

**BEYOND SCREENS- NETFLIX'S SAGA IN BANGLADESH****Syeda Umme Sadia**

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**Email:** syedaummesadia@gmail.com**Abstract**

Netflix, the globally renowned online streaming service, made its foray into the Bangladeshi market in 2016, offering subscribers access to a vast library of Movies and TV-Series through its diverse plans. Despite the platform's popularity, the number of Bangladeshi subscribers stands at approximately 200,000, a figure steadily increasing each month. However, the absence of a robust tax collection mechanism has left the Bangladeshi government unable to harness the potential revenue stream, estimated at around \$21 million annually. This incongruity stems from subscribers predominantly utilizing international credit cards and gift card purchases for subscription payments, contributing to a taxation challenge. In the context of Bangladesh's economic landscape, characterized by a predominantly low-income population, the adoption of paid entertainment services, exemplified by Netflix, encounters resistance. This resistance emanates from concerns about affordability, with a significant portion of the population expressing hesitation to allocate funds for entertainment purposes. Criticisms range from perceived high pricing structures to complexities in payment systems. As the dynamics of entertainment consumption evolve within Bangladesh, this exploration delves into the challenges and nuances surrounding Netflix's presence in a socio-economically diverse landscape.

**Introduction**

Netflix, a global streaming giant, renowned for its innovative approach to digital entertainment, is poised to make its debut in the dynamic landscape of Bangladesh. This strategic move comes in the wake of the country's technological evolution, characterized by heightened internet penetration, a surge in smartphone users, and a transformative market marked by numerous new entrants, robust competition, and evolving consumer preferences (Vinesha Anindita, 2021). Netflix's entrance into the Bangladeshi market mirrors its optimistic outlook on the potential growth and profitability, reflecting a nuanced understanding of the price-sensitive Subscription Video on Demand (SVoD) landscape in the region. While navigating the intricate fabric of government regulations, pricing structures, and an increasingly competitive market, Netflix recognizes the vast untapped potential within the Indian audience, particularly those inclined towards the rich tapestry of Bollywood but seeking alternative content beyond conventional television offerings (Kumar et al., 2020). As Netflix contemplates its foray into Bangladesh, critical considerations arise regarding market entry strategies, product diversification, and effective market communication strategies. The company faces pivotal decisions—introducing new products akin to competitors like Amazon and MI Fire Stick, entering existing markets with its established offerings, or exploring uncharted territories such as the rural, Pyramid, Tier II, and

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City III markets. Netflix, armed with high marketing budgets and a history of successful promotions, enters the Bangladeshi domain with the intent to not only overcome challenges but to redefine the contours of digital entertainment in this vibrant South Asian nation (Hossain, 2022).

### **A Glimpse into Netflix's Founding Years**

Netflix, established in 1997 by Reed Hastings and Marc Randolph in Scotts Valley, California, has evolved from a mail-order DVD service to the world's largest online DVD motion picture rental platform, offering its services to over 81 million members in more than 190 countries. The company, initially operating on a per-rental basis, introduced the monthly subscription model in September 1998. Over the years, Netflix adapted to the changing landscape, transitioning to internet streaming in 2007 and launching its first streaming-only plan in 2010 (Netflix, 2023)

With a focus on unlimited rentals without late fees or shipping costs, Netflix grew exponentially, reaching 239,000 subscribers by 1999 and surpassing one million subscribers by 2001. The expansion of internet availability further fueled its growth, reaching 6.3 million subscribers by 2006. The global expansion began in 2010, extending services to Canada, followed by Latin America, the Caribbean, the UK, Ireland, and Scandinavia in subsequent years. By 2016, Netflix was accessible in 190 countries and territories worldwide, constituting 15% of the world's internet bandwidth (Netflix, 2023).

Reed Hastings, a former math major and founder of Pure Atria, joined forces with Silicon Valley entrepreneur Marc Randolph, who was also part of Pure Atria. The inspiration for Netflix came when Hastings incurred a \$40 late fee for failing to return a DVD to the rental store on time. This incident sparked the idea for a flat-fee unlimited rental service, leading to the inception of Netflix in 1997. Today, Netflix remains a dominant force in the streaming industry, offering a diverse range of content to its global audience (Netflix, 2023).

### **The Rise of OTT Video Streaming in Bangladesh**

The global growth of Over The Top (OTT) video streaming, a digital platform for audio-visual content over the Internet, is evident, with platforms like Netflix and Amazon Prime Video leading the industry. In Bangladesh, the rise in smartphone usage and advanced digital technology has driven the popularity of OTT platforms, revolutionizing entertainment consumption. In recent times, Bangladesh has experienced a significant surge in the availability of smartphones, tablets, and advanced digital technology, including smart TVs. This surge, along with improved and uninterrupted internet connectivity, has hastened the adoption of OTT video streaming platforms. According to Gonçalves et al. (2014), OTT denotes video delivery over an open system using Internet Protocol, delivering content to consumers via the Internet (Erman et al., 2011; Sujata et al., 2015). Consequently, conventional audio-visual mediums like satellite channels are losing appeal due to repetitive content and diminishing production quality.

The burgeoning OTT industry in Bangladesh opens doors for leveraging enhanced technologies, providing cost-effective subscription options, and investing in original, locally relevant content (Joya, 2022). With the escalating demand for diverse and captivating content, Bangladeshi OTT platforms are strategically positioned to capitalize on this upward trend.

Bangladesh's OTT landscape encompasses a variety of platforms, categorized by unique features and origins. The first category comprises global giants like Netflix, Prime Video, and Hulu, operating without a physical presence in Bangladesh. The second category includes platforms such as Hoichoi and Binge, representing Bangladeshi companies that originated abroad but are now based within the country. Finally, the third category showcases exclusively Bangladeshi service providers like Chorki, Bioscope, and Bongo, all originating and currently operating within Bangladesh's borders (Hossain, 2022).

### **Netflix's Foray into the Bangladeshi Market**

The inception of Netflix's journey in Bangladesh traces back to the year 2016 when the streaming giant officially launched its services in the country, marking a significant milestone in the region's entertainment landscape. Co-founder and Chief Executive Reed Hastings made this announcement during CES 2016, emphasizing the global expansion of Netflix's Internet TV network to over 130 new countries, including Bangladesh. This move was declared the birth of a new era in Internet TV, providing consumers worldwide the opportunity to enjoy TV shows and movies simultaneously without delays, revolutionizing the way content is consumed (Correspondent, 2016).

Netflix's global strategy aims to offer viewers diverse content, featuring original series such as Marvel's Daredevil, Marvel's Jessica Jones, Narcos, Sense8, Grace and Frankie, and Marco Polo, along with a comprehensive catalog of licensed TV shows and movies. While predominantly available in English in most new countries, Netflix has expanded its language support to include Arabic, Korean, Simplified and Traditional Chinese, in addition to the 17 languages it already supports. (Dhaka Tribune, 2016)

The successful expansion of Netflix in Asian countries, commencing in 2015, has been noteworthy. Customizing strategies based on country-specific factors, content preferences, pricing, and payment methods has contributed to Netflix's growth, particularly in the Asia Pacific region (Yu, 2020).

In Bangladesh, Netflix experienced substantial growth, with an estimated 200,000 subscribers by 2019 (Chowdhury, 2019). Despite challenges posed by the COVID-19 pandemic in 2020, Netflix witnessed a surge in new subscriptions globally, reflecting a similar trend in Bangladesh (Bangkok Post, 2020). The entertainment industry faced unprecedented challenges due to lockdowns and social distancing measures, yet Netflix adapted by doubling its investment in 2021 to fortify its position in the Asian market (Zhao, 2020).

### **Competitors Eying Netflix's Market Share in Bangladesh**

In Bangladesh, Netflix faces competition from several local Over-The-Top (OTT) platforms that cater to diverse audiences and preferences. Established to provide Bengali television content to expatriates, Bongo BD has adopted a variety of business models, including content monetization on YouTube. They target a broad audience, including low-income earners, implementing the "Sachet Model." Offering a mix of free and premium content, Bongo BD has built the largest library of Bangladeshi content globally, with over 83 million subscribers and 210 million unique

subscribers each month. The platform covers movies, web series, music, kids' videos, and more, accessible from various devices.

Launched in 2016 and associated with Grameenphone, Bioscope provides a diverse range of content, with approximately 70% accessible without a subscription. Grameenphone users can access prime content by purchasing data packs, eliminating the need for an additional subscription fee. Bioscope aims to reach Bengali households globally, offering TV shows, movies, live TV, live sports, and original content in collaboration with local producers. The platform also allows users to watch old programs from cable channels outside their scheduled times.

An initiative by Banglalink, Banglafilix caters to Banglalink users with quality content. Offering multiple packs at affordable rates, users can access exclusive content through various smart platforms. The platform provides features like offline downloads and personalized content recommendations, enhancing the overall customer experience.

A new entrant in the OTT market, Chorki targets a global audience with a diverse content library of 200+ films, series, and documentaries. The promise of releasing one original film every month adds to its appeal. Accessible through smart devices, Chorki also offers a helpline service to assist users facing difficulties. These competitors, each with its unique offerings and business models, contribute to the vibrant landscape of streaming services in Bangladesh, providing consumers with alternatives to Netflix.

### **A Closer Look into Netflix Subscription Models in Bangladesh**

To make Netflix available to the general public in Bangladesh, the company has taken strategic steps to enhance the streaming experience for its users. While Netflix doesn't have an official presence in Bangladesh, it has recently obtained permission from the Bangladesh Telecommunication Regulatory Commission (BTRC) to deploy cache servers in the country. These cache servers are crucial for improving the streaming quality of Netflix content for users in Bangladesh (Startup, 2019).

The permission granted by BTRC in May allows Netflix to place cache servers in Bangladesh. Licensed National Internet Exchange (NIX) operators in Bangladesh, including Summit Communications, Aamra Technologies, Link3 Technologies, Amber IT, and Mazeda Network, can now host these cache servers for their customers. The decision to permit local licensed internet exchanges to host Netflix's cache servers stems from the growing popularity of the streaming platform, even in countries where Netflix is not officially available, thanks to methods such as Virtual Private Networks (VPN) (Startup, 2019).

To access Netflix in Bangladesh, some individuals and businesses operate as unofficial sellers of Netflix accounts and subscriptions, offering discounted prices compared to the official Netflix website. These sellers typically obtain Netflix accounts in bulk from countries with lower subscription rates, dividing them into individual subscriptions for resale to Bangladeshi customers. They often accept popular local payment methods like Bkash, Nagad, and Rocket, facilitating access for those without international credit cards.

Using unofficial sellers to access Netflix in Bangladesh comes with inherent risks. Firstly, purchased accounts may be shared with other users, leading to potential security issues and the risk of account suspension. Additionally, these accounts might be region-restricted, limiting users' access to specific content based on geographical location. Furthermore, there is the possibility of sudden termination if the seller loses access to bulk accounts, resulting in an abrupt end to subscribers' Netflix subscriptions.

Instead of relying on unofficial sellers, individuals in Bangladesh have alternative options for accessing Netflix. One such option is through gifting, where Netflix gift cards are available at various online stores in Bangladesh. This provides a secure means for users to purchase a subscription plan without the associated risks of unofficial sellers. Another alternative is sharing, where trustworthy individuals can consider sharing a family plan and splitting the subscription cost. These alternatives offer more reliable and secure methods for enjoying Netflix in Bangladesh, ensuring a better overall streaming experience.

### **Factors Limiting Netflix's Business Boom in Bangladesh**

Navigating the dynamic landscape of streaming services in Bangladesh, Netflix encounters multifaceted challenges that shape its presence in the market. From issues of accessibility and legalization to marketing and content quality concerns, the streaming giant faces a complex interplay of obstacles in its quest for a robust foothold in the Bangladeshi digital entertainment sphere.

Netflix stands as the sole officially available subscription-based service in Bangladesh, facing hurdles such as subscription fees in US dollars and the limited use of personal credit cards for legal transactions. Competing platforms like Amazon Prime, Hulu, Spotify, and Tidal are unavailable in the country. Furthermore, the official availability of Netflix comes with challenges such as subscription fees being in US dollars, requiring an endorsed credit card with international transaction capabilities. Legal transactions using personal credit cards in Bangladesh are limited to around 0.2% of users (Shayan, 2020).

Despite being permitted cache servers by the Bangladesh Telecommunication Regulatory Commission (BTRC), Netflix lacks a dedicated YouTube channel for Bangladesh, and its marketing efforts are notably absent, leading to low awareness among potential users. In contrast, local platforms like Bongo BD suffer from ineffective marketing policies.

Challenges related to bandwidth quality and stability, limited cellular towers, and telecom-based services restricted to specific operators impact the seamless streaming experience. Additionally, the streaming landscape in Bangladesh lacks high-quality content, hindering platforms like Netflix from attracting a more extensive subscriber base (Shayan, 2020). Services like Banglalink Vibe, Robi Music, and Bioscope are limited to specific telecom operators (Banglalink, Robi, and Grameenphone, respectively). This limitation reduces the potential user base that these platforms could have attracted had they been cross-platform applets.



### **Underrepresentation of Bangladeshi Content on Netflix**

Despite the exponential growth in subscribers and revenue, the presence of Bangla content on Netflix, both from Bangladesh and Kolkata, remains notably scarce. While Netflix has played a crucial role in promoting diverse cultural content worldwide, featuring productions from various countries such as India, South Korea, Japan, Turkey, Germany, Israel, and Latin America, Bangla content has struggled to find a place on the streaming giant. Only five Bangladeshi movies, three directed by Mostofa Sarwar Farooki, have made it to Netflix. The challenge lies in the cumbersome process of onboarding Bangladeshi content onto Netflix. Aggregators from India, the United Kingdom, and the United States often serve as intermediaries to facilitate the placement of Bangladeshi movies on the platform. Farooki highlighted this difficulty, stating that there is no direct representation for Bangladesh on Netflix, and the process varies for different producers (Ahsan, 2023).

Netflix's limited presence in Bangladesh, with a minimal office and a focus on improving streaming experiences through cache servers, adds to the hurdles faced by Bangladeshi content creators. Impress Telefilm, for instance, had to send a mediator to Netflix to release their movies on the platform. Abu Shahed Emon, a director, producer, and lecturer, shed light on the tedious and time-consuming process of onboarding Bangladeshi content. Communication exclusively through aggregators, coupled with Netflix's discretionary authority over content selection, makes the process demoralizing for producers (Ahsan, 2023).

Despite a growing subscriber base in Bangladesh, Netflix seemingly perceives the Bangla-speaking demographic as a regional audience rather than a potential global market. Emon expressed that Netflix tends to show interest in producing regional content when there's a significant demand, and the Bangladeshi industry has yet to capture Netflix's attention for promoting local content. Government intervention, as seen in countries like France, where guidelines stipulate a percentage of revenue investment in local content, could potentially incentivize Netflix to consider promoting Bangladeshi content. However, no such guidelines exist in Bangladesh at present. Despite attempts to seek answers from Netflix, the company remained unresponsive. As technology continues to shape entertainment preferences globally, there is a growing demand for more Bangladeshi content on Netflix. Industry insiders believe it is time for Netflix to embrace and promote Bangladeshi productions, facilitating easier entry into the platform's global space. (Ahsan, 2023)

### **Strategic Initiatives for Netflix's Success in Bangladesh**

Netflix's success in Bangladesh can be significantly enhanced by implementing targeted strategies to address existing challenges. First and foremost, localizing the subscription payment process and collaborating with local banks can make Netflix more accessible to a broader audience. By offering payment options in local currency and exploring partnerships for seamless transactions, Netflix can overcome hurdles related to subscription fees being in US dollars and limited credit card accessibility. In tandem with localization efforts, robust marketing strategies tailored for the Bangladeshi audience are essential. Leveraging popular local channels, engaging in television commercials, and implementing social media campaigns can effectively raise awareness about

Netflix's availability in Bangladesh. These efforts can dispel the prevailing lack of awareness among potential users, positioning Netflix as a compelling and accessible entertainment option. (Asaye, 2022)

Furthermore, Netflix should prioritize collaborations with local telecom operators to optimize bandwidth and ensure uninterrupted high-definition streaming experiences. By investing in infrastructure enhancements and advocating for improved telecommunications capabilities, Netflix can overcome challenges related to bandwidth limitations. Additionally, exploring partnerships for cross-platform availability and engaging in community-building activities, such as collaborating with local influencers and fostering user-generated content, can create a more inclusive and engaging Netflix experience for the Bangladeshi audience. Through these strategic initiatives, Netflix can not only address existing challenges but also thrive in the dynamic and evolving Bangladeshi market.

### **Conclusion**

Netflix's foray into the Bangladeshi market represents a strategic endeavor to harness the evolving technological landscape and consumer dynamics. The company's optimistic outlook and understanding of the nuanced SVoD market in India underscore its commitment to navigating the challenges posed by regulatory frameworks, pricing structures, and heightened competition. As Netflix embarks on this venture, critical decisions regarding market entry strategies and product positioning come to the forefront, emphasizing the need for adaptability and astute marketing communication. With a history of profitability marked by high marketing budgets and effective promotions, Netflix's introduction to Bangladesh holds the promise of not only addressing existing challenges but also reshaping the digital entertainment experience for the discerning Bangladeshi audience. As the global streaming giant ventures into uncharted territories, it stands poised to redefine the contours of digital entertainment in Bangladesh, offering a diverse array of content that aligns seamlessly with the nation's rich cultural tapestry and growing appetite for innovative viewing experiences.

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