



INTERNATIONAL SEMINAR PLATFORMS AND DIVERSITY: NETFLIX UNDER DEBATE

NETFLIX IN ARGENTINA

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ARGENTINA'S AUDIOVISUAL SECTOR

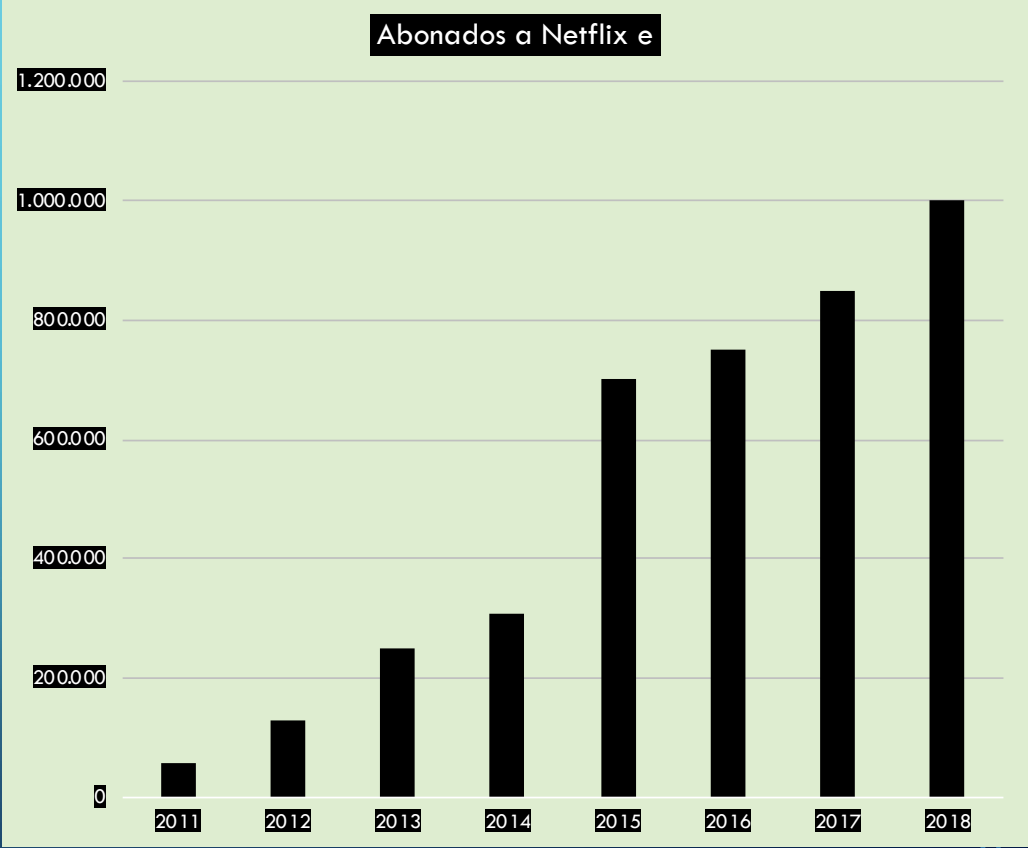
- 8th country with television around the world.
- 80% of households have pay TV (shows willingness to pay).
- 61.4% of houses have access to Internet, but most prepaid low speed services (trouble for streaming).
- Audiovisual system is consolidated and concentrated.
- High interest in Live Sports (that were offered by open TV at Netflix's launch and now are offered by pay TV)

NETFLIX IN ARGENTINA

- Launched in 2011. Second wave of international expansion after Canada.
- Constant growth of subscribers.
- Additional to paid TV, no substitution.
- Open TV decreases its shares.
- 10% of households have NETFLIX. More users are sharing their accounts. There aren't real facts about NETFLIX's users.

NETFLIX DEVELOPMENT

| Years | Subscribers |
|-------|-------------|
| 2011 | 57,000 |
| 2012 | 130,000 |
| 2013 | 250,000 |
| 2014 | 310,000 |
| 2015 | 700,000 |
| 2016 | 750,000 |
| 2017 | 850,000 |

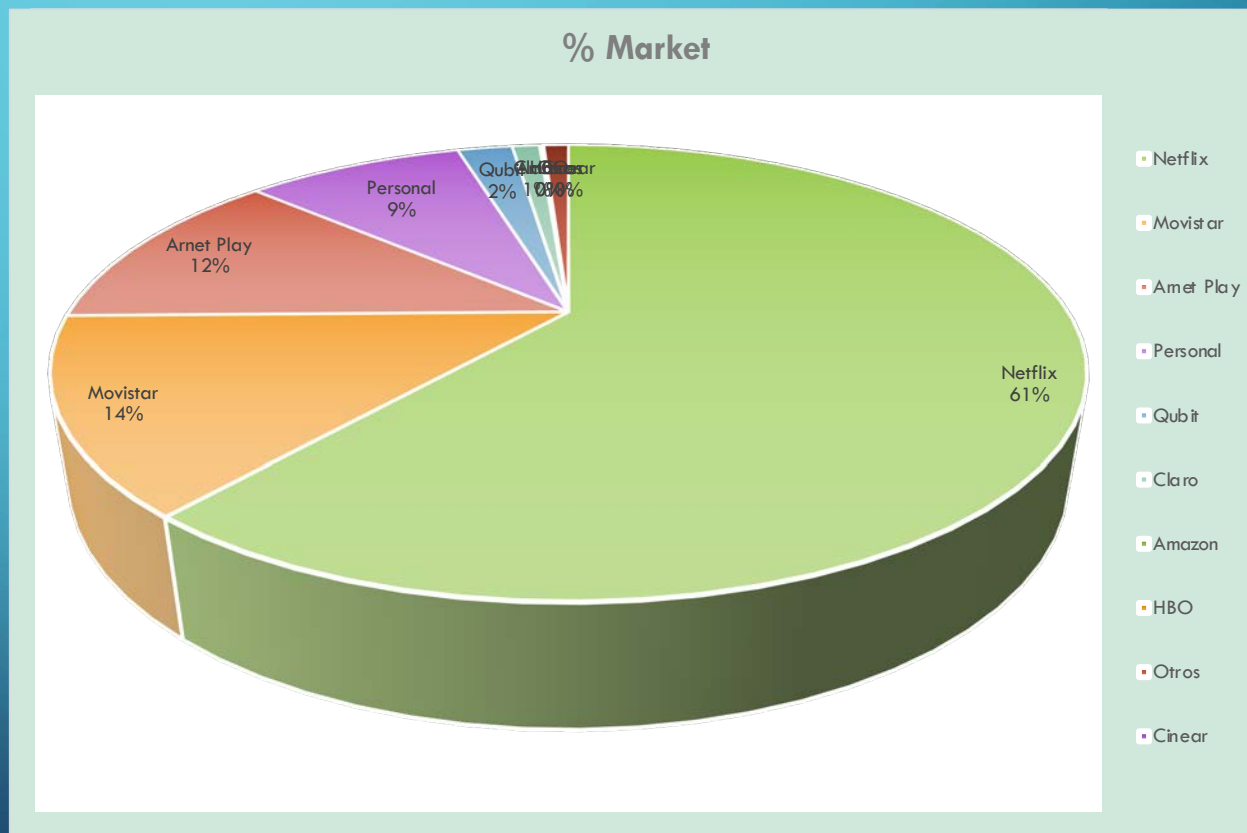


COMPETITION AND COMPLEMENTARITY

- Distribution agreements with paid TV (Telecentro: 2015); (Movistar: 2018); (Cablevisión Flow, 2019). Netflix's button, Payment System.
- Agreement with Telefé contents (Like Antena 3).
- Agreements with most important producers in 2017, but production is delayed for economic reasons. Very few releases until 2019.

OTT AND TVE MARKET SHARE

| Year 2016 | % Market |
|------------|----------|
| Netflix | 60.8 |
| Movistar | 13.6 |
| Arnet Play | 12 |
| Personal | 8.7 |
| Qubit | 2.2 |
| Claro | 1.1 |
| Amazon | 0.12 |
| HBO | 0.05 |
| Otros | 1 |
| Cinear | 0 |



MAIN OTT COMPARED

| | Netflix | Flow | Claro | Movistar |
|-------------------------------------|---------|------|-------|----------|
| Releases rental | No | Yes | Yes | Yes |
| Series | 1397 | 200 | s/d | 600 |
| Own production | Yes | Yes | s/d | Yes |
| Argentine channels | No | Yes | No | Yes |
| Soccer | No | Yes | No | Yes |
| HBO | No | Yes | Yes | Yes |
| Fox | No | Yes | No | Yes |
| TV live | No | Yes | Yes | Yes |
| Devices simultaneously used | 4 | 2 | 4 | 2 |
| Use in other countries | Yes | No | No | No |
| Allows downloading to watch offline | Yes | Yes | Yes | No |
| 4k | Yes | Soon | No | Soon |

CONTENT OFFER. NETFLIX ORIGINALS

- Smaller catalogue than USA, but similar to Brazil and Mexico.
- Research carried out on April 3rd 2018.
- 591 references. 296 series (50%), 142 movies (24%), 118 stand up/talk show (19.9%), 4 shorts (0.6%) and “others” (5.2 per cent).
- Most of the content is less than two years old.

CONTENT BY ORIGIN. NETFLIX ORIGINALS

| Country | Production | Co-production | Total | % |
|----------------|------------|---------------|-------|------|
| United States | 363 | 21 | 384 | 65.0 |
| United Kingdom | 42 | 7 | 49 | 8.3 |
| Japan | 35 | 2 | 37 | 6.3 |
| Canada | 21 | 11 | 32 | 5.4 |
| Mexico | 16 | 2 | 18 | 3.0 |
| France | 11 | 5 | 16 | 2.7 |
| South Korea | 12 | --- | 12 | 2.0 |
| Spain | 9 | 1 | 10 | 1.7 |
| Australia | 8 | 2 | 10 | 1.7 |
| Germany | 2 | 6 | 8 | 1.3 |
| Brazil | 6 | --- | 6 | 1.0 |
| Colombia | 5 | 1 | 6 | 1.0 |
| Argentina | 4 | --- | 4 | 0.7 |

ARGENTINE CONTENT

- Only 4 Argentine productions on “Netflix Originals” (0.7%)
- In August 2018 website uNoGS.com shows a total of 4377 products in Argentina’s catalogue, with 62 local productions, this is 1.5%

NETFLIX ORIGINALS

- 1) Series predominance, (50%), followed by movies (24%).
- 2) 80.5% was released in 2016, 2017 or 2018.
- 3) 65% of productions are from USA, 17.7% from Europe and 8.6% from Asia. Latin America has only 6% and Argentina 0.7%.
- 4) Latin American content focuses in low budget content like stands up/talk show.

NETFLIX STRATEGY IN ARGENTINA

- Two offices in Argentina: purchases and production
- Agreements with credit cards and paid TV distributors in order to overcome low levels of banking services use.
- High participation in social networks and innovative advertising campaigns: “Don’t watch Netflix”.
- Agreements with main Argentine production companies: Netflix maintains control of art decisions
- Low levels of production.

PUBLIC POLICIES

- No specific regulation.
- 2017: Law presented by Socialist Party: OTT register, % national production quota, 5% Tax.
- As from 2018, OTT should pay Tax Value.
- Some provinces try to tax OTT, but is still difficult to implement.

OTT AUDIENCE IN ARGENTINA

- 32% of Internet subscribers uses OTT, only exceeded by open TV with 37%
- Predominant between centennials and millennials
- Women OTT audinces are larger than men

NETFLIX CONSUMPTION IN ARGENTINA

- There is no Netflix data. Private consulting firms show different data. A group of 20, 2017-most watched productions are selected in Argentina averaging the same.
- USA ranks first in the list with 10 productions (45.5%), followed by Spain with 5 (22.72%). The rest of the countries in the list of the most watched productions on Netflix are: Argentina, Colombia, Canada, Ireland, Mexico, France and the United Kingdom with 1 series each. Productions in Spanish have a special place, since if Spain, Mexico, Argentina and Colombia production is added, it results in a 36.36% of the total production.
- 14 out of the 20 are Netflix Originals.