Netflix at the crossroads:
Capturing the vertical-format opportunity

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NETFLIX

The opportunity: Shifting trends in the 'Attention Economy'

What's happening in content consumption?

~8.25 seconds
The average human attention span dropped 33% from 2000

84% increase
In smartphone multitasking since 2016 (switching between apps and content)
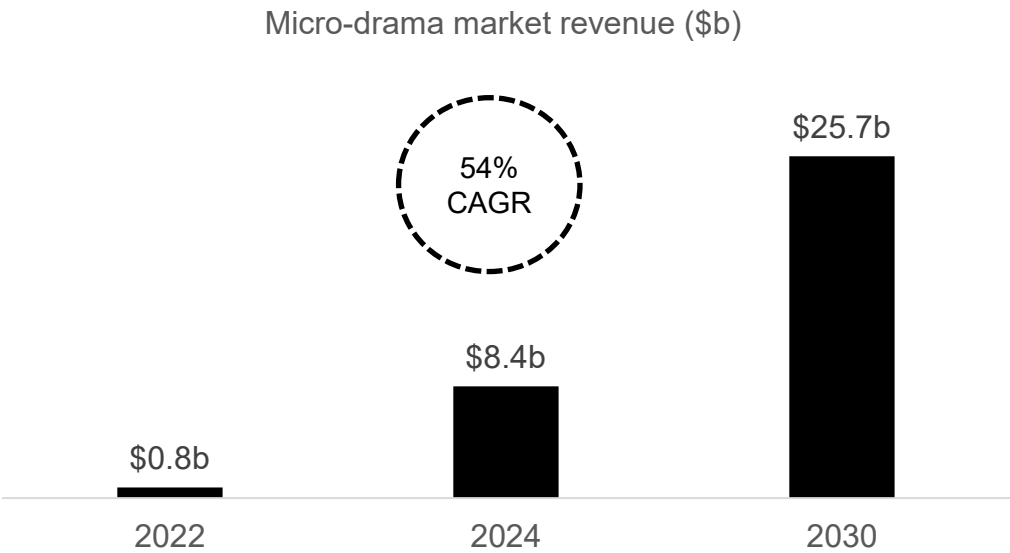
1hr 16min
The daily consumption of short-form video per person in 2025

63%
Of Gen-Z prefer short-form video, prioritizing instant entertainment

How is the market shaping up to this?

Micro-drama market revenue ($b)

Shorts	~70b+ daily views
TikTok	1.2b MAUs as of 2025
R	$80 per month ARPU

✓ In-app revenue from short drama apps nearly quadrupled from $178m in Q1'24 to **$700m** in Q1'25

✓ Production budgets for micro-drama series now routinely hit **$150,000–$600,000 per series**, with 20 to 30 episodes per season

Netflix dominates long-form content but lags in mobile/short-form consumption, where younger audiences now spend the majority of their time

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Project Vertex : Netflix's Three-Phase Short-Form Strategy

vertical content strategy

	Strategy	KPIs to track
Phase 1 — Premium discovery layer (current path)	• Continue vertical video feed testing as clip discovery tool (not standalone entertainment) • 90-sec clips from Netflix Originals as content discovery mechanisms • Position as "shorts with taste" vs. algorithmic chaos of TikTok	✓ Track lift in series starts from users who engaged with vertical feed
Phase 2 — Original short form content (expansion)	• Commission original micro-series (5-15 episodes, 3-8 minutes each) • Focus on genres with high completion potential: limited daily life dramas, rom-coms, identity stories • Leverage Netflix's $18B content budget to produce premium short originals	✓ Reduction in churn among Gen Z cohort ✓ ARPU growth from monetization and premium tiers
Phase 3 — Create an ecosystem (competitive moat)	• Create social features like clip sharing, watch parties, recommendations from creators, position Netflix as "social streaming" pioneer • Combine with upcoming video podcast expansion for cross-promotion	✓ Growth in market share of short-form watch time

Why does this work?

Defends core business competence
✓ Leverages shorts to to drive acquisition and retention, without cannibalizing long-form engagement

Plays to Netflix strengths
✓ Premium content + data-driven recommendations + subscription model vs. ad-dependent competitors
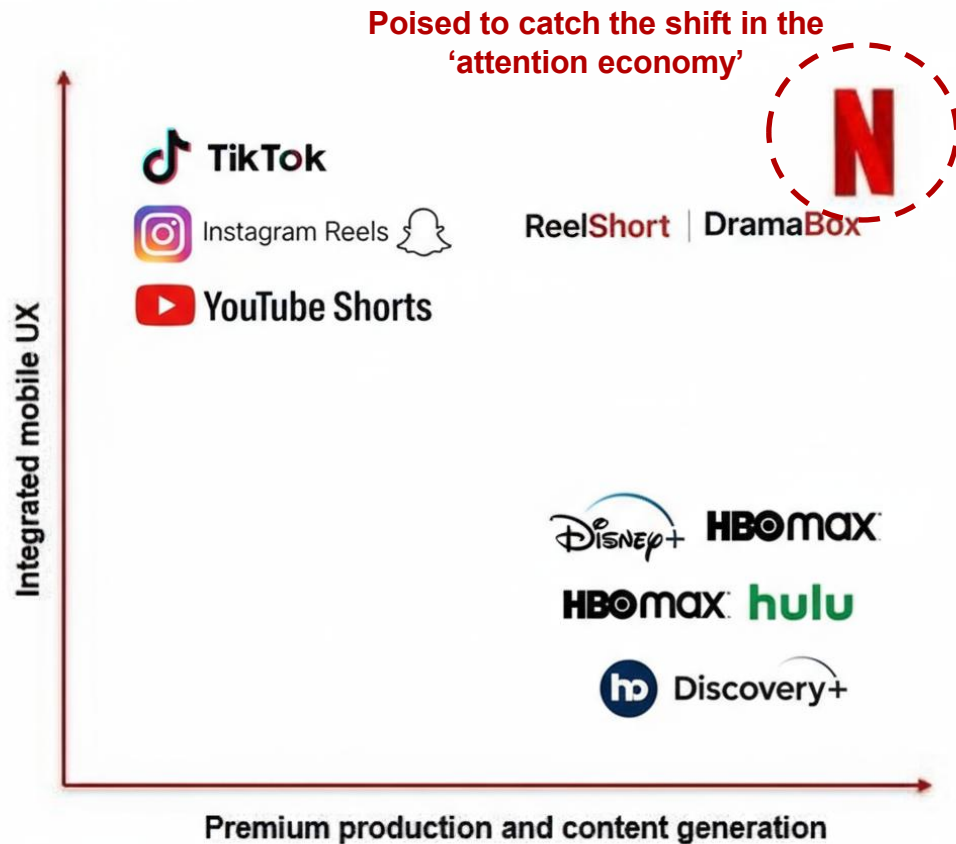
Capture greenfield growth
✓ Captures greenfield growth: International markets still early; Netflix can dominate before platforms like ReelShort saturate

The opportunity is to own premium short-form and leverage Netflix's existing advantages (scale, brand, algorithm) to create a defensible position in how audiences consume entertainment on mobile devices

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The future state: A streaming pioneer

Netflix would sit at an interesting inflection point

Poised to catch the shift in the 'attention economy'

Integrated mobile UX ↑

TikTok
Instagram Reels
ReelShort | DramaBox
YouTube Shorts

Disney+ HBO max
HBO max hulu
Discovery+

Premium production and content generation →

Increased user base and revenue uplift (2030E)

1.6b short-form video users globally (*20% of population*)

x

2% Netflix's penetration*

=

32m Netflix vertical content users

x

60% overlap with long form content*

=

13m net new users

x

$28 ARPU

=

$4.3b revenue potential uplift

* assumptions

Netflix's vertical content opportunity represents a 9.6% long-term revenue uplift on the TAM Netflix already owns

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The Future of Work: Humans and AI Learning to Work Side-by-Side

What the trend is and why does it matter?

Current state

> **65 % of companies now deploying at least one AI agent in production'**
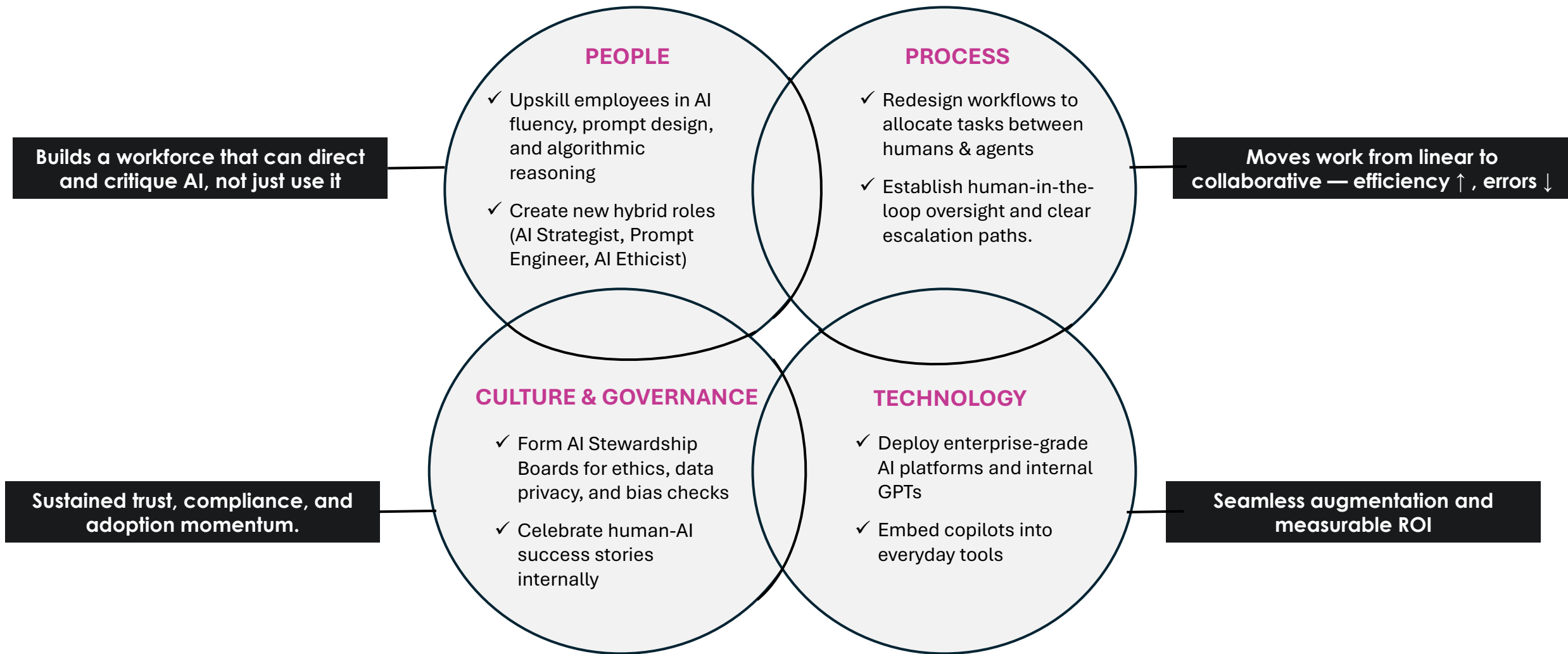> *Gartner 2025*

Future state

> ✓ **Business will not only have to adopt AI but will have to rearchitect how humans and algorithms share work**
> ✓ **AI agents will become teammates, not just tools**
> ✓ **The next five years will see a shift from using AI tools to building hybrid teams of people and digital agents**

Trend Analysis	Use Case	Implication
In-house AI ecosystems	70% of Fortune 500 firms are building proprietary GPT-based copilots (e.g., **JPMorgan IndexGPT, Microsoft Copilot 365**)	Knowledge work is being rebuilt around human–AI co-decision loops.
AI teammates replacing repetitive tasks	**Klarna**'s AI agent now handles 65% of all customer-service chats (equiv. 700 FTEs)	Routine tasks disappear; new orchestration and oversight roles emerge.
Multi-agent collaboration	Autonomous agents coordinate marketing, data analysis, and coding tasks (e.g., **AutoGPT, CrewAI**)	Teams evolve from linear workflows to dynamic human-agent networks.
Generative reasoning copilots	**Accenture, PwC, IBM** deploying generative copilots for research, synthesis, and compliance	Humans move up the value chain — judgment, creativity, empathy

| Why does this matter? |
|---|
| **AI-augmented employees output 2–3× more insights/hour** |
| **AI-enabled workflows could add $15t to global GDP by 2030** *(World Economic Forum)* |
| **Productivity leaders will redesign work, not just automate it** |
| **Organizations that master human + agent collaboration** (gain lasting advantage in speed, trust, and innovation) |

What should businesses do about it?

PEOPLE

- ✓ Upskill employees in AI fluency, prompt design, and algorithmic reasoning
- ✓ Create new hybrid roles (AI Strategist, Prompt Engineer, AI Ethicist)

Builds a workforce that can direct and critique AI, not just use it

PROCESS

- ✓ Redesign workflows to allocate tasks between humans & agents
- ✓ Establish human-in-the-loop oversight and clear escalation paths.

Moves work from linear to collaborative — efficiency ↑ , errors ↓

CULTURE & GOVERNANCE

- ✓ Form AI Stewardship Boards for ethics, data privacy, and bias checks
- ✓ Celebrate human-AI success stories internally

Sustained trust, compliance, and adoption momentum.

TECHNOLOGY

- ✓ Deploy enterprise-grade AI platforms and internal GPTs
- ✓ Embed copilots into everyday tools

Seamless augmentation and measurable ROI

Inaction isn't neutral, it compounds risk
Companies that fail to rearchitect work around human–AI collaboration will see both talent and competitiveness erode
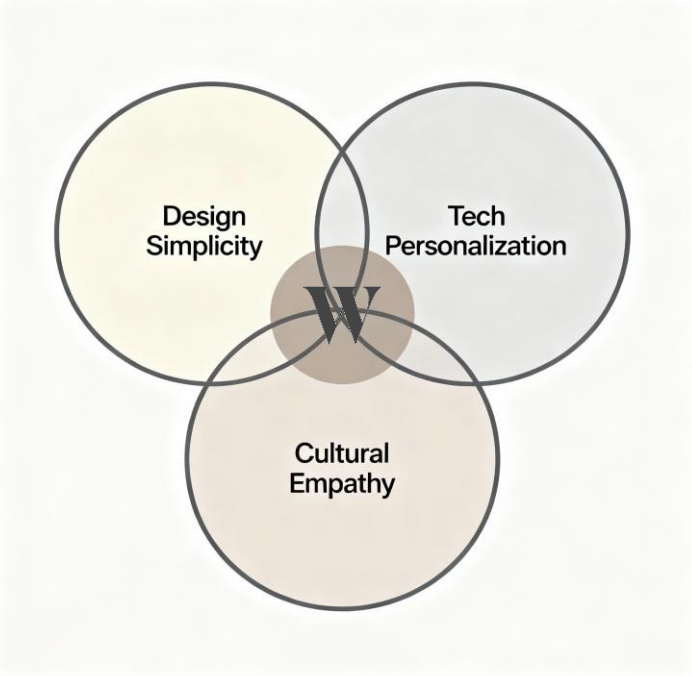
Spearheading Innovation: Wealthsimple
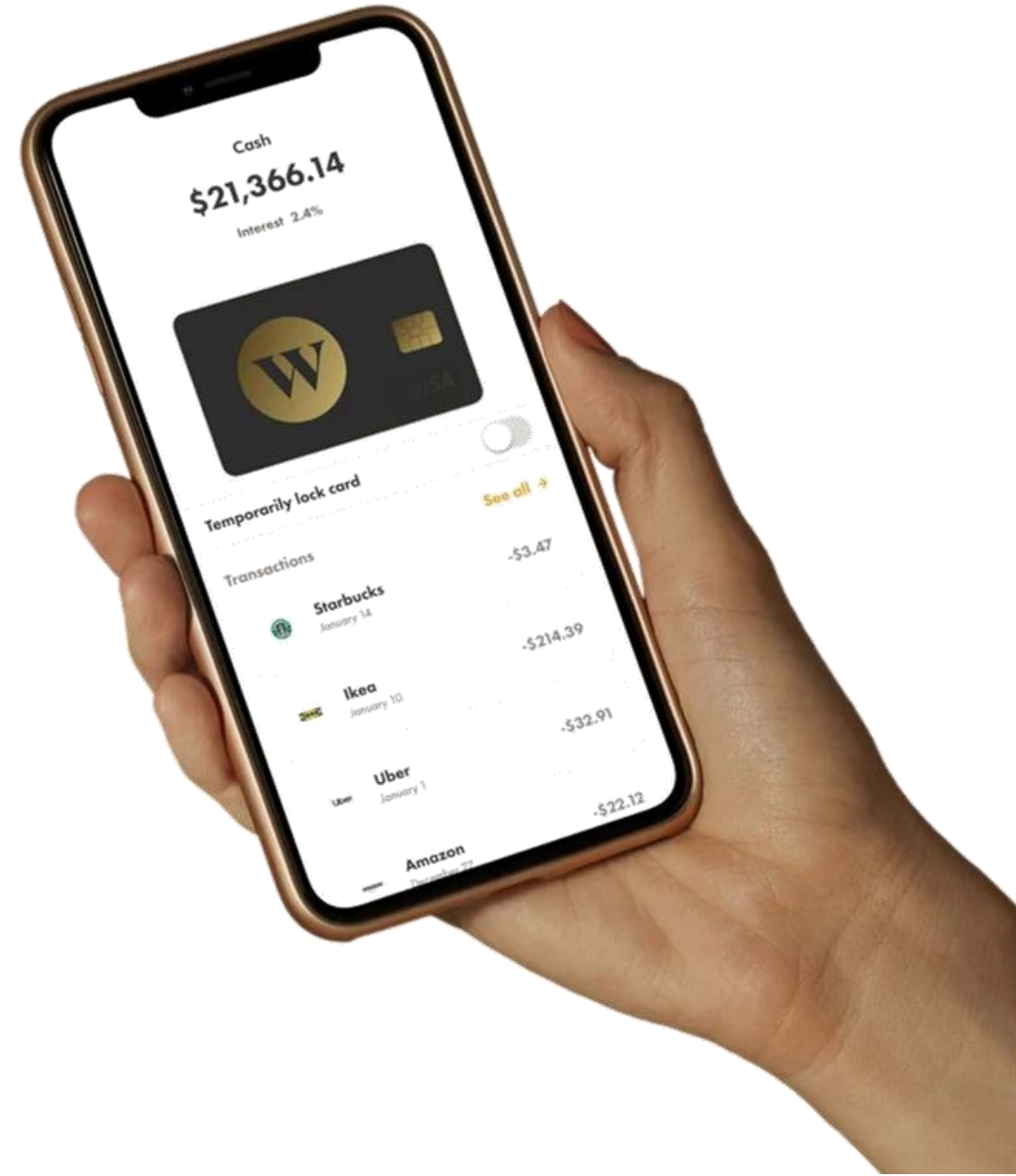
What makes Wealthsimple innovative?

The Innovation Model

Design Simplicity · Tech Personalization · Cultural Empathy

What makes them unique?

Dimension	What they do?	Why it's innovative?
Design & UX	Minimalist app, conversational language, frictionless onboarding	Translates intimidating finance into accessible experiences; inspired global fintech UI standards
Product Model	Multi-product ecosystem: Invest, Trade, Cash, Crypto, Tax, and Cards	Creates a "financial life hub" under one ethical, low-fee brand
Brand & Culture	Uses storytelling, humour, and behavioural science (e.g., "Do Money Right" campaign)	Builds emotional trust in a low-trust industry; turns a financial app into a lifestyle brand
Data & Tech	In-house personalization engine for goal-based investing	Anticipates AI-driven finance, enabling customized portfolios and education for each user

Milestones achieved

Achieved $100 billion in assets
three years ahead of target reflecting both scale and consumer confidence

Expanded from 2% to 14% adoption
in six years, marking one of Canada's fastest-growing financial brands

How do they win against legacy banks?

Banks build credibility through authority; WS builds it through **authenticity**, connecting with millennials and Gen Z on values and tone

Legacy banks still use compliance-heavy interfaces. WS wins by using **human centered design** & **behavioural science** (intuitive, modern, and emotionally reassuring)

Use Case: How Wealthsimple used Business Design & AI to create Financial Confidence

Wealthsimple tax + cash ecosystem

The Challenge

Canadians dread tax season and often pay for software that feels predatory or complex

The Innovation

✓ Wealthsimple integrated a free, human-centered tax filing experience directly into its platform
✓ Users can file returns, get instant refund routing to cash accounts, and auto-invest surplus funds

How does it work?

✓ Smart data pre-fill from CRA connections
✓ AI-powered error detection + plain-language explanations
✓ One-click rollover to investments or savings

The Impact

3M+ Canadians use it to file taxes which strengthened brand trust; drove cross-product adoption across Cash and Trade

Wealthsimple
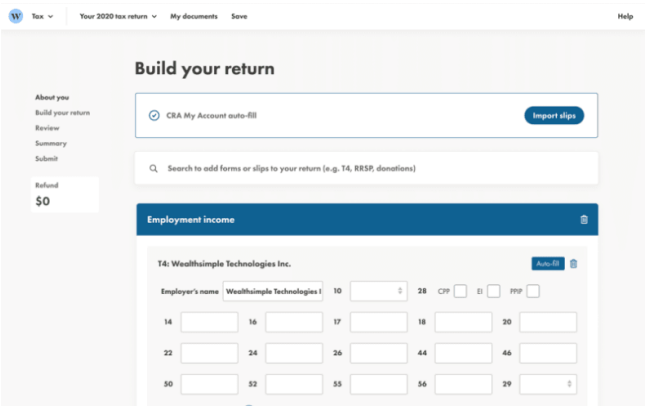
Appendix

Netflix — Project VERTEX
- Statista (2025): Global Short-Form Video Consumption — Gen Z spends 60 %+ of screen time on short-form.
- Microsoft Attention Span Study (2024) — Average human attention span ↓ 33 % since 2000.
- Omdia: Global Micro-Drama Report 2025 — Short-form video app revenue ↑ 4× YoY ($700 M Q1 2025).
- TechCrunch (2025): Netflix CTO on Vertical Video Experiments — Netflix testing vertical scrolling feed.
- Business Insider (2025) — Netflix exploring short-form discovery for subscriber retention.

Future of Work — AI Collaboration
- McKinsey Global Institute: Generative AI and the Future of Work (2025) — AI-augmented employees 2–3× more productive.
- PwC AI Business Outlook 2025 + WEF Future of Jobs Report 2025 — AI could add $15 T to global GDP by 2030.
- JPMorgan IndexGPT, Microsoft Copilot 365, Klarna AI Agent — real-world deployment of AI teammates.
- World Economic Forum Forecast 2025 — Non-adopters risk 15–20 % efficiency decline, $1.5 T value gap.
- LinkedIn Workforce Report (2025) — 1 in 3 professionals prefer AI-enabled employers.

Wealthsimple — Humanized Finance
- Wealthsimple Official Site (2025) — $100 B AUM, 6.5 M clients in Canada.
- TechCrunch: Wealthsimple Raises $750 M Valuation 2025 — growth through multi-product ecosystem.
- Wealthsimple Magazine – "Do Money Right" Campaign — Human-centered design driven by clarity and trust.
- Harvard Business Review: Designing Financial Empathy (2024) — How UX and storytelling differentiate fintech brands.
- Wealthsimple Tax Product Page — Free tax filing integrated with Cash and Invest accounts; 3 M+ users.