

**BANKING/ FINANCE**

# Netflix Subscriber Woes Hint at US Consumer Pushback on Prices



JASON DOIY

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by Molly Smith

Love may be blind, but consumers aren't. At least when it comes to higher prices.

A couple dollars more a month normally isn't enough to move the needle, but when Americans are facing the fastest inflation in 40 years, something has got to give. And for 600,000 people in the U.S. and Canada, that something was their subscription to Netflix Inc.

Consumer spending is by far the biggest contributor to the U.S. economy, and economists are keenly looking for any signs that higher prices are starting to chip away at demand. The latest quarterly results from Netflix, which counts TV shows like "Love Is Blind" and "Bridgerton" among its biggest hits, may provide some evidence that it's already in motion.

"It's a very early signal," said Neil Saunders, managing director at GlobalData. "One of the things people will most certainly look to cut as inflation bites are those recurring payments month in and month out, and that obviously includes streaming."

Earnings season is just getting underway, and there are other pockets of the economy where consumers are pushing back on higher prices. Retailers like Bed Bath & Beyond Inc. blamed slowing sales in part on inflation that's hurting consumer confidence, and grocery chain Albertsons Inc. is bracing for less spending by lower-income customers as food bills surge.

For Netflix, there are a few other factors at play. Competition from other streaming services like Hulu and Disney+ is heating up, and as the world returns to normal, people are eager to get off the couch and start living again.

How that will play out in other corporate earnings remains to be seen. Economists have been expecting consumers to shift more of their spending dollars from goods, like home furnishings and cars, to services that include travel and dining out as Covid restrictions are lifted. But with inflation taking a bigger bite out of paychecks, there's less real discretionary income for purchases beyond the necessities.

"It's clear that the cost of living crisis will be forcing many Americans to reconsider their spending decisions," said

Craig Erlam, senior market analyst at Oanda. "While there may still be some excess savings, it's only natural that households are seeing costs rising and considering where they can cut back."

**PRICING POWER**

So far, companies have had a fair bit of success passing along higher costs for materials and labor. Supply shortages combined with a snapback in demand have broadly pushed up prices across the economy, while trillions in government financial relief and low borrowing costs have played a role in keeping that demand elevated for longer.

But companies also have to be cognizant of the impact of their price hikes on their sales. Executives at Procter & Gamble Co. said late Wednesday they're "thoughtfully executing tailored price increases" and have their eyes "wide open" for any change in consumer behavior.

For retailers operating brick-and-mortar stores, it takes time to raise prices, and they have to be thoughtful about their strategy in doing so, said Kristen Gall, president of Rakuten Rewards, a shopping platform that offers consumers deals and rewards from retailers. That might not play out in the first quarter, but come later this year, consumers could especially feel the squeeze, she said.

"I think retailers still do have the power to raise prices and still be okay," Gall said. "The question is, do any of them overshoot and raise prices by too much and it actually turns customers away from their brand."

It's a difficult balance to strike, and while consumers are so far hanging tough in the face of decades-high inflation, they're still sensitive to prices. Data last week from retail sales and consumer sentiment offered some comfort that Americans aren't ready to pull back on spending en masse just yet.

But as seen with Netflix's price increase of just a dollar or so, it doesn't take much to tip someone over the edge.

"It completely changes the landscape as soon as your start touching price," said Liza Amlani, principal and founder of the Retail Strategy Group. "People are not going to pay for something they don't see the value in."

**Molly Smith reports for Bloomberg News.**



## CITY OF DORAL NOTICE OF ZONING WORKSHOP

All residents, property owners and other interested parties are hereby notified of a **Zoning Workshop** on **Wednesday, May 4, 2022 at 6:00 p.m.** The Meeting will take place at the City of Doral, Government Center, 1st Floor Multipurpose Room located at 8401 NW 53rd Terrace, Doral, Florida, 33166.

The following application will be presented:

**HEARING NO.:** 22-05-DOR-01  
**APPLICANT:** Foundry Commercial Acquisitions, LLC (the "Applicant")  
**PROJECT NAME:** Transal-Foundry  
**PROPERTY OWNER:** SPG Transal Park 2 LLC  
**LOCATION:** Generally located south of NW 29 Street and east of NW 84 Avenue  
**FOLIO NUMBER:** 35-3027-046-0030 & 35-3027-046-0040  
**SIZE OF PROPERTY:** ±5.7 acres  
**FUTURE LAND USE MAP DESIGNATION:** Industrial  
**ZONING DESIGNATION:** Industrial District (I)  
**REQUEST:** The Applicant is proposing to develop the vacant Property with a Class-A industrial development consisting of a 117,790 square foot warehouse building, including approximately ±7,500 square feet of office space.  
**LEGAL DESCRIPTION:** Tract C and Tract D, "Transal Corporate Park", according to the map or plat thereof, as recorded in Plat Book 147, Page 68, of the Public Records of Miami-Dade County, Florida.

Location Map



**ZONING WORKSHOP PROCESS:** The zoning workshop consists of two sessions:

- 1. First Session.** The first session of a zoning workshop shall provide a forum for members of the public to learn about proposed developments within the city. Developments may be presented to the public simultaneously, in several locations within the meeting site. During this session, members of the public are encouraged to ask questions and to provide feedback to the applicant about the proposed development. The applicant shall provide visual depictions, such as renderings, drawings, pictures, and the location of the proposed development. In addition, representatives of the applicant shall be available to answer questions that members of the public may have about the proposed development. The members of the City Council shall not be present during the first session of the zoning workshop.
- 2. Second Session.** The second session of a zoning workshop shall provide a forum for the City Council to learn about the proposed developments discussed at the first session of the zoning workshop. No quorum requirement shall apply. Developments shall be presented by the applicants sequentially, one at a time, for the City Council's review and comment. The applicant shall again present visual depictions of the proposed development. In addition, the applicant shall be available to answer any questions that members of the City Council may have about the proposed development.

**No quorum requirement shall apply nor will any vote on any project be taken, but roll call will be taken, as it is a publicly noticed meeting.**

Information relating to this request is on file and may be examined in the City of Doral, Planning and Zoning Department located at **8401 NW 53rd Terrace, Doral, Fl. 33166**. Maps and other data pertaining to these applications are available for public inspection during normal business hours in City Hall. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

In accordance with the Americans with Disabilities Act, all persons who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

**NOTE:** If you are not able to communicate, or are not comfortable expressing yourself, in the English language, it is your responsibility to bring with you an English-speaking interpreter when conducting business at the City of Doral during the zoning application process up to, and including, appearance at a hearing. This person may be a friend, relative or someone else. A minor cannot serve as a valid interpreter. The City of Doral DOES NOT provide translation services during the zoning application process or during any quasi-judicial proceeding.

**NOTA:** Si usted no está en capacidad de comunicarse, o no se siente cómodo al expresarse en inglés, es de su responsabilidad traer un intérprete del idioma inglés cuando trate asuntos públicos o de negocios con la Ciudad de Doral durante el proceso de solicitudes de zonificación, incluyendo su comparecencia a una audiencia. Esta persona puede ser un amigo, familiar o alguien que le haga la traducción durante su comparecencia a la audiencia. Un menor de edad no puede ser intérprete. La Ciudad de Doral NO suministra servicio de traducción durante ningún procedimiento o durante el proceso de solicitudes de zonificación.

Connie Diaz, MMC  
 City Clerk  
 City of Doral