Original Paper

The Influence and Fusion of Online Films with Traditional Cinema: A Case Study of the Netflix Platform

Anran Liu[1*]

[1] Hong Kong Baptist University, Kowloon, Hong Kong, China

[*] Anran Liu, Hong Kong Baptist University, Kowloon, Hong Kong, China

Abstract

The emergence and popularization of streaming movies have witnessed the change in acceptance mode and acceptance psychology of traditional movie and television, and broke the confinement of time and space. Taking Netflix, a streaming online platform, as a case study, this research endeavors to explore the impact of streaming movies on traditional cinema movies and their convergence utilizing literature analysis, classification and comparative analysis, case study research method, and data collection and analysis method.

Keywords

streaming movies, cinema movies, Netflix, streaming media platforms

1. Introduction

1.1 The rapid development of the Internet: a new product of "Internet + movie"

Since the advent of the booming development of the Internet, the movie industry and the streaming media industry have been more closely integrated, establishing a unique movie viewing mode, i.e., streaming movies.

The fast-paced societal development and the widespread popularity of internet culture have increasingly led to the dominance of "fragmented" time in people's daily lives. The emergence of streaming movies, on the other hand, aligns perfectly with the current "fragmented" lifestyle. The profound development of digital technology and streaming media has drastically transformed the movie consumption habits of global audiences. The traditional movie viewing mode, constrained by time and space, is gradually being supplanted by online streaming platforms. Moreover, the mobility of electronic devices has enriched the viewing experience in no small degree. With the advancement of video streaming technology and the 5G internet, the streaming movie viewing experience has become

notably clearer and smoother, amplifying the audience's sense of enjoyment in watching movies.

The evolution of the streaming movie industry showcases a profound convergence between digital media technology and the cinema sector, giving rise to a dissemination model and creative paradigm that distinctly diverges from traditional cinema movies. This transformation has ushered in structural changes across movie production, promotion, and financial aspects. The internet, as a communication medium, has provided a global platform for the expansion of streaming movies worldwide, allowing audiences to directly engage with a diverse range of global streaming movie works through various channels. Streaming movies, as a result, wields an immediate and far-reaching clout on an international scale. In the long run, streaming movies are poised to become a direct and convenient presentation format, even transcending cultural and geographical boundaries.

1.2 Video media platforms are "catalysts" for the growth of streaming movie industry

Taking Netflix as a prime example, established in 1997, the platform began its journey as an online DVD disc rental service, later transitioned to online streaming, and eventually evolved into a hub for producing high-caliber original content. By continually refining user experiences through technological innovation and big data analysis, Netflix has now risen to become the world's foremost online video streaming service provider.

High-quality streaming movies can reflect the brand identity of a certain video platform, nurturing a stronger sense of trust from the audience in the platform's brand. In this way, it not only enhances user engagement but entices a considerable influx of new users, thereby solidifying the platform's position as a stable and enduring competitive force. Consequently, an innovative model for streaming movies has taken shape, wherein the platform takes charge of copyrights, development, investment, and production, and subsequently carries out the marketing and distribution efforts in-house. Recent years have seen the seismic impact of the COVID-19, which inflicted the widespread closure of cinemas and became a substantial blow to traditional cinema movies. The pandemic necessitated that numerous viewers remain confined to their homes, consequently transforming them into potential streaming customers. This unfolding situation has provided unprecedented growth prospects for streaming movies.

1.3 Series of IP drives the development and rise of streaming movies

The creative genesis of streaming movies primarily stems from the meticulous collection, investigation, integration, and iterative refinement of voluminous datasets sourced from the internet. Alternatively, they may directly adapt premium IPs from the online sphere. Each strategic approach innately establishes a receptive audience base for streaming movies, which further ensures revenue stability.

In the late 20th century, the Hollywood movie industry embarked on a series of strategic commercial endeavors, notably involving high-profile science fiction IPs such as Star Wars, Star Trek, and Harry Potter. These initiatives artfully leveraged the loyal fan communities associated with the iconic IPs to

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make substantial financial gains. Notably, of all the global movie releases of 2019, the top ten highest-grossing movies exclusively featured sequels from renowned movie series or adaptations of established IPs. In comparison to traditional cinema releases, streaming movies possess a deeper alignment with the prevailing currents of mass culture. Their inherent audience base, coupled with fervent fan loyalty, renders IP-based streaming movies particularly adept at reaping latent dividends. Illustratively, following the collaboration with the celebrated writer Stephen King, the prominent U.S.-based Netflix platform has successfully ventured into the realm of streaming movie production, resulting in such critically acclaimed works as In the Tall Grass, Gerald's Game, and 1922. These exemplary productions underscore Netflix's prowess in the effective utilization of IP-driven content.

2. The Distribution Mode and Viewing of Streaming Movies

Streaming movie, as a novel cinematic art form, predominantly relies on the Internet for distribution and presentation, exhibiting a heightened level of flexibility, diversity, and rapidity compared to its traditional cinema counterparts. This variance in medium profoundly shapes audience interaction and viewing patterns. The experience of conventional cinema movies is marked by constraints, passivity, and a one-way flow, whereas the viewing mode of streaming movies is characterized by autonomy, liberation, proactive involvement, and interactivity. The disparities between cinema movies and streaming movies, however, primarily reside in the realm of psychological perception rather than fundamental differences in content essence.

2.1 From passive consumption to proactive aesthetic engagement

Compared to the traditional cinema movies, streaming movies exhibit a distinct absence of social attributes, but leaning more towards individualism, and breaking free from the constraints of time and space in the meanwhile. The audience are free to select their preferred viewing times via any medium and is accompanied by the ability to exercise control over the pace and the viewing environment, thus granting them an unprecedented level of autonomy.

Firstly, in terms of time, the structural design of information in streaming movies takes a "non-linear" approach, diverging from the linear viewing experience inherent in traditional cinema movies. The intermittent operability of personal media empowers the audience to pause, play, accelerate, or revisit segments of their interest, while skipping over those less engaging ones. Such an arrangement affords viewers the discretion to determine the sequence of viewing. Consequently, streaming movies offer a remarkable degree of flexibility compared to their cinema counterparts, enabling viewers to seamlessly integrate movie-watching into their personal schedules. Secondly, in the realm of "space", despite the fact that the overall sensory impact of traditional cinematic experiences may surpass that of online streaming viewing, it remains a passive aesthetic process, as one must visit a physical cinema to partake in the movie-watching experience under the traditional movie paradigm. In contrast, streaming

movies exist within a controlled physical-audiovisual milieu. Disruption of this nature of the traditional movie framework grants audiences the prerogative to choose their preferred viewing location, effectively transcending the limitations of time and space. Moreover, the introduction of compact network terminals, such as laptops, iPads, and smartphones, has catalyzed a shift from collective appreciation to individualized engagement. While platforms like Netflix exemplify such transformation, offering software compatibility across diverse hardware devices, so that seamless transitions among television, gaming consoles, set-top boxes, tablets, and smartphones are possible. Finally, regarding the content, the extensive library available on streaming movie platforms significantly broadens the scope of viewer choice, deviating from the practice of cinemas dictating "what to watch". Instead, viewers exercise autonomous selection over the movies they wish to watch, free from the confines of cinema schedules. Such empowerment allows them to revisit movies from any historical period, thus transitioning the viewing experience from passive consumption to proactive aesthetic engagement.

2.2 From recipients to creators: interactivity

Certain streaming movies exhibit the remarkable capacity for dynamic adjustments based on audience feedback, leading to potential alterations in plot trajectory and casting choices, thereby ensuring alignment with audience preferences. This transition from the conventional passive reception of information in traditional cinema to the egalitarian exchange of information on streaming movie platforms, facilitated by an open production process, affords audiences an unprecedented level of involvement in the creative process. Interaction between these platforms and fan communities engenders the assimilation of superior creative concepts, adeptly catering to audience exigencies, thereby amplifying impact, elevating movie prominence, and strategically prepositioning for promotional endeavors during the production continuum. In real-time playback scenarios, the ability to produce and shoot subsequent plot nuances, responsive to the pulse of audience sentiment and anticipations, assumes paramount significance. Consequently, throughout this entire process, the confluence of audience engagement, leveraged by the cost-effective and profoundly interactive nature of the internet, plays an unequivocally pivotal role.

Furthermore, some streaming movies introduce diverse plot trajectories, allowing audiences to exercise autonomy in determining the narrative course and ultimate denouement, effectively empowering them as co-authors of the storyline. An exemplar in this regard is the interactive movie Black Mirror: Bandersnatch, a brainchild of Netflix, which catalyzed extensive discourse among its viewers. This paradigm shift denotes the dissolution of the traditional unilateral dissemination model, replaced by a reciprocal selection mechanism, effectively reshaping the social dynamics between content producers and recipients. In this digital ecosystem, recipients also serve as disseminators, epitomizing the transformative influence of streaming movies on audiences.

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2.3 From unidirectional dissemination to bidirectional interaction

In the traditional realm of cinematic experiences, audiences were subject to a communication model that followed a linear path of "creation-dissemination-appreciation", characterized by its passivity and unidirectional flow. The emergence of big data, employed by streaming movie platforms, notwithstanding, has irrevocably reshaped the traditional unidirectional broadcast paradigm, but ushered in a new era featured by heightened information timeliness and increased audience engagement. As per user behaviors, these platforms now tailor content recommendations for each user, leading to a more dynamic human-machine interaction and transitioning the communication paradigm from a "unidirectional dissemination" model to a more interactive "bidirectional interaction".

Taking Netflix as an illustrative case, the high-performance Cinematch system deployed on Netflix empowers viewers to access precisely what aligns with their preferences, epitomizing this new bidirectional mode of communication. As a matter of fact, Netflix processes an astounding daily data volume exceeding 10 petabytes, coupled with the analysis of over 40 billion new events, all with the objective of comprehending the nuanced viewing habits of its users. The data encompasses an array of meticulous attributes, including peak service usage times, currently watched movies, viewer ratings, and the diverse devices utilized to access Netflix, among other granular categories. Furthermore, Netflix employs a row-based two-tiered ranking system in its homepage design, strategically positioning the most strongly recommended content on the far-left side of each row, with recommendations gradually tapering as one moves rightward. Likewise, as one scrolls downward on the page, the recommendation intensity for each subsequent row diminishes, ensuring that the most prioritized content occupies the viewer's central visual field, thus maximizing engagement.

Furthermore, on the Netflix platform has established a specialized recommendation engine, complemented by the utilization of a "Thumbs System" for user rating. Through this system, users can express their evaluation of movies by giving a "Thumbs Up" or "Thumbs Down". Netflix synergistically leverages both rating mechanisms to deliver customized content recommendations to its users.

The copious data derived from these rating systems is harnessed by Netflix's sophisticated recommendation algorithm software to identify audiences with akin preferences. Beyond this, Netflix employs a granular classification of streaming movies, and a substantial workforce is dedicated to meticulously annotating movies, marking such elements as creative origins, temporal settings, viewing maturity levels, and other pertinent aspects. This meticulous process results in the creation of a diverse array of over ten thousand distinct tags. By seamlessly integrating these tags with the nuanced viewing habits of users, Netflix meticulously tailors bespoke content, aligning with individual preferences.

In the contemporary landscape of new media and the digital environment, the mode of information dissemination has transitioned from the conventional unidirectional broadcast of traditional cinema to a

bidirectional paradigm, where audiences cease to be passive recipients of information.

3. The Creative Approach and Artistic Attributes of Streaming Movies

The dissimilarities in the dissemination modes between streaming movies and traditional cinematic movies engender distinct cinematic artistry. Drawing on the unique approaches of dissemination and reception inherent to streaming movies, a novel array of creative production strategies and artistic attributes emerge, setting it apart from conventional cinematic releases.

In the realm of production, steaming movies capitalizes on significant real-time advantages, primarily attributable to their compressed production timelines, lower entry barriers, and reduced complexity during phases such as thematic selection and post-production. Edges of this nature afford streaming movies a formidable immediacy, enabling swift responses to contemporaneous trending topics while facilitating nimble adaptations based on audience feedback concerning narrative trajectories, character ensembles, and other pivotal facets. In stark contrast, traditional cinema movies adhere to lengthier creative periods, thereby presenting challenges in modifying core elements like the script, cast, or even the set design and musical score once crystallized. Moreover, the discerning use of internet-generated big data within steaming movie platform significantly shapes project determinations, narrative evolutions, casting decisions, audience profiling, and prognostications of box office potential, exerting profound influence over the formative stages of streaming movie production.

Admittedly, it is evident that certain streaming movies, in pursuit of entertainment value, may inadvertently compromise on overall quality. Nevertheless, this should not misconstrue the broader context. Consider Netflix, a paragon in this domain, allocated an extensive budget of $17.3 billion (equivalent to approximately 118.9 billion RMB) in 2020 for the creation of movies and television content. Such a substantial financial commitment underscores Netflix's unwavering dedication to content quality. As emphasized by Marc Randolp, the co-founder of Netflix, their foundational mission persists—to create culturally resonant, high-caliber movie and television productions is an aspiration guiding them throughout their professional trajectory.

Irrespective of the cinematic domain—be it the conventional cinematic experience or the dynamic realm of streaming movies—content reigns as the preeminent factor. Absent a robust content foundation, even the most astute marketing endeavors inevitably falter. The adulation of audiences is reserved for movies of elevated quality, engendering financial viability and fostering a self-sustaining cycle within the industry.

3.1 Genre: Diversity and youthful IP

In the pursuit of optimized investment returns, both narrative themes and storytelling techniques in movie production are evolving toward diversification and rejuvenation. This evolution, marked by rebellious and innovative departures from traditional cinematic norms, reflects the distinct nature of

streaming movies.

The commercial dynamics of traditional cinematic movies inherently compel a focus on the popularity of individual works, operating within a framework of "singular consumption". The success of a movie correlates directly with the extent of its audience engagement, thereby leading production studios to meticulously select established, high-grossing genres. These productions often boast star-studded casts and employ visually captivating effects, and hence, they generate anticipation even before their release. The costly traditional cinematic market typically aligns with the Pareto principle, where a mere 20% of top-tier movies yield approximately 80% of the profits. In contrast, streaming movies operate under a subscription-based model, emancipating itself from the confines of time and space. This model caters to the broad user base while simultaneously targeting niche markets, a phenomenon akin to capturing the long-tail effect of audience preferences.

Netflix is an exemplary case in this regard. As a streaming media platform, its revenue solely derives from user subscription fees. When evaluating the investment prospects of a movie, Netflix places paramount importance on its potential to attract new subscribers. This broader audience necessitates a more diversified content offering. Harnessing intricate algorithms, Netflix creates a myriad of content tailored to micro-audiences. The personalization extends beyond interactive services for each user to encompass a diverse portfolio of content. Remarkably, Netflix categorizes movies into 19 "Umbrella genres", further subcategorizing them into 400 "subgenres", and an astonishing 76,897 "micro-genres". These comprehensive classifications integrate seamlessly into the algorithm, enhancing the diversity and personalization of recommended content.

3.2 Visual elements: primacy of content, relatively reduced visual demands

Compared to traditional cinematic movies, the narrative of streaming movies embraces influences from classical cinematic storytelling while simultaneously undergoing a shift away from grand narratives, manifesting a preference for fragmented storytelling with pronounced digital characteristics.

Streaming visuals distinguish themselves from their traditional counterparts by adopting a narrower aspect ratio and relatively lower pixel density. This results in finer details, distinctly visible on large cinema screens, appearing comparatively blurred or often overlooked in the streaming medium. Constrained by the limitations of hardware, streaming movies tend to limit the usage of wide-angle and panoramic shots. From a lighting and color perspective, the absence of the ability to convey the rich spatial intricacies in streaming visuals necessitates a departure from the elaborate lighting effects and intricate color palettes commonly employed in the grand cinematic experience. Instead, a preference emerges for a more expressive use of color and light schemes, striving to create a simplified yet aesthetically pure visual ambiance.

Additionally, within the confined frame of streaming movies, the perception of multi-layered depth becomes less discernible to the audience. Consequently, the pursuit of extended takes and deep-focus

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shots, often characteristic of traditional cinema, experiences a relative reduction in steaming cinematic practice. Instead, a shift towards montage theory is evident, emphasizing that each individual frame must possess impact and convey a clear message, with the overall significance of the imagery realized through the meticulous editing process.

3.3 Narration: "Engagement" and relatively compact narrative rhythm

Given the unique distribution mode of Streaming movies within the context of a fragmented consumption era, the audience's attention spans are notably limited. In contrast to the more contained offline cinematic environments, attention in the online setting tends to be more susceptible to diversion, coupled with a significantly higher degree of viewer autonomy. Consequently, streaming movies are compelled to consistently seize the audience's interest through a taut narrative pace and strategic plot arrangements. This typically involves opting for concise storytelling durations, characterized by suspenseful plot developments engineered to maintain the viewers' undivided attention.

The distinctive viewing conditions and the mindset of the audience in streaming movies diverge from those of traditional movies, thereby giving rise to differential psychological rhythms in the editing process. The physical constraints prevalent in the traditional cinematic milieu curtail viewers' ability to interrupt or regulate the pace of their viewing. Moviemakers can therefore design the overall editing rhythm, using the duration of a movie as a fundamental unit for shaping the cinematic experience. In contrast, the online streaming viewing context empowers the audience with a considerably higher degree of freedom, enabling them to halt viewing at any juncture and frequently prone to distraction. Consequently, the requirements imposed on streaming movies necessitate a concerted effort to consistently capture and maintain viewer "engagement", an imperative aimed at sustaining a vigilant and absorbed audience.

4. Industry Characteristics and Fundamental Advantages of Streaming Movies

Streaming movies has not merely revolutionized the dissemination methods and artistic techniques of traditional cinematic movies; it has significantly reshaped the movie industry's business model and operational procedures. The intrinsic nature of Streaming movies embodies a revenue model hinged on the effective clicks of paying users, leading to a profit-sharing arrangement between distribution and production entities. This model is exemplified by prominent video platforms like iQiyi, Youku, Tencent, and others. In parallel, an alternate approach involves the provision of subscription-based services, with platforms such as Netflix deriving profits from membership fees. A distinguishing feature of traditional cinematic movies is that the pivotal roles of distribution and screening are predominantly assumed by online video platforms.

4.1 Industry traits of streaming movies

Contrasting with the industrial model of traditional cinematic movies, using Netflix as a prime illustration, the industry model of streaming movies exhibits several noteworthy characteristics:

4.1.1 Click-through Rate: A dual-circulation industry model

In the realm of streaming movie creation, as compared to traditional box office revenues, the Click-Through Rate (CTR) and subscription memberships have emerged as pivotal revenue streams. However, what merits attention, CTR is not a perfect proxy for movie quality. For instance, a poorly-reviewed streaming movie might still achieve a substantial CTR. Diverging from the one-to-one correlation between the box office and the number of viewers seen in traditional cinema, CTR possesses the ability to generate multiple repeated clicks.

The distinctive attributes of online platforms afford streaming movies a unique space for survival. The sustained nature of CTR in streaming movies surpasses the limitations imposed by traditional box office metrics, thus opening novel avenues within the movie industry. Artistic movies of high quality, albeit catering to a niche audience, find an extended life cycle on internet platforms and amplify their visibility.

Furthermore, the interactivity facilitated by online platforms has transformed the movie evaluation landscape from being solely channeled through official platforms to a broader array of movie enthusiasts. Each viewer can articulate their viewpoints on movies, giving rise to an ecosystem of audience word-of-mouth effects. Streaming movies can further establish a distinctive dual-circulation industry model, wherein a search for a specific star's works, for instance, may lead to related movies, and an exploration of a particular movie genre may unveil other relevant movies. Such a mode perpetuates the cycle of information and augments the CTR. Movies within this dual-circulation paradigm can be viewed multiple times, signifying a departure from the linear constraints of the traditional movie industry model.

4.1.2 Screening: Disruption of the "theatrical window"

The concept of the "theatrical window", originating from Hollywood, represents a distribution strategy designed to safeguard box office revenues for movies. Traditionally, movies are initially released in cinemas, followed by subsequent showings on platforms like videotapes, DVDs, cable television, and pay-per-view after the movie concludes its theatrical run. However, with Netflix acquiring extensive distribution rights to a plethora of movies and TV shows, the platform has gained substantial control over international release strategies. Consequently, Netflix often sidesteps the conventional theatrical window, and frequently opts to premiere them exclusively on its own streaming platform to entice a broader subscriber base, rather than debut movies in cinemas.

The traditional cinema industry expresses a desire for Netflix to align with the established theatrical window, yet Netflix's position remains steadfast: its primary goal is to attract a robust user base to its

streaming platform, as subscription fees form a significant portion of its revenue stream. In recent years, the U.S. theatrical window has undergone a gradual contraction. A pivotal industry conference between U.S. theaters and cinema chains in April 2017 in Las Vegas introduced a novel model, permitting movies to appear on video-on-demand platforms within a 17 to 45-day timeframe following their initial premiere. Users are required to pay a single-viewing fee ranging from $30 to $50, with cinemas receiving a share of this fee. Owing to this mode, the tensions between Netflix and traditional cinemas have seen gradual alleviation. A case in point is Marriage Story, one of Netflix's original movies, premiered on its streaming platform a month after the theatrical window.

4.1.3 Vertical integration: Direct path from content production to consumption

Netflix, originating as a streaming platform, has evolved into a comprehensive industry player, shifting towards original content creation and securing distribution rights at prominent movie festivals. This evolution has enabled Netflix to achieve full vertical integration, encompassing the entire industry value chain. Nearly all of its original content is exclusively showcased on its proprietary streaming platform, negating the necessity for external distribution agreements. Consequently, other distributors and exhibitors have not suffered due to any vertical monopoly bundling practices, as Netflix's vertical integration has already been executed directly in a manner that preserves the interests of the broader industry.

Vertical integration has provided Netflix with a direct route from content creation to audience consumption. In the traditional cinema landscape, movies typically traverse various intermediary channels, such as cinemas, DVDs, and television networks, before reaching the end viewers. Conversely, Netflix's "self-produced and self-distributed" model empowers it to engage directly with audiences via its internet-based platform. This direct connection with consumers circumvents intermediary bottlenecks, allowing Netflix to derive profitability from worldwide subscription revenues while concurrently sustaining the consistent delivery of high-quality content.

4.1.4 Profit Model: Disrupting traditional revenue sharing

In contrast to the revenue-sharing modes of traditional cinematic movies, streaming movies have introduced a paradigm shift. Instead of adhering to the conventional model, a multifaceted approach has emerged, encompassing elements such as minimum guaranteed rights fees, user acquisition revenue sharing, viewing revenue sharing, and ad revenue sharing. This versatile revenue-sharing framework is projected to gain prominence within a specific timeframe, and it's noteworthy that major streaming video platforms adopt distinct revenue-sharing mechanisms.

Illustratively, consider the case of Netflix. The platform's primary revenue source does not hinge on advertising. Rather, it achieves profitability through the provision of subscription-based services, offering streaming access to a diverse range of movies, television series, and documentaries. Following several iterations, Netflix's current subscription pricing structure is tiered based on device availability

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and video quality, comprising three plans: $7.99/month, $9.99/month, and $11.99/month respectively. The bulk of Netflix's revenue, approximately 98%, emanates from subscription fees.5

This profit model underscores Netflix's relentless commitment to consistently delivering high-quality content. The allure of exclusive and superior content is pivotal in expanding its global subscriber base, thereby yielding augmented returns. The accrued profits are subsequently reinvested into content creation, fostering an ongoing cycle of user subscription growth, thus culminating in the establishment of a virtuous industry cycle.

4.2. The Industrial advantages of streaming movies

When juxtaposed with conventional cinematic movies, the streaming movie industry boasts a distinct value chain, manifesting potent industry advantages in several critical facets: the audience market, production, and distribution.

4.2.1 Advantages in the production process

Compared with the traditional cinematic industrial chain, the production process in the steaming movie sector exhibits distinct advantages in terms of flexibility and cost-effectiveness. Leveraging the inherent interactivity of online platforms, steaming movies engage in proactive interaction with the audience right from the inception of their creation. This real-time exchange of feedback allows moviemakers to swiftly capture market demands, ultimately maximizing market alignment.

Furthermore, the streaming movie industry benefits from lower production costs and shorter production cycles, thereby creating the potential for higher profits. Streaming movies shed the burden of relying solely on box office revenue, affording creators the freedom to experiment with diverse genres and styles. The flexibility in duration also significantly broadens creative horizons. From this vantage point, streaming movies provide a more conducive environment for artistic creation, enabling the realization of themes and techniques that are less prevalent in the relatively conservative realm of traditional cinema. This openness also facilitates alignment with the requirements of advertisers. Online video platforms prioritize the long-tail effect in non-linear dissemination, catering to movie types with strong long-term profitability potential, even if their short-term profit per unit of time may be moderate. This inclusiveness benefits genres like art movies and documentary movies, as they can find suitable audience segments online, extending the profitability timeline and unlocking greater financial support and profit opportunities.

Lastly, streaming movie production possesses robust resource integration capabilities, including investment, creative elements, and marketing strategies. This integrated approach ultimately maximizes the overall impact of streaming movies, serving as a novel model that fuels the rapid development of the online movie industry.

4.2.2 Advantages in the distribution process

Streaming movies exhibit distinctive advantages in their distribution, characterized by their freedom from temporal, seasonal, and geographical constraints, not to mention its notably economical distribution costs. Once a streaming movie is produced and released on the internet, it gains access to an extensive audience base, endowed with the capacity to amplify its reach. Notably, high-quality online movies tend to stimulate spontaneous word-of-mouth propagation among viewers on online platforms, with each viewer potentially assuming the role of an enthusiastic promoter.

Concerning distribution channels, streaming movies offer a notably diverse array compared to their traditional cinematic counterparts. The conventional cinema industry relies heavily on box office returns as its primary revenue model. After the designated "theatrical window", alternative distribution avenues might be considered, including television, online streaming, and DVD releases. In contrast, streaming movies operate on a markedly different paradigm, leveraging their unique digital characteristics to circumvent the linear sequence; instead, they manifest a fan-shaped trend, employing a variety of channels for distribution and dissemination to span the realms of the internet, mobile devices, and mobile TV platforms. This multifaceted approach facilitates continuous propagation, transcending temporal and spatial boundaries, thereby optimizing overall profitability.

4.3 Taking Netflix as an example to analyze the impact on the traditional movie and television industry in the United States

From an industrial standpoint, streaming platforms, led by Netflix, have exerted a substantial and far-reaching impact on the traditional movie industry, solidifying their position with formidable market competitiveness.

As indicated by a report from The Motion Picture Association of America, the global movie market has witnessed a more robust growth trajectory in digital distribution channels in comparison to conventional cinematic outlets since 2015. Regarding content output, in 2018 alone, Netflix released no fewer than 86 original movies, surpassing the aggregate number of movies planned for release by the four major traditional movie companies. By 2019, streaming platforms claimed a market share of 48% in the global digital distribution domain, whereas the share of the traditional cinematic market accounted for 42%. This disparity was even more pronounced in the United States, where streaming platforms commanded a 56% market share in digital distribution, while the cinematic market share lagged at a mere 31%. The North American box office experienced a noticeable year-on-year contraction of 4%, further compounded by a 5% decline in the number of cinema-goers.

Netflix, in terms of content creation, actively delves into diverse themes rooted in regional and cultural nuances. The platform's ventures into international co-productions serve as a means to augment not only its content competitiveness but also its overarching dominance within the distribution channels, resulting in the global resonance of its original content themes and expressive methods.

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In the sphere of content dissemination, Netflix collaborates extensively with prominent overseas operators, continually fine-tuning its content distribution and delivery capabilities to enhance the overall user experience on the platform. Since the initiation of its international expansion in 2010, Netflix has significantly accelerated its outreach to foreign markets, drawing audiences from every corner of the world, and leading to a robust upswing in user acquisition.

Furthermore, beyond its digital domain, Netflix diligently engages in movie festivals as a strategic avenue. A notable example is the movie México '68, which clinched three Oscars, thereby signifying the gradual and broader acceptance of streaming movies within the mainstream U.S. movie industry.

5. The Integration Path between the Development of Streaming Movies and Traditional Cinematic Movies

Following the initial theatrical run of a movie in traditional cinemas, the subsequent sale of rights to online streaming platforms for a second round of distribution is a common practice to augment the box office revenue of cinematic movies. Given this, a cyclical mechanism between streaming movies and traditional cinematic ones, such as the advanced on-demands via streaming platforms, can be introduced, which would enable certain audiences to preview movies in advance, and allow production companies to gain real-time insights into audience reception and genuine word-of-mouth. Consequently, this data-driven approach can facilitate more precise scheduling and promotional strategies for diverse movies. Additionally, the allure of exclusive visual effects and pivotal plot elements reserved for the theatrical release can be retained, enticing a greater number of moviegoers to cinemas.

Furthermore, within the traditional cinema landscape, it is crucial to address the revenue disparities and screening allotments faced by niche movies. The current allocation of screening opportunities, particularly for high-quality but low-budget art movies, is often unjust. In the context of the streaming media era, streaming movies have introduced a novel distribution method, especially beneficial for quality low-budget art movies, substantially extending their life cycle through online platforms. Moreover, leveraging the "viral-spreading" potential in the digital realm, online traffic can be harnessed for promoting offline cinematic releases, thereby benefiting both streaming and traditional cinema.

In the traditional cinema market, there are ongoing efforts to enhance the cinematic experience, including the application of 3D, IMAX, ScreenX, 4DX, and innovative concepts like the "bullet comment theater". Such initiatives aim to integrate the advantages of the internet medium into traditional cinema, strengthening the experiential attributes of movie-going. As media convergence and technological advancements continue, the experiential gap between cinema viewing and non-cinema viewing is progressively narrowing from the audience's perspective.

6. Conclusion

As the Internet and streaming video platforms continue to evolve, streaming cinema has forged its distinct dissemination methodology and viewing dynamics. The paradigm of movie consumption has shifted from passive aesthetic appreciation to active engagement in aesthetics, while audiences have transitioned from mere recipients to active contributors, transforming the propagation model from unidirectional communication to interactive exchange. Due to the divergence between the distribution models of streaming and traditional cinema, there are discernible differences in the artistic characteristics and creative approaches of the two. Streaming movies places greater emphasis on diversified thematic content and the narrative's "appeal". Notably, in the realm of industry, exemplified by the Netflix platform, it has disrupted the conventional concept of the "theatrical window", overturning the traditional revenue-sharing model. The platform's ability to reach audiences directly from content production highlights a departure from the conventional distribution model, inflicting significant repercussions within the traditional American movie industry. Driven by technological advancements, in the era of media convergence, streaming movies are embracing interactivity and venturing into the realm of Virtual Reality (VR). This trend unveils a multitude of new possibilities for movie viewing experiences.

The traditional movie industry and the steaming movie sector coexist in a dynamic interplay of competition and collaboration. The exploration and harmonization of the convergence of media within the movie dissemination process are essential to facilitate the transformation of movie propagation toward diversified modes. This strategic approach constitutes the genuine path toward mutual prosperity between streaming movies and traditional cinematic movies.

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