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Transnationalisation revisited through the Netflix Original: An analysis of investment strategies in Europe

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Abstract
Players in the European market have developed a series of transnational collaborations and practices in the cross-border production and distribution of audio-visual content, media ownership, regulation and audience reception. Transnational subscription video-on-demand platforms have also visibly increased their investments in original content, in their attempt to expand and maintain their international subscriber bases. Among them, Netflix has been particularly active in investing in European markets. This article traces the evolution of Netflix investments in European original scripted series produced between 2012 and 2020 and analyses the platform’s investment strategies in European markets through the lens of transnational television theory. The findings point to various elements of transnationalisation, placing European originals at the intersection between local and global, through market dynamics, strategic collaborations and content with transnational appeal. The findings also confirm the growing importance of rights retention and premium content offerings through the increase of big-budget commissions, particularly in developed European markets.

Keywords
European audio-visual market, investments, Netflix Original, platforms, production studies, streaming, subscription video-on-demand, transnational television

Introduction
Over the past decades, streaming platforms have not only changed audio-visual distribution, but they have also shifted production patterns and transnational collaborations, as well as consumption habits (Johnson, 2019; Lotz, 2018). Subscription video-on-demand (SVOD) services such as Netflix are particularly relevant in this discussion due to their rapid expansion into global markets,
as well as their growing investments in local content, used to attract new subscribers as well as keep existing users on the platform (Evens and Donders, 2018). Benefitting from its already impressive scale, Netflix’s involvement in content production and focus on premium offerings is placing additional pressure on European industry players, particularly broadcasters and Pay-TV services. Broadcasters, traditionally the main investors in European audio-visual content (EAO, 2017), are currently facing increasing competition in content acquisition and licencing, as well as cutbacks and decreasing ad revenues (EAO, 2020b). In order to enhance the support of European markets, the revised Audiovisual Media Services Directive (AVMSD) has strengthened its rules for on-demand audio-visual service providers, including US platforms such as Netflix, through a mandatory quota of 30% European works and the option for Member States to impose investment obligations (Kostovska et al., 2020).

There is still limited information available about the investments that Netflix makes in European markets, or their evolution in the past years. In our own analysis of the topic, we have identified transnationalisation as a useful concept for analysing the platform’s investment strategies, as it has been extensively used in the past decades to reveal the increasing complexity in the media sector, ranging from discussions on transnational collaborations in cross-border production of audio-visual content, media ownership and regulation, circulation and reception, as well as cultural dynamics (Cunningham et al., 1998; Robertson, 1995; Straubhaar, 2007; van Keulen et al., 2020).

The article traces the evolution of Netflix investments in European original series, in its aim to analyse the platform’s investment strategies in European markets through the lens of transnational television theory. The following section presents the conceptual framework for the study, from literature on transnational television, to existing collaborations and SVOD investment strategies in Europe. This is followed by the methodology and the analysis. The study compiles information on all European scripted series labelled as ‘Netflix Originals’ between 2012 and 2020, resulting in a database of 176 titles. The results are structured on the types of investments strategies that Netflix employs in different European markets. The analysis and discussion will reflect on elements of transnationalisation in the platform’s strategies.

**Transnational television: The space between**

The concept of transnationalisation proposes a negotiation of cross-border dynamics, including policy, audience reception, creative culture, the patterns and the diversity of players involved in production and fragmentation of markets. Esser (2002: 14) makes use of McQuail’s (1995) definition of transnationalisation as ‘the increasing transborder flow of services and programs and the increased exposure of audiences to an imported media culture’ and adds that this is combined with the growing participation of non-national entities in broadcasting. She claims the term reflects the imbalance in the global expansion of companies and media offerings, thus encompassing local and global specifics, market dynamics and commercialisation.

Chalaby (2005) discusses transnationalisation as a recent paradigm shift in the evolution of international communication, which challenges boundaries and the principle of territoriality, and whose distinctive characteristic is ‘cosmopolitization’ (p. 32). As transnational television is seen as a ‘space between cultures’ (Weissmann, 2012: 188), the simultaneous intersections between global, regional, national, local and transnational are also often discussed by terms such as ‘glocalization’ (Robertson, 1995), ‘hybridity’ and ‘localisation’ (Garcia Canclini, 1995; Straubhaar and Duarte, 2005).

Transnationalisation also employs a form of content circulation that is much more complex, dynamic and multidimensional than the established national approach (Eichner and Esser, 2020:
189), which may overlook the complex interplay between technology, market structures, media policies, broadcaster performance, programme strategies and audience dynamics (p. 203). The concept of ‘travelling television drama’ is defined in close connection to theories of globalisation and mediatization (Waade et al., 2020: 5). Alongside production and distribution, the transnationalisation of audiences is just as relevant. Numerous studies on the successful export of European television drama, particularly Nordic Noir (see Bondebjerg et al., 2017; McElroy and Noonan, 2019; Redvall, 2013) have called for a rethinking of audience reception, beyond established discussions of power dynamics and elements of cultural proximity (McElroy, 2020; Waade et al., 2020). To this end, established cultural values are challenged, inviting new definitions of ‘otherness’ through the consumption of foreign content (Bondebjerg, 2020; Jensen and Jacobsen, 2020).

Genre is a construct that interlinks forms of transnational production, circulation and consumption. Genres are inherently hybrid forms (Akass and McCabe, 2012), built through transnational encounters (Weissmann, 2012), and the cultural and historical framing of audiences (Mittell, 2004). Research on telenovelas, soap operas and drama (Dhoest, 2007; McElroy and Noonan, 2019; Straubhaar, 2007) points to the blurring lines between local and global, and the role familiarity and audience framing plays in the production and distribution decisions. This is why drama is believed to be a more successful transnational product than comedy, as humour has a stronger local character. Television crime drama has a history of pan-European collaboration, the so-called Euro noir, making use of recognisable plots and locations across Europe (Hansen et al., 2018). More recently, HBO and Netflix have also invested in crime drama in order to expand into European markets through the localisation of a globally recognisable crime plot, and a focus on multi-plotted narratives that centre on settings and places, rather than characters (Hansen, 2020a: 285–290).

Co-production and collaboration in Europe

The cultural diversity and market fragmentation on the European continent, as well as the relatively limited reach of national production and distribution companies, have represented both challenges to forging a stronger transnational European film and television culture, and opportunities for increased collaborations between players (Bondebjerg et al., 2017). Momentous attention has been given to the different forms of partnerships, as co-productions point to different levels of involvement, as well as different types of collaborations, ranging from geographical, cultural and linguistic proximities; joint creative decision-making (Jensen et al., 2016); or exclusively economic co-financing deals. These may also overlap, as in the case of established collaborations between the Scandinavian countries, Belgium and France, or the US and the UK (see Hammett-Jamart et al., 2018; Weissmann, 2012). European transnational partnerships also range from close geo-cultural co-productions such as Bron/Broen/The Bridge (2011–2018), to wider pan-European ones, as in the case of the crime series The Team (2015–). Barra and Scaglioni (2021) celebrate a ‘European television fiction renaissance’ through the rise of media conglomerates that operate in several linguistic and cultural markets which have the financial and operational means to take on the entire process of development, production and distribution of high-concept, high-budget TV series. These can take the form of large European or national and transnational conglomerates, such as Sky Europe, Canal+ and Movistar+; US players entering the European market with original co-productions, such as HBO Europe, Netflix and Amazon Prime Video; or independent transnational production companies, such as mega-indies Fremantle or Endemol and their subsidiaries (Barra and Scaglioni, 2021).
European co-productions create a series of opportunities for the players involved. The first and, arguably, most important one is financial. By pulling resources together, partners benefit from larger production budgets and limit overall financial risk. Moreover, collaborations also enhance distribution as co-productions travel better within Europe (EAO, 2018), benefitting from more release markets and larger audience appeal, even outside their production markets. The importance of securing international territories has encouraged co-producing partners to get involved in the process as early as possible, as seen in the cases of Scandinavian and Belgian/Flemish productions (Raats and Iordache, 2020). Although there is a clear pattern of public service broadcasters being the drivers of the European co-production culture, commercial broadcasters and Pay-TV networks have also engaged in transnational collaborations, in order to benefit from the enhanced financial security and export opportunities (Bondebjerg et al., 2017; Hansen, 2020b). Through co-financing, players secure a window and distribution territories, while contributing to the production. Traditionally, this is the strategy for film and television presale deals where a third, usually foreign, party secures a minimum guarantee in return for distribution rights. These may also overlap, as the third party becomes a producer and thus profits from further rights exploitation and, in most cases, also has a creative contribution. The level of involvement varies from production to production, and, in some cases, co-financing partners who contribute extensively are also listed as co-producers, for example, Lumière in *Bron/Broen/The Bridge*.

Another financial benefit of co-productions consists of tax incentives, subsidies and other forms of screen agency support for attracting investments and supporting domestic independent production industries. This is also a main driver for smaller markets to co-produce more, but also to attract larger players as collaborators (Bondebjerg et al., 2017; Raats et al., 2018), as is the case with the established collaboration between Belgium and France. In addition, various funding schemes on the European level, such as Eurimages and the MEDIA programme, have aimed to generate more European output and enhance cross-border circulation by supporting co-productions (De Vinck, 2009; Henning and Alpar, 2005). Co-financing deals have also increased in European markets, and particularly in small nations, where the economic benefits of collaborating with a stronger media partner have been proven (McElroy, 2016; Raats et al., 2016). This is exemplified in the Belgian/Flemish case, where effective partnerships between various players have generated more co-financing deals (Raats and Iordache, 2020), as well as increased the sustainability of local creative industries (Wauters and Raats, 2018).

A second category of opportunities of European collaboration is attributed to cultural and creative input. As the transnational nature of stories told has become more appealing, so have the contributions of European talent, be they in scriptwriting, production process or directing (Bondebjerg, 2020; Dunleavy, 2020). Transnational co-productions have also enriched their dramatic appeal by normalising bilingual communication and negotiating cultural differences (McElroy, 2020).

Aside from opportunities, co-productions also come with a series of challenges for the players involved, which can be traced to some form of loss of control, either economic or creative. The so-called ‘coordination costs’ (Hoskins et al., 1995) have been identified as a key drawback, as negotiating finances, logistics and communication between the players involved can be challenging (Redvall, 2020), particularly in a transnational context. The financial composition of European television drama production has been identified as particularly complex, due to the high costs, as well as the background of players involved, be they public or commercial broadcasters, or SVOD platforms (Hansen, 2020a; McElroy and Noonan, 2019). Conflicting traditions, values, languages and creative contribution may interfere with the production process (Jäckel, 2003; Sundet, 2017), and trust between partners becomes essential (Bondebjerg et al., 2017). Agreements on distribution
outlets, promotion strategies, target audience and measuring ‘success’ have also been identified as potentially contentious (Hammett-Jamart et al., 2018; Jensen and Jacobsen, 2020).

Another drawback can be the final product itself, as fears of losing cultural specificity and identity can become a threat to a co-production (Redvall and Brandstrup, 2005). This is particularly relevant in the European context, where the risk of ‘Europudding’ has prevented potential partnerships (Redvall, 2020). This can also be noticed in the tensions of successful adaptations, such as those of HBO from Nordic Noir to Central and Eastern Europe (Hansen, 2020a), or collaborations between European broadcasters and foreign on-demand platforms, particularly in the formers’ efforts to keep certain national, cultural or public service values (Dunleavy, 2020; Sundet, 2017).

**SVOD investment strategies in Europe**

Although scholars have discussed Netflix as ‘transnational television’ (Lobato, 2019), this has been analysed from several perspectives, ranging from its integration into national media systems through media policy (Jenner, 2018), to its double-benefit collaborations with local pay-TV providers (Wayne and Castro, 2020). However, the most relevant strategy for its international expansion has been the localisation of content, based on local user tastes and big data analytics, with a focus on market specificities (Shattuc, 2020). This has been complemented by Netflix’s extensive effort in language localisation, through translation and dubbing of content, in order to appeal to national audiences (Lobato, 2019). Netflix’s expansion strategy relies heavily on new content. Research into Netflix catalogues in Europe has shown that the large majority of their offerings still consist of Anglo-Saxon productions (EAO, 2020b; Iordache, 2021). Nevertheless, the data also shows a shift in the investments made in Netflix original content, which has become considerably more diverse in terms of language and country of origin, in the past years (Affilipoaie et al., 2021).

Recent work on platform power (Evens and Donders, 2018) has identified a series of critical structures that relate to the strategic positioning of a platform, the control of each impacting the company’s competitive advantage: connectivity – control of networking infrastructure; content – control of programming rights; consumer – control of customer relationship; and capital – control of credit creation. The dimension of context is added to these, in order to account for the influence of technological developments, the economic climate, policy and regulation, etc. (Evens et al., 2020). Although our article focuses on the structure of content production and acquisition, it is important to signal the interconnectedness of structures, as Netflix’s content development and general investment strategies are influenced by its network infrastructure and algorithm, consumer bases, capital, and numerous contextual factors, either global – for example, the ‘Streaming Wars’ and the Covid-19 lockdown; regional – for example, EU media regulations; or national – for example, content localisation and local consumption patterns.

The European context is rapidly shifting as an increasing number of legacy players have developed on-demand platforms of their own, holding on to the content they produce, rather than licencing it to foreign SVOD platforms. On the one hand, this has determined platforms such as Netflix, Amazon Prime and Disney+ to increase the level of original content, in order to continue building their catalogues. On the other hand, this has also created more incentives for collaborations with European players, which have taken the form of direct commissioning or cross-platform co-productions, involving various partnerships between national broadcasters or Pay-TV providers, and premium multi-national or transnational networks (Dunleavy, 2020; Wayne and Castro, 2020). Hansen (2020b) sees these ‘frenemy’ collaborations between local players and foreign VOD providers as a necessary glocalisation strategy, leading to shared risks, increased fiction volumes and wider audience exposure. Research into these projects has also shown that platforms make for
good collaborators, by providing both financial security and enhanced circulation, but also valuable creative freedom to their local partners (Dunleavy, 2020; Mikos, 2020; Sundet, 2017). But, regardless of benefits, the risks are also palpable, particularly for public service media organisations: from the cannibalisation of broadcasters’ own channels and services, to ‘brand dilution’ through the black box of the ‘Netflix Original’ labelling, and from the loss of control in decision-making, to commercial pressure that may undermine the public service remit (D’Arma et al., 2021). Moreover, licencing deals are more difficult to come by, as distributors prefer worldwide deals with big platforms to territory-based deals with broadcasters (D’Arma et al., 2021).

Developing EU policy measures are also of interest, as a growing number of Member States are imposing content quota and investment obligations on on-demand audio-visual media services (Kostovska et al., 2020). The measures are part of the transpositions of the revised AVMSD into national legislation and are aimed at levelling the playing field between linear and non-linear audiovisual services providers. Netflix has made use of scale and financial power to establish itself as the strongest and fastest growing SVOD platform in Europe (Evens and Donders, 2018; Grece, 2021), and its European investments contribute to reaching the mandatory 30% quota of European works in Member State catalogues. Moreover, recent developments in the Brexit context predict an exclusion of UK productions from reaching the quota (Boffey, 2021), which may have significant consequences for Netflix, who relies on large volumes of UK content for its European catalogues (Iordache, 2021).

**Methodology**

The study sets out from a quantitative mapping of Netflix investments in original European scripted series (episodic fiction of minimum 20 min per episode), since the platform’s entrance on the European market in 2012 to the end of 2020. The database consists of 176 titles, a total of 1886 h of content. The initial list of productions was compiled from the Netflix Media Center. Data on each production was collected from online databases (e.g. International Movie Database IMDb, whatson-netflix.com), as well as a variety of trade journals, magazines and media articles. As Netflix does not communicate data on its productions, financial data was primarily extracted from a combination of secondary sources, such as trade publications and consultancy reports, which, although not peer-reviewed, can still provide valuable market data and analysis (Wimmer and Dominick, 2011). The dataset compiles information on the production year, country of origin, release date on Netflix and, if applicable, on broadcaster/pay-TV collaborators, number of seasons, episodes per season and total volume in minutes.

The data consists of productions defined as European works according to the provisions of the Council of Europe (EAO, 2020a), and contain all European Economic Area countries during this period (including the UK), with the addition of Russia. Titles were considered when at least one European country was involved in the production, based on information from IMDb, the credits of the series and official Netflix listings. Netflix’s US original productions do not make the scope of the analysis and were not included.

The article builds on a categorisation of investment strategies employed by Netflix in Europe. The analysis follows several parameters with the aim of determining to what extent the platform’s strategies are likely to support transnational collaboration and circulation of European audio-visual content. The analysis does not differentiate between majority and minority co-productions as the data on financial contributions is not always available. As genre has been discussed in a variety of ways in literature, and series in particular tend to be a cross-over of multiple genres, each production was manually assigned to one genre category. Seven genre categories were used in the database:
crime, drama, historical drama, comedy, family, Sci-Fi/fantasy/horror and thriller. The decision was based on the category that would best reflect the investments made, as, for example, historical drama is likely to cost more than a series in the ‘family’ category.

**Transnationalisation through the Netflix Original**

Previous research has identified four categories of Netflix Originals in Europe (Afilipoaie et al., 2021), based on the type of investment: (1) licenced deals; (2) co-production/co-financing deals; (3) full Netflix Originals; and (4) continuation deals. We will structure our analysis mainly on the first three categories, but we found all four useful in tracing the different types of Netflix investments in Europe over time, as they point to different characteristics of transnationalisation, whether through temporary or long-term strategies.

The figures below show a sharp increase in European investments in recent years. For new original titles (Figure 1), 2016 brought a first surge with 23 new titles, followed by 2018 when the number nearly doubled, reaching 40. The peak was reached in 2019 with 47 new original titles. The Covid-19 pandemic delayed the release of an additional 26 titles which, according to our data, were scheduled for 2020, on top of the 42 titles released. Although the dataset contains an equal number of licenced and full originals (61), the latter is clearly favoured since 2018. When considering the total volume of minutes (Figure 2), the yearly growth in investments since 2016 is consistent, with 2020 still reaching the highest volume, due to the addition of new seasons.

![Figure 1. Number of new titles released each year as Netflix Originals, per type of investment.](image-url)
Scholars and Netflix officials have discussed the company’s reliance on user data and algorithmic predictions to achieve higher return-on-investment (Wayne, 2021), which has long been said to guide decisions on licencing and commissioning additional seasons or new series. This could explain the 142 series in our dataset with only 1–2 seasons, many of which were/will not be renewed. Netflix also relies on data analytics to commission full seasons of a series, skipping the traditional pilot process (Landau, 2018), which in turn entails investment in more titles and faster cancellation rates as soon as a series does not prove profitable (Hurley, 2020).

Bondebjerg et al. (2017: 80–81) identify four levels of cultural encounters that need to be explored in understanding transnational television, which can also extend to Netflix’s transnational investments. At the production and institutional levels, European originals bring together the cultural and organisational backgrounds of the local professionals involved in the production process, and those of the platform. This is strengthened by Netflix’s increasing physical presence in Europe, through offices in key locations, such as Amsterdam, Paris, Berlin and Brussels, or production hubs in UK and Spain, already the top destinations for Netflix investments (Figure 3). Plans for further expansion in locations relevant to their investments are underway, as new offices in Rome and Stockholm are said to open this year (Roxborough, 2021; Vivarelli, 2021a). The office in Rome will also serve Netflix financially, as new national regulation foresees a lower investment obligation for foreign VOD platforms that target the Italian market but establish operational headquarters in the country with over 20 employees (Komorowski et al., 2021: 54).

At the levels of content and audience (Bondebjerg et al., 2017), Netflix is balancing its reliance on domestic creative talent with narratives, plots and formats with cross-border appeal. In our data, we see examples of this in the genre category (Figure 4), as drama and crime series have already
**Figure 3.** Country diversity per investment type.

**Figure 4.** Genre diversity per investment type.
proven successful exports that maintain a local flavour (McElroy and Noonan, 2019; Redvall, 2013). Moreover, our data points to European originals that target young audiences, both through shorter series in certain markets (Figure 3) and specific genres. Youth drama has seen growing attention in Europe due to its accessible short-form and low budget (Andersen and Sundet, 2019), and has proven popular with Netflix subscribers (Ramos, 2020).

**Licenced and continuation deals**

The licenced series labelled by Netflix as ‘originals’ make up only a part of the content it licences for its catalogues. Netflix negotiates these licenced deals with rights owners in order to distribute the content, usually in a large number of territories, and often as exclusive offerings. In some cases, Netflix purchases a licence for large volumes, often releasing all seasons acquired at the same time on its platform, as in the case with the five seasons of British sitcom *Cuckoo* (2012–2019). More frequently, though, Netflix licences ‘original’ series during production, when distributors and producers are already trying to secure global deals, or shortly after their release on television. These are predominantly recent titles, released in the past 2 years. Licenced deals do not involve direct financing from Netflix in the production stage, which makes the labelling of licenced content as ‘original’ more of a discursive strategy that often leads to confusion in production studies. Nevertheless, we believe these deals are relevant to transnational circulation and consumption, as their presence and prominence on the platform ensures the same higher chances of discoverability as original commissioned content (Albornoz and García Leiva, 2021).

A licenced deal does not give Netflix ownership of all territories. In most cases, exceptions are made for the markets in which the productions originate, as well as countries involved as co-financing partners as part of a distribution deal. Belgian thriller *Tabula Rasa* (2017–) was labelled as Netflix Original outside of Belgium, however co-financing partners ZDF Neo and ZDFenterprise received exclusive rights in Germany, and the series also streamed on Channel 4’s Walter Presents in the UK. In cases when deals are negotiated and reached during production, foreign audiences may gain access to the content on Netflix even before domestic audiences, as in the case of Belgian historical drama *Thieves of the Woods/de Bende van Jan De Lichte* (2020–) which reached Netflix catalogues 8 months before being released on a Belgian streaming platform. These examples showcase the complexity of transnational licencing deals and can be seen as ‘coordination costs’ (Hoskins et al., 1995) at the root of their declining appeal (Figure 1), especially in the current Streaming Wars fought over exclusive rights.

The collaborations in this category reflect many of the points previously discussed by literature on transnationalisation in audio-visual distribution. Although investments in new licenced titles have declined over the years, they played an important role in facilitating Netflix’s entrance into European markets. Not only has Netflix made use of licenced content to grow its catalogue in volume, but it has also minimised risks through limited spending on content from established European producers, such as BBC, Channel 4 or ZDF. Its transnational distribution has arguably also enhanced cross-border circulation of European content, particularly as our data points to the largest country diversity in this category (Figure 3). Although the majority of licenced titles fall under the general drama genre, including crime and historical drama titles, there is also a significant number of comedy series (Figure 4). However, the large majority of these are UK productions, reinforcing the notion that the transnational appeal of comedy consists in its familiarity (Straubhaar, 2007).

Continuation deals are only represented by 12 productions in our dataset (Figure 1), but they have also served Netflix well as a temporary strategy in its penetration of European markets. Firstly,
Netflix takes fewer financial risks by investing in titles that have already achieved a clear fan base, like *The Last Kingdom* (2015–), and steady viewership, such as *Money Heist/La Casa de Papel* (2017–) or *Black Mirror* (2011–), for which it outbid original producer Channel 4. Continuation deals mostly take place in stronger media markets (Figure 3) such as the UK, Spain and Scandinavia. This mitigates potential financial risks and ensures enhanced transnational interest across Europe, and even globally, as *Money Heist/La Casa de Papel* and *Black Mirror* went on to become international successes. Secondly, continuation deals allowed Netflix to invest in more daring genres such as dystopian Sci-Fi, fantasy or horror (Figure 4), while mitigating the risks of transnational circulation. Thus, continuation deals are significant as they show that some of the titles that subscribers see as Netflix’s biggest household brands were in fact not Netflix commissions, but originated from investments and risks taken by European public and private broadcasters.

**Co-production/co-financing deals**

In this type of investment strategy Netflix already gets involved in the production phase. Based on the level of creative control and autonomy of each partner, the collaboration can be considered a co-production or a co-financing deal. However, as previously mentioned, these may often overlap or change over time. This was the case with Norwegian series *Lilyhammer* (2011–2014), where Netflix’s growing involvement from one season to the next escalated financial and creative differences between the platform and public service broadcaster NRK, and eventually led to the cancellation of the show (Sundet, 2017). Due to this, as well as the lack of transparency in financial and creative contributions, we chose to discuss them together.

Although co-production/co-financing deals are still mostly present in large markets, Netflix has increasingly opened up to collaborations with smaller markets. An interesting example is the successful Belgian–Dutch crime mini-series *Undercover* (2019). The production was conceived as a co-production between the Flemish public service broadcaster VRT and Netflix, with financing from the Belgian tax shelter system. In Flanders and several other European territories, the series appeared on broadcasting channels before it debuted on Netflix (Netflix, 2017). In the Netherlands, the series was immediately released on Netflix, and became the most watched series in the country on the platform (Hudson, 2020). This is one of the few multi-country co-productions in the dataset, as, although Netflix has collaborated with partners in several European markets, it rarely involves players from more than one country. This breaks from established practices of transnational television production in Europe, which traditionally involve more players pooling financial and creative resources.

The data shows a steady number of partnerships being developed over the years, and 18 of the total 42 are co-production/co-financing deals with UK players (Figure 5). For Channel 4, the co-financing model provides an interesting outlet to invest in daring concept drama, as in the case of *The End of the F***ing World* (2017) and *Derry Girls* (2018–), which are also aimed at younger audiences and match the channel’s general style. The BBC has repeatedly presented Netflix as a threat and their biggest competitor. In their recent annual plan, the broadcaster claims that US online media giants are ‘putting British story-telling at risk’ (BBC, 2021: 12), as the content, although of high quality and sometimes made in the UK, is ‘predominantly global in taste, with cultural references and touchpoints that tend to be US-based’ (BBC, 2021: 12). Nevertheless, BBC is the broadcaster involved in the highest number of deals with Netflix, with nine titles, which allowed them to allocate big budgets to bold productions with global appeal, such as the successful collaboration on the mini-series *Bodyguard* (2018). The British Parliament has also recently proposed the introduction of legislation that would require streaming platforms such as Netflix to share...
viewing data on the content produced by or in collaboration with public service broadcasting channels, in order to enable a full analysis of their domestic reach (Kanter, 2021).

In other European countries, Netflix collaborates with a larger diversity of partners; however, the majority are public service broadcasters (Figure 5). This may not be because Netflix actively pursues partnerships with public players, but because they are the most important European investors in fiction, and specifically drama, production (EAO, 2017), with a long history and experience in transnational co-productions (D’Arma et al., 2021; Raats and Jensen, 2020). On the one hand, these collaborations will certainly provide the productions with wider transnational exposure and facilitate their intra-European circulation. On the other hand, it can also prove challenging for public service broadcasters to promote the public interest values in their remit while collaborating on more daring or commercially driven content (Dunleavy, 2020; Sundet, 2017).

Netflix has also benefitted from domestic tax breaks and incentives for many of its co-production/co-financing deals as, although each European state has its own complex set of rules for eligibility, they usually require the involvement of a domestic producer and investments made in a particular territory.

**Full Netflix original**

Our findings show a clear uptake in the number of full Netflix Originals in the past years, both in new original titles (Figure 1) and new seasons (Figure 2). These are series where Netflix owns all rights, without the financial or creative involvement of broadcasters or pay-TV operators. The production of exclusive full original productions that were heavily promoted was also key in cultivating the Netflix brand. In this regard, Netflix has used its financial leverage to invest with cheap debt, building financial strength and resilience through distribution, which outperforms creativity in terms of revenue, profitability and cash flow (Evens et al., 2020: 285–286). This is also consistent with the general trend of players retaining exclusive rights for their own platforms.
Full Netflix Originals often involve larger budgets, as well as certain risks in terms of transnational appeal. Considering the necessary cultural and linguistic negotiations, it is likely that Netflix mitigates risks by producing genres that have proven attractive to transnational audiences, such as high-concept series, particularly drama (Figure 4). Secondly, it produces in the big European five markets (Figure 3), where investments are also significantly higher, resulting in titles such as The Crown (2016–), Marseille (2016–2018) and Dark (2017–2020). The smaller countries that have secured full Netflix Originals are mainly Scandinavian markets, and these productions are also often genre-based, accessible content that appeals to young, broad audiences, such as the Swedish romantic comedy Love and Anarchy/Kärlek och Anarki (2020–) or Danish thriller The Rain (2018–2020).

The platform’s clear move towards full Netflix Originals highlights the growing importance of rights retention and premium content offerings. Full Netflix Originals also blur the lines between local and global through European content aimed at transnational audiences, produced by local creative talent with foreign investment. The rising trend in Figure 1 as well as the opening of more European production hubs anticipates a steady rise in this category in the years to come.

Conclusions and discussion

In its aim to trace the evolution of Netflix investments in European ‘original’ content, the article has identified several characteristics of transnational television, such as market dynamics and commercialisation (Esser, 2002). As Netflix Originals are challenging boundaries and crossing borders, they are becoming increasingly cosmopolitan in nature, starting off as productions targeting local audiences, and opening up to foreign consumption, thus reaching the ‘space between cultures’ (Weissmann, 2012: 188) of transnational television. This is facilitated by a combination of factors, including the platform’s global reach and business strategy (Aguiar and Waldfogel, 2018), as well as the content’s transnational appeal, its aggressive promotion of premium offerings, and its dubbing and subtitling services (Albornoz and García Leiva, 2021; Lobato, 2019). Moreover, although investments in European content have notably grown over the years, recent research has shown that the volume of ‘original’ content produced outside of the US is still limited compared to US investments, pointing to Netflix’s transnationalisation strategy as a business endeavour meant to use localised content to penetrate new markets (Albornoz and García Leiva, 2021; Iordache, 2021).

Based on subscriber and revenue data reported by Comparitech for the first part of 2020 (Moody, 2020), a Pearson’s product–moment correlation test (Wang, 2013) confirmed a strong positive linear correlation in the big European five markets between the number of original titles in our dataset and the number of subscribers (correlation coefficient of 0.84), and between originals and revenue (correlation coefficient of 0.84). Thus, the higher the number of subscribers and revenue generated in each market, the higher the number of Netflix Originals, in all investment categories. This is particularly the case with its most considerable investments – full Netflix Originals – aimed at large, Western European markets, with a well-known record of transnational exports and linguistic advantages. This trend is also reinforced by new US streaming giants, as the newly announced Disney+ and Amazon Prime Video European originals also show a clear preference for larger audience markets (Barker, 2021; Vivarelli, 2021b). Although Netflix has been expanding into non-Western markets, these investments also reinforce existing divides within Europe, as they are either strong hubs for fiction production and distribution, such as the Nordics; markets that offer incentives and financial support schemes, such as Europe’s top minority co-producer Belgium (EAO, 2017); or countries that provide large subscriber bases, such as Poland and Russia.
Netflix’s motivations for entering transnational collaborations are different from the ones previously identified in European practices. The platform does not necessarily co-produce in order to build scale, secure more funding, or profit from export opportunities, as was the case with European film and television players, but to enter European markets with a wider transnational offering, targeted directly at domestic audiences, or geo-cultural ones. This is also reflected by the limited number of multi-country co-production/co-financing deals it takes part in, prioritising bilateral collaborations with players on a country-by-country basis, unlike existing practices of cross-European co-productions. Nevertheless, investments in European productions have increased their transnational circulation, and, to this end, have exposed wider audiences to non-national European works.

Netflix’s European investments will also be essential for reaching the 30% quota of European works foreseen by the revised AVMSD, as well as the investment obligations that Member States are increasingly imposing on streaming platforms (Komorowski et al., 2021). These policy developments are particularly interesting due to recent post-Brexit plans to exclude UK productions from the European works quota (Boffey, 2021), especially considering that UK titles make up 30% of our dataset. Future research on the impact of AVMSD on Netflix and other players could determine how investment obligations and quota requirements will reshape the investment strategies identified in this study.

Another significant finding is the high number of public service broadcasters considered for collaborations. Although this is most probably due to the fact that they have established themselves as the primary producers of television fiction in Europe, these collaborations bring both opportunities and risks which have to be considered and negotiated. Collaborations with Netflix secure enhanced financial stability and wider transnational exposure. Nevertheless, the risks involved cannot be ignored, as they include pressure to produce more commercially oriented content, loss of creative and distribution control over the production, and ‘brand dilution’ through the ‘Netflix Original’ labelling (D’Arma et al., 2021).

The study also confirms a series of limitations in conducting research on digital platforms. Netflix’s investment strategies and development of original productions are still difficult to fully assess due to the black box of investment information, as well as lack of transparency in the way user data is translated into investments in European productions and collaborations with certain players.

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