

# Not all streaming services create content equally

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While Netflix is increasingly in the spotlight for its battle to retain subscribers, a QUT researcher says the streaming giant should not be compared to others and the notion of 'streaming wars' is out-dated.

"All companies offering video aren't locked in a competitive death

match and little of what we knew of the television and movie businesses apply directly to services like Netflix," said Professor Amanda Lotz from QUT's Digital Media Research Center and School of Communication.

"Relying on strategies that worked to compel viewers to theaters or to turn up to be sold to advertisers by broadcasters misses the mark."

Professor Lotz has just published a new paper—Netflix, library analysis, and globalization: rethinking mass media flows—in the *Journal of Communication*. Co-written with QUT Ph.D. student and research assistant Oliver Eklund and Professor Stuart Soroka from the University of California, Los Angeles, it suggests the abundance of analysis about the health and future of the video streaming business does not fully acknowledge key differences within the sector that are crucial to future outlooks, especially the viability of services outside the US.

"People make the mistake of lumping all US-based services in a single category and assuming that these services uniformly continue the American hegemony over video entertainment," said Professor Lotz.

"Yet our analysis of the titles that compose the libraries of 17 major Netflix markets revealed most titles—even in the US library—are not US produced.

"We found roughly 40% of titles are US produced. Other top sourcing countries include India, Japan, the UK, South Korea, France, Spain, Canada, China, and Egypt, along with 69 other countries.

"Meanwhile, other US-based services such as Disney+, HBO Max, and Paramount+ offer libraries with roughly half the titles Netflix offers and are heavily reliant on decades of US-produced titles."

However, Professor Lotz said none of the services, including Netflix, was a strong provider of domestically produced titles in the countries they service outside the US.

"Netflix is distinct from other streamers in offering libraries sourced from many countries—and not just those that dominated trade previously. Yet, it is not directly competitive with and not possibly a replacement for the domestic production offered by national services, but more a complement," she said.

"Beyond the differences in what they offer viewers, the business fundamentals of these services vary in ways that require us to not assume they are all running the same race or that there will be one winner of the so-called 'streaming wars'.

"Offering unlimited access to a library of titles for a monthly fee to a market not bound by nation, which is what Netflix does, is unprecedented. How sustainable that is, or the investment quality of such a business, are different questions."

Professor Lotz said it also wasn't clear what metrics should be used to evaluate streaming services.

"Number of subscribers doesn't tell us much, especially when services go to market at prices well below what they will need to charge to be sustainable," Professor Lotz said.

"Number of viewers of any title is not a strong indicator either. This is the old way of thinking. A [streaming service](#) is a bundle of titles that can satisfy subscribers seeking different experiences simultaneously.

"This is crucial, because to compel payment, streamers must offer something more valuable than what viewers can get for free—thus to

assess their value to the service, number of viewers needs combined with a measure of the satisfaction titles produce.

"Less buzzy titles far from the top 10 most viewed can be crucial to maintaining subscribers even if they remain off the radar of journalists and critics.

"The sense that the bottom is falling out of the streaming market is the latest of many misperceptions. Nothing really changed in early 2022. The fundamentals of these unprecedented businesses remain in development—maybe it was an end to the irrational exuberance that led to market capitalisations that were never tied to anything real."

**More information:** Amanda D Lotz et al, Netflix, library analysis, and globalization: rethinking mass media flows, *Journal of Communication* (2022). [DOI: 10.1093/joc/jqac020](https://doi.org/10.1093/joc/jqac020)

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