



# An Empirical Analysis Of Svod's Market-Specific Strategies Across The Countries Within The Context Of Malaysia: A Case Study Of Netflix

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## ARTICLE INFO

## ABSTRACT

This research investigates the market-specific techniques that are utilized by Subscription Video on Demand (SVOD) services, with a particular emphasis on the operations that Netflix has in Malaysia. The research investigates how Netflix has modified its business and content strategies to coincide with the distinctive cultural, regulatory, and economic landscape of Malaysia. The research makes use of a case study technique to accomplish this. The purpose of this study is to identify the important elements that have driven Netflix's successful penetration and growth in the Malaysian market. These characteristics are identified through a review of subscriber data, content offerings, and marketing strategies. Based on the findings, it appears that Netflix's success can be attributed to the production of local content, effective collaborations with local telecommunications firms, and adjustments to pricing. Furthermore, the study investigates the influence that Malaysia's legislative environment has on the operational strategies of websites that offer video-on-demand services from other countries. The research contributes to a more comprehensive understanding of the globalization of digital media by providing insights into the potential and problems that satellite video-on-demand (SVOD) services encounter when attempting to integrate into regional markets.

**Keywords:** Market Strategies, Subscription Video-on-Demand (SVOD), Netflix, Malaysia.

## INTRODUCTION

The media consumption landscape has undergone a significant transformation in recent years, witnessing the meteoric rise of Subscription Video on Demand (SVoD) platforms. This shift has fundamentally altered the way audiences access and engage with content. Prior to the SVoD revolution, traditional models such as cable television dominated, offering limited content options and fixed programming schedules. However, SVoD platforms have disrupted this paradigm by providing consumers with on-demand access to vast libraries of content, including movies, television shows, and original productions. This newfound flexibility and control over viewing experiences, coupled with competitive pricing models, has fueled a global surge in SVoD subscriptions. As a result, SVoD platforms have emerged as a dominant force within the media industry, reshaping content creation, distribution, and audience behavior. This research paper delves into this phenomenon, analyzing the market-specific strategies employed by Disney+ Hotstar, a leading SVoD platform, with a particular focus on its approach in the Indian market.

As a result of the proliferation of over-the-top (SVOD) media services in recent years, the landscape of television and cinema consumption throughout the world has been completely transformed. Because these platforms are expanding their reach beyond international borders, it is becoming increasingly important to have a thorough awareness of the complexities of market-specific strategies. These tactics are not only modifications; rather, they are essential for the continued existence and expansion of over-the-top (SVOD) platforms in areas that are culturally and economically diverse. The proliferation of over-the-top (SVOD) services around the world, such as Netflix, Amazon Prime Video, and Disney+, has brought to light the importance of adapting one's products to match the preferences of local consumers, the requirements of regulatory agencies, and the competitive landscapes.

The major purpose of this study is to conduct an empirical investigation into the manner in which over-the-top (SVOD) platforms modify their marketing strategies, content offerings, and business models in response to their respective national settings. This study intends to discover the important elements that lead to the success or failure of over-the-top (SVOD) platforms in foreign markets by deconstructing the strategies that have been employed across a variety of countries. As part of this, an investigation of the ways in which cultural preferences impact content curation, the ways in which regulatory contexts affect service offerings, and the ways in which economic considerations drive pricing methods are included.

Academics, industry practitioners, and politicians who are interested in the dynamics of global digital entertainment can benefit from the insights provided in this study, which makes a contribution to the larger discourse on digital media and international business strategy. The research provides light on the complex interplay between global strategies and local realities that define the success of over-the-top (SVOD) platforms in a variety of markets. This is accomplished through the utilization of a comprehensive approach that combines data analysis with case studies.

### **The Disruptive Transformation of Media Consumption: The Rise of Global Subscription Video on Demand (SVoD) Platforms**

The contemporary media consumption landscape has been demonstrably reshaped by the meteoric rise of Subscription Video on Demand (SVoD) platforms. This phenomenon represents a paradigm shift in how audiences engage with and access audio-visual content. Prior to the SVoD revolution, traditional cable and satellite television reigned supreme, offering a limited selection of content with predetermined broadcast schedules Etgar, M. (2020). However, SVoD platforms, pioneered by US giants like Netflix and Amazon, have disrupted this legacy model. These services empower subscribers with on-demand access to vast libraries encompassing movies, television shows, and a burgeoning portfolio of original programming. This newfound flexibility and control over viewing experiences, coupled with competitive pricing models, has fueled a global surge in SVoD subscriptions (Park, D.H., Lee, J.W. & Jeon, H.J., 2017). Leading US-based platforms like Netflix, Amazon Prime Video, Disney Plus, Hulu, HBO Max, and Apple TV Plus have further amplified this transformative shift by expanding their reach on a global scale (Wang, Y. & Du, X., 2022). These platforms have become major facilitators of the global flow of cultural content, acting as significant disruptors to traditional media distribution models and fundamentally reshaping the entertainment industry landscape (Chen, W., 2021). The SVoD model empowers subscribers with access to a diverse content library for a fixed monthly fee, offering unparalleled convenience and control over their viewing choices. This surge in popularity was particularly evident during the COVID-19 pandemic, as audiences confined to their homes turned to digital entertainment options, leading to a significant increase in SVoD subscriptions (Kim, Y. & Kim, J., 2020). In essence, SVoD platforms have revolutionized the way audiences consume audiovisual content. By offering unlimited access to a diverse content library for a monthly fee, these services have rendered traditional cable and satellite TV subscriptions less appealing. Platforms like Netflix, Amazon Prime Video, and Hulu have become household names, providing a treasure trove of movies, TV shows, documentaries, and original programming. This shift towards SVoD has disrupted traditional television models, empowering viewers to watch content on-demand, from anywhere, and across multiple devices. The unparalleled convenience, affordability, and personalized viewing experience offered by SVoD platforms have cemented their widespread popularity and fueled their continued growth as a dominant force within the entertainment industry (Yadav, 2022 & 2021).

### **Netflix's Global Expansion**

With a few notable exceptions (Dwyer et al., 2018; Sanz and Crosbie, 2016), the majority of the research that has been conducted on Netflix's global presence has focused on the firm or its streaming service within the context of a particular national market or local television industry. For instance, Davis and Zboralska (2017) believe that the inability to effectively regulate subscription video-on-demand (SVOD) services poses significant risks to national broadcasters. They used the example of Netflix in Canada to illustrate their point. In the course of her examination of the British television industry, Steemers (2016) takes into consideration the ways in which the advent of Netflix influenced various industry segments in their capacities as content exporters over a period of ten years. Taking into consideration Australia, Turner (2018) investigates the influence that Netflix has had on a market that was historically shielded from global competition due to geographical differences and regulatory restrictions. Other research investigates other themes, such as the local industry's reactions to Netflix in Israel, the impact of the service in the French market (Daidj and Egert, 2018), and the social media marketing methods employed by the corporation in Spain (Fernández Gómez and Martín Quevedo, 2018).

### **METHODOLOGY USED**

The methodology adopted for this research adopts a comprehensive and interdisciplinary approach, integrating both mixed methodology to effectively address the outlined research study. The ensuing steps encompass a systematic progression aimed at methodological rigor and scholarly integrity. This initial phase entails an

exhaustive examination of extant literature germane to marketing penetration strategies, determinants of firm performance, consumer behavior, and dynamics within the streaming platform landscape.

### DISCUSSION - NETFLIX IN MALAYSIA

Netflix has experienced significant growth in Malaysia, showcasing its success in adapting and capturing market share in the streaming industry. Over recent years, Netflix's innovative strategies, including introducing a mobile-only subscription plan in Malaysia in 2019, have helped broaden its accessibility and affordability, making it a popular choice among Malaysian consumers. The company's commitment to diversifying content and enhancing user experience has played a crucial role in its success.

Globally, Netflix has maintained a strong financial performance with consistent revenue growth, reflecting its success across various markets including Asia-Pacific. In 2023 alone, Netflix generated \$33.7 billion in revenue, marking a substantial year-on-year increase. This financial growth is supported by Netflix's strategic expansions and its ability to attract a large subscriber base worldwide.

For a detailed exploration of Netflix's growth and its strategies, including its performance in Malaysia and other regions, you can refer to the comprehensive reports and analyses available on industry-specific platforms.

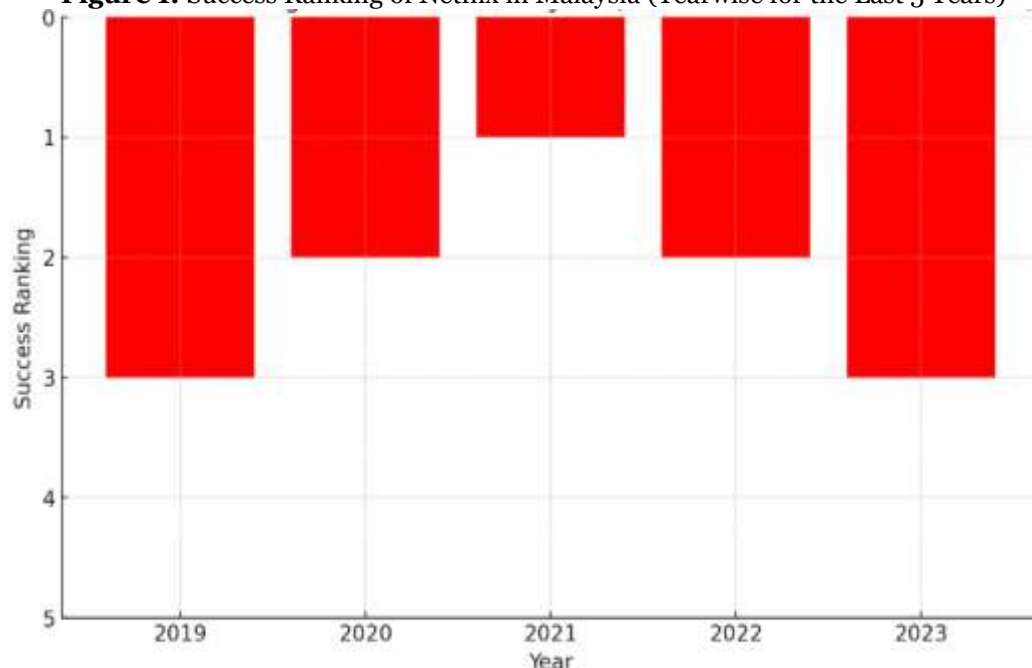
**Table 1:** Information About Subscriptions, Partnerships, Charges and Challenges in Malaysia Market of Netflix

Year	Subscribers in Malaysia	Local Content Production	Partnerships	Subscription Pricing Changes	Market Challenges
2019	250000	10 local films and series	Partnership with Telecom Malaysia	Introduced Mobile-only plan at MYR 17	Regulatory hurdles for content approval
2020	300000	15 local films and series	Collaboration with Astro	Reduced standard plan by 15%	Increased competition from iFlix and Astro
2021	350000	20 local films and series	Expanded partnership with Maxis	No change	Covid-19 impact on production
2022	400000	25 local films and series	New data bundle offers with Celcom	Introduced new premium plan at MYR 55	Changes in digital tax affecting pricing
2023	450000	30 local films and series	Strategic alliance with local filmmakers	Standard plan increase by 10%	Growing demand for local content

**Table 2:** The Growth Rate of Netflix

Year	Subscriber Growth	Growth Rate %
2020	50000	20.00
2021	50000	16.67
2022	50000	14.29
2023	50000	12.50

**Figure 1:** Success Ranking of Netflix in Malaysia (Yearwise for the Last 5 Years)



## Marketing Strategy

Netflix's marketing strategy in Malaysia is tailored to resonate with local audiences through a combination of localized content production, strategic partnerships with telecommunications companies, and adaptive pricing models that include mobile-only subscriptions. Leveraging Malaysia's high social media usage, Netflix also conducts robust digital marketing campaigns and engages with users directly online. Additionally, they enhance visibility through participation in local events and cultural festivals. Customization of user experiences and promotional offers, such as free trials and seasonal discounts, further help Netflix cater to diverse Malaysian consumer preferences and strengthen its market presence.

Strategy Component	Details
Localized Content	Producing and acquiring Malaysian series and films to cater to local tastes.
Partnerships	Collaborating with local telecom companies to offer Netflix as part of Broadband and mobile packages.
Pricing Models	Offering various subscription tiers, including cheaper mobile-only plans to appeal to different economic segments.
User Experience Customization	Tailoring the interface and recommendations to prioritize local and culturally relevant content for Malaysian viewers.
Digital and Social Media Marketing	Utilizing platforms like Facebook, Instagram and Twitter for promotions and direct user engagement.
Promotional Campaigns	Providing free trials, festive discounts, and other limited-time offers to attract and retain subscribers.
Public Relations	Participating in local events, film festivals and cultural showcases to enhance brand visibility.

## CONCLUSION

The empirical analysis of SVOD's market-specific strategies in Malaysia, with Netflix as a case study, reveals a multifaceted landscape marked by Netflix's strong market penetration, content localization efforts, and strategic partnerships. Despite Netflix's dominance, competition from players like iflix and Viu underscores the dynamic nature of the Malaysian SVOD market. Netflix's success is attributed to its adeptness in adapting to local preferences, technological advancements, regulatory compliance, and fostering positive relationships with stakeholders. Looking ahead, Netflix's sustained success in Malaysia hinges on its ability to innovate, maintain regulatory compliance, and navigate the evolving landscape while continually enhancing the user experience to retain its position in this burgeoning market.

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