

Netflix stock plummets due to Q1 subscriber exodus, price hikes

Article

The news: Netflix shares cratered in the wake of a massive subscriber loss, its first in more than a decade. The company posted a Q1 loss of 200,000 subscribers on Tuesday and projected it would lose 2 million subscribers in the current Q2, [per](#) Variety.

- To get back on track, Netflix said it will look to convert password sharers to payers and is exploring a lower-priced subscription with [ads](#).

No chill: Netflix once stood alone in the streaming video segment but now has to compete with the likes of **Amazon, Disney, Hulu, Apple TV+**, and other networks now offering subscription-based “Plus” services.

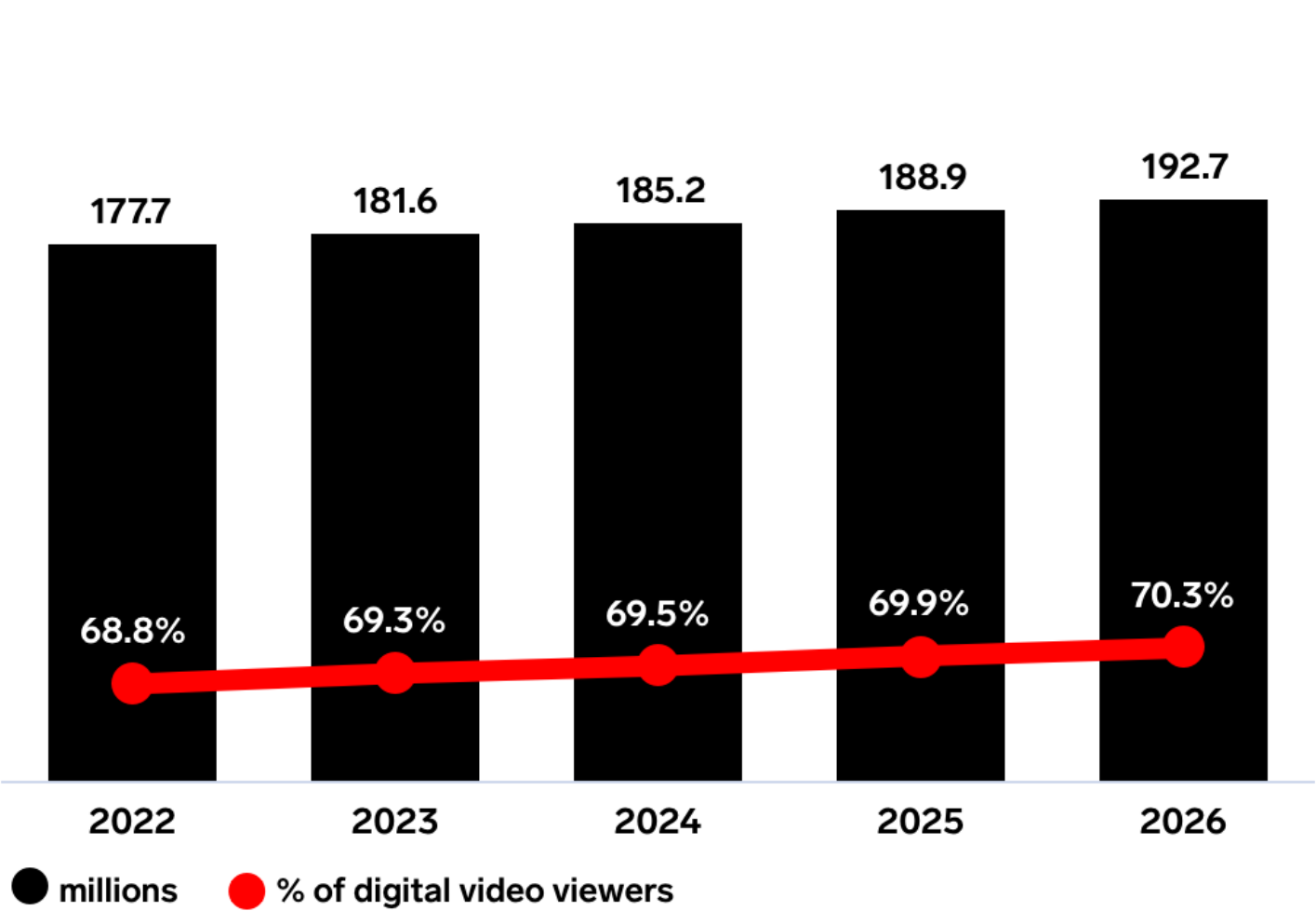
- Netflix co-CEO **Reed Hastings** blamed the dwindling subscriber numbers on “great competition” and cited more than 100 million households that are sharing passwords without paying for extra accounts.
- Netflix shares have shed more than 60% of their value over the last six months, per Variety.
- Many popular movies and rewatchable shows are no longer on Netflix. In context, “Friends” and “The Office” both left the platform in 2021. Similarly, Marvel Studios’ blockbuster movies and TV shows are all now on rival streaming service **Disney+**.
- Netflix, which has **221.6 million subscribers** per Bloomberg, increased its prices in January for the first time since 2020. The standard plan now costs \$15.49 per month (up from \$13.99), making it more expensive than **HBO Max’s** ad-free tier or bundling **Disney+**, **Hulu** (ad-supported), and **ESPN+**.

Changing channels: Netflix’s downturn is reflective of technology services facing an expected cooldown after pandemic-fueled spikes in subscribers and users.

- Similar stay-at-home stocks like **Etsy, Zoom, and DocuSign** have also suffered losses of **38% to 51%** in value in recent months as they try to recover the robust usage they enjoyed during COVID-19 lockdowns.
- Netflix’s strength is as a technology innovator, and it enjoyed early success by refining its algorithm to optimize the user experience.
- Netflix could further alienate subscribers by charging extra for shared passwords, or by offering ad-supported tiers at a time when consumers have no shortage of other streaming services to choose from.

Netflix Viewers

US, 2022-2026



Source: eMarketer, February 2022

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