:** The global live music market is expected to reach \$62.6B by 2034
- ↓ **Complex contracting** (artists, promoters, agents) and revenue-share negotiation complexity
- ↓ **Live production logistics & discoverability** (users must know and value the events)
- ↓ **Potential cannibalization** of ticketed in-person revenue (contracts need careful structuring)

The live content market will surpass \$550B by 2030, but the real opportunity for Netflix lies in **live cultural experiences**: an open, fast-growing, and less capital-intensive frontier than live sports

With subscriber growth plateauing, Netflix's next growth engine will come from **expanding willingness to pay** through exclusive live cultural experiences

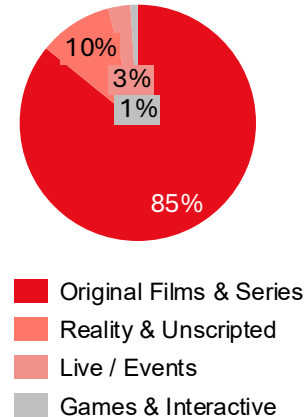
From analyzing Netflix's most recent quarterly 10-Q financial statement...

Revenue by Category



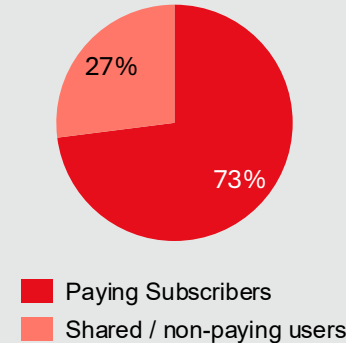
- Netflix remains overwhelmingly **reliant on subscription income**
- **Early ad-tier traction** shows promise but is still small in share
- Maximize subscription-driven income by integrating **higher-value offerings**, such as live entertainment and games

Content Breakdown



- **“Live” remains an experimental** but fast-scaling format (stand-up, music, and event specials)
- **No exposure to sports**; competitors like Amazon and Apple are spending billions here
- Cultural live entertainment is an affordable way **to test live infrastructure without cost trap**

Customer Base Behavior



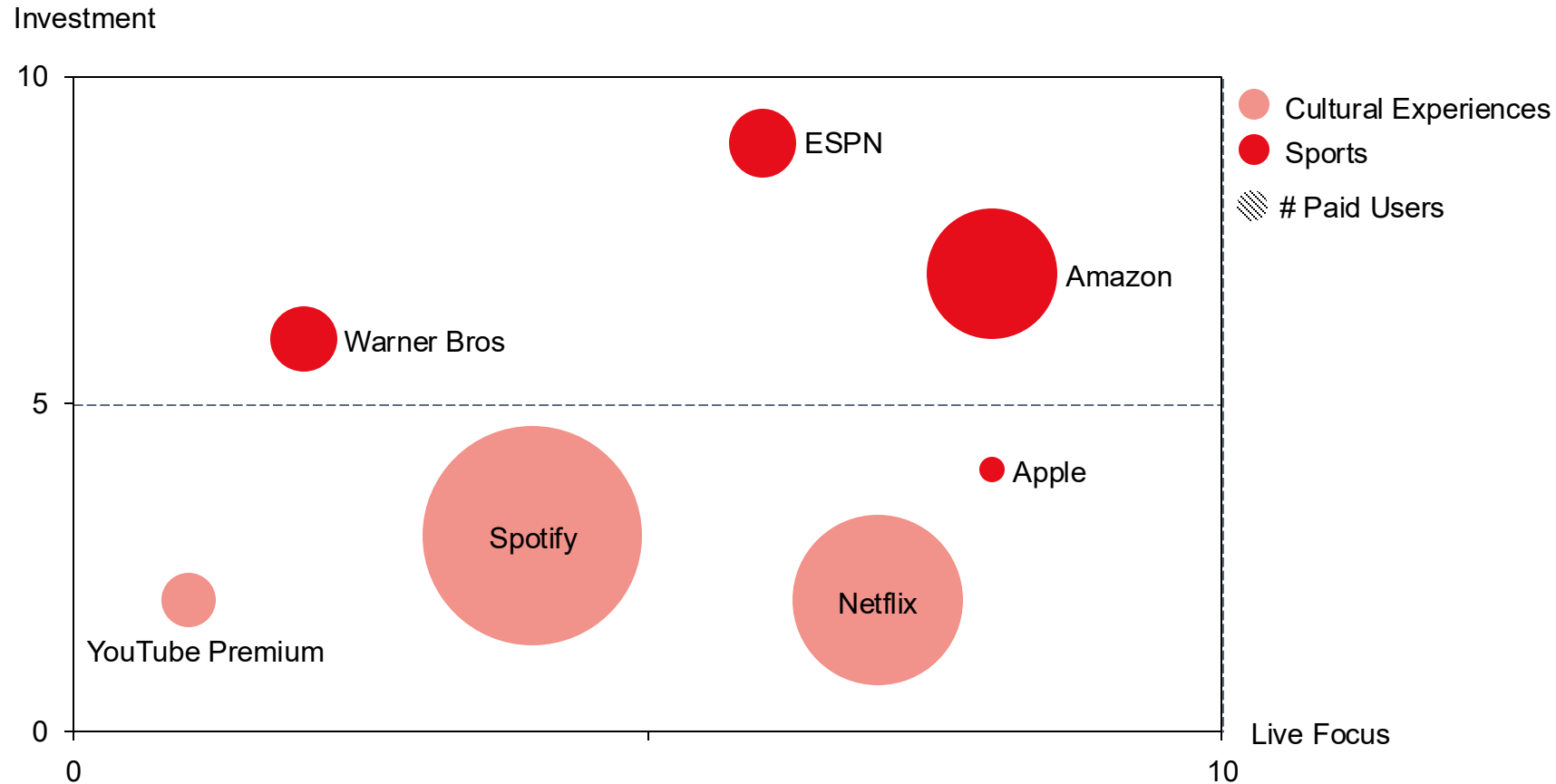
- Netflix's challenge isn't audience size but **depth of monetization**
- Members increasingly **value exclusive, time-sensitive events** as premium experiences
- Live cultural experiences **strengthens retention and raises WTP** without needing large subscriber gains

NETFLIX

Netflix's future growth depends on **expanding willingness to pay (WTP)** among its existing 270 million+ subscribers, *not chasing costly sports rights or short-term subscriber spikes*

Netflix can capitalize on an underdeveloped cultural live market while competitors are locked into their sports focused investments

Competitive Landscape



Insights

Netflix is uniquely positioned to capture a first-scaler advantage in premium live cultural experiences

- Most rivals have **concentrated their investments in sports rights**, leaving other entertainment underdeveloped
- Companies with the largest rights spending (over \$4B per year) leave major sports leagues in **4+ year contract lock-ups**
- High-reach subscription tiers for Spotify and YouTube signal **strong potential for live entertainment**
- Market **lacks a scaled aggregator** to combine rights power with cultural live innovation

As demand for live cultural experiences surge, **cost and access barriers** create a massive opportunity for streaming

Willingness to Pay

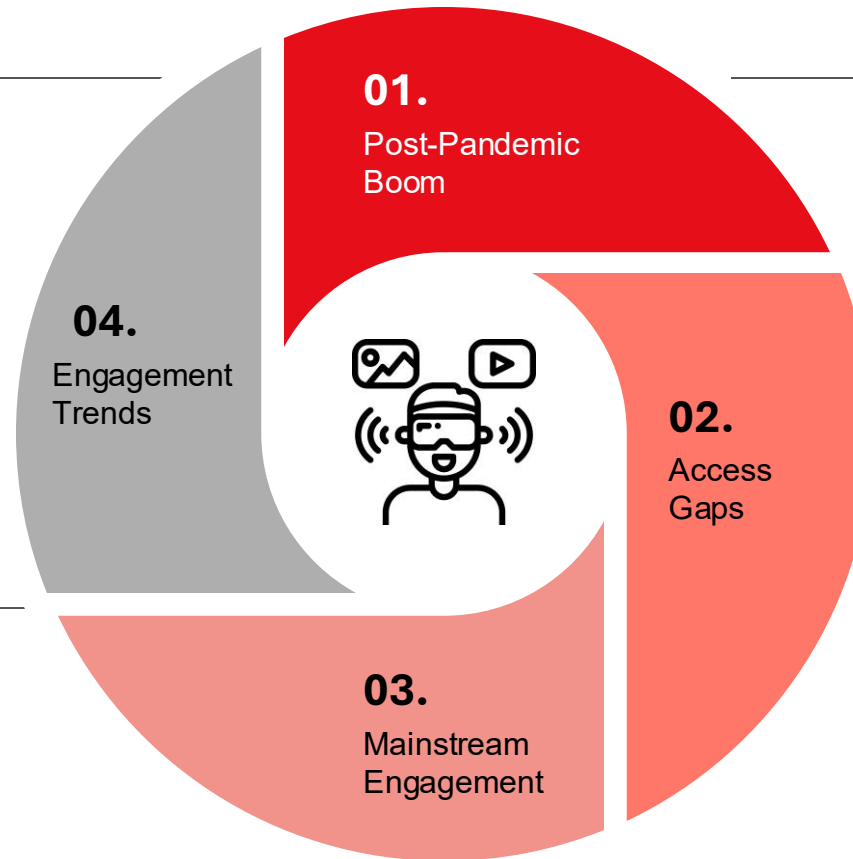


- 62% of virtual event attendees **paid for access to livestreams**
- BTS's pay-per-view online concert sold 756k tickets worldwide
- Audiences are drawn to the **interactivity** and **community** of virtual live experiences

Virtual Engagement



- **88% of attendees have continued** tuning into live events
- **75% of people attended** an online live event during COVID
- **75%** of consumers said they expect to attend a virtual music festival online post-pandemic



Higher Appetite



- **73% of 18–35-year-olds** plan to attend a concert/show in the next year
- 61% of consumers have attended a live event in the last 6 months
- Young adults go to **7 shows on average every 6 months**

Unmet Needs



- **60% of consumers say they skipped** a live event due to ticket prices
- **Ticket prices have soared** in recent years, leaving many fans behind
- In 2024, the **average US concert ticket reached over \$150**

The background of the image is a blurred photograph of a crowd at night, likely during a protest or rally. Many hands are raised in the air, and the scene is illuminated by warm, orange-toned lights. A solid red diagonal band runs from the top-left towards the bottom-right, partially obscuring the background. The word "STRATEGY" is printed in white, bold, serif capital letters within the red band.

STRATEGY

Netflix Live becomes the **one-stop destination** for the world’s biggest live cultural experiences across comedy, creative showcases, and concerts

By blending live comedy, fashion, and concerts...

... Netflix captures the most scalable, engaging, and brand-aligned frontiers of live entertainment



	Brand Fit	Scalability	Cost	Reach	Revenue
1 Comedy	●	◐	●	●	●
2 Fashion, Art & Auctions	◐	◐	●	◐	◐
3 Concerts & Music Festivals	◐	●	◐	●	●
Sports Broadcasting	◐	◐	○	●	◐
News	◐	◐	◐	◐	◐
Gaming & Esports	◐	◐	◐	◐	◐
Performing Arts	◐	◐	◐	◐	◐
Masterclasses	◐	◐	◐	◐	◐

Netflix Is A Joke extends Netflix’s existing comedy dominance to live specials, pushing stand-up comedy to a real-time, international audience

Live comedy is a tested, profitable extension of Netflix’s comedy vertical



Netflix Atelier consolidates live access to exclusive fashion, art, and auction events into a single curated global streaming platform

Extends Netflix's storytelling leadership into live high-culture events, centralizing existing broadcasts of artistic celebrations

01

Fashion weeks viewed in real time

Starting with the Big 4: Paris, Milan, New York, and Paris

- During the pandemic in 2021, Dior's SS21 Paris Fashion Show drew **95M viewers**
- Streams of the 2025 NYC Fashion Week generated **\$256 million in media impact value**



Dior   Sotheby's

Major cultural institutions like Dior, Louis Vuitton, Sotheby's, and Christie's already livestream globally across their own social media sites.

Netflix Atelier unites fragmented livestreaming platforms under one cinematic, global hub.

02

Global art moments, streamed live

Audiences tune into museum livestreams

- Major institutions like MoMA and Tate Modern already stream **exhibition openings** and artist talks
- The Louvre hosted its **first ever livestream** in June 2025 with a gaming streamer



N



Auction bids go live and global

Proven demand for livestreamed auctions

Christie's auctions views **rose by 25%** from 3.7M to 4.6M in 2022-23, **enticing millions of viewers**

Online bids accounted for **91% of Sotheby's bids** and **75% of Christie's bids** (2022)

03

Netflix Stage brings global concerts and music festivals to audiences everywhere through cinematic live streaming, redefining how fans experience live music

Case studies prove scale and monetization potential of simulcasting



Billie Eilish “Simulcast”



BTS ON:E



Helene Fischer on Apple



Bad Bunny on Prime



Taylor Swift’s Era Tour on Disney+

Proof of Concepts for Hybrid Consumption

Platforms like Amazon Music Live and YouTube livestreams have moved into hybrid viewing “simulcast” performances

Major Festivals Independently Host Livestreams

Festivals help fans tune in: EDM staple Tomorrowland’s TikTok livestream recently drew over 74M viewers (2025)

Top Artists Engage in Livestream Concerts

Dua Lipa’s “Studio 2054” livestream concert drew 5M+ viewers globally and broke paid-livestream records



TOMORROWLAND
LIVE TODAY · LOVE TOMORROW · WHITE FOREVER

COACHELLA
COACHELLA VALLEY MUSIC AND ARTS FESTIVAL

lola palaza

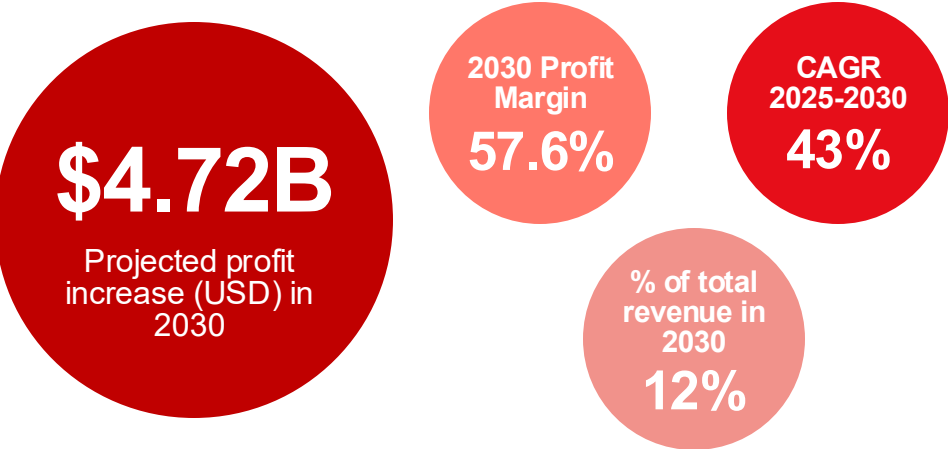
Netflix Stage leverages Netflix’s worldwide reach to become the digital arena for global live music.



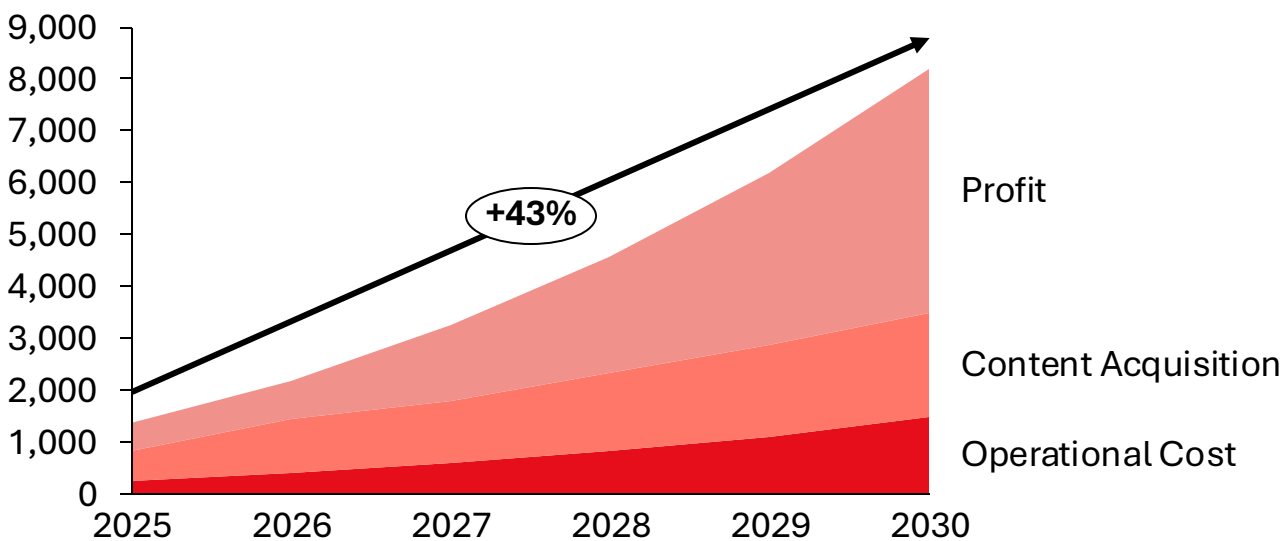
IMPLEMENTATION

Projected **\$8.19B** annual incremental revenue by 2030, driven by consistent **user adoption** and rapid **margin improvement**

Impact



Incremental Revenue Analysis (in USD \$M)



Efficient Cost Model

- **Slower cost growth** - total cost (CAGR 33.6%) grows slower than total revenue (CAGR 43.2%)
- **Predictable costs**, as content acquisition is the primary cost driver, scaling with user growth



High Growth

- **3x user base adoption increase** with projected 5% in 2025 to 15% in 2030
- **Converting a core audience** provides long-term rewards at a consistent price point

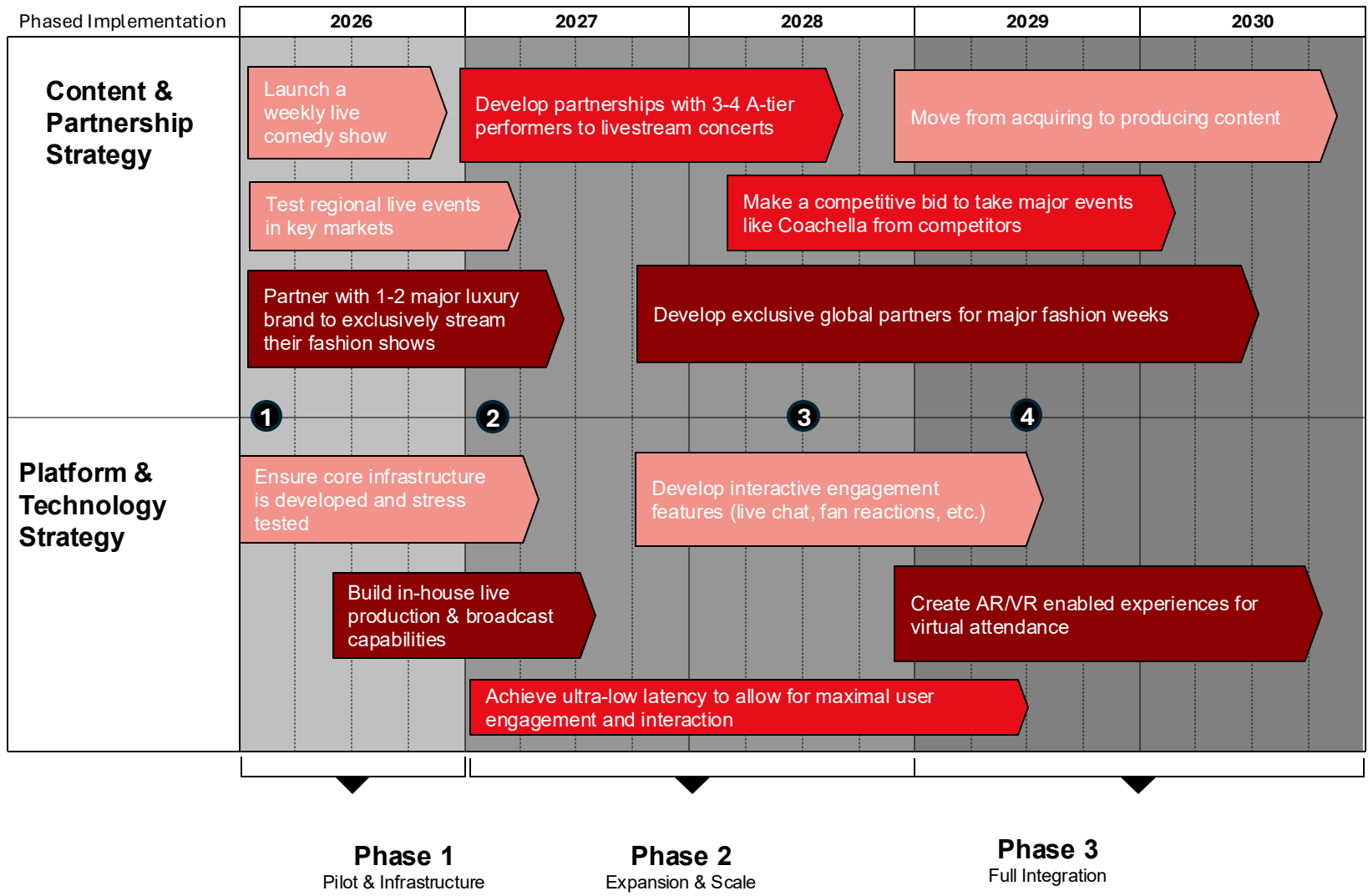


High Profitability

- Strong operating leverage with gross margin expanding from **39.83%** to **57.57%** by 2030
- Gross Profit CAGR of **7.6%** delivers **\$4.72B** in annual profit by 2030

Netflix leverages a highly scalable user adoption model to drive strong profit growth and margin expansion

A 3-phase strategy to launch Netflix Live drives new revenue streams while mitigating technical risk and ensuring feasibility



Three Strategic Verticals

- Netflix Is A Joke (Comedy)
- Netflix Atelier (Fashion, Art, Auctions)
- Netflix Stage (Concerts, Music Festivals)

Key Evaluation Points

Post Phase 1

- Achieve zero major failures during streams
- Secure partner renewal intent from fashion brands

Post Phase 2

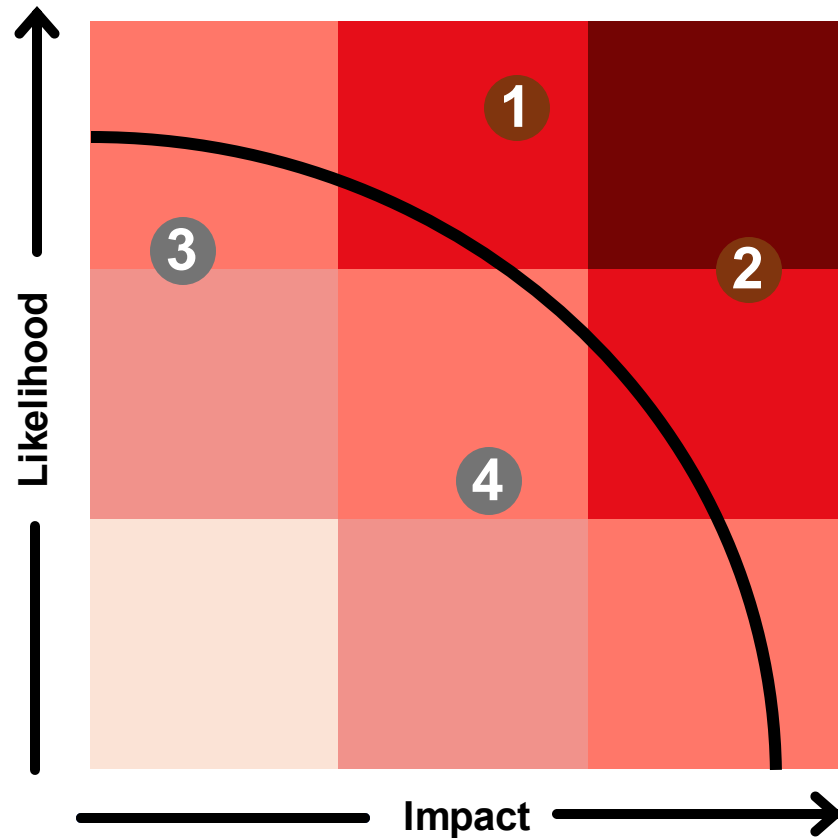
- Confirm positive ROI from fashion week partnerships
- Deploy ultra-low latency for interactive features

International Rollout Strategy



A structured risk mitigation approach can ensure successful expansion by addressing technological failure, content ROI, and feature adoption

Only 2 contemplated risks cross the critical risk line



These are implementation reliant...

- 1 Technological Failure**
A mass event crashes the platform, destroying user trust
- 2 Content ROI Collapse**
The cost of acquiring content is not covered by increased revenue

And are averted through responses

- Use WWE as a high-load stress test
- Build a separate active-active redundant cloud architecture
- Structure talent deals around revenue-sharing
- Focus on subscriber retention value
- Develop exclusive "owned" live IP
- Identify and sign emerging talent before they become A-list
- Offer talent creative deals
- Integrate reminders and push notification to drive tune-in
- Market events as urgent cultural moments

The background of the slide is a blurred photograph of a crowd at night, likely a protest or rally. Many hands are raised in the air, and there are bright, out-of-focus lights in the background. A large, solid red diagonal shape cuts across the left side of the image, creating a strong visual contrast.

APPENDIX

Appendix 1: Projected Profitability (2026 - 2030)

(\$ in millions)	2025	2026	2027	2028	2029	2030
Revenue Projection						
Netflix User Base (# of people, Mm)	302	347	399	459	528	607
Core Target Audience	227	260	300	344	396	456
<i>% Gen Z and Millennial Subscribers</i>	75%	75%	75%	75%	75%	75%
Number of Adoptees	11.33	18.23	26.96	37.89	51.50	68.34
<i>% current audience adoptees</i>	5%	7%	9%	11%	13%	15%
Annual Revenue (\$Bn)	\$1,357.64	\$2,185.80	\$3,231.86	\$4,542.56	\$6,173.76	\$8,192.10
<i>Monthly cost per upgrade</i>	\$9.99	\$9.99	\$9.99	\$9.99	\$9.99	\$9.99
Total Revenue	\$1,357.64	\$2,185.80	\$3,231.86	\$4,542.56	\$6,173.76	\$8,192.10
Cost Projection						
Content Acquisition	575	1061	1220	1525	1753	2016
Comedy Specials	300	345	397	456	525	603
Concert Specials	0	400	460	650	748	860
Fashion Specials	275	316	364	418	481	553
Incremental Operating Expenses	\$241.89	\$389.44	\$575.81	\$809.33	\$1,099.96	\$1,459.56
Total Costs	\$816.89	\$1,450.69	\$1,796.25	\$2,333.84	\$2,853.14	\$3,475.71
Profit Projection						
Gross Profit Margin	39.83%	33.63%	44.42%	48.62%	53.79%	57.57%

Key Assumptions

Revenues

- Netflix user base continues to grow at the same rate as the average of the last 3 years
- 75% of the current Netflix audience are targets for 'Netflix Live'
- In 2025, 5% of the current audience adopts 'Netflix Live'. This value scales 2% each year to 15% in 2030

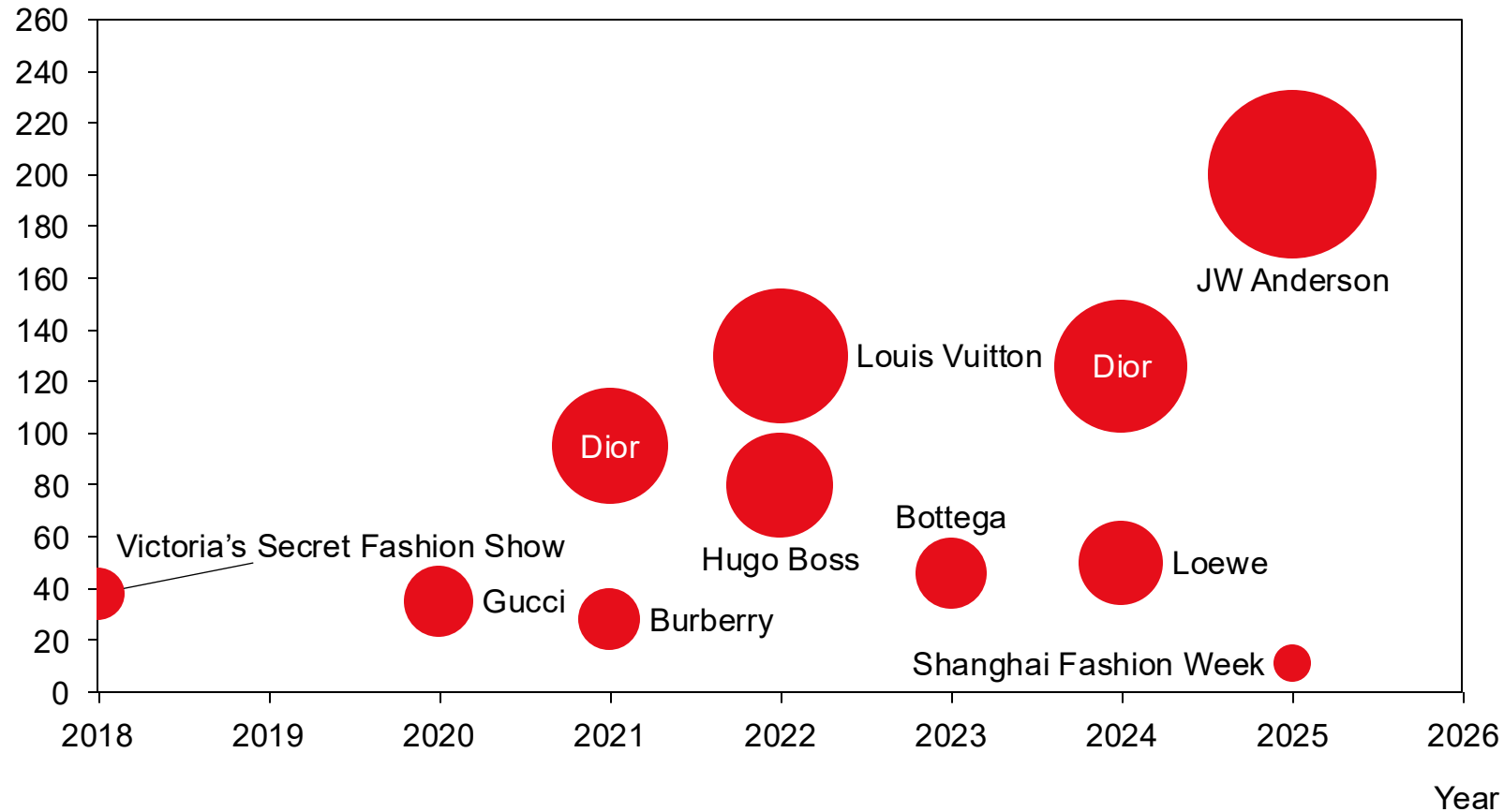
Costs

- 2025-26 focus heavily on comedy and fashion content acquisition, with 2026-2030 having heavy content investments in all three categories
- Content acquisition costs scale at the same rate as the growth of 'Netflix Live' adoptees
- Incremental operating expenses were calculated based on the FY2024 operating expense margin

Appendix 2: Livestreams by Top Fashion Houses

*Fashion houses are already **high-quality digital broadcasters**. The opportunity is in aggregation and partnership, not new production.*

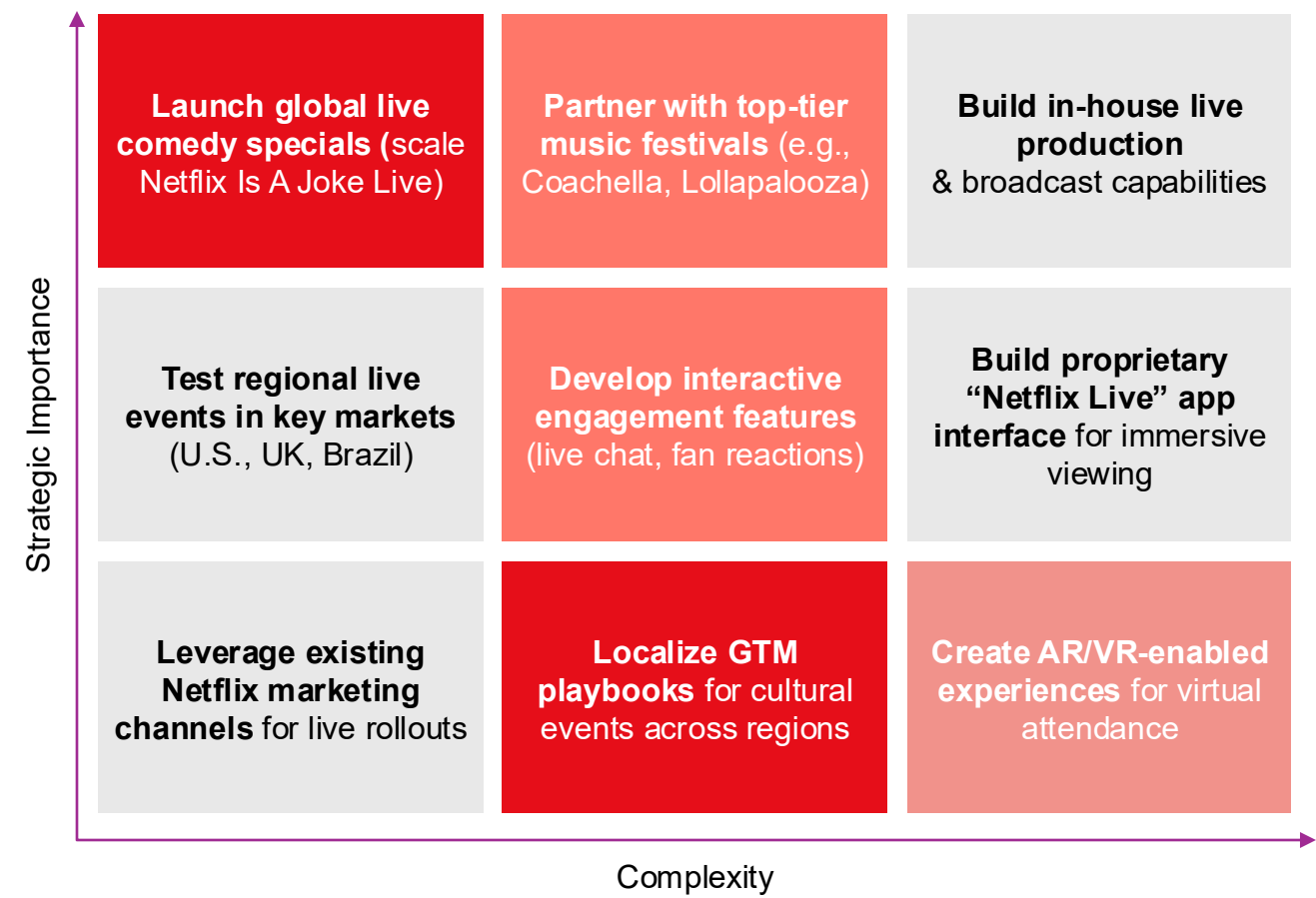
Viewers (in millions)



Summary

Fashion shows have scaled rapidly, driving 100M+ views per show, showing increased consumer interest in these experiences.

Appendix 3: Operational Feasibility



Operational Feasibility Summary

Priority for high strategic value and feasibility

Live Comedy & Festivals Priority

Immediate focus on scaling Netflix Is A Joke Live and regional comedy festivals due to strong proof of concept, low operational risk, and audience familiarity

Live Music Expansion Priority

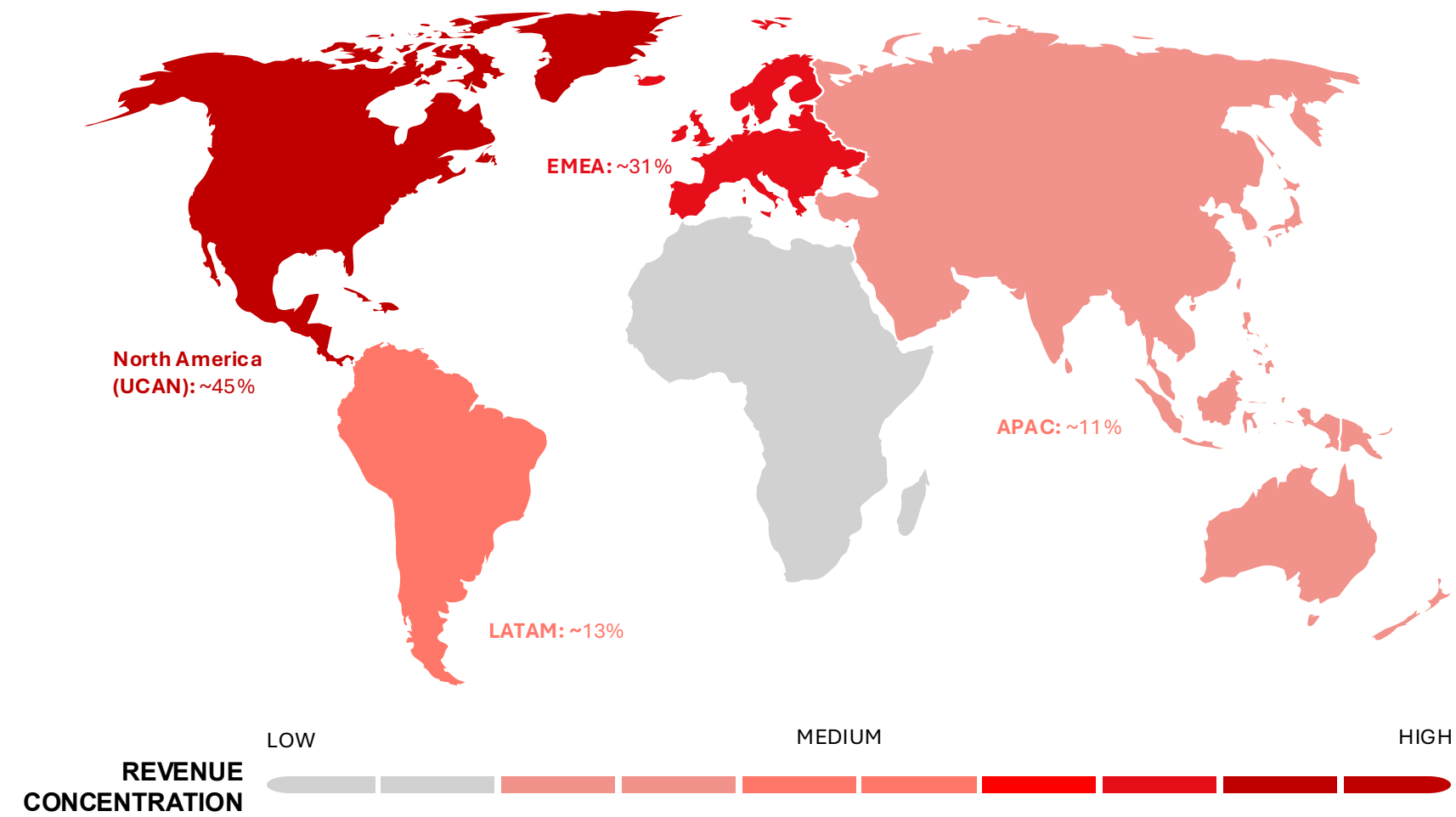
Partner with existing music festivals and streaming tech vendors to co-produce live performances. Avoids capex-heavy production investments while testing new monetization channels

Live Fashion & Cultural Events Priority

Selective pilot approach through partnerships with fashion councils and cultural organizations. While strategically valuable, execution is more complex due to fragmented rights

Initiative ■ Comedy ■ Music ■ Fashion ■ Scaling

Appendix 4: Regional Revenue Breakdown

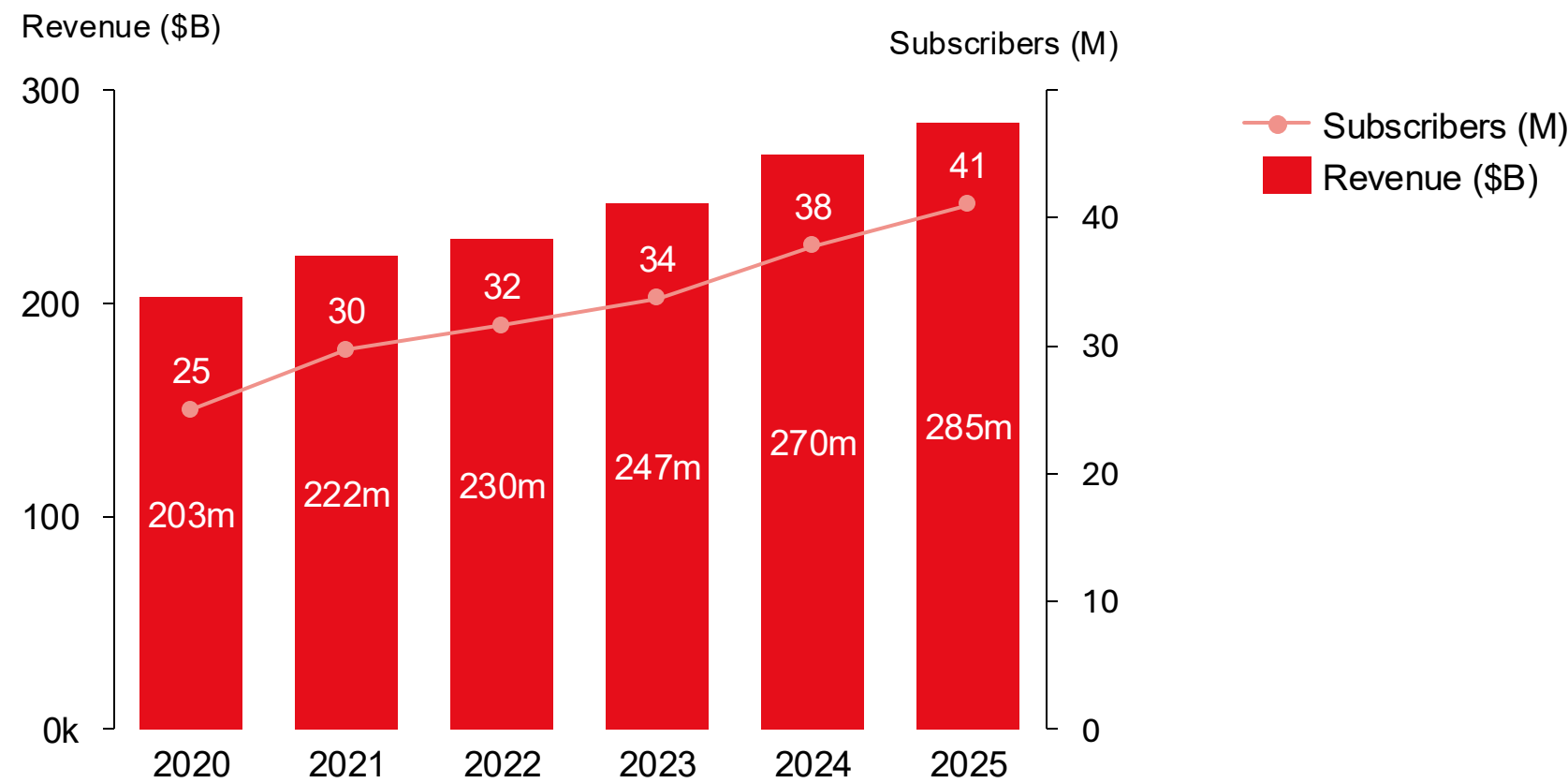


Summary

UCAN growth is mature; new subscribers are mostly international. However, Average Revenue Per User in UCAN (~\$16–18) is 2–3× APAC (~\$6). Increasing value per user globally drives scalable profit growth.

Appendix 5: Revenue & Subscribers Count Breakdown

Revenue and Subscriber Growth Over Time (2020–2025)



Summary

Growth slowed 2021–2022, but pricing optimization and ad-tier expansion revived momentum. Future revenue lift depends less on subscriber volume and more on ARPU (average revenue per user) expansion