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# Netflix Cracks Down With New Guidelines

Leila Bunker, News Editor

Whether it's college students remaining on their family's subscription or giving a friend a password so that they can watch that movie they've been dying to see, password sharing is fairly common amongst 1/3 of US Netflix subscribers. Many people don't give a second thought about sharing their streaming service passwords with immediate family members and friends.

However, Netflix is cracking down on password sharing and is releasing guidelines that will prevent multiple people from using the same account from different devices or locations. Over 100 million households share accounts, and Netflix claims that it is damaging their ability to invest in new TV shows and films. In Canada, New Zealand, Portugal and Spain, the new guidelines have already launched alongside modified subscription plans.



Natalie Schorr

Netflix users in these countries, and soon the rest of the world, will be asked to set their primary location and manage account access among specific devices within their household. Members outside of the household can remain on a subscription plan at an additional cost. This option is extended to two people per account at most and will come with their own login information. For those who can't remain on someone else's plan, Netflix has made it possible for users to transfer their existing profiles to a new account so that they don't lose their personalized recommendations, viewing history and list of saved shows and movies.

Ajay Abraham, a Seattle University associate professor of marketing, thinks that Netflix limiting password sharing might motivate other streaming platforms to refine their own guidelines.

"I suspect that they will consider the benefit from the added revenue due to paying Netflix subscribers switching to them versus the money that's left on the table by their own population of non-paying password borrowers. It's a larger industry and when Netflix or any market leader makes a move, others typically watch and wait to see how things pan out," Abraham said.

Netflix's competition will likely wait to see the results of the change, according to Abraham. Whether other subscription services choose to follow Netflix will partially depend upon whether the controversy surrounding password sharing causes them to change course.

"The [competition's] leaders probably have the capacity to absorb some of that backlash, because a net gain is beneficial for them," Abraham said. "Even if [guideline changes] don't fly under the radar, this is the new industry standard as set by the market leader."

This is not Netflix's first attempt to roll out password prevention guidelines. In March 2022, they announced similar guideline amendments, and subsequently lost 200,000 subscribers in the first quarter. While in the past Netflix may have been cautious to enact these changes, they may now be willing to accept backlash with hope for positive gains in the long run.

Abby Fitzwater, a first-year international studies major, expressed that the new guidelines pose issues for college students and would like to see steps taken to offer solutions for that demographic.

"Other streaming services, like Hulu with their \$2 student account, make it more appealing to have [a subscription] and I think Netflix should offer something similar to that. Some of us have divorced parents or are away at a college that puts you in different places for longer periods of time, so I think having a feature that would make it easier to work around those factors at no additional cost, like being able to verify more than one address, would be really helpful," Fitzwater said.

It's possible that families will not be interested in adding their students to their plan as an additional member because of the additional cost they would be charged according to Netflix's new guidelines. Although there are several other options for streaming platforms, this could be frustrating for students who have been loyal Netflix streamers and wish to watch media that isn't offered elsewhere.

Kaya Brown-Carveth, first-year criminal justice major at Seattle U, uses other streaming services instead of Netflix.

"I feel like a few years ago the only [streaming service] I cared about having was Netflix, but then they got rid of a ton of stuff. Even though all of those platforms cycle out the shows and movies they have, Netflix just doesn't really have anything that makes me feel like I need it. They're just kind of money hogs without that much good stuff on there anymore," Brown-Carveth said.

According to a survey from US firm Jefferies, 62% of people who borrow an account said they would stop using the streaming service rather than purchase an account, and only 10% of users would create their own ad-free account..

Whether other streaming services follow in the footsteps of Netflix largely depends on the impact of the guideline changes and if this solution solves the problem of revenue that Netflix is trying to correct.