

# ***Exploring the Development Path of Streaming Media Platforms in the Context of Globalization***

## ***--Taking Netflix as an Example***

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**Abstract:** With subscribers and activity in their home markets of North America declining each year and the metaverse evolving, today's streaming platforms need to explore new markets in film and television and use their natural strengths to explore other areas. This paper takes Netflix as a representative to explore what kind of development path streaming media platforms should seek in today's era in order to break the bottlenecks they are facing nowadays. For TV and film, streaming platforms should take advantage of their own network distribution and cooperate with markets around the world to attract users from outside the mainstream North American market. In addition to film and television, streaming platforms should develop the development space of their own film and television IPs, explore the game industry, transform the quality IPs in their hands into NFT form to realize and share the dividends of the game industry. Through analyzing the development cases of excellent film and television platforms, this paper summarizes some of the experiences that can be learned from the development of Chinese film and television, and explores the road suitable for the development of Chinese film and television.

**Keywords:** Netflix streaming media, metaverse, film industry, participatory communication

## **1. Introduction**

In the post-21st century media globalization studies, some scholars have found that the dissemination of film or television can be done across countries or regions, as well as in such a context, the advantages of streaming media in terms of speed and breadth of distribution compared to traditional cinema are increasingly evident. By combining with broadband Internet, streaming media technology continues to transcend technical limitations of receiving terminals and transmission pipes, and is now fully capable of this efficient distribution speed has become the biggest advantage of streaming media platforms in competition. On this basis, streaming media platforms have impacted traditional cinemas, and to a certain extent, shaped the new shape of the current film industry. Taking Netflix as an example, this paper firstly analyzes how streaming media platforms can maximize their distribution advantages and cope with the problem of user loss, secondly analyzes how streaming media platforms should develop new industries and profit in the new market under the meta-universe development environment, and finally summarizes the

experience of the development of excellent platforms to provide new ideas for the development of China's film and television industry.

## **2. The Dilemma Faced by Netflix and Other Streaming Platforms**

Streaming media want to break through the bottleneck, should change the traditional communication mode, the use of participatory communication so as to give full play to their own platform's greatest advantage. Streaming media as a new media platform born in the Internet era, compared with the traditional media platform, its biggest advantage is the high speed and high breadth of communication. In recent years, with the continuous progress of Internet technology through the combination of broadband Internet, streaming media technology continues to transcend the technical limitations of the receiving terminal and transmission pipeline, and has been able to realize the instant transmission of high-definition audiovisual symbols [1]. On this basis, the entire audiovisual process has been able to realize the development of Netflix, as the world's leading streaming media platform, has always occupied the leading position in the market in the past ten years or so. However, according to Netflix's Q1 and Q2 earnings reports in 2022, the company has encountered certain bottlenecks in its development, which are manifested in, but not limited to, slow subscriber growth and fierce competition from the same streaming platforms, as well as difficulties in terms of mono-cultural output. First of all, although Netflix ate the dividends of the early development, but now not only face the traditional linear TV competition, but also by Disney +, AppleTV +, AmazonPrimeVideo and other strong rivals to divide the market, and even by the impact from the user-generated content-based short video platforms such as TikTok, YouTube [2]. Compared to its main competitor, Disney, Netflix's biggest disadvantage is the lack of original IP, also as a streaming platform, it does not have a huge number of IPs such as Marvel and Princess series that have a huge influence around the world; therefore, Netflix does not have a unique advantage in producing its original movie and TV works and establishing a unique brand image. Secondly, in addition to the pressure brought by competitors on the same track, the bottleneck common to the North American film and television industry has also become another difficulty on the road of Netflix's development. Under the background of globalization with the rapid development of the Internet, the traditional one-way mode of exporting North American culture has been declining. In 2006, British scholar Daya Tusso found that in the 21st century, with the emergence of a large number of mobile and Internet media, the phenomenon of "reflux" in the global cultural communication has appeared [3] and non-estern media are frequently disseminated in the western media environment. Western media environments are frequently characterized by the spread of non-estern content, even to the extent of influencing the United States of America, a country that in previous studies was considered to have a strong media discourse, and that the distinction between the identities of transmitters and receivers is being further blurred.

## **3. Participatory Communication**

Based on this finding, Netflix has developed a new development concept based on cross-cultural communication, collaborating with local cultures in other countries, not only to broaden the international market, but also to "find audiences in the U.S. for content produced in other countries through a data recommendation system" [4]. In this way, it is able to feed the North American domestic market while exploring external markets. In the process of engaging in participatory communication, Netflix has gone through three main stages of transformational development: from copyright purchase, to independent overseas distribution, to content originality [5]. As shown in Figure 1, taking Netflix's dissemination in the field of Korean film and television as an example, in the first two years of entering the Korean film and television industry, Netflix mainly purchased the

screening rights of Korean films, initially used Korean films on the platform to find audiences, and gradually sought exclusive rights to improve competitiveness and cultivate regular paying users. In February 2021, Netflix platform globally launched the sci-fi film “Space Sweepers”. This Korean movie, exclusively distributed online by Netflix, took the first place in North America on the first day of its launch [6], and then occupied the top ten position for several weeks, becoming one of the most popular movies among American audiences that month. After the initial success, Netflix began to seek to distribute its own original content, which was manifested in the cooperation with outstanding local teams, digging deep into the local culture and producing truly localized stories. In the case of the worldwide smash hit *Squid Game*, Netflix identified talented local directors and actors and gave them enough creative freedom to explore social issues such as migrant labor in Central Asia in their plots. While being localized enough to appeal to Korean audiences, it also utilized its unique cultural flavor to attract audiences from outside the local area. This participatory communication approach not only helps to develop different audience markets, but also gives full play to the streaming media’s own advantages of speed and breadth of communication, and has become a crucial step in Netflix’s transformation and development. As shown in Figure 1 and Figure 2 after changing its communication strategy and fully practicing this communication approach with Korean films and TV shows, Netflix’s earnings in both the Korean and Asia-Pacific markets have increased significantly.

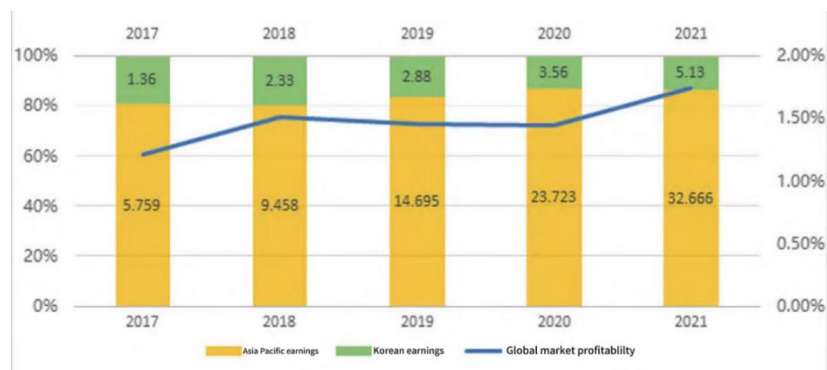


Figure 1: Netflix Korea Market profit (unit: \$100 million) [3].

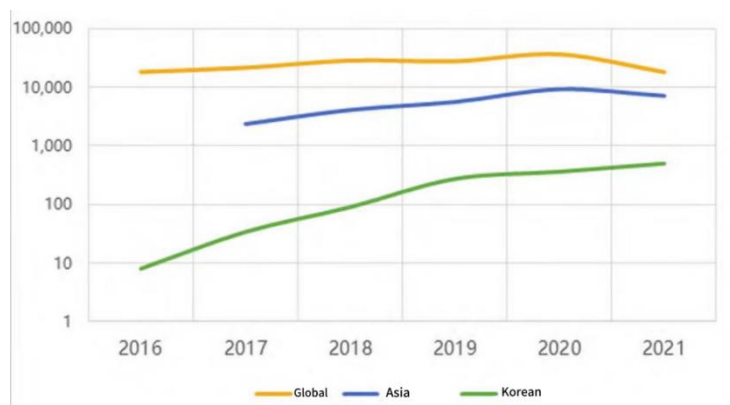


Figure 2: Net growth of Netflix paid subscribers (in tens of thousands) [3].

#### 4. A Diversified Path Combining Film and Television with Games

In addition to transformative innovations in film and television, Netflix likewise has a brand-new space for development in the field of meta-universe gaming. Although after the transformation of participatory communication, Netflix has opened up a brand new market and broken through certain development limitations, its essence is still to seek development in the field of film and television, and if you want to play Netflix's advantages in data, you have to seek to broaden the development in other fields. Netflix, as a streaming giant that has been deeply cultivated in the film and television industry for many years, has a large user group.

Netflix, as a streaming giant that has been deeply cultivating the film and television industry for many years, has a large user group and a profound user base, and in the process of transitioning to the field of meta-universe games, it should deeply explore the value of users, and through the combination of Netflix's excellent screenwriting ability and virtual technologies such as VR and AR, it will create a movie narrative meta-universe game, which will attract more game enthusiasts [7]. Such a game model is developed in the context of meta-universe. With the arrival of the data era, on the basis of the blockchain economy, Metaverse, as a combination of virtual and real space, is the space of the current global capital tug-of-war, marking the arrival of a new Internet 3.0 era [8]. If the medium in the Internet era is a composite extension of multiple senses, the all-around connection of virtual world senses is realized in the Metaverse [9]. In today's environment, the meta-universe is in the early stage of development, and its business development ecology is close to the game, adopting a new business model called P2E (Play to Earn), which takes the decentralization of works as the core of the development, giving users the opportunity to create games independently, so that they can offer and sell their own creations in the mainstream market in order to facilitate the formation of an interactive, immersive, diversified, open and creator economy game ecology. Netflix, as a movie and TV platform, inherently has the advantage of data and IP in the competition with the game industry. For example, in cooperation with Korean film and television, the world's most popular squid game has become a very famous IP of Netflix, and the development space of such globally influential film and television IP in the game field is very huge. In fact, Netflix has always had plans to develop the game business, and in 2018, Netflix tried to adapt its classic IP "Black Mirror" into a real-life interactive game, realizing "film and game interaction" by embedding the game in the episodes. In 2018, Netflix tried to adapt its classic IP "Black Mirror" into a live interactive game, realizing "movie-game interaction" by embedding the game in the episodes of the show, which gained good feedback from players [10].

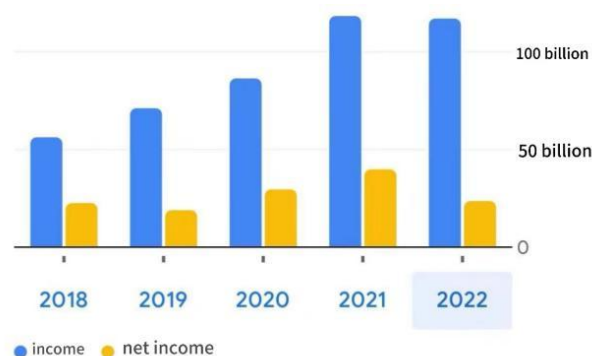


Figure 3: Annual income statement for the last five years of Meta Platforms, Inc.

The same model can also be applied to other film and television IP under Netflix, today's era, technology VR, AR and other technologies are still developed to a certain level, enough to support

the development of the meta-universe game, as shown in Figure 3, the meta-universe as a brand new direction of development of the Internet in the spotlight, won the influx of capital and attention, revenue and profitability growth in successive years, in the culmination of the development of the stage, but has not yet entered the stabilization stage, this is the time for Netflix to develop its game, and it is also the time for Netflix to develop its game. The stabilization stage is a good opportunity for Netflix to join. This kind of cooperation mode has a blue ocean of development space in the future, for Netflix, it will help its transformation and development, open up a new track to compete with other streaming media platforms, change its previous single development mode, and at the same time, give full play to its own unique advantages, and make a pre-emptive strike in the brand new development field, and share the income from the rapid development of the field of meta-universe. For the metaverse, as a new field, the addition of a highly recognized platform like Netflix not only provides it with a wealth of creative IPs, but also helps the metaverse to open up its visibility and broaden its audience among people other than Internet practitioners. From this point of view, such a cooperation model combining film and TV with games is mutually beneficial to both parties and can be a development direction to be considered in the future.

## 5. Conclusion

Overall, facing the problem of declining number of local users, streaming media platform should actively explore the international market, cooperate with local excellent team, change the previous one-way output of European and American culture, produce excellent film and television works with localized color, carry out participatory dissemination, and give full play to the streaming media platform's own dissemination advantages. In the face of the more severe competitive situation among streaming media platforms under the development of meta-network, it can fully utilize its own excellent IP, actively layout the meta-network game industry, and realize the strategic transformation of "film and game linkage" in the era of meta-universe, so as to cope with the more diversified competition, activate the stock market, and explore the new growth point in today's congested meta-network track, and obtain more dividends from this market. By analyzing the business models of streaming media platforms and other related industries, this paper summarizes the possible effective ways for streaming media platforms to break through their own bottlenecks and acquire new users, and proposes effective ways for transformation and development. However, since the streaming media industry is an emerging industry in recent years, the amount of supporting data used in the study is slightly insufficient, and the sample is not rigorous enough; the study will be more convincing only after more related platforms are further developed and the related industries are more mature. With the development of technology, more related industries have emerged around the streaming media industry, and these emerging industries may become a new research direction for the transformation of streaming media development in the future.

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