



Research on the Competitive Analysis and Competitive Strategy Optimization of Netflix

Yiou Wang^(✉)

Department of Drama, Film and Television Literature, Shenyang Conservatory of Music,
Fushun 113000, Liaoning, China
hmangum@une.edu

Abstract. As a company established only for more than 20 years, Netflix has become a strong competitor of a large broadcasting platform through its continuous development, inseparable from its competitive strategy and development model. This article will analyze Netflix's development, status, and trend and how to improve its competitiveness. This paper will discuss 3 parts, including the current epidemic situation and the constant threat of social development competitors. In this case, the development trend of Netflix in the face of opportunities and challenges, it is imperative to improve the market competitiveness of enterprises. Now in the face of development prospects, Netflix should take opportunities and challenges as the driving force and continue to expand. This paper can be a reference for more enterprises like Netflix. At the same time, it can help Netflix develop its overseas market expansion strategy.

Keywords: Netflix · Competitive analysis · Competitive strategy

1 Introduction

1.1 Research Background

Netflix was founded in 1997. Its film and television are not only loved by American audiences but also by audiences in many countries around the world. Netflix or YouTube is a TT service company that originated in the United States and provides online video on demand in many countries. In addition, DND leasing services in the single fee department are also operated in the United States. The latter uses reply envelopes to send DD and baby rental CDs to the address designated by the consumer. Reed Hastings and Marc Randolph were founded on August 29th, 1997. Headquartered in rosegato, California, the company launched a subscription-based service in 1997. As of 2009, it has provided more than 100000 movie DVDs with more than 10 million subscribers. In addition, Netflix has become one of the world leaders in media platforms. As of November 2022, Netflix's media services have 203.7 billion users worldwide and 73 million users in the United States. Its main competitors are ho, Amazon video, Disney + premier, TV+, and at&t. But unlike other media and film companies with many years of history, Netflix

has a short history. In recent years, with the deepening of value theory research, more and more scholars have begun to discuss business models from the perspective of value creation based on value creation logic. The business model can be divided into four parts: value orientation, value creation, value transmission, and value acquisition. Each part corresponds to different business model elements. This paper analyzes the constituent elements of Netflix's three innovative business models from the value creation perspective. Analyze these three innovative ways and value creation logic, and provide reference and Enlightenment for other enterprises to innovate business models in the era of the Internet, mobile social networks, and big data [1].

Compared with other film and television media companies with more than 100 years. Netflix has not been affected by the development time. Instead, it can better grasp the trend of the times. Its market value has exceeded 100 billion US dollars in just 20 years since its inception. 1.2 Literature review. Lobato studied how the established method of TV sales can be applied to subscription video on demand (SVOD) services. Specifically, this paper identifies several key issues, old and new, which can be investigated by carefully studying the SVOD directories of different countries. Take Netflix as an example, and compare it with the early research on broadcasting and film schedules. This article will explore what Netflix's international catalog means to us about the diversity of streaming media services and how this is linked to the long-standing tradition of debate about the direction and intensity of global media streaming. Finally, this study describes the research agenda of the Netflix directory and evaluates the utility (and methodological traps) of various data in such projects [2].

Lotz believes that the emergence of user-supported, consumer-oriented media video services is significant for global video distribution. Transnational media flow and power discussion -- critical communication research's core issue has just begun exploring this change. This paper studies how global streaming media challenges the existing communication and media theories of transnational images and their cultural forces and considers the theoretical reconstruction required by the different characteristics of streaming media. Taking Netflix as the research object, this paper makes an empirical exploration and comparison of 17 national libraries using the library data analyzed by ampere. According to the analysis, compared with other American services and Netflix libraries, the content of Netflix Library in the country is quite different [3]. Silva found that the Brazilian cable television industry has experienced a sharp decline in recent years. At the same time, the top platform Netflix is also very popular, and Brazil has become one of the largest markets. This paper studies the competitive effect of Netflix entering the existing cable TV industry. We explored regional differences in Netflix popularity (measured by Google Trends) and combined this information with official data on the cable market. Using the two-way fixed effect evaluator and weekly and monthly observations (including 2012–2019), we can see that Netflix's popularity has increased the standard deviation. This is related to reducing cable TV user density by 3.62% and reducing 19.69% the number of small companies operating cable TV [4]. Ghana found that in the past few decades, the media research on television and television ratings and many revised media theories have brought new ideas and problems. One of the problems is that although I don't know how to define "active audience". We should consider that these media audiences jointly create the ultimate meaning of all media content (including

drama and TV Series). They can participate in the media production process, at least. According to Marta Zivkovic, today's visual culture is not just television but constantly accelerated through fragments, performances, and scenes of advanced short stories. Of course, this trend has a strong impact on contemporary art.

1.2 Literature Review

Jorjana slosner said that the current form of cultural consumerism is unique. It answers the questions related to human existence in the past, which are different from any other cultural consumption in the past. Postmodern culture provides us with a fascinating concept of lifestyle. These concepts directly impact today's modeling, attention, adventure, versatility, fashion, and practicality of storytelling. This style has mastered visual image, culture, and cultural value for decades. We should add that these promotional activities and marketing strategies also follow this trend, which is very obvious in TV programs. TV broadcasting depends on building a successful brand to a great extent.

Brand in electronic media involves image building and marketing activity planning, creating, or strengthening the commercial deployment of goods and services. Juraj rusnik regards "image building" in media production as one of the most important strategies to affect media audiences. When producing entertainment programs, media institutions cannot maintain and improve their market position if they do not hire professional experts to create and disseminate this idea to media audiences (the so-called image producers). Today's TV production is very diverse. This means that TV brands have become more complex. Because there are more parts in the production chain of "brand". The TV service provided by the Internet only reaffirms the necessity of critical reflection on brands in TV program production. In other words, TV brands include more than products. In terms of TV series.

Marle's Luke cage, several other future TV series, the next season of the released TV series under development), TV stations, entertainment experience providers, and producers watch TV series (Netflix). It is worth noting that the production company Marvel television is a division of Disney Company Marvel Entertainment, which incorporates the name into all the official names of the TV series exclusively distributed by Netflix [5].

Most scholars have mainly studied the layout of video networks in the era of big data, taking Netflix as an example to study the development of other environmental industries. On the contrary, this article will study the strategic development of Netflix enterprises themselves and has studied their competitive optimization.

1.3 Research Framework

First, this article will introduce the background of Netflix and understand its market competition strategy at this stage. Secondly, we will compare the previous competitive strategies and analyze their changes and achievements. Thirdly, we will combine the transformation of competitive strategies in recent years with the market and the rate of return to match the unique development strategies that are more suitable for Netflix. Finally, we will summarize the competitive market strategies that are most suitable for the development of Netflix.

2 Methods

2.1 Investigation and Research Method

It refers to the direct acquisition of relevant materials through a thorough investigation to understand the objective situation (and the research method of analyzing these materials and pestles. The investigation method can be free from the restrictions of Spatiotemporal investigation, and research is a common method in scientific research. Investigation and research methods can be used for descriptive, explanatory, and exploratory research. Through the analysis of audience evaluation, this paper can find out what the audience wants to find and see on the network and provide various competitive means and strategies for the network.

2.2 Comparison Method

It is a method to compare and analyze the achievements and existing problems of economic activities in scientific inquiry activities. Comparative analysis is generally used, similar to the equivalent substitution method.

In this paper, through comparative analysis, we will compare Netflix and mango TV, Analysis the market competitiveness of Netflix as the same enterprise, which is better than mango TV, which competitive strategies are more in line with the development of Netflix, and further formulates competitive means more suitable for the development of Netflix.

3 Results

3.1 Analysis of the Development and Status and Trend of Netflix

The business model is the outline of the logic of enterprise value creation. A successful business model is conducive to the high growth of enterprises. By analyzing the core elements of Netflix's business model (value proposition, value network, strategic resources, and competitive strategy), this paper points out the innovation of its value creation logic and the corresponding risks. This paper presents some management enlightenment based on the case study of Netflix's innovative business model [7]. In 2021, Netflix's momentum continued to grow to a company just set up for 20 years. This is a very good development trend, with no delay even under the outbreak of Netflix's rapid development. But by 2022, Netflix shares changes appeared inflection point. It refers to a downward trend, and the main reason for the decline in the number of users is a slump in share prices. Reflecting a lack of confidence in the market, the loss of 200,000 subscribers represents just 0.2% of Netflix's global subscribers, the first time in 10 years that Netflix has lost subscribers. This signals that in The era of rapid growth, Netflix may already no longer. In other words, the business model set in the past are gradually failed, referred to in the past few years as the inevitable result of streaming media. Think of Netflix, but with Disney, Apple, and Amazon, into the track a person's competition with Netflix, Netflix competition pressure will increase. While its user growth is slowing, to a certain extent, it is affected by the influence of multiple competitors. If Netflix wants to survive in the industry, its competitive strength will inevitably continue to grow.

3.2 Improve Netflix's Competitiveness

Netflix is famous worldwide for its “house of cards”. With the transformation from DVD rental to streaming media-on-demand, Netflix relies on unique data mining and unremitting customer attention. Based on traditional business, it pays attention to the changing market. With the integration and persistence of traditional experience and modern consciousness, it has become the world's largest online video broadcasting service provider. The success of Netflix provides a reference experience for TV media struggling to transform [6]. According to Netflix, such an amazing user growth rate, Mainly due to the huge investment in original content, “Netflix's biggest competitiveness comes from its massive amount of original content. Netflix has signed content supply agreements with many US film and television companies, publishers, and copyright owners with its channel advantages to ensure the timely updating of the content library. Netflix is considering prioritizing the projects with the highest return rate rather than the most influential ones. Its higher market return rate can bring Netflix more benefits. In the development history of Netflix for more than 20 years, at the beginning of its development stage, Netflix had to use some high investment films to get some. Higher public praise, for example, “house of cards” However, with the continuous development of Netflix, its reputation has been built, and it needs more projects to bring higher profits and more profit margins to the enterprise. In addition, Netflix had also given up the competition mode that did not add advertising before and brought customers a better sense of experience. In order to enable enterprises to obtain more profits, Netflix has also given up this point. Therefore, this reflects that with the continuous development of the enterprise, Netflix's development strategy has changed from building public praise to achieving higher income.

3.3 Advantages and Problems of Netflix's Current Development

First of all, in Netflix's strategy at this stage, Netflix can collect the audience's data and analyze it well. So, it can have a good understanding of the market and customers. Second, it can constantly improve the content to give customers a better experience. The times are constantly changing. Especially in the media industry, which should be at the forefront of capturing new things. Netflix can grasp the market well. Continuous improvement of the content in line with the time and the tastes of the public can bring more audience ratings to a certain extent. However, under the influence of the global epidemic, the global economy and the media industry have been affected to a certain extent, and Netflix is bound to be affected. Reducing challenges and turning them into opportunities is one of the important issues Netflix faces at this stage.

4 Discussion

4.1 In the Face of the Current Epidemic and the Constant Threat of Social Development Competitors, Netflix's Development Trend

In the face of the epidemic, it may be a good thing for enterprises such as Netflix because Netflix is based on the user's paid to film and television viewing as a profit

model. Therefore, it is an opportunity for “people to stay at home more and have more time for entertainment and elimination due to the impact of the epidemic, and film and television video is an important tool for people’s daily entertainment and elimination. Netflix’s revenue in the fourth quarter of 2021 was \$7.709 bill, an increase of 16.0% over the same period: The net profit was \$607 million. Up 11.9% year-on-year from \$54.2 billion in the same period last year. From this data, we can see that the turnover of Netflix has increased rather than decreased since the epidemic, showing that the epidemic has a certain role in promoting it. Still, at the same time, the global economy is greatly affected by the epidemic, which has an impact on all industries, so it will also have a certain impact on Netflix. Specifically, Netflix did not add advertising before, giving users a better sense of experience. However, at this stage, Netflix is also interested in launching an advertising subscription model.

4.2 Facing Opportunities and Challenges, It is Imperative to Improve the Market Competitiveness of Enterprises

At this stage, except for Apple TV plus, almost all of Netflix’s competitors provide or have announced relevant subscription services, including advertising. For example, Disney announced in March this year that Disney+ will launch a package with advertising but at a lower price. Therefore, it is imperative to jump out of the original model, continuously adapt to the market, and launch a new development model and strategy. If it cannot adapt to the market well, it will be eliminated by the market. At this stage, Netflix can improve its market competitiveness from the aspects of content and pricing, obtain a larger market share, improve the enterprise’s overall competitiveness, and constantly internalize the competitiveness of all departments. Salary incentive has always been an important research topic in corporate governance and management. As a formal system, Both the design and effective implementation of the salary incentive mechanism is theoretically based on the principal-agent framework and the traditional management control logic. However, as an informal institutional arrangement, trust plays a unique role in designing modern enterprise salary mechanisms and has a complementary effect to the formal institutional arrangement. As an American high-tech company advocating the culture of trust, the design and implementation of online salary incentives fully reflect the uniqueness of its salary design (mainly stock options). With the full range of wage incentives, the independent choice of the wage structure, and the marketization of exercise conditions, through case analysis, it is found that trust culture has an important impact on salary incentives. Whether in theory or the salary mechanism design of Chinese high-tech companies, Netflix’s practices have some enlightenment and reference significance [8].

Netflix has shifted from the original business model of high investment and a high return to the business shooting model of low investment and high return. For example, the TV series “squid game” launched in 2021 completely broke the original business philosophy. To a certain extent, it reflects the fixity of Netflix’s market position and the change in its business philosophy. In terms of content, Netflix can continue to launch more topics of interest to the audience, launch more and better high-quality movies, and win more subscriptions. Just like the new series “Berlin” scheduled as a spiritual continuation of “paper house”, it can be said that “Berlin” is a derivative of “paper house”

to a certain extent. It satisfies the spiritual plot of the audience and explains to the fans of paper house. On the contrary, this practice can bring better feelings to the audience and meet some psychological satisfaction. Regarding pricing, we can continue to launch more packages to attract audiences and bring a better profit margin.

4.3 Now Facing the Development Prospect, Netflix Should Turn Opportunities and Challenges into Driving Forces and Continue to Expand

Opportunities can make enterprises develop smoothly, and challenges can also make enterprises develop better to a certain extent. Still, the premise is that enterprises should recognize the industry and seize this opportunity and challenge to develop better. At present, Netflix should also grasp the trend of the market. The competition in the streaming media industry is very fierce. All companies have used their skills. It has created a series of popular IPs with high content quality and high-tech effects. It can invest more energy in research and development ideas, create a better production and shooting team, bring a better sense of experience to the audience to attract more users ³. And bring better benefits. Facing this situation, Netflix no longer carries out a single competition, and we can put the track on more and wider industries. For example, in the late operation of the new TV series “squid game” launched in 2021, online businesses have not been broadcast in the local area for a long time. The store can buy clothes for the same type of squid game, including T-shirts and sweaters, which can be reflected. It can continue improving its related peripheral goods as a streaming media enterprise while creating good content production. It can not only promote its plays but also develop the second market, so This kind of thinking can continue. We can seize the opportunity and continue to expand overseas. For more than 20 years since its establishment, Netflix has stood out in the competition of global video-on-demand services under its technological innovation and content recommendation advantages in the international competition. The net has adapted to the ideological and legal boundaries of the target market with diversified and inclusive expansion logic. In terms of content construction, it has spent much money to build a diversified original database and shape popular and local tastes: By catering to local culture, language, pricing, and payment habits and exploring the international market. Netflix’s technological innovation and transnational practice have an international demonstration effect on the media industry to enhance its technological and content advantages [9]. Netflix is a US streaming media giant and the world’s largest paid video website. After 2010, with the slowdown in the growth of subscribers in the US domestic market, Netflix began to lay out overseas markets. In 2016, Netflix officially entered South Korea. In South Korea, in addition to purchasing the content copyright of local well-known production companies and television stations and cooperating to develop video content. Netflix continued to maintain the self-made content production mode at large-scale production. Netflix relied on its systematic operation form, international vision, and localization creation strategy and has succeeded in the highly competitive Korean and Asian markets [10].

4.4 Optimize the Competitiveness of Netflix in the Face of the Global Environment

However, in the face of the current global environment, there is a huge market for Netflix. 15.8 million paid members were added during the epidemic. In addition to online office enterprises, streaming media platforms are also available for enterprises that benefited from the epidemic. After all, in this situation, everyone can only stay at home, so offline enterprises have been greatly affected, but people watch movies, The need for boredom to pass the time still cannot be eliminated. Therefore, online enterprises are also booming, such as the game industry and streaming media industry. Subscribers are growing every day, and the increment is far beyond expectations.

Since 2015, Netflix has started its world-class expansion. When competitors such as Hulu limited their services to North America, Netflix has provided services in more than 100 countries and regions around the world. Without restrictions, you can use any Netflix account to watch Netflix in any region that supports services. Netflix's business in the United States is almost saturated. In the just released financial report, it announced that the number of subscribers is 53 million. Considering that most families can share Netflix accounts, this number is amazing. In the past two years, the number of overseas subscribers has increased rapidly from 30 million to 68 million. With 125 million subscribers, Netflix has become the most dazzling star in the content industry.

5 Conclusion

This paper develops and improves in the face of the current market environment by studying this topic. Optimize the competitiveness of Tongue, and how to optimize and adjust in the face of the same problem of Netflix to get more secure markets and broad development prospects. Give more ideas through this paper and how to optimize the whole industry for companies with the same type as Netflix and Netflix. To improve competitiveness and how companies of the same type like Netflix can improve the industry's competitiveness.

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