

Read the passages and select the best answer for each question.

NETFLIX – IT'S RISE IN POPULARITY

What streaming service constitutes 15% of the world's bandwidth? Netflix! This company has become well known in the world of streaming videos, and it's no surprise as to why.

What is Netflix?

Netflix was founded by Marc Randolph and Reed Hastings in Scotts Valley, California. Netflix was the first company to rent DVDs to people via the U.S. post office mail. When Netflix originally started out, members could sign up on their website and rent DVDs to be mailed to them through the post office. This was an extremely easy alternative to going to the local video rental store, especially if there wasn't one nearby. When the user was finished watching the movie, they simply returned it through the mail in the pre-paid postage envelope provided by Netflix. The DVD rentals cost about \$4 per movie and users also paid a \$2 shipping fee. After a while, the company experienced significant growth and their business turned into a subscriber-based model. Subscribers were allowed to keep the movie they rented for as long as they wished. However, they could only receive a new movie once the previous one was returned.

Where does the name Netflix come from?

Marc and Reed developed the name Netflix from a play on two words. "Net" comes from the word "internet." "Flix" is a play on the word "flick" which is sometimes used in lieu of the word "movie."

How did Netflix get its start in the digital world?

Marc Randolph worked for Reed Hastings's company called Pure Atria. He was their marketing director. The two came up with the idea for what would become Netflix driving between their homes in Santa Cruz and their office in Sunnyvale. They decided to test the waters and attempted to mail a DVD from their office to their house. When it arrived in perfect condition, they felt it was good timing to test their new idea. Netflix was launched in April 1998. In the beginning, they had only a few staff workers and were renting under 1000 different movies.

Netflix has grown exponentially since its DVD rent-by-mail days. Now it is an enormous video streaming company that has over 180 million subscribers! Are you one of them?

1. The introduction paragraph most likely is saying:

- a. Netflix is a very successful company.
- b. People spend too much time on the internet.
- c. Netflix costs too much.
- d. The internet likes Netflix.

2. What inference can be made about the Netflix subscriber model mentioned in the second paragraph?

- a. Due to Netflix's success they were able to become a subscriber model.
- b. The subscriber model was an effort to save the failing company.
- c. The subscriber model is the natural next step for a company like that.
- d. Netflix always wanted to have subscribers.

3. Which detail supports the inference in question two?

- a. "Netflix was the first company to rent DVDs to people via the U.S. post office mail."
- b. "This was an extremely easy alternative to going to the local video rental store, especially if there wasn't one nearby."
- c. "The DVD rentals cost about \$4 per movie and users also paid a \$2 shipping fee."
- d. "After a while, the company experienced significant growth and their business turned into a subscriber-based model."

4. In the section, "How did Netflix get its start in the digital world?" Which detail supports the idea that Randolph and Hastings were unsure that a DVD would be safe in the mail?

- a. "Netflix was launched in April 1998."
- b. "They decided to test the waters and attempted to mail a DVD from their office to their house"
- c. "He was their marketing director."
- d. "The two came up with the idea for what would become Netflix driving between their homes in Santa Cruz and their office in Sunnyvale."

5. After reading the passage, what can you infer about Netflix?

- a. Netflix has been around since before computers.
- b. Netflix is a new company.
- c. Netflix has grown a lot in the time that it has been a company.
- d. Netflix is a company that won't be around for very much longer.

KEY**NETFLIX – IT'S RISE IN POPULARITY**

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