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Article – Theme section

"If you can't beat them, be them"

A critical analysis of the local streaming platform and Netflix alternative *Streamz*

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Abstract

Faced with heavy competition of global subscription-video-on-demand (SVOD) streaming services, along with increased pressure on financing and distribution of domestic content, legacy media players are increasingly exploring the potential of local SVOD services as domestic alternatives to global platforms such as Netflix and Disney+, often in collaboration with other European broadcasters and/or distributors. This article presents an in-depth case study of Streamz, a domestic SVOD alternative launched in Belgium in September 2020. Building on scholarly work on media disruption and platform power, the case study examines the political and market context that shaped the existence of the platform, and critically analyses the strategies pursued by legacy media players in attempting to develop and emulate key competitive advantages of global SVOD players. The article demonstrates how a persistent policy push to collaborate in a small market resulted in an unusual joint venture and, at the same time, how different market factors, most of them characteristic for small media markets, pose significant challenges for domestic players to develop a profitable platform in Europe, let alone be able to stand a chance in a highly competitive streaming market.

Keywords

Subscription video-on-demand, platforms, Netflix, audiovisual ecosystem, media policy

Introduction

Subscription-video-on-demand (SVOD) streaming services such as Netflix and Amazon Prime have fundamentally disrupted production, distribution and consumption of audiovisual content (Burgess & Green, 2018; Doyle, 2017; Jenner, 2018; Johnson, 2019; Lobato, 2019; Wayne, 2018). SVODs have shifted audiences from broadcasting to easy-to-use, non-linear services that offer binge-worthy titles based on personalized user preferences. Through constantly renewed catalogues consisting of big budget productions, obtained partly through rights acquisition, and partly by producing original content, they directly compete with traditional subscriptions provided by pay-television distributors.

In order to defend their historical gatekeeping position and at the same time develop new revenue streams, broadcasters and distributors have started to distribute long-form content either in live-streaming, catch-up or on-demand mode. In various European markets, they have launched local SVODs (Viaplay in the Nordics, Britbox in the UK, NLZiet in the Netherlands or Salto in France), focusing primarily on domestic programming. Interestingly, this often gave rise to somehow unexpected partnerships between multiple European broadcasters and/or distributors who joined forces to compete with international "invaders" (Evens, 2014).

This article presents an in-depth case study analysis of *Streamz*, a domestic SVOD launched in Flanders (Dutch-speaking part of Belgium) in September 2020. The service is jointly operated by leading pay-television distributor Telenet (which also owns private broadcaster SBS) and leading private broadcaster DPG Media. Streamz was marketed as the "Flemish Netflix" and launched with significant indirect support from the Flemish government, which, amongst others, obliged the public service broadcaster VRT to take part in the project.

The objective of this article is twofold: (i) to identify the strategies that are pursued by legacy players leading up to the development of a joint SVOD; and (ii) against the backdrop of the limits of a small media market (Hjort & Petrie, 2007; Puppis, 2009), to analyse the different strategies pursued to emulate the same competitive advantages that characterize global platforms such as Netflix, Amazon Prime and Disney+. Rather than providing an economic assessment of the sustainability of the platform, the analysis focuses on the different strategies pursued to achieve sustainability in a small market like Flanders. This market is characterized by (i) limited, yet strong domestic players, (ii) a strong public service broadcaster, (iii) high levels of domestic production and (iv) high dependence on direct and indirect government support, hence portraying various characteristics of Nordic media markets (Raats & Wauters, 2018; Syvertsen et al., 2014). As such, the analysis fits within recent scholarly work on sustainability of domestic audiovisual ecosystems and the different ways in which traditional media players compete with global SVODs (d'Arma et al., 2021; Donders, 2019; Doyle, 2016, 2017; Kostovska et al. 2020).

In order to identify the policy and market factors that explain the development of a joint SVOD as a panacea for current challenges in the Flemish audiovisual market, we adopt a *media policy* and *media economics* focus. First, based on an examination of policy documents, vision notes, parliamentary hearings, research reports and newspaper articles, a chronology contextualizes the key motives put forward leading up to the launch of the local SVOD Streamz. The second part critically analyses the different strategies pursued by the domestic media players in order to achieve a scalable platform, and in doing so, emulating competitive advantages of global SVODs. Therefore, we build on earlier work describing key determinants for building platform power: *content, connectivity, customer* and *capital*, as developed by Evens and Donders (2018).

The article demonstrates the difficulties of developing sufficient scale in a small market, and the important role — direct and indirect— government has played in the development of the service. At the same time, the strategies developed to build platform power also show how media players are intertwined in domestic audiovisual ecosystems. As such, the creation of Streamz results in a series of new challenges for broadcasters, distributors, producers and policymakers, as part of sustaining ecosystems. The case of Flanders helps to understand the complexity of implementing new market initiatives by adding insights from a small media market.

Platform power and what it means for legacy players

As it stands today, the SVOD market is populated with numerous platforms that are competing for control of the audiovisual ecosystem. The term "platform" hereby refers to a digital intermediary built around a multitude of gatekeeping functions to control producers and consumers (Evens & Donders, 2018, p. 5). In order to sustain heavy competition from global platforms in the streaming market, domestic SVOD initiatives must build platform power. According to Evens and Donders (2018), and inspired by the various authors who have described key distinctive features of global SVODs (see e.g. Johnson, 2019; Lobato, 2019; Lotz, 2018), the success of a global platform clearly relies on the control of critical (infra)structures of power:

- *Content*: control of programming rights;
- *Consumer*: control of customer relationship;
- *Connectivity*: control of networking infrastructure;
- *Capital*: control of credit creation.

Control of each of the following structures positively affects a platform's ability to effectively build "platform capacity" and compete successfully in the market.

Content – A high volume of attractive, and preferably exclusive content at a reasonable price appears to be a first, critical component of global SVODs' value proposition and is a vital means to differentiate themselves from competing offerings. As soon as Netflix's original series *House of Cards* had acquired critical acclaim and positioned the service as a "must have" platform, commissioning original content became the name of the game in the streaming business (Wayne, 2018). Rather than *licensing* content (that is, securing the rights for a limited period of time), strategic emphasis is put on *controlling* rights that can be exploited through other windows. Power thus lies with those SVODs that keep control of the programming rights and decide upon the cross-platform and multi-window availability of that content. Disney has created a multi-billion dollar rights catalogue based on its different franchises, but Netflix is also shifting its spending from licensed to owned content (Evens & Donders, 2018). The exorbitant sums of money spent on exclusive programming may be unsustainable from a financial perspective, but for many SVODs the alternative is losing a large portion of customers and market share to rivalling services.

Consumer – The core of a successful platform strategy is to become a preferred point of access for customers in search of their favourite programming. In addition to volume, SVODs are looking for scale, to quickly increase market share and attract as many customers as possible. Global platforms such as Amazon and Apple benefit from network effects when they break into SVOD markets to improve their competitive position as an overall technology platform. When entering the video streaming market, Amazon is able to pull in its installed base to grow quickly, and to offer its service at a below-cost price to attract as many customers as possible. By injecting user bases and applying lower prices, all-encompassing platforms make it harder for stand-alone SVODs to compete effectively. Finally, SVODs have the ability to collect massive amounts of behavioural data that can be used to create the best possible viewing experience. Services that are most effective in analysing tracked behaviour and creating a superior experience (in terms of personalized algorithms, intuitive user interfaces etc.) definitely create a competitive edge (Smith & Telang, 2016).

Connectivity – SVODs essentially depend on securing access to the Internet gateway (coax, copper, optical fibre or cellular technology): Platform power thus lies with operators of communication network infrastructure that control the "pipes" and decide on the terms of access to the network. In most cases, SVODs – both global and domestic – rely on a few providers of distribution infrastructure, a market that is traditionally structured as an oligopoly. In the early stages of the delivery chain, SVODs need cloud computing vendors such as Amazon (AWS), Microsoft (Azure) and Alphabet (Google Cloud). In addition to creating an immensely powerful position, this lucrative cloud business allows for effective cross-subsidization with these vendors (e.g. Fagerjord & Küng, 2019). Further down the delivery chain, content delivery networks (CDNs) provide efficient delivery. Whereas Disney+ has a multi-CDN approach (including Akamei and Level 3), Netflix invested in its Open Connect CDN to reduce bandwidth costs and lessen independence on third-party CDNs. This strategy has improved its relationships with Internet service providers (ISPs), who are able to connect their data centres with Netflix servers without further charge. Furthermore, Netflix has been able to negotiate distribution deals with pay-television operators and device manufacturers for prominence on devices or set-top boxes. In this respect, SVODs integrated with an infrastructure platform may be able to bundle this service into convenient, cost-effective packages.

Capital – Platform competition is driven by an excessive level of investments in original programming, rights acquisition and technology deployment – analysts note Netflix's ballooning spending. Helped by the current low interest rates, global SVODs are using financial leverage to invest with (cheap) debt. When it comes to financial strength and resilience, distribution generally outperforms creativity in terms of revenue, profitability and cash flow. Increasingly, the "streaming war" thus takes the shape of a balance war: SVODs with the deepest pockets are in the best competitive position and can attack or purchase others, often in an attempt to drive them out of the market. Large conglomerates such as Amazon and Disney have an advantage over smaller SVODs since they are able to diversify risks and cross-subsidize spending with profits made in (un)related business units. Unlike stand-alone SVODs like Netflix, the former can rely on complementary revenue streams to introduce their offering at a price below actual cost in order to quickly gain market share.

Local SVODs as a strategic response to global SVODs?

In his analysis of legacy media's responses to media disruption, Napoli (1998) describes five strategies: *complacency*, or the lack of response due to underestimating the disruptive impact on business models; *resistance*, or the various strategies put in place to preserve the status quo, amongst others through lobbying for policy measures to sustain legacy players' own business models or to limit the business potential of new players; *differentiation*, or adapting content strategies to distinguish media players more actively (also in terms of marketing efforts) from new market disruptors; *diversification*, or media businesses' expansion to new markets and services; and *mimicry*, or copying the key characteristics, services and business models of digital disruptors. In their analysis of different strategies of public service media's strategic responses to global SVODs, d'Arma et al. (2021) added *collaboration* to these new players as a sixth strategy pursued by legacy players. As shown by the authors, legacy players often combine different strategies of the typology simultaneously, or employ different strategies as context, market and technological development shifts. The launch of joint SVODs across Europe can be considered exemplary for various of the strategies above:

Mimicry: most importantly, the launch of joint SVODs can be considered an example of *mimicry*, as legacy media attempt to compensate losses in traditional revenue streams with revenue from new subscription offerings. Mimicry can be witnessed on the level of the key differentiators, in which global platforms build platform power. Collaboration allows legacy media to reach sufficient catalogue volume in order to provide a highly attractive offering to achieve sufficient market scale. Partnering up also allows reducing the investment risk and share operational, technical, marketing and licensing costs. Entirely in line with their global SVOD competitors, these offerings set out from user-friendly interfaces, offer entire volumes of content allowing binge-watching and set out from algorithm-based and personalized catalogue preferences. In the business models of all these forms of online offerings, collection of user data appears equally pivotal.

Diversification: Broadcasters face decreasing ad revenue following the migration of ad spending to online global platforms like Facebook and Google (European Audiovisual Observatory, 2018), and increased ad-skipping and delayed viewing (Econopolis, 2018). The revenue base of telecom and cable distributors is also challenged by global SVODs, which are directly competing for viewer payments. As a result, the rise of SVOD goes hand in hand with a growing number of cord-cutters who are cancelling their pay-television subscription to rely on online platforms only (Strangelove, 2015). As such, the launch of joint SVODs provides new opportunities to anticipate a further migration to non-linear on-demand viewing and adds a new revenue stream.

Differentiation: Broadcasters responded to the threat of global SVODs by emphasizing domestic original programming as a key differentiator and highlighted their role as a driver for domestic production (Bengesser, 2019; d'Arma, 2018). Legacy players have actively expressed concerns with policymakers with regard to sustaining their own operations, following increased competition of platforms, and have positioned their own SVOD initiatives as a means to safeguard original domestic content, while at the same time lobbying for investment obligations and quota for global SVODs operating in domestic markets (Kostovska et al., 2020; Zboralska & Davis, 2017) or lobbying for increased government subsidies for original domestic content (Raats & Wauters, 2018). Domestic SVOD alternatives are prioritizing domestic content, often by also marketing original exclusive domestic programming (see Videoland in the Netherlands, Viaplay in the Nordics or Britbox in the UK).

Collaboration: Finally, while clearly differentiating their offering and brand from global SVODs, broadcasters and distributors also become, ironically perhaps, dependent on these platforms. This results in various partnerships with global SVODs, including licensing deals for content on streaming platforms to make domestic SVOD initiatives more attractive.

The next section addresses the market and policy context of Streamz, and how it was positioned as a domestic response to global adversaries.

Streamz as the result of a media partnership agenda

Plans for a joint SVOD initiative in Flanders date back to as early as 2010. The public broadcaster VRT, at the time, did not have its own online catch-up or VOD offering. The two main private broadcasters, Medialaan (now DPG Media) and SBS lobbied for a collaborative initiative, pooling content from the three main broadcasters in a new joint service. The plans were heavily inspired by experiments such as Project Kangaroo and Project Canvas (later presented on the market as YouView) in the United Kingdom. Plans to pursue a paid SVOD offering were further reinforced by a perceived weak SVOD market in the Netherlands, which was considered to be at least partly the result of the success of the public broadcaster NPO's free online catch-up service "Uitzending Gemist". However, clearly diverging business models of commercial and public broadcasters, as well as the high technical cost of such a joint service, led to a cancellation of the project. It took until 2016, when VRT's new government agreement (2016–2020) allowed it to do so, for VRT to launch its own online catch-up service. Commercial broadcasters from their side pushed for a separate service called Stievie, which was launched in 2013 as an online/mobile catch-up service; a premium version also allowed live streaming of Flemish television channels. It contained content from the three main broadcasters (including VRT). The success of Stievie remained modest, however, and the service ceased operations in September 2020.

The push for collaboration to address challenges of digitization nevertheless remained common in private media players' rhetoric in the 2010s. The importance of protecting the "Flemish media ecosystem" was repeatedly voiced in parliamentary hearings, press and vision statements of private media. The "smallness" of the market (consisting of 6 million inhabitants), the high volumes and popularity of domestic content and the vibrant independent production sector (which was also increasingly acknowledged by uptakes in foreign export and Flemish talent working abroad), were used as arguments to legitimize a collaboration: The rhetoric of a "shared fate" was used as a response to global SVODs, such as Netflix, being the common adversary.

Policymakers from their side also supported the discourse on partnerships and pushed collaboration in several domains (Raats & Donders, 2017). This resulted, first, in an increasing emphasis on collaboration at the level of the public broadcaster. VRT's 2016–2020 management contract, for example, explicitly identified "market strengthening" as one of the key strategic priorities of VRT. This included, amongst others, VRT's role as the "motor" in sustaining independent production in Flanders, with an 18 pct. quota of the total programming budget to be commissioned externally. The "common adversary" approach taken by domestic players also motivated the government to oblige domestic television distributors to invest in domestic production since 2014.

Since then, the two main private broadcasters voiced repeated concerns about the increase in time-shifted viewing and called for a "common solution" with television distributors (see e.g. Vlaams Parlement, 2017, 2019). Finding a collaborative solution, however, proved to be especially difficult because interests of distributors, who offer ad-skipping and delayed viewing as a service to their subscribers, were diametrically opposed to the views of broadcasters, especially since the latter's call for some sort of limit to ad-skipping or higher financial compensation. The former Minister of Media, Sven Gatz, on various occasions acknowledged the need to find a common solution and urged broadcasters to collaborate with distributors to find a way forward. The situation got even more complicated when broadcaster SBS was fully taken over by cable distributor Telenet, hence eroding the alliance between broadcasters in their claims against distributors. An "ultimatum" was presented according to which the Minister of Media would intervene if the players did not come to a solution themselves, for example by prohibiting ad-skipping (Teetaert & Terryn, 2018). The claims were supported by a commissioned study highlighting the significant financial losses following ad-skipping (Econopolis, 2018). Another attempt resulted in the media cabinet launching a backdoor consultation in which the different stakeholders could propose their own views.

Parallel to the discussion on ad-skipping, broadcasters started lobbying for a common joint SVOD initiative, since then coined as "Flemish Netflix". The government actively embraced the idea. In part, this open support for a Flemish Netflix can also be considered as a way to reduce criticism on regulating ad-skipping, which was not to the liking of public opinion, the press, politicians or Telenet. Attention gradually shifted away from the standstill on delayed viewing, and broadcasters actively lobbied for a new service with the government, thereby heavily pushing VRT to contribute to the service. VRT initially backed the plans for a Flemish Netflix. In public statements, the former CEO Paul Lembrechts expressed enthusiasm about what he called a "necessary collaboration" (Bonneure, 2018). However, later VRT shied away from contributing to the platform, as strategic concerns were raised regarding matching a paid offering with the public remit, and, somewhat contradictory, on the lack of return-of-investment for the public broadcaster (De Preter, 2019). Little opportunity was left for VRT to shy away from the project when the newly elected government in May 2019 explicitly obliged the public broadcaster to collaborate in a joint initiative in its government agreement, "given VRT's largest catalogue of Flemish quality fiction productions (…)" (translated citation, HLN, 2019).

Critics of a joint initiative were, however, caught by surprise in February 2020 when two main adversaries, distributor Telenet and broadcaster DPG Media, joined forces to establish a joint venture and finally launch a "Flemish Netflix". The service was presented in September 2020 as a joint venture that combines the existing subscription service of Play/Play More, with new back catalogue and domestic premium content. Only a few days prior to the launch of the platform, VRT announced it would also provide content for Streamz, in the form of licence deals rather than actively taking part in the joint venture (Rombaut, 2020). The new VRT management contract (2021–2025), agreed upon when VRT had already confirmed participating in Streamz, confirms the obligation of the public broadcaster to deliver content to the SVOD, yet does not limit VRT's own online freely accessible service VRT NU significantly, something that private players actively lobbied for, and advocates for a strong public broadcaster feared.

The description above shows the importance of *resistance* strategies pursued by domestic players, resulting in a direct and indirect government push to establish a joint SVOD initiative, and a strategic shift of Flanders' largest broadcasting company DPG Media turning to global SVODs as the main adversary, rather than domestic distributor Telenet. Both resulted in an unusual optimism, presenting a Flemish Netflix, at least rhetorically, as pivotal in sustaining the Flemish audiovisual ecosystem. However, precisely because of the interdependence of different players (producers, broadcasters and distributors) in a vibrant, yet fragile, audiovisual ecosystem such as Flanders, the launch of Streamz also raised new policy and concerns that could endanger the sustainability of original domestic programming.

First, criticisms were voiced in the press and parliament on the impact of VRT joining the platform with its own content: Television series paid by taxpayers' money should be accessible for free (De Tijd, 2020). More importantly, concerns were raised about the implications of VRT's involvement in Streamz, about VRT's opportunities to continue to expand its own online service VRT NU, and about VRT's possibilities to acquire licences or co-invest in domestic and international rights acquisition.

Second, from a competition point of view, it is worth asking, on the one hand, to what extent a public broadcaster could be forced to be involved in an initiative mainly beneficial for two large media conglomerates that already have activities across markets and in multiple countries; and on the other, whether having only one domestic player buying premium SVOD rights would provide sufficient bargaining power to independent producers. The Flemish Regulator for Media (see e.g. VRM, 2021), in its annual media concentration reports has, year after year, increased its concerns with regard to heightening media concentration in the press and television market. The fact that producers now have to negotiate for preview and broadcasting investment with de facto the same player (SBS is part of Telenet, VTM is part of DPG; Telenet and DPG jointly operate Streamz) reduces the bargaining power of producers' as negotiations for premium as well as free-to-air windows have to be negotiated with the same players. Producers therefore fear that, instead of Streamz being able to complement budgets and thus result in high-quality exportable content, it might also culminate in broadcasters significantly lowering investments, hence resulting in a zero sum game, or a drop in total investment at worse.

Third, the launch of Streamz also forced policymakers and the Flanders Audiovisual Fund (VAF) to reconsider existing support measures. Current regulations for investment obligations of distributors (of which Streamz is a subsidiary company) were considered insufficiently adapted to the new market reality; in a similar vein, the market reality also resulted in the Flemish audiovisual fund changing the eligibility criteria for its television support scheme, allowing Streamz to directly cater for government subsidies.

Streamz as a way to mimic platform power?

Streamz was conceived as a response to the growing popularity of international SVOD service Netflix in the Flemish market. However, in order to successfully compete with Netflix and other global giants, and secure its place in the crowded audiovisual market, Streamz needs to build platform power. In this section, we analyse the different ways pursued by Telenet and DPG Media to develop control of the following (infra)structures of power as presented in the first part of this article, in order to emulate the competitive advantage of global SVODs.

Content – Streamz is marketed as the "local Netflix" and puts forward a balanced offer of local and international top titles as its main selling proposition. From its start, the service has a genuine focus on the promotion of local content, offering access to 11 exclusive previews of (mostly) scripted television content. Moreover, it has the most extensive catalogue of library content (over 1000 titles) as a result of the agreements with local broadcasters VRT, VTM and SBS, who provided the rights of old and more recent drama series and movies. On top of that, Streamz aims to release one new local drama series every month. VTM had been clearly reducing the volume of TV fiction in their linear programming slots to build a larger slate of fiction productions on Streamz. Despite the Flemish market being a relatively small one, it will be crucial to regularly launch new exclusive titles in order to keep existing customers satisfied and attract new ones. Important to note as well is that, while these series are presented as "exclusive" originals on Streamz, most of the series are broadcast by free-to-air channels after a short period of time. Commissioning exclusive content for Streamz alone seems highly unprofitable, given the significant cost of TV drama production. By combining premium windows from Streamz and free-to-air linear broadcasting rights, both VTM and SBS managed to reduce investment in high-end drama, while at the same time being able to sustain current volumes of fiction. Producers thus acquired co-production deals with Streamz for the domestic premium slot, but in some cases still negotiate deals for non-domestic SVODs for global territory rights. As such, a television production can get both a Streamz Original label, as well as a Netflix Original for international audiences (see e.g. *Thieves of the Wood*/De Bende Van Jan De Lichte and *Soil*/Grond). While the emphasis lies on scripted content, Streamz has also, to a lesser extent, negotiated premium deals for reality and documentary content, most of these titles explicitly targeting younger and broad audiences.

As the volume of local content remains insufficient to satisfy the needs of the customer, Streamz has also added a wide offer of international top series. An exclusive licence deal with HBO allows Streamz to include award-winning shows like *Game of Thrones* and *Big Little Lies*, as well as new HBO titles. However, these HBO high-quality series address an upper-market segment and do not draw in a large customer base. With the international launch of HBO Max in 190+ countries, analysts feared HBO could withdraw its content from Streamz in order to market themselves in the Benelux. This is similar to the strategy followed by Disney, which pulled off its content from Play/Play more when Disney+ was launched in Belgium in September 2020, just a day after the launch of Streamz. However, in April 2021, that risk was – at least temporarily – avoided as Streamz announced a new deal with HBO Max that allows Streamz customers access to part of the HBO Max titles. Finally, Streamz is presented as a two-tier SVOD service. In addition to the regular offer priced at 11.95 euros, Streamz+ provides another 300 premium movies for an extra eight euros, which makes it significantly more expensive than Netflix (15.99 euros) and Disney+ (6.99 euros).

Table 1: Streamz TV drama slate (September 2020–January 2021)

Title	Broadcaster	Production company	Episodes	Year
De Bende van Jan de Lichte	VTM	Menuet	8	2020
Black Out	VRT	Jonny de Ponny	10	2020
Niets Te Melden	VTM	Eyeworks	6	2020
Red Light	VTM	Eyeworks/Man Up	10	2020
Albatros	VRT	De Wereldvrede	8	2020
Mijn Slechtste Beste Vriendin	SBS	Lecter Media	20	2021
Déjà Vu	SBS	Fobic Films	8	2021
Fair Trade	VTM	Independent production	8	2020
Storm Lara	VTM	A Private View	N.A.	2021
Grond	SBS	Lunanime	N.A.	2021
Glad ijs	VTM	Dedsfilm	N.A.	2021
D5r (S9)	VRT	Eyeworks	N.A.	2021
*F*** you very very much*	SBS	Caviar	N.A.	2021

Consumer – The alliance between Telenet and DPG Media ensures that the leading pay-television distributor and broadcaster, supported by the public service broadcaster, are able to create a direct relationship with the local audience in the rapidly expanding streaming market and secure local prominence in this market, which is becoming increasingly dominated by global intermediaries. Strategically, Streamz allows local media groups to tap into future-proof revenue opportunities and generate income that, unlike most global platforms, will be taxed and then reinvested in the production of locally made drama series and documentaries. In addition, they will be able to extract behavioural data on viewing patterns and preferences to feed the personalized algorithm. Despite being a new kid in the streaming market, Streamz has built sufficient scale from day one: All 430,000 Play/Play More customers were automatically transferred to the newly established joint venture. The importance of integrating Telenet's installed base cannot be underestimated. Not only does this secure recurring revenue and necessary cash to invest in the product, it also creates extra leverage for negotiating favourable deals with studios and producers, and immediately propelled Streamz as the number-two SVOD service in the market. Although Streamz aims to rival Netflix's market leadership, only the future will tell how much potential growth the service actually has and to what extent its value proposition is attractive enough so as to seduce unserved market segments. The streaming market is not a zero-sum game, yet there will be a limit in terms of how many subscriptions a consumer can take and how much the customer is willing to spend on these subscriptions.

Connectivity – Streamz is, strictly speaking, a stand-alone platform, but benefits from its close relationships with shareholder Telenet, a cable company that provides Internet and television services to the majority of the Flemish households. In general, service distribution comes via three different pathways. First, customers can subscribe to Streamz via the service's website to get access to the streaming catalogue. Second, sales are also arranged via the regular Telenet channels, which provide a considerably longer commercial reach. Streamz is part of several product bundles that combine Internet, mobile and entertainment services such as the popular WIGO and YUGO packages. In that case, billing is organized by Telenet and occurs as part of a convenient, monthly invoice. This pathway also allows consumers to view Streamz via the set-top box and includes a series of replay services with which consumers can re-watch their favourite television shows for seven days back in time. Third, Streamz will set up partnerships with resellers so as to enlarge its commercial reach through multi-platform distribution. Negotiations with remaining pay-television distributors Proximus and Orange to be carried on their set-top boxes are ongoing. Furthermore, Streamz will soon become available as an app on smart LG and Samsung television sets; a dedicated button on the remote control is currently not a possibility. With this multi-channel strategy, Streamz is able to tap into different distribution channels to boost its brand name and increase its commercial leads. Commercial partnerships with DPG Media's brands create opportunity for promotion strategies (such as giveaways or free one-month trials).

Capital – Recurring revenue from over 430,000 subscribers secures the necessary cash to invest in acquiring preview rights and eventually commissioning original programming. If Streamz wants to be a winning platform, it needs to continue, and probably speed up, its investments in attractive content to differentiate itself from competing SVOD services. Shareholder DPG Media has postponed the release of a few drama productions on its VTM channels to build up a large slate of original productions, but it is crucial to maintain this production rhythm. Given that the total cost of a typical drama series ranges between four and six million euros, with broadcasters or distributors generally contributing around one million, adding new titles to Streamz may be a costly affair. Moreover, these new titles need to draw in new subscribers, especially when competitors Netflix and Disney+ have considerably higher release rates of probably more high-profile programming (e.g. Hollywood blockbusters or much-hyped international series). In such a crowded SVOD market, characterized by significant market costs for customer acquisition and relatively low-price points, it seems that only additional scale (and thus more customers) will be able to lower the break-even point, achieve higher profitability and sustain future competition from international platforms.

Conclusions and Discussion

This paper presented the policy and market context in which a domestic joint subscription-based VOD service in a small media market was conceived. Research has increasingly emphasized how SVODs markedly affect traditional legacy player business models and has shown they provide both new opportunities as well as significant challenges for sustaining domestic original programming, especially with regard to scripted content, and notably in smaller media markets. The case study of Streamz helps to understand in what ways traditional media players aim to combine different response strategies – in this case *mimicry, diversification*, *differentiation* and *collaboration* – to provide a domestic “Netflix alternative”.

The case study demonstrates the difficulties of reaching scalable solutions for subscription-based VOD services, a finding that is confirmed by the enormous fragmentation of existing VOD platforms in Europe, which only rarely manage to become a serious competitor for global SVODs. The fact that joint “local Netflix” initiatives thus far have mainly been launched in larger markets (United Kingdom, France), and the fact that successful existing SVODs, such as Viaplay with a reported 302 million subscribers (NENT, 2021), target multiple territories to create scale, can be considered exemplary. The analysis reveals a combination of strategies undertaken by Streamz to reach scale and volume, while reducing financial investment: Firstly, the involvement of the public broadcaster to take part in the joint venture; secondly, coproduction with broadcasters and a combination of financing by which Streamz content is only “exclusive” for a limited period to be able to fund its premium content; thirdly, a licence deal with another global market leader (HBO) to provide sufficiently attractive offerings for domestic audiences and compensate for the limited number of their own exclusive content; and fourthly, a joint venture that is based on the takeover of an already popular pay-TV offering of Telenet, hence providing sufficient cash flow and a stable subscription number for Streamz’ activities. At this point, it is unclear how many subscribers Streamz has, but newspaper articles in January 2021 suggested that Streamz at that point had not managed to meet the targets it set out (Vangelder, 2021).

Furthermore, analysis of the political and market context showed how the joint initiative resulted from a continuous emphasis on collaboration, which has been characteristic in Flemish professional and policy discourse with regard to media since the 2000s. However, despite this continuous emphasis, commitments thus far rarely resulted in large-scale successful collaborations as competition between players remain prevalent. The fact that the main adversaries for domestic players are no longer rivals within the market, but rather global platforms, has served as the impetus for more structural collaboration (Enli et al. 2019). As such, the joint venture reaffirms how media ecosystems, more than ever, have become complex networks in which players take up the role of competitor and partner at the same time.

Finally, the analysis shows the indirect importance of the government in the launch of this platform, from the "nudging" of stakeholders to collaborate, to enforcing distributors to offer the streaming service for subscribers, to eventually also obliging the public broadcaster to collaborate. As such, the research confirms earlier findings of small media markets' resilience characterized by strong government intervention, not only directly in the form of government subsidies, but also in fostering collaboration and supporting market sustainability (see e.g. Raats & Donders, 2020; Syvertsen et al. 2014).

The main question as to whether Streamz will be sustainable, however, does not lie in its potential to provide exclusive content, but whether there is actual market potential beyond current levels of subscribers. Streamz could potentially provide an important compensation for the losses of linear viewing, yet at this point, the popularity of Flemish linear television, delayed viewing and ad-skipping provided by television distributors, and the various other options to watch Flemish content (on web portals of broadcasters and existing options to record content) reduce Streamz' "must-have" status in the market. Additionally, the added value of cord-cutting and going for Streamz instead of a digital television subscription remains equally low, as triple-play (bundled) subscriptions in Belgium mostly involve a high Internet cost, and a relatively low television subscription cost. Ironically, should Streamz, on the other hand, unexpectedly grow quickly, it would lead to higher numbers of cord-cutters, which would inevitably put new pressure on the financing of audiovisual content, as broadcasters are currently paid significant sums by television distributors to broadcast their signals.

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