Netflix's Investor Lore:
The Speculative Fiction of (Media) Value in Platform Capitalism

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ABSTRACT

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This thesis argues that Netflix's scaled expansion has hinged upon its ability not only to create but more importantly to *communicate* the new forms and flows of potential value in platform capitalism, wherein capital is derived and mobilized not only from direct revenue streams but also the new value assigned to inputs and investments of data, debt, attention, behaviour, taste, time, sociality, and speculation. To better understand and critique these new communications and projections of value, this thesis performs a discursive analysis of the streaming industry leader Netflix and its *investor lore*: the multi-sited narrative of value found in the company's investor relations materials and corporate communications, such as letters to shareholders, financial earnings reports, executive interviews, press releases, and blog posts. This company represents an unprecedented and increasingly present nexus of tech, finance, and culture industries, mobilizing Silicon Valley's deep ties to Wall Street to provide cultural content; turning what were once cultural products and behaviours into data generating *user experiences.* For decades the company has borrowed billions of dollars to sustain its internet entertainment service, hoping to attract and retain users believing this will increase data and revenue flows with faith that such flows will eventually produce profits and earnings. This is the emergent *speculative fiction* upon which Netflix depends, relying on the rhetorical ability to persuade investing actors and institutions to subscribe to this narrative of value to mobilize and sustain operational capital. My analysis seeks to provide a new approach to studying the cultural logic of platforms and their new economies of code, content, and capital.

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> *All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses his real conditions of life, and his relations with his kind.*
> (Marx & Engels, 1848, 4)

"All that is solid melts into air", condensates into the cloud, streams down, and evaporates once more. This is the dialectic of material and immaterial value production in the digital economies of platform capitalism, wherein data and information are increasingly central to the conceptualizations, exchanges, and narratives of value itself. The metaphor of matter and its changing states – liquid, solid, gas– persist in economic thought, and have indeed become ubiquitous in relation to communicating forms and flows of value. Investments and capital are either are soft, hard, or liquid; assets are free floating, flowing, fixed, frozen. Importantly, and not coincidentally, these metaphors of value in economics are converging with the language of computing. Data also flows, streams, and leaks; it is stored on the cloud, extracted, fished, and mined. These material metaphors are instrumental abstractions for systems of production and exchange. The rise of the digital importantly exacerbates and capitalizes this dependency upon metaphor and language to create new modes of production, and new formulations and hyper-circulations of value (Appadurai, 2017; Boomen, 2014). Structures of value: capital, labor, and "use" are thus also *increasingly* intertwined and experienced through these complex processes and their metaphors of state change. The central focus of this thesis is to unpack and analyze the new narrative discourses of value organized and sustained by the emergent technological, cultural, and financial metaphors of the *stream* and the *platform* (Steinberg, 2019). To do so I examine the rhetoric of one of the world's largest proponents of streaming (and) platforms, Netflix, in hopes to elucidate the central importance of language and narrativity in the new organizations and movements of (media) value produced by the new conditions and capabilities of capitalism in an age of digital ubiquity.

Revenue, data, and information are streams. Platforms *stream* video, music, radio, film, and television. There is "the Mainstream", workstreams, live-streams, and streamlining. Which shorelines do these meandering streams erode? Where do these tributary networks of streams begin and end? What do they *feed?* While we borrow from nature to describe these new economic organizations, they are perhaps our most unnatural, abstracting, and instrumentalizing inventions. Our platforms do not simply host, but rather shape powerful new formations and flows of value; ever measuring, calculating, processing, and redistributing the matter they absorb. The play of these streams, their movements, and state changes are now understood to take place upon and through the platform, a seemingly neutral field facilitating the production and exchange of value; the ebbs and flows of capital. The evolving matter of value is no longer capital alone, but rather mercurial, polymorphous (dis)solutions of data, attention, content, code, time, labour, and sociality (Citton, 2017; Terranova, 2004). If we are to critique, resist, and indeed create more imaginative organizations of value and capital, we must first understand the new cultural logics which justify them. As philosopher Brian Massumi has said "*value is too valuable"* to be left in the hands of "purveyors of normativity and apologists of economic oppression" (2018, 1).

Nearly all of the major American technology and media companies are racing to provide some form of exclusive streaming video offering, with Apple, Disney/Hulu, Amazon, HBO, Google/Youtube, and even the Criterion Collection among others mutating into digital platforms to provide film and television over the internet. As the media industries of technology, culture, and finance fold into one another, so too do their metaphors. The work of disambiguating, interpreting, and excavating such layered metaphors and discourses is thus a necessary and generative methodology for the study of these media industries which increasingly saturate everyday life. At times they align, at times they obscure. For example *IP* stands for intellectual property but also internet protocol. *Stream* connotes a source of revenue as well as audiovisual content, compressed into data packets delivered to user devices. *Performance* can refer to that of an artist, but also of a stock that financial quarter. *Interest* is the attention or appetite of the user-audience, and is also the profit component of debt financing. *Programming* is both the curation of the Netflix content library, *and* the code behind the screen. *Projection* is market speculation, but also the play of light upon the screen. Are we cont*en*t or c*on*tent?

Speculative fiction is thus no longer just a genre, but the very mode of production in platform capitalism, whereby value is increasingly mobilized and generated through the investment of *faith* in increasingly speculative new narratives and temporalities of capital investment, exchange, and return, now operating at unprecedented speeds, scales, and wagers. This notion follows Marx's concept of fictitious capital, in which value is derived and reproduced more so from increased circulations of capital as opposed to material production. These new forms and flows of capital, what many have come to call financialization, are ever present today, and indicate the "outward spiralling" and expansion of late-capitalism; a neoliberal fantasy of profit without production (Jameson, 1997). The drive of capitalism to reproduce itself is exacerbated by digital technologies, as their increased capabilities for new speeds and scales of data gathering and exchange perpetually accelerate the production of new, fictitious, markets upon which to speculate.

Despite the glut of "information" generated by our new computational powers, the most profound, profitable, and inexhaustible new market generated in this process is that of uncertainty itself. Like language, uncertainty is perhaps one of the only other universal conditions of human life. Mitigated ever inadequately by our impulse to narrativize, to understand, to pre-empt, and to brace, we are interminably found, or perhaps lost, wanting. The unknowability of future drives life in both anticipation and dread, it gives meaning to stories, and now increasingly gives value to markets. In our current era of expanding financialization, layers of risk and uncertainty have been folded into the speculative fiction of global finance, commodified into value producing wagers through derivative contracts. Our ability to invert risk and uncertainty into value and profit is due in large part to advances in computing and the construction of networked global information infrastructures. Such powers ever increase the speeds and scales of exchange in hopes to consequently increase the speed and scale of value generation, exchange, and accumulation. The contemporary marriage of tech and finance industries thus signals the mutual reinforcement of a technocratic, financialized, economic "logic", increasingly speculative and increasingly fictitious. These clouded abstractions of the digital and the financial carry deep material, social, and cultural consequences. They are produced, experienced, felt, and embodied by people; they mobilize, monitor, and monetize various resources, services, products, ideas, aesthetics, and most important *experiences*. Our *networked* concepts of power and information have been literalized by the digital in all their opportunity and their injustice.

In the tech industry –itself always already financialized– bloated buzzwords such as scale, optimization, connectivity, disruption, personalization, experience, and artificial intelligence each rest upon the tension drawn between valuing the experientiality of the present and the potentiality (uncertainty) of the future. Silicon Valley's cult of pre-emption, predictability, automation, and personalization of products and services signals the utter objectification and commodification of such uncertainty; of *experience* itself, reducing and instrumentalizing the complexity, immeasurability, and beauty of everyday life to mere data at the service of capital.

The fixation upon "experience" driving intertwining culture and tech industries today is a twin question of narrative and language. In consumer society, the most important element of any project pitch or brand is *storytelling*. Everything must be a story; moreover a story of value. While this logic is nothing new, the speed, scale, and stakes of this game have dramatically outpaced the rest of the economy through the ever faster, ever more powerful (technological) instruments of finance. I want to argue that this inflationary techno-economic process of financialization has been performatively reified, exacerbated, and sustained through narrative language and performative discourse, what I will explain as *investor lore*. There is of course a reason Marx's term fictitious capital likens these financializing processes to narrative; they are social, relational, imaginative, (re)creative, compelling, mythological, and *potentially valuable*. The same uncertainty that gives value and meaning to our stories, and indeed life itself, has been objectified, datafied, and financialized in platform capitalism.

Trafficking exclusively in a market of stories, which of the major platforms better represents these new narrative discourses and logics of value than Netflix? With a user-base of 148 million paying members, hundreds of millions of hours of content streamed everyday, and revenues, debts, and obligatory payments climbing into the tens of billions,[1] Netflix evidences the emergent scales, speeds, and stakes of value derived from complex entanglements of tech, finance, and culture industries; new forms and flows of capital, language, data, culture, debt, information, content, infrastructure, labour, and sociality. This thesis thus takes aim at the company's most successful original program so far: *its investor lore*. This story is a piece of speculative fiction masquerading as a documentary, a new story of value constructed for and projected to an investing audience: shareholders, potential investors, users, financial, tech, and entertainment industry analysts and journalists, and evidently researchers such as myself. I argue that Netflix's narrative discourse of value has organized new assemblages, movements, and questions of *media value*, through the financializing convergence of technology and culture industries.

With this political economic philosophy in mind, this thesis examines the speculative fiction present in Netflix's propagation of new media ecosystems. From DVD to streaming, Netflix has sought to capitalize upon industrial convergence and media circulation through the already existing structures of finance: venture capital, debt financing, and stock investment. The company's twenty-two year history has produced an abundance of texts evidencing this constant project(ion) of a meta-narrative of value, building up to and after its initial public offering in 2002. This story has proved successful insofar as the company has managed to maintain its growth, becoming a dominant global vehicle for the distribution of narrative video

[1] Netflix, 2019.

entertainment, and importantly a potential site of earnings for investors. On the other hand, the perceived success and value of their streaming-platform-studio model has sparked a massive wave of competition, putting the sustainability of the company and its narrative firmly into doubt. In the intensifying drama of the streaming market, we are witnessing the rising action and ensuing complications of an increasingly uncertain future. Amid rising pressure, the question now must be asked, will Netflix the company continue to be renewed season after season?

In his essay *Culture and Finance Capital* Jameson argues that we must reach into the realm of finance capitalism to map popular cultural production. The inverse is now also true; we must reach into ever shifting processes of cultural industries to map the flows and forms of finance capital. Since 1997 Netflix has been telling the tale that their ability to *provide, predict and guide* user experiences will further translate into their ability to *provide, predict, and guide* future capital in the forms of profit margins, stock value, and returns on investment through theoretically ever increasing subscriber revenues. These are the new narratives, temporalities, and mediations of value that come with the datafication and digitization of the everyday leisure practice of *watching*; a new financialization of spectatorship itself. Under the name of convenience and user experience, Netflix and indeed platform capitalism, has been able to extract, expand, and mobilize complex new constellations of use, exchange, and labour value. Data, attention, time, information, intimacy, infrastructure, capital, content, labour, and sociality have become measurable and thus increasingly valuable, as they are monitored, circulated, monetized, and exchanged through the ever surveillant mechanisms of platform capitalism. This datafication of every practice of everyday life signals new forms and flows of power; organized, justified, and sustained by emerging discourses of *value.* Where an application or platform provides a "valuable" service or convenience to its user, the deeper motivation is the data and thus potential capital that user represents: *paying* attention and investing their digital behaviours into the platform, often unwittingly. This extractive logic exhibits a fundamentally neoliberal, financializing ethos translating behaviour and attention into data, under the belief that it can translate such data into capital. The user has thus emerged as the idealized, surveillable, –if not self-surveilling– subject of a technoliberalism run amok.

In what follows I employ what Shoshana Zuboff terms surveillance capitalism as a critical aspect of platform capitalism, highlighting the surveillant means through which behavioural user data is monitored, extracted, mobilized, and monetized. She defines this term as:

> "1. A new economic order that claims human experience as free raw material for hidden commercial practices of extraction, prediction, and sales; 2. A parasitic economic logic in

> which the production of goods and services is subordinated to a new global architecture of behavioral modification; 3. A rogue mutation of capitalism marked by concentrations of wealth, knowledge, and power unprecedented in human history; 4. The foundational framework of a surveillance economy; 5. As significant a threat to human nature in the twenty-first century as industrial capitalism was to the natural world in the nineteenth and twentieth; 6. The origin of a new instrumentarian power that asserts dominance over society and presents startling challenges to market democracy; 7. A movement that aims to impose a new collective order based on total certainty; 8. An expropriation of critical human rights that is best understood as a coup from above: an overthrow of the people's sovereignty." (2019; 8/9).

Each of the major tech companies and their various platforms (Facebook, Amazon, Apple, Google, Microsoft, Netflix, Huawei, Tencent, etc) are complexly complicit in the rapid and synchronous proliferation of this insidious new iteration of an increasingly surveillant –and inherently financializing– capitalism. This is a direct function of our now ubiquitous technological environment. The case of Netflix is particularly profound and unique however in its entangling of surveillance, technology, entertainment, and capital *through its provision of narrative;* the speculative, expressive, communal, informational mode of humanity itself. It is the intrinsically human reliance upon sharing and consuming stories which Netflix now surveilles, commodifies, and financializes through its platform model. What this thesis hopes to achieve is an excavation of the overarching, meta-narrative of media value which has brought these conditions into being.

Before each of the major tech giants rose to their current scale, they sold a narrative of future value to a financial audience of venture capitalists, angel investors, industry insiders, and banks. Those plotting words mobilized the initial capital necessary to launch and sustain the company through the world of markets, users, and competition; shifting, adapting, and mutating the narrative to organize, justify, and project futures. This is the narrative, indeed mythological cultural logic of our increasingly platformed economy. I argue it is imperative to examine the discourse of platforms and their underlying narrative myths to understand, unpack, and ultimately resist these increasingly surveillant, financializing, and concentrating new organizations of value. This thesis therefore focuses on Netflix, and more specifically the discourses and narratives of value it projects within its financial communications and investor relations materials. In looking at this company's communique with the finance industry specifically, I hope to elucidate and excavate the layers and structures of belief which mobilize and sustain unprecedented flows of capital into the platform economy, and platform television industry.

I interrogate the language and rhetoric which constitutes the layered meta-narrative of value which I argue has driven Netflix's growth. In doing so I seek to examine the multiplicities, mobilizations, and monetizations of meaning and metaphor which have expanded and entangled traditional economic concepts of exchange, use, and labour value into the nebulous cloud of *user value*: *data, capital, content, credit, debt, attention, time, information, infrastructure, labour, and sociality*. Working with the rich metaphor of the stream, the platform is not unlike a hydroelectric dam, managing, manipulating, channelling, and harvesting momentous new flows and inputs, in hopes to ever generate and sustain *value* in perpetuity.

To begin to unpack these new industrial narratives and languages of value, I first lay out my conceptual framework which combines theories of media convergence, financialization, and platform capitalism. I present and explain these three concepts mutually constitutive industrial, technological, and political economic factors which have produced the rise and dominance of the platform in the 21st century. From here I go on to review the literature within the subfield of media industry studies concerning streaming platforms, focusing upon first the new industrial practices at hand (Lotz, 2018), and second the industrial discourses which accompany and communicate such practices (Curtin, Holt & Sanson, 2014; Burroughs, 2018; Tryon 2015). Building upon this base of literature regarding streaming industries, my methodology section adapts Timothy Haven's (2008) definition of industry lore: "the conventional knowledge among industry insiders about what kinds of media culture are and are not possible, and what audiences that culture will and will not attract", to put forth the concept of *investor lore* for this thesis as: the *emergent discourses* among *investing actors* about what kinds of *user experiences* are and are not *valuable,* and *which users those experiences* will and will not *engage*" (Crawford, forthcoming). Emergent discourses, investing actors, user experiences, value, engagement. These are the new ideas, concepts, and focal points that are necessary to expand our study of media and culture industries in the age of the digital platform. Investor lore as both concept and methodology relies upon the tenets of critical discourse analysis (Van Dijk, 2001), as well as corporate communications theory (Hyland, 1998) with an emphasis on the performative, rhetorical, and narrative nature of this targeted language.

The structure of my analysis section is laid out into three "seasons", each emphasizing the formative moments in the drama of Netflix so far. Season 1: *The Dawn of DVD* examines the DVD-rental-by-mail era (1997-2007), Season 2: *Hope Streams Eternal* covers the emergence of the streaming ecosystem (2007-2011), and lastly Season 3: *Networking the Global Original* interrogates Netflix's paths to original programming and international expansion (2011-present). These "seasons" are not separate or discrete, but rather build upon one another in a cascading narrative of value, projecting new forms and flows user convenience and experience through "disruption" and "innovation." My analysis thus undertakes a textual, "narrative" analysis of these three seasons over the past decades, identifying the emergent narrators, themes, motifs, and figures present in the investor lore of –as netflixinvestor.com proclaims– "the world's leading internet entertainment service" (Netflix, 2019).

Conceptual Framework

The conceptual framework through which I analyze the investor lore of Netflix argues: *the convergence of tech and entertainment industries are discursively performed under the financializing logics and narratives of potential value creation in platform capitalism. Thus the provision (licensing, production, promotion, and distribution) of internet television through Netflix is creating and controlling unprecedented new forms and flows of value where data, behaviour, attention, time, content, information, infrastructure, and sociality are translated and financialized from inputs into investments similar to those of capital, credit, debt, and labour. Each of these new forms and flows of value are organized and justified through narrative language; a clouded assemblage of rhetoric, communication, code, integers, images, and voices. Each text performs a story.* Importantly, this discursive performance is both aimed at and reproduced by a variegated audience of investing actors: users, executives, investors, shareholders, venture capitalists, and talent (platform capitalism's new favourite word for labour). Labelling this broad group of stakeholders as investing actors and their discourses as *investor lore*, is helpful in excavating and unpacking the narrative discourses of these datafied and financialized forms and flows of value. For this thesis, I focus primarily upon the formal financial discourse of Netflix's executives aimed at current and potential shareholders to examine the company's unprecedented mobilizations of capital through investment and debt.

Acknowledging the depth and broadness of the concepts and theories of industrial convergence, financialization, and platform capitalism, this section seeks to critically highlight the emerging connections –or "synergies" as the industry might say– between these concepts as interrelated and interdependent instruments of platform capitalism: the logical extension and hybridization of neoliberalism, finance capitalism, and surveillance capitalism. Beyond the corpus of my literature review which directly addresses Netflix, this thesis importantly draws upon an interdisciplinary array of other literature concerning the industrial convergence of technology, media, culture, and finance. I believe these concepts, theories, and discourses must also converge, intersect, and overlap if we are to begin to make sense of the myriad complicities and complexities of Netflix and the new narrative language of value in platform capitalism.

Industrial Convergence

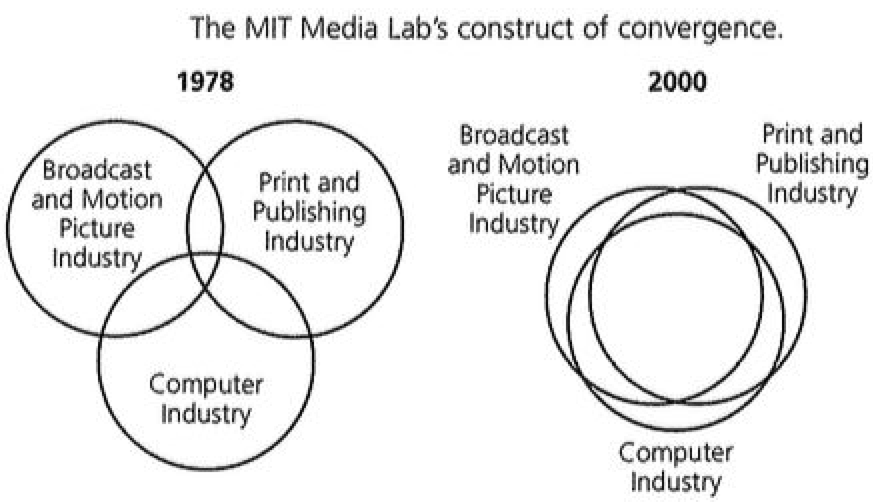

Figure 1. The MIT Media Lab's diagram of convergence (Fidler, 1997).

Industrial convergence theory emerged in the late 1970s and early 1980s from the Massachusetts Institute of Technology's (MIT) Media Lab, led by Nicholas Negroponte (Fidler, 1997). Figure 1 succinctly exhibits Negroponte's idea that communications, content, and computing industries would become increasingly convergent through shared reliances upon digitization, becoming ever more interrelated, intersecting, and overlapping, as rates of technological development accelerated in the latter decades of the 20th century (Fidler, 1997). The smartphone evidences this theory in many ways, as this single device now functions as not only a mobile phone, but also a computer, television, radio, newspaper, magazine, book, camera, credit card, mp3 player, game console, calculator, flashlight, notepad, et cetera. The covers of multiple texts concerning the convergence of Netflix and other media industries clearly exemplify this (Figure 2). Henry Jenkins' *Convergence Culture: Where New and Old Media Collide* (2006) features an iPod foregrounded against a panorama of screens. The second edition of Amanda Lotz's *The Television Will Be Revolutionized* (2014) was updated by framing the original cover within an iPad. The title of Lotz's *Portals* is split between a flat screen television and an iPhone. Lastly Mareike Jenner's *Netflix and the Re-invention of Television* is displayed on a cartoon likeness of a desktop Apple monitor. These covers in and of themselves signify an ever continuing convergence in the 21st century, focusing on the rapidly changing site of the screen and the range of forces behind these displays. These convergent consumer technologies are now the dominant intermediary between culture, media, and people. Audiences and citizens are increasingly redefined and repositioned as users. The user is increasingly becoming the central figure of the 21st century; an idealized, individualized, neoliberal subject. As my methodology and analysis sections will further argue, this figure of the user is essential to the developments and discourses of the digital economy.

Figure 2. A notably Apple-centric motif is present on the covers of these texts, using the screens of these consumer technologies to symbolize the dominance, ubiquity, and acceleration of contemporary media convergence.[2]

[2] From left to right: Jenkin's *Convergence Culture: Where Old and New Media Collide* (2006), Lotz's *The Television Will Be Revolutionized, 2nd Edition* (2014), Lotz's *Portals: A Treatise on Internet Distributed Television* (2017), and Jenner's *Netflix & The Re-invention of Television* (2018).

In *Convergence Culture,* Jenkins writes:

> *By convergence, I mean the flow of content across multiple media platforms, the cooperation between multiple media industries, and the migratory behaviour of media audiences who will go almost anywhere in search of the kinds of entertainment experiences they want. Convergence is a word that manages to describe technological, industrial, cultural, and social changes depending on who's speaking and what they think they are talking about.* (2006; 3)

Jenkins highlights the centrality of the digital media platform in processes of industrial convergence in the 21st century, allowing for new *flows* of content as well as new audience (user) behaviours. From popular services for social media, entertainment, ride-sharding, and advertising, to industrial manufacturing and computing networks, a range of platforms are now part and parcel of our increasingly digital economy (Srnicek, 2017). Today these processes of convergence are often described by the dominant catchphrase of Silicon Valley: "disruptive innovation" or more simply "disruption". Like convergence, the definition of disruption is in its essence the idea that technological innovations in digital computing can upset the strategies and practices of traditional markets and industries to find, save, and create new forms of value, increasingly in the form of data regarding the behaviours of users. Convergence plus financialization equals disruption, the guiding light of platform capitalism.

Platform Capitalism: A Financial Technology

In *Platform Capitalism* Nick Srnicek argues that as data continue to become ever more valuable as resources, platforms have emerged as the best, and perhaps only suitable model for the collection and processing of data as an industrial necessity and competitive advantage (2016). While I don't have the time or space here to dive into the economic histories of the 90s dot com boom (and crash) as well as the 2008 financial crisis, Srnicek notes how both were important in channeling finance capital into the tech sector, creating the conditions for the rise of platform capitalism, a marked evolution in post-industrial economics.[3]

This leads us to a deeper discussion of financialization, which Gerald Epstein defines as: "the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies" (2003; 3; as quoted in

[3] See chapter 1 of Srnicek's *Platform Capitalism* (2016) for more.

Davis and Kim, 2015; 205). Currie and Lagoarde-Segot (2016) furthermore highlight how the explosion of the finance sector over the last 30 years is itself inherently linked to developments in computing and information technologies which allow for new rates and scales of financial data collection, organization, processing and mobilization. Netflix, like all tech companies, could not exist without these contemporary structures and instruments of finance capitalism: venture capital, debt financing, share distribution, and stock investment.[4] *The platform is always already financialized;* making the portmanteau FinTech always already redundant. The simultaneous rise of finance and tech industries has been co-constitutive and mutually reinforcing from the outset, as the parameters of technology define the rate and scale of financial circulation and exchange. What the emerging literature examining platform capitalism fails to highlight is how financialization, technological production, and convergence are functions of one another.

As technology companies have come to dominate the stock market[5], the financial imperatives of convergence have been made apparent in the recent mergers and acquisitions (M&A) of major computing and media companies (AT&T acquiring TimeWarner; Disney acquiring 21st Century Fox and thus a controlling percentage of Hulu). These M&As unsurprisingly evidence an industrial trend toward vertical integration and monopolization, in which the rise of the digital platform has exacerbated financial logics and promises of efficiency, scale, growth, and control (Srnicek, 2016). These trends indicate how giant media and entertainment companies feel they must adapt (converge) into tech or telecommunications conglomerates to survive in a global digital economy which increasingly perceives and reproduces the narrative that data and innovation will only ever become increasingly valuable.

Under platform capitalism however, temporalities of value have importantly been re-oriented and skewed towards scaled growth and market share domination over immediate profit. The logic of the startup is indeed to “blitzscale” growth as fast as possible at whatever cost (debt) to offer or sell its intellectual property (IP), data, and debt in a merger or acquisition, or recoup said debt over time by going public and further monetizing such services and products (The Economist, 2019; Srnicek, 2017). Indeed Uber, which was until recently privately held, has burned over $11 billion (USD) in its nine year history with precisely this model (Hawkins, 2018). Disruption and convergence are deeply and inherently embedded in such financial processes of investment, projection, speculation, derivative trading, and M&A. Such processes are

[4] From the outset Netflix’s initial investments came from CEO and founder Reed Hastings himself as well as Silicon Valley venture capital firm WS Investments Inc (Crunchbase, 2018).
[5] Facebook, Apple, Amazon, Netflix, and Google comprise the “FAANG” acronym in finance discourse as the dominant tech stocks on the NASDAQ exchange.

importantly framed as *compelling narratives: investor lore.* The new temporalities of value production in platform capitalism thus fictionalize and financialize the future, postponing and hedging risk and consequence through gambling upon the performance of certain companies, ideas, and technologies in the markets of tomorrow (Appadurai, 2017; Srnicek, 2017). The tantalizing tale of fictitious capital has become the totalizing speculative fiction in which we live.

As massive tech platforms encroach upon seemingly all industries, it is important to examine how industrial convergence interfaces with cultural production. In platform capitalism, how does datafication and digitality effect the production and circulation of culture? Can major film and TV studios and distributors sustainably scale at the rate of tech companies?[6] Netflix certainly has proclaimed it can, and financial, technological, and cultural industries and markets have certainly listened. It is this emergent narrative of value promised by new industrial practices of Netflix's cultural *provision* which my analysis takes aim.

Jameson's *Culture and Finance Capital* (1997) considers the ideological and theoretical teleology of financialization, arguing that it signals the logical extension or outward spiralling of late capitalism, a tellingly post-industrial and post-modern fantasy of "profit without production" (246).

> "*any comprehensive new theory of finance capitalism will need to reach out into the expanded realm of cultural production to map its effects; indeed, mass cultural production and consumption itself –at one with globalization and the new information technology– are as profoundly economic as the other productive areas of late capitalism and as fully a part of the latter's generalized commodity system.*" (Jameson, 1997; 252)

The inverse of the above statement is also true today I would argue, as any comprehensive *study of popular cultural production will need to reach out into the expanded realm of finance capitalism to map its effects*. This abstraction of profit generation through the instruments of finance is heightened for Jameson through the development of faster and more powerful computing technologies. As cultural production and consumption shift and converge ever-increasingly toward the digital and the financial, Jameson's prescient theorization is increasingly relevant in considering Netflix's convergence of technology and culture industries through financialization.

In his analysis of another streaming giant, Patrick Vonderau's 2017 article "The Spotify Effect: Digital Distribution and Financial Growth*"* provides a contemporary examination of the

[6] See *The Curse of the Mogul* (Knee, Greenwald, and Seave, 2011) for more on the contested financial logics of media conglomeration.

convergence of media industries, finance, and platform capitalism. The parallels between Netflix and Spotify are manyfold. Both are online platforms lauded as “disruptors” of traditional media distribution, praised for curbing piracy, shifting media consumption to subscription based streaming models, and engineering effective and taste-making recommendation algorithms. Vonderau’s thesis is that Spotify uses convergent industrial practices from advertising, technology, music, and finance sectors to fold multiple markets into each other, and generate value from potential loss. He employs Leslie Meier here, who noted “In a digital economy that favours ‘free’ or advertising-subsidized content, the big tech oligopoly is able to use cultural content as a loss leader and promotional medium in efforts to drive sales elsewhere” (Meier 2017, 162; as quoted in Vonderau, 2017, 3). With this he examines how Spotify applies user data profiling and machine learning algorithms to mark and sell ad-space, for itself and others. While subscription-based, rather than free and ad-dependent, Netflix internalizes a similar strategy to gather data in order to personalize content suggestions for that user, an ever increasing proportion of which are Netflix Originals. In short, this too is an internal advertising strategy. Both practices capitalize, mobilize, and monetize user taste and behavioural data made possible through their streaming platform models. Netflix’s recommendations are ultimately pleasantly renamed and rearranged homepage advertisements at the end of the day.

> *“This present situation—where music has become data, and data in turn has become contextual material for user targeting at scale—invites reflection about the way songs, movies, or books are currently made accessible.”* (Vonderau, 2017; 3).

The metaphor of the stream puts forth the image of content or services as data flowing seamlessly down from the cloud to your devices for your convenience and enjoyment (Holt, 2017). However we must interrogate this metaphor, for the stream flows both ways. As you use and consume platform services and products, a flow of your ever more valuable behavioural data is concurrently streamed back up to the cloud of that platform. Here, user experience, behaviour, and participation are directly financialized, yes in the form of subscription and ad revenue, but perhaps more importantly in terms of brand equity, identity, taste, and loyalty, each of which are key factors in investment discourses and thus markets. This in turn makes user growth crucial, in terms of increasing existing user engagement and simultaneously adding new users; a constant hunger for more and more data to feed platform capitalism’s insatiable appetite for *scale*.

“ ‘Growth’ here relates to the attempt to accumulate fictitious capital, in the sense of capital only indirectly related to the growth of real production. It is a strategy that does not primarily aim to turn songs (or audiences) into commodities but to treat them as a form of collateral that can be mobilized to secure loans. This is an investment in something yet to come, built on a ‘bit of fake-it-till-we-make-it hopefulness’ where the hope is that, ‘at some tipping point, a different kind of advertising, one not based on immediate response but on investing in shifts of mood, opinion, and desire, of creating the grand illusions and stories that propel consumer life—and big media margins’ will emerge. (Wolff 2015, 87).” (as quoted in Vonderau, 2017; 13)

This quote highlights the important new intersections of culture, technology, and finance today. Indeed Netflix’s business of storytelling *literalizes* Marx’s concept of fictitious capital, a new financialization (of) narrative. Sociologist Randy Martin examines the debt instruments of finance as contractual obligations for *future* compensation, which mobilize *immediate* capital. In many ways, Netflix is using its *provision of culture as a debt instrument*, to mobilize capital, by turning both content and the practice of viewing into valuable data, and projecting this as a competitive edge to investors (See figure 3). As I will discuss further in my analysis chapters, this content strategy hinges, perhaps precariously, upon stability in debt and stock markets as sustainable financial instruments for scaled growth, capital investment, and eventually profit. Spotify and Netflix thus both exemplify the convergence of culture, tech, and finance industries, as streaming platforms which create value through datafying the multi-directional flows of code, content, and capital.

Human Computer Interaction: A Portrait of the User as a Neoliberal Subject

In platform capitalism, the user has emerged as the idealized neoliberal subject, forced to offer forth their capital, data, information, attention, labour, and sociality to “participate”, and “engage” in the “experiences” of contemporary life. It is through the figure of the user and the proliferation of consumer technologies that human behaviour has become increasingly surveillable, measurable, extractable, and exchangeable (Zuboff, 2019). Insights from the fields of computer science and digital product design help frame Netflix’s user-centric investor lore. Baumer and Brubaker’s work on Human Computer Interaction (HCI) theory is particularly relevant here. They write:

“The third wave of HCI begins to grapple with life outside of professional and organizational work contexts. Moving beyond the workplace and productivity, computing takes on numerous varied roles: leisure, socializing, gaming and sport, sensing and expressing emotion, cultural production and meaning making, etc. As computing moved

> *"off the desktop" into smartphones, mp3 players, cars, tablets, etc., it moved into myriad other facets of our lives. These developments constitute **HCI** in yet another way:*
> *1. A **human** is a person engaging in (a set of) socio-cultural practices embedded within a numerous broader contexts, including cultural, historical, political, organizational, etc.*
> *2. A **computer** is a technological system that may consist of a single device, a constellation of devices, an infrastructure, or a more complex assemblage that arises from and is embedded within a particular set of contexts.*
> *3. An **interaction** is the experience of leveraging a technological system in the course of an individually, socially, or culturally meaningful practice."*
> (Baumer & Brubaker, 2017; 6293; emphasis added)

This understanding of human computer interaction is deeply relevant and applicable to Netflix, streaming, and platform capitalism more generally, as the definitions of these terms are increasingly reproduced by the discourses of an expanding tech industry. As tech "disrupts" and encroaches upon more and more aspects of everyday life, such "practices, systems, and experiences" of being are increasingly influenced by a philosophy of design centered around the figure of the user. The user is not abstract, but rather highly conceptualized, constructed, and idealized by programmers and designers as a specific type of consumer with a certain value within a potential market. In the case of Netflix the user is not only a paying subscriber, but importantly a member of a televisual and filmic taste community, informed by their data surrounding viewing practices, behaviours and histories, such as: what you watch, where you watch, in what language, on what device, for how long, how many times, how you browse, and how you "engage" recommendations. The widely circulated "hook model" in digital product design further illustrates how platform products and services such as Netflix are created to encourage habit formation, in other words sustained flows of investment (Figure 3). Reminiscent of a narrative act structure –exposition, inciting incident, rising action, climax, denouement– the hook model seeks to bend user investments of interest and attention ever inward: an always false denouement inspiring habitual, circuitous user behaviours and associations (Chun, 2016). Where the descending numbers of the film leader's revolving beacon once anticipated a beginning, the autoplay countdown features on Netflix, YouTube, and other streaming platforms signal the endlessness of our new tech driven ideology; a hook model for culture.

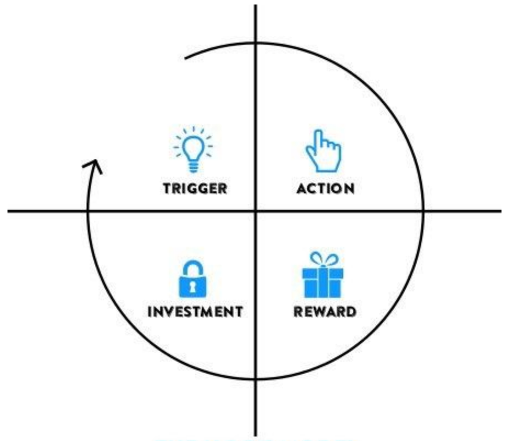

Figure 3. The Hook Model for user habit formation in digital product design. (GreaterThanX, 2017).

Where Netflix uses the different terms of “user”, “member”, and “subscriber” to describe its consumer base, I will use *user* from here on, to emphasize again the forms and flows of exchange and extraction inherent in the platform. Projecting a better *user-experience* has remained the central feature of Netflix’s brand and discursive project to redefine practices of television viewing, consumption, and production. In my analysis I show how subscriber growth has been the most directly correlated metric to investor faith, where the scales, rates, and projections of Netflix’s user base growth has translated stock value and also the power to mobilize massive debt contracts and bonds for the company’s operations. The coming chapters exemplify how Netflix has built itself upon new discourses about the user as consuming audience member. User subscription fees, behavioural data, time, attention, ratings, hype, critique, discussion, and sociocultural capital are now treated as forms and flows of value the company mobilizes and *reinvests in and for its processes of financialization.*

The Performative Language of Financialization

Turning to language, this thesis examines how these interrelated processes of convergence, cultural production and distribution, and financialization are sustained by metaphor, rhetoric, and discourse. Here Arjun Appadurai’s *Banking on Words: The Failure of Language in the Age of Derivative Finance* (2016) lends particular insight. The argument of this book is that the 2007/8 financial crisis was “primarily a failure of language”, a violation of the ethical, legal, and linguistic contracts which constitute the infrastructures of finance (2016; 1).

Appadurai puts forth the idea that the logic of the derivative hinges upon the performativity of language. He argues "the link between derivatives and language turns on the question of promises, which I view, following Austin, as one of the class of performatives, linguistic utterances that, if produced in the right conditions, create the conditions of their own truth" (2016; 6). Drawing parallels between the abstracting nature of both language and capital, Appadurai examines their intersection, and the material consequences they bring about through their performative mobilization. Thus he calls for a *textual analysis of the derivative*; and a deconstruction of the discursive interplay between language and capital. Notably, in this thesis I contemplate linguistic and financial performativity with a similar attention to promises: the offering of a potential accrual of future value in exchange for immediate investments. I examine Netflix's multi-sited investor lore as a performative discourse, which as Butler has said "*must be understood not as a singular or deliberate 'act,' but, rather, as the reiterative and citational practice by which discourse produces the effects that it names.*" (Butler, 1993; 2). By constantly reiterating and citing specific discourses and promises of value, Netflix seeks precisely to bring into being the forms of value that it names. Netflix's lore remains a networked project of rhetorical performance, aimed to instill faith from users, investors, and labour in the myriad forms of *value* the company projects to each of these actors and audiences.

However, I am interested in the tension between the success and failure of such performative speech acts and discourses, as such utterances *become* performative when they succeed but constative when they fail. The retroactive nature of such discourse analysis must examine its content as more porous and non-linear than perhaps we have previously thought. Indeed the new media "logic" (discourse) of the long-tail hints yet again at the new and intersecting temporalities of success and failure in converging finance, culture, and technology industries. The speculative (narrative of) value of cultural products and company stocks in platform capitalism are thus suspended in the cloud –an unsteady state of potentiality, performativity, and constativity. In the face of such uncertainty, the language which justifies such cultural production is again, always a promissory one of financial, market value; an aspirational orientation ever toward a successful performative. It is thus no coincidence today that both linguistics and finance borrow from the arts the metaphor of *performance* as such an enactment of potential, necessarily displayed for an audience. Who better represents these reflective foils of performance than Netflix?

In finance, the term *Story Stock* is used to describe the inflated value of stocks which have achieved such desirability through communicating their scalability and potentiality to investors. In other words story stocks belong to the firms who have crafted the most effective *investor lore.* Investopedia elaborates: “Story stocks often garner substantial media coverage. Because of the abundant attention, a story stock may attract heavy trading volume for many months, until a new contender displaces it. A few story stocks may achieve great success, but most *fail to achieve their promise*” (2019). This quote further elucidates the performative and promissory discursive logic of finance, particularly in relation to story stocks of which Netflix is a rare success, thus far. Moreover the FAANG group (Facebook, Amazon, Apple, Netflix, Google) in particular have become synonymous with successful story stocks, and who better literalizes this term than Netflix who trades in the very business of storytelling; the marketplace of narrative.

Returning to Appadurai, he repeatedly engages Max Weber’s *The Protestant Ethic and the Spirit of Capitalism*, expanding idea of “the market” as a social system based upon faith or religious subservience through which society seeks to mitigate the brutal uncertainty and unknowability of the future. Media and technology scholars such as Ed Finn and Ian Bogost similarly argue that the new faith system of our times is one of digitality, technology, and algorithms, coined as a “computational theocracy” in Bogost’s *Cathedrals of Computation* (2015). As stated previously, this computational rationale is quite literally indebted to but also constitutive of a financialized rationality. One need look no further than to the relative silence on the floor of the New York Stock Exchange for evidence of the dovetailing of technology and finance; with the noise and drama which long defined Wall Street automated away; the figure of the bustling white collar broker seemingly disappeared by the algorithms and network infrastructures of the cloud.

Appadurai’s phrase “the hybridization of ideologies of calculative action” furthermore describes how new forms of technological calculability are mobilized and monetized within finance industries. These new capacities and instruments of measurement provide new forms of data and information, which in turn allow for new forms, categories, and markets which can be traded, exchanged, and gambled upon, both now and in the future. Finance scholar Michel Callon similarly notes how these technologies and models are in many ways performative in the very act of their modelling, bringing into being the phenomena they seek through finding ways to measure them. This performative conceptualization of finance argues that the capacity to performatively “calculate” is an industrial practice directly connected to power and the discursive framing of knowledge, numbers, models, statistics, and markets. The discursive power given to data and statistics is present in all facets of economics, but has taken on a new level of influence with the rise of finance capitalism, setting the stage for the dominance of data in platform capitalism. As technologies make data increasingly collectable and calculable, the positive feedback loops and dialectics of technology and finance become ever more apparent; apparently ever more valuable.

As mentioned earlier, technology firms have long been directly reliant upon the financial structures of venture capital, rounds of investment funding, debt financing, public offerings, and so on, becoming most evident in moments of crisis such as the dot com boom, and the continued flood of capital into the tech sector after the 2007/8 crash (Srnicek, 2016). These structures thus determine whether many technologies or innovations have the capital to survive, come to market, turn a profit, and so on (Appadurai, 2016). While the portmanteau FinTech is defined by investopedia as the improvement of financial services through technology and automation, these industrial forces increasingly subsume more and more aspects of contemporary society and practices of everyday life, which are datafied and thus in turn financialized. Perhaps we may ask, what isn't a financial technology today? The following chapters seek to show how these emergent logics and practices of tech and finance industries are applied in culture industries, through the operations and discourses of Netflix. Following Appadurai, I examine the *language* this media giant has used to perform, justify, communicate, and at times obfuscate such practices as *value-generating.* In doing so, I hope to elucidate the financializing power this language yields in the spheres of technology and culture industries within platform capitalism.

Integrating these theories of convergence, financialization, and platform capitalism, and tracking their impact within culture industries, this thesis applies this conceptual framework to what I have come to call Netflix's investor lore. As platform capitalism produces new conceptualizations and potentialities of value in data, attention, time, information, infrastructure, engagement, labour, sociality and control, these theories, alongside media industry studies of Netflix provide a framework to excavate how this company has discursively crafted and employed this new narrative language of value, an increasingly speculative and fictitious capital.

Literature Review

Previous attempts to examine Netflix as an emergent media giant have resulted in a wide range of research inquiries and approaches. These include topics such as Netflix's competition with linear television and Hollywood (McDonald & Smith-Rowsey, 2016), altering of media consumption habits (Matrix, 2014), engineering of software for personalization algorithms (Amatriain, 2013; Finn, 2017), and uneven "global" expansion (Lobato, 2017a) to name just a few. Edited collections and books such as Derek Johnson's *From Networks to Netflix* (2018), Merieke Jenner's *Netflix and the Re-invention of Television* (2018), and Gina Keating's *Netflixed: The Battle for America's Eyeballs (2012)* also dive into discussions of Netflix's post-network television strategies and organisation. In particular Keating –a financial journalist– provides a dramatic, in-depth early history of Netflix, making her book notably important to my first two chapters. These recent texts display the range of disciplines and methodologies at work in studying the many sides of Netflix.

In this section I will summarize noteworthy media industry studies approaches to Netflix, each of which I engage and build upon throughout my analysis. I have chosen these texts for their topical and methodological pertinence. First is Amanda Lotz's *Portals: A Treatise on Internet-Distributed Television* (2017) which outlines the historical and industrial conditions from which the Streaming-Video-on-Demand (SVOD) industry has emerged. This book importantly theorizes the underlying logics upon which SVOD currently operates: nonlinear content programming, subscriber revenue models, and vertical integration. I begin with *Portals* as it provides a foundation of understanding and a theoretical lens through which Netflix's discourses surrounding its industrial strategies and practices can be broken down and analyzed in finer detail. Next I go on to briefly examine sources which deal more explicitly with Netflix's discourses, its *industry lore*; defined by Timothy Havens as "the conventional knowledge among industry insiders about what kinds of media culture are and are not possible, and what audiences that culture will and will not attract" (2008, as quoted in Burroughs, 2018; 3). The primary text of this section is Benjamin Burroughs' *House of Netflix: Streaming Media and Digital Lore* (2018), with brief notes from Chuck Tryon's *TV Got Better: Netflix's Original Programming Strategies and Binge Watching* (2015), a discourse analysis of a Netflix promotion campaign, as well as Curtin, Holt, and Sanson's edited collection of industry insider interviews *Distribution Revolution: Conversations about the Digital Future of Film and Television* (2014). While these texts are insightful in many ways, they only begin to scratch the surface of Netflix's influential industry lore. In my review of the emerging, interdisciplinary subfield one might call Netflix or streaming studies, there remains however a lacuna in the academic literature regarding Netflix and its lore through the lens of media financialization and platform capitalism. This is the call for my analysis. I therefore seek to offer to this subfield the specific methodological and conceptual intervention of understanding Netflix's discourses as performative utterances of convergence and disruption, exacerbated by the new financializing logics of platform capitalism.

Portals: A Treatise on Internet-Distributed Television

The purview of *Portals* is to map the developments of on-demand video streaming, and rigorously examine which industrial practices of SVOD are truly new, alongside those which are extensions of "legacy" (old media) television. As I noted earlier, Lotz identifies non-linear programming, subscriber revenue models, and vertical integration (the in-house production, promotion, and distribution of content) as the key components of portals. She structures her book in this order, as nonlinear programming affords the subscriber model, which in turn affords vertical integration. This description and theory of a streaming logic lays a foundation of understanding upon which I examine how Netflix discursively and strategically highlights or obfuscates aspects of these industrial practices in its investor lore.

Lotz takes care to explain the terms of her project, defining portals as "crucial intermediary services that collect, curate, and distribute television programming via internet distribution" She further disambiguates:

> "*I take television distributed using internet protocol—a method of signal distribution that disassembles messages in packets and reassembles them—as my focus. In the early years of internet-distributed video, there was a tendency to think of only video on computers as "internet television" in a manner that may confuse this distinction. Viewing device is irrelevant to this discussion. Internet protocol distribution now commonly delivers television to living room sets, mobile devices, as well as computers. The affordances of internet distribution allow strategies and practices unavailable to broadcast and cable distribution that require reconceptualization of industrial and audience practices although important similarities persist as well. [...] Some aspects of the treatise's discussion of nonlinear television may apply to this sector of internet-distributed video industries as well, but for the most part, the discussion here instead recognizes the high costs of long-form, scripted production and the strategies of businesses built on circulating intellectual property as characteristic of the industrial*

practices of television as it has been institutionally and culturally understood" (2018; Introduction).

Nonlinear programming represents the shift from channels to portals, where content is organized primarily through curation rather than scheduling. Notably Marieke Jenner (2018) also describes this new industrial practice as "time-shifting", tracing its history back to the VCR and how this technology redefined the use of television screens, altering temporalities and practices of consumption. The shift from audiences asking "what's on tv?" to "what's on Netflix?" signals vast structural changes in the distribution, organization, and consumption of film and television, now distributed and consumed as *digital content*. New content bundling strategies upend the flow model of scheduled broadcast programming on the channels of legacy television, shifting to a publishing model in which the user subscribes to access an algorithmically curated ('personalized') library of content[7]. Lotz argues that the scalar virtues of access to these curated bundles, libraries, and catalogues are increased by nonlinear programming. She notes that a collection of goods, a portal's library, is perceived as easier for users to value than an individual show and allows the user more flexibility, choice, and convenience in watching. *User value.*

Lotz describes the non-linearity of portals as providing *affordances,* understood as opportunities for new strategies aimed to create value and/or efficiency which beget new strategies to create value and/or efficiency and so on. The first affordance of non-linearity for Lotz is the ability to shift from advertising to subscriber-based models, a complex and multifaceted process in which both revenue and viewership data are re-valued and mobilized in new ways. Contrary to the legacy television model of advertising revenue based upon viewer demographics, portals can rely on subscribers to provide revenue, precisely *because* of the data they collect regarding taste and user behaviour when you register. Here the stream of data flows both ways: a) content from Netflix to you, and b) your user data back to Netflix. Creating content for niche audiences –known as narrowcasting– is thus made much more viable over time, as increasing volumes of increasingly intricate viewer data are harvested by the platform.[8] This shift indicates the next affordance Lotz identifies: vertical integration, which she calls the

[7] Lotz distinguishes between models of distribution, arguing that portals now operate on a publishing model more akin to the publishing of books and release of music than the legacy flow models of radio and television broadcasting.

[8] The user data gathering potential of the portals also signals how this platform model circumvents the prior necessity of advertising revenue, and thus the Nielsen rating system which sought to analyze a representative cross section of a given program's audience / market and sell the valuable demographic data of such audiences to advertisers for targeting (Nielsen, 2019).

“the rise of the studio portal”; a shrinking of the gap between content creators and users. Here portals are creating niche content that would theoretically never survive on linear television, in hopes that it, among the rest of a personalized catalogue, creates enough value to those users to maintain their subscription, both financially and socio-culturally; *investing* attention, data, time, energy, information, and sociality into the portal. This structure seeks to provide a steady and increasing flow of revenue through gaining subscribers and eventually raising fees. As competition heats up within the SVOD industry, portals are racing to vertically integrate as producing, promoting, and distributing their own content is becoming a necessary practice to remain valuable and competitive in this media economy. Portals are becoming conglomerates, and conglomerates are becoming, or acquiring, portals in efforts to survive under the data driven logic of platform capitalism.

In 1993 the elimination of the 1970s US policy of Financial Syndication (Fin Syn) which “required networks to purchase nearly all programming from studios not owned by the network”, sparked a trend in mergers and acquisitions (Lotz, 2018, Chapter 3). Vertical integration, often notable and quantifiable evidence of industrial convergence, is nothing new, although it has developed in interesting ways under platform capitalism. Indeed the modus operandi of the startup phenomenon is to finance massive debt and venture capital to develop intellectual property, scale growth, and raise valuation to a point in which such IP*, and debt,* are acquired by quite simply, a larger fish. We can see this convergence through mergers and acquisitions (M&As) in the SVOD industry, with Disney’s acquisition of streaming company BamTech and most of 21st Century Fox, AT&T acquiring TimeWarner, and Netflix purchasing the IP universe of Millarworld as a few weighty examples. These moves indicate the rising prioritization of consolidating control of IP (be it software technology or content, the gap between the two ever shrinking) for present or future digital distribution in direct response to the rapid growth of Netflix and the threat it poses in television and film markets. Here these ideologies and practices of Silicon Valley are clearly converging and subsuming those of Hollywood, as media and entertainment conglomerates are now operating like startups and tech companies. This M&A logic of vertical integration in (and of) tech and entertainment is indicative of the tendencies toward industrial concentration and monopolization in platform capitalism. Furthermore this raises important concerns not only for market controls such as pricing power over consumers and security questions regarding the collection, control, and use of increasingly intricate user data, but also broader, murkier questions regarding the provision of culture. Yes there has been an expansion and diversification of niche narrowcasted content for user-audiences, but this perhaps misdirects attention and concern for the fact that these structures of content provision (any combination of production, promotion, licensing, or distribution) are becoming increasingly concentrated.

> *"Other media that function within the logics of publishing industries such as books, recorded music, and video games all feature far more asynchronous engagement and thus illustrate possible strategies for internet-delivered television.*"
> (Lotz, 2018, Chapter 3)
>
> *"Book publishers consequently have business models based on creating and circulating content that balances revenue from new titles (new series), new content from known authors (new seasons of established series), and revenue from a backlist (library rights) that account for the asynchronous consumption surplus and nonlinear distribution encourage*." (Lotz, 2018, Conclusion)

Lotz concludes her framing of the state of SVOD with a return to media distribution theory. Here she argues that thinking of Netflix and portals within a publishing, as opposed to flow or broadcasting framework provides useful insight for further research. Examining how other forms of cultural production interact with the "rhythms of consumer's leisure needs", Salman Rushdie's provocative adage that "TV drama is the new literature" provides some significant purchase in the study of Netflix (Bingham, 2011). Indeed CEO Reed Hastings has furthered such a sentiment claiming that the novel prefigured the binge phenomenon, in terms of a totally mobile, flexible, participatory form of engagement with long form narrative; even if most of what Netflix publishes is perhaps more akin to airport fiction than literature.

Lotz's theorization of portals provides a deep overview of the current, yet shifting, logics of television distribution and production as it migrates to the cloud. It provides the language and understanding necessary to dig into the discourses which perform, explain, justify, and value the "disruption" portals represent. Notably, Lotz employs the term portals to emphasize the new structures behind this new televisual window. Going forward in this thesis, I use instead the term *platform* to highlight the instead the various new forms and flows of exchange, extraction and investment, namely those of capital, data, attention, time, information, infrastructure, and sociality.

Promises of Streaming Lore

Without explicitly stating itself as such Curtin, Holt, and Sanson's *Distribution Revolution* (2014) is a concrete example of the media industries concept and methodology of industry lore: "the conventional knowledge among industry insiders about what kinds of media culture are and are not possible, and what audiences that culture will and will not attract" (Havens, 2008, as quoted in Burroughs, 2018; 3). Curtin et al introduce their collection of industry insider interviews as a call for increased attention to the distribution of media, as it undergoes rapid changes in the digital age. Now widely cited among media industry studies of television, film, and SVOD, this text is far reaching in its scope, outlining the variety of industrial anxieties and opportunities felt by studios, start-ups, and creatives. Published in 2014, it was one of the first in-depth examinations of film and television industry lore in the digital era, and has become a launching point for further studies. (Burroughs, 2018; Jenner, 2018; Lobato, 2017; Lotz, 2018). Indeed Burroughs frames his paper as a direct engagement and analysis of *Distribution Revolution* and its interviews, opening his article *House of Netflix* with one of many quotes taken from it:

> "*Who would have believed that anybody was going to get over a million dollars an hour from Netflix? Of course, it could be argued that they have already bankrupted themselves. Maybe the streaming deals aren't worth that much and they're overpaying. Who knows? The one thing that's still true about entertainment is nobody knows nothing."*
>
> -Dick Wolf, executive producer and writer of NBC's *Law & Order*
> (as quoted in Curtin, Holt & Sanson, 2014; 229)

Netflix, and streaming more generally, are recurring themes throughout *Distribution Revolution*, with the above quote being just one example of how the company has come to symbolize the shifts taking place within media industries and thus their discourses. Tracing the lineage of industry lore as a concept,[9] Burroughs argues that lore has always been a response to both the inherent uncertainty of success in the television industry, as well as the uncertainties brought forth by new technologies. Streaming, a prime example of disruption and convergence, thus exacerbates both anxieties, accelerating the uncertainty of legacy television producers and providers through the competition posed by digitizing virtually all aspects of the medium.

[9] See *Inside Prime Time* (Gitlin, 1983); *The evolution of industry lore in African American television trade* (Havens, 2008)

Burroughs writes: “Netflix as an emergent streaming industry has adapted a language for talking about the uncertainty associated with the digital transition” which uses “emergent articulations of ‘industry lore’ as a tool to constrain the market and reinvents audience-viewing practices, giving ‘an industrial-age business some information-age controls over business processes’ (Burkart, 2005, p. 490)” (2018; 1; 2). Burroughs uses this argument to justify his examination of Netflix’s (a) “quality” streams, (b) algorithmic audience, and (c) cord-cutters and cord-nevers, as three emergent categories of streaming lore. Here he cites Netflix’s self-comparison with HBO, especially in regard to the Emmy awards for television, to signal that prestige content can importantly be *streamed*, not just broadcasted. In regard to section (b), Burroughs argues that Netflix’s algorithms imagine, construct, and position the audience for guided consumption. The primary example of this is Netflix’s flagship series *House of Cards*, which has been exhaustively analyzed –for good reason– by seemingly every Netflix scholar.[10] The lore of *House of Cards* is many sided, as Netflix outbid HBO because of its confidence in its audience data regarding 1) the 1990s BBC miniseries viewership, 2) Kevin Spacey fans, and 3) David Fincher devotees. Netflix famously released the first season in its entirety, mainstreaming the now common cultural practice of binge-watching. Netflix’s supposed *knowledge* that *House of Cards* would have an audience before it was produced exemplifies how the company performatively frames its data points and algorithms to strengthen its brand as a *provider* (both producer and distributor) of quality content. Lastly, Burroughs’ considers the metaphor of the cord, symbolizing both the coaxial cables of legacy television as well as the copper wires of new media technologies. He contrasts the frustrating image of a tangle of cords put forth in Jenkins *Convergence Culture*, with their symbolic cutting or total erasure for the next generation of media consumers. While this section curiously doesn’t mention Netflix at all, it implicitly outlines the industrial downtrend of cable, and the accompanying anxieties of networks, as a critical component of streaming lore.

For Burroughs, Netflix’s digital and streaming lore puts forth the simple narrative that the company can disrupt the practices of legacy television by effectively and sustainably identifying audiences, producing the content they want, and making sure they find this content on their homepage interfaces. Here these “information-age controls” are discursively mobilized to minimize the uncertainty of television production, thus further minimizing risk in efforts to reinforce the strength of the brand.

[10] Burroughs (2018), Curtin et al. (2014), Finn (2017), Hallinan & Striphas (2016), Jenner (2016), Keating (2012), Lotz (2014), Smith & Telang (2016), Tryon (2015).

Lastly, Chuck Tryon's 2015 article *TV Got Better: Netflix's Original Programming Strategies and Binge Viewing* examines Netflix's promotional strategies, framing Netflix as a media industry leader on the "technological and cultural cutting edge." The article focuses on Netflix's performative promotional discourses, with a case study of the 2014 native advertising (sponsored content) campaign *TV Got Better: Difficult men and brilliant women are turning pop culture into culture.* Netflix commissioned this "sponsored post" which was designed by the *Wired Brand Lab* and written by cultural anthropologist and tech consultant Grant McCracken to mimic the editorial content surrounding it (Sebastien, 2014). Tryon's article is an important text for many reasons, specifically with respect to the detail with which he recounts the *TV Got Better* page, which is no longer active online. While the public communications from this campaign aren't always explicitly from "industry insiders", it is useful to examine these discourses as relevant to and in concert with the *lore* outlined above. Such messaging relies upon popular and industry literature as critical media infrastructures to legitimize and value such narratives.[11] In this article Tryon highlights the performative nature of Netflix's promotional discourses as *promises* of prestige, plenitude, and participation, which seek to encourage specific modes of consumption. As a part of a larger branding project, these promises do the discursive work of communicating the value and advantage of Netflix's practices for both users and investors.

HBO's "*It's Not TV, it's HBO"* campaign is widely cited as a key example of a discourse of distinction, legitimizing the elite categorization of quality and prestige content as superior programming defined "against traditional television" (Tryon, 2015; 106). Capitalizing upon the brand power of HBO as the home of prestige TV, Tryon emphasizes Netflix's notable self-comparison with this company, first as a model and later as competition, in efforts to elevate its own reputation as a similarly prestigious subscription entertainment service. Indeed in 2001 CEO Reed Hastings explained that Netflix's new subscription model as "a little like HBO: it's $20 a month to watch all the movies you want. The difference is, you get to pick the movies" (as quoted in Tryon, 2015; 108). Moreover, CCO Ted Sarandos framed HBO as a competitor in 2008 just after Netflix launched its streaming platform, and followed this up in 2013, with his now infamous line "the goal is to become HBO faster than HBO can become us." Notably, this

[11] What I mean here, is that journalists, researchers, and academics too are professionals who contribute to and circulate discourse and lore. Indeed a recent conference at Concordia University, *The Labour of Media (Studies)* examined the increasingly similarities, one might even say convergence, of the labour of academic research of/as practices of media industries. https://medialabourconference.wordpress.com/

comment came in a GQ article titled “And the award for the next HBO goes to...” published two days before the release of *House of Cards* season one, of which Netflix famously outbid HBO for in 2011. Tryon’s article thus lays out how this balancing act of framing HBO as both a model and a competitor has been a central element of Netflix’s promises of prestige for nearly 20 years now. I will elaborate further upon how these content discourses of prestige have evolved in recent years in my analysis chapters.

The second of Netflix’s promises: plentitude (also evident in Hastings’ above 2001 quote), refers to the wide variety and flexibility of consumer choice, which began with the company’s initial promise to provide any dvd copy of any film by mail in the late 1990s, evolving to the 30,000+ hours (over 3.5 years) of content on the platform today. This variety of choice and convenience of availability has remained a pillar of Netflix’s “better than tv” brand, reframed alongside its “innovations” in technology.

> *“The language of bingeing—or feasting, as McCracken would have it—embeds the discourses of participation within it: “people are staying put, paying attention, watching skillfully and passionately.” As my review of Netflix’s promotional discourse suggests, bingeing has frequently been characterized not as a passive activity but as one aligned with active viewing practices, as a way of managing one’s time in front of the television rather than succumbing to a television schedule that, as one viewer put it, “occupies an insane amount of time.” Netflix, of course, has deliberately courted this attention through its strategy of releasing all episodes of a TV season simultaneously. New seasons of its most high-profile prestige shows, especially House of Cards, are events that inspire reviews, op-eds, and essays in a wide range of political, entertainment, and tech industry publications, such as Slate, The Atlantic, and Salon. These articles do much of the promotional work for Netflix, reducing the need for expensive advertising purchases, by positioning the show as something that could be of interest to fans of quality television, admirers of Shakespearean drama, or citizens intrigued by American politics”* (Burroughs, 2018; 112).

Finally, discourses of *Participation* are leveraged in two parts. First, through the associated interactivity long associated with the internet, which rebrands and positions Netflix television as more engaging and interactive than the “passive” medium of legacy tv. However simplifying and reductive these terms may be in concept, they are nonetheless often mobilized rhetorically within television and streaming lore. This part of Netflix’s participatory message is that you choose what to watch, on any device, anywhere, anytime, for however long; you are an engaged, online user. Indeed in *TV Got Better*, ‘binging’ is repeatedly defended by McCracken as feasting, contrasted with the flow of linear television which is framed as an oppressive and manipulative form of programming. A second form of participation Netflix now promises is in the social sphere, where having watched (or better yet binged) a hit Netflix show provides social and cultural capital for those early viewers to engage in initial conversations surrounding it. This exemplifies Netflix's growing influence as a major vehicle for pop culture. The hype generated by such shows is thus a dialectic of "participation" (consumption) and promotion, through Netflix's ads, the publications outlined above, and the word of mouth buzz generated by user-audiences.

The structure, content, and methodologies of Burroughs' and Tryon's discourse analyses have been essential to the development of this thesis. I hope to expand upon and critique their work by arguing that Netflix's investor lore also importantly capitalizes *upon the anxieties of uncertainty* of the television industry, through its discourses of disruption. By this I mean Netflix's lore regarding 1) its collection of increasingly intricate user data, as well as 2) streamlined, flexible, and personalized distribution. These factors have allowed the company to project a competitive advantage of behavioural predictability, and thus algorithmic audience production, guidance, and control; all of which are synonymous with the minimization of risk. Be it through licensing content, or producing it in house, Netflix has performatively communicated the advantages of this content provision model as potentially valuable. In this model, every audience is considered a market, thus the ability to predict and provide "endless" content for "infinitely unique" popular or niche audiences signals the capitalist fantasy of "endless", "infinite", and "inexhaustible" capital accumulation heightened by the affordances of the digital platform. In essence, Netflix believes that as long as people need and desire *new* screen entertainment *experiences*, the company's business model can perpetually profit from providing them.

The backbone of the Netflix machine, and platform capitalism itself, has always been data. What I hope to add to this growing subfield of streaming studies is how Netflix and its investor lore mobilizes data as an instrument of finance. As the entire Netflix project hinges upon the equity of the brand for subscribers and in turn investors, the company's performative discourses cannot be divorced from the foundational structures of finance upon which platform capitalism is built. Through the convergence of computing, entertainment, and finance industries, Netflix has streamlined new *valuations* of attention and taste; and thus new valuations of users and audiences.

These texts provide a foundational understanding of the shifting logics of Netflix and SVOD, and the subsequent discourses and lore that have been employed to communicate such shifts. Building upon my conceptual framework and literature review, I will expand this existing discussion and analysis of Netflix’s corporate discourses and industry lore by analyzing their narrativity. Reframing Netflix’s discourses as narrativizing texts brings to the surface the rhetorical power and centrality of language in increasingly convergent culture, technology, and finance industries. Placing these industries and their convergent discourses in conversation with one another is fundamental to understanding and critiquing the logics and narratives of value which justify, organize, and govern platform capitalism.

Methodology

Investor Lore

> *A robust future for the study of media industries does not require dogmatic adherence to a particular tradition or outlook so much as flexibility that matches research questions and research methods and draws from a vast toolkit of techniques for inquiry.* (Lotz, 2015; 20)

Through a critical discourse analysis, informed by corporate rhetoric and communications theories, I heed Lotz’s call to apply new, flexible, mixed methodologies to the new questions begged of our contemporary moment. Adapting Haven’s definition of industry lore: “the conventional knowledge among industry insiders about what kinds of media culture are and are not possible, and what audiences that culture will and will not attract”, I define Netflix’s investor lore for this thesis as: *the emergent discourses among investing actors about what kinds of user experiences are and are not valuable, and which users those experiences will and will not engage*” (Crawford, forthcoming). Expanding and reorienting the idea of industry lore toward discourse, investment, user experience, and value is helpful in the reconceptualization of media value we must undertake today. ‘Investment’ no longer pertains only to finance capital, but also importantly data, attention, information, time, sociality, participation, and “experience.” In platform capitalism –and platform television– users, financiers, executives, journalists, academics, creators, and coders are all *investing actors* shaping new forms and flows of value, capital, data, and content. The idea of media value is thus a complex and multiplicitous matrix of financial, technological, sociocultural, and affective characteristics, produced by and for the aforementioned investing actors and stakeholders. To rethink media value we must ask who *invests* what, when, where, how and why? What is exchanged, risked, or sacrificed in such interactions? How are such flows justified?

Attuned to the conceptual framework and literature review sections previously outlined, the coming chapters employ textual analysis to examine the discursive, rhetorical, and narrative elements of Netflix's investor lore, identifying the narrators, story arcs, figures, themes, and motifs in the crafted drama of Netflix's history. While much has been said of Netflix's disruptive and strategic *practices*, virtually none has considered their *discourses* surrounding and justifying such practices. With this in mind, I critique Netflix's communications as influential and performative utterances of value creation and financialization. In this era of platform capitalism, industry lore must also include the study of the interrelated and essential factors of financialization and convergence as discourses central to media industry operations, both today and into the future. I believe a performative understanding of discourse, alongside a rhetorical critique of corporate communications can help expand the concept and method of industry lore, which increasingly finds itself at the intersection of technology, culture, and finance.

Under my umbrella category of *corporate communications*, I engage a range of primarily investor-facing texts and media such as the Netflix press release archive and company blog, financial reports, investors relations interviews and materials, executive interviews and statements, company websites, popular and trade publications, webcasts, and keynote speeches. This thesis also performs a semi-archival, historical function for some of these corporate materials, as Netflix has erased all its press releases prior to 2015 from its media archive; demonstrating the instability, ephemerality, and importance of documenting such discourses. Throughout my analysis I quote and juxtapose many of these texts at length in order to display, analyze, and excavate the new discourses of value and industry lore they put forth. In examining Netflix's *investor lore*, I hope to expose the discourses, beliefs, and narratives of value held by a range of stakeholders: users, executives, investors, shareholders, venture capitalists, and talent. As critical discourse analysis necessitates, I examine each text's site and date of publication, author(s), key terms, ideological stance, style, and intended audiences in search of answers to these emergent questions of media value. Discourses constitute society and culture, and must be analyzed and interpreted as inherently performative and political (Fairclough & Wodak, 1997; Van Dijk, 2001). Through this methodology I showcase how this range of media sources and texts work to create a *performative discourse:* the network of associations and knowledges reinforcing the convergent and ever-evolving identity of Netflix and the value of its products and services (Lury, 2004).

Performative Discourse

This thesis looks at the industrial discourses of streaming as the production and legitimization of specific knowledges which justify and sustain the new forms and flows of capital, content, and data in our age of convergence. Chris Weedon writes "*Discourse, in Foucault's work, are ways of constituting knowledge, together with the social practices, forms of subjectivity and power relations which inhere in such knowledges and relations between them' " (1987, p. 108).* I believe this understanding of discourse can be productively applied to industrial practices also. Crucial to this use of discourse is the concept of performativity, as Butler writes:

> *"performativity must be understood not as a singular or deliberate 'act,' but, rather, as the reiterative and citational practice by which discourse produces the effects that it names."* (Butler, 1993; 2).

When thinking of performative speech, a declaration, promise, or contract is inherent in the performative utterance: to say *and do* what you say, either simultaneously or in the future (Austin, 1962). As Butler has elaborated, social realities and meanings are brought into being and legitimated through the repetition of promissory, performative acts including and beyond speech. This reifying relationship between speech, text, and action is at the heart of the concept of discourse as a networked body of knowledge, produced and reproduced through its performance. I believe this theoretical understanding of performativity lends itself to media industry studies, as convergence is brought into being not only through industrial practices but also importantly through such discourses which legitimate if not prefigure such practices as *valuable*. This study thus identifies the discourses and rhetoric from Netflix which *perform* the company's convergence of Silicon Valley and Hollywood under finance capitalism. The depth and reach of the company's convergence is directly related to their ability to communicate or project the potentialities of value such convergence will bring about. This is critical as such discourses, if successful, will mobilize investment for growth and expansion, feeding the positive feedback loop of growth at the very heart of capitalism.

I apply these conceptualizations of performativity and discourse to Netflix, aligning them with Anna Tsing notion that "*Successful firms become models for capitalists, stimulating corporate trends, business literatures, state policies, and transnational regulatory environments.*

They guide our ability to imagine the size, spread, and generality of capitalism" (2009, p. 154). Extending this line of thought to media industries, it is critically important to analyze and understand Netflix's corporate strategies and communications as highly influential discourses from its position as the dominant service in the SVOD industry. In an entertainment market where tech and media giants are racing to replicate many aspects of Netflix's on-demand product platform model, this is all the more relevant. Netflix, the industry leader, embodies and expands the spread of platform capitalism through its performative dialectic of language and practice.

Corporate Rhetoric & Communications

With a large portion of my primary sources being corporate communications and industry literature, I integrate critical corporate communication theory into my research. In particular, I will reference Ken Hyland's "Exploring Corporate Rhetoric: Metadiscourse in the CEO's Letter" (1998).

> *"Within the [annual] report, the CEO's letter is widely seen as a promotional genre, designed to construct and convey a corporate image to stockholders, brokers, regulatory agencies, financial media, and the investing public [...] Generally written as a signed personal letter, the document has enormous rhetorical importance in building credibility and imparting confidence, convincing investors that the company is pursuing sound and effective strategies. So, while research suggests that investment decisions are mainly based on financial data [...], the CEO's letter is widely read [...] and its contents are an important means of validating quantitative measures. [...] Thus the letter is a highly rhetorical product that can have a major impact on a firm's competitive position.*" (Hyland, K. 1998, p. 224)

Balancing quantitative and qualitative methods, Hyland's comparative analysis of 137 CEO letters breaks down patterns and strategies of language present in executive communications with stakeholders and interest groups, analyzing linguistic and stylistic appeals to rationality, credibility, and relatability –*logos, ethos, and pathos*– as intersecting modes of persuasion in corporate rhetoric and discourse. Rational appeals (logos) hinge upon the definition and framing of problems, claims, premises, conclusions, and importantly *solutions,* often citing numeric and graphic representations of data as "empirical" sources of evidence. Appeals to credibility (ethos) –necessary for the reader to trust the report's rationale– are built around perceptions of the honesty, conviction, and track record that make up a CEO's character or persona, a highly narrativizing mode of persuasion. Hyland provides this quote, among many, as an appeal to credibility: *"I know from my year as chairman of the Administration Board that* budgeting has been a very delicate operation over the last two years.' (Hong Kong & Shanghai Bank, 1994)*"* (as quoted in Hyland, 1998, p. 236; emphasis added). Lastly, affective or relational appeals (pathos) deal with the hopes and desires of the reader, strategically manipulating perspective and voice to align the reader with the company's vision; painting a portrait of future value. Hyland concludes with a call to apply this methodology to other texts and documents to help consumers and critics of corporate communications to "develop a rhetorical awareness of written managerial persuasion" (Hyland, 1998, p 242). With this in mind I analyze Netflix's CEO letters alongside a range of Netflix's corporate media in which its CEO and other executives and copywriters utilize video interview, specialized websites, social media, blog posts, and other digital tools as intersecting modes of persuasion.

In concert with Hyland, Amanda Lotz's *Building Theories of Creative Industry Managers: Challenges, Perspectives, and Future Directions* (2012)[12] proves relevant to this study, as much of my material comes directly from creative industry executives. In this text Lotz warns media industries researchers not to fall prey to an 'auteurist' view of executives or in other words 'great man histories.' She reminds us to remain critical and take into account systemic and structural factors within creative production regarding hierarchies of labour, class, gender, race, ethnicity, sexuality and age. Keeping this in mind, I would however argue that it can be productive to conceptualize the figure of the executive *as* an auteur or star –a "CEauteur", if you'll pardon the pun. They are figureheads, interfaces, and narrators of the company's lore.[13] The chief officer titles: executive (CEO), content (CCO), financial (CFO), product (CPO), technology (CTO), talent (CTO), or marketing (CMO), showcases the division of responsibilities on the executive board, each of which performs their own discursive, often narrative, function. In the volatile world of finance, the reputation of such executives, and thus their persona, rhetoric, and communications, can have vast financial consequences and repercussions[14]. Understanding

[12]For more on management culture in media industries, see *Making Media Work* (Johnson, 2012).
[13] Notably, the prologue to Keating's *Netflixed* (2012) reads as a dramatic star study of Netflix co-founders Hastings and Randolph, a decidedly auterist account of these entrepreneurs in 1990s Silicon Valley.
[14] One needs to look no further than Elon Musk's recent $20 million fine from the SEC (US Securities and Exchange Commission) for a joking tweet which was received as market manipulation. Financial analysts and business magnates can also carry importantly performative and discursive influence in the world of finance, from Jim Cramer to Warren Buffet.

executives, journalists, financiers, and researchers as narrators works to highlight each of their discursive roles in the production and performance of investor lore.

Many recent media industry texts regarding Netflix and internet television highlight specific moments as critical junctures for the industry, from key policy changes to promotional campaigns, technological innovations, and market expansions[15]. This thesis seeks to bring a new, discursive angle to analyzing these moments while also identifying new ones. My work will also show how Netflix's communications are tied to the rhythms and cycles of the financial calendar, with announcements, articles, and interviews spiking after each financial quarter and the subsequent earnings reports, shareholder letters, and so on. From Netflix's press release archives, to their tech blog, to their investor relations Youtube channel, the sheer volume of corporate communications content signals the challenging, yet necessary analysis of the company's evolution and corresponding discursive practice. Heeding calls for analysis of corporate and industrial communications, this cross section of Netflix's discursive strategies will apply these insights into the company's multi-sited communications effort.

[15] See Burroughs, 2018; Curtin, Holt & Sanson, 2013; Lotz, 2014; 2018; Jenner, 2018; Tryon, 2015; Wayne, 2017

Prelude: Some For(e)ward-Looking Statements

> *"This document contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding our outlook concerning the development of internet TV and the decline of linear TV; the scope, timing and players involved in this transformation to internet TV; our approach to being an internet TV network, including improvements to our service features and content licensing, development and financing; content, marketing and technology and development spending; the impact of competition; our relationship with ISPs; strategy for China; international growth, localization of our service; our margin structure, including US and global contribution margins; subscriber growth; revenue, operating profit and cash flow; and government relations." (netflixinvestor.com, 2019)*

Building upon Benjamin Burrough's concept of *streaming lore* and Chuck Tryon's examination of Netflix's promises of prestige, plenitude, participation, and personalization, the following chapters expand and deepen an analysis of Netflix's performative corporate discourses through my concept of investor lore. My analysis section divides the history of the company into three chapters which examine the dominant discourses of the three "seasons" of Netflix's story so far: 1) DVD-rental-by-mail (1997-2006), 2) the emergence of streaming (2007-2011), and 3) original programming and global expansion (2011-present). This structure allows for a narrative analysis of the dramatic arc of the company lore over the last 21 years. Employing textual analysis, I excavate a sort of bildungsroman of Netflix's corporate autobiography to examine the company's projection of value creation through its performative discourse. These seasons are sutured together by the continuity of Netflix's brand identity as a provider of the best, most convenient home entertainment experience, but are distinguished by the "disruptions" of streaming, original production, and global expansion.

Evident throughout this narrative is the solutionist ideology of Silicon Valley which discursively frames or manufactures a "problem" which can be conveniently "solved" by a tech product or service, embodying the neoliberal logic of market creation as a means to mobilize value and capital, in hopes of profit. In this case study, I exemplify how Netflix began by "solving" the myriad problems of Blockbuster, and has gone on "conquer" the inconveniences of television's linear scheduling, ads, and apparently even borders. In doing so, I highlight and analyse the performative nature of these solutionist discourses as poignant and important examples of the new language of the growing streaming industry, representative of the logic of platform capitalism more generally.

I analyze how Netflix has communicated value over time through discourses of superior user convenience and experience. User *convenience*, pertaining to its non-linear, subscription based, ad free distribution models; and user *experience* as the flexible, personalized, enjoyable, and meaningful practices of "engaging" and "participating": browsing, viewing, rating, discussing, and debating. These discourses are perpetuated by the image of the user seamlessly enjoying (frictionlessly consuming) a library of increasingly 'original' Netflix content on "any internet connected device" (Netflix, 2019). This motif, and brand of Netflix as *the provider of the most convenient and enjoyable experience of television and film consumption* crucially reframes practices of viewing as designed *user* experiences: products of technology.

The new interrelations between the investing audiences of users, financiers, and talent (labour) constitute an emergent investor lore and discourse between tech, culture, and finance industries about how technology is changing how film and television are produced, distributed, consumed, and *valued*. While the focus of this thesis is SVOD, this user-investor-labour nexus is the central pillar of platform capitalism and its discursive production of value. By this I mean that investors and workers are now not only financiers and producers but also users in varying capacities within increasingly convergent industries. In turn, users are also investors, financiers, audience members, producers, and labourers, investing time, attention, data, energy, information, infrastructure, capital, and sociality into the mechanisms of the platform, all-the-while generating more and more data, if not content itself.

The coming chapters thus map how Netflix has rhetorically framed its evolution as the platform best positioned to extract value through "disruption" (convergence + financialization). In what follows I show how Netflix's discourses have mobilized masses of financial capital and brand power over the years. In analyzing the projection and leveraging of Netflix's brand as a global leader in both technological innovation *and now* storytelling, this thesis examines how television and film content are increasingly reframed, reimagined, and *revalued* in platform capitalism. Despite the vast changes brought forth by the convergent SVOD industry, Netflix's promissory theme of superior content provision has remained the bedrock of its brand from the outset. I view this as a call to examine how such narratives of *user convenience* and *experience* have been mobilized, manipulated, and redefined over the years in Netflix's investor lore. In what follows I draw heavily upon Netflix's press release archive, investor relations materials, financial documents, and executive interviews to support my arguments; placing Netflix's own language in the foreground. Formally, I quote many passages at length from such sources to break down Netflix's rhetorical strategies of persuasion, and the work they perform in making new forms and flows of (media) value in platform capitalism.

Season 1: The Dawn of DVD *(1997-2007)*

Episode 1 : The Original Netflix

In search of an origin story for the idea of Netflix –a discursive narrative all successful and especially "disruptive" companies, founders, and CEOs must have at the ready– three different, slightly interrelated tales emerge:

> *"The genesis of Netflix came in 1997 when I got this late fee, about $40, for Apollo 13. I remember the fee because I was embarrassed about it. That was back in the VHS days, and it got me thinking that there's a big market out there. So I started to investigate the idea of how to create a movie-rental business by mail. I didn't know about DVDs, and then a friend of mine told me they were coming. I ran out to Tower Records in Santa Cruz, Calif., and mailed CDs to myself, just a disc in an envelope. It was a long 24 hours until the mail arrived back at my house, and I ripped them open and they were all in great shape. That was the big excitement point."*
> -Reed Hastings, (from Abkowitz, 2009)
>
> *"While Reed was driving to the gym and pondering his [Apollo 13] predicament he realized the gym had the perfect business model for watching movies. Gym members pay a flat fee for unlimited use no matter how often they work out— why couldn't movie watchers just pay a flat fee regardless of how many movies they watched? And thus, Netflix was born."* (Morgan, 2016)
>
> "*Hastings began telling the Apollo 13 tale give a sexy explanation for how Netflix worked. There was no late fee, no aha moment, just long commutes in Silicon Valley that the pair spent plotting their next venture around the time that Hastings's first business, Pure Software, merged with Atria, where Randolph worked, and sold to another company*."
> -Marc Randolph, Founding CEO of Netflix (as quoted in Rodriguez, 2017)

I include these stories of Netflix's origins, as they are expositional, –albeit subjective– "establishing shots" of sorts, introducing the lead characters and narrators, the context of the scene, and the inciting incident which catalyzes the protagonist's journey. Hastings positions himself in these stories as an average guy, a movie-lover, and a frustrated consumer with a clever, entrepreneurial spirit, fuming over a $40 late fee on his way to the gym and finding a way to solve it through new technologies or alternative business models from other industries. This is a distilled example of the disruptive lore Hastings, and by extension Netflix, frequently puts forth. These brief scenes perform a rhetorical, often retroactive, branding function, offering a sense of identity to the company and positioning the founder / CEO as the figurehead and discursive interface of the brand (Lury, 2004). These reflective quotes from Hastings frame Netflix's origins as a tech based solution to an inconvenient problem, through new models of distribution and a restructuring of the movie rental process, which would save time and money for the user while providing a superior service. Notably the stories diverge from the first, focusing on distribution, and the second, focusing upon the subscription model (which was introduced in 1999). Randolph's quote however, unromanticizes and counterbalances Hasting's accounts, further exemplifying the narratorial role of the CEO, mobilizing the credibility of this title to emphasize and strengthen different aspects of the company in different contexts. After all can we really be surprised? The very basis of the Netflix brand has always been to find and deliver the perfect story at the perfect time to a perfect audience.

> *" 'NetFlix.com has shown itself to be an innovator by taking advantage of the 'mail-ability' of DVD to launch an online DVD rental business that was never possible with VHS,' said Tom Adams, President, Adams Media Research. Now, with its 'no due date' Marquee program, the company has the potential to revolutionize the DVD rental market that we estimate will grow explosively to over $1 billion by 2002."* (Netflix, 1999).

> *"Reed Hastings [...] saw a way to combine Americans' love of movies with their love of not getting off the sofa even to go to the video store"* (Sauer, 2005).

These stories exemplify the production of the Netflix brand, and the persisting value of the company's Silicon Valley roots. Since its inception, user-convenience remains a central theme within Netflix's discourse of disrupting movie-rental distribution and home entertainment. Through the feat of logistics management, the company capitalized upon the existing infrastructure of the US mail service, the arrival of DVD technology, and the growing presence of home computers to take on: the *inconveniences* of late fees, the multiple trips to the movie store, perusing of the aisles, the possibility of your desired film being already rented out by an earlier bird, and so on.

> "*The ordering process had to be easy; it could not take more steps to choose a DVD online than to pick up a movie from a store and return it. Randolph was acutely aware of the importance of engaging consumers' emotions, and he wanted the site to be a personal experience, as if each customer opened the door to find an online video store created just for him or her.*" (Keating, 2012; 51/2)

Conceptualized as a hybridization of Amazon and Blockbuster, the founders wanted to provide explicitly online, direct-to-consumer experience (Keating, 2012). As mentioned above: *easy, engaging, and personal*. This quote outlines the centrality of user convenience and experience in the very conception of Netflix and its disruptive model. Keating's history of Netflix outlines the joint expertise of Hasting's background in computer science and Randolph's marketing experience, working with a small team of programmers and marketers to design a user-friendly experience (Keating, 2012). It is hard to imagine that Netflix could have emerged out of anywhere but Silicon Valley in the mid to late 1990s. This is no mistake. The company capitalized upon and actively supported the growth of DVD technologies and home computing/internet technologies in the media ecosystem of the late 1990s. NetFlix.com –in a moment when ".com" carried an unparalleled aura of value– performatively branded itself as a disruptive, cutting edge company providing a superior movie-rental service through these emerging technologies.

Netflix has always been a proponent of media convergence from the outset, collaborating with numerous tech and entertainment companies such as Toshiba, HP, and 20th Century Fox. This strategy sought to encourage the convergence of these industries and the growth of DVD within the media ecosystem of the day. Indeed the growth of DVD could not have been more central to the Netflix project, as the mailability of movies in disc format was *the* critical logistic factor in the company's disruption of the Blockbuster rental model. The following press releases evidence some of the company's earliest investor lore, projecting (to) a market of tech-savvy users with home computers who were also likely to be early adopters of DVD, a technology barely three years old in 1998.

> "'SCOTTS VALLEY, Calif., -- *NetFlix.com is delighted to partner with Toshiba and further increase momentum for DVD rentals'* said Netflix president and CEO Marc B. Randolph. *'Now every purchaser of a Toshiba DVD player can take advantage of the world's largest collection of DVDs, all of which are available for rent or for sale at Netflix.*' "
> (Netflix, 1998a)

> *"'SCOTTS VALLEY, Calif., (August 11, 1998) [...] NetFlix.com is pleased to welcome Twentieth Century Fox to the fast-growing ranks of Open DVD supporters,' said Netflix president and CEO Marc B. Randolph. 'We are proud to add Twentieth Century Fox's DVD titles to the world's largest collection of DVDs, all of which are available for rent or for sale at Netflix.'"* (Netflix, 1998b)

The nearly identical copywriting of these Toshiba and Twentieth Century Fox statements from then CEO Randolph signals a precise discursive strategy, almost a catch phrase, emphasizing and framing the importance of both tech and entertainment companies as fellow "collaborators" in bringing forth the value of digital convergence to the user, but also to these industries. Here the company positions itself as a collaborator and champion of the convenience and experience enabled through DVD as a convergent medium of tech and entertainment. Early iterations of Netflix's promissory discourses of plentitude and participation are evident here, boasting a broad selection of titles accessed "interactively" through the growing medium of the internet.

> *"PALO ALTO, Calif., June 30, 1998 -- Hewlett-Packard Company today announced a promotion whereby purchasers of HP Pavilion PCs with DVD-ROM drives can rent three DVDs for free. The promotion is co-sponsored by Netflix (www.netflix.com). HP Pavilion PC customers can rent the DVD movies of their choice from the Netflix inventory of more than 1,400 DVD films. Current owners of HP Pavilion PCs with DVD-ROM drives also are eligible to participate in the promotion. 'This promotion enables us to help HP Pavilion PC owners experience DVD to the fullest,' said Chris Pedersen, worldwide brand manager for HP's Home Products Division. 'By providing our customers with simple and convenient access to DVD movies, we are helping them discover what this exciting new medium has to offer.' "* (Netflix, 1998c)

This statement from Netflix, quoting an HP executive, further indicates the collaboration Netflix sought to harness with top computing companies to help spread the gospel of DVD, as well as the potential of the computer screen as a new site for film and television viewing. As Marieke Jenner writes about television as a convergence medium, where VCRs, game consoles, and DVDs altered the uses of that screen, this introduction of the dvd-capable personal computer signals a deeper, more multiplicitous level of convergence. At this point in time, for the first time, a user could order a DVD from Netflix and watch it on the same device, foreshadowing the transition to streaming which further collapses browsing, selection, and viewing into an instantaneous process, located within the same window of a web page or application on a single device. In relation to Chuck Tryon's idea that digital lore emerges in times of transition, we can see how Netflix's early discourses seek to capitalize on the media hype and buzz of both home computing and DVD as new digital formats which could revolutionize the home entertainment industry, inserting itself as a key player in the emerging markets brought forth by convergence. This aspect of the Netflix brand has remained constant throughout its history, abiding by and contributing to the Silicon Valley ideology and discourse that constant, never-ceasing technological innovation will inspire and sustain consumption and *use*. Here the age old growth logic of capitalism, simply re-branded as "innovation", is made more palatable by the alternative and multiplicitous forms of "value" it generates for users. Convenience, efficiency, "free"-time, enjoyment, and quality experience, all justify and legitimize innovation beyond or in spite of market-creating and value-generating motives. As seasons two and three will also show, Netflix's investor lore has always hinged upon such ideologies of innovation, applied first to distributing stories, and now to producing them. The setting of the company's investor lore is thus one of a world in constant transition, which is constantly braved by the savvy, risk-taking protagonist, challenging the unknown and turning it into progress.

> *"About NetFlix: NetFlix is a personalized movie portal where people go to find the movies they would most love. Unique to NetFlix is Cinematch - a technology which compares an individual's movie tastes with those of other like-minded NetFlix visitors and makes highly personalized recommendations. NetFlix currently specializes in DVD movies and offers a revolutionary Unlimited Movie Rental program for $19.95 per month. NetFlix has raised over $50m in venture capital, ships over 100,000 movies per week, and has partnerships with the leading DVD player manufacturers including Sony, Toshiba, Panasonic, RCA/Thomson, and others."* (Netflix, 2000)

The above "about" section from an early 2000 press release exemplifies Netflix's self-positioning and branding as a collaborative, cutting edge, convergent company. The statement also emphasizes its new personalization software, alongside the scale of its operations and funding. This succinct summary is a rhetorical message for readers as potential investors, signalling the company's aggressive growth strategy, faith in the expansion of DVD, and technological superiority. Notably, these "about sections", which conclude every press release, have always been updated regularly, providing distilled, rhetorical snapshots of the company's discursive emphasis of that time. Highlighting new tech features as well as boasting about ever increasing numbers of subscribers and available titles, the constant updating of these definitions work to frame Netflix as a dynamic, innovative, ever growing, and thus investment-worthy, company. Once more rhetorical promises of plentitude, personalization, and participation in this 'About Netflix' statement signal the importance and ability to attract the investment of users and in turn investors in pre-public offering rounds of funding. This was true in the early days of Netflix, and remains so today, as users provide revenue and data, and investors provide financial capital in good faith that it will help improve and expand the company's service to attract more users, and thus more revenue and data, and so on. From the outset, these press releases and their *about* sections showcase Netflix's early investor lore as a discourse which projected the myriad potentialities of value this company offered in the late nineties. As a privately owned start-up, the communication of such potential, as well as the citation of a considerable sum of funding, is a rhetorical call for more investment, angling toward a public offering and thus eventual returns on investment. During these early years such discourses were crucial to scaling rounds of venture capital. Indeed just two months after the above statement, Netflix raised $50 million in a series E funding round, matching the combined total of the three previous years (Crunchbase, 2018).

Episode 2 : A Public Offering

In 2002, Netflix announced its initial public offering, doubled the revenue of the previous year, and boasted $15M in positive free cash flow. These were the first steps toward “making good” on its promises made to investors by proving the value of its model (Netflix, 2002). Going public importantly brought with it important new forms, genres, and volumes of investor lore from Netflix in the form of quarterly and annual reports, as well as other investor relations materials. This first ever Netflix 10-K filing features a cover page image of a couple cast in the warm glow of the tv, relaxing on the couch, remote in hand, with opened Netflix dvd envelopes prominently displayed on the coffee table also hosting bowl of popcorn.

Figure 4. The cover page of Netflix’s first ever shareholder annual report and 10-K filing in 2002.

This idealized, if not cliche, image of a “movie night in” yet again solidifies the centrality of user convenience and experience in Netflix’s investor lore, signalling that the decades old practice of film viewing at home now carries new potentialities of value for the consumer and therefore the investor through the emergent DVD market and Netflix's disruptive distribution/rental model. The next page features the stylized brand logo of the company's name and a brief description set against a bold red background. This is importantly followed by the first ever shareholder letter from CEO Reed Hastings, highlighting the company's performance, business model, potential value, and strategy for the future.

> *"Fellow Shareholders. I'm pleased to report to you that 2002 was a truly remarkable year for Netflix. In this, our first year as a public company, we met or exceeded all of the financial and operational goals we had set for ourselves 12 months earlier. During a time of continuing uncertainty in the technology and financial markets, we were one of only eight technology companies to successfully complete an initial public offering in 2002. And in each of our three subsequent reporting periods as a public company, we outperformed investor expectations for key financial metrics, including revenues, expenses, EBITDA, and free cash flow. [...]"*
> -CEO Reed Hastings (Netflix Annual Report, 2002)

Alluding to the plummeting of tech stocks in the dot com crash, Hastings boldly positions Netflix as a truly exceptional technology company, thriving and expanding in such uncertain times and unstable markets. The letter outlines how Netflix's business model has led them to brand dominance in the emergent DVD rental market, focusing on Netflix's proprietary personalization software in the section "merchandising magic", and the Netflix consumer experience in the following section "entertainment: convenience, selection, and value". Highlighting the increased adoption DVD and home computing, Hastings argued and assumed that as these media ecosystems continued to grow, so too would Netflix.

After an optimistic sign off preaching the potential (growth) of the coming year, Hastings includes the following postscript message, seemingly as a reward to whoever the reader may be for reading:

> "*P.S. If you're not already a Netflix subscriber and would like to try out our service at no obligation, I would like to personally invite you to take advantage of a free, extended-trial offer at netflix.com. Simply type in 60177346 in the promotional code field, and enjoy Netflix for free, with my compliments."* -CEO Reed Hastings (Netflix Annual Report, 2002)

While free trials were far from new at the time, this particular example foreshadows in some ways the now ubiquitous freemium model of platforms, in which a digital service or product is provided for free, either indefinitely or for a given period of time, in efforts to promote a premium service or product which is for sale or subscription. Here we can see from the outset the importance of subscriber growth, and the value this brings to the company in terms of potential subscription fees, but also consumer trends and word of mouth publicity, even if the user doesn't end up subscribing after the trial. In many ways, Netflix still operates upon such a logic, balancing free trials, tiered quality subscription plans, and varying cost structures to optimize the complex ratios of revenue, usage, and data which feed the machine of the platform.

Subsequent annual reports maintain and reinforce the discursive themes of Netflix's early investor lore, emphasizing scaled growth in terms of revenue, subscriber base, and library size. This projected confidence in the continued expansion of dvd and internet ecosystems and importantly the company's logistical capability to manage their combination of these two media technologies. The 2003 report features informational paragraphs with titles such as titles "the intelligence behind the brand", "our customers tell the story", "our numbers are growing", and "rich content, more choices" found on every other page, signposting an overarching narrative of superior user convenience, experience, and value reinforced by relevant quotes from users:

> " '*In my opinion, this is a truly great program. It has everything: gigantic selection, ease of use, shipping timeliness, and low cost. I recommend it to all my friends.'*
> *C.S., Warwick, RI."* (Netflix, 2003, 6).

> " '*Netflix knows me better than I know myself. It picks movies for me that I never would have chosen, and I've loved almost every one of them.*' C.B., Fairfeild, CA."
> (Netflix, 2003, 8).

These quotes seem nearly too good to be true, performing the important rhetorical function for the reader to affirm, repeat, and reinforce the brand messaging, business model, and strategy of Netflix in layman's terms of value. Touting the user experience of the service, website, catalogue, logistic prowess, and proprietary recommendation software, each of these are framed as forms of user value which, in the context of an annual report and 10-K filing, speak to the potential financialization of the user and their experience of Netflix. Indeed Hastings signs off his letter to investors by thanking "shareholders and happy customers alike" for their encouragement and support in making 2003 a great year for the company, positioning both the financiers and users as privileged early investors (Netflix, 2003; 9).

The above quotes come from anonymous users outside Providence and San Francisco, with other similar comments coming from Naperville (suburban Chicago) and Pearland (suburban Houston), citing proximity to major metropolitan areas, but importantly projecting an image of an idealized, suburban, middle class user (not far off from how Hastings frames himself in Netflix's origin stories). The motif of the mailbox throughout the reports of these early years also reinforces this message, often showcasing collaged arrays of mailboxes alongside a similar collage of faces; the message being as unique as you and your mailbox may be, Netflix has everything for you (see figure 5).

Figure 5. Full size pages from Netflix's 2005 Annual Report. (Netflix, 2005, 5; 12).

Episode 3: Blue's Got Mail

Among the reports from the dvd era of Netflix, 2004 stands out as an important one for a few reasons. As Gina Keating has outlined in her vividly detailed and dramatic corporate history of Netflix, this year marked the entrance of Blockbuster and Wal-Mart into the dvd-rental-by-mail market, alongside an impending threat from Amazon to do the same (2012). Here the risk posed by Blockbuster and Wal-mart, and the buzz of Amazon entering the market sent the Netflix stock into a volatile tailspin, crashing from a first quarter high of $39.77 to a fourth quarter low of $9.25 (Netflix, 2004). In the arc of Netflix's narrative, this would be the inciting incident of the first act; igniting the drama of competition inherent in the market.

Responding to such a crisis required, more than ever, new lore from Netflix; an aggressive discourse of confidence and reassurance for all stakeholders: users, financiers, employees, and executives. The key messages which emerged from this crisis were first, that Netflix remained the dominant leader in "*the marketplace we invented ... providing the best online entertainment experience"* (Netflix, 2004, 3), and second, that the entrance of these competitors would instigate a positive feedback loop of market growth and consumer awareness *of* this new market which would translate into more overall subscribers.

Blockbuster Online's aggressive entry into the market also instigated a price war, coming in at $19.99/month for three DVD rentals at a time, two dollars below Netflix's $21.99 price point, from which Netflix dropped to $17.99, and Blockbuster to $17.49 (Keating, 2012). Despite maintaining a user base of nearly 3 million by the end of 2004, Netflix was forced to alter its pricing model yet again in fear of losing subscribers.

> *"2004 was also a year in which we demonstrated our willingness to make hard choices – including lowering prices and deferring profitability – to protect our market leadership. We believe market share leadership is key to long-term category leadership [...]. Our superior product, brand strength, and deep operational experience give us what we believe are the highest gross margin and the lowest operating costs in our business [...] attributes that strengthen our confidence in our ability to prevail over the competition."*
> -CEO Reed Hastings (2004, Netflix, 9).

While this rhetoric is perhaps a positive framing of a potentially existential threat, implicit in Hastings' use of the term "market leadership" are also the shifting logics and temporalities of value brought forth by platform capitalism, as maintaining a less profitable but growing market share of users was argued to be strategically advantageous and valuable in the long run. This signals the important and complex reworking of media value in the age of convergence. As video rental migrated to the internet, it brought with it new forms of user engagement through profiles, ratings, and social networking, each of which generated new forms of user data central to Netflix's operations, from macro scale logistical management to its promise of personalization. This design of such proprietary technologies and infrastructures for new flows of media mobilized not only new circulations of data, content, and capital, but also a new language through which to communicate the value of such properties and practices.

This new language of value was heightened in the 2004 annual report amid the challenges and uncertainty brought forth by competition and the subsequent volatility of the company's stock, as Netflix sought to reassure investors of its superiority and resilience.

Framing their technological prowess as both a competitive advantage and differentiator from the competition was imperative to this annual report, and Netflix's plans for the future. In the face of uncertainty, the message communicated in this report was that Netflix had the information, *the data*, to weather the storm and continue to grow.

Headers on the pages of Hastings' letter boasted the scale of Netflix's operations: "3 million subscribers", "35,000 titles", and "525 million ratings", overwhelming the reader with such statistics, and subsequently reassuring them that the company's categorization, recommendation, and logistical technologies and infrastructures would seamlessly guide and deliver users through the vast sea of content it had collected (Netflix 2004; 1; 6; 4). Alternating graphic pages featured photoshopped film stills of Mike Myers' Austin Powers, E.T., and Frankenstein posed with the iconic red Netflix envelopes, accompanied by footers which also boasted the intricacy of Netflix's user data in the form of fun facts:

> *Mike Myers is Austin Powers in Goldmember. Other Austin Powers movies available through Netflix*: International Man of Mystery *and* The Spy Who Shagged Me*. Netflix carries 18 other Mike Myers titles and more than 50 other titles from the Saturday Night Live Alumni.* (Netflix, 2004, 4).
>
> *E.T. the Extra-Terrestrial is the fourth highest grossing film of all time, with $453 million in theatrical revenue. The other top five films are also all available through Netflix: Titanic (1), Star Wars Episode IV (2), Shrek 2 (3), and Star Wars Episode I (5). But Netflix's top renting title, Mystic River, only grossed $90 million in U.S. theatrical revenue.*
> (Netflix, 2004, 8).

These data, supported by playful graphics, furthermore showcase the efficiency of the Netflix platform to gather and process data at scale, turning these patterns of user behaviour into added value for the user. 'Unlimited' user choice, convenience, personalized recommendations, social networking, and social capital signalled potential growth and thus future value for the investor should they stay the course. As pointed out in *Distribution Revolution* and Burroughs' *TV Got Better,* industry lore surfaces particularly in times of uncertainty and transition. The challenges of 2004 brought forth an increased attention to the *value* of data in concert with Netflix's proprietary recommendation software and logistical infrastructures. This emphasis was specifically counterpointed to the brick-and-mortar store model of Blockbuster, and in fear of a platform with eerily similar advantages: Amazon.

Expanding this emphasis upon the value of data and innovation, another notable discourse –or plot point– was foreshadowed in the 2004 report: the "internet delivery of movies" from the Netflix website itself. Prefiguring the now ubiquitous metaphor of "streaming", Hastings stated in his letter a hopeful belief in the market potential of this new mode of distribution, with his company positioned as a Silicon Valley tech firm with three million relatively tech-savvy, online users, familiar with their website interface (Netflix, 2004, 10). While relatively reserved, the foreshadowing of "internet delivery" once more signals the solutionist ideology of the tech industry and Netflix's lore, in which the problem of increasing competition would be solved through innovation.

Subsequent annual reports elaborated further upon Netflix's "alternative video delivery" plans, using the language of "downloading" in 2005 and then "instant delivery" in 2006:

> *"We are absolutely focused on positioning Netflix to lead this market. It's important to remember that downloading is just another way to deliver content, an alternative to the mail, or the local video store, or to cable, or to satellite delivery. The winners in downloading will be the companies that provide the best content and the best consumer experience, and that's what we do best. With millions of online subscribers addicted to the Netflix Website, we will have both a mass audience and the most compelling consumer experience in the market, which will give us critical advantages as we begin to offer downloading as a second delivery option."*
>
> -CEO Reed Hastings (Netflix 2005 Annual Report, 8; original emphasis)

> *"[...] there is a growing array of services offering Internet delivery of movies, [...] our strategy for achieving online movie rental leadership is to continue to aggressively grow our DVD subscription business and to transition these subscribers to Internet video delivery as part of their Netflix subscription offering. To begin that transition, in January 2007 we introduced our "instant viewing" feature that enables subscribers to watch movies on their PCs."*
>
> -CEO Reed Hastings (Netflix 2006 Annual Report, 3)

Atop the threat posed by Blockbuster's aggressively advertised online subscription service, 2006 brought with it the entrance of Amazon and Apple's iTunes store as competitors in the new realm of movie download rentals, referenced but not named at the beginning of the second quote above. Within this context Hastings emphasizes both the scale and experience of Netflix's user base as competitive advantages in the increasingly competitive movie rental landscape. Netflix's dominant discourses of user convenience and experience are clearly displayed here in both quotes, by explaining the *value* Netflix's experience of downloading and instant viewing (streaming) will bring to the user, contrary to the experience of their competitor's services. The industrial race this signals, as stated above, was a complex and convergent challenge of securing a broad catalogue of content and finding/creating the best mode of delivery: digital and on-demand. The beginnings of this “transition” is a marked moment in Netflix’s story; the precipice of a large-scale shift in this media ecosystem toward the digital infrastructures of the internet –home computing, faster broadband, more efficient file compression– and away from the logistical infrastructures of DVD –distribution centers, roads, postal services, physical discs of media. The rising action of season one came in the forms of increasing competition in the DVD and internet delivery markets, heightening the risk and uncertainty of survival, and sparking a race into unknown territory. In the words of the chief executive narrator himself “[...] DVD is not a hundred-year format, people wonder what will Netflix’s second act be” (Hastings, quoted in Helft, 2007).

Season 2: Hope* Streams *Eternal (2007-2011)

Episode 1: Screen Pastures

> "*Each year since we invented online DVD rental in 1999, Netflix has focused on understanding the preferences of our subscribers and on improving the customer experience. And each year the result has been rapid growth in subscribers, revenue and — since we went public in 2002 — earnings [...]. Our leadership in online DVD rental provides a powerful platform upon which to build leadership in Internet delivery of video rental. As with any innovation, it will take some time for Internet delivery to emerge as a significant business. With limited content available for Internet delivery for the foreseeable future, we believe our ability to offer our large and growing subscriber base a full range of rental content at one low cost, delivered either by mail or streamed over the Internet, gives us a great advantage over any stand-alone Internet delivery service."*
>
> -CEO Reed Hastings (Netflix 2007 Annual Report, 2)

The line "we invented online DVD rental" in the Hastings quote above emerged as a motif in Netflix's lore during this period, projecting the company as an innovative market *creator*. Appealing to credibility, this language showcases Netflix's self-positioning as experts with the experience to lead and "innovate" the online future of film and television home entertainment. It is precisely at this time that the key terms *platform* and *streaming* entered into the parlance of Netflix's investor lore for the first time. Notably the metaphor of the "stream" had only been used to characterize revenue or mainstream popularity of a cultural or technological product prior to 2007 in Netflix's investor relations materials. The expansion of this metaphor to include a new content delivery protocol speaks to the convergence of Netflix, and platform capitalism more generally, not only in relation to industrial practice but also importantly to language and its new multiplicities, mobilizations, and monetizations of meaning and metaphor. Conceptualizing and communicating the value of internet delivery to Netflix's user "preferences" and "experiences," the introduction of these terms in relation to Netflix's long term vision performatively projected the shift to digital delivery as both an innovation and an inevitable future of which Netflix would lead. Acknowledging the time such innovation takes for widespread adoption and profitability, Hastings reassures the reader that their dual offering of DVD and streaming is an advantage (synonymous with potentiality of value) in both the near and far terms, again for both users *and thus* investors.

Fluctuating temporalities of financial value –such as new investment, risk, debt, growth, and returns– were brought forth by the new temporalities of user value, convenience and experience which the *instantaneity* of streaming provided. Removing even the trip from the computer to the mailbox, the collapse of Netflix's browsing interface into a viewing interface. The "watch instantly" tab signalled Netflix's adaptation within these specific technological and economic landscapes and the emergence of another complex and convergent media ecosystem: streaming. Since the introduction of the now technologically and culturally ubiquitous term *streaming* in Netflix's 2007 annual report, the company has in many ways "made good" on their performative promises about streaming, through their platform model. In retrospect we can now see how strategic the shift to streaming was for the company's capability to mine behavioural user data regarding watching habits and taste formation, yet the language surrounding data is notably vague within Netflix's investor communications during this transition, especially in the early years of streaming. This may not be surprising to us now, but it is nonetheless still important to examine the rhetorical foci of Netflix's investor lore at this time to examine how the transition to streaming was and continues to be communicated, justified, and sustained as a valuable industrial practice now ubiquitous in media industries.

Gina Keating's *Netflixed: The Battle For America's Eyeballs* describes the era in which Netflix introduced streaming (2006/7) as "High Noon".[16] Threats came from multiple sides, with Blockbuster's integrated in-store/online offering directly leaching subscriber growth from Netflix, as well as studio supported download-to-own models from Amazon, iTunes, and Wal-Mart, and lastly RedBox kiosks, all attempting to capture a percentage of the film and television rental market (2012). Such competition from alternative DVD and digital video delivery put pressure on Netflix's discursive promises of value and superiority, as the company's subscriber growth and stock value fell in tandem (Keating, 2012; Netflix, 2007). Reiterating that online DVD rental was indeed *their invention,* Netflix consistently sought to reassure investors of its leadership and competitive advantage as an innovator. Streaming thus represented a future market which Netflix would invent and dominate once more. However, at the height of this "standoff", Netflix was seriously hemorrhaging subscribers –and thus revenue and shareholder earnings– to Blockbuster's in-store and online coupling: Blockbuster Total Access[17]. In a massive stroke of luck for Netflix however, the falling out between Blockbuster CEO John Antioco (who led the Total Access charge) and finance magnate and majority shareholder Carl Icahn, led to Antioco leaving Blockbuster. Antioco was replaced by Jim Keyes –a firm believer in brick-and-mortar

[16]For more on the story of the Netflix - Blockbuster competition, see Chapter 12 *High Noon* of Keating's *Netflixed: The Battle for America's Eyeballs (2012).*

[17] *Blockbuster Total Access* was the company's strategic bundling of in-store dvd rental and dvd-by-mail in a subscription package with no late fees.

retail– who, in Keating's telling, ran Total Access and eventually the company in its entirety, into the ground, precisely as Netflix migrated online (Keating, 2012). With the breathing room this good fortune allowed, Netflix began to return to its previous rates of growth and market dominance, focusing upon expanding the reach of their platform beyond the screen of the computer monitor to the TV.

During the week of Monday January 15th, 2007 Netflix launched its streaming feature. At this time Hastings deflected questions about competition from Blockbuster to foreshadow his vision of the coming entertainment platform wars from the likes of YouTube and gaming:

> *" 'I worry mostly about the competition for time – user-generated videos, online games,' Hastings said, adding that for now the live service is not expected to add to Netflix revenues. 'We've held our own on rentals, we'll nail this too.' This will eventually include 'a user model, an economic model and a membership model, growing film selection and screen selection. ... We'd love to have this on cellphone screens, computer screens and televisions connected to the Internet.' "*
>
> -CEO Reed Hastings, (quoted in Hardy, January 16, 2007)

The growth of streaming brought with it challenges similar to the company's early years: fostering the adoption of new technologies and securing content to deliver. However, this time around the company had the massive backing of millions of subscribers and investors, and importantly the revenue streams that came with them. Harkening back to Netflix's DVD ecosystem growth strategy from the late 90s and early 00s, the transition to streaming employed similar underlying strategies but with the profound shift from fostering a new physical media format (DVD) to an increasingly digital and computational entertainment landscape. Since the beginnings of Netflix's lore of internet delivery, Hastings made clear his desire to get streaming from the PC to the TV and beyond, as the quote above signals. Supporting and capitalizing upon developments in broadband internet speed and the growing ubiquity of home computing, Netflix –at heart a tech company– sought to broadly expand the convenience and user experience they provided through partnering again with major tech companies and entertainment conglomerates. The project this time being to get Netflix's platform infrastructure onto as many devices and screens as possible, beginning with the computer, and moving quickly to the television and its appendages: the dvd player, the game console, set-top boxes, and digital video recorders (DVRs).

The narrative of value projected here was again one of the mutual benefits of convergence, as these consumer electronics *and* content companies were in the business of getting their respective TV compatible hardware devices or cultural products into people's homes. Netflix offered its services to streamline such objectives. The story Netflix told was that the value of these consumer electronics, as well as that of licensed movies and shows, could then be heightened by the addition of Netflix's platform software and its accompanying millions of users / audience members. However, beneath this idea of corporate collaboration and mutual benefit, the integration of Netflix into these devices was also a Trojan Horse of sorts in the battle for attention Hastings mentioned above. While consumers may have been more likely to purchase a device such as a Netflix compatible DVD player, game console, or smart tv because of its streaming capability, the flows of user time, attention, and now data, were beginning to be channelled –indeed *streamed*– away from dvd use, gaming, and linear television to Netflix's platform, thus redirecting revenue in these economies of attention, and industries of leisure. This is the second, discursively obscured, edge of Netflix's strategy of industrial convergence, present primarily in their hardware partnerships:

> " '*Watching movies at home will never be the same. Netflix on Xbox 360 is an entertainment first, and we are bringing friends together with the best in entertainment content like no other device in the living room,' said John Schappert, corporate vice president of Interactive Entertainment LIVE, Software and Services Business at Microsoft. We are creating a completely new social entertainment experience, and Xbox 360 will be the only video game system where you can access your library of instantly streamable movies from Netflix and turn any room into a virtual movie theater.'* "
> (Netflix, 2008a)

> *" 'Consumers crave compelling and immediate content, and the Netflix online streaming movie feature can provide instant gratification. This alliance underscores LG's goal of developing smart technologies that deliver flexibility, convenience and control to consumers,' said KI Kwon, President of the Consumer Electronics Division of LG Electronics USA, Inc."*
> (Netflix, 2008b)

Through the figures of Microsoft, LG, and other consumer electronic industry executives, Netflix allied these narrators to help proliferate the motif of collaboration and convergence within their investor lore. Echoing the ecosystem growth strategy of DVD, the above press releases indicate how such partnerships "redefined" the domestic entertainment space of the living room through providing "flexibility, convenience, and control". Accelerated by the increasing speed of internet infrastructures, immediacy and instantaneity were importantly added to Netflix's discourses of superior user convenience and experience: *adding user value*. This language was and still is important in supporting and advancing these central elements of Netflix's investor lore and brand identity.

The discourses of value related to consumer choice, control, and trust in the brand were also importantly situated against the backdrop of the Great Recession. Instead of the costly trip of taking the family to the movies, the message here was rather that Netflix "brings the theater to you"; assuming you maintain notable *investments* in the streaming infrastructure of your own broadband internet connection and compatible devices and technologies through which to stream. The streaming ecosystem and economy, in classic platform capitalist form, relies upon the externalization of infrastructural costs onto the user such as broadband connections, smart tvs, gaming consoles, set-top/streaming boxes, or other streaming compatible consumer devices. Netflix's brand messaging and introduction of the streaming feature, relied upon making these external sunk costs invisible, allowing the company to boast the extremely low price points of $4.99 and $7.99, integral to the user affordability and consumer choice narrative.

Partnerships on the tech side included LG, Xbox (Microsoft), Playstation (Sony), Samsung and others. This also included the launch of Roku, a streaming tech company incubated at Netflix's Silicon Valley HQ, whose primary product was the Roku Netflix Player. This set-top box fostered the convergence of computing and supplementary televisual technologies to get (the) TV online (Netflix, 2008). In the early days of streaming, such innovations advanced Netflix's overarching themes of convenience, experience, flexibility, and choice. The message was that streaming heightened each of these aspects of user value, but it was ultimately still your choice as a user as to whether Netflix's DVD or streaming "experience" was best for you and your home entertainment needs or wants ... for now.

On the content side, Netflix courted Starz, NBC, CBS, Disney-ABC, Starz, and EPIX among others for digital rights to stream. At the dawn of the streaming age, Netflix was able to negotiate licensing deals in which media conglomerates and content companies vastly underestimated the value of the digital rights of its content and oblivious to the latent *wealth* of behavioural data such content contained (Curtin, et al., 2014; Keating, 2012; Nocera, 2016). Through its streaming platform *designed* to extract user data, Netflix was able to harvest crucial and increasingly intricate audience data as a new form of value, all the while projecting these licensing deals as a win-win-win: greater choice for users, more subscribers for Netflix, and additional revenue for content owners. Data were perhaps intentionally not yet a part of any public conversation at this point. The following two quotes from an October 2008 press release showcase precisely this point, with quotes from Netflix and Starz executives:

“ ‘*The coupling of Starz Play with our growing library of streaming content is an important step forward for both companies and for consumer choice,’ said Ted Sarandos, chief content officer for Netflix. ‘Our deal reflects the creative ways we are working with content partners to expand the profile and the number of choices our subscribers can watch instantly over the Internet, in addition to the 100,000 titles we offer on DVD through the mail.*’ [...].”

“Starz Entertainment president and chief operating officer, Bill Myers, noted that this agreement marks a significant step forward in Starz' efforts to provide consumers with choice and convenience so that they can watch Starz programming wherever and whenever they want. ‘Netflix has grown to be an innovative leader in the home video space and we are delighted to offer their customers our unique and robust collection of movies on a subscription basis. This agreement is a strong vehicle to promote the Starz brand and showcase Starz' leadership position in the premium movie category.’ ”
(Netflix, 2008c)

This press release seeks to maintain and re-affirm Netflix’s promise of plentitude (aka consumer choice) within the emergent space of streaming, alongside the convenience and flexibility of the instant viewing feature of the platform. Leveraging the added value of their digital distribution infrastructure to older content, Netflix relied upon their ability to sell this idea to Starz, among other major film and television studios and networks as both a reality and a red herring in the early years of the transition to streaming. By this I mean that streaming did provide new revenues, audiences, and infrastructures for content owners, but at the cost of overall dvd usage. The latent value of streaming data extracted through this platform distribution model however, remained unseen by these content owners. With the success of the company’s first act -growing the DVD ecosystem and rental-by-mail model- Netflix was able to draw upon this history for both the rhetorical and financial capital it carried, arguing that they would be able to also achieve success by fostering the growth of the emerging ecosystem of streaming.

Episode 2: Seeing Red

Notably, these shifts were taking place amidst the Great Recession which, like the dot com crash before it, Netflix boasted its ability to weather:

“*Netflix ended 2008 with 9.4 million subscribers, up 25 percent from a year earlier, and fully diluted earnings per share of $1.32, up 36 percent from the prior year. That’s solid performance, particularly in the challenging and uncertain economic environment we* *faced in the second half of 2008 [...] Our results make it clear that consumers find our service compelling. We combine a superior value proposition with an outstanding customer experience, and we continuously improve our product offering through investments in our Web site, content, distribution, and customer care.*"

-CEO Reed Hastings (Netflix Annual Report 2008, 1)

Netflix's use of the phrase "superior value proposition" emerged in 2008, and would become a motif signifying the theme of consumer choice throughout its lore in the years to come. Projecting a corporate commitment to such consumer choice through Netflix's range of plans, from $4.99 - $16.99 a month, this was clearly meant not only as a more affordable alternative to going to the movies, but importantly also as a shot at an inflating pay TV market where the average monthly cable plan was around $50 (McAlone, 2016; Netflix, 2008). Framing this user entertainment *value proposition* in relation to subscriber and revenue growth, this quote argues that Netflix's dual offering of DVD and streaming resonated with users in their "challenging and uncertain economic environment." Netflix continued to push their narrative of offering a superior, convenient, and affordable home entertainment experience at a better price through the clever innovations and efficiencies of convergence and disruption. With Blockbuster recently vanquished and streaming on the rise, Netflix had the technological prowess and the pricing power to offer such a range of subscription plans. Preaching the gospel of convenience and affordability through the self-righteous narrative of "consumer choice", we also now know how Netflix forwent the maximization of immediate profitability in favour of *scaled user growth.* Evidencing platform capitalism's new temporalities of value –debt, scaled growth, public offering, profit, earnings– Netflix has kept prices as artificially low as possible for as long as possible in efforts to grow the market share of their user base as rapidly as possible to continue to extract, collect, and process as much behavioural *data* rather than as much capital as possible from their users. Expanding its targets and taking aim at all online entertainment and linear pay TV, the emergence of streaming represented a pivot from shipping the discrete units of DVDs to an expansive digital offering of content. This shift from physical circulation of rentals to online *access of content* is now taken for granted, but is nonetheless still crucial, as it indicates a capitalist fantasy of seemingly infinite expansion and the supposed bottomless well of data extraction that digitality has come to represent. The crucial investment here, is in the narrative of limitless digital *scalability:* of users, of use, of data, and of content, always in service of potential future value.

Streaming as an alternative distribution model was integral to Netflix's new strategy, as it began to license backlogged seasons of TV shows which users could consume wholesale, without having to ship DVD box sets around the country. The opportunity to scale the digital consumption of content in this way cannot be understated, but for the company at this time, it presented a delicate situation in which they needed to communicate to users and investors this new *use(r) value*, while not alarming the cable studios and networks they were licensing such content from.

> "*Netflix streaming has become a valuable additional profit stream for content owners. Some content owners fear that licensing to Netflix will undercut other, larger profit streams. The Starz example suggests otherwise. We have carried Starz since October 2008 and we have not licensed HBO. Over that time, Starz' Multichannel Video Programming Distributor (MVPD) subscriber count has grown, and HBO's has not. At a more granular level, the Starz Original "Spartacus" was available at the same time on Netflix as on MVPD, and it was a big success in MVPD viewing, as shown by its Nielsen ratings. Even the DVD box sets have been a great success. So having content on Netflix does not appear to materially harm the revenue of that content on other channels. In other words, the evidence is pretty clear that content that is also licensed to Netflix generates more money for its owners than content that is withheld from Netflix.*
>
> -CEO Reed Hastings & CFO David Wells
> (Netflix 2010a, Q4 Letter to Shareholders, Jan 26, [2011], 6)

Projecting the capitalist mantra "a rising tide lifts all boats" Hastings' quarterly letter, now co-authored by CFO David Wells, sought to reassure stakeholders that Netflix posed no threat to legacy film and television industries. The above quote even goes as far as to claim that content-owning media conglomerates would be missing out on the opportunity to harness added *value* that streaming on Netflix provides in terms of revenue, cultural awareness, and brand recognition for that content. While *Spartacus* was indeed a "granular", if not exceptional, example, Netflix relied upon such messaging as content owners were becoming increasingly wary of Netflix's user growth –and thus stock value– with the rise of streaming as an increasingly popular alternative to linear television. The provocative narrative of Netflix's increasingly powerful position was taken up by both popular and trade writers during this era. During this time, DVD sales and linear TV subscriptions began to decline, with such phenomena largely attributed to Netflix and the rapid growth of streaming (Arango, 2010; Copeland, 2010; Orlin, 2010). Major *media* companies were outraged that a self-identifying *tech* company was biting into what they perceived to be *their* margins. This misidentification of Netflix's industrial identity was highly strategic and allowed the company to get a foot in the door by projecting myriad forms of added value, while sowing the seeds of long term competition. As Lobato has pointed out, Netflix, like Facebook and Uber, mobilizes an industrial (over)identification as a tech platform (rather than media, advertising, or transportation services) to circumvent industrial norms, policy regulations, and importantly competition (2019). This is a major factor in the discursive work of disruption. We must rethink and expand industry lore to examine the shifting, conflictual, and convergent nature of *media industries*, considering specifically those actors which strategically and rhetorically place themselves "outside" the industries and markets they seek to disrupt. Thus investor lore allows for a more multiplicitous and multiperspectival approach to researching the slippery object of platforms, and the polymorphous processes of platformization.

Episode 3: The Stream Engine

> "*For the past year, executives at big media companies have watched Netflix with growing resentment — for its success in delivering movies and television shows via the Internet, for its stock price nearly quadrupling, for its chief executive being named businessperson of the year by Fortune magazine."* (Arango, 2010)

> "*Yes, you heard this before. The Death of Cable TV. Yet, it hasn't happened. But now, so many disruptions are happening in the video space, cable tv is really stepping towards the cliff. Don't expect the cable industry to just give up. We'll get some new insights next week when the largest U.S. cable operator (23 million cable customers), Comcast, reports its Q3 earnings and subscriber count. Comcast cable customers dropped nearly 3% in Q2 compared to last year. In Q2 for the industry overall, a record 711,000 subscribers abandoned cable tv, and six of eight operators suffered their worst quarterly subscriber losses ever*." (Orlin, 2010)

With the doubling of Netflix's stock value in fiscal 2010, alongside Forbes magazine naming Hastings businessperson of the year, the legitimacy and influence of Hastings' vision and voice also grew. With Hastings as the brand figurehead, the company's image was elevated as a rising star on Wall Street and in Silicon Valley, and an increasing threat in Hollywood, specifically to the TV industry. In concert with such attention and scaled growth, Netflix began featuring letters to shareholders every quarter, with the Q4 letter often functioning as a year in review. The increased volume and detail of the now quarterly releases signaled the increasing necessity and opportunity of Netflix's investor lore for the company as the company grew, helping investors and stakeholders understand and navigate Netflix's reasoning and development as streaming began to subsume DVD. The accelerated rhythm and volume of these investor relations documents, and the stories they tell, discursively capitalized upon the positive trends in subscription rates and revenue, frequently citing comparative year-over-year (Y/Y) growth percentages and figures in the millions to display and heighten the rhetorical purchase of these numbers (see figure 6). In a similar vein, transcripts of quarterly investor relations earnings calls also appeared on the Netflix investor relations blog in 2010. Highlighting selected questions from financial analysts, answered by Netflix's executives. These interviews provided more information, rhetoric, and "evidence" in a relational format for investors to pour over. Here the narratorial role of the company's executives comes through, as their confidence and authority in the face of investor questioning either further entrenches the reader in the narrative of their lore, or causes them to question the reliability of the narrator.

(in millions except per share data)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10
Net Subscriber Additions	0.72	0.92	0.29	0.51	1.16	1.70	1.03	1.93	3.08
Y/Y Change	*59%*	*20%*	*72%*	*95%*	*61%*	*85%*	*255%*	*278%*	*166%*
Subscribers	9.39	10.31	10.60	11.11	12.27	13.97	15.00	16.93	20.01
Y/Y Change	*26%*	*25%*	*26%*	*28%*	*31%*	*35%*	*42%*	*52%*	*63%*
Revenue	$ 360	$ 394	$ 409	$ 423	$ 445	$ 494	$ 520	$ 553	$ 596
Y/Y Change	*19%*	*21%*	*21%*	*24%*	*24%*	*25%*	*27%*	*31%*	*34%*
Operating Income	$ 38	$ 36	$ 53	$ 49	$ 53	$ 58	$ 77	$ 70	$ 78
Y/Y Change	*87%*	*138%*	*54%*	*45%*	*39%*	*61%*	*45%*	*43%*	*47%*
Net Income	$ 23	$ 22	$ 32	$ 30	$ 31	$ 32	$ 44	$ 38	$ 47
Y/Y Change	*45%*	*68%*	*22%*	*48%*	*35%*	*45%*	*38%*	*27%*	*52%*
EPS	$ 0.38	$ 0.37	$ 0.54	$ 0.52	$ 0.56	$ 0.59	$ 0.80	$ 0.70	$ 0.87
Y/Y Change	*65%*	*76%*	*29%*	*58%*	*47%*	*59%*	*48%*	*35%*	*55%*
Free Cash Flow	$ 51	$ 15	$ 26	$ 26	$ 30	$ 38	$ 34	$ 8	$ 51
Buyback	$ 10	$ 43	$ 73	$ 130	$ 79	$ 108	$ 45	$ 57	$ -
Shares (FD)	60	61	60	58	55	55	54	54	54

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Figure 6. A Spreadsheet of key financial metrics in Netflix Q4 2010 Letter to Shareholders.

Midway through 2010, Netflix's streaming service began to overtake DVD rentals, and the company also expanded into its first international market: Canada.

> "*Q3 represents our fourth consecutive quarter of more than one million net subscriber additions. This growth is clearly driven by the strength of our streaming offering. In fact, by every measure, we are now primarily a streaming company that also offers DVD-by-mail," said Reed Hastings, Netflix co-founder and CEO. "At the same time, the*

introduction of our streaming offering in Canada in late September has provided us with very encouraging signs regarding the potential for the Netflix service internationally."
(Netflix, 2010, Q3 Letter to Shareholders, Oct 20; 1)

Our three virtuous cycles of subscriber growth are: 1. More subscribers means more money to license content with, which drives more subscriber growth. 2. More subscribers means more word-of-mouth from subscribers to those who are not yet subscribers, which drives more subscriber growth. 3. More subscribers means we can increase R&D spend to improve our user experience, which drives more subscriber growth. You can see the power of these virtuous cycles in our marketing spend in Q4: we spent about 10% fewer dollars in marketing than one year ago, yet subscribers grew 63% over the last year."
-CEO Reed Hastings & CFO David Wells
(Netflix 2011, Q4 2010 Letter to Shareholders, Jan 26, 1; 2)

This operational *and rhetorical* tide change from DVD rental to streaming offered evidence of Hastings' long promised transition and growth of the company's subscriber base in precisely such a direction. Lauded for his company's initial disruption of Blockbuster, Hastings was now praised for "cannibalizing" the company's own DVD market by "disrupting his own business before it gets disrupted" (Copeland, 2010). The passages above introduce this report with a focus on net subscriber additions (net ads), a sustained emphasis within the company's investor lore. The repetitive and cyclical rhetoric of increasing subscriber growth demonstrates the layered financializability of the user. User subscription revenue is re-invested into content and technology spending to improve the user experience, thus mobilizing social and cultural capital associated with entertainment value among existing and potential users. All of these forms of financial, social, and cultural capital are thus re-invested into the platform through browsing, viewing, consuming, rating, analyzing, and discussing *Netflix* in any capacity. As Netflix externalizes infrastructural costs onto the user (screen devices, TV appendages, internet plans, etc), we can see here how it also externalizes marketing costs through word of mouth enticed by the provocative power of the brand.

As an increasingly popular vehicle of film and television distribution, the expanded *user experience* of streaming on Netflix became an essential aspect of the company's brand associations (Lury, 2004).[18] The rhetoric above however, suggests oversimplified positive

[18] Analyses of the emergent sociocultural practice of *binging* are abundant, alongside phrases such as "Netflix and Chill", "whats on Netflix", and "want to go watch Netflix?" entering the popular vernacular alongside the growth of streaming. (Jenner, 2015; 2016; McCracken, 2014; Tryon, 2015, Wayne, 2017)

feedback loops of revenue, investment, and word-of-mouth promotion. Framing subscriber value simply as sources of revenue and brand advocacy importantly omits the trove of behavioural data that users represent. Guiding public focus away from data here and throughout this era was strategic, as it was and remains Netflix's greatest competitive advantage.

Riding the momentum of growth in the late aughts, Netflix's early streaming lore reiterates its central narrative that *user value in terms of experience translates to the potentiality of shareholder value over time*. *Time*. The change here is thus not the brand message, but rather a new narrative of the new temporalities and scales of value, for the user's experience, and therefore for the shareholder. Netflix's euphoric growth and increased valuation throughout 2010 was championed as proof of the exponential scalability of such fictitious capital, as accelerated and digitized practices of viewing and consuming *narrative fiction* correlated with accelerated and digitized processes of financial *capital* accumulation; a new fictitious capital. Through ardent faith in a future of ubiquitous computing (necessary for streaming), Netflix's increasing success in 2010 seemed to signal the realization of the company's performative investor lore: bringing into being user value and shareholder value in tandem.

Episode 4: Building a House of (Credit) Cards

Emboldened by the successes of 2010, Netflix's investor lore shifted to aggressively focus on expanding their streaming content catalogue and recommendation technologies under the overarching goals of brand strengthening and as always, subscriber growth. On March 15, 2011, the news broke that Netflix had outbid both HBO and AMC for the exclusive rights to the American remake of the British political thriller *House of Cards*, from director David Fincher, featuring Kevin Spacey. Careful to avoid the threatening rhetoric of "production", Netflix executives spoke at this time rather of "exclusive rights" and "licensing":

> "*Hi, Ted Sarandos, Netflix Chief Content Officer here. We're delighted to tell you that in late 2012 Netflix will be bringing to our members in the U.S. and Canada exclusively 'House of Cards,' the much-anticipated television series and political thriller from Executive Producer David Fincher and starring Kevin Spacey. We've committed to at least 26 episodes of the serialized drama, which is based on a BBC mini-series from the 1990s that's been a favorite of Netflix members. [....] The TV shows and movies that you are able to watch instantly are licensed from movie studios, TV networks, distributors and sometimes directly from the producers of the films and TV shows. "House of Cards"*

is unique, as it is the first exclusive TV series to originate on Netflix. Typically, we license TV shows the season after they run on a broadcast network or cable channel and occasionally, we have episodes from a current season [...] In all of these cases, the shows are produced before we bring them to Netflix. "House of Cards" represents a slightly more risky approach; while we aren't producing the show and don't own it, we are agreeing to license it before it is successfully produced. We've found the gripping, serialized one-hour drama, such as "Heroes," "Lost," "Dexter" and "Weeds," has become a very important part of the Netflix experience and over the years, we've been able to add these shows from many different channels, with the notable exception of HBO. With David Fincher's unique vision, the incredible acting skills of Oscar winner Kevin Spacey, and a great and timeless story of power, corruption and lies, we think "House of Cards" will become a big hit among Netflix members and thus, represents a manageable risk."

-CCO Ted Sarandos

(Netflix Media Blog, 2011, March 17)

I quote this company blog post at length because it contains and foreshadows the emerging investor lore of Netflix's third season: the era of original production. Just two days after the news broke through entertainment industry publications *Deadline* and *The Hollywood Reporter*, this post, while shying away from the language of production, marks the entrance of Netflix's discourses of value surrounding the now infamous brand of the "Netflix Original." Here Sarandos displays the company's confidence in its viewership data of the 1990s BBC *House of Cards*, its ability to license 26 hour-long episodes *without* a pilot, and its ability to attract top creative talent. Sarandos also strategically gestures toward the prestige of HBO –whom they famously outbid for this very show. This statement thus frames the risk that *House of Cards* represented for the platform, and emphasizes how the company has strategically positioned itself to turn such risk into *value* as a hit for users and an exclusive prestige brand for the platform. Walking the line between humility and hubris, this statement extends Netflix's performative promise of plentitude and prestige by showcasing the company's willingness to take risks and directly challenge not only distributors but also would-be producers for content. This moment marks a shift in the temporalities of value generation Netflix had been built upon: licensing, recommending, and distributing content with existing audiences, brand associations, and cultural cache. The list of strategic factors cited by Sarandos here all have to do with how the affordances of the *platform* allow the company to effectively *pre-empt, predict,* and *guide* the success of content *before* it is produced. Indicative of the Silicon Valley "ethos of disruption," and platform capitalism more generally, the discourse surrounding this shift was that Netflix's platform model generates far more accurate and detailed data than previous industry metrics

(Nielsen ratings, focus groups, "gut feelings"[19]). Again, Haven's idea of industry lore is evoked here, but rather than just "the conventional knowledge among industry insiders about what kinds of media culture are and are not possible, and what audiences that culture will and will not attract" (2008), Sarandos' explanation for Netflix's platform model for original content also importantly communicates an *investor lore*: " the emergent discourses among *investing actors* about what types of *user experiences* are and are not *valuable*, and which *users* those *experiences* will and will not *engage*" (Crawford, forthcoming). Foreshadowing the emergence of a new type of industry lore, this statement however, speaks not *directly* of data, algorithms, or stock value, but rather simply implies that the viewing history of the 1990s series, the talent, and the exclusivity of this content on Netflix will provide an exciting experience and value to many existing and potential users.

Perhaps downplaying what we now know was the beginnings of a massive strategic and industrial shift, *House of Cards* and the original production conversation shockingly did not come up in the following two quarterly earnings reports and executive Q&A calls. It wouldn't be until Q4's extensive 2011 annual review that House of Cards would come up again in Netflix's investor relations and media center materials. My third chapter elaborates further upon the development, evolution, and negotiation of the provision of content and the new discourses and circulations of value that came along with this shift, but it is important to acknowledge their emergence here in early 2011.

Episode 5: Fall and Response

Meanwhile, Netflix took an unforeseen and nearly deadly fall later in 2011. This time the challenge was not of a broader economic trend or rising competition, but rather a problem of its own making. As streaming grew rapidly, the company sought to divorce their DVD and streaming services into two separate subscription companies, splitting their $9.99/ month dual streaming and DVD plan to individual plans at $7.99/month each; in other words a 60% price increase ($15.98/month) if you wanted to keep both services. Netflix would become purely streaming, and the DVD branch would become its own company, rebranded later as "*Qwikster,* a Netflix company" (Netflix, 2011). The announcement of this divorce initially appeared in a July

[19]Todd Gitlin's 1983 book *Inside Prime Time* is a foundational text for the concept of industry lore, and examines the "gut feelings", "scuttlebutt", and "intuition" of TV executives and producers during this era.

12 press release, and was expanded upon at the bottom of the fourth page of the Q2 earnings release on July 25th 2011.

Despite general agreement from Silicon Valley and Wall Street in regard to the economic rationale behind the decision, the announcement sparked swift and widespread user backlash, and a wave of *un*subscription as the price hike approached. Hastings' appeals to such an economic rationality were simply too far a field from the brand identity they had so carefully fostered: a "champion of consumer choice" and affordability. What resulted was Netflix's worst quarterly performances up to that point, as the company lost 800,000 subscribers in Q3 with a subsequent stock value descent from an all time high of $304.79 in July to $62.37 by the end of November (Netflix 10-K, 2012).

In the midst of this crisis, Hastings published a blog post and youtube video on September 18, 2011, both titled "An explanation and some reflections", in desperate efforts to further communicate Netflix's decision. His apology post frames the problem of the service split as one of a lack of communication:

> *I messed up. I owe everyone an explanation. It is clear from the feedback over the past two months that many members felt we lacked respect and humility in the way we announced the separation of DVD and streaming, and the price changes. That was certainly not our intent, and I offer my sincere apology. I'll try to explain how this happened. For the past five years, my greatest fear at Netflix has been that we wouldn't make the leap from success in DVDs to success in streaming. Most companies that are great at something – like AOL dialup or Borders bookstores – do not become great at new things people want (streaming for us) because they are afraid to hurt their initial business. Eventually these companies realize their error of not focusing enough on the new thing, and then the company fights desperately and hopelessly to recover. Companies rarely die from moving too fast, and they frequently die from moving too slowly. When Netflix is evolving rapidly, however, I need to be extra-communicative. This is the key thing I got wrong. Arrogance based upon past success. We have done very well for a long time by steadily improving our service, without doing much CEO communication. Inside Netflix I say, "Actions speak louder than words," and we should just keep improving our service. But now I see that given the huge changes we have been recently making, I should have personally given a full justification to our members of why we are separating DVD and streaming, and charging for both. It wouldn't have changed the price increase, but it would have been the right thing to do.*
>
> -CEO Reed Hastings
> (Netflix Media Blog 2011, September 18)

Ambiguously directed at users and investors –"*everyone"*– the post continues on this line of thought, elaborating upon Hastings' appeals to economic and business rationalizations for the split. Managing to boast of Netflix's successes while still apologizing for the shock of the price increase, Hastings described rapid industrial movement, change, and evolution as the very means of survival in the contemporary business world. Importantly this signalled the company's deeply held Silicon Valley ideology, and perhaps anxiety, of perpetual innovation. Doubling down on the decision, Hastings' elaborated upon the increasingly divergent underlying cost structures of streaming and DVD-by-mail, as said costs were quickly changing in both content licensing and commercial shipping. The potential digital economies of scale that streaming represented were being hindered by DVD, and Netflix sought to cut streaming loose from this restraint. For Hastings the message was that along the road there were going to be some growing pains, but at the end of the day growth would still be growth, and *streaming –not DVD–* was the only future for such potential. Rhetorically aligning himself with the user, Hastings goes on to state "Many members love our DVD service, as I do, because nearly every movie ever made is published on DVD [...] I also love our streaming service, because it is integrated into my TV and I can watch any time I want." Communicating the *varied* user values of each service rhetorically framed Hastings' argument and justification for separating the services.

> *"We feel we need to focus on rapid improvement as streaming technology and the market evolve, without having to maintain compatibility with our DVD by mail service. So we realized that streaming and DVD by mail are becoming two quite different businesses, with very different cost structures, different benefits that need to be marketed differently, and we need to let each grow and operate independently. It's hard for me to write this after over 10 years of mailing DVDs with pride, but we think it is necessary and best: In a few weeks, we will rename our DVD by mail service to 'Qwikster.' "* -CEO Reed Hastings
> (Netflix Blog post, 2011, September 18)

In the related YouTube video hyperlinked at the end of the post, Hastings is pictured alongside Andy Rendich, the former head of DVD operations at Netflix, who he introduces as the new CEO of Qwikster, "a Netflix company." In this video Hastings and Rendich both seek to highlight how the divorce of these services will allow each of them to grow and "innovate at great rates." Both the post and this video seek to persuade the reader of the diverging priorities at Netflix, as streaming increasingly represented instantaneity, televisual content, and international expansion, and DVD was domestic, infrastructural, and largely movie-centric.

Reading between the lines, the message is ultimately *scalability*. Pure streaming signalled scaled consumption in terms of instantly bingeable television and film (versus physically mailed dvds), and scaled operational expansion: international markets, users, and content. Despite these last ditch efforts to justify this decision, the damage was already done. Trade publications and consumers blogs wrote off both the post and video as awkward, tone deaf, and virtually meaningless; necessitating users to juggle separate accounts, billing, and queues alongside the added cost was clearly a user nightmare (Keating, 2012). By early October Netflix announced in a terse press release that their DVD service would ultimately be staying at Netflix. The damage to the brand was simply not worth the "optimizing" potential of the split. Nonetheless, the company refused to budge on the $7.99 monthly charge per service, stating that this would intentionally channel new subscribers toward streaming.

I dwell upon this public-relations debacle as it indicates the changing nature of what the Netflix brand was coming to represent in the entertainment landscape, and how it was being negotiated by users and investors alike. The investor lore of this moment, Q3 2011, also importantly represents a failed performative, what Austin calls an "*infelicity*" (1962, 14). Unlike other challenges such as content acquisition, ecosystem growth, and competition, the "Qwikster debacle" evidences a wide reaching rejection from the user base *–and investor base–* of the narrative the company tried to sell. Driving home my argument that streaming represents a new financialization of the user, this moment is a fissure in the Netflix narrative, where masses of upset users unsubscribed and dramatically crashed the valuation of the company by frightening Wall Street. With subscriber growth being the most important metric for investors to assess and project the value of the new media economics of Netflix's business model, this represents a brief sliver of potentiality for *collective action among users within platform capitalism*.

While this was no doubt primarily an individual phenomenon of assessing and critiquing the value proposition of Netflix's price hike, this moment nonetheless elucidates the structural dependence of platforms upon their users, and perhaps offers forms of collective organization and negotiation. Investors knew that if the *investments* of user data, attention, time, capital, content, information, labour, and sociality ceased to flow, the platform would not be sustainable or thus at all valuable. Each of these value investments users make *in* platforms thus represents a potential for resistance, as they can be leveraged against the platform in harmful and meaningful ways. The old adage "hit them where it hurts... their wallet" now offers a multitude of targets, as the flipside of platform capitalism's expanded and multi-sited project of financializing every aspect of everyday life offers users the opportunity to again leverage, withhold, and redirect, their increasingly *valuable* datafied behaviour as a potentially counter-active or perhaps even creative, generative new politic. While I cannot say that I am overly hopeful for such user mobilization, platform capitalism's structural dependencies upon users nonetheless open up such a fissure of possibility.

Exacerbated by the tailspin of the company's stock value, a crisis of cancellations, as well as the impending end of their Starz content contract, Netflix's Q3 investor letter reinforced the importance of the streaming user experience, the plentitude of their increasingly televisual content library, and the potential of international expansion to their long term vision and valuability.

> ***Youssef Squali (Jefferies & Company - Analyst):*** *Thank you very much. Good afternoon, everybody. Reed, just a couple -- really one question going back to the DVD business. Clearly it's -- as it starts atrophying, I'm just trying to understand what is the value of that business to you now, outside of just being cash cow, are there any synergies that still exist between that and the streaming business, and if there's any value to actually keeping it under the same umbrella? Thanks.*
>
> ***Reed Hastings*** *: Youssef, at this point it's a source of profits funding our international expansion, and it's a source of satisfaction to the more than 10 million members who subscribe to our DVD service, whether they also subscribe to streaming or not. And so we will keep it and run it steadily, and keep the service. So that would be the plan going forward.*
>
> ***Operator:*** *Thank you. (Operator Instructions) Our next question comes from --*
>
> ***Reed Hastings:*** *That's okay, guys. Our job as we see it is to try to anticipate your questions and answer as many of them proactively in our investor letter as possible. I will take the absence of telephone questions that at least in that dimension, we are doing a good job. We want to thank everyone for their support. We know it's been an extremely challenging time to be a shareholder over the last couple of months. And I want to tell everyone that we are extremely focused on growing our streaming business on a global basis and believe it's a tremendous opportunity to create a very valuable and important and respected firm. And that's what everyday here at Netflix is spent doing. With that, thank you all very much.*
>
> ***Operator:*** *Ladies and gentlemen, thanks for participating in today's program. This concludes the program.You may all disconnect.*
>
> (Netflix, 2011a; 2011 Q3 Earnings Call Transcript, Oct 24, 2011)

While there is no publicly available audio recording of this quarterly earnings interview, this exchange highlights the lowlight of Netflix's streaming era thus far. The presumed silence on the line following the operator's "Our next question comes from --", which Hastings quickly attempts to spin in favour of their investor letter, suggests a disenchanted investing community, stunned by Netflix's fall from greatness, the shattering of the illusion of this story stock. The backslide in total number of subscribers, while still at 23.8 million exemplifies the speculative and narrative logic of interpolating trends in efforts to predict future value and avoid future risk. The day after Netflix Q3 earnings release, Forbes technology writer Mark Rogowsky further stated:

> "*The damage done to the Netflix story is irreparable. No matter what happens from here, the notion of the stock sitting on a multiple based on hope, endless faith, feverishly loyal customers, a "management premium", a growth premium, etc. is gone -- forever. From here, the company is going to be judged significantly more on results. This is a rite of passage in all "story stocks" and it's often painful for investors. And this is painful in the extreme: $305 down to below $100 in just a couple of months as the growth story ends, the multiple gets crushed, the future looks awfully uncertain*" (Rogowsky, 2011).

Anticipating the hit to the brand, and the accompanying hit to the credibility of the company's investor lore, Netflix continued to emphasize their technological prowess and identity as a Silicon Valley firm. Hastings and Wells articulate below the motif of innovation –and its narrative logic of developing ever better human computer interaction and user experience design– as a long term value signifier and competitive advantage.

> *"While we and our competitors face the constraints imposed by the traditional licensing structure of cable, we have many advantages over linear premium pay networks. We are unbundled, and charge a very low price of $7.99 a month. We are pure on-demand so we can create more compelling user experiences than a primarily linear channel. We are personalized, so each user interface is tailored specifically to the individual taste of a given consumer, helping them to easily find movies and TV shows they'll enjoy. Finally, we can innovate at Internet pace rather than cable-set-top-firmware-update pace."*
>
> -CEO Reed Hastings & CFO David Wells
> (Netflix 2011a, Q3 Letter to Shareholders, Oct 24, 6)

This is signalled clearly and importantly by their increasing use of the now ubiquitous tech industry concept and term *user experience* into their investor lore. Beyond customer experience, the exact phrase "user experience*"* and discussions of the "Netflix experience" rose in the company's investor relations materials and lore and now pertained almost exclusively to streaming. Hoping to never look back to the Qwikster debacle, and simply maximize their DVD service profits for as long as possible, Netflix turned its sights, and its lore ever toward the future. A future it desperately needed to sell. As the presence of the term *experience* increased, it also expanded conceptually, rhetorically, and discursively to encapture each element of a user's engagement with the "ever improving" platform, such as user interface design, personalization, browsing navigation, content offerings, viewing practices, ratings, recommendation engagement, and device compatibility. Each of these "experiences" represent the generation of user data; guided user behaviours designed to be monitored ever in efforts to be monetized.

While we now know how these data-generating "experiences", more accurately defined as human computer interactions or perhaps better yet transactions, inform every aspect of Netflix's design and operations, in the early days of streaming, this knowledge was less common. However the varying utterances and citations of *user* "experience" in Netflix's investor lore sought to persuade investing stakeholders as to its ability to perpetually innovate and improve upon the valuable affect such experiences generate for *users*. Diverting attention away from the benefits these ostensibly surveillant mechanisms afforded the company, the narrators of Netflix's lore rather employed yet again the figure of the user, and the motif of innovation to project a *provision* of value, guiding the conversation away the company's surveillant extractions of value. The above quote elucidates the rhetorical functionality of how Netflix began to conceptualize, transform, and ultimately brand practices of film and television viewing as *user experiences.* Beyond just navigating the user interface and browsing the catalogue on various devices, the act of streaming and watching through Netflix turns film and television into products of convergence, technology, and platform capitalism; in other words, into *content* (Steinberg, 2019). Knowing what we know now –the unprecedented degree to which Netflix would transform film and television into datafiable *user experiences* of content via billions of dollars invested in original productions– this language in Netflix's investor lore was a pivotal discursive development in communicating and selling their operational expansions into original production and international markets.

The new forms and flows of *value* that can be extracted from user experiences depend entirely upon industrial convergence and late capitalism producing a ubiquitous platform ecology. For Netflix, this is represented in, and communicated by, the violent cannibalization of the company's DVD service in favour of streaming. In the Q3 2011 earnings call, Hastings innocently states “we think the future is brightest by focusing on streaming” when asked about maintaining the high bundle cost for users who want to keep both DVD and streaming services. Translation: the potential speed and scale at which the company could grow their market share and extract value is exponentially higher for streaming than it would ever be for DVD. By using pricing power alongside a rhetorical emphasis on the “bright” and endlessly “innovative” future of streaming, Netflix sought to guide consumer choice, and investor attention, toward streaming, in efforts to offset losses in subscribers, and to show investors that the streaming user base would continue to grow. By performatively promising to both users and investors that streaming would be constantly improving and expanding user experiences of prestige, plentitude, participation, and personalization, Netflix sought to instill or perhaps rehabilitate faith from investors in their future.

Building upon the now stated prioritization of streaming over DVD, Netflix’s investor lore throughout the remainder of 2011 and into 2012 emphasized the increased profitability of domestic streaming, increased growth in international markets, and increased anticipation for original production as a potentially important new strategy. These discursive developments within the context of Netflix’s larger narrative of *value* marked another shift in the company’s investor lore. The new strategies and new media economics of original production and international expansion would have to be continually and convincingly framed more now than ever before. As the halcyon days of their “story stock” status were declared dead, financial analysts argued that Netflix would now have to become a more “results and performance” based stock to ever hope to recover (Rogowsky, 2011). This crisis point in the financial/narrative arch of Netflix exemplifies a sort of “test of character” moment for the company, and its figurehead Hastings, whose audience(s) had never been bigger.

To review, the transition to streaming was Netflix’s second “season”, in which the instantaneity, speed, scale, perceived immateriality, and affordability of this new user experience were championed in the company’s investor lore as added *user values* which this new technology afforded. Citing their role in the fostering of the DVD ecosystem, Netflix drew upon this history to persuade investing actors –users, financiers, shareholders, content owners, employees, etc– that they could once again help popularize the new media ecosystem of streaming as a wellspring of potential value. The dawn of streaming allowed for the company to propagate such narrative discourses of value, and for a time also convince content owners that it could bring in extra revenue for old and currently airing content –indicative of the arc of Netflix’s transition to from shipping DVD films to streaming TV, from logistics to a pure play platform. In other words the matrix of these *values,* which Netflix performatively projected and provided, drove subscriber growth, further suturing the goodwill, faith, and capital of users and investors in this emerging streaming platform economy. Conversely, the Qwikster debacle emphasized a faltering moment of such faith in Netflix *and* its story of value. As droves of users cancelled their subscriptions, so too did Wall Street, sparking anxieties about their *subscription* to this platform narrative of value. Cannibalizing their profitable user base and taking on short term losses in hopes for long term returns, the transition to streaming represents the platform capitalist fantasy that *hope streams eternal* in its perceived infinitudes of content, delivery, extraction, globality, and capitalization. Such a fantasy however, is only made tenable by *subscribing* to these narratives of user value, thus providing a latent collective potential for organization, mobilization, and representation, should we truly analyze, critique, and resist such stories.

With streaming established and becoming increasingly ubiquitous, the announcement of original production foreshadowed Netflix's third season. Beginning in 2011, the question of original programming marked the beginning of Netflix's transition to becoming a self-described "global internet television network." Evidencing the performative nature of investor lore, the narrative of value surrounding original production began to be framed and projected years *before* the release of the first "Netflix Original", which is contested in and of itself.[20] This begs the question, what exactly constitutes a "Netflix Original"? Exclusive licensing? First window distribution? Studio production? Global rights? The Netflix 'N'? As a now absolutely central element of the company, my next chapter excavates how the strategic shift to "originals" necessitated new narratives and negotiations of value. After the Qwikster mishap devastated the company's stock, and licensing costs and competition were steeply increasing, original programming and re-emphasized global expansion emerged as the narrative discourses of value which would recover and sustain the company's fantasy of perpetual growth and ultimately reward the investing actors who stayed the course.

[20] While *House of Cards* (2013-2018) is lauded as the company's flagship original, the company's Norwegian co-production *Lilyhammer* (2012-2015) was the first show distributed exclusively by Netflix (outside Norway) a year before *House of Cards*, and is thus by some measures and accounts the first *actual* Netflix Original.

Season 3: Networking the "Global Original" (2011 –)

Episode 1: Studio Systems Engineering

David Miller (Caris & Company): *Reed, against the backdrop of other distribution services bidding up for the content in the streaming window, what is your feeling about either acquiring an equity interest in the studio or, at the very least, starting one yourself? With creative financing, you could produce script-driven content on your own at very little cost relative to the size of your P&L.*

Reed Hastings*: David, generally, I'm a believer in circle of competence and it's really easy for companies, as they grow, to step out of that. And, in particular, when we start taking creative risks, that is reading a script–that is, reading a script and guessing if it was going to be a big hit and who might be good to cast in it–it's not something that fundamentally as a tech company or a company run by a tech CEO like myself is likely to build a distinctive organizational competence in. We think that we're better off on letting other people take creative risk, and get the rewards for when they do that well. And, then, what we do is focus on matching the different products that are made with the right consumers, the sort of very technological aspect of matching it and streaming it. So, I would say that the scenario that you outlined would be quite a change in direction and quite unlikely.*

(Netflix, 2011; Q4 2010 Earnings Call Transcript, Jan 26, 2011)

As commented upon in the previous chapter, this quote exemplifies the misdirection of Hastings' emphasis on and projection of the company's *tech* industry identity in the face of the original programming question, carrying almost a note of humor to read now. This transcript even offers a notable Freudian slip, with Hastings' stumbling over and repeating a blatant falsehood regarding script-reading and creative risk decisions which the company and its executives would later admit to and even boast about engaging in in their bid for *House of Cards.* The above quote importantly comes from early 2011, marking the introduction of this question of potential original programming which we now know was a crucial turn in the story of Netflix and its lore. Even if we give Hastings some benefit of the doubt here, his "unlikely scenarios" of original production, studio investment, and creative financing have indeed come to pass, resulting in massive floods of content and capital, as streams of culture and finance converge through the platform. This exchange of words exemplifies the *fictitious* foundation upon which the company pivoted to original programming. Looking at Netflix's investor lore during this era sheds light upon its discursive misdirections, as well as the construction of the now central pillar of original programming within company's narrative, brand identity, and strategy.

The journey from taking a leap on one show, *House of Cards*, to the company's current scale of programming –1500 hours, or 62.5 days of original content in 2018 alone– has been a fascinating one (Rodriguez, 2019). In this final chapter I examine how the turn to original programming emerged in 2011, and continues to be central to the company's projections of value today. In looking at this third season in the story of Netflix, I identify and interrogate the rhetorical strategies which wield the company's brand power and growth to deepen and expand associations and discourses of value for investors, users, and talent.

Two months after the release of Netflix's first exclusive series Lilyhammer, the company elaborated upon their original programming strategy in their Q1 2012 letter to Shareholders:

> "*One way to think of originals is in terms of brand halo. If we are able to generate critical success for our originals, it will elevate our consumer brand and drive incremental members to the service. That took HBO nearly a decade to accomplish, so we don't expect overnight results. The breadth of media coverage we already get, though, for the highly anticipated new season of "Arrested Development", as well as for "Lilyhammer" and "House of Cards", has been great. [...] We know we have a lot to learn in the originals area. In terms of early results, we exceeded our targets on "Lilyhammer" in terms of PR, viewing, and critical acclaim. The show has driven millions of hours viewed, is rated highly (4 out of 5 stars on average) and generated hundreds of millions of consumer impressions with a comparatively small PR and marketing spend.*"
>
> -CEO Reed Hastings & CFO David Wells
> (Netflix 2012 Q1 Letter to Shareholders, Apr 23, 8,9)

Rhetorically framing their statement as one of early confidence based upon two months of reception of *Lilyhammer*, Hastings and Wells write at length about the value that original programming was already bringing to the company. Aimed at a skeptical financial audience still reeling from the Qwikster crash, the citation of quantitative measures (statistics for hours, impressions, ratings), as well as qualitative indicators (yet another HBO self-comparison, PR, critical acclaim, popular excitement) served to *teach* the investing reader –shareholders, potential investors, users, finance, tech, and entertainment analysts, journalists, and researchers– *how to read* this discourse of value and the new platform economics that originals would bring to Netflix.

The letter goes on:

> *"Another way to think of originals is vertical integration; can we remove enough inefficiency from the show launch process that we can acquire content more cheaply through licensing shows directly rather than going through distributors who have already launched a show? Our on-demand and personalized platform means that we don't have to assemble a mass audience at say, 8pm on Sunday, to watch the first episode. Instead, we can give producers the opportunity to deliver us great serialized shows and we can cost-efficiently build demand over time, with members discovering these new franchises much in the same way they've discovered and come to love shows like "Mad Men" and "Breaking Bad." In this regard, we are happy to report that in terms of cost per viewing hour, which is how we evaluate content efficiency, "Lilyhammer" so far performs in line with similar premium exclusive content that we currently license.*
>
> -CEO Reed Hastings & CFO David Wells
> (Netflix, 2012 Q1 Letter to Shareholders, Apr 23, 8,9)

The implication of an increasingly *inefficient* content licensing model and by extension an increasingly competitive streaming landscape, shows how industrial convergence through vertical integration could be a potential solution to this problem. Pre-empting the dwindling long term possibilities for capitalizing on the media infrastructure of the streaming apparatus alone –subscription revenue and stock value growth through pure distribution– original programming offered a way for Netflix shift from its role as solely distribution platform, to content owner or at least *controller* of content through exclusivity. Citing the affordances, features, and "user values" of nonlinearity, personalization, and multi-episode watching (binging), original programming for a *platform* is projected here as easier, more efficient, and more effective not only for users but also for producers in terms of marketing spend. This quote argues that Netflix could now importantly construct and guide audiences to such content over time. While indicating its internal metric to measure content efficiency –cost per viewing hour– specific figures however were importantly withheld. As tech company afterall, Netflix knew the importance of such viewer data, and maintains a vested interest in keeping those numbers secret from competitors. This secrecy also conveniently allowed them to build up the *lore* of originals as valuable, successful, and efficient without necessarily having to prove it. As long as the user base continued to grow, investors continued to invest, and the stock value continued to rise. Everyone seemed to be very invested in this new season of Netflix.

Expanding its project of turning film and television into content for engaging user experiences, Netflix's entrance into the original programming world took this a step further:

> *"As we build our capability in originals, we will have some advantages relative to our competitors. Namely, we have extensive user viewing history and ratings data to allow us to better understand potential appeal of future programs, as well as a very broad and already segmented audience. At the same time, we don't face the same pressure as linear or ad-supported online networks to deliver ratings. Finally, we should be able to use our size and international scale to bring the best original and exclusive content from anywhere in the world to anywhere in the world. This is a real advantage over our regional competitors."*
>
> -CEO Reed Hastings & CFO David Wells
> (Netflix, 2012 Q1 Letter to Shareholders, Apr 23, 9)

This quote is important as an admission of sorts, as it states the centrality of data to Netflix's programming choices, beyond licensing and recommendations to now potentially 'global'[21] original content production, acquisition, and control. Here the increasingly surveillant and extractive nature of behavioural user interactions with the Netflix platform were rather framed positively as a competitive advantage to inform the production of audiences and content alike. This quote exemplifies an important new iteration of industry lore particular to digital platforms. Disrupting the Nielsen household ratings system of legacy television[22] –designed to sell such demographic information for targeted advertising– the platform infrastructure of Netflix is *its own internal, invisible, and further privatized* Nielsen company of sorts (Nielsen, 2019). Rather than selling this data to industry markets, Netflix reinvests it into its decisions to licence and recommend, and now personalize and produce *content.* Through its very design, Netflix turns every user into a Nielsen-esque data generator, with the *entire use base as its sample group,* rather than the hopefully representative demographic cross section Nielsen strives for (Pollak, 2015). It is worth citing here again my definition of investor lore: "the *emergent discourses* among *investing actors* about what kinds of *user experiences* are and are not *valuable,* and *which users those experiences* will and will not *engage*", as this model turns culture into experiences, and users and user-data into value generating investors and investments (Crawford, forthcoming). The above quote thus exemplifies Netflix's attempt to

[21] See Ramon Lobato's *Netflix Nations* (2019) for an in depth critique of the vastly uneven experiences of Netflix across borders.
[22] The Nielsen rating system attempts to monitor representative cross section of television consumers and markets, through selecting families and households as sample groups, known as Nielsen households (Nielsen, 2019).

convince investors that its platform model will be able to sustainably predict, construct, guide, and *engage* audiences as *user experiences* of originals as a means of *value* generation. As an evolution of Netflix's long term brand promise of personalization, this moment, however understated, marked a turning point within Netflix's investor lore. Here the viewing and "user engagement" data they had been collecting for 16 years was weaponized against the owners of the very content Netflix had licensed *for* its users to engage with up until this point. Taking aim at content owners, Netflix communicated that such data now provided them with the confidence to commission original productions and exclusive rights for international distribution based upon viewing trends which suggested theoretical taste groups, audiences, and appetites for increasingly specific combinations of genres, directors, writers, and stars. Where the streaming era marked an internal cannibalization of DVD-rental-by-mail, the emergence of originals signalled a slower, external challenge to an already waning licensing model. The company's lack of control of the external factors of licensing costs was thus sought to be compensated for in this turn to vertical integration as a new and alternative optimization of content, data, and capital.

Evidently it would take significantly more than the emergent lore of these few paragraphs to convince investors of the potential of original programming, as the company's stock fell over fourteen points the day after the publishing of this earnings release, perhaps frightened by an unproven spending model (Financial Content, 2019). Where the 2011 announcement of the *House of Cards* deal was talked back at the time as an "experimental licensing model", such language shifted dramatically in one short year in attempt to communicate to investors the seriousness and potential of originals going forward. With their credibility and brand still bruised from the Qwikster crash, Hastings' and company realized they would have to play a longer game to claw their way back into the good graces of Wall Street.

Episode 2: King Content

After the stock hit a multi-year low of $57.85 in October 2012, Netflix would nearly triple this value by late January 2013. Jumping up by a staggering 65 points in the two days of trading after their Q4 2012 report, the company boasted an annual addition of 10 million streaming subscribers, a return to profitability, and foreshadowed the release of multiple original series. On the upswing from this positive quarterly report, a GQ profile on Hastings and Sorandos titled "And the Award for the Next HBO Goes to..." was also published just two days before the premiere of the first season of Netflix's flagship original *House of Cards.* The now infamous Sarandos quote "the goal is to become HBO faster than HBO can become us" came from this article, and showcased Netflix's official challenge to Hollywood's TV industry. The long form piece features the subheading:

> *"The quirky little start-up that once printed money by mailing you DVDs is hell-bent on morphing into the HBO—and the network, and the any-show, any-time streaming service—of tomorrow. Can Netflix and its pathologically modest founder, Reed Hastings, pull it off? Who knows? But it's going to be fun to watch, starting this month with David Fincher's $100 million House of Cards. The only guaranteed winner in the bloody battle for the on-demand future? You. On your couch."* (Hass, 2013)

Fanning the flames of the rising content wars between Netflix and Hollywood, this introduction situates the user as the beneficiary of this added layer of competition in the entertainment industry –of which Netflix was now considered a part of. Emphasizing the scale and risk of Netflix's costly entrance into the content production market, this article heightened the drama of this new aspect of the company's investor lore, as well as the increasingly antagonistic role Netflix was now playing in Hollywood. The profile focuses primarily on Hastings and but importantly also introduces Chief Content Officer Ted Sarandos, an emerging narrator of investor lore as the company shifted into original and exclusive content strategies. Sketching portraits of these characters/narrators through personal stories and detailed anecdotes, the author Nancy Hass provided ample room for these figureheads of the brand to showcase their disruptive philosophy. She writes of Sarandos:

> *"[Sarandos'] seductive pitch to today's new breed of TV auteurs: a huge audience, real money, no meddlesome executives ('I'm not going to give David Fincher notes'), no pilots (television's great sucking hole of money and hope), and a full-season commitment."* (Hass, 2013)

"Innovating" traditional approaches to the production, distribution, and audiencing of "quality" televisual content, the anticipation of both Hollywood and Wall Street was growing to see how the experiment of *House of Cards*, and the new platform model it represented, would play out. The quote above exemplifies the emerging motif of "creative freedom" for Netflix Original programming that Netflix sought to foreground in its investor lore. While stated briefly here, this line is indicative of Netflix's communicative strategy to attract top creative talent for their originals, and thus convince investors that they could continue to do so. In the first years of

Originals, Netflix had actors and directors champion this idea about how "liberating" their creative experiences were with the company, since it was not beholden to pilots, weekly releases, advertisers, smaller budgets, and the administration of each of these factors. Messages such as this one contributed to the idea and lore of Netflix as a champion of creative freedom, foreshadowing the coming of creatives as important brand ambassadors and thus narrators of this investor lore.

The conclusion of Hass' article takes the reader to the wrap party of the resuscitated fourth season of *Arrested Development*, now a Netflix original. Hass frames an awkward interaction between Hastings and Fox's head of digital distribution Peter Levinsohn. Beneath a veneer of civility, the emergent star CEO seems to gloat over the linear TV executive, relishing in the joy of his own clever disruption while feigning a collegial, collaborative industrial spirit. Positioning Netflix as an emerging threat to linear television and its traditional modes of production, this article thematizes the new competition between streaming and linear TV as a race to internet TV dominance; a race in which Netflix had a considerable head start. Articles such as this one further projected the idea that the future of TV was *inevitably online*; as Sarandos' pithy HBO remark made clear: the race to dominate both 'quality' original content *and* online distribution markets were now one in the same. In other words media convergence 101: content, communications, and computing industries increasingly overlapping due to shared reliances and perceived efficiencies of digitization and now platformization. Invoking the imagery of a race in which Netflix had a technological head start, this article contributed to Netflix's investor lore of convergence and disruption, bolstering the old adage that "fortune" –luck and wealth– "favours the bold."

> *"Dear Fellow Shareholders, In Q1, we added over 3 million streaming members, bringing us to more than 36 million, who collectively enjoyed on Netflix over 4 billion hours of films and TV shows."*
>
> -CEO Reed Hastings & CFO David Wells
> (Netflix 2013, Q1 Letter to Shareholders, Apr 22, 1)

Rhetorically emphasizing the scale of the company's growth and success, *–and importantly their built-in ability to accurately measure such growth metrics*– these opening lines of the Q1 2013 investor letter boast the simultaneous quarterly growth of subscriptions (revenue) and thus the unprecedented growth of their streaming consumption (time, attention, data, brand power). Underneath this leading message, a spreadsheet (Figure 7) showcases the performance of Q1 2013 compared to the previous four quarters, divided into the categories of domestic streaming, international streaming, domestic dvd, and total global figures. The visualization of data displayed here speaks to the shifting priorities of Netflix, guiding the reader to interpolate seasonal and annual trends and temporalities in membership (growth in streaming, decline in dvd), revenue, operating income, profit margins, and earnings per share.

(in millions except per share data)	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13
Domestic Streaming:					
Net Additions	1.74	0.53	1.16	2.05	2.03
Total Members	23.41	23.94	25.10	27.15	29.17
Paid Members	22.02	22.69	23.80	25.47	27.91
Revenue	$ 507	$ 533	$ 556	$ 589	$ 639
Contribution Profit*	$ 72	$ 87	$ 96	$ 113	$ 131
Contribution Margin*	14.3%	16.4%	17.2%	19.2%	20.6%
International Streaming:					
Net Additions	1.21	0.56	0.69	1.81	1.02
Total Members	3.07	3.62	4.31	6.12	7.14
Paid Members	2.41	3.02	3.69	4.89	6.33
Revenue	$ 43	$ 65	$ 78	$ 101	$ 142
Contribution Profit (Loss)	$ (103)	$ (89)	$ (92)	$ (105)	$ (77)
Domestic DVD:					
Total Members	10.09	9.24	8.61	8.22	7.98
Revenue	$ 320	$ 291	$ 271	$ 254	$ 243
Contribution Profit	$ 146	$ 134	$ 131	$ 128	$ 113
Global:					
Revenue	$ 870	$ 889	$ 905	$ 945	$ 1,024
Operating Income (Loss)	$ (2)	$ 16	$ 16	$ 20	$ 32
Net Income (Loss)**	$ (5)	$ 6	$ 8	$ 8	$ 3
Net Income Excluding Debt Extinguishment Loss	$ -	$ -	$ -	$ -	$ 19
EPS**	$ (0.08)	$ 0.11	$ 0.13	$ 0.13	$ 0.05
EPS Excluding Debt Extinguishment Loss	$ -	$ -	$ -	$ -	$ 0.31
Free Cash Flow	$ 2	$ 11	$ (20)	$ (51)	$ (42)
Shares (FD)	55.5	58.8	58.7	59.1	60.1

*Contribution profit & margin for prior periods reflect reclassification of marketing overhead costs to G&A

**Net Income/EPS includes a $25m loss on extinguishment of debt ($16m net of tax)

Figure 7. Netflix Q1 2013 Report Spreadsheet (April 22, 2013).

After outlining improvements and efficiencies in both domestic and international streaming markets, the letter shifts to examine the new strategy of Original Series, now its very own section in the quarterly letter to shareholders since Q1 2012.

"On February 1, we premiered all 13 episodes of House of Cards to enormous popular and critical acclaim. The global viewing and high level of engagement with the show increased our confidence in our ability to pick shows Netflix members will embrace and to pick partners skilled at delivering a great series. The high level of viewer satisfaction implies we are able to target the right audience without the benefit of existing broadcast or cable viewing data and the strong viewing across all our markets gives us faith in our ability to create global content brands in a cost-effective, efficient way."

-CEO Reed Hastings & CFO David Wells
(Netflix 2013; Q1 Letter to Shareholders, Apr 22, 4)

Global, engagement, confidence, satisfaction, targeting, data, efficiency. This introduction to the Original Programming section qualitatively emphasizes the power of the Netflix platform model to efficiently *pick* content and content providers to match with *target* audiences and publish such content in the most engaging way. A recent Harvard Business Review article highlights how economies of scale create efficiencies and synergies (network effects) not only in strict financial terms, but now importantly in terms of the "richness" or utility of data to understand, predict, and guide user behaviour and thus satisfaction, brand strength, user growth, and so on:

"In the internet economy, firms that achieve higher "volume" than competitors (that is, attract more platform participants) offer a higher average value per transaction. That's because the larger the network, the better the matches between supply and demand and the richer the data that can be used to find matches. Greater scale generates more value, which attracts more participants, which creates more value—another virtuous feedback loop that produces monopolies." (Van Alstyne, Parker, & Choudary, 2016, p. 58)

The former quote mirrors the latter quite closely, and 2013's *House of Cards* was a crucial moment in mythologizing the value potentiality of this platform model and its new media economics. With the company's flagship global content brand campaign for *House of Cards* successfully becoming an undeniable cultural *and industrial* phenomenon, Netflix was able to leverage such socio-cultural saliency as an indication of the brand power of the show, and by extension the company. Notably any *quantitative* metrics surrounding the show's success were strategically withheld, clearly communicating that such viewer data would remain proprietary. When asked specifically about measuring and communicating *House of Cards* as a successful investment in the Q1 2013 earnings call, Hastings' encouraged investors rather to see the forest for the trees, to have faith in what this model does for the company overall, as opposed to focusing on any individual title. *You* invest in Netflix, not just *House of Cards*. Here *House of Cards* proved to be symbolic of an emergent storyline within the company's lore which sought to inspire belief from investors that original production could offer an alternative and supplementary content model as opposed to licensing alone. Attributing the quarterly jump in subscribers largely to the release of *House of Cards*, Wall Street was evidently, if not temporarily, convinced of the potential in this new model, with Netflix's stock value rising 53 points (over 30%) in two days after the publication of the Q1 2013 report. The investor lore for original programming was working, generating fictitious capital through capitalizing on fiction.

Overall, momentum would continue to build for the lore of Netflix's original content model, sparking a multi-year upward trajectory for the company's valuation. Dips in the company's stock price became predictable if subscriber growth numbers were lower than expected, and unpredictable general dips in global financial markets also affected the stock temporarily but overall it was onwards and upwards. Netflix's new investor lore, strengthened by Originals, was working. In other words, Netflix's investor lore of streaming distribution, original content production, and international expansion continued to capture more and more audience members, as appetites for this narrative of value continued to grow. With successful Original brands such as *House of Cards*, *Orange is the New Black, Hemlock Grove*, *Bojack Horseman*, and *Arrested Development,* the first "slate" of original programming in these first few years comprised a tiny but symbolically meaningful portion of the Netflix catalogue, communicating to investors the company's ability to create and sustain popular content brands, and claiming that this helps attract users. Without releasing viewer data, investors, and researchers (such as myself), have no way of verifying this claim, making its *narrative* perpetuation all the more important to analyze. Regardless of its validity, the value and success of this promissory lore to provide engaging user experiences through originals remains integral to the overall Netflix brand (and) narrative.

In a show of confidence the company issued a 7-for-1 stock split, from just over $700 per share to $100 in July of 2015, increasingly the liquidity, flexibility, and accessibility of their stock for purchase and trade. The inflation of the stock to such heights evidences the successful comeback story of the company's investor lore since 2011. Beyond the scaling of their digital provision of video entertainment, it was also the discursive assemblage of language, statistics, and economics, which sold this narrative of future value generation to investors. This faith from Wall Street importantly reinforced Netflix's industrial strategies, operations, and of course the lore which communicates such practices as valuable. The positive feedback circuit of discourse and value here evidences the self-fulfilling prophecy of successful investor lore; if enough investors *believe,* the effects of their mutual faith and investment drive value. Like the time, attention, sociality, and capital that users invest in Netflix and its content brands (generating behavioural data, revenue, word-of-mouth buzz, and free marketing for the company), the time, attention, sociality, and capital that financiers invest in the Netflix stock produces similar effects for a financial audience (perhaps desperately) looking for a valuable story. As I have demonstrated, the biggest, most influential Netflix Original has really been the multi-sited project of its investor lore, pushing around billions of dollars, data points, hours, words, and images.

By the end of 2015 the company would boast nearly 75 million subscribers in 60 different countries, with international user additions outpacing domestic growth by a factor of five. Originals represented Netflix's ability to adapt to an increasingly expensive content licensing landscape, and also strategically circumvented many of the political and geographic strictures of IP law (Lobato, 2017; 2019). If Netflix was the exclusive distributor if not producer of a content title, the goal was to give themselves global rights in perpetuity to such content, increasing the spatiotemporal reach of and returns on such investments.

Episode 3: Talking About a 'Global' Revolution

In early January of 2016 Hastings delivered a keynote presentation at the Consumer Electronics Showcase, a massive international tech industry trade show held in Las Vegas annually. Joined by Sarandos, a host of actors, and a slew of Netflix original previews, Hastings used this global stage to boast of his company's successes, and offer a vision of the future: a global TV network. Indicative of the fantastical conventions of Silicon Valley's "disruptive innovation" narrative, this presentation told the story of how Netflix rose to be the best in the industry, and promised to always innovate its way into the future to maintain such self-appointed dominance. The object of Netflix's "innovative" desire, and thus potential future, expressed here at CES 2016 was *global storytelling*, a convergent narrative of technology and entertainment from which a "global internet TV network" providing *Netflix Global Originals* would emerge.

This industry trade show is one of the richest displays of this 'third season' of Netflix and its investor lore; amplifying the company's messaging of how their technological innovations have led to the 'best user experience of TV.' Alongside the company's foundational discourses of user convenience, choice, and ease, the emerging themes of this event focused upon the quality, creative freedom, and 'globality' of Netflix and its originals. To lead up to these new themes, Hastings offered a brief revisionist history of entertainment technologies.

Hastings' speech opened with the following introduction:

> "*Entertainment and Technology are continuing to transform each other as they have been doing for over a hundred years. From radio to broadcast TV, broadcast TV to cable TV and now to internet TV with each of these bringing a better experience. With broadcast TV starting in the 1950s you could watch video in your home and that was a miracle at the time but with broadcast TV you had only a few networks and so not much choice. Then came cable TV where you had hundreds of networks to scroll through but what consumers really wanted was to be able to choose when to watch. The VCR let them do that to some degree recording films and TV series to watch later. The DVR made the VCR a little less clunky. The VCR and DVR were early efforts to give people what they wanted: on-demand television. With the Internet, we can finally give people what they have always wanted, we can now put consumers across the world in the driver's seat when it comes to when and where they want to watch. Internet TV allows us to redefine what is possible. Great stories at your fingertips on your Smart TV, on your phone, tablet, and laptop. You can start, pause, and resume watching whenever and wherever you feel like it. You don't have to sit through commercials or be at the mercy of an 8pm tune in, you just click and watch. A simple revolutionary shift from corporate to consumer control. The Netflix service is personalized for you and every other member of your household. We offer movies and TV shows for every taste and every age. Shows that inform, that provoke, that engage, that delight. We are just beginning to break down the barriers so the world's best storytellers can reach audiences all over the world*."

Telling a specific and convergent narrative of home entertainment, Hastings' rhetorically positions the wants and needs of the consumer throughout the 20th and 21st centuries. Unsurprisingly, through a discursive narrative of "innovation and progress", the Netflix CEO elucidates how linear TV's "problems" of lack of choice and scheduled programming have been defeated by the convergence of TV, consumer electronics, and the internet: *streaming*. Hastings' remarks reflect a new politicization of time in late capitalism, as the leisure activity of watching television now must be as flexible and on-demand as contemporary organizations of labour. You can watch "whatever" you want, "wherever" you might be, with the technological infrastructures you have invested in (broadband connections, data plans, screen devices), "whenever" (or if ever) you have the time for leisure. Moreover this discourse of consumer choice, coded with ideas of economic and cultural accessibility to entertainment, also indicate the internet's great illusion of freedom, which overwhelms the user with increasing volumes of information and choice to ultimately guide and surveille user navigation, consumption, and behaviour into more predictable and thus potentially profitable “experiences.” The supposed mitigation of this option paralysis is evident in the user interface and user experience design, with algorithmically informed “recommended for you”, “because you watched...”, “trending now”, as well as hundreds of micro-genre tags[23] and lists to *channel* user consumption. All of this works to fulfill the performative promise of Netflix’s investor lore to personalize (aka predict) user behaviour.

One needn’t look further than the auto-play function after the completion of a series episode to understand how Netflix’s UI and UX design encourages and channels such behaviours and patterns of consumption. Such design seeks to generate ever more user data and viewership, which can in turn be celebrated, albeit opaquely, as successful and efficient content to investors: a promise fulfilled. The strategic shift from film to TV content during the transition to streaming and the roll-out of original programming further indicate Netflix’s simultaneous production of audiences *and* content, as an industrial “synergy” and optimization of capital and investment: “cost per viewing hour.”

Thus constructing and framing the problems of choice and time as conquered by streaming, this keynote argued that *space* was the final frontier or challenge which could also be “disrupted”, flattened, and thus eventually capitalized upon.

> “*We're shooting a sports comedy in Mexico, a crime drama in Italy, a dystopian film about bioengineering in Korea... The possibilities of building connections between cultures and people are endless and important, that's why we're here to talk this morning. We're gonna talk about how the Internet is changing television and how we're at the start of a global revolution.*” (Hastings, CES 2016)

The rollout of Netflix’s international expansion had been slow and steady in the five years leading up to this event, with the company taking initial losses as investments to “break in” to new markets. The quote above showcases the emergence of Netflix’s discourse of “glocalization”: producing local, non-english content to distribute globally and instantaneously. Beyond just operating and licensing *some* local language content for that region or territory, CES 2016 was a major platform for Netflix to disseminate its message of international original production, and the “endless possibilities” that this “global revolution of internet tv” could provide. In examining this rhetoric of Netflix’s construction of “globality”, it is worthwhile to turn to the 19th century German thinker Johann Wolfgang Goethe and compare his philosophy of world

[23] See Finn’s 2017 book “What Algorithms Want: Chapter 3 The Aesthetics of Abstraction” for more detail on micro-genre tags and Netflix’s algorithmic production information.

literature for some insightful similarities.[24] In 1827, Goethe wrote in a letter to his friend, the poet Johann Eckermann:

> *"I am more and more convinced, [...] that poetry is the universal possession of mankind, revealing itself everywhere, and at all times, in hundreds and hundreds of men. [...] I therefore like to look about me in foreign nations, and advise everyone to do the same. National literature is now rather an unmeaning term; the epoch of World literature is at hand, and every one must strive to hasten its approach. But, while we thus value what is foreign, we must not bind ourselves to anything in particular, and regard it as a model. We must not give this value to the Chinese, or the Servian, or Calderon, or the Nibelungen; but if we really want a pattern, we must always return to the ancient Greeks, in whose works the beauty of mankind is constantly represented. All the rest we must look at only historically, appropriating to ourselves what is good, so far as it goes."*
>
> -Goethe, 1827

The parallels between Hastings' remark of a "global [TV] revolution", and Goethe's Euro-philic musings upon the idea of a "world literature" are manyfold. Like Goethe's perhaps well-intentioned, but ultimately bourgeois gesture to translate as many literary works into as many languages as possible, Hastings' global television network proclaims a similarly utopian vision of transnational cultural exchange, albeit conveniently aligned with potential flows of global capital. I include the last to lines of Goethe's quote, as its citation generally tends to get cut off before his addendum defending and championing the Western canon. Where Goethe sought to appropriate world literature for the cultural value and human insight it might offer to the "enlightened West", Hastings' sings a similar tune but rather for the potential financial value and behavioural data "World TV" might offer to both Wall Street, Silicon Valley, and largely Western loci of financial, technological, and cultural power. The parallels to modernist, enlightenment thinking should call attention to our new technological rationale as perhaps a second enlightenment; a new age of computational reason.[25]

In an attempt to further project an ethos of global sharing and storytelling, CCO Ted Sarandos took the stage to explain the philosophy, value, and potential scale of Netflix's global original programming strategy.[26]

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[24] Thanks to Dr. Elena Pnevmonidou for pointing me in the direction of Goethe's World Literature.
[25] See Finn's "What Algorithms Want" (2017) for more on computational rationality.
[26] "*This year we expect to offer our members over 600 hours of high quality original programming from some of the world's most talented people, and the only place you'll find it is on Netflix [...] With the internet, global distribution no longer needs to be fragmented. It means that everyone pretty much everywhere should be able to see great films and TV shows at the exact same moment."* (Sarandos, CES 2016).

“At Netflix we have what we call the freedom and responsibility culture, which means that Netflix executives get a lot of freedom to innovate in our fast-moving business. It also means that we're responsible for delivering the goods; we treat the filmmakers the exact same way. We hire strong creatives. We let them create compelling worlds [...] It is true that we believe in quality: great visuals, well-written scripts, awards worthy acting, but as you saw in that first sizzle reel, we love stories of all sorts: highbrow, lowbrow, funny, sad, scary, you name it. We have that luxury thanks to the internet. Linear TV –the kind we all grew up on– must aggregate a large audience at a given time of day and hope that whatever they're showing will attract enough viewers. With Netflix, members could enjoy a show anytime, and based on their viewing habits we could put the right one in front of them each and every time. That means we can spend less on marketing and still generate higher viewership even from smaller quirkier less traditionally commercial material. (Sarandos, CES 2016)

Referencing Netflix’s infamous corporate culture[27] –which prioritizes employee performance over rules and regulations– Sarandos argues that the same philosophy they apply to computer engineering and administration performance should also apply to the creative work of cultural production. Putting forth the idea that this “culture of freedom” will allow for more compelling, diverse, quality content, Sarandos explains how their platform distribution model encourages and optimizes capital invested in originals. Citing also the promise of personalization, Sarandos communicates how the affordance or power of recommendation algorithms increases and streamlines “engagement” with content, thus saving on external marketing costs. He goes on to further elaborate upon how Netflix’s platform-studio model identifies, guides, and produces audiences for such content:

Now at Netflix we famously use big data to help us size our investments in different types of programming. This allows us to deliver a spectacularly broad range of series and films to our members without having to worry about the reach of any one single title at any one moment. We can have content that appeals to a five-year-old a teen or their grandparents all living in the same household. Because of this unique strength we can commit to producing and publishing books rather than chapters. We can give creators the chance to concentrate on multi-episode story arcs rather than pilots. A creator can work on episode 11, confident that very recently the viewer has enjoyed episode 1 through 10. They could develop episodes that are not all exactly 22 or 44 minutes long they could take 10 episodes or 20 episodes to tell their stories’ pilots. The fall season,

[27] Facebook COO Sheryl Sandberg has declared Netflix’s “Culture Deck” slideshow one of the most important documents to come out of Silicon Valley, furthering the documents already wide circulation in tech industry human relations (Fernstein, 2013).

summer repeats, live ratings, all of the constraints of linear television are falling away one by one." (Sarandos, CES 2016)

This quote clearly evidences Lotz' aforementioned[28] point that the affordance of nonlinear programming increases the efficiencies or "synergies" of a vertically integrated model of content provision: production, programming, promotion, recommendation, and distribution through scaled consumption. Sarandos and Hastings both boast of the well documented "binging" phenomenon[29] in this keynote, arguing that it adds value for user experiences, and frees creative talent to "innovate" the art of storytelling with less structure – which of course they argue further makes for better user experiences. Claiming to disrupt linear TV and its "constraints" to an audience of tech investors, Sarandos appeals to the industry's appetite for such a narrative of innovation, and an innovation of narrative itself.

Episode 4: Welcome to The Talent Show

After explaining and projecting Netflix's original programming lore, Sarandos invited the stars of four Netflix Originals up on stage to do the same: Chelsea Handler of docu-series *Chelsea Does*, Will Arnett of the *Arrested Development, Bojack Horseman*, and *Flaked*, Krysten Ritter of Marvel's *Jessica Jones,* and Wagner Moura of *Narcos*. Emphasizing the 'global' reach of Netflix Originals, the guests shared their experiences of travelling the world, promoting their titles, and working with Netflix. Like prior endorsements from David Fincher and Kevin Spacey[30], these stars also became both narrators *of,* and figures within Netflix's investor lore of *global* original programming. The emergent discourse here was of Netflix as a home for creative talent and "innovative" storytelling with a "global audience". Thus the conversation between these actors and performers specifically and rhetorically thematized the creative freedom of working with Netflix, and the joys of their international distribution. As a comedian and experienced talk-show host, Handler took on the role of moderator, leading the discussion among this panel of actors ever toward topics of international accessibility to content and the experience of working with Netflix as a 'creative'.

[28]Pages 14-17 in literature review for Lotz's affordances of non-linear TV.
[29] See Burroughs, 2018; Jenner, 2015; 2016; McCracken, 2013; Matrix 2014.
[30] See Kevin Spacey's 2014 James Mactaggart Memorial Lecture at the Edinburgh Television Festival for example.

Quotes from each of the panel members further evidence these emergent themes within Netflix's investor lore:

Moura: "*One of the things that makes me really happy about Narcos is that American audiences embraced a show that's I think 70%? [...] spoken in Spanish [...] It's pretty cool!*"

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Ritter: "*We went to Italy, Spain, Japan, Brazil [...] It's been completely mind-blowing to go and promote your show in all of these different countries. Jessica Jones is a really unique character that we haven't seen before. The superhero genre is kind of a boys playground, so it's really exciting to have this amazing, you know, female character with a global audience come out, you know, making some noise. It's been incredibly exciting. [...] When I was watching the show at the end there's all of these different pages crediting the actors that do the dubbing so that goes on for pages and pages [...] In so many countries –yeah– it's it's crazy."*

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Arnett: "*When I started working with Netflix was on Arrested Development and that was sort of three four years ago, and it was Ted and Reed and some dude, you know, who was like doing accounting on the back of a napkin. The company has grown and the audience has grown and I gotta say this, it's interesting from then to now, you know, doing Bojack and watching, you know, the global impact. You know I went with Kristin for part of that trip we were in Spain and Italy and having people ... knowing that they're watching the show day in day at the same time that we are here which is such a different ... as Ted said before we're just throwing out the old paradigm is completely gone and now everything that you do is immediately available, you know, and all these countries around the world it's pretty amazing.*"

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Handler: "*It's such a nice place to work when you can kind of go and create a vision and then you guys are progressive enough to say go do it and then all of a sudden that's done. I pitched you four documentaries, you said yeah they sound like great ideas and that was it and I was like –I mean that's probably not a great way to tell Reed that you're running things– it's a great place to work and that's all I have to say on the topic."*

With some tactful banter, Handler's guidance of the discussion sought to showcase Netflix as a progressive yet edgy new player in the entertainment industry. Each of these above quotes elucidate this in some way. Moura for example (a Brazilian actor) learned Spanish to play the role of Pablo Escobar, and speaks to the authenticity of *Narcos'* predominantly Spanish dialogue. Contrasting themselves from the supposedly conventional industry lore that subtitled content would not reach or engage popular audiences, Moura and Sarandos provide anecdotal evidence on the contrary, and speak of the show's wide viewership in America and beyond, without of course sharing that ever valuable viewership data. Furthering this point, Ritter and later Arnett also cite how "exciting" and "amazing" it is to witness the 'global' reach of their work, made possible by Netflix's investment in international streaming infrastructure, dubbing, and subtitling. In relation to Netflix's reputation as a home for progressive content, both Ritter and Handler also importantly frame the company as a supporter and champion female-led content, from the super hero action genre, to Handler's unconventional and wide-reaching docu-series, of which Handler boasts "they paid me to do drugs! I went to Peru and did Ayahuasca... It's the best job in the world everybody!"

Arnett's account is also noteworthy, as he testifies to how much Netflix –and its global audiences– have grown since he began working with the company on the revamp of *Arrested Development* in 2013, to the development of his third Netflix original series *Flaked* of that year. Handler's final quote concluded this somewhat awkward but nonetheless insightful discussion of Netflix's identity as a growing producer of content, and the new paradigm defining the company's strategy. This move to enlist creative talent to be first person narrators of Netflix's investor lore for original programming sought to increase the company's credibility as not only a studio, but an innovator or disruptor to traditional studio practices: open to new types, formats, and approaches to creating and providing content.

Endorsements from such actors here also extended Netflix's challenge to Hollywood, in bidding not only for the time and attention of user-audiences, but now also creative talent. The central message thematized here was that Netflix is a better home for creators, as their content could push traditional boundaries in terms of genre, form, and representation, and would also have an instantaneous global release and thus potential audience. The argument put forth here was that if Netflix could attract top talent, it could provide quality content, maintaining and luring ever more users, revenue, and data, to inform which talent the company might pursue; yet another feedback loop of value.

The climactic finale of this event featured a bold announcement from Hastings; a grand reveal contradicting the timeline laid out in his own introduction by Consumer Technology Association president and CEO Gary Shapiro:

> "*We're fortunate that he's agreed to share time with us to talk about building a global internet TV network as Netflix intends to be in nearly every country by the end of 2016. Ladies and gentlemen please join me in welcoming the chief executive officer and co-founder of Network– Netflix and our keynote speaker this morning Reed Hastings*."
> (Shapiro, CES 2016).

> "*While we have been here on stage at CES we switched Netflix on in Azerbaijan, in Vietnam, in India, in Nigeria, in Poland, in Russia, in Saudi Arabia, in Singapore, in*

South Korea, in Turkey, in Indonesia, and in a hundred and thirty new countries. While you have been listening to me talk the Netflix service has gone live in nearly every country of the world, except China, where we hope to also be in the future. Today, right now, you are witnessing the birth of a global TV network –and I do mean the birth. Today we are offering consumers around the world our incredible global catalog of original content available around the world including licensed feature films and series. We've also added Korean and Arabic and Chinese, to bring our supported languages to 21. From today onwards we listen, we learn, we improve, we add more languages, more content, more ways for people to engage with Netflix over the next several years. Our goal is to offer an ever improving service with incredible Netflix shows and films coming from storytellers around the world to people around the world. The global potential is both a joy and a challenge to fulfill. Whether you were in Sydney or st. Petersburg Singapore or Seoul, Santiago or Saskatoon you now can be part of the internet TV revolution. No more waiting, no more watching on a schedule that's not your own. No more frustration. Just Netflix. How, when, and wherever you are in the world. Today you have witnessed an incredible event. Thank you all for coming." (Hastings, CES 2016)

Projecting an image of a worldwide streaming service, Hastings' conclusion at CES 2016 claimed in many ways to conquer the sociopolitical and cultural complexities of space itself; the divisions of borders and language, the uneven global infrastructures of capital and power. Aligned with Netflix's brand association of instantaneity, Hastings' announcement of the "global switch-on" –like the publishing a Netflix title itself– functioned as a metanarrative for Netflix's transnational ambitions, and the value this now represents in its investor lore. The narrative "twist" or reveal of Netflix being apparently a full year ahead of schedule for its global expansion turned what would have been a "roll-out" into a "launch": "no more waiting" for this so-called 'global' internet TV revolution. However, while the "globality" of Netflix's international network is wildly uneven, inaccessible, and well contested[31], the rhetoric of this event solidified the aspirations of the company to rapidly expand in the face of an increasingly competitive domestic streaming industry. Beyond Hulu and Amazon, a range of major tech and entertainment giants such as Apple, Google/YouTube, Disney, HBO, Facebook, Comcast, and AT&T, among a host of other smaller companies would all announce plans to enter into the SVOD space in some capacity around this time (if they hadn't already). The flipside of the success of Netflix's investor lore –evident in its rapidly rising stock value– was also a rising wave of domestic competition. From here international expansion thus offered a way for Netflix to differentiate itself, with a wide range of alternative markets to enter, where anyone with an internet connected screen

[31] Lobato 2017; 2019.

could theoretically become a potential user. These industrial shifts thus signal how the narrative of the value that streaming represented was becoming increasingly accepted by all stakeholders: users, investors, executives, creators, coders, and most importantly other, converging, media industry competitors. In America, the home of many of these converging tech and media giants, the rise of Netflix alongside major shifts in internet infrastructures and consumer technologies (and behaviours) produced the conditions for such acceptance of the narrative of streaming video as an inevitable, ubiquitous, *valuable* future. As this moment arrived, global originals and the infrastructure of a global delivery network thus represented Netflix's newest innovation and a head start in the so-called streaming wars to come.

Episode 5: Scale, Risk, Rhetoric, Reward?

> "*the content just keeps improving, and that keeps the word of mouth growing. So we're very excited about that formula.*" - Hastings (Netflix Earnings Call Q1, 2016, Apr 18)

Following CES, the Q1 2016 earnings report showed relatively modest, yet still record breaking increases in total subscribers, bringing the global total to over 81 million. The report led with the excitement of the CES global expansion announcement, and attributed the growth in user acquisitions to this, as well as the release of a slate of original programs: *Making A Murderer* (a late December debut), *Fuller House* (February), *House of Cards* Season 4 (March) and *Daredevil* Season 2 (March). The range of content cited here is telling: a true crime docu-series, a remake of a popular 90s family drama, the continuation of their flagship prestige drama, and the renewal of one of many superhero action series. Netflix was continuing to provide content for a wide range of audiences, with an increasing presence of originals in their catalogue, and in popular culture more generally.

Addressing the international market challenges of language accessibility and few digital payment options, the report stated that working on these issues, alongside the release of a wave of local language content under production in Mexico, Brazil, Columbia, Italy, France, Germany, and Japan in the coming quarters would be central to sustaining the company's international growth. The location of these non-English language Originals indicate further which markets Netflix was primarily focused on developing, and what types or brands of content could produce and sustain audiences, be they domestic or world-wide. Interpolating patterns from the data within and across markets with high rates of internet penetration, Netflix hoped to identify audiences and taste communities by genre, style, form, and star power in these new potential markets.

Take for example Adam Sandler's four-film deal with Netflix, each of which were panned by American critics and audiences alike, but were immensely popular internationally, specifically in Latin America (Garcia, 2015). While perhaps idiosyncratic, this example elucidates the potential flows of data, content, and capital enabled by the platform model, justified and organized by its investor lore. By producing any original –English-language or 'global'– and marketing and distributing this content through strategically guided, algorithmically informed UI and UX design, the potential to achieve global economies of scale was also clearly heightened by Netflix's international launch. What failed in the domestic box office markets of yesterday could now potentially succeed on the small screens of the world.

When asked about the increasingly large budgets of Netflix's major (TV) titles: *House of Cards, Stranger Things, The Crown*, and *The Get Down* Netflix's chief narrators expressed yet again their unflinching faith in, and endorsement of *scaled investment:*

> *"You should think about it that those big productions play much more like big blockbuster film. And the fact that not only do they get more watching in the US, but they travel much better too. So you see in all these non-English speaking territories, these series performed very well."* -CCO Ted Sarandos (Netflix 2016a, Q1 Earnings Call, Apr 18)

> "*It suggests an increase in return on spending if anything. That is, when you spend on the big items they go much, much further than a whole lot of substitutable content. So we're interested in both spectacular content and spectacular membership growth*."
> -CEO Reed Hastings (Netflix 2016a, Q1 Earnings Call, Apr 18)

Boasting of the unprecedented scale of Netflix's content budgeting, both Sarandos and Hastings' double-down here on the media economics of this choice, appealing, as always, to the *faith* of the investor in lieu of sharing any financial metrics or viewer data to support such confidence. The coming quarters and years would expand upon this rhetorical and industrial strategy, championing increasingly high P&L (production and licensing) costs as the main way to ever improve the Netflix user experience, and thus drive subscriber growth worldwide.

> "*We are incredibly excited about all the projects we have underway for our global members, no matter their age, taste or cultural background; in 2017, we plan to invest over $6 billion on content on a P&L basis (up from $5 billion in 2016)."*
> -CEO Reed Hastings & CFO David Wells
> (Netflix 2017, Q4 2016 Earnings Report)

The rhetorical weight behind an additional billion dollars of spending projects both boldness and confidence with respect to Netflix's content provision model. Despite seasonal dips, the overall upward trending of user growth backed this aggressive strategy, financed largely through debt structures and obligatory long term payments, the scale of which can be seen in figure 8. In approaching nearly 100 million subscribers, questions began to arise as to just how big could Netflix grow: just how valuable could Netflix's future be? And who or what might stand in the way of maintaining such growth and sustaining the fantastical narrative of Netflix's investor lore?

Announced Date	Transaction Name	Number of Investors	Money Raised	Lead Investors
Apr 24, 2018	Post-IPO Debt - Netflix	—	$1.9B	—
Feb 4, 2014	Post-IPO Debt - Netflix	—	$400M	—
Jan 29, 2013	Post-IPO Debt - Netflix	—	$500M	—
Nov 21, 2011	Post-IPO Debt - Netflix	1	$200M	TCV
Apr 17, 2000	Series E - Netflix	3	$50M	—
Jul 7, 1999	Series D - Netflix	3	$30.3M	Groupe Arnault
Feb 1, 1999	Series C - Netflix	4	$15.2M	—
Jun 1, 1998	Series B - Netflix	2	$6M	IVP (Institutional Venture Partners)
Mar 1, 1998	Series A - Netflix	—	$250K	—
Oct 1, 1997	Series A - Netflix	2	$2M	Reed Hastings

Figure 8. Netflix's increasing scale of investment and debt-funding since its inception in 1997. (Crunchbase, 2019).

Episode 6: Move Fast and Break Beats

A notable example of failure, here also a failed performative, is the Netflix original series *The Get Down*. Directed by the acclaimed Baz Luhrmann, and set in 1970s New York at the twilight of disco and dawn of hip-hop, the first and only season of this musical drama was estimated to cost roughly $120 million dollars. With the profile of this auteur and high production value, *The Get Down* was the first Netflix show of such size to be cancelled after just one season, opening up a conversation about the sustainability and efficacy of Netflix's original programming strategy. With *Marco Polo* and *Sense8* also contemporaneously cancelled, the executives were understandably questioned on this point in interviews at this time.

> "*Failure is not such a bad thing, and if you're not failing, you -- maybe you're not trying hard enough. [...] We have a good hit rate, and even with the recent cancellations [...] 93% of our shows have been renewed. So you make -- you want to be introspective and look at that and say, 'Are we being adventurous enough?'* "
> -CCO Ted Sarandos
> (Netflix 2017, Q2 Earnings Call, July 17)

> "*You should have more things that don't work out, you have to get more aggressive. [...] The drive toward conformity as you grow is more substantial. As a leader, you want to drive people to take more risks.*" (Hastings, as quoted in Wallenstein, 2017)

Their responses elucidate the bold optimism of Silicon Valley, framing the scale of failure as relative to the willingness of the company to take risks: "move fast and break things."[32] As Sarandos clearly stated, these cancellations were predominantly the exceptions to the majority of successes represented by Netflix's original content strategy. However, today the rate of Netflix's cancellations has gone up slightly alongside their scaled increase in original production. In their 2017 Q4 letter to shareholders, Netflix further stated "Our goal is to work directly with the best talent to bring amazing stories to our members all over the world", announcing vague "overall deals" with the creators of *Stranger Things* (Shawn Levy), and *Orange is the New Black,* and *GLOW* (Jenji Kohan). Again, reminiscent of the studio system of early to mid-twentieth century Hollywood, Netflix's lore of not only attracting but maintaining relationships with top talent was again performatively cited here. By the end of 2017, the company boasted their international profitability for the first time, and announced a plan to further scale global programming accordingly with 30 international originals from France, India, Korea, Poland, and Japan (Netflix 2018, Q4 2017 Letter to Shareholders).

Since the *House of Cards* announcement of "partnership" with David Fincher 2011, Netflix has now penned TV and film deals alike with an increasingly long list of notable, acclaimed auteurs: The Coen Brothers, Del Toro, Cuaron, Scorsese, Bong Joon-ho, Soderberg, and Bengali provocateur 'Q', rhetorically mobilizing their prestige to legitimize the platform's ability to attract "top talent." Other content deals such as the eight-show deal with Shonda Rhimes' Shondaland production company, the acquisition of popular comic book company

[32] Mark Zuckerberg's infamous motto for "disruptive innovation" at Facebook.

Millarworld, and a "multi-year" deal with the Obamas provocatively highlight the scale, creativity, and notoriety of Netflix's content partnerships to add anticipatory value: *what will content from the Obamas look like?* With the lore of the Global Original established, such announcements are a new constant, with the company performatively repeating and citing the successes of their content model in efforts to bring into being and maintain its lore of value generation. The steadily increasing volume of company press releases further evidences the expansion of Netflix's investor lore. According to the Netflix Press Release Archive[33], the company has gone from publishing just over two releases per month in 2015, to almost exactly one post a day in 2019 on average. These official releases, alongside seemingly endless articles on Netflix in popular and trade publications –for tech, entertainment, *and* finance industries– all contribute all contribute to the buzz around Netflix, negotiating or further entrenching the company's investor lore.

Episode 7: The Art of the Forecast: Cloudy for the Foreseeable Future(s)

> *"Our quarterly guidance is our internal forecast at the time we report and we strive for accuracy. In Q2, we underestimated the popularity of our strong slate of content which led to higher-than-expected acquisition across all major territories. As a result, global net adds totaled a Q2-record 5.2 million (vs. forecast of 3.2m) and increased 5% sequentially, bucking historical seasonal patterns. For the first six months of 2017, net adds are up 21% year-on-year to 10.2m*."
>
> -CEO Reed Hastings & CFO David Wells (Netflix Q2 2017 Earnings Report)

Balancing optimistic, realistic, and strategically conservative guidance predictions of the company's quarterly performance (user growth, spending budgets, profit, and earnings), forecasts have become increasingly important in maintaining the credibility of the company's now widely accepted investor lore. The rhetorical framing of economics and statistics truly shines in these earnings reports, as overperforming metrics are championed, while underperforming numbers are framed as seasonal, relative to annual growth trends and patterns, or subject to the whims of foreign exchange. This has never been more evident than the most recent Netflix earnings release, which despite a record setting quarterly addition of 9.6 million users (previously the most important indicator and corollary of stock value), the

[33] Notably, as of March 2019, was scrubbed of all records prior to September 2015, indicating the instability of such corporate archives in undertaking analyses of investor lore and platform discourse more generally.

company's valuation dipped slightly due to a modest forecast for the second quarter of 2019. This shift indicates yet another evolution in the new temporalities of value production and projection in platform capitalism which speculate ever further into the future, negotiating narratives and timelines of risk and reward. Perhaps it is unsurprising that as competition increases, the viability and financializability of the Netflix service is ever increasingly tethered to the uncertainty of its future(s).

Indeed with a pillar of the company's tech identity and brand advantage being its promise to anticipate, predict, and satisfy through data, the art of the forecast –setting ambitious yet meetable if not exceedable goals– elucidates the cultural logic of the innovation narrative. In converging finance and tech industries, a new (platform) capitalist fantasy emerges in which perpetually scaling growth must be maintained, and the only tools through which to do so are those of perpetual innovation. Providing new products, services, and experiences are now necessary to increase market share (for more data, attention, time, revenue, and pricing power), to disrupt competition (convergence and financialization), to self-disrupt (risk, cannibalization), and lastly to merge and acquire (finding synergies of efficiency through vertical integration and concentration). The inflationary rhetoric and correlating reality of such discourses and beliefs are complex and dynamic, and must be treated as such. Convergence lends itself to concentrations of media, capital, and power, through which industries are able to sustain outward, and/or horizontal expansion. Perhaps the image of an umbrella is useful here, as these new hybrid firms are ever seeking to add and expand the reach of their arms, and the canopy of services and products they provide. The "+" suffix of both Apple and Disney's streaming service brands is representative of the industrial intersections of such multidirectional expansion. The brand is thus the pole of continuity holding together a canopy of offerings; ever at the whims of global trade and finance.

> *"We grew annual revenue 35% to $16 billion in 2018, and nearly doubled operating profits to $1.6 billion. Fueling this growth was our high member satisfaction, which propelled us to finish 2018 with 139 million paying memberships, up 9 million from quarter start and up 29 million from the beginning of the year."*
>
> -CEO Reed Hastings
> (Netflix 2019a, Q4 2018 Letter to Shareholders, Jan 17; 1).

This Q4 2018 earnings report came amidst a particularly volatile time, with the company's stock charting a drastic parabola from a summer high of over $420 per share, to a winter low of $230, and finally levelling out in mid $300s throughout the first months of 2019.

Rhetorically, this report focused on annual statistics and long term projections as opposed to comparatively disappointing quarterly numbers: operating income down $216 million, operating margin down 7.5%, diluted earnings per share down from $0.89 to $0.30, an so on. While these statistics were quite close to their projected forecasts, it nonetheless demonstrates how Wall Street's enthusiasm for Netflix has recently begun to plateau, alongside of course other nebulous forces guiding the hand of the market: foreign exchange rates, seasonality, "bull" or "bear" markets, and most importantly the discursive negotiation of such forces and what they may hold for the future.

Where rates of subscriber growth were once enough for the finance industry to continue to bet on Netflix, 2019 has brought with it a notable shift in which record setting quarters of subscriber additions no longer correlate with the drastic rises in stock value Netflix once enjoyed. Just days before Netflix's 2018 Q4 report, an article in the finance publication *The Street* hypothesized:

> *Netflix is expected to have spent $13 billion on content for the full year of 2018. They have to, in order to outbid the rest of the industry for shows. This is what drives subscriber growth, and that is what - to this point - has driven share price. Not the fundamentals. The fact is that the competition for the streaming customer has only just begun. Currently, just Hulu and Amazon Prime pose a significant threat. The Walt Disney Company, Apple, and AT&T are all expected to soon raise the stakes, and in the case of Disney, the firm is already king of content. Oh, did I mention that Alphabet is also a player in the space through YouTube, and that even Walmart has expressed an interest in capturing some of these eyeballs [...] The stock has clearly gone parabolic since Christmas Eve on expectations for subscriber growth mixed with a likely short squeeze. Momentum has been gifted the name by the hit movie, "Bird Box." Perhaps the firm has found a way to better monetize* events *such as this where they find themselves with a blockbuster success on their hands. That may in fact be the real risk to short sellers right now... how the success of that film is discussed in the post-earnings conference call."*
> (Guilfoyle, 2019; Jan 15)

If efforts to explain the risk –and thus potential– of Netflix's stock and its lore, Guilfoyle highlights for the reader an increasingly large, impending wave of competition, while remaining curious as to what popular IP "events" (user experiences) such as Bird Box might represent. Indeed the first line of Netflix's content section of the 2018 Q4 letter read "In its first 4 weeks on Netflix, we estimate that Bird Box from director Susanne Bier will be enjoyed by over 80 million member households, and we are seeing high repeat viewing." Furthermore in Q4 2018 earnings interview Sarandos stated:

> *"So what does it mean when 80 million households are watching -- watched Bird Box? Well, culturally, it means exactly the same thing as 80 million-plus people buying a movie ticket to seeing it or 80 million households watching a TV show. And so culturally, it's meaningfully out there. People are talking about it, Tweeting about it, posting about it, challenging each other to do different things which we want people to be very careful when they do. But what's important is that for part of your Netflix subscription, you're in the zeitgeist" (Netflix, 2019c).*

This framing of *Bird Box* as an event or cultural moment in the zeitgeist evidences the company's new logic in which content experiences are published like tech products: phones, software updates, applications, new services, and so on. Put differently, Sarandos argues that you need Netflix to be an "early-adopter" of or even participate in pop culture itself. Again, Sarandos cites the *scale* and instantaneous way in which Netflix is able to wire not only hit series but also importantly two hour films like *Bird Box* into millions of homes worldwide, and promote them internally on tens of millions (if not all) user homepages through interface design and control.

Episode 8: The Data After Tomorrow

Contrary to the company's famously secretive ethos surrounding streaming viewership data, this report explicitly mobilized and championed the scale of the success of *Bird Box*; a show of perhaps both confidence and desperation. This twist indicates how Netflix is testing their investing audience, not unlike how they test user interfaces, to see what *other* metrics or narratives investors might positively react to and *engage with*. While this surprised many, it is actually a return to form, as the company had experimented with this format in the past, sharing top ten "most rented" lists as blog posts in the early DVD days of season one. More recently, attempts at humor such as a December 2017 tweet "to the 53 people who have watched A Christmas Prince every day for the past 18 days: who hurt you?", garnered nearly 500,000 likes, and over 100,000 comments. Both blog posts and tweets such as this one exhibited the power of the platform model to track, identify, and harness increasingly granular trends in user behaviour, while also potentially raising some concerns as to the degree to which Netflix surveilles its users. Netflix is now forced to negotiate the tension between the power to understand and thus theoretically provide better user experiences at the cost of surveillance.

Recently, the company has gone as far as test a “most watched” UI feature in UK to see what kind of “value” such data might provide users:

> *“Later in Q2 we’ll be running a test to improve our UK member experience by releasing weekly top 10 lists of the most popular content on our UK service across various programming categories. For those who want to watch what others are watching, this may make choosing titles even easier. After a few months we’ll decide whether to end or expand the test”* -CEO Reed Hastings (Netflix, 2019b; 4).

In an increasingly ubiquitous and competitive streaming ecology, perhaps this turn toward data sharing[34] suggests a fourth season of Netflix’s story of value, of which I will speculate upon in conclusion. Mobilizing and extolling the rhetorical power of their precious, indeed *industrially differentiating* data, the company simply cannot afford to remain as mysterious as they have up until this point, as new industrial pressures converge upon the streaming market from Hollywood and Silicon Valley through Wall Street. While such data revelations remain exceptional, reserved for Netflix’s biggest hits, this new aspect of the company’s lore will be of particular interest in the coming quarters, to see how or if it is continued or expanded in any meaningful way, and if it has any positive effect for content brands, users, and/or investors.

Alongside this new exhibition of data, the Q4 2018 letter would recite and further upscale a staple of Netflix’s lore, that is framing competition as one for time itself, as opposed to simply other video entertainment providers:

> *“In the US, we earn around 10% of television screen time[1] and less than that of mobile screen time. [...] We compete with (and lose to) ‘Fortnite’ more than HBO. [...] There are thousands of competitors in this highly-fragmented market vying to entertain consumers and low barriers to entry for those with great experiences. Our growth is based on how good our experience is, compared to all the other screen time experiences from which consumers choose. Our focus is not on Disney+, Amazon or others, but on how we can improve our experience for our members.[1]* [...] We serve on average about 100 million hours a day to television screens in the US, and we estimate television screens in the

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[34] “*For Q1’19, in scripted English language TV, we premiered another big hit in ‘Umbrella Academy’, based on the comic book by Gerard Way and Gabriel Bá, which has been watched by 45 million member households in its first four weeks on service. Our original films effort built on the momentum from our Q4 blockbuster ‘Bird Box’ with ‘Triple Frontier’, starring Ben Affleck and directed by J.C. Chandor. This action/heist movie has been watched by over 52 million member households in its first four weeks on Netflix. ‘The Highwaymen’ (starring Kevin Costner and Woody Harrelson as two lawmen that bring Bonnie and Clyde to justice) is on track to being watched by over 40 million member households in its first month.”* (Netflix Letter to Shareholders, Q1 2019 [2019, April 16; 3])

> US are on about a billion hours daily (120m homes x 2 TVs x 4 hours, plus hotels, bars, etc).*"*
>
> -CEO Reed Hastings
>
> (Netflix 2019a, Q4 2018 Letter to Shareholders, 2019, Jan 17; 5).

As Hastings' remarked in 2007, he foresaw video gaming and YouTube as long term competitors to streaming; twelve years later he is found beating the same drum. The incessant use of the term "experience" throughout this paragraph evidences first, how Netflix has converted TV and film into user experiences / tech products, and secondly a repetitive and insistent, if not frantic, user-centric emphasis on improving their own service. In true Silicon Valley form, Netflix simultaneously boasts of achieving 100 million hours of daily domestic streaming, and yet positions this achievement as the tip of the proverbial iceberg in terms of market share. Here 10% suggests rather vast room for Netflix's own growth, as well as the growth of its competitors. As Netflix's *Long Term View* on its investor relations page further elaborates:

> *"We compete for a share of members' time and spending for relaxation and stimulation, against linear networks, pay-per-view content, DVD watching, other internet networks, video gaming, web browsing, magazine reading, video piracy, and much more. Over the coming years, most of these forms of entertainment will improve. If you think of your own behavior any evening or weekend in the last month when you did not watch Netflix, you will understand how broad and vigorous our competition is. We strive to win more of our members' "moments of truth". Those decision points are, say, at 7:15 pm when a member wants to relax, enjoy a shared experience with friends and family, or is bored. The member could choose Netflix, or a multitude of other options."*

Widening the scope of the question to that of leisure time itself, has seemingly kept investor skepticism at bay thus far, however the majority of recent financial industry literature still cites direct competition as Netflix's biggest challenge. Perhaps this is simply *a better, more compelling story.* Only time will tell. Reflecting upon Netflix's story so far, this wide reaching question of leisure elucidates the new, seemingly all-encompassing politicization of and *speculation upon* time in platform capitalism, wherein the quotidian practice of watching, in the sacred space of the home –regardless of how enjoyable, gratifying, and rewarding this may be– has itself become a highly surveilled, financialized, extractive process enabled and encouraged by our ubiquitous digital environment. The arc of the company's multi-faceted discourses of user convenience and experience, from the rise of DVD by mail, to streaming, to massive global original programming efforts, have culminated in this moment of unprecedented scale and competition. Hasting's is correct when he says there has never been more content being produced, similarly there has never been more capital circulated so quickly, as culture and tech industries converge through finance; this has been, and will continue to be no coincidence.

Coda: Post-Credit Sequence

> *Revenue surpassed $4.5 billion in Q1 and we recorded the highest quarterly paid net adds in our history (9.6m, up 16% year over year). For 20 years, we've had the same strategy: when we please our members, they watch more and we grow more.*
>
> -CEO Reed Hastings
> (Netflix 2019a, Q4 2018 Letter to Shareholders, Jan 17; 1).

The "historical" numbers touted here entice the reader to associate them with Netflix's entire history, strategy, and identity as a company. Emphasizing continuity in hopes to inspire credibility, Netflix's most recent investor letter keeps the user and their experience at the center of their corporate discourse. Beneath this simple message however, lies the company's remaining dependence upon investors. As previously mentioned, the dramatic journey of Netflix's stock price in 2018 –opening the year at $196.10, climbing all the way to $423.21 in June, and falling back to $231.23 in December– has shaken the company's foundation to its lore – I mean core. The subsequent fluctuation of over $70 billion dollars in market capitalization during this year speaks, again, to the ever inflationary stakes in the choose your own adventure gam(bl)e of finance (Macrotrends, 2019). Perhaps our narrators haven been even less reliable, or at least much less omniscient, then we thought. With this we can see how growth forecasts are being given increasing weight, to balance out the fantasy narrative of endless subscriber additions and revenue. As this fantasy is exchanged for the mythology of projection, which is really the deeper abstraction?

Netflix's 2019 Q1 report indicates the shift in focus toward projections, as record setting subscriber additions and revenues were met with a slight dip in stock value, attributed to low growth forecasts for Q2 as well as Apple and Disney's future rollouts. As Netflix's story of value becomes increasingly tethered not only to performance statistics but more importantly to the *projection of statistics*, we can see how the company and its figureheads are seeking to rhetorically compensate for this shift; attempting, more than ever before, to scale their discourses in efforts to sustain belief, investment, and growth. If Wall Street's faith in Netflix's future wanes, the company's ability to access the capital affordances and instruments of global finance (massive debt markets, bonds, post-IPO funding rounds, etc) will be importantly diminished. A recent piece in *The Economist* suggests this dip in faith from Wall Street is a wider phenomenon that just Netflix, with profitable public tech ventures increasingly hard to come by.[35] Netflix still depends heavily upon such mechanisms and flows of capital to maintain its ever expanding "global" programming, but if the lore fails, if the story of value ceases to compel, investors –like users– may cancel their subscriptions, threatening the sustainability of the central project of the Netflix as we have come to know it.

[35] "The wave of unicorn IPOs reveals Silicon Valley's groupthink: There is more to life than blitzscaling." *The Economist.* April 17, 2019

Conclusion

This thesis has shown how Netflix and its narrators have written and projected their own mythology or autobiography over the seasons, rhetorically positioning the company as an innovative, collaborative, resilient, and disruptive player in technology and culture industries. The company's early lore preached of collaboration with consumer electronic companies and content owners, in fostering the technological ecosystems of DVD and later internet delivered video and Smart TVs. The affordances of these convergent digital technologies allowed Netflix to boast of the unparalleled convenience of these new user experiences, disrupting the brick and mortar retail model of video rental with DVD rental by mail, and eventually "disrupting itself" by bringing the TV fully online. Crafting and projecting a teleology of an inevitable and thus potentially valuable future of internet TV and film, Netflix and its market valuation has seen explosive growth since the late 2000s, with the audiences of users and global financiers alike glued to their screens. Central throughout these processes has been the company's ability to extract increasingly intricate behavioural user data, and mobilize such data to inform their operations. This was true of the DVD days, and remains so today in the era of the "Global Original."

The technocratic Silicon Valley ideology of Netflix elucidates the new narratives and logics of value in a deeply and complexly developed information age. As Nick Srnicek notes in *Platform Capitalism* (2017), the logic of the platform economy is inherently monopolistic, exacerbating and accelerating concentrations of capital and power, as aggressive attempts to grow usership and market share are prioritized over immediate profitability. Amongst its tech based competitors, Netflix remains exceptionally singular in its focus. This company sparked the industrial race for every major tech and entertainment conglomerate to converge upon the market of streamed video content in some capacity, and SVOD remains Netflix's only goal . Amazon offers Prime Video as an addendum to their e-commerce empire and cloud computing dominance. Apple TV+ is one of a host of new Apple *services* hoping to mediate declining product sales. Google (YouTube) and Facebook seek to extract new value from video content on their social platforms, largely through advertising. As far as we know, Netflix is not reaching out into the spheres of consumer electronics, commerce, hardware, or social media, instead the company claims to remain focused solely on furthering their narrative as "the world's leading internet entertainment service", a 'global' TV studio *and* network, innovating the way stories are told and shared. Netflix's most successful, valuable, and innovative program thus far is the *Netflix Global Original* itself, the culmination of a two decade project of participatory storytelling; a metanarrative of value; a speculative fiction. On the content side, where Netflix once famously aspired to be HBO, HBO, Disney, Comcast, AT&T, and even the Criterion Collection have been forced to *become Netflix* as its streaming platform model has become increasingly popular and increasingly valuable.

Returning to Jameson's idea that the flows of finance capitalism will always be reflected in and by "mass" culture industries, Netflix and its new media economics provide a compelling case study through which to analyze such processes. Netflix's guiding logics of flexibility, scale, surveillance, and debt all speak to the broader structures and movements of labour, capital, and value in today's platform economies. In the financing, distribution, promotion, and consumption of internet film and television, each of these processes are driven by platform capitalism's narratives, assemblages, and flows of value: data, time, attention, capital, information, infrastructure, code, labour, and sociality. For the investor, the question arises: how will these new forms and process produce returns on my investment in near or distant futures? "Talent" –workers creating code or content alike– asks: will our *products* reach, engage, and impact users and their ever more important *experiences?* If so, how, when, why, and where? And users are faced with more "choice" and speculation than ever before: which platform, which subscription, which show(s), which film(s), which ratings, which recommendations, which screen, which device, which internet provider, and so on. (Com)Promises of quality, quantity, popularity, affordability –of cultural, social, and economic capital– push and pull ever valuable users across the stage of platform capitalism. Where each platform tells its own story, they all abide by the conventions of speculative fiction; each beholden to their own investor lore as a potential site of value, capital, influence, and power. As culture becomes increasingly digital and algorithmic, it also becomes increasingly speculative. Temporalities of value generation mobilize ever greater debts and ever faster exchanges, casting profitability ever further into the future.

Through the nurturing of a ubiquitous platform ecology for televisual and filmic consumption over the internet, Netflix has foregrounded the potential value of monitoring and measuring each aspect of a user's behaviour on the platform, extracting each moment of attention and interaction into an investment of data, the raw material of the new economy. For over twenty years the narrators of Netflix's investor lore have consistently put forth a narrative with relatable characters: *users, investors, and "talent",* a conflict or problem which their innovation can resolve: *the neoliberal solutionism of disruption and market creation*, compelling story arcs: *risk, investment, debt, scale, competition, profit*, and the finally implication of a happily ever after: *the capitalist fantasy of perpetual profit and growth, perhaps ending in monopolization through vertical integration and conglomeration*. The adoption of this narrative has fundamentally reshaped media industries, as the datafication, and in turn financialization of leisure speaks not only to the model of Netflix, but rather our expanding platform economy writ large. One must *engage* –navigate, click, look, listen, share, mention, and discuss– to participate in any digital cultural form, exchanging not only one's capital but their very *behaviour* for access. These stories of value in platform capitalism are mobilized to inspire faith in *data*, for their perceived potentiality of power and profitability. When this story compels, it can compel both billions of dollars, and billions of hours in investment. The new constellations of technology, culture, and finance today thus elucidate the convergent drive of platform capitalism to harness the power of digitality to monitor, measure, mobilize human behaviours and practices of everyday life. While the increasing number of streaming platforms today suggests heightened competition, one can only imagine that a wave of mergers and acquisitions will follow this initial surge of streaming platforms into the market. We shall see what new narratives emerge as these major media platforms --now all industrial hybrids of culture and technology-- race for intellectual property, content, infrastructure, and of course *users*.

Our digital languages, from Python to C++, and discourses, from Apple to Goldman Sachs, now bind our exchanges of data, capital, and content through the converging infrastructures of global finance and technology. The state of media industries indicate how the new financializing logics and processes of platformization are now subsuming contemporary cultural production: in Hollywood studios, movie theatres, living room screens, and on mobile phones. This thesis has offered a narrative discourse analysis of these logics and processes through the example of Netflix, a leader in the convergent industry of streaming. What I have hoped to show is that the uncertainty and risk of today's unprecedented scales and speeds of value production and exchange are organized by language, metaphor, rhetoric, and narrative.

The genre of speculative fiction thrives upon narratives of automation, artificial intelligence, and sentient machines; negotiating, exploring, and projecting the *value* of human life and experience, right to its bleeding edges. While these new forms and flows of value may be accelerated and automated through machine learning, high frequency algorithmic trading, and algorithmically filtered recommendations; technologies, markets, and audiences are (for now) still largely created by and for people. As long as humans are writing, buying, and investing in the narratives of value which organize these processes, it will remain that people will always require others to map and understand these flows and forms, to hypothesize and speculate upon their effects, and ultimately of course to exchange these new embodiments of digitized value. Where this acceleration and automation removes many people and their labour from such processes, it simply concentrates capital, information, and power produced into the hands of a shrinking few, who must provide narratives to justify and organize such imbalances. These are the stories we must understand, unpack, and resist. As the opening quote from Marx and Engels read, these are the new, “real conditions of life, and relations with our kind” which we must compel ourselves and each other to face. What I have hoped to elucidate throughout my analysis, is that this life of convergence is fundamentally one of storytelling, language, persuasion, and relation, wherein new choreographies of value and power are pushed, pulled, negotiated, narrativized on and through a new political, economic, and cultural stage; a new platform (of) capitalism.

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