



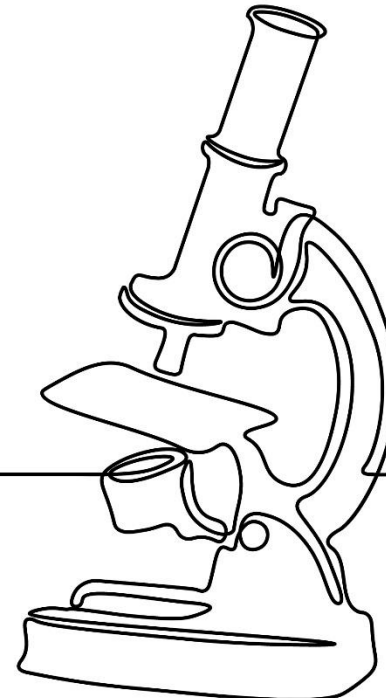
NETFLIX

Corporate Reputation Analysis Case Study



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Introduction and methodology

Managing corporate reputation has turned into a strategic business objective for many companies, posing serious challenges to PR and comms teams to measure and manage reputation in real-time as standard media listening and analytics solutions are not tailored for reputation monitoring.

ComVix is Commetric's proprietary reputation analytics platform, which uses advanced AI and media data for automated reputation evaluation. It has been trained on 3.6 billion media articles from more than 50,000 media sources to extract 150 million business events driving corporate reputation. ComVix won the **Best in Marketing Technology prize** at the **EMEA 2020 In2 SABRE Awards**.

Apart from real-time, automatic extraction of reputation drivers from the media, ComVix performs advanced sentiment evaluation on those drivers to arrive at a quantitative measure of reputation - **ComVix Reputation Index (CRI)**. ComVix insights are available via an online interactive platform as well as in custom reports.

ComVix tracks almost **500 news-reported business events driving corporate reputation**, categorized into 18 overall reputation drivers, as follows:

Abbreviation	Reputation Driver
ADV	Advertising/PR/Brand
APP	Approvals
BUS	Business Strategy
CAP	Capital
CEO	CEO
CON	Contracts & Orders
CSR	CSR/Governance
DIS	Disruption
FIN	Financial Performance
ILL	Illegality
LBR	Labour
LIT	Litigation
NEW	Innovation
OPR	Operations
POL	Political
PSM	Products/Services
REG	Regulation/Tax
TOP	Board

The analysis that follows is based on **1,033,170** English-language articles from more than **15,000** online media outlets, published in the period 1st January-31st December 2019.

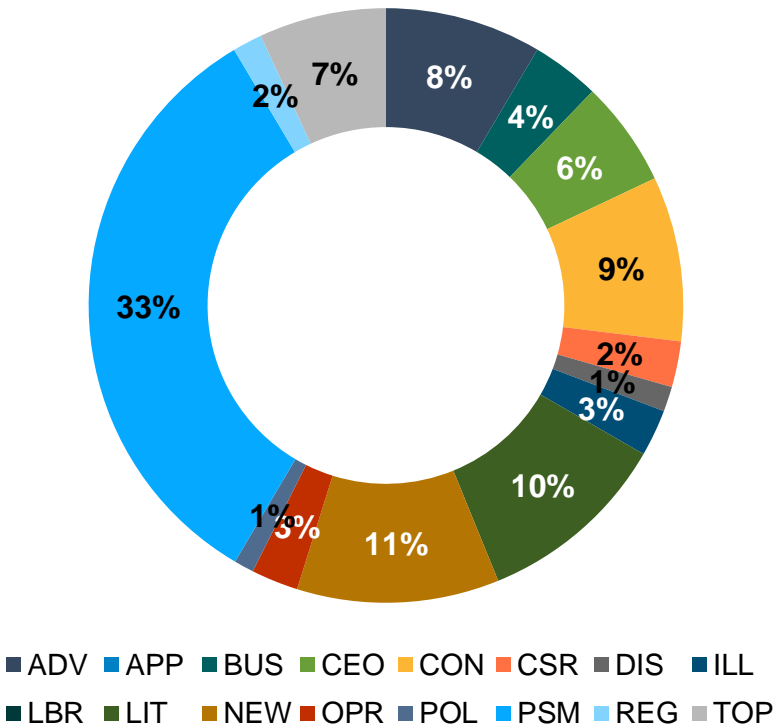
To arrive at a quantitative measure of reputation – the **ComVix Reputation Index (CRI)**, the platform uses Net Promoter Score (NPS) calculated as the difference between positive mentions and negative mentions per driver. Just like NPS, CRI ranges between -100 and 100, with **positive results generally deemed good, and CRI of +50 deemed excellent**. The evaluation units used for the analysis are not the entire media articles, but the totality of business events identified within each article.

Netflix's reputation evaluation is benchmarked against the performance of the Technology sector as a whole, which is based on 606 publicly-traded, large cap companies in the UK and US.

Netflix's media reputation profile

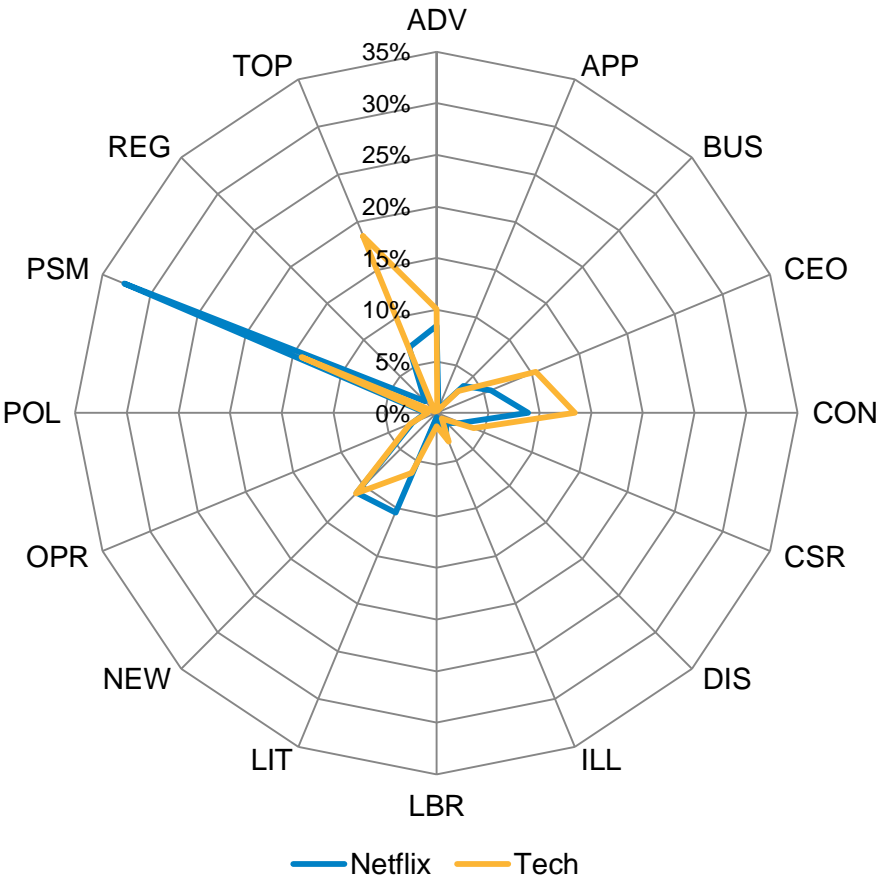
The media reputation profile allows comms teams to monitor which reputation drivers are driving media coverage (Figure 1), and benchmark the company's performance against competitors or the industry as a whole (Figure 2).

Figure 1: Reputation Driver Share of Voice- Netflix*



*Financial Performance (FIN) and Capital (CAP) drivers have been excluded due to disproportionately higher volume.

Figure 2: Reputation Driver Share of Voice: Netflix vs Tech Sector



Key takeaways

- Apart from Financial Performance (FIN) and Capital (CAP) news, which by rule of thumb are the most prominent reputation drivers for most, if not all, public companies, **Netflix's media prominence was driven by news about Products/Services/Markets (PSM) and Innovation (NEW).**
- Compared to the Technology sector at large, the media coverage around Netflix was very much **product-driven**, and both Netflix and the sector scored high in terms of Innovation (NEW), whose share of voice was 11% (see Figure 2).
- Netflix scored higher compared to the Technology sector in relation to the **Litigation (LIT)** driver, as the company's reputation was tarnished by several lawsuits throughout 2019. In January 2020 Chooseco LLC, a Vermont-based publisher, filed a multi-million dollar lawsuit against Netflix claiming that the streaming giant's film *Black Mirror: Bandersnatch* infringed on its trademarks. In November, Oscar-winning actress and comedian Mo'Nique sued Netflix, accusing the company of **racial and gender discrimination.**

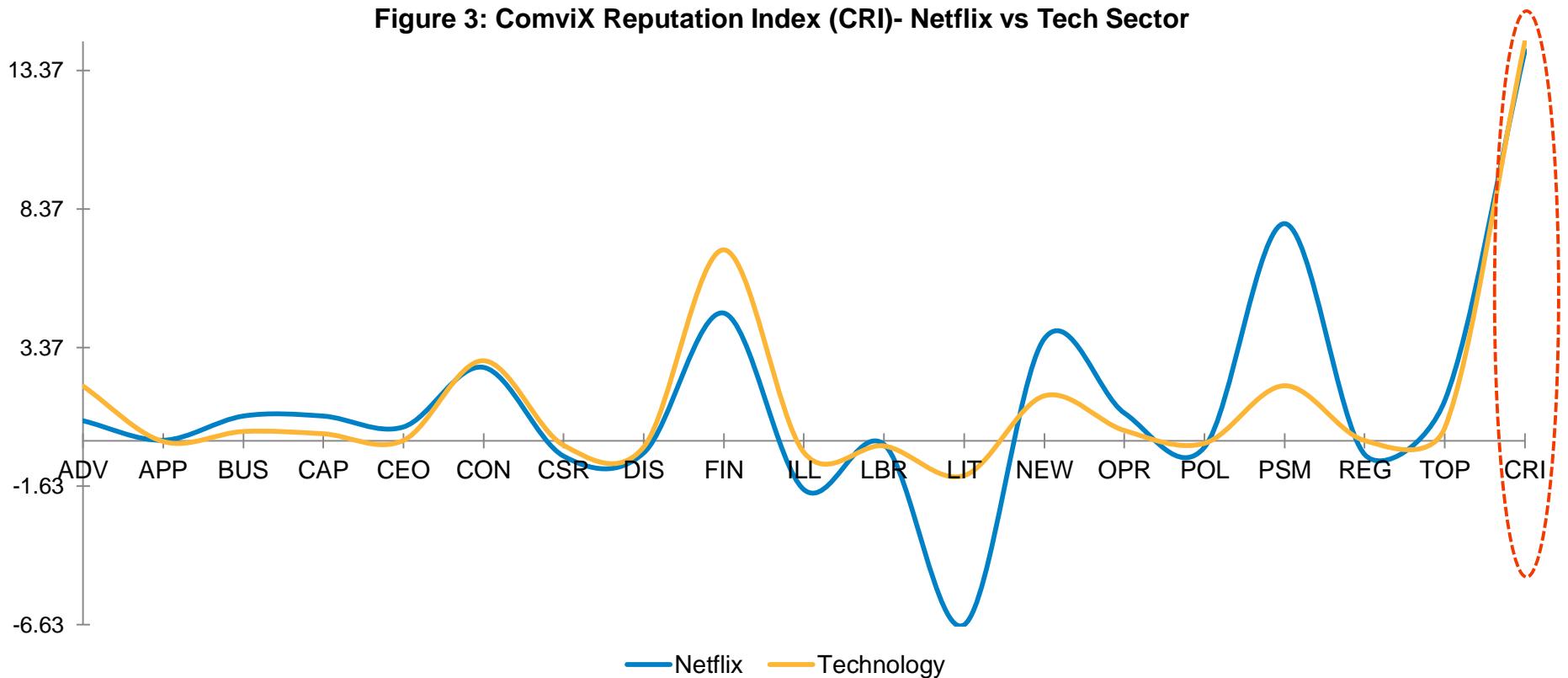


Netflix's reputation index

The parallel coordinates plots on Figure 3 display the **ComVix Reputation Index (CRI)** for Netflix and the Tech sector **per reputation driver and overall**.

This allows comms teams to identify the drivers and the underlying business events that have the greatest **negative or positive impact on reputation**, and benchmark those against the industry as a whole (see Figure 3).

Figure 3: ComviX Reputation Index (CRI)- Netflix vs Tech Sector



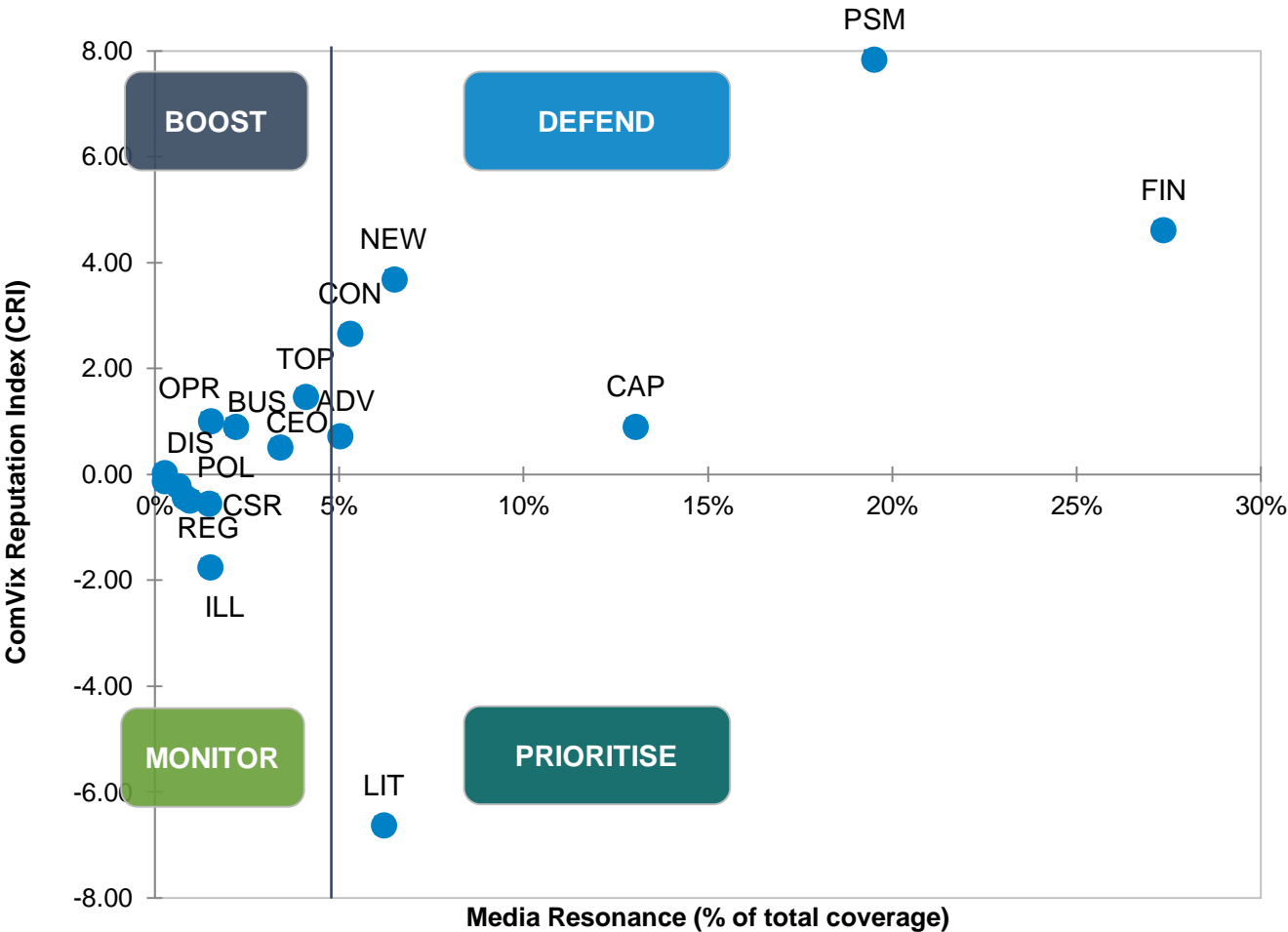
Key takeaways

- Netflix's reputation index CRI is 14.08, which is slightly below the Tech sector average of 14.41. A positive CRI well above 0 indicates a solid media reputation with a positive net sentiment.
- Netflix's CRI per driver generally follows the Tech sector with occasional deviations (see Figure 3): e.g. for LIT, NEW and PSM.
- The biggest **positive contributors** to Netflix's reputation were **Products/Services/Markets (PSM)**, **Innovation (NEW)**, as well as Financial Performance (**FIN**), whereas the **biggest negative reputation drivers** were **Litigation (LIT)**, **Illegality (ILL)** and **CSR**. In terms of CSR, the company received some bad press over content censorship in India and Saudi Arabia.



Communications prioritisation matrix

Figure 4: Communication Prioritisation Matrix



The Communications Prioritisation Matrix on Figure 4 plots the media resonance of each reputation driver (percentage of media coverage) against the ComVix Reputation Index (CRI). The resulting four quadrants present **four strategic imperatives** for corporate reputation management.

The matrix allows comms teams to prioritise the drivers that impact reputation and enables them to develop and execute a more impactful comms strategy and effectively manage reputation.

Key takeaways

- As mentioned in the previous section, **Litigation (LIT)** was the biggest negative contributor to Netflix's reputation. Thus, communications related to wrongdoing, legal action, censorship, human rights, etc., should be carefully framed so as to reduce bad press and minimise their reputation impact.
- There are a couple of reputation drivers, such as **Illegality (ILL)**, **Regulation (REG)**, **CSR**, **Political (POL)** and **Labour (LBR)**, which should be monitored closely by Netflix, as they are covered by the media in negative light, but their media resonance is still low.
- Highly positive and prominent reputation drivers such as **Products/Services/Markets (PSM)**, **Innovation (NEW)**, **Financial Performance (FIN)** and **Advertising and PR (ADV)** should continue to be actively communicated so as to maintain their prominence.
- Reputation drivers such as **CEO**, **Business Strategy (BUS)** and **Operations (OPR)** present a potential opportunity for achieving positive media coverage, so related communication should be boosted.



The background of the entire image is a close-up, high-contrast photograph of a blue leaf. The veins of the leaf are dark and prominent, creating a complex, branching pattern across the frame. The color is a deep, vibrant blue.

Want to Know More About How Commetric's Reputation Media Analytics Platform Can Boost Your Communications Strategy?

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