

**ANALYSIS ON NETFLIX'S COMPETITIVE ADVANTAGE
AND CHALLENGES AND ITS FUTURE PROSPECT**

THESIS

**Presented as Partial Fulfillment of the Requirements
for the Degree of Sarjana Ekonomi (S1)
in International Business Management Program
Faculty of Economics Universitas Atma Jaya Yogyakarta**



Written by:

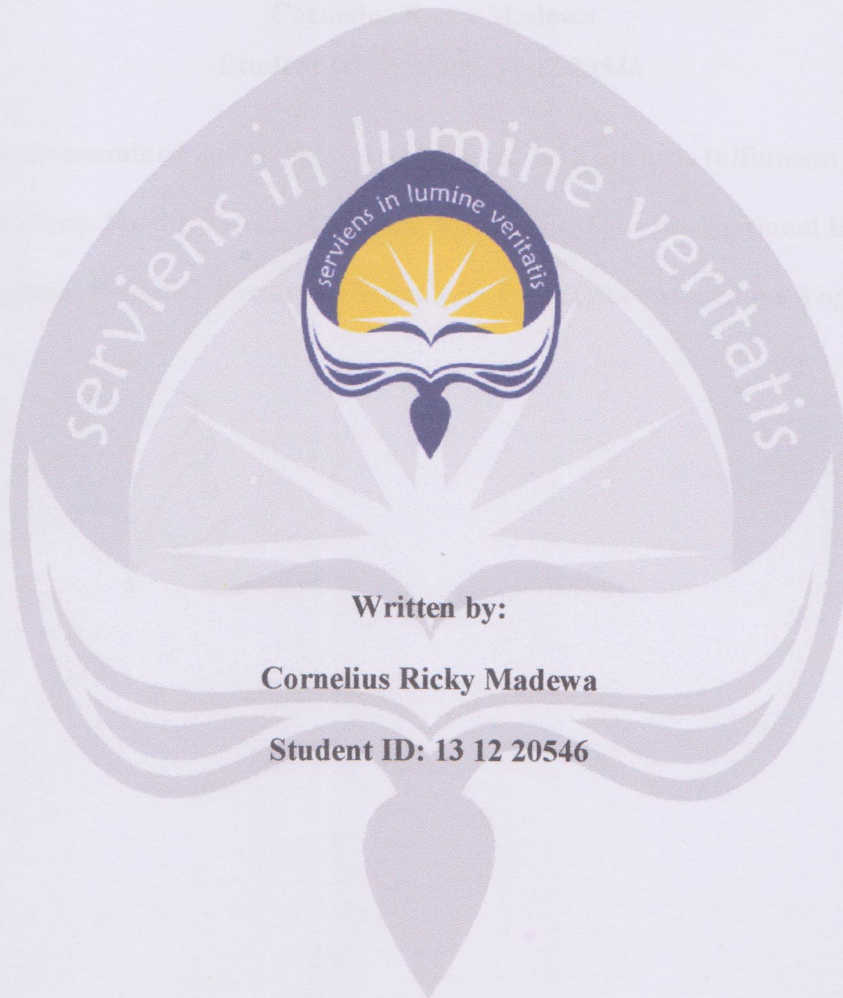
Cornelius Ricky Madewa

Student ID Number: 13 12 20546

**FACULTY OF ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA
2018**

Thesis

**ANALYSIS ON NETFLIX'S COMPETITIVE ADVANTAGE
AND CHALLENGES AND ITS FUTURE PROSPECT**



Written by:

Cornelius Ricky Madewa

Student ID: 13 12 20546

Has been read and approved by:

Supervisor

A handwritten signature in black ink, appearing to be 'Dr Qi Ai', written over a faint background of the university logo.

Dr Qi Ai

Northampton, 21st June 2018

This to Cerify that the Thesis Entitled

ANALYSIS ON NETFLIX'S COMPETITIVE ADVANTAGE

AND CHALLENGES AND ITS FUTURE PROSPECT

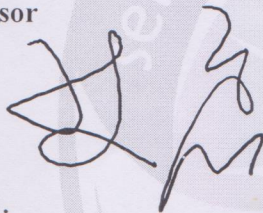
Written by:

Cornelius Ricky Madewa

Student ID Number: 13 12 20546

has been examined and approved on 21 June 2018 towards fulfillment of the requirements for the degree of Sarjana Ekonomi (S1) in International Business Management Program Faculty of Economics Universitas Atma Jaya Yogyakarta

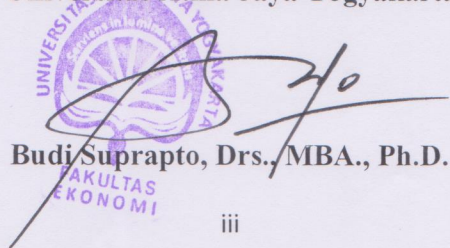
Supervisor



Dr Qi Ai

Yogyakarta, 4th July 2018

Dean of Faculty of Economics
Universitas Atma Jaya Yogyakarta



Budi Suprpto, Drs., MBA., Ph.D.

STATEMENT OF THESIS AUTHENTICITY

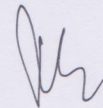
I, the author of this business project, entitled:

ANALYSIS ON NETFLIX'S COMPETITIVE ADVANTAGE AND CHALLENGES AND ITS FUTURE PROSPECT

is my own writing. The part of my writing does consists others writing that I have cited and mentioned in references. I would like to take full responsibility of losing my degree that has been given by Universitas Atma Jaya Yogyakarta, if I have done plagiarism on this research.

Northampton, 7th April 2018

Writer,



Cornelius Ricky Madewa

ACKNOWLEDGEMENT

Firstly I thank you to God for letting me finish this work entitled “Analysis on Netflix’s Competitive Advantage and Challenges and its Future Prospect” as part of process to get my degree in Business & Management (Top Up) of University of Northampton.

This business project will not be complete without help from these amazing persons in my life which go to:

1. Papa and Mama that put their faith in me so I can study in University of Northampton. Also my sisters Mbak Tasha and Monica that help me in any kind of situation and also Oma with her hot tea.
2. My close friend Bimo, Sane, Elang and Tania that always be there.
3. My friends Paul, Ewal, Helma, Ciko, Vino, Prabu, Kurni, Bejo, Ricko, Adin, Elgar and many other friends from my senior high school, you are the best.
4. Thank you also to Ajeng, Fidel, Robin, Monti, Belle, Hans, Gilbert, Ezzo, Sita, Glen, Klepon, Pang2 and other IBMP friends.
5. All HMPSM members especially Ricko that allows me to grow with you
6. My lecturers from Universitas Atma Jaya Mrs. Sukma, Mrs. Debora, Mrs. Nadia and many other amazing lecturers.
7. My lecturers here especially my tutor Dr Qi Ai, thank you for the guidance.
8. My awesome close friend here in Northampton Eric, Lisa, and Christelle, I cannot survive this year without you guys!
9. My classmates especially in Political Economy of China Kelsey, Emma and Jonti and many other friends, cheers!

10. My fellow countrymen and neighbour, PPI Northampton, Malaysian, and Bruneian,
thank you!

Northampton, 8th April 2018

Cornelius Ricky Madewa



TABLE OF CONTENTS

Declaration of Authorship.....	iv
Acknowledgement	v
Abstract.....	x
CHAPTER I INTRODUCTION.....	1
CHAPTER II COMPARATIVE ANALYSIS HOW NETFLIX IS COMPETING AND ITS COMPETITIVE POSITION. NETFLIX'S ACTIVITY RESULT IN GAINING COMPETITIVE ADVANTAGE	3
2.1 Analysis of Netflix's Position within Digital Media Industry	3
2.2 Netflix's Competitive Advantage through Internal Resources	5
CHAPTER III NETFLIX'S CHALLENGES	13
3.1 Netflix's Internationalisation	14
3.2 Netflix's Challenges to Make the Content Globally Available.....	14
CHAPTER IV SUGGESTION AND FUTURE PROSPECT	20
CHAPTER V CONCLUSION.....	25
REFERENCES	28

LIST OF TABLE

Table 1:	Netflix's VRIO analysis, Barney & Hesterly, 2015
-----------------	--

6



LIST OF FIGURE

Figure 1:	Engagement vs. Reach for Select OTT Service Providers	<u>4</u>
Figure 2:	Netflix's Altered Carbon Advertisement	<u>8</u>
Figure 3:	Pedestrian try to poke the advertisement	<u>9</u>
Figure 4:	Netflix engage with the customer through Twitter	<u>10</u>
Figure 5:	Skip Intro Button on Netflix	<u>11</u>
Figure 6:	Netflix grows its content library	<u>15</u>
Figure 7:	Where is Netflix available	<u>18</u>
Figure 8:	The Strategy Clock	<u>21</u>
Figure 9:	Netflix in Indonesia	<u>23</u>

ANALYSIS ON NETFLIX'S COMPETITIVE ADVANTAGE AND CHALLENGES AND ITS FUTURE PROSPECT

Written by:
Cornelius Ricky Madewa
Student ID Number: 13 12 20546

Supervisor:
Dr. Qi Ai

Boughton Green Road, Park Campus, NN2 7AL, Northampton, Northamptonshire, United Kingdom

Abstract

Netflix is a company that pioneered streaming video service that change the system how people rent a movie back in 2010. Moreover Netflix become pop culture because of the famous original contents such as House of Cards, Stranger Things and so on that become one of the competitive advantage which will be analyse using Resource-Based View and VRIO Framework. Aside from that Netflix already going globally and Netflix almost available in all country beside China, Syria, Crimea and North Korea and there is analysis the main challenge that Netflix face when doing trading across borders using institutional theory. There is a virtuous prospect for Netflix by creating suggestion using the strategy clock and strategic alliance that will enhance Netflix performance.

Keywords: Netflix, resource based view, internationalisation, VRIO framework, strategy clock, strategic alliance.