



Amazon Prime Video Versus Netflix- Compare Market Entry Strategies

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ABSTRACT

OTT video services, which were formerly seen as a luxury, have now become commodity. In today's world, an increasing number of consumers are adapting to it. Because video streaming is growing more common in our daily lives, television networks no longer have a monopoly. The two biggest companies in the internet video streaming sector are Amazon and Netflix. Since 1997, Netflix has been the world's top online streaming network, while Amazon Prime Video debuted in the United States in 2006. This paper gives a case study of the two major competitors and the techniques they employ to grab the worldwide market, particularly the Indian market. Both companies have a good marketing strategy, and both have applied in a good way to capture the position worldwide.

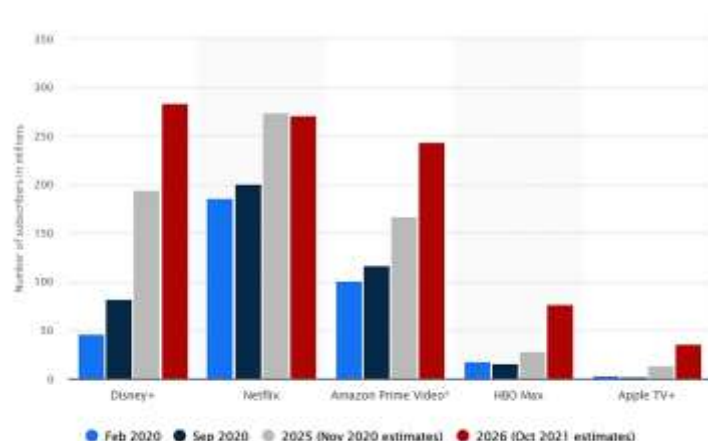
Keywords: OTT Video services, Amazon prime video, Netflix, Video streaming, Competition.

1. Introduction

The focus of this introduction is to give a quick information about the OTT platform, and the information about Netflix and Amazon prime video. Over-the-Top is abbreviated as OTT. Because of "over-the-top," a handy little term that describes the new delivery method of film and TV material via the internet without the need for traditional broadcast, cable, or satellite Pay-TV providers, we can now stream across multiple devices whenever we want. In Simple terms, we're talking about people who pay an internet provider for internet access so they can watch Netflix and Amazon Prime Video without having to pay for cable. Currently Netflix and Amazon prime video are the two major competitors in the world. Now a days customer is more focused towards the OTT platform instead of Television.

Netflix started in 1997 as an online movie rental service available exclusively in the United States at the time. It has advanced into one of the world's most popular streaming entertainment services, with 183 million paid subscriptions in over 190 countries and a miscellaneous selection of TV series, biopics, and feature films in a variety of kinds and languages. Amazon Prime Video, formerly known as Amazon Unbox, is the company's largest and most well-known video-streaming service. With the absence of mainland China, North Korea, Iran, and Syria, Amazon Prime Video is currently available in about 200 countries, like Netflix. Due to the increasingly competitive business, new entrants were modifying their market strategy to increase their subscriber counts and maintain their subscriber count, with Netflix and Amazon being two of the major participants. If we talk about India, it is one of the important markets to expand the Video streaming business and both the companies has targeted India. The sudden change in the consumer behavior about the video streaming is due to the internet service provider, i.e., Reliance jio. Netflix was quite famous in the United States, same as the Amazon prime video, but if we take the current scenario, both are famous across the globe not only in United states.

This case analyses and contrasts the two major video streaming players based on their content and services. It will discuss the challenges and strategies businesses must employ in order to succeed in the Indian market. This study focuses on their strategies not only around the world, but especially in India. The following figure shows the Subscriber count of Netflix and Amazon prime and the estimation of subscriber by Year 2026.



Netflix had almost 201 million subscribers as of September 2020, making it the world's most popular subscription video-on-demand service. With 117 million users, Amazon Prime Video came in second. Netflix estimated subscriber count by Year 2026 would be 270 million, and Amazon prime video subscriber count by Year 2026 would be 243 million.

2. Literature Review

The Literature Review will emphasize and clarify the concept of video streaming app such as Netflix and Amazon prime video. The Goal of this study is to clarify the market strategies adopted by Netflix and Amazon prime video to capture the large market across the globe. There are some important points which will be mentioned later in the paper.

Minzheong 2021 states “**Amazon and Netflix** have various TV network branding in SVOD”. Amazon uses the brand names of several television networks as profitable lures to entice users to join its APV membership club. Netflix competes with linear TV networks, and their brand identities diminish from Netflix's own brand value. Finally, the importance of thinking about contemporary TV network branding as a constant negotiation between established and emerging practises is demonstrated by Amazon's efforts to build a streaming service alongside TV network brand identities, as well as Netflix's efforts to build its own brand at the expense of such identities.

Aversa 2021, Huyghe 2021, Bonadio 2021, explore that the rise of the 'digital era' poses distinct obstacles for businesses looking to join new markets and determine 'where' to compete - a crucial topic in corporate strategy. It is especially unclear what opportunities and repercussions exist for digital newcomers when they position their disruptive business offers in the category system, particularly in relation to non-market players.

Banerji 2021, Maheshwari 2021, Rai 2021 found that digital media, particularly entertainment services such as video and audio, are responsible for the majority of data growth. Video and audio traffic has conquered worldwide internet data use for several years. The number of platforms on which a user can stream audio and video information has increased in recent years, as have the devices used to access digital data.

Hostler 2021, Yoon 2021, Guimaraes 2021, Forgionne 2021 found online retailers such as Amazon.com and service providers such as Netflix.com have dominated their respective market areas. The recommendation agent (RA) is one of the tools utilised on the websites of these online behemoths: it gives a personalised online purchasing experience.

Many experts believe that RAs give internet retailers the ability to affect their clients' behaviour. Several research have demonstrated that RAs may have an impact on online consumer behaviour. According to Felfernig and Gula, RAs can persuade customers that certain product features are more significant than others or increase customer satisfaction with their online purchasing experience.

Rahe 2021, uschow 2021, Schultz 2021 found subscription-based video-on-demand (S-VoD) streaming services have emerged as important participants in the video business in recent years. S-VoD services offer a specific selection of video content to users for a set monthly fee. With around 130 million members, Netflix has been the leading supplier since 2008, followed by Amazon Prime Video. This is likely to change as competitors like as The Walt Disney Company, Warner Media, and Apple challenge its dominance. These notable players are making an appearance.

Flamand 2021, Riley 2021, Wisher 2021 analyse Amazon's strengths as a corporation and growth potential is defined in this strategic analysis. We were able to make recommendations after reviewing Amazon's customer study, value chain analysis, financial data, and competitor analysis. We were able to determine the top Amazon recommendations by using the SWOT, BCG, and SPACE matrices. Amazon is already a profitable and diverse firm, so finding a suggestion that is both easy to adopt and financially lucrative is advantageous. Amazon already has a good advantage in their industry, and developing a private brand would be helpful due to their strong customer loyalty. This would help Amazon's keenness, industry strength, agility, and financial stability.

Halprin 2020 explore global media flows, global television studies, and post-network television studies are the three main areas where this thesis interacts. Even though Netflix provides both television and film programming and has been positioned as both a television and movie distributor/producer, this analysis focuses on Netflix's role as a television provider. Netflix serves as a model for how the service should be conceived. "Starting back in 2011, we started suggesting that HBO will be our key long-term competitor, particularly for programming," according to the company's investor relations website. HBO, a cable channel that broadcasts both television and film, has traditionally been regarded as a television channel. Netflix can be considered a television service because it explicitly compares itself to HBO.

Onyusheva 2021, Baker 2021 Netflix's ability to enter local markets and expand its foreign company quickly are signs of its internationalisation success, according to the study. The company's strategy of cooperating with local firms and couture its content to each market has given it an edge. As a result, the organisation today boasts 183 million members from 190 countries. The video streaming sector is a modest business area, especially across international markets, with the emergence of global, regional, and local businesses. As a result, Netflix should continue to reinforce existing partnerships and consider developing new ones with both global and local companies.

Rahe 2020 looked at how **Netflix and Amazon Prime Video's** brands were perceived. Focused on the German market, where Amazon and Netflix have long been major competitors, the report provides insights into the fast-paced video streaming industry's future challenges.

Eugenia 2021, Sanchez 2021, Nicolas-Sans 2021, Díaz 2021, explore the rate of engagement is modest, it would be fascinating to monitor user responses. It is one of the fundamental factors that determines Web 2.0 and social networks as its most extreme manifestation.

Ota 2020, Ray 2020, Chandra 2021 analysed the restrictions imposed in the aftermath of the Covid 19 pandemic had a substantial impact on media and entertainment consumption patterns. In India, the popularity of video-on-demand platforms has skyrocketed. Hotstar, Netflix, and Amazon Prime have all become household brands, and there are also some newcomers, such as MX Player and Sony Liv. According to a Deloitte analysis titled "Digital

Media: Rise of on Demand Content," the advent of inexpensive smartphones and improved internet 4G access has fuelled demand for video on demand entertainment services.

Mudhar 2020, Star 2020 explore Netflix was the first company in the United States to offer streaming video content at incredibly low costs. Amazon is one of the world's largest technology corporations. Its value has skyrocketed year after year, making Jeff Bezos the world's richest person. With its prime delivery idea, Amazon has changed the e-commerce business, and it will stop at nothing to entice Indian consumers to adopt its streaming platform. The most significant of the 7 Ps of marketing mix, according to the report, are product, pricing, and promotion.

Kumar 2020, Gupta 2020, Dixit2020 found that the majority of Netflix India's marketing has been sorted out. The brand's principal promotional technique was websites like YouTube. It is uncompromising since it is a globally recognised brand, and it does not favour widespread advertising. Pop-up ads, banner ads, bill boards, and other static website adverts were used instead. Netflix is currently a significant source of ad sales and revenue.

Sundaravel 2020, Elangovan 2020 found in India, video streaming has become one of the most common methods of information consumption. Smartphones are the most popular device for watching OTT video content, and Xiaomi is very popular smartphone brand among OTT consumers. Among OTT customers, Jio is very popular networking service, followed by Airtel and Vodafone-Idea. Hindi and English are the most popular languages. PWC India reported that "**India is the fastest-growing entertainment and media market globally and is expected to keep that momentum**".

Table 01. Market share of OTT platforms in India

OTT Platforms	Usage Share (in %)
Hotstar	20
Amazon Prime Video	20
Netflix	15
Sony LIV	5
Zee5	5
ALT Balaji	5
Viu	5
Hungama Play	5
Eros Now	5
Others	15

3. Objectives of the study

- To investigate the present services provided by Netflix and Amazon Prime, two subscription-based media streaming service providers.
- To investigate the marketing strategies used by Netflix and Amazon prime video.
- Global expansion and mainly in India.
- To evaluate the Various competitive strategies.
- Impact of Video streaming app on television.

4. Research Methodology

The goal of this study is to emphasize the competitiveness of two of the world's largest media streaming entertainment service providers, **Netflix and Amazon Prime**, with the researcher focusing on these two main media streaming service providers. With this goal in mind, the researcher will conduct exploratory research using an exploratory research design that will allow them to obtain the most relevant results using Exploratory Research Methods such as **Literature Review, Case Study Analysis, and Secondary Data Analysis**. Documentary investigation of secondary data from past journals, newspapers, case studies, and literature reviews would assist the research to get more proofs and credibility.

5. Source of Data

- The Source of data which is used in this paper is Secondary Source of data, such as Case studies, Websites and Research articles.

6. Primary Information

- Websites, case studies, and research articles are used to gather the basic information.

7. About Netflix

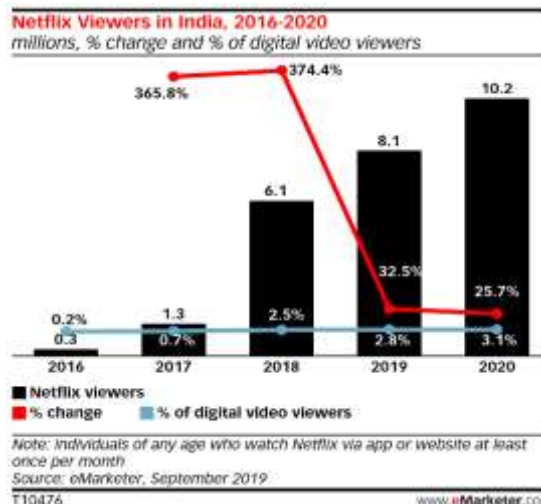
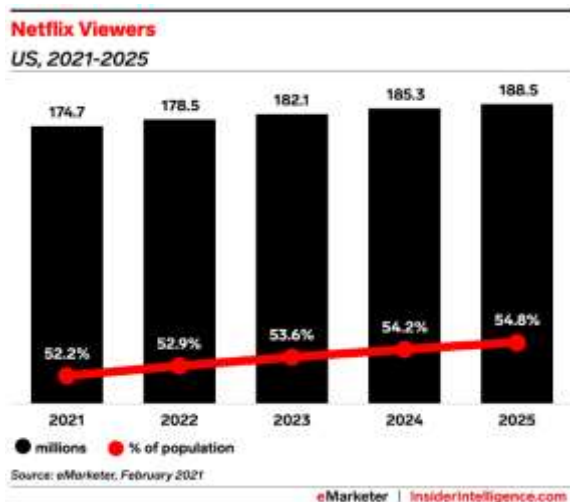
Consumers are encouraged to binge watch, find, and explore new creations, and share their experiences with all their friends online as a result of media companies' "Netflixification." Netflix customers can locate videos in every session thanks to its recommendation algorithm. Recommendation is a set of web-based technologies that adjust vendors' goods to customers' tastes. Netflix rely on third-party infrastructure for their services.

Netflix's strategic agility allows it to respond tactically to all difficulties, many of them are distributed with in active and preemptive manner, which is faster than the competitors. Netflix is quick, which means it is constantly changing its business strategy. The success of internet businesses relies heavily on recommendation systems. Netflix's recommendation algorithms determine 80 percent of the hours used by their subscribers, demonstrating the importance of personalized services.

Netflix aims to find the best algorithm because there are numerous types of reference engines with different performance criteria such as accurateness, uniqueness, diversity, and trust. Netflix is also attempting to address concerns such as the growing number of consumers and how to handle a massive flood of big data. Netflix has certain distinct competitive advantages, such as unique content methods such as the capacity to programs for specific interests.

Netflix has better device compatibility, a larger unstable archive, and a better user020border and audio, but APV is less expensive and offers more live TV and extras, as well as new content.

Before assessing past studies, this study sought for them. The five invention success factors of personalization, closed loop, usage-based subscription pricing, partnership ecosystem, and agility, as well as the five innovation success factors of personalization, closed loop, usage-based subscription pricing, collaboration ecosystem, and agility, have been studied lengthily. This paper compares the five success factors of the two global OTTs, Netflix and APV, by looking at publicly available industry documents, press releases, company blogs, and executive interviews news of both OTTs to understand the innovative activities of Netflix and APV and to evaluate competitiveness by looking at publicly available industry documents, press releases, company blogs, and executive interviews news of both OTTs.



8. About Amazon

Everything that begins has an end, yet it appears that the Amazon Prime video member base defies this rule. The number of people using the internet streaming platform has surpassed 200 million, and it is still growing. This inexorable growth rate is due to Amazon Prime's marketing strategy.

This streaming network, which debuted in 2006 as Amazon Unbox, has undergone multiple makeovers and technological improvements. Prime is now available in over 20 countries, and it is known around the world as Amazon Prime Video.

Amazon rated third in terms of digital video impact in 2020. In addition, APV is the second most popular video on demand service in the United States. Amazon announced in January 2020 that Prime had surpassed 150 million subscribers globally, and that number has already risen to 200 million.

CONTENT MARKETING

Amazon's content is at the centre of their primary marketing strategy. The movies and shows that Amazon releases on its streaming platform are responsible for its 200 million users. Amazon understands how to keep its customers interested in the products it produces.

Prime Video produces and allots original films and series under the banner "Amazon originals," as well as purchasing the rights to a variety of popular films and series.

According to Amazon's most recent annual report, the media and e-commerce behemoth spent \$11 billion on TV episodes, movies, and music. It represents an increase of more than 40% over the previous year.

Talking about quality Amazon originals have received 47 Emmy nominations in various categories for films and shows such as Fleabag, Hanna, Homecoming, Good Omen, and many more.

Let's talk about the quantity of its substance now, after we've talked about its excellence. Amazon Over 75 million videos are available on Amazon worldwide. As a result, Amazon prioritises both quantity and quality of content.

Commercials on television

Amazon uses OG style advertising, such as television commercials, to attract users to their streaming services. Amazon uses television commercials to draw people to their streaming services. It also uses television to promote its most recent releases.

This strategy aids Amazon in capturing niche consumers. The 18-34 age range is the primary target of prime video. However, by airing advertisements on television, Amazon gains a subscriber base of those aged 34 and up.

Social media Marketing

Amazon Prime has a number of social media accounts that cater to a wide range of geographically dispersed customers. It makes use of social media to promote its platform or any well-known releases. Amazon Prime also runs paid sponsored ads on Facebook and Instagram to promote its streaming services. These advertisements are highly targeted and have a high conversion rate.

Meme Marketing

Prime's Mirzapur series is one example of how meme marketing may yield excellent results. Season one of Mirzapur was the focus of nearly every meme. Mirzapur's second season was the most watched on Amazon of all time, and meme marketing played a big part in that.

Moment Marketing

Amazon is very aware of current events and exploits them commercially. They post perfectly for the occasion on its social media site. Amazon shared a video with social media popular singer Yashraj Mukhate and The Family Man's child actor for World Music Day. Furthermore, Amazon made use of its material and generated several pieces specific to Pride Month. This is how Amazon makes money from ongoing events.

Affiliate marketing

Affiliate marketing is a marketing method in which affiliate marketers promote a brand in exchange for a commission for each new consumer they bring in.

The Amazon affiliate programme is well-known and assists many affiliates in earning money by advertising Amazon's items. The affiliate provides feedback on social networking platforms, blog postings, or website links. In exchange, Amazon pays affiliates a commission.

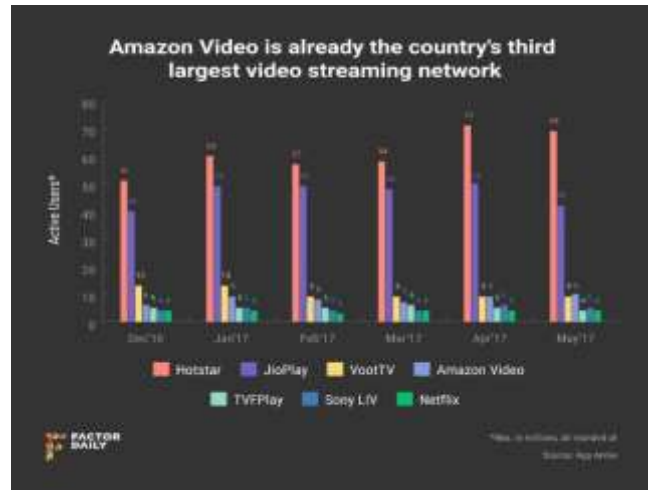
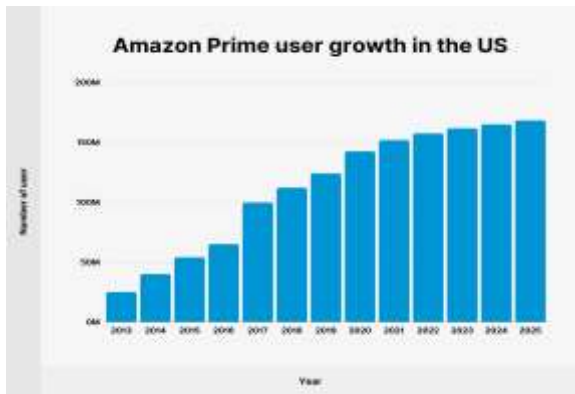
Partnerships & Collaborations

For marketing its platform and content, Amazon Prime engages in a variety of collaborations and partnerships. Partnerships are a fantastic method to reach out to a whole new set of customers. Amazon teamed up with Airtel to offer free yearly Prime Video subscriptions to Airtel customers. Airtel has a separate consumer base, and Amazon Prime pitched Airtel's customers through this collaboration. In addition, Amazon collaborated with Reliance Jio and granted Jio consumers a free Prime Video subscription.

Drip Promotion

Amazon has a methodical email marketing strategy to provide the best possible results. Amazon employs drip email marketing, in which automated emails are sent at certain periods or in response to user actions. Assume you join up for Amazon with your email address, and you then become a target for their drip marketing approach.

Amazon will recommend a movie or a series of movies to you. They also send you tailored emails based on your activities.



9. Research design

Technical trends are the same as in the hypothetical background, but market trends have been efficient into four categories to satisfy the needs of the OTT market: Increased controlling pressure on OTTs, an increase in OTT service demand, a greater variety of OTT consumer preferences, an increase in IP costs, and an increase in IP prices. Netflix and Amazon, which compete against over a thousand other companies, have one similarity: they are both driven by a passion to create. Linking their experiences and approaches to innovation can help the media industry carve out a niche in today's customer-driven economy.

10. Analyzing and finding

10.1 Personalization

Netflix forecasts what should be endorsed to viewers based on their viewing, search, and rating histories, as well as the time, date, and device they are using. As of 2020, Netflix used 1,76,897 'tagging,' a exclusive way to determining movie genre kinds, and it suggests to each of its users to not only tailor their experience, but also to induce them to return to Netflix for more tailored material. If a user enjoys horror movies, for example, it will recommend similar films to keep the user engaged with its OTT platform. It also makes recommendations to its users depending on the 'time' factor. When a person logs in late at night, it is suggested that he or she watch shorter shows rather than longer ones.

Amazon tampered with the procedure. Amazon AI appraises its system by determining whether at least one of the top six recommendations for a given customer was in fact a movie that customer watched within the two-week period following the deadline date, as displayed by APV's user interface on the page associated with each title in its catalogue. In this trial, the autoencoder should outstrip the bestseller list as well as traditional collaborative filtering. Amazon noticed that categorizing the input data chronologically and using it to forecast future movie preferences over a short time period helped neural networks generate better movie recommendations.

Table 1. Summary of the personalization findings

Success factors of Innovation		Netflix	APV
Persona lization	Recommendation	- Ca. 80,000 'tagging' of movie genre - Time of content: short & long	- 'One-Size-Does-Not-Fit-All' - AI based Autoencoder
	Interactive viewing	- 'Black mirror Bandersnatch'	None

APV: - Amazon prime video

10.2 Closed Loop

Netflix uses A/B Testing, a sort of statistical hypothesis testing in which two samples, A and B, are used as the control and the variant, respectively. Netflix does about 250 A/B tests every year, in which customers are presented with two different versions of the same experience to see how they react to the suggested alterations. Because no two users on Netflix have the same experience, they choose 100,000 customers to test their hypothesis. Netflix chooses what to show based on the results of A/B experiments. Landing cards, on the other hand, are images and video teasers that are displayed to a user browsing Netflix's category of recommendations, and they have a greater impact on customers' thinking. People are more likely to view the video if the teaser is attractive. A/B testing allows Netflix to obtain a deeper understanding of its customers' psychology and utilise that knowledge to personalise their experience as efficiently as possible.

Customer Queue Service (CQS), which was built on an Oracle system, was used by Amazon to facilitate the early launch of e-commerce in 2007. CQS covers a wide range of services, including playback, ownership, downloads, offers, order fulfilment, library administration, season passes, subscriptions, rentals, and content discovery. The most infuriating component of APV's feedback loop is searching. When consumers search for a movie title, APV returns a large number of results. Customers who use APV pay great attention to whether the content they're clicking on is available for free or for rent or purchase. Amazon has integrated APV into Amazon.com, and users may watch videos on the right side of the page. The thumbnails for various television shows and films are categorised by genre. There is also a separate Prime Video (PV) app with a subscription model, and some movies are available for free without a subscription.

Table 2. Summary of the closed loop findings

Success factors of Innovation		Netflix	APV
Closed Loop	User feedback loop	- 250 A/B testing, 100,000 user/year	- CQS built on Oracle
	Content feedback loop	- Branded content marketing	None

10.3 User based pricing

Table 3. Summary of the usage-based pricing findings

Success factors of Innovation		Netflix	APV
Usage-based Pricing	Subscription pricing	- Monthly tiering plan - No yearly discount	- Monthly & discounted yearly plan - APV & standalone PV app options
	Freemium pricing	- Free trial with one month and telecom or pay TV partnership - Removing free trial in some regions	- 30 days free trial of APV, PV app and "First Episode Free" for rental - Additional paying for APCs

11. Strategies of Netflix and Amazon in India

Netflix has three subscription tiers, with the basic plan costing Rs 500 per month, the standard plan costing Rs 650, and the premium plan costing Rs 800. The more expensive subscription offers access to several screens as well as HD and extreme HD programming. One person can view standard definition movies and TV episodes online with the basic membership. The ordinary plan allows two individuals to watch high-definition online content at the same time, while the premium plan allows multiple users to watch online content simultaneously.

In 2016, Netflix introduced offline access to its programmes and movies, allowing customers to download them while connected to the internet and watch them whenever they want. The most challenging challenge for these two huge multinational corporations in India is supplying the stuff that the Indian market requires. In India, sports events are the most lucrative source of online video streaming revenue.

As a result, in order to be competitive in the long run, Netflix and Amazon will need to invest extensively in content acquisition as well as original content creation. As a result of their acts, other players have been forced to focus on providing new material. In India, Amazon Prime costs Rs.499 per year, while Netflix's basic subscription costs Rs.500 per month.

The real battleground, though, will be content creation, which will be a meaningful differentiator between businesses. Netflix and Phantom Films have signed a deal to create an original series based on Vikram Chandra's best-selling novel Sacred Games. Red Chillies, Shah Rukh Khan's production firm, has also teamed with Netflix to provide exclusive access to its films. Amazon, on the other hand, announced the addition of a Fire TV stick that understands both English and Hindi commands, as well as the introduction of 17 new shows by Indian producers. It now has Hindi, Tamil, and Bengali films and television shows. In India, Amazon caters to people from various walks of life, religions, cultures, and languages.

12. Limitation

- The research is not based on any primary data collecting, which provides the research additional credibility. Attempts to conduct primary research in the future can be made.
- There are other additional OTT platforms, but my research is limited to two big ones.

13. Conclusion

Amazon and Netflix have various TV network branding in SVOD. Amazon uses the brand names of several television networks as lucrative baits to entice users to join its APV membership club.

These are the major takeaways from Amazon's marketing strategy: A superb marketing plan is required to sell a fantastic product. Many marketers believe that the product is excellent enough to sell itself and hence do not put in sufficient effort to advertise it. They must realise; however, product has no value until it reaches its intended audience. If a customer does not sample your product, how will they know about it?

Not unexpectedly, multiple companies are vying for a slice of India's video streaming business, which is currently the world's fastest-growing OTT market. Disney (DIS 0.59 percent) and Netflix (NFLX 2.48 percent) have been aggressively expanding in the country, but e-commerce behemoth Amazon (AMZN 2.55 percent) is looking to maintain its lead.

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