Netflix MX: “Roma” as a spearhead

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Presentation coordinates

• Netflix arrival to the Mexican cultural industries market (2011).
• Mexican audiovisual landscape and market actual scenario.
• Netflix MX Catalog (originals?) and alliances with local and regional players
• Rome: A circulation and distribution example of glocalization strategy.
Green or Greta Alert!
## Netflix and MX data (2011-2018)

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadband subscribers</td>
<td>11.7 million (10.8% population) 70%</td>
<td>18.7 million (18% population) 52%</td>
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<td>concentrated by Telmex</td>
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<tr>
<td>Pay TV subscribers</td>
<td>11.5 million (45% concentrated by Televisa)</td>
<td>22.6 million (60% concentrated by Televisa)</td>
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<tr>
<td># Mexican Films Produced</td>
<td>73 (62 released / Market share 6%)</td>
<td>186 (115 released/ Market share 9%)</td>
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Netflix Catalog (Originals?)

2019 general catalog 4,096: 2,856 movies and 1,240 series. 1,327 Netflix originals

Netflix originals
2018 2019
682 (20 MX Productions) 1,327 (36 MX P)

Netflix # Mexican movies
50
Most attention is destined to licensed content: Demand across direct-to-consumer platforms in Mexico

Demand Expressions®: Total audience demand being expressed for a title, within a market.
Alliances with National and Regional players/champions
Netflix Subscribers

2011 200 thousand
2012 900 thousand
2013 1.4 million
2014 2.0 million
2015 4.3 million
2016 6.7 million
2017 8.3 million
2018 8.8 million
Legal Framework and new dispositions

• The New government pass the legislative initiative to enforce collection of VAT and income tax (ISR) on wide-ranging digital services.

• Small or little room for maneuver in production quotas, because of NAFTA and USMCA. Nevertheless, the Mexican producers lobby is asking for 30% of content quota in SVoD services.
HIGH GEAR

Media giants have billions on the line in the race to catch Netflix and build global direct-to-consumer content platforms

By Cynthia Littleton p.36
ROMA: A circulation and distribution example of glocalization strategy
7 “ROMA” data and facts in relation with Netflix Power

1. Netflix spend around 25-30 million of dollars in marketing/promotion (a Star is born, Warner Bros 20 million/ 36 million production budget/ 436 million global box office)

2. The total production budget was $ 15 million of dollars

3. 10 Oscar nominations –Record for a Mexican movie- (won 3: Best Director, Best photography and Best foreign film)

4. New film distribution (The movie was realese in more of 900 screens in 500 locations around the world - 140 screens in MX)
Marketing (circulation)
7 “ROMA” data and facts in relation with Netflix Power

5. Streaming figures during the first month of Roma release 3.6 million vs 4.8 of Bird Box (Sandra Bullock).

6. After the announcement of the 10 nominations to the Oscars. The increase of the streaming was 280% according to Netflix.

7. After “Roma” successes Netflix announced the production of 50 projects and open an office in Mexico City (it will invest 200 million of dollars)
Two quotes as final remark

• As Janet Wasko has pointed out, the major distributors are the agents that dominate the film business (2003, p. 59). In the same vein, Nicholas Garnham noted: “It is cultural distribution, not cultural production, that is the key locus of power and profit. It is access to distribution which is the key to cultural plurality. The cultural process is as much, if not more, about creating audiences or publics as it is about producing cultural artefacts and performances” (1990, p. 162).