Netflix delays its password-sharing crackdown to sometime before July

Netflix is pushing back its plans to crack down on password sharing in the US until sometime before July. In an earnings report released on Tuesday, the streamer says it "shifted out the timing of the broad launch from late Q1 to Q2."

Now, Netflix says that it's "pleased with the results" of its paid sharing implementation in these four countries so far and that it has helped build up Canada's paid subscriber base, which is "now growing faster than in the US."

In these locations — along with some of the Latin and Central American countries where it first began testing password-sharing rules — users must pay extra if they want to share their Netflix accounts with people outside of their "primary" households. Netflix tacks on an extra $7.99 CAD (around $5.97 USD) per month per person in Canada, although the option to share an account with up to two other people is only available with Netflix's Standard and Premium plans.

Delaying the launch of paid sharing should help Netflix implement some of the improvements it came up with while testing the feature outside the US, Netflix co-CEO Greg Peters explained during an earnings call. The company says it wants to ensure that users can still access Netflix while traveling outside their primary households, as well as give them the tools they need to manage access to their accounts and devices.

"We felt based on those results, it was better to take a little bit of extra time, incorporate those learnings and make this transition as smooth as possible as we can for members," Peters said.

Netflix is already making more money per subscriber with its ad-supported tier

Netflix added 1.75 million subscribers in the first quarter of 2023, making for a total of 232.5 million globally. As pointed out by streaming journalist Janko Roettgers, Netflix is already making more money per subscriber with its $6.99 per month ad-supported tier when compared to its cheapest ad-free tier. Netflix chief financial officer Spencer Neumann confirmed this during the company's earnings call, noting that the company's "pleased with our per member ad plan economics" while adding that it's even "higher" than the company's Basic plan without ads.

Update April 18th, 6:36PM ET: *Added additional statements and context from Netflix executives.*

https://www.theverge.com/2023/4/18/23687853/netflix-earnings-password-sharing-delay-q1-2023