The era of traditional broadcasters is over. In most developed economies across the world, streaming platforms have taken over as the dominant method people consume visual media. It may have begun with platforms such as YouTube which allowed people to curate their own “channels” and only watch what they wanted, when they wanted. Yet the absence of high-quality media on YouTube meant that it would never be a serious contender to the likes of the BBC and France Télévisions (France.Tv). This contender arrived in the form of Netflix, and subsequent other streaming platforms such as Amazon Prime, Hulu and dozens more. These organizations are able to spend more, and adapt far more quickly than their traditional counterparts. They are able to care less about producing content that everyone loves, as they rely on people choosing what they want to watch from a huge range of options. Being outspent and constrained by rule the like of Netflix doesn’t have, large broadcast corporations are left playing catch-up in a market they are unable to disrupt.

One of the key factors in the global media industry shake-up is technology. The improvement in internet broadband speeds across the developed world means that households are able to stream high-quality programs on multiple devices, something that was not possible 10 years ago. The disruptive and liberating force of high-speed broadband has meant that consumers are no longer bound to their TVs and the regular list of channels. This freedom has led millions to join the Netflix subscription based, willing to pay a marginal fee each month to get access to new, innovative, and endless viewing options. The disruption caused by Netflix has caused the collective global media players to adapt their relational strategies with each other, adopting either cooperative or coopetitive strategies. Interestingly, however, Netflix itself has adopted a coopetitive, despite this potentially affecting its business model (BM) detrimentally.

**Coopetitive Netflix**

Coopetition occurs on three different levels, according to Daidj and Egert (2018):

1. **macro** – countries, aggregate of companies;
2. **meso** – inter-firm, manufacturer-supplier relations; and
3. **micro** – company, groups and individuals, within the company.

Coopetition therefore can occur both within and without a company. Inter-departmental cooperation within a company can be beneficial to its success, but it can also be used to encourage a sense of competition that will drive involved
departments to achieve more. Externally, a simple coopetition network between companies can be understood along one level of a value chain. Yet coopetition can occur between vertical and horizontal companies, which highlight the importance of dyadic relationships. Dyadic coopetition strategies come in two forms:

1. *simple* – an alliance between two companies; and
2. *complex* – the result of the commitment of several partners in different fields of cooperation.

What goes against typical convention is the idea that firms that are in competition with each other can work together to achieve mutual benefits. To make coopetition understandable in the current global market, Daidj and Egert (2018) highlight some generic drivers that explain coopetition-based BM:

- increasing the size of the current market;
- creating new markets;
- creating efficiency in the resource utilization which can be developed, as firms in horizontal relationships have similar operations, which makes value creation and capture more efficient; and
- improving the firm’s competitive position.

**The French angle**

The climate in France for video-on-demand (VOD) and the entry of Netflix in 2014 is not typical across developed economies. French films are financed through a tax system on its movie theatrical receipts, as well as investments into free-to-air and pay TV channels. This means that a typical Netflix BM would cause substantial harm to France’s film and TV industry. Barriers are therefore in place to prevent such disruptions. Additionally, France has a traditional 36-month period between a movies release nationally, and its ability to be shown on TV. Finally, various French IPTV firms were already established before Netflix’s arrival, meaning there was already competition, albeit from firms using slightly different BMs.

The result of this was that Netflix has had to create relationships with the two major players in French media – Canal+ (pay-TV) and Orange (VOD). Netflix has relationships with Orange, as well as other IPTV operators in order to share distribution of content. The relationship with Orange can be assessed as coopetitive as they are natural competitors who are working together due to the limitations of the French market. Netflix has also created strong relationships with Canal+ in order to share the burden of content creation. France demands a quota of media product is made in France. Therefore, together Netflix and Canal+ are able to make this requirement less burdensome. Finally, Netflix has utilized the tools provides by Amazon Wed Services (AWS), despite Amazon being a fierce competitor, as Netflix doesn’t want to invest in

In most developed economies across the world, streaming platforms have taken over as the dominant method people consume visual media.
web technology itself. This is a prime example of horizontal and vertical firms working coopetitively.

Comment


Reference


Keywords:
Technology led strategy, Competitive strategy, Business model, Coopetition, Netflix