

MEDIA & ICT CONSUMPTION TRENDS

“LOCAL CONTENT NO MUST-HAVE FOR NETFLIX USERS”

After widespread speculation OTT streaming service Netflix started operations in Belgium on September 19, 2014. Prior to the launch, Flemish newspapers and magazines speculated about the possible impact of Netflix. TV broadcasters and distributors hastened to stress that Netflix is a complement, and no alternative, to the available offer. Especially the fact that Netflix brings only a limited supply of Flemish content induced these parties to claim that Netflix will not be successful. However, a survey among a representative Internet panel of 2,044 people tends to reveal that broadcasters and distributors should not rest on their laurels.

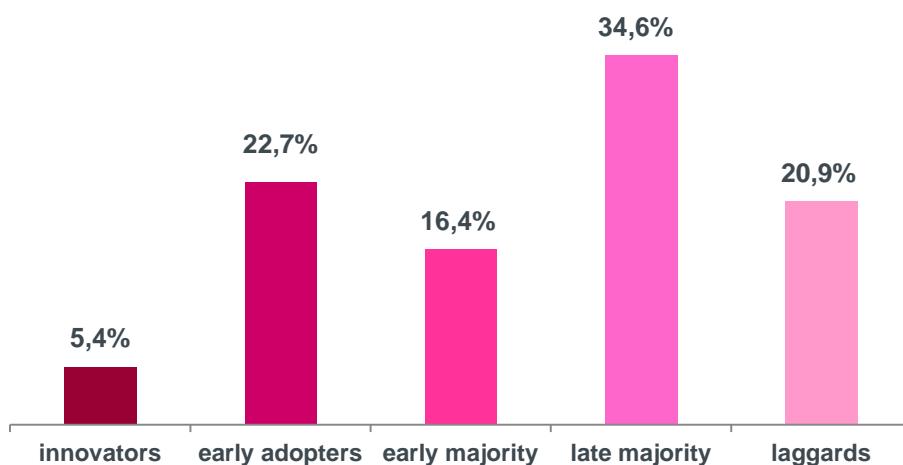
Our study reveals substantial market potential for Netflix: 28.1% of the Flemish population shows interest in Netflix, **5.4% is eager to subscribe as soon as the service becomes available**. This is completely in line with figures from neighbouring countries where Netflix was able to seduce between 5 and 7% of the population. We must therefore get rid of this idea that Flanders is an island in a global sea, and that viewer preferences for local content will discourage international platforms from invading our local ecosystem. Even more, a wide **supply of local series and movies is no must-have for potential adopters**, who indicate a higher dissatisfaction with the current TV channel supply.

The results confirm disruptive pattern of TV viewing, especially among so-called ‘online media masters’. These **young media consumers are everywhere and always connected**, and increasingly watch streaming or downloading content via mobile devices and new gadgets like Chromecast. Netflix has responded to this new generation, for whom binge viewing has become an everyday practice. This group expects an extensive supply of quality movies and especially series that can be watched whenever and wherever they want. It is crucial for our local broadcasters and service providers to recognize this evolution and adequately respond to it.

However, let’s end on an optimist note and **stress Netflix’ complementary nature**. It may be true that a substantial part of these viewers paying for movies and series packages consider dropping its subscription, but the service should be seen a complement to the existing linear TV offer: Netflix partisans will not all cut the cord with Flemish TV channels. But it is certain that Netflix is challenging the Flemish market and has created new dynamics in our small ecosystem where everyone was dozed off a bit.

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1/3 shows interest in Netflix; 8% wants it now



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Netflix strongly appeals to next generations that love binge viewing

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Netflix complements the linear television offer, but cannibalizes movies and series packs

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FOR MORE INFORMATION

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Media & ICT Consumption Trends is a partnership between iMinds Research Center Media & ICT (iMinds-MICT) and digital research institute iMinds. The project seeks to provide an overview of academic research in Flemish media and internet consumption, and links insights into transforming audiences to the current challenges for the Flemish media industries. It therefore combines results from original user-driven innovation research with conclusions from international studies and technology trends reports.

Series Editors: Tom Evens, Bart Vanhaelewyn and Lieven De Marez

Hungry for more insights? Check out the other issues in this series at <http://www.mict.be>

(2015-1) **Local content no must-have for Netflix users**

(2015-2) **Twitter activity not related with higher TV viewing rates**

Research Center **Media & ICT (iMinds-MICT)** is affiliated to Ghent University, part of the Flemish digital research center and business incubator iMinds, and forms, together with SMIT and CUO, the research department iMinds-Digital Society. The context and focus of MICT's research is today's digital society and innovation economy, and more specifically the changes and challenges that are imposed by that environment for each of its stakeholders: industry, policy makers and, not the least, end-users.

iMinds is Flanders' digital research center and business incubator, established by the Flemish government in 2004. Building on the expertise of our 850+ top researchers located at 5 Flemish universities, it introduces digital innovation in 6 key markets including Media, ICT and Smart Cities. iMinds collaborates with research partners to convert digital knowhow into real-life products and services that change people's lives for the better. Key asset is an agile, open research mind set and proven methodology.
