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JCMS: Journal of Cinema and Media Studies, Volume 59, Number 3, Spring 2020, pp. 132-136 (Article)

Published by Michigan Publishing

DOI: <https://doi.org/10.1353/cj.2020.0034>



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# IN FOCUS: Global Netflix

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## Imagining Global Video: The Challenge of Netflix

by RAMON LOBATO and AMANDA D. LOTZ, editors

**N**etflix has evolved swiftly and significantly over its two-decade history. The service that established itself distributing films on DVD by mail in the United States is now most aptly categorized as a global video service. Yet Netflix's often-claimed "global" status is always a matter of dispute, for film and media scholars as much as for audiences.

Because of Netflix's policy of reporting subscriber numbers only in the categories of US or "international" subscribers, it is often difficult to have a sense of how pervasive the service is anywhere other than the United States. Netflix's catalog, cultural status, brand recognition, and market power also vary enormously from country to country. For media scholars, these conditions present empirical and conceptual challenges related to the general problem of how to study a video service that is experienced differently in each country. They also open up possibilities for comparative research grounded in specific contexts to better understand Netflix in its diverse geographic manifestations. This In Focus dossier is the result of one such research experiment.

Critically locating Netflix in a global context requires holding two contradictory realities in balance: Netflix is a single company that has direct-to-consumer subscription relationships with 150 million customers worldwide. This makes it arguably more global than any previous screen producer and distributor. But to make any claim about Netflix requires locating it in a particular place—in a country-specific catalog; in a nation-state with particular technological infrastructure, competing and complementary services, and regulatory regimes; and in markets characterized by different audience expectations, preferences, and cultural norms.

Netflix imagines and constructs itself as “global” in a manner different from previous video services. To paraphrase Graeme Turner and Jinna Tay’s oft-quoted aphorism that “the answer to the question ‘What is television?’ very much depends on where you are,” the answer to the question “What is Netflix?” clearly also depends on where you are. Given this variation, perhaps the key question to wrestle with is, “What is at stake in imagining Netflix as global?”<sup>1</sup>

Of course, Netflix was not always global, and Netflix was not always a streaming video service. In the United States it was first a DVD-by-mail service that was far more connected to film than to television. That first version of Netflix is credited with the bankruptcy of Blockbuster Video and the general demise of video rental in the United States. This simple contextual variation often leads to very different assumptions of Netflix among those in the United States compared with those for whom it has been only a streaming service.

Even within the emergent sector of internet-distributed video, Netflix has engaged multiple strategies. These steady pivots—from by-mail film rental, to domestic, second-window television distributor, to multinational commissioner of original series and films—feed confused perceptions of the company and its consequence for other video distributors. Netflix is a fascinating object of study because it uses a new distribution technology and a previously uncommon business model, and is disrupting established norms of international video distribution based on temporal and spatial windowing. The trajectory of Netflix is also a most unusual story.<sup>2</sup> In an industry reliant on the vertical integration of production and distribution, it established a foothold despite owning no library of content. Recently launched services such as Disney+ are widely regarded as competitors or potential “Netflix killers,” but we assert these services are quite different in aim and strategy and are building services to leverage an existing library of intellectual property. Though announcing intentions of “global” availability, plans by others to produce content outside the United States have been limited.

Notably, we do not advocate for “Netflix studies” and agree with those critical of the amount of attention paid to this service when so many others exist unexplored. Nothing about Netflix should be accepted as a norm or standard. All the same, Netflix—as a site of analysis—serves as a useful example of some of the affordances of internet-distributed video more recognizable to an international field than any national service. The case of Netflix also provides an opportunity to connect traditional screen studies knowledge with wider debates about digital distribution, platforms, and algorithmic culture—debates that play out in distinct ways across national and disciplinary boundaries.<sup>3</sup> The task for scholars, then, is to locate analysis of Netflix (or

1 Graeme Turner and Jinna Tay, eds., *Television Studies After TV: Understanding Television in the Post-Broadcast Era* (London: Routledge, 2009).

2 Research about Netflix includes Gina Keating, *Netflixed: The Epic Battle for America's Eyeballs* (New York: Portfolio, 2014); Charles Tryon, *On-Demand Culture: Digital Delivery and the Future of Movies* (New Brunswick, NJ: Rutgers University Press, 2013); Ramon Lobato, *Netflix Nations: The Geography of Digital Distribution* (New York: New York University Press, 2019); Amanda D. Lotz, Ramon Lobato, and Julian Thomas, “Internet-Distributed Television Research: A Provocation,” *Media Industries* 5, no. 2 (2018): 35–47.

3 Exemplary studies from across the spectrum of media, communication, and cultural studies include Tom Evens and Karen Donders, *Platform Power and Policy in Transforming Television Markets* (Basingstoke, UK: Palgrave, 2018); Ed Finn, *What Algorithms Want* (Cambridge, MA: MIT Press, 2018); Catherine Johnson, *Online TV*

other services) within the wider cultural and industrial dynamics of internet-distributed video, subscriber funding, and established and emerging practices of multinational video distribution.

To understand the local specificity of Netflix's international expansion, in 2016 we came together with a small group of screen scholars from around the world to form the Global Internet Television Consortium, a research network dedicated to sharing information on Netflix's global rollout. The initial purpose of the consortium was to bring grounded and specific knowledge to the complicated growth of Netflix in the wake of its global expansion. We used a foreign-correspondent model, in which one or two local experts represented each country. Consortium members wrote dossiers describing the impact of Netflix in their home country and how local audiences, regulators, and media incumbents received it. Following a review process, the dossiers were then published on the consortium's website.<sup>4</sup>

Our first batch of dossiers were completed in 2016 and 2017 and covered Netflix in Australia, Brazil, Canada, Germany, Greece, India, Israel, Japan, Mexico, Spain, Sweden, Taiwan, and the United States. As membership of the consortium grew, we added new members and new dossiers on Argentina, Belgium, Italy, the Gulf States, the Philippines, South Africa, and the United Kingdom (with more to come at the time of writing). Our focus also expanded beyond Netflix to examine other services such as Hulu in the United States and Hotstar in India. Consortium activities have included conference panels, journal issues, and research collaborations among the members.

The purpose of the consortium, as with any comparative research project, was to track the interplay of similarity and difference. We were influenced by the comparative tradition of international broadcasting and video research, which often examined viewing practices and industry transformations across multiple countries.<sup>5</sup> Within this tradition, Netflix becomes a useful lens for studying a wider set of cultural, commercial, and political responses to the entry of a foreign service into national media environments. Consortium dossiers frequently describe how existing audiovisual distributors—especially national television networks and pay-TV operators—feel threatened by the entry of Netflix into their markets. This has resulted in the reconsideration of various policies designed for broadcasters and debates about which regulations and production incentives should apply to internet-distributed services based elsewhere. Most countries also now have their own domestic internet-distributed video services that are redefining the market of audiovisual provision. The complex interplay of these national services and the global streamers has become a feature of the audiovisual landscape in many countries, with implications for each service's programming,

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(London: Routledge, 2019); Derek Johnson, ed., *From Networks to Netflix: A Guide to Changing Channels* (London: Routledge, 2018); Amanda D. Lotz, *Portals: A Treatise on Internet-Distributed Television* (Ann Arbor: University of Michigan Press, 2017).

4 "Global Internet TV Consortium Website," Global Internet TV Consortium, <http://global-internet-tv.com>.

5 Elihu Katz and George Wedell, *Broadcasting in the Third World: Promise and Performance* (Cambridge, MA: Harvard University Press, 1978); Gladys D. Ganley and Oswald H. Ganley, *Global Political Fallout: The VCR's First Decade* (Cambridge, MA: Harvard University Center for Information Policy Research, 1985); James Lull, ed., *World Families Watch Television* (Newbury Park, CA: Sage, 1988).

marketing, and original production strategy.<sup>6</sup> The dossiers revealed enormous variation in national responses. Many countries' media environments have been profoundly transformed by Netflix, while others are far less affected. Much depends on current norms and availability. In Germany, the service is valued for its access to unedited, undubbed, and commercial-free US programs. In many others, including Australia, the relative lack of locally acquired or produced content inspires a key criticism. This is a common complaint from screen producers and industry associations in smaller nations, where locally produced Netflix originals are scarce. We also observed a number of contentious issues being debated across many countries where Netflix is present—including concern about Netflix's US content bias, expectations of it upholding censorship standards (including in India, where regulatory disparity between broadcast and streaming television is a major policy issue), and accusations of unfair competition for existing broadcast and pay-TV operators.

The insights apparent from placing the different dossiers in conversation are fascinating in their own right. Just as important are the methodological and conceptual questions that the consortium experiment raises—questions about research practices, the “spectre of comparisons,” and how to conceptualize the relationship between the global and the national.<sup>7</sup> Is Netflix a global service with local versions, or a collection of national services tied together into a global platform? By what yardstick do we judge its global penetration (e.g., reach, popularity, brand-recognition, or revenue)? Is cross-national comparison the best way to study Netflix in a “postnational” age? Might other geographic units of analysis, such as regions or geo-linguistic markets, provide different answers? What new insight does Netflix's expansion of original series production outside the United States suggest about whether its strategy may be multinational, rather than global, but also more complicated than that of a conventional US hegemon? These are a few of the questions that have animated our research with the consortium and that we continue to ponder individually and collectively. Our findings, and the questions themselves, are constantly changing as the multilayered global landscape of video services grows more complex.

This In Focus section comprises four essays from consortium scholars. Our contributors recount the dilemmas of Netflix's complicated global and national juxtaposition and their consequences for particular aspects of screen and media theory. The contributors ask questions about what is happening in specific places and with what consequences, providing rich insight into the broader topic of global video distribution. Their cases provide building blocks of knowledge about a nascent distribution technology and early-stage competitive field. Although what is happening in Brazil may tell us little about Taiwan, in time such analysis of grounded practices will provide the basis for deriving broader theory.

Juan Llamas-Rodriguez explores Mexico, a vital strategic market for Netflix. He offers a case study of the Netflix series *Luis Miguel: La serie* (2018), a dramatized biography

6 Sofia Rios and Alexa Scarlata, “Locating SVOD in Australia and Mexico: Stan and Blim Contend with Netflix,” *Critical Studies in Television* 13, no. 4 (2018): 475–490.

7 Benedict Anderson, *The Spectre of Comparisons: Nationalism, Southeast Asia and the World* (London: Verso, 1998).

of the famous Mexican pop star. Llamas-Rodriguez shows how *Luis Miguel* became a bellwether for Andrés Manuel López Obrador's election. He offers an argument about how the meaning of Netflix in Mexico needs to be understood in relation to the hegemonic status of the Mexican broadcaster Televisa. This imbues the series with cultural relevance that would be obscured to the outsider, and shows "Netflix" to mean something quite different in Mexico from what it means in other markets.

Yu-Kei Tse focuses on the politics of Netflix's entry into two East Asian markets: Japan and Taiwan. Tse analyzes the Japanese discourse of *kurofune* as it applied to Netflix and contrasts this with the quite different *kurofune* discourse that prevails in Taiwan. *Kurofune*, which means "black ship," refers to the forcible opening up of Japanese markets by US Navy Commodore Matthew C. Perry in the 1850s. Today, the term has a wider currency in debates about foreign media imports and national competitiveness. Tse's nuanced account of the cultural politics of streaming in East Asia shows how this term has been differently imagined in two geographically proximate but culturally and linguistically distinct markets.

Michael Wayne explores the branding of Netflix by focusing on its promotional practices in Israel, where it has relied on partnerships with local television providers. Wayne adds complexity to efforts to assert a particular "Netflix brand" in any market and argues that evidence from the Israeli market suggests streaming services blend a variety of promotion practices. Netflix promotion isn't based on establishing a brand for the service—in the manner common for US cable channels in the 1990s and 2000s—but linked to promotion of partner telecommunication services or as a significant source of global television content.

In the final essay, Deborah Castro and Concepción Cascajosa consider how streaming services have affected television production in Spain. Broadening to consider the Movistar+ service as well as Netflix, Castro and Cascajosa offer a look at the complex negotiation taking place within national production systems in response to the different circulation norms characteristic of domestic and multinational streaming services. In addition to expanding the opportunities for fictional series production for Spanish producers, the norms of these services have encouraged the linear Spanish industry to adjust its episode length, which has created new opportunities for international distribution.

In just a few pages, then, these authors reveal the variation in Netflix's cultural meaning to viewers, the politics of its entry, its promotional practices, and impact on the production sector across four markedly different geographic regions. These essays provide just a hint of the wide-ranging questions that remain to be answered and the scope of reconsideration of existing understandings of video distribution warranted by the adoption of multi-national internet-distributed video services. \*