The Internationally Changing Trend of Netflix

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<Introduction>

The increased demand for OTT platforms especially after COVID-19 caused the release of various kinds of the attractive OTT platforms such as Disney+ , Apple tv, or Amazon Prime. Recently, many OTT platforms were created and they are being introduced to the public.The release of many kinds of OTT platforms provides users with a wide range of options, so they can easily choose OTT platforms according to their taste. There are many kinds of OTT platforms in the world, but we deeply analyzed the internationally changing trend of Netflix in terms of the OTT market and its original contents. As most people know, Netflix is one of the original OTT streaming services and the most popular platform in the world. Compared to other new OTT platforms created in recent years, Netflix has a deep history for its growth since it was officially provided to the public. Now, let's deeply explore the trend of Netflix in the OTT market.

<Deep Analysis on Trend in OTT Market>
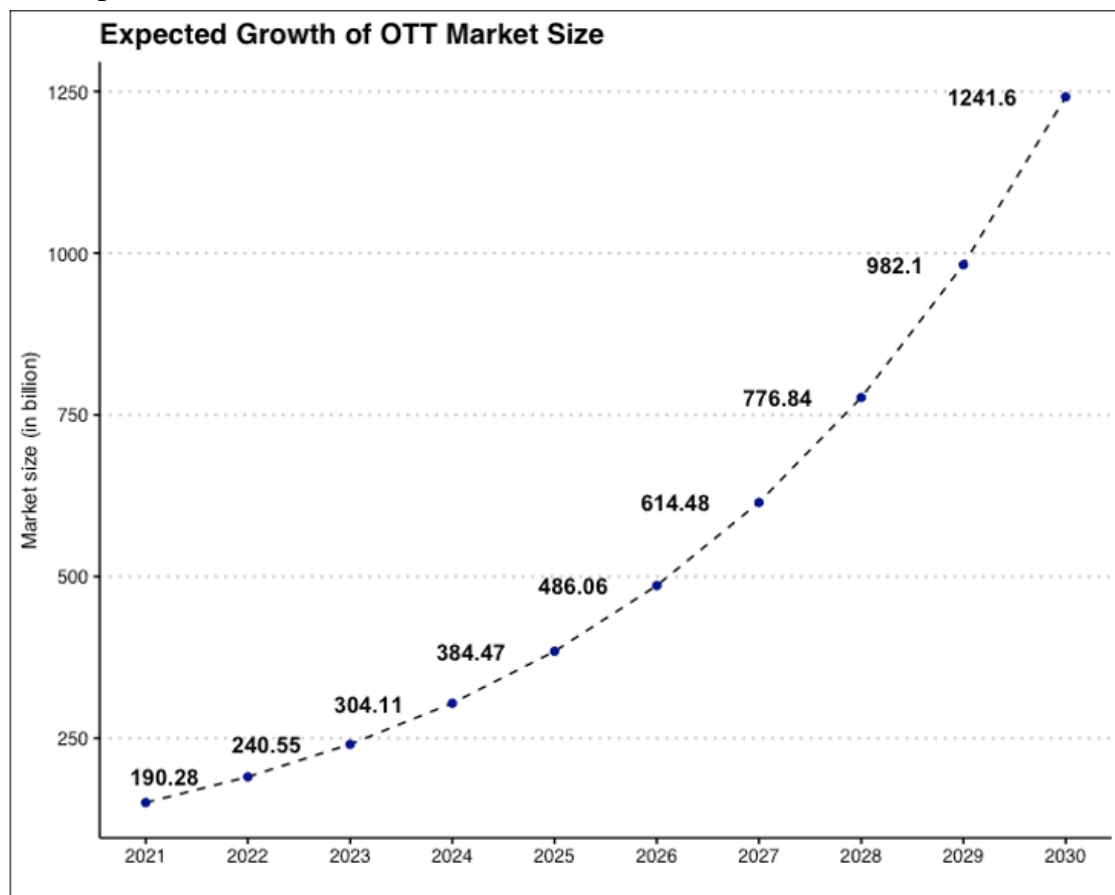
● **Expected OTT Market Size**

Figure 1. Line graph for expected growth of OTT market size

According to Precedence Research which is a website providing strategic market insights, the value of OTT market size from 2022 to 2030 will be increasing, so they expected in 2030, the market size will hit around 1241.6 billion US dollars. As a supportive evidence, the line graph above well shows the rapid growth of OTT market size over time. The growth of OTT market size will peak in 2030. At this point, some people might wonder why the OTT market size is growing faster and faster these days. There are two explicit reasons why people prefer to use OTT rather than directly going to the theater. The first reason is convenience. Users can easily find movies or tv shows on the OTT websites and watch them regardless of time and place. Secondly, people can enjoy various kinds of content by subscribing to the OTT with the proper price. These two points attracted many people to use OTT, so it can be another evidence that OTT platforms were the biggest beneficiary after the Pandemic happened.
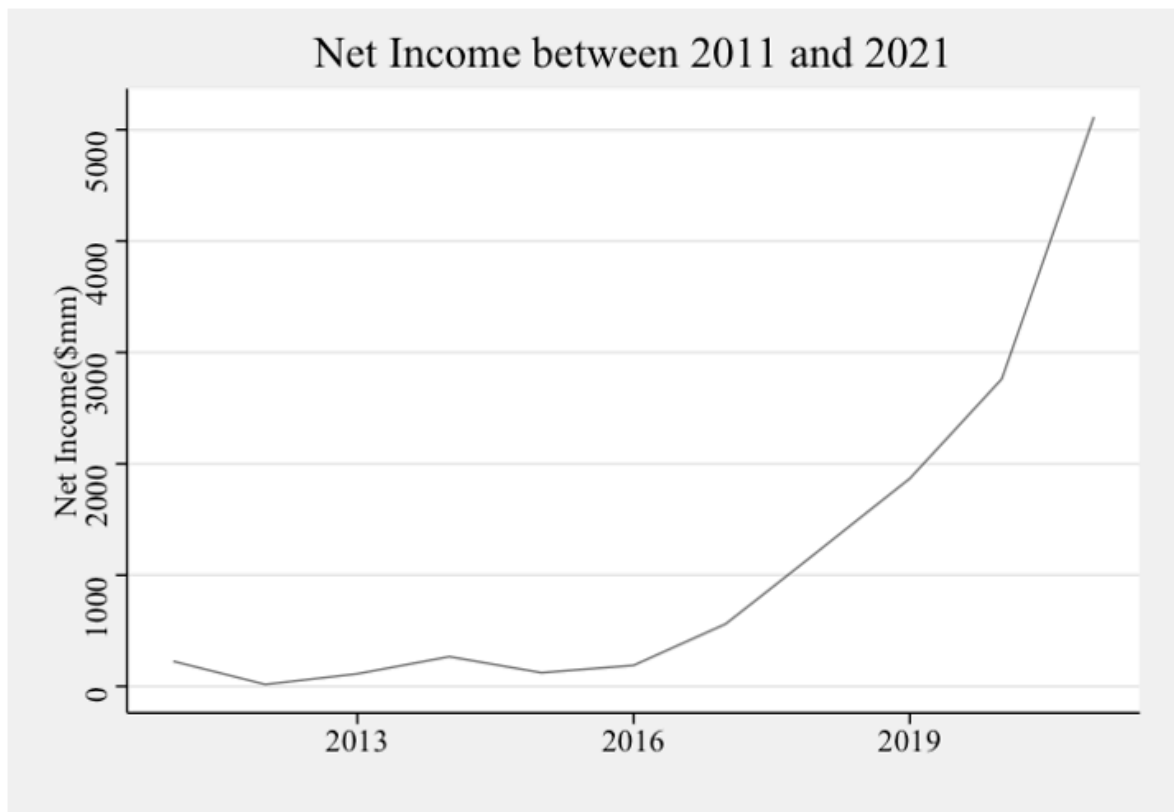
● **Net Income**

Figure 2. Line graph for net income between 2011 and 2021

To support Netflix gets a huge success in the overheated OTT market, we analyzed the net income of Netflix between 2011 and 2021. Net income can be calculated by subtracting total revenues from total expenses. The line graph above shows that net income was suddenly increased in 2020 and 2021 which are the years that Pandemic was a serious problem. Even in 2021, Netflix got 5116 million dollars as net income. Thus, it can be found that the plot suggests there is a correlation between Pandemic and growth of OTT platforms.
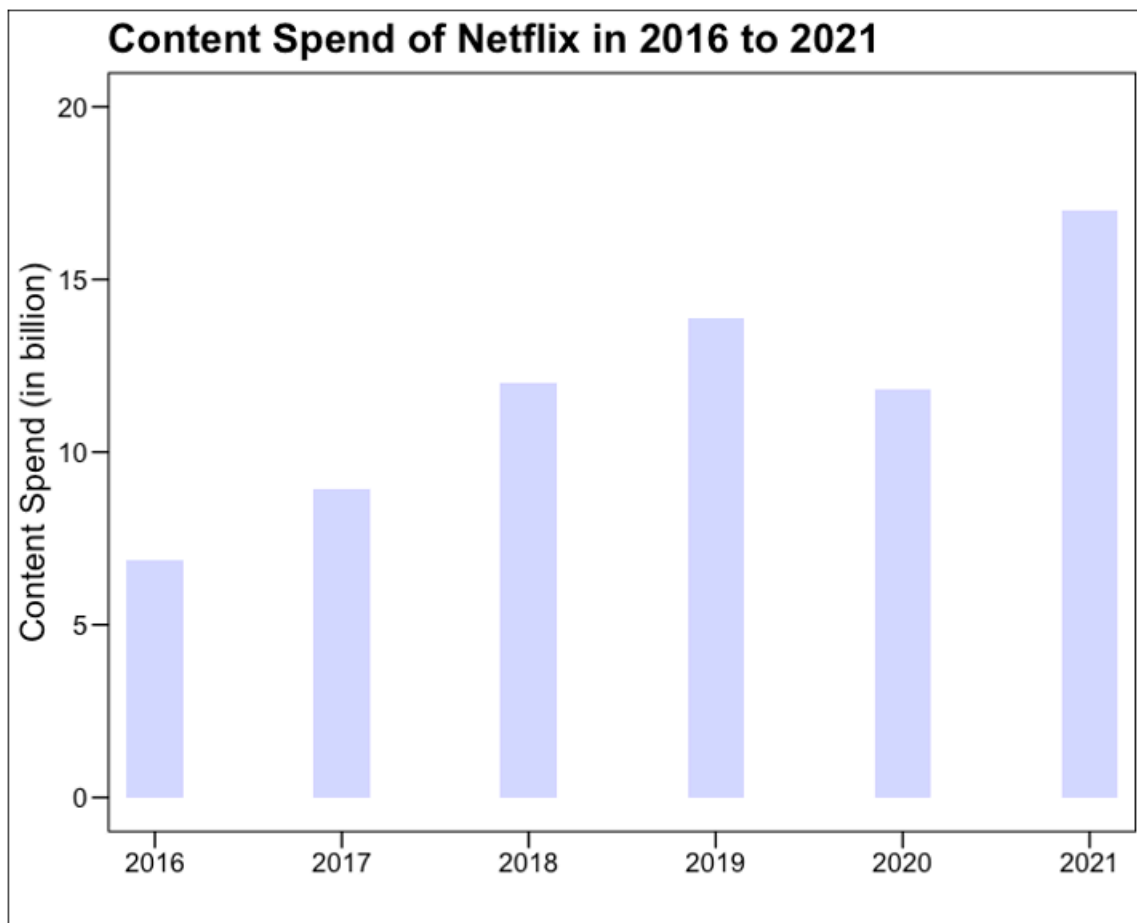
- **Content Spend**

Figure 3. Bar graph for content spend in 2016 to 2021

The bar plot above shows the distribution of money which is spent for creating various contents. As can be seen from the plot, in 2016, low money was spent but in 2021, it increased to 17 billion dollars. As OTT platforms are used widely and demand for them is highly increasing these days, it makes sense for recent increase in content spend.
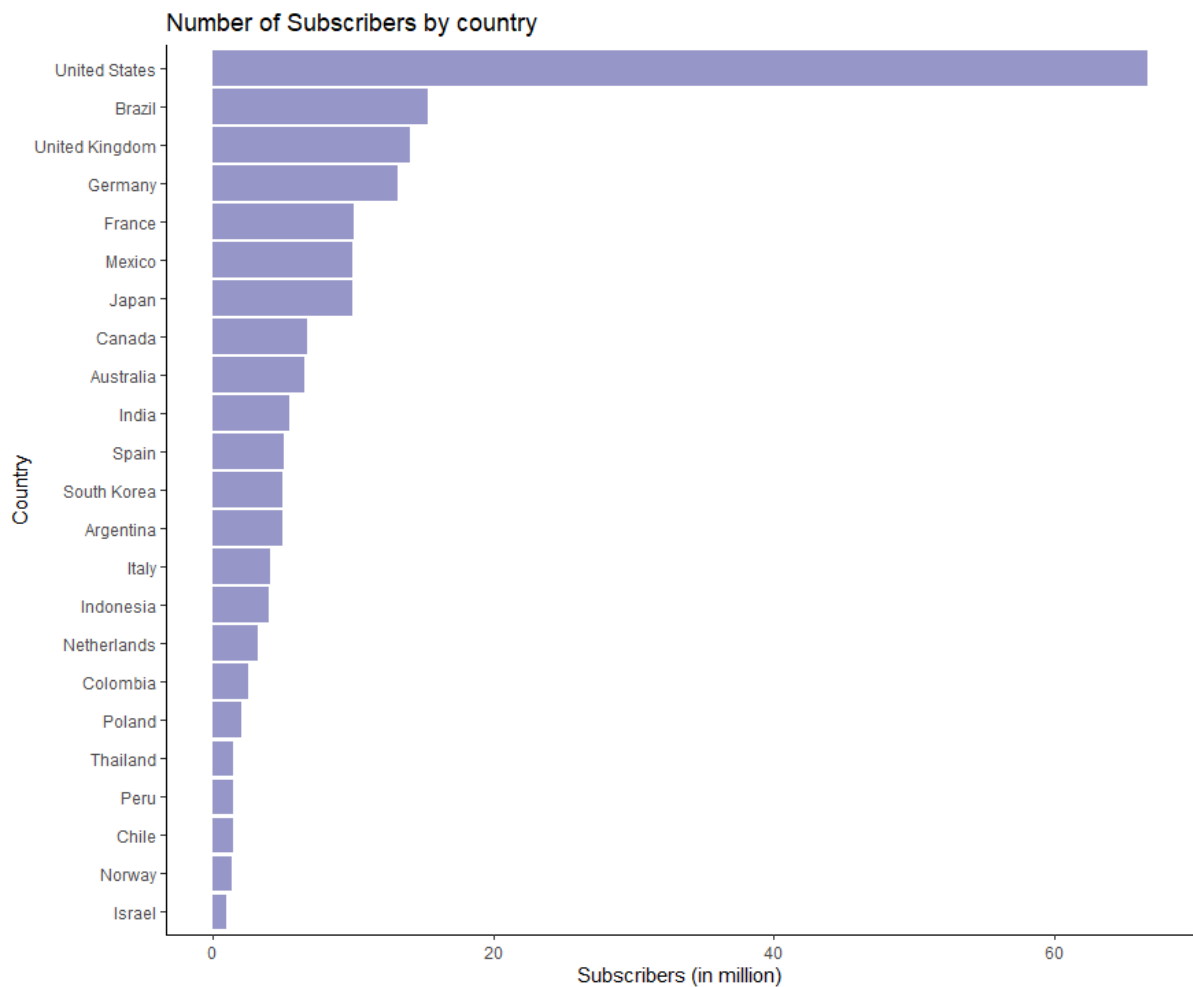
- **Number of Subscribers by Country**

Figure 4. Bar graph for number of subscribers by country

Now, let's find out the number of subscribers by country. As can be seen from figure 4, the United States accounts for the largest number of subscribers on Netflix. In figure 4, other countries except for the United States have less than 20 million subscribers. Only the United States has more than 60 million subscribers among the listed countries in the figure 4 that widely use Netflix as a major OTT streaming service. Netflix is originally the domestic streaming service in the United States, so there is no doubt about the highest number of subscribers in the United States. Thus, it can be expected that the United States are producing and releasing many amounts of their domestic original movies and tv shows. So, the quality of contents produced by the U.S would be better since Netflix spends a lot of money to produce high quality contents.

<Deep Analysis on Trend of Original Contents>

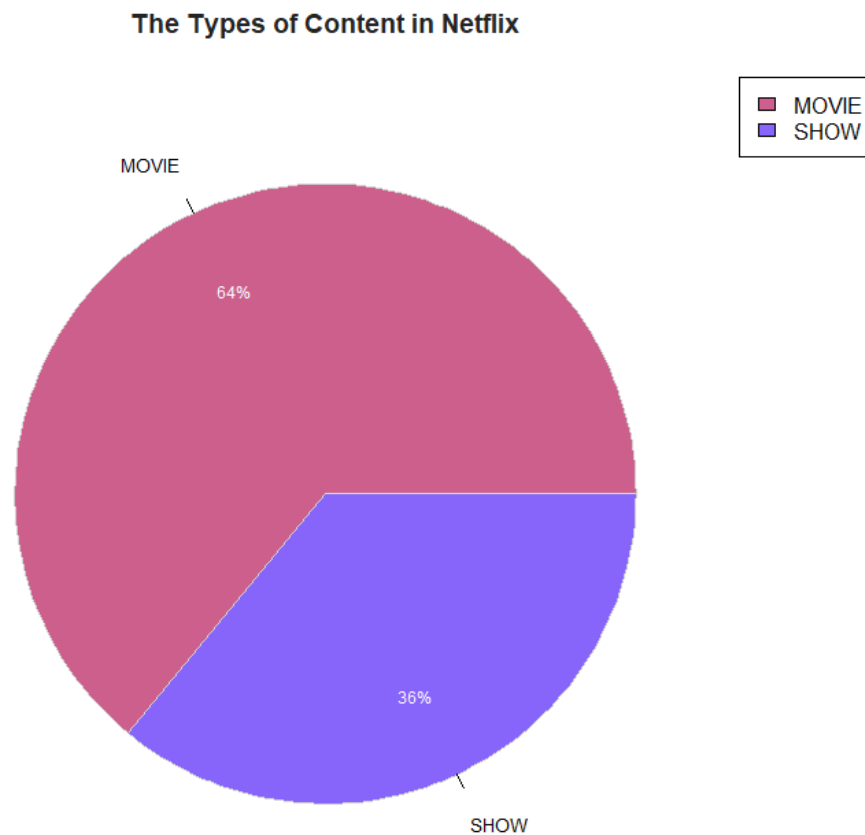- **Types of Content**

The Types of Content in Netflix

Figure 5. Pie chart for types of content

Netflix officially standardizes the type of content as TV shows and movies. As can be seen from figure 5, the rate of movies is 64% and the rate of tv shows is 36% among the entire content. To obtain this data, we classified each content from a dataset called 'titles' and calculated each number by classifying whether each content corresponds to data value for 'type' column, 'MOVIE' or 'SHOW' and changed the calculated value to a percentage to show it as a pie chart. From this result, it can be seen that people on Netflix tend to prefer movies to TV shows, given that movies are about twice as many as TV shows. The reason for this is that movies only require about 90 or 120 minutes to watch, but tv shows consist of seasons that usually have at least six episodes. So, unlike movies, users cannot understand the whole story of dramas at once. Thus, there are some users who are reluctant to watch dramas. It can be an assumption that can determine why the figure of movies is more than TV shows on Netflix.
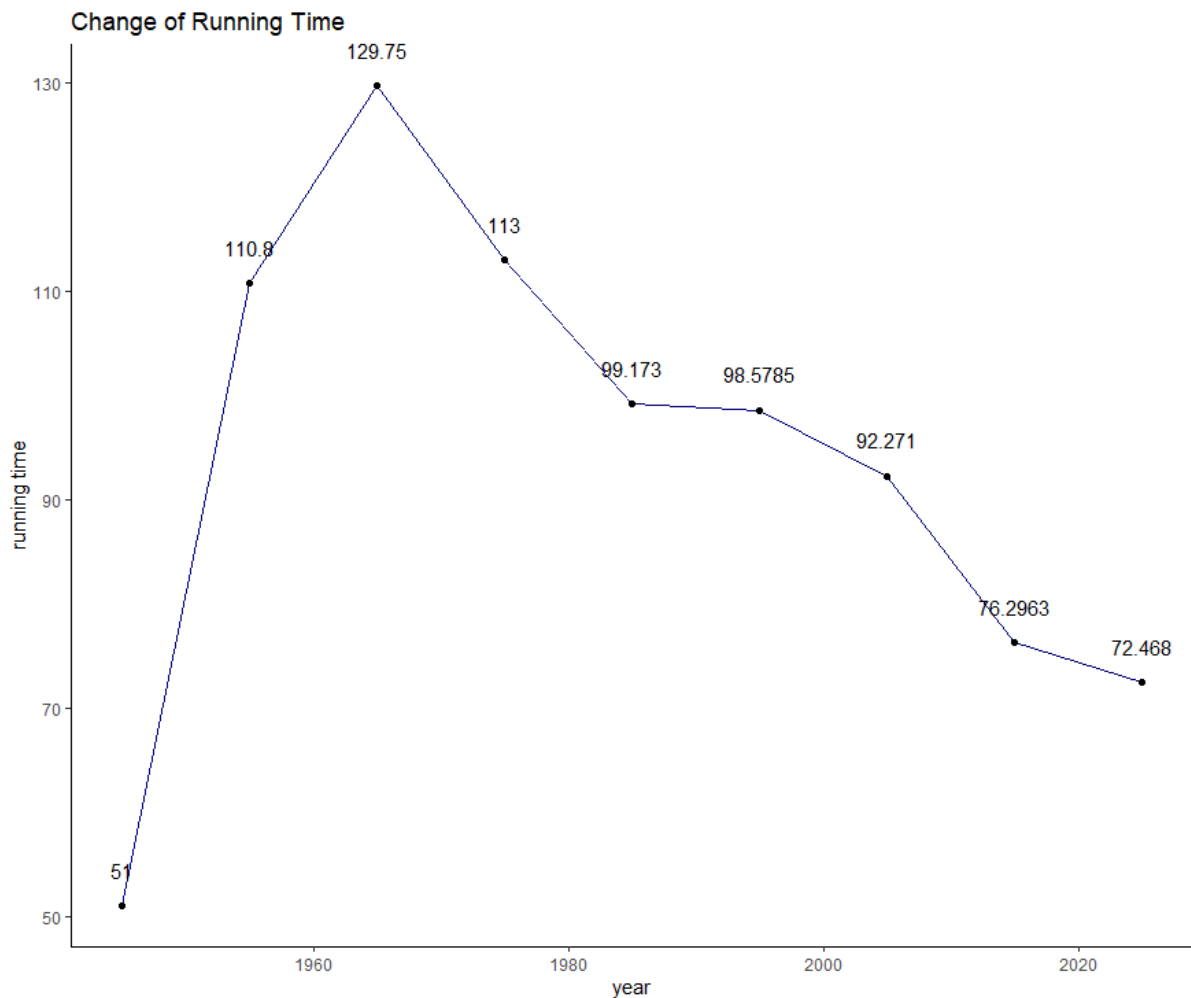
● **Running Time Trend**

Figure 6. Line graph for trend of running time

Next, let's explore the trend of running time. Figure 6 above shows the extreme changes in running time from 1945 to 2022. To find out the change in running time, the average was obtained every 10 years from 1945 to 2022 to examine the length of the running time. As can be seen from figure 6, it almost doubled from 51 minutes to 110.8 minutes between 1945 and 1955. And on average from 1961 to 1970, the running time was 129.75. And on average from 1971 to 1980, the running time was 113. And on average from 1981 to 1990, the running time was 99.173. And on average from 1991 to 2000, the running time was 98.5785 which shows there was no significant change compared to the average 10 years ago. On average from 2001 to 2010, the running time was 92.271. On average from 2011 to 2020, the running time was 79.2963. On average from 2021 to 2022 which is today, the running time was 72.468. So, according to this result of running time, around 1965, the average running time peaked at 129.75 minutes, which was the longest running time from this timeline. However, since then, there has been a difference in the degree of decline until 2022, but it has been steadily decreasing, so it can be seen that people have gradually preferred less running time. It means that over time, people prefer to enjoy an efficient cultural life that can save their time and have fun at the same time.

● **Number of Released Original Content**

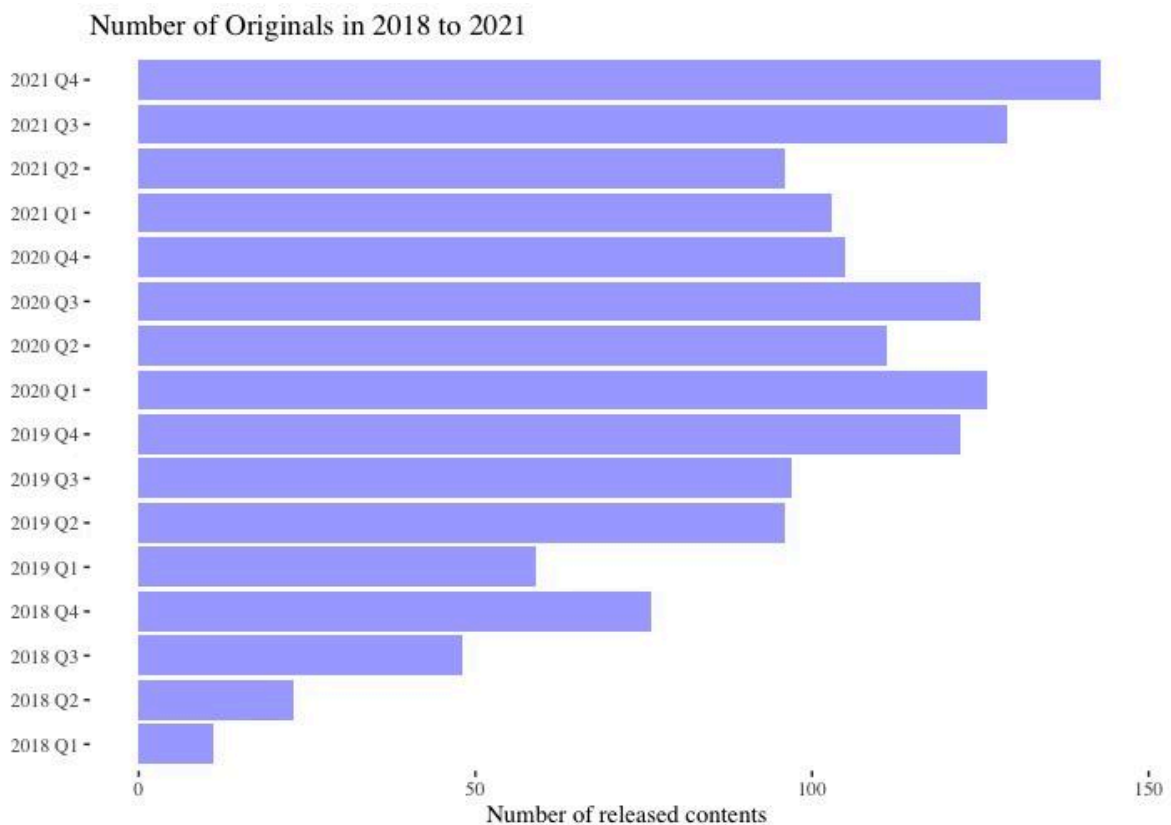Number of Originals in 2018 to 2021

Figure 7. Bar graph for number of released original content

To find out how many original contents were released in 2021, we collected data on the number of released original contents. The bar plot above shows the same pattern as the previous plot for content spend. This plot also indicates many original contents were released in 2021 especially of quarter 3 and 4. Thus, it can be found that there is an existence of correlation between Pandemic and the growth of OTT platforms, especially Netflix.

● **Production Country of Content**

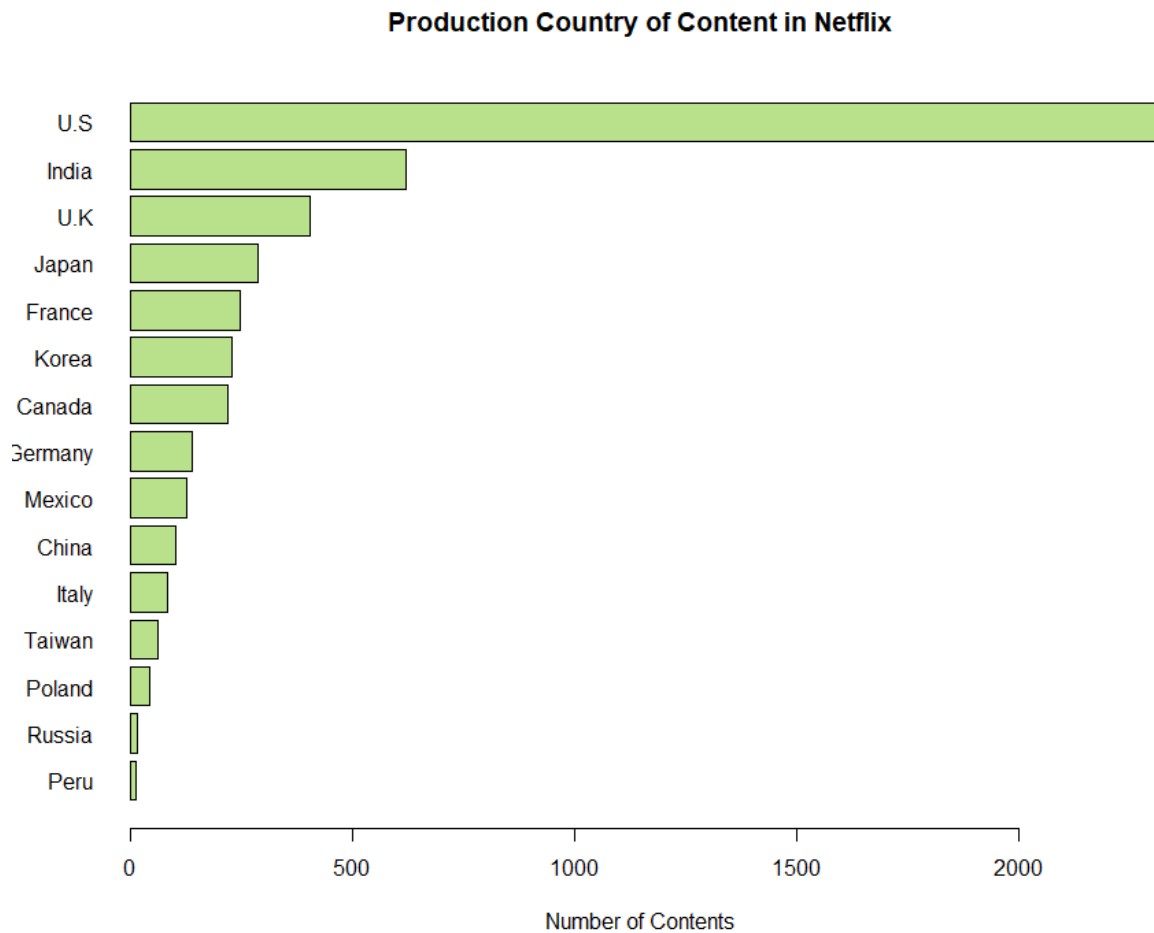**Production Country of Content in Netflix**

Figure 8. Bar graph for production country of Netflix

Netflix is expanding their product range for original movies and tv shows to other countries aside from the United States. As can be seen from figure 8, the number of contents produced by the United States occupied most parts of the plot overwhelmingly compared to the figures of other countries. Interestingly, it can be found that the contents for English are the most preferred contents and popular ones in the world. The figure 8 proves that the United States, India, and the United Kingdom which use English as their first language are in the top 3 ranking. Thus, the figure 8 above shows that the demand for English contents is highly increasing these days compared to non-English contents.

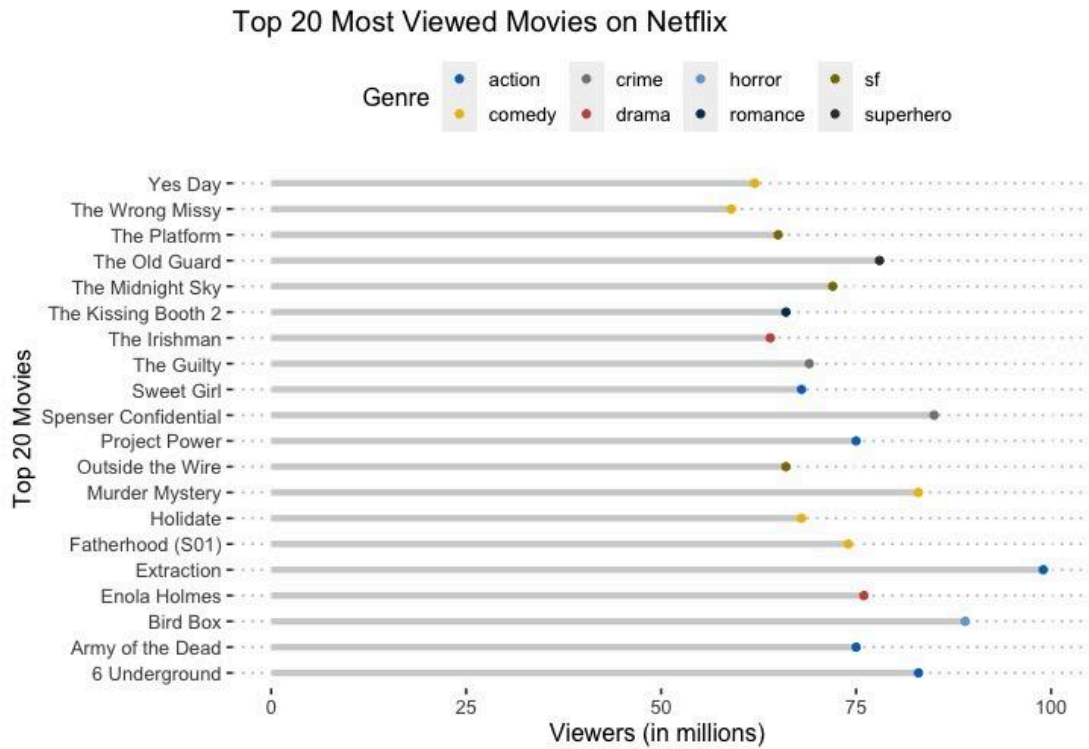● **Top 20 Most Viewed Original Movie Titles and Genre Composition**

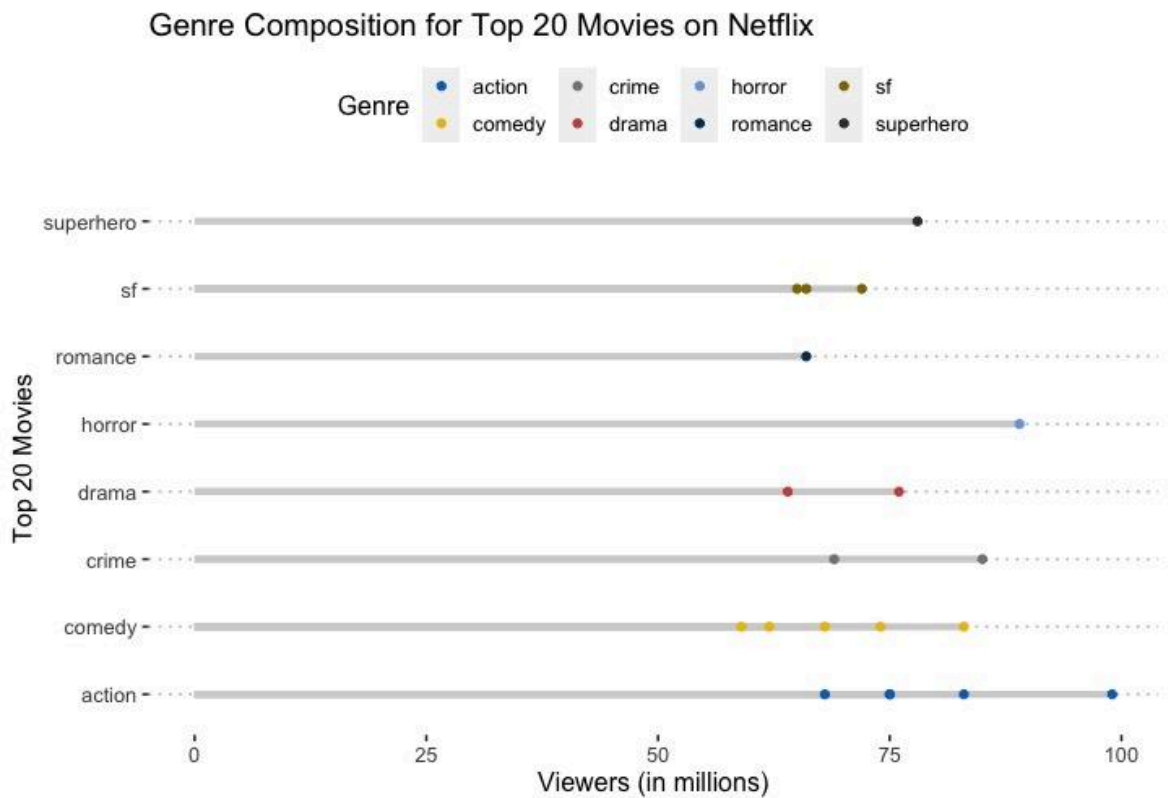Figure 9. Lollipop chart for top 20 most viewed movies

Figure 10. Lollipop chart for genre composition of top 20 most viewed movies

Next, let's find out the top 20 most viewed movies and genre composition for top 20 ranking through figure 9 and 10. As can be seen from figure 10, the rank 1 movie with the highest number of viewers, 'Extraction' is an action movie. Aside from this movie, there are four more action movies in the top 20 ranking. But it is premature to conclude that most people in the world prefer action movies since the preferred genres by user are evenly distributed. Figure 10 well shows that in addition to action movies, users like comedy, science fiction, crime, and drama movies, too. Although the figure for viewers is small compared to these five genres, the superhero, romance, and horror genres also recorded as a popular movie genre. The dots that have different colors on figure 10 exactly show how many people viewed the certain movie and genre in the world. The distribution of genres for top 20 movies indicates these five genres are more popular movies for the public. Also, it means that this kind of genre is competitive as a commercial film, so it will be easier to hit the domestic movies in other countries since the genre is commonly preferred globally as can be seen from figure 10.

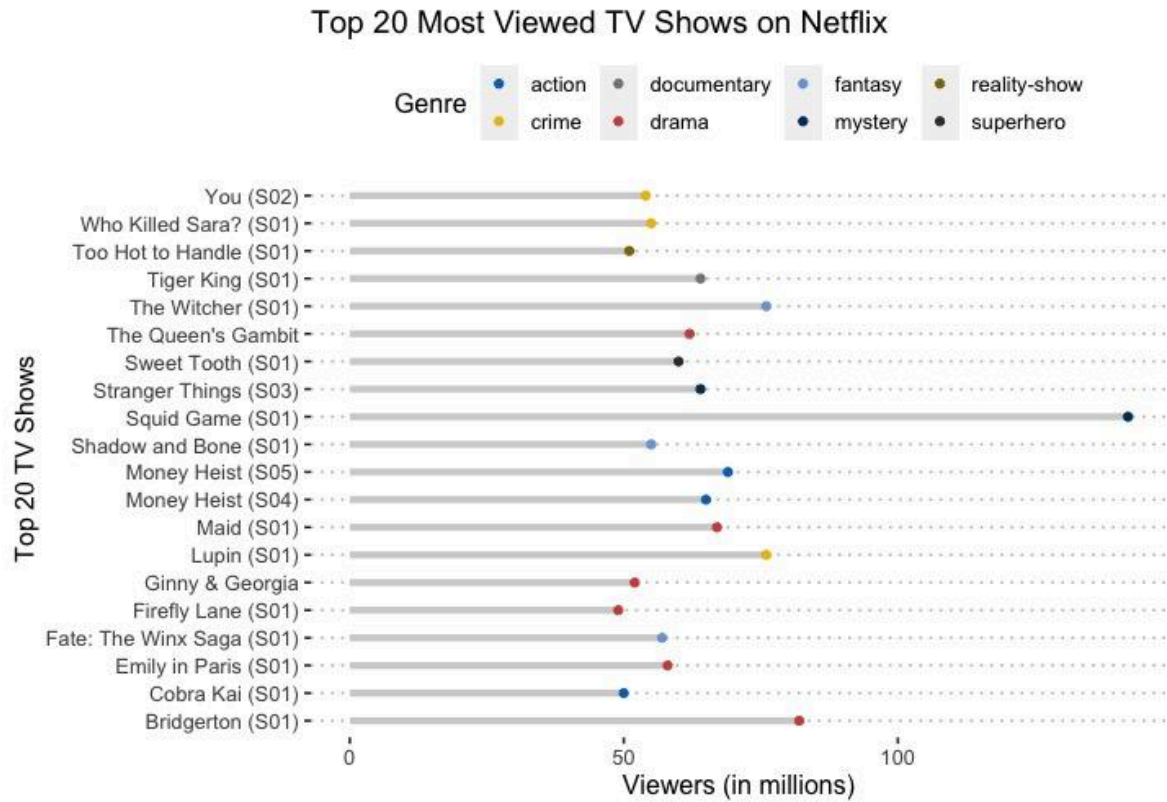● **Top 20 Most Viewed Original TV Show Titles and Genre Composition**

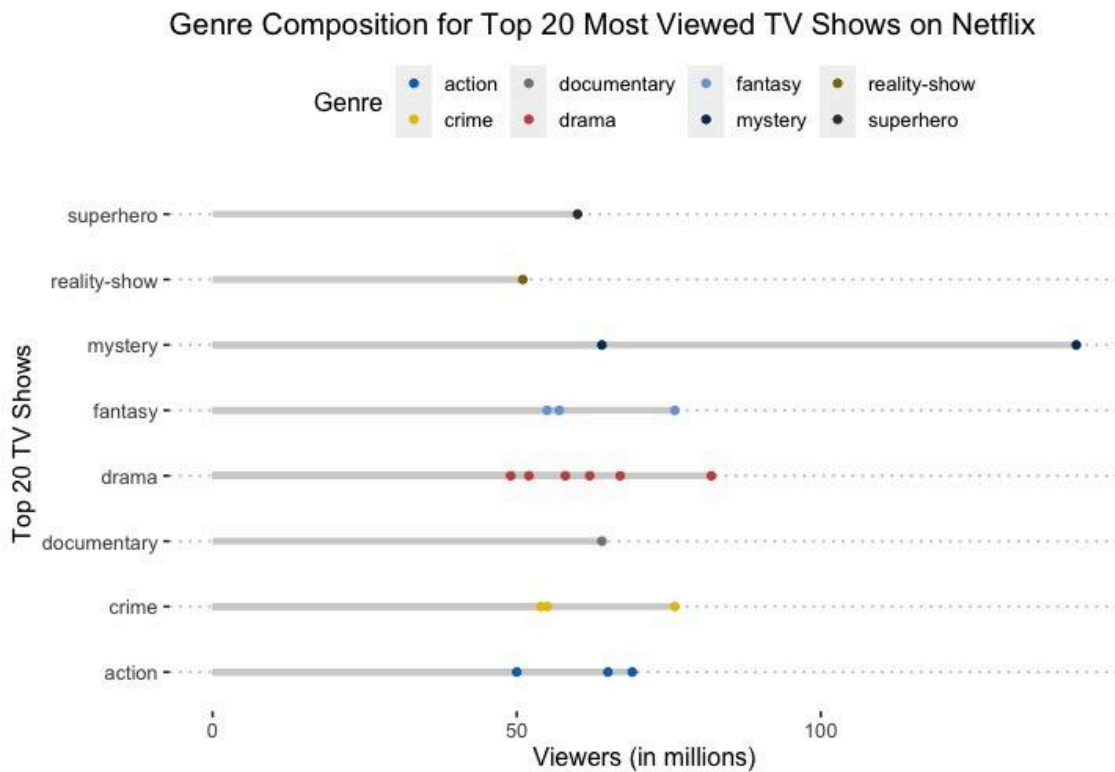Figure 11. Lollipop chart for top 20 most viewed tv shows

Figure 12. Lollipop chart for genre composition of top 20 most viewed tv shows

Now, let's move on to the top 20 most viewed TV shows and genre composition for the top 20 ranking. The most interesting point is that the mystery genre, which is not in the genre composition of top 20 movies, has the highest number of viewers in the world. As can be seen from figure 11, the rank 1 tv show is 'Squid Game' which is a drama from South Korea. The total figure of viewers for this drama is overwhelmingly high compared to the number of viewers in the other seven genres. Followed by rank 1, the British drama 'Bridgerton' recorded top 2. In addition, the two seasons of Spanish drama 'Money Heist' ranked as top 5 and 8. While the majority of US movies have a high number of viewers from figure 9, non-English tv shows gain more ground than English contents. In addition to this, there are various kinds of genres compared to genres for top 20 movies. Similarly to genre composition for top 20 movies, figure 12 shows users enjoy watching drama, action, superhero genre. But compared to top 20 movies, there are new genres that are not in the top 20 movies, fantasy, reality-show, and documentary. Unlike movies, users can enjoy more diverse genres of tv shows according to their taste since tv shows offer a variety of options as can be seen from figure 12. That can be a main reason why people mostly became a user of Netflix. Thus, the variety of options for tv shows and movies can let users choose the OTT platform as they want. So, people who love Netflix originals drama can focus on watching dramas rather than movies and vice versa.

● **Composition of Production Countries among Top 20 Original Contents**
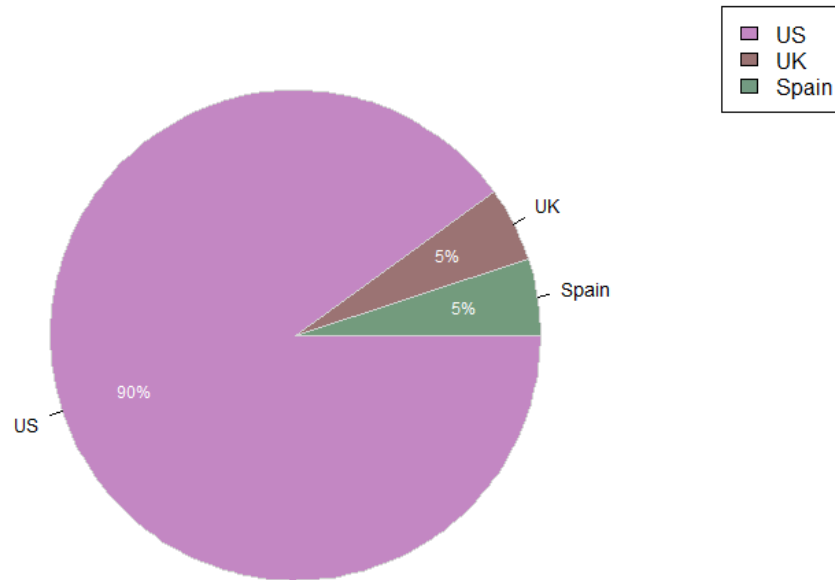
Production Country among Top 20 Movies

Figure 13. Pie chart of production country among top 20 most viewed movies
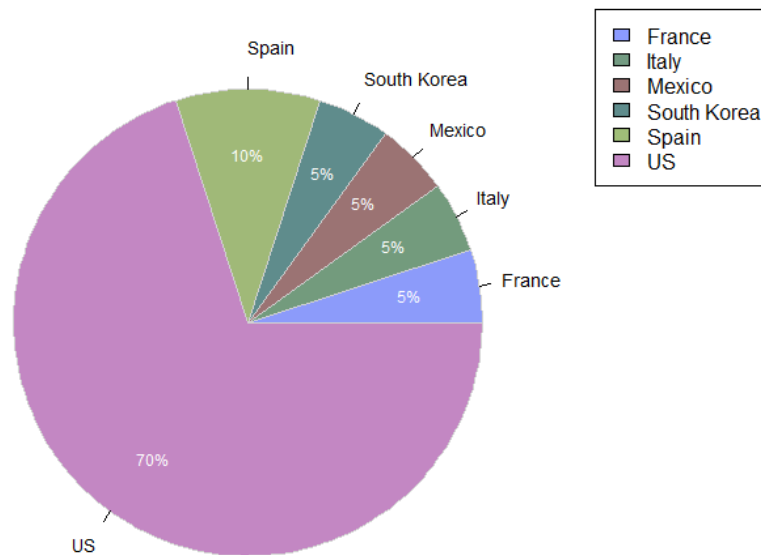
Production Country among Top 20 TV Shows

Figure 14. Pie chart of production country among top 20 most viewed TV shows

Finally, let's find out the distribution of production countries among the top 20 rankings for movies and TV shows. First of all, as can be seen from figure 12 that shows production countries among the top 20 most viewed movies, the US occupied the most rate which is 90% by having 18 original movie contents. Followed by the US, the UK and Spain occupied 5% which means the two countries just have one content among the top 20 ranking. So, it can be seen that the US occupied the most part of the chart in terms of distribution of production countries for movies. This fact can also be found in the figure 13 that shows production countries among the top 20 most viewed TV shows. Similarly as figure 12, figure 13 also shows the US occupied the most part of the chart by having 70%. It means that the US has 14 original contents among the top 20 ranking. Followed by the US, Spain occupied 10% of the chart which means they just have two contents among the top 20 ranking. Lastly, for Italy, Mexico, South Korea, and France, they commonly occupied 5% which means each country just has one content among the top 20 ranking. Thus, according to this result, it can be concluded that the US is the country that produces the largest amount of movies and TV shows in the world.

<Conclusion>

- **Insights from visualizations**

Overall, the growth of Netflix in the OTT market will never stop. The reason is that, as shown in Figure 1, consumers' demand for OTT streaming services is increasing significantly, and such an increase is expected to peak around 2030. Even if the increased demand for OTT platforms leads to the emergence of new platforms such as Amazon Prime or Disney+, Netflix will consolidate its current position as the most popular OTT streaming platform in the world. The reason is that, as shown in Figure 1, consumers' demand for OTT streaming services is increasing significantly, and such an increase is expected to peak around 2030. As evidence, figure 11 can be used. It shows the most hitted original dramas are sequential seasons, so users will keep their account of Netflix until the release day of next seasons due to the curiosity about the next following stories. Someone might think that situation might be temporary or users who do not want to waste their money and time waiting for the next seasons might quit to use Netflix. These are valid opinions, but as can be seen from figure 7, the number of released original contents is increasing over time. So, users can choose and enjoy another content while waiting for the next seasons of their favorite dramas. In fact, this method is widely used by users including us. But this method is not for the general case, just for users who use Netflix in the long term. As a suggestion for the distribution of original contents, the active investment for creating other non-English contents are encouraged to increase the number of actual paid subscribers. Figure 8 shows that a huge amount of English content is produced and released. The main reason for this result is that for people in the world, Hollywood celebrities will be more familiar than celebrities from Non-English-speaking countries. Thus, US content that Hollywood stars are involved in is more preferable. It increases the demand for US contents, so that is why there are so many US contents on Netflix right now. As another evidence, figure 13 and 14 indicates that preference for US content is significantly higher than content from other

Non-English-speaking countries since the two figures show the explicit difference of the composition of production countries among top 20 most viewed movies and tv shows. Judging from these points, Netflix will focus more on investing to produce their domestic contents since Netflix would think that the figures mentioned above prove the reason why many amounts of US content should be released globally. The gap between US content and non-US content of the investment can lose their paid subscribers by the lack of diversification of the main language of contents. Against this interpretation, there is another piece of evidence to emphasize the importance of producing non-English content. Figure 11 shows the drama "Squid Game" from South Korea recorded the highest number of viewers in the world. It deserves attention that non-English-speaking content has achieved remarkable results. Also, the two seasons of drama "Money Heist"from Spain recorded in the ranking of top 20 most viewed tv shows. Like this, the trend of choosing drama is changing to find and watch non-English content over time. Users mostly want to watch fun and artistic work, so the main language or the appearance of familiar actors may not be prioritized. To achieve comparable success to US contents from non-English contents, the entire process of investment for non-English contents such as casting actors or quality of story is given priority. Users clearly express their opinions in content ratings, so low-quality contents will receive low ratings which eventually cause a passive investment in non-English contents of Netflix. To prevent this kind of situation, Netflix should actively pay attention to investing and producing non-English contents.

Source: https://www.precedenceresearch.com/over-the-top-market