

# Interaction Mechanisms Between Transnational Streaming Platforms and Local Film and Television Industries: A Dual-Game Perspective— A Case Study of Netflix's Strategic Presence in South Korea

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**Abstract**—Against the backdrop of accelerating media globalization, the overseas expansion of transnational streaming platforms has emerged as a pivotal force reshaping local cultural industries. The bidirectional interaction between these platforms and domestic industries simultaneously facilitates the global dissemination of local cultural content and precipitates structural reconfiguration and deep-seated developmental crises within local industries. This paper examines Netflix's strategic deployment in the South Korean film and television industry as a case study, employing the "Interest–Norm" dual-game theoretical framework proposed by Liu Shiding et al. as its analytical lens. Through a systematic review of Netflix's three-stage expansion trajectory in South Korea since 2016—spanning content licensing, co-commissioning, and independent commissioning—the study provides an in-depth analysis of the focal points and interaction mechanisms through which the transnational streaming platform and the local industry negotiate interests and norms. It further elucidates the operational logic underlying Netflix's expansion strategies, as well as the reconfiguration process and structural predicaments facing the South Korean film and television industry. The findings reveal that Netflix, leveraging its tripartite advantages in capital, technology, and distribution, has progressively achieved interest monopolization and normative assimilation within the Korean film and television sector through an incremental expansion strategy. The bargaining capacity of local industry actors has steadily eroded as a result of persistent fragmentation and deepening structural dependency. Institutional deficiencies in government regulation and weak policy enforcement have further exacerbated the structural dilemmas confronting the local industry. This paper contributes a theoretical reference for understanding the developmental trajectories of local cultural industries in the context of media globalization, and offers practical insights for China's cultural industry in responding to the incursion of transnational platforms, as well as for the overseas expansion strategies of Chinese streaming platforms.

**Keywords**— Transnational streaming platforms; local industry reconfiguration; dual game; Netflix; South Korean film and television industry.

## I. INTRODUCTION

The global expansion of streaming platforms is profoundly reshaping the content production, distribution channels, and commercial monetization logic of the world's cultural industries. As a benchmark enterprise in the global streaming

sector, Netflix has pioneered the systematic global expansion of non-English-language content, driven by its dual-core strategy of an advertisement-free subscription model and the "Netflix Original" brand. Leveraging its mature industrial system and the global brand influence of "Hallyu" (Korean Wave) content, South Korea has become the strategic cornerstone of Netflix's deep cultivation of the Asian market. Since officially entering the Korean market in 2016, Netflix had by 2024 amassed 13.93 million subscribers (a 27% population penetration rate), commanding approximately 40% of South Korea's OTT market. Its annual revenue reached KRW 899.6 billion (approximately USD 629 million), with an operating profit of KRW 17.4 billion (approximately USD 12.2 million) (TMT Post, 2025), firmly establishing it as the dominant force in the Korean streaming landscape. The global success of Netflix-produced Korean dramas such as *The Glory* (Season 2) and *Queen of Tears* has further elevated K-dramas from "Asia's blockbusters" to "global cultural symbols."

Yet beneath the veneer of commercial prosperity, structural crises within South Korea's local film and television industry have become acutely manifest. In 2025, the total box office revenue of the Korean film market declined 12.4% year-on-year, with the domestic market share falling to 40%. Advertising revenues of traditional terrestrial broadcasters continued to shrink. Local streaming platforms Tving and Wave remained mired in losses. The trends of "Netflixi-zation" and homogenization of content creation have grown increasingly severe, prompting significant concern in both academic and industry circles over the erosion of local cultural distinctiveness. Bae Dae-sik, Secretary-General of the Korean Drama Producers Association, described the industry's current state as "on the verge of collapse," identifying the loss of IP sovereignty as the root cause of its predicament (Korean Drama Producers Association, 2025).

Confronted with these contradictions and tensions, existing scholarship has tended either to focus on the unidirectional "platform imperialism" effects of Netflix's outward expansion, or to emphasize the diffusion pathways of Hallyu's global dissemination—devoting insufficient attention to the dynamic mechanisms of the bilateral game between

transnational platforms and local industries, as well as to the response logic of local industry actors in the process of reconfiguration. Drawing on the “Interest–Norm” dual-game theoretical framework advanced by Chinese scholars Liu Shiding et al., and integrating the most recent industrial data, representative case studies, and in-depth interview materials with South Korean industry practitioners, this paper seeks to systematically analyze the interaction mechanisms underlying Netflix’s overseas expansion and the reconfiguration of South Korea’s film and television industry, thereby addressing the existing gaps in both theoretical application and empirical evidence, and providing policy-relevant insights for China’s cultural industry.

## II. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

### (I) Literature Review

Existing research on Netflix’s overseas expansion and the development of local film and television industries has proceeded along three principal theoretical trajectories. The first is the perspective of global cultural industry chain reconfiguration. Scholars in this vein argue that streaming platforms, through capital investment and technological advantages, have driven the transformation of local film and television industries from a “broadcasting channel-dominated” model toward a “content production-centric” one, integrating these industries into global cultural production networks as content manufacturing hubs for overseas platform expansion (Ju, 2023; Dou & Zhang, 2024). The second is the platform imperialism perspective. Kim (2022) and Gu & Jiang (2024), among others, contend that Netflix, using high budgets and global distribution as inducements, has controlled the copyright and distribution rights of local film and television content through overseas expansion, leveraged data algorithms to reconstruct content production standards, and thereby established a “platform imperialism” configuration that systematically undermines the cultural sovereignty of local industries. The third is the institutional isomorphism perspective. Research grounded in neo-institutionalism finds that through coercive, normative, and mimetic isomorphism mechanisms, Netflix compels Korean production companies to conform to its content standards and distribution rules, leading to the deepening homogenization of local content creation (Yoon, 2023).

A survey of the existing literature reveals that most studies concentrate on the unidirectional structural effects of transnational platforms’ overseas expansion, giving insufficient attention to the dynamic responses and practical dilemmas of multiple local actors—including Korean production companies, individual practitioners, and industry associations—in the process of industry reconfiguration, and lacking systematic elucidation of the interaction between transnational platforms and local industries at the levels of interest distribution and norm construction. In view of these lacunae, this paper introduces the “Interest–Norm” dual-game framework, integrating recent industrial data and interviews with local practitioners, with the aim of addressing both the theoretical and empirical gaps identified above.

### (II) Theoretical Framework: The “Interest–Norm” Dual Game

Game theory constitutes a core theoretical instrument for analyzing the interactive relationships between social actors and the formation of social order. The “Interest–Norm” dual-game paradigm proposed by Liu Shiding et al. (2022) transcends the limitations of conventional game theory, which focuses exclusively on interest-based interactions, by incorporating both the formation and transformation of interest configurations and normative configurations within a single analytical framework. This approach provides a theoretically apt lens for analyzing the complex interactions between transnational streaming platform expansion and local industry reconfiguration.

This framework posits that the interactions of social actors are by no means reducible to pure interest calculation, but encompass two mutually intertwined dimensions: “interests” and “norms.” Interest interaction refers to rational choices made by actors on the basis of their resource endowments and demand structures, with the core logic being “interest distribution and maximization.” Normative interaction refers to behavioral choices made by actors on the basis of value cognition, industry conventions, and institutional rules, with the core logic being “the construction, recognition, and reconstruction of norms.” The two games are interwoven and mutually influential: shifts in the interest configuration drive adaptive adjustments in the normative configuration, while the reconstruction of the normative configuration in turn constrains the formation and evolution of the interest configuration. The dynamic equilibrium of these two dimensions constitutes the deep logic of actor interaction (Liu Shiding et al., 2022).

Examined through this framework, Netflix’s entry into the Korean market is essentially a game process in which specific interest imperatives drive the continuous influencing and reconstruction of the normative system of South Korea’s film and television industry. The reconfiguration of the Korean local industry, in turn, is the inevitable outcome of local actors’ passive adaptation under the dual pressures of a shifting interest structure and a reshaping normative configuration. The dual-game perspective not only illuminates the internal mechanisms of the bilateral interaction, but also captures the dynamically deepening characteristics of the local industry’s reconfiguration process.

## III. PHASED GAME AND INTERACTION BETWEEN NETFLIX AND SOUTH KOREA’S FILM AND TELEVISION INDUSTRY

Netflix’s entry into the Korean market was not a sudden “forceful invasion” but rather a process of gradual evolution driven by interest imperatives and normative negotiation. The reconfiguration of South Korea’s film and television industry has been deeply bound up with the rhythm of Netflix’s expansion, and local practitioners’ creative experiences and industry perceptions have undergone significant transformations as the game has progressed through distinct phases (Korean Drama Producers Association, 2025). Based on changes in Netflix’s overseas expansion model, the focal points of bilateral negotiation, and the phased characteristics

of local industry reconfiguration, this paper distinguishes three stages: the content licensing stage (2016–2018), the co-commissioning stage (2019–2020), and the independent commissioning and subcontracting stage (2021 to present). Throughout this process, Netflix has gradually transitioned from “content buyer” to “creative decision-maker,” while South Korea’s film and television industry has undergone a structural reconfiguration from “content leader” to “contract manufacturer for transnational platforms.” Local practitioners’ attitudes have shifted profoundly from “wait-and-see” to “capital dependency” and finally to “creative predicament.”

*(I) The Content Licensing Stage (2016–2018): The Initial Game of Industry Reconfiguration*

During its exploratory phase in the Korean market, Netflix’s core expansion strategy was to position South Korea as an “Asia content outpost,” rapidly expanding its content library through the purchase of local content rights in order to test the global market potential of non-English-language content (Ju, 2023). At this time, South Korea’s film and television sector remained dominated by an industrial structure centered on the three major terrestrial broadcasters—KBS, SBS, and MBC. Local actors’ attitudes toward Netflix exhibited marked differentiation, with the overall industry adopting a “wait-and-see” posture (Kim, 2022). The focal points of the two parties’ game converged on interest exploration and the contestation of cultural sovereignty, marking the historical starting point of local industry reconfiguration.

*1. The Interest Dimension: Shallow Cooperation and Actor Fragmentation; Nascent Reconfiguration*

In this phase, Netflix’s interest imperative was to expand its content library rapidly at low cost. It therefore adopted an asset-light “content copyright acquisition” model—purchasing global distribution rights to Sky Castle from JTBC and co-investing in Bong Joon-ho’s *Okja*—completing its initial strategic positioning at minimal cost (Kim, 2022).

Korean local actors exhibited conspicuous fragmentation owing to divergent interest imperatives, constituting a key signal of nascent industry reconfiguration. The traditional terrestrial broadcasters KBS, SBS, and MBC—whose advertising revenue accounted for approximately 70% of total income—maintained widespread wariness and resistance, with the industry even forming informal verbal agreements to restrict Netflix’s licensing of new dramas within one year of their domestic premiere (Ju, 2023). By contrast, cable channels (tvN and JTBC) and independent production companies occupying weaker market positions regarded Netflix as an overseas distribution channel and source of funding, actively seeking cooperation (Kim, 2022).

The year 2018 marked a pivotal turning point in this phase: SBS broke the industry’s informal agreement, selling the streaming rights to the short drama *Hymn of Death* to Netflix for USD 6 million, in what became the “icebreaking” event in terrestrial broadcaster–Netflix cooperation (Korean Drama Producers Association, 2025). However, this cooperation remained essentially a limited concession—SBS licensed only a non-core drama and insisted on retaining domestic first-run rights, seeking to maintain its leading

position in the international distribution of Hallyu IP during the initial phase of industry reconfiguration (Gu & Jiang, 2024). Simultaneously, *Kingdom*, the first Netflix-fully-funded original Korean drama, officially entered production, marking Netflix’s initial transition in expansion strategy from “content buyer” to “co-producer” (Kim, 2022).

*2. The Normative Dimension: Contestation over Cultural Sovereignty and Brand Authority; Normative Configuration Largely Stable*

The central issue of the normative game in this phase concerned cultural sovereignty and brand authority over content. Netflix insisted on labeling all Korean dramas it purchased or co-invested in as “Netflix Originals,” seeking to control the global brand discourse over such content. Local Korean actors, however, contended that this branding strategy would dilute the cultural value of local content and vigorously defended existing industry norms: JTBC required that Sky Castle retain local brand identifiers when broadcast on Netflix; while Netflix bore 65% of the production costs for tvN’s *Mr. Sunshine*, the local producer still insisted on a “domestic premiere plus simultaneous global release” broadcast model (Kim, 2022; Ju, 2023).

At the same time, the Korean government provided indirect support to local production through existing policies such as the Film Promotion Act, maintaining a “domestic content priority” industrial norm and offering institutional protection for the nascent reconfiguration of the local industry (Gu & Jiang, 2024).

Overall, Netflix remained in a phase of shallow engagement in South Korea during this period, having not yet deeply penetrated the content production process. The reconfiguration of the local film and television industry was still in its embryonic stage, with local actors retaining creative and copyright leadership. In the normative game, local cultural sovereignty and established industry norms held the relative upper hand. The two parties achieved a phased dynamic equilibrium of “limited cooperation with mutual wariness,” and the industrial structure had not yet undergone substantive reconfiguration.

*(II) The Co-Commissioning Stage (2019–2020): Accelerated Advancement of Industry Reconfiguration*

In this phase, Netflix’s expansion strategy in South Korea shifted comprehensively from “content acquisition” to “co-production,” deeply intervening in the production process of Korean film and television content through high-budget investment and global distribution commitments. By 2020, the number of Korean subscribers had surpassed 5 million (Kim, 2022). Simultaneously, South Korea’s local film and television industry, facing the progressive decline of its traditional business model, was compelled to shift from “broad resistance” to “selective cooperation.” Local practitioners’ attitudes shifted from “wait-and-see” to “capital dependency.” The focal points of the bilateral game moved from contestation over cultural sovereignty to a struggle over interest distribution and content control. Industry reconfiguration accelerated under the impact of Netflix’s expansion.

### *1. The Interest Dimension: Capital Lock-In and Initial Formation of Structural Dependency; Reconfiguration Accelerates*

To deepen its foothold in the Korean market, Netflix launched a dedicated fund for Korean original content, cumulatively investing more than USD 1.2 billion between 2019 and 2020 (Ju, 2023). Using “high budgets + global distribution + revenue sharing” as leverage, it attracted leading production companies such as Studio Dragon into a deep binding relationship. Netflix signed a framework agreement with tvN for 50 dramas annually and took the lead in script review, production scheduling, and global release timing (Korean Drama Producers Association, 2025), achieving a substantive transition from “co-producer” to “creative decision-maker.”

Confronted with Netflix’s dominant capital investment, capitulation by Korean local actors gradually became the mainstream response. On the one hand, the Korean government adjusted its industrial regulatory stance, permitting each broadcaster to supply up to two dramas annually to Netflix—signaling a shift in industrial regulation from “broad resistance” to “selective openness” (Korean Drama Producers Association, 2025). On the other hand, traditional terrestrial broadcasters, their advertising revenues declining, were forced to accept cooperation: KBS’s *When the Camellia Blooms* was fully funded by Netflix; MBC’s *One Spring Night* received Netflix co-investment. Although they still attempted to retain some creative control and domestic premiere rights, they had become unavoidably reliant on Netflix’s financial support (Kim, 2022; Ju, 2023). Cable channels actively embraced Netflix: Netflix bore 65% of the production budget for *Crash Landing on You*, which achieved a 23.2% domestic viewership rating in South Korea and was simultaneously released in over 190 countries, becoming an iconic template for Netflix’s “global blockbuster” overseas expansion strategy (Gu & Jiang, 2024).

Nonetheless, tensions over interest distribution had quietly intensified. Citing “global distribution costs,” Netflix suppressed Korean producers’ revenue share to 20–30% (Gu & Jiang, 2024), and Korean production companies—dependent on the platform’s global distribution network—had no choice but to accept this arrangement. Studio Dragon, the leading production company, already derived 35% of its revenue from Netflix orders; one of its producers acknowledged that “while the revenue share is not high, stable orders allow the company to sustain operations—this is the most realistic choice at the moment” (TMT Post, 2025). Mid- and small-sized production companies undertook large volumes of Netflix outsourced work, and the structural dependency of South Korea’s local industry on the transnational platform began to take shape.

### *2. The Normative Dimension: Deep Penetration of Production Norms and Narrative Frameworks*

The core of the normative game in this phase was the struggle over dominance in content production standards and narrative frameworks. Leveraging its capital advantages, Netflix systematically embedded its globally prevailing production standards into the local production process, driving

the profound reshaping of the normative system of South Korea’s film and television industry. Netflix’s normative assimilation manifested across three dimensions: first, data-driven production standards—using algorithmic analysis of global user preferences, requiring dramas to establish a climactic plot point within the first six minutes to reduce user drop-off rates (Kim, 2022); second, globalized narrative frameworks—requiring cooperative content to undergo “de-territorialization” processing, attenuating politically sensitive themes and reinforcing genre-based narratives to align with the aesthetic preferences of global audiences (Ju, 2023); third, cinematically elevated production specifications—driving the upgrade of Korean dramas from a “low-cost, short-episode” model to high-cost, cinematic industrial standards (Yoon, 2023).

To secure platform funding, Korean producers were compelled to conform to Netflix’s normative requirements while simultaneously exploring spaces for the preservation of local characteristics, exhibiting a complex pattern of “compromise and resistance in coexistence” (Kim, 2022): *Itaewon Class* integrated local social issues with Western individualist narratives; *When the Camellia Blooms* retained Korean dialect and regional cultural elements while accepting Netflix’s globalization adaptation requirements (Ju, 2023). Meanwhile, the Korean government formulated the OTT Platform Content Regulatory Guidelines, requiring Netflix to maintain a local content investment ratio of at least 5% of annual revenue (Ju, 2023). Netflix, however, circumvented this requirement by reclassifying certain expenditures as technical service fees, substantially diminishing the policy’s effectiveness.

Overall, this phase witnessed a deep coupling between Netflix’s expansion and the reconfiguration of South Korea’s local industry, with the two parties forming a phased equilibrium of “capital lock-in and normative conformity.” Netflix substantially reconstructed the production norms and narrative frameworks of South Korea’s film and television industry through capital investment. While local producers retained partial creative control, they had already developed an initial dependency on Netflix in both the dimensions of interest distribution and normative compliance (Dou & Zhang, 2024).

### *(III) The Independent Commissioning and Subcontracting Stage (2021–Present): Deep Consolidation of Industry Reconfiguration*

The global viral success of *Squid Game* in 2021 became a historic milestone in Netflix’s Korean strategy: produced at a cost of USD 21.4 million, the series generated approximately USD 900 million in commercial value for Netflix (Kim, 2022), powerfully validating the global potential of Korean content. Netflix subsequently announced an additional USD 500 million investment in Korean original content for 2021 (Gu & Jiang, 2024), upgrading South Korea’s strategic positioning from “Asia content outpost” to “global core content production base” (Stangarone, 2021). This formally completed Netflix’s role transition from “co-producer” to “independent production decision-maker,” constructing a complete industrial loop of “content commissioning –

production contracting – global distribution.” This phase exhibits a configuration of “Netflix absolute dominance, local passive response,” in which Korean local practitioners have progressively been reduced to content contractors for the transnational platform.

*1. The Interest Dimension: Copyright Monopoly and Hardening of Industrial Hierarchy; Deep Manifestation of Industrial Crisis*

In this phase, Netflix established “independent commission production” as the dominant model—assuming full production costs, retaining all IP copyrights, with Korean producers receiving only approximately 20–30% in contracting fees (Gu & Jiang, 2024). Both *The Glory* (Season 2) and *Queen of Tears* were produced under this model, with Netflix capturing approximately 80% of commercial revenues while local producers received only modest production fees, entirely forfeiting their leading position over content revenue in the course of industry reconfiguration. At the 2025 industry forum, Bae Dae-sik, Secretary-General of the Korean Drama Producers Association, stated bluntly: “When producing Netflix original content, surrendering IP ownership is a fundamental problem that cannot be overlooked—without retaining the IP, global hits like *Squid Game* and *Lovely Runner* ultimately allowed Netflix to pocket the lion’s share of the profits.”

Concurrently, South Korea’s local film and television industry is experiencing a triple structural crisis. First, the traditional terrestrial broadcasters continue their decline: KBS, SBS, and MBC have seen viewership ratings and advertising revenues persistently shrink. MBC has been wholly relegated to the role of Netflix’s content contractor; the IP rights of the reality program *Physical: 100*, which MBC produced, were entirely assigned to Netflix, leaving the local production team with virtually no creative control (author’s interview, 2025). Second, domestic streaming platforms are mired in losses: local OTT platforms such as Tving and Wavve continue to lose market share and struggle to achieve profitability; the vast production budget differential renders them unable to compete with Netflix in the high-end content space (TMT Post, 2025). Third, the domestic film market has contracted drastically: Korean domestic film box office revenue in 2025 plummeted 39% compared to 2024, marking the first year since 2012 (excluding pandemic years) with no domestic film surpassing 10 million admissions—a historic nadir. Director Kim Seong-su described the current state of the film market as “collapse.”

In terms of the hardening of industrial hierarchy: leading production companies such as Studio Dragon have deepened their reliance on Netflix, compelled to cede creative and copyright leadership; mid- and small-sized production companies have fully devolved into “content factories” handling low-value-added outsourced tasks such as animation coloring and post-production; a large number of domestic film talents, driven by market contraction, have been compelled to shift toward Netflix drama production, and the outflow of local film creative talent has become increasingly severe (Korean Film Council, 2025). Furthermore, Netflix’s high-budget strategy has produced an inflation effect on top-tier actor fees: of the total production cost of approximately KRW

60 billion for *Lovely Runner*, the fees for the two lead actors accounted for as much as 30% (TMT Post, 2025), further intensifying local production companies’ structural dependency on platform capital.

Faced with Netflix’s interest monopoly and the sustained crisis in the local industry, the effectiveness of the Korean government’s policy interventions remains limited. The Streaming Fair Trade Act has failed to effectively constrain Netflix’s revenue distribution rules. The K-CON platform project, intended to create a “Korean Netflix,” has proven difficult to implement due to enormous disparities in funding and technology. While the government’s 2025 movie ticket discount voucher policy briefly stimulated a rebound in audience numbers, it has fundamentally failed to alleviate the creative predicament and structural dependency confronting the local industry (Korean Film Council, 2025).

*2. The Normative Dimension: Deepening Creative Assimilation; Continuous Erosion of Local Cultural Distinctiveness*

As local industry’s structural dependency on the transnational streaming platform has continued to deepen, Netflix’s creative normative assimilation of South Korea’s film and television industry has grown increasingly thoroughgoing (TMT Post, 2025). The problem of erosion of local cultural distinctiveness has become increasingly prominent, and academic controversy over “cultural colonialism” has further intensified (Gu & Jiang, 2024).

At the level of content genre, driven by algorithm-based global preference analysis, Netflix has continuously concentrated resources on content genres with high cross-cultural transmissibility—such as crime thrillers, class narratives, dark aesthetics, and urban romance—propelling the genre ossification and homogenization of Korean film and television content. Data from 2024 show that the proportion of Korean dark mystery dramas has risen to over 50% of total output, while the market share of locally distinctive genres such as romantic comedies has continued to narrow (TMT Post, 2025). At the level of creative norms, the “creative autonomy movement” among local producers has largely dissipated, with its space for resistance confined to a limited number of niche projects, insufficient to influence the creative direction of mainstream hit content. More notably, local cultural critics point out that the “Netflixization” of K-dramas has evolved from “external adaptation to content production standards” to “internal assimilation of creative thinking”: local production teams have progressively internalized a creative habitus centered on “Netflix algorithmic logic,” and the cultural distinctiveness of Hallyu content is rapidly receding (TMT Post, 2025).

Overall, the game in this phase exhibits a deeply entrenched configuration of “Netflix absolute dominance, comprehensive local passivity.” Netflix has achieved high-degree interest monopoly and deep normative assimilation in South Korea; local production companies have capitulated comprehensively in the dual game; local practitioners face severe creative predicaments; and the structural dependency embedded in the industry’s reconfiguration has reached a historic zenith.

#### IV. CAUSAL ANALYSIS OF NETFLIX’S PROMOTION OF SOUTH KOREAN FILM AND TELEVISION INDUSTRY RECONFIGURATION

Netflix’s deep reconfiguration of South Korea’s film and television industry is essentially the systematic outcome of its leveraging three core advantages—capital, technology, and distribution—to drive dual reconfiguration of the local industry at both the interest and normative levels (Dou & Zhang, 2024). The local industry’s entrapment in structural predicaments is the joint product of four factors: Netflix’s incremental expansion strategy, the fragmentation and capitulation of local actors, and institutional deficiencies in government regulation (Korean Drama Producers Association, 2025).

##### *(I) Core Drivers: Synergistic Empowerment Through Capital, Technology, and Distribution Advantages*

At the capital level, based on its strategic assessment of the Asian market and the successful global experience of Hallyu content, Netflix has continuously poured substantial investment into Korean content production. Korean producers, confronted with the contraction of the domestic market, have developed deepening capital dependency on Netflix, rendering them unable to independently operate high-budget content projects. At the technological level, Netflix leverages big data and AI algorithms to precisely gauge global user preferences, constructing a highly personalized recommendation mechanism that significantly enhances user stickiness and content monetization efficiency, thereby fundamentally altering the production standards and creative logic of Korean film and television content (author’s interview, 2025). At the distribution level, Netflix commands a global distribution network spanning over 190 countries, while Korean local production companies to date lack autonomous global distribution channels, obliging them to depend on Netflix to achieve overseas content exposure. This distribution monopoly has become a key lever through which Netflix controls the discourse on industry reconfiguration (TMT Post, 2025).

The mutual reinforcement of the three core advantages has enabled Netflix to form a complete synergistic loop of “capital investment – technological empowerment – distribution monetization” in its overseas expansion (Dou & Zhang, 2024): capital investment drives the deep global dissemination of Hallyu content; technological advantages enhance content monetization efficiency; and distribution monopoly strengthens the platform’s control over the local industry. Together, these constitute the fundamental driving forces behind Netflix’s deep reconfiguration of South Korea’s film and television industry.

##### *(II) Key Internal Factors: Incremental Expansion Strategy and Passive Adaptation by the Local Industry*

The key internal factors in the reconfiguration of South Korea’s film and television industry lie in Netflix’s incremental expansion strategy and the local industry’s passive adaptation. The dynamic interaction between these two elements has jointly propelled the structural transition of the local industry from “autonomous development” to “platform dependency.”

Based on a precise assessment of the state of development of South Korea’s film and television industry, Netflix systematically designed a tiered expansion pathway of “content licensing – co-commissioning – independent commissioning,” progressively penetrating the core segments of the local industry. In the early stage, Netflix softened local actors’ resistance through promises of “non-interference with creative work,” achieving low-cost exploratory positioning. In the middle stage, it injected capital through co-commissioning, binding leading production companies and senior practitioners, thereby loosening the structure of the local industry. In the later stage, it achieved copyright monopoly through independent commissioning, comprehensively taking control of content production and global distribution, and driving the deep consolidation of local industry reconfiguration.

The Korean local industry has throughout remained in a state of passive adaptation, progressively adjusting its development model in step with Netflix’s expansion: from initially adhering to local industry norms, to being compelled to accept Netflix’s capital injection and globally prevailing production standards, and ultimately being wholly reduced to a contracting party executing Netflix’s production directives, with both creative autonomy and copyright leadership forfeited.

##### *(III) Important External Factors: Institutional Deficiencies in Government Regulation and Weak Policy Enforcement*

Institutional deficiencies in the Korean government’s regulatory framework and the weakness of policy enforcement are important external factors exacerbating the local industry’s reconfiguration predicament. Confronted with Netflix’s rapid expansion, the Korean government attempted on multiple occasions to strike a balance between “market openness” and “industry protection” through policy intervention. However, relevant policies have consistently revealed systemic institutional limitations, failing to effectively guide the direction of local industry reconfiguration. The specific manifestations are as follows. First, policy lag: Netflix’s expansion speed far exceeded the pace of policy formulation, leaving the government perpetually in a “passive response” posture. Second, policy ambiguity: the OTT Platform Content Regulatory Guidelines merely required Netflix to increase the proportion of its local content investment, without specifying clear performance benchmarks or penalty mechanisms, enabling the platform to circumvent the requirement through technical service fees and similar reclassifications. Third, inadequate enforcement capacity: the government lacks effective regulatory tools for transnational streaming platforms, rendering it unable to compel Netflix to comply with local industry norms and revenue distribution rules (Gu & Jiang, 2024). Fourth, policy fragmentation: failing to address at a systemic level the funding, creative, and distribution predicaments of the local industry, nor to fundamentally alleviate the local industry’s structural dependency on Netflix.

At a deeper level of policy logic, the Korean government’s industrial policy has long prioritized “promoting the global dissemination of Hallyu” (Yoon, 2023), with relatively

insufficient attention to the protection of local industry autonomy (Gu & Jiang, 2024). Against the backdrop of Netflix’s continued promotion of Hallyu’s global breakthrough, the government has been more inclined to encourage bilateral cooperation than to adopt strong protective measures. As Ryoo & Jin (2018) observe, Korean cultural industry policy has long oscillated between the dual logics of “developmentalism” and “neoliberalism,” with the government persistently wavering between “promoting global dissemination” and “protecting local autonomy.” The ultimate consequence has been that South Korea’s film and television industry, while reaping the dividends of globalized dissemination, has paid the heavy price of the loss of IP sovereignty and the dilution of creative autonomy.

## V. RESEARCH CONCLUSIONS AND IMPLICATIONS

### (I) Research Conclusions

Grounded in the “Interest–Norm” dual-game framework, this paper systematically traces the phased game history between Netflix’s overseas expansion and the reconfiguration of South Korea’s film and television industry since 2016. Drawing on the most recent industrial data, representative case studies, and in-depth interview materials with local practitioners, it provides a rigorous analysis of the bilateral interaction mechanisms at the levels of interest distribution and norm construction, elucidating the deep logic and causal structure of local industry reconfiguration under conditions of transnational streaming platform expansion. The study yields four core conclusions.

First, the expansion of Netflix and the reconfiguration of South Korea’s film and television industry constitute a deeply coupled, incremental game process in which bargaining power has continuously tilted toward Netflix. The attitudes and creative circumstances of local practitioners have undergone systematic evolution across game phases: from “wait-and-see” to “capital dependency,” and ultimately into a “creative predicament.”

Second, the synergistic empowerment of Netflix’s three core advantages—capital, technology, and distribution—constitutes the fundamental driver of the reconfiguration of South Korea’s local industry. The organic integration of these three advantages provides the deep structural foundation that has enabled Netflix to consistently occupy a dominant position in the game.

Third, the structural predicament of South Korea’s film and television industry is the product of multiple overlapping factors: the persistent fragmentation of local actors and the capitulation of the entire industrial chain, which has led to the progressive loss of bargaining capacity in the dual game; and institutional deficiencies in government regulation and weak enforcement, which have further reinforced this tendency.

Fourth, while Netflix has objectively made important contributions to the deep global dissemination of Hallyu content, it has simultaneously caused South Korea’s local industry to forfeit creative leadership and IP ownership, intensified the homogenization of content creation, and continuously eroded local cultural distinctiveness. In doing so, it has confirmed and deepened the theoretical judgment of

“platform imperialism” within the temporal context of media globalization.

### (II) Research Implications

The historical trajectory of the game between Netflix and South Korea’s local film and television industry, together with the creative predicaments of local practitioners, provides multidimensional practical insights into the overseas expansion of transnational streaming platforms and the response strategies available to local cultural industries in the context of media globalization.

For China’s local cultural industry, South Korea’s experience and lessons clearly demonstrate that, even while engaging in open cooperation, a robust institutional design must be deployed to safeguard the IP sovereignty and creative autonomy of the local industry, thereby avoiding the trap of structural dependency on transnational platforms in pursuit of the dividends of globalized dissemination. The government should proactively pursue forward-looking industrial policy, constructing a full-chain institutional framework encompassing copyright protection, revenue distribution, and content regulation, strengthening effective governance of transnational platforms, and providing institutional support for the autonomous reconfiguration of local cultural industries.

For the overseas expansion strategies of Chinese streaming platforms, Netflix’s Korean expansion pathway equally offers instructive strategic reference: the incremental expansion logic of “content licensing as entry point – capital lock-in as leverage – normative penetration as deepening pathway” reveals the core mechanism by which transnational platforms achieve localization integration in culturally heterogeneous markets. However, how to promote the global dissemination of local cultural content while simultaneously constructing a more inclusive and sustainable cooperative model—achieving synergistic development between platform interests and the local industry ecosystem—is the fundamental proposition that must be carefully deliberated in shaping the overseas expansion strategies of Chinese platforms.

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