

# Analysing Netflix Technological Strategy

## What we can learn from Netflix Tech Blog and patent data

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### 1 Objective

This paper continues a previous study about Netflix's technological strategy (Ruiz-Navas S, Miyazaki Kumiko, 2017). In this study we seek to understand Netflix's technological strategy and how the company adapted its technological strategy in the light of two events, the Covid-19 pandemic and the launch of competing streaming services such as Disney and HBO.

### 2 Methods

The method consists of a combination of patent and text analyses; to study Netflix's technological change concerning two strategic moments, the start of the Covid-19 pandemic and the launch of streaming services such as Disney and HBO. We will analyze Netflix technology in the period between 2014-2021 by using two data sources, Netflix's patents and Netflix's technology blog. Furthermore, we will do two analyses using these data sources, patent analysis, and network analysis. On the one hand, the patent analysis lists Netflix patents' IPCs (International Patent Codes) and identifies their changes year by year. On the other hand, the network analysis comprises automatic extraction of the word describing technologies in Netflix Tech blog's articles. Moreover, we will create networks of technology co-occurrence, one for each year, to have a complementary vision of Netflix technology. Using the resulting technology Networks and IPCs, we will analyze Netflix's technological changes in reaction to the two defined strategic moments to identify Netflix's overall technological strategy.

### 3 Results

We expect to obtain as results that the Covid-19 pandemic had an incremental or significant impact on Netflix's technological strategy, given the growth in demand and increase in users (Netflix, 2020). On the other hand, we expect that the streaming competition changed Netflix's technological focus to improve its user interface, recommender system, and content delivery network. Because Netflix considers these technologies critical components of its technological advantage (Netflix 2021)

### 4 Conclusion

Netflix is considered a service company that mainly competes as a content provider. However, Netflix technology is an integral part of its current competitive advantage over other streaming services.

Netflix's technological strategy, which is that of a forefront runner in streaming technology, is not immune to unexpected changes in consumer behaviors such as those triggered by the Covid-19 pandemic.

### References

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