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The Introduction of Netflix in Turkey: How to Fit (or is it possible to fit) in an Audio-visual Landscape marked by Piracy and Local Taste?

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Abstract

Seen as disruptive forces in national media ecologies or just new players among others, the launch of American subscription based video-on-demand services (SVOD), in big, medium or small scale European audio-visual markets has recently been subject of scholar interest. Drawing on these works which revolve around the problematics of localization, national politics of taste, cultural diversity and access, this paper focuses on the introduction of the digital platform Netflix in Turkey in January 2016. It explores how this American streaming giant builds its promotional discourse in relation to the positioning of existing cultural, industrial and political players in the given context. Taking into account the national specificities of the audio-visual market in Turkey, not only does it provide some insight into how Netflix customizes its marketing materials, it also underscores the company's understanding of a potential Netflix subscriber in the country.

Keywords: SVOD (subscription based video-on-demand), Netflix, politics of localization, audio-visual piracy, film industry in Turkey.

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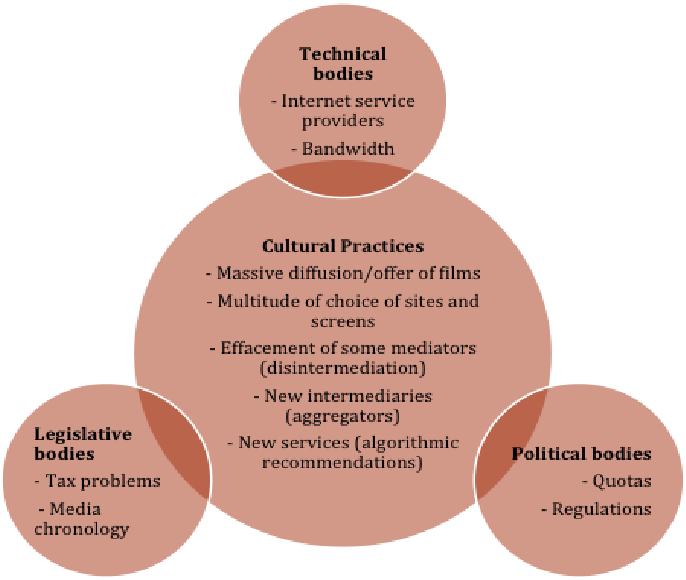
Introduction

Emmanuel Ethis, sociologist of culture, describes the film culture as a practice which does not only include going to the movie theatres or Home video, but also “downloading movies, piracy, buying objects or documents relating to cinema, personal production and editing of films, using camera features of mobile phones and especially plural cinematographic sociability” (2007: 12) that can be performed even when watching alone. It is a hybrid economy simultaneously nourished by professionals and amateurs (Lessig 2008) and a wide audio-visual regime that become increasingly complex with the introduction of digital platforms such as Netflix, Hulu, Amazon Prime or HBO Now which ensure the distribution and promotion of moving images in a dematerialized way.

The emergence of these new players of subscription based online video services (SVOD for subscription video-on-demand) implies first and foremost, major changes in cultural practices with regard to the consumption of movies: massive offer of films and a multitude of choice of sites and screens to watch them, disappearance of some intermediaries such as movie theatre managers or distributors, introduction of new intermediaries like right aggregators, advent of new services such as recommendations, personalization of the offer (algorithms phenomenon). On the other hand, as I try to summarize in Figure 1 below, it leads to a reorganization of technical bodies (agreements with Internet service providers), legislative bodies (tax problems, media chronology) and political branches (quotas and regulations to promote cultural diversity and local production). But due to the difference of these technical, legislative and political structures in each country, it is also these global platforms that should position themselves differently in a given market.

Figure 1. *What changes with SVOD?*



Localization, defined in its broadest sense, "is the process of adapting and manufacturing a product so that it has the look and feel of a nationally-manufactured piece of goods" (LISA 2003: 3). It is not just an issue of translation but of culture and of content where technical specificities play also an important role (LISA 2003: 13). So it must be emphasized first that when I say "adapting global strategies to local needs", I am not talking, for example, about McDonalds' offer of baguette burger with cheese Comté in France or its Ramadan menu in Turkey with an outline of a mosque in the ad[1], but about custom-made methods that are appropriate to the characteristics of particular markets. Introduction of American audio-visual giant Netflix[2] in big, medium or small scale European film markets has recently been subject of scholar interest. In his important essay entitled *On-Demand Isn't Built in a Day: Promotional Rhetoric and the Challenges of Netflix's Arrival in Italy,* Luca Barra (2017) focuses on the medium sized Italian market while citing, among others, Arthur Kanengieser and Olivier Bomsel (2014) for the French and Lothar Mikos (2016) and Christian Stiegler (2016) for the German cases. Petr Szczepanik's *Localize or Die: Intermediaries in a Small East-Central European On-Demand Market* (2017) provides a very useful overview of audio-visual distribution landscape from the perspective of a small nation market.

Drawing on these examples whose common problematic is localization, in my tentative to explore the scenario of Turkey, I should put forward first the positioning of existing industrial and political players in the country along with the specificities of its national audio-visual market.

A Brief Overview of Film Industry in Turkey: Informal Economy, Policy Loophole and Appetite for Local Content

In most of the European audio-visual markets, Netflix's arrival strategy has necessarily included a fight not only against powerful international players but also against local competitors of the video on demand like CanalPlay of Canal+, FilmoTV of Wildbunch, Club Vidéo of SFR. However in Turkey, directly related to the delay in the introduction of such platforms and especially of IPTV (Internet Protocol television), as well as the high cost of DVD and Blu-ray[3], whether it be global or domestic, subscription based services' main enemy seems to be the piracy. Audio-visual piracy culture in Turkey needs further clarification.

[1]See https://selminulusu.wordpress.com/category/mcdonalds/ [accessed 14 August 2018].

[2]Founded in 1997 in the United States as a DVD rental service by Internet, Netflix is a global audio-visual streaming company operating in 190 countries of which 130 were added to the list in 2015. Today, China, Crimea, North Korea and Syria remain the only countries that are outside of Netflix's reach (Lobato 2017).

[3]The high cost expressed here is not always based on actual prices but on a general perception that one has of the high cost. This is rather a reluctance to pay a certain price for something that can easily be found cheaper (pirated copies) or even free (on the Internet, peer-to-peer, streaming) and almost always ahead (on the theatrical release).

In 2013, with his article *'Size Dayatılan Gerçek Değil!'* (What is imposed on you, it is not real!)[4], Hasan Cömert, former editor of the culture section of an important online information platform (NTVMSNBC.com) sparked a debate on the piracy. He mentioned the absurdity of saying "do not download movies" in a country where:

- An important number of films that we want to see is never released theatrically.
- Those that are released are programmed in 3 or 5 movie theatres for one or two weeks.
- Censorship still exists[5].
- We are doomed to see movies in shopping malls.

His words underlining the current audio-visual market context and the policy loophole in Turkey have struck a chord especially on Twitter and many people expressed their positive reactions except for film professionals, distributors and exhibitors mainly, who undoubtedly voiced their concerns. But the director Zeki Demirkubuz who won the Audience Award in the 31th International Istanbul Film Festival in 2012 had already made a controversial move by thanking the pirated DVD sellers at the ceremony, saying that it is thanks to them that the Turkish audience discovered his films[6]. And finally in 2014, through the main character of his film *Pek Yakında* (Coming Soon), Cem Yılmaz, famous actor and film director, honoured those 'honest' sellers of pirate DVD who do not duplicate national titles but foreign films. So it is significant to note that, in line with the two of the six faces of piracy noted by Ramon Lobato (2012) in his brilliant *Shadow Economies of Cinema* ('piracy as access' and 'piracy as resistance'), the audio-visual piracy in Turkey is not only related to the economic value of the production but embodies also a symbolic moral attitude against the current organisation of the market.

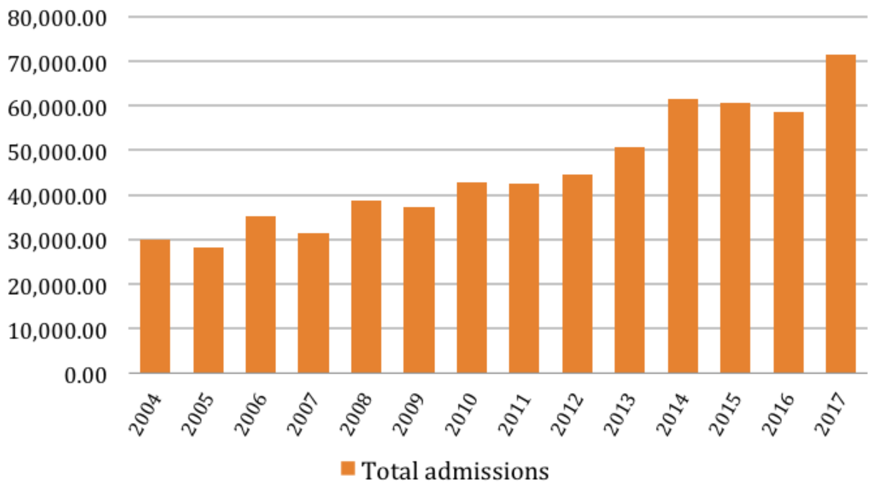
Secondly, when it is media chronology, national movie quotas and new local investment regulations in Europe what forced Netflix to turn their attention to the original and local production (the example of *Marseille* series, 2016-2018, in France), it is not hard to hypothesize that in Turkey the widespread taste for national series is the main driver of the upcoming local production initiative of Netflix. In Turkey, the television, usually blamed for the regression of cinematic practices in the 1990s, has planted the seeds of the aesthetic and narrative appreciation of domestic productions. The rise of television series started from that decade redefined the rules and the boundaries of the country's film industry in economic and technical terms, with producers who can now invest in cinema through television and with an inevitable

[4][My translation] Article in Turkish available online: https://www.ntv.com.tr/turkiye/size-dayatilan-gercek-degil,JQa8MFMRNUW5PKWriGu0pA [last accessed 13 August 2018].
[5]For recent cases of art censorship in Turkey see http://www.siyahbant.org/category/vakalar/
[6]His speech is available online: https://www.youtube.com/watch?v=mikhZSv0mA0[last accessed 20 June 2018].

professionalization of the field. With a business volume of over 300 million dollars and selling to over 75 different countries its series like *Magnificent Century* (2011-2014), and reaching 400 million viewers abroad Turkey has become globally the second highest exporter of television series after the United States (Deloitte 2014; Hürriyet Daily News 2014). In addition to that, it also created new audiences who were not previously going out to watch movies but want to see their favourite stars also on the big screen. The huge success of film series such as the all-time box office leader *Recep Ivedik* (Togan Gökbakar, 2008, 2009, 2010, 2014 and 2017) or *Dügün Dernek* (Selçuk Aydemir, 2013 and 2015), whose protagonists are more or less derived from television characters, illustrate this phenomenon. Uğur Tanrıöver (2013: 29) claims in this regard that just like the old, Hollywood-style 'star system' that marked the golden age of Turkish cinema between 1960 and 1970, a new system of television celebrities seems to be one of the clues of the new Turkish cinema.

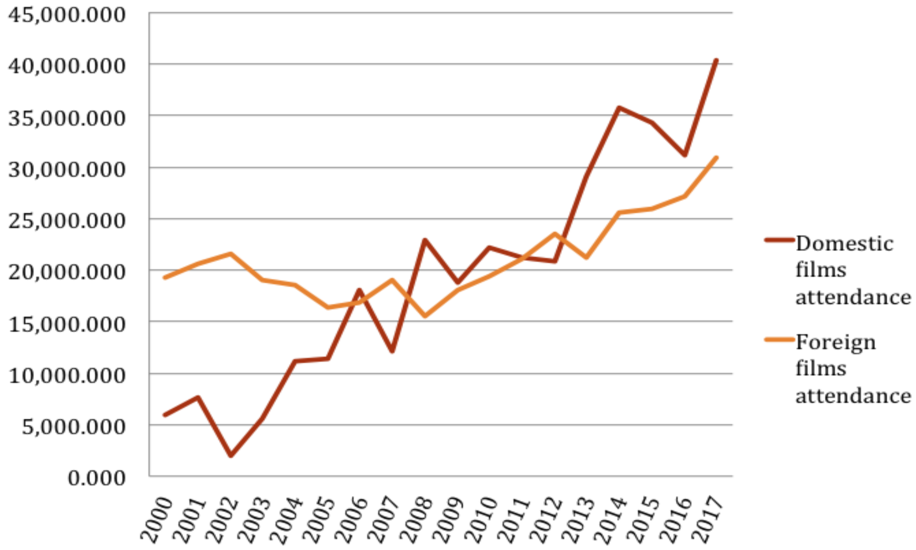
With the arrival of these new viewers who take the nationality of the film as a preferred tool of their choice, as a guarantee of the quality of the show they like to see, audience records have been broken time after time. In 2010, the total number of cinema spectators exceeds for the first time in Turkey the barrier of 40 million. In 2013, of 50 million, than in 2014 60 million (see Figure 2). The growth curve of domestic films attendance has multiplied by six since 2000 while the attendance for foreign movies is represented by a rather stable curve varying within a range of five to ten million (see Figure 3). In 2013, the number of viewers for domestic films exceeds the total attendance of 2005. Thus Turkey with its local market share forcing the barrier of 60%, ranks first among European countries (see Table 1) and in the top ten worldwide. And of course the domestic productions featuring mostly TV characters dominate the top ten (see Table 2). This is another unusual situation compared to other European countries which can rarely see more than three of their own productions on these lists.

Figure 2. *Film Attendance in Turkey*



Source: boxofficeturkiye.com.

Figure 3. *Domestic and Foreign Films Attendance in Turkey*



Source: boxofficeturkiye.com.

Table 1. *Ranking by National Market Share*

1	**Turkey**	**56.80%**
2	UK	44.50%
3	France	35.50%
4	Finland	29.90%
5	Denmark	29.80%
6	Germany	27.50%
7	Italy	21.30%
8	Sweden	20.70%
9	Norway	20.50%
10	Spain	19.20%

Source: Kanzler and Milla 2016.

Table 2. *Number of Domestic Films in Top Ten in Turkey*

2007	5
2008	10
2009	6
2010	7
2011	7
2012	7
2013	9
2014	10
2015	8
2016	9
2017	7

Source: boxofficeturkiye.com.

The Launch of Netflix Turkey and Its Politics of Localization

Drawing on the brief audio-visual market context above, one can assume that Netflix, when officially launching in Turkey in January 2016 (one year and four months later than France, a few months later than Italy) has followed a strategy combining effective acts against piracy with investment in original fiction production. However taking into account the very low-key entrance of the streaming giant in the country, even the word ‘strategy’ may sound pretentious. Turkey was one of the 130 countries added to Netflix’s operation list after 2015. It did not make any special agreements with Internet providers and with a very limited catalogue which was especially poor in local content, the company gave the impression that it had nothing to expect from its potential Turkish audience who have been binge-watching for years Netflix mainstream original series (like *House of Cards,* 2013-2018 or *Orange is the New Black,* 2013-…) through illegal streaming platforms which operate in general under the ‘notice and takedown regime’, more accessible for the domestic right holders than the international ones. The answer of Netflix Turkey’s official twitter account to those who accused the company for the delay in the programming of new seasons of even its originals was phenomenal: “Those who could not wait and watched, we understand you very well. And those who wait with patience, we understand you as well and love you”[7] (@netflixturkiye, 22 February 2018).

Investment in original content which started with *House of Cards* (2013-2018) has been the most important and influential aggressive expansion strategy of Netflix since 2011. At that time Netflix was only acquiring content territory by territory mostly from the major U.S. audio-visual conglomerates (Lobato 2016) and as streaming giant’s CEO Reed Hastings (2018) puts it, the motivation that lies beneath this “bet-the-company decision”[8] was increasing the number of subscribers with shows which would be inevitably associated with the brand. But when Netflix arrived in different countries, the company was unable to program even some of its signature shows due to the rights previously sold to domestic players (Lobato 2016). Along with the delay in availability of new episodes and the national catalogues’ poor content, the disappointment provoked not only in Turkey but in many geographies by this lack of licences (Lobato 2016, Barra 2017, Szczepanik 2017), can be accepted as the strongest evidence of original contents’ global success. But at the local level, the company has known well that to conquer domestic markets, making mainstream originals available was just not enough and more tailored, localized content was inevitable. That is why since 2012, Netflix has spent $ 1.75bn on European licenced content including more than 90 original productions being watched by 93 million subscribers all over the world, this time a local-to-global strategy as outlined by this formulation of Hastings: “We’re creating these global audiences for great local productions” (in Parfitt 2017).

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[7][My translation]

[8]TED Conference’s curator Chris Anderson’s words. His interview with Reed Hastings is available online: https://www.ted.com/talks/reed_hastings_how_netflix_changed_entertainment_and_where_it_s_headed#t-270340 [last accessed 15 August 2018].

Marseille, the most audacious non-English local production of Netflix, primarily aimed at France, has been released in 2016. In 2017 arrived its first German original series *Dark* and its first Italian *Suburra*. In this vein, Netflix tried also to compromise with its forsaken Turkish audience by confirming the rumours about its first Turkish original (Netflix Media Center 2017). It has been announced to be a story – based on Ottoman and Turkish legends and history - of a superhero who has to defend his city Istanbul but the release date of the fantastic serial featuring Turkish TV celebrity Çağatay Ulusoy, has been postponed time after time due to problems related to scenario and to cast (Diken 2017). Meanwhile two new local add-on video-on-demand services, BluTv and PuhuTV (first one with a very competitive price and the other one being free with ads), entered the scene by producing successful quality local dramas like *Masum* (2017) and *Fi* (2017-2018) that "revolutionized television in Turkey" (Bora 2017). These two domestic players used the advantage of knowing their audience and combined it with Internet's possibility to escape from the control/censorship burden on Turkish television[9]. Now Netflix seems to have decided to concentrate its localization politics in Turkey on promotional level. The company started first to wink at Turkish audience with a real cargo ship passing through the Bosporus, carrying the banner "Love from Colombia"[10] for its mainstream series *Narcos* (2015-2017). Then for its original movie *Bright* (2017), Orks showed themselves off in Istanbul streets as hairdressers or car repairers drinking Turkish tea[11]. They have been followed by *La casa de papel* (2017-…) characters[12]. All of these were huge productions as advertising campaigns. Drawing on these efforts of Netflix, we can assume, first of all, that the company aims at a niche audience living almost exclusively in Istanbul. Use of Saadettin Teksoy[13], an old parodical TV figure unknown by the younger generation in the promotion of its original series *Stranger Things* (2016-…) is in line with this hypothesis: Netflix Turkey is not for young viewers who are not used to pay or to wait for series or movies but for an upper-class, hip, tech-savy, white-collar, patient minority who can and will pay for the comfort of the service.

[9]It should nevertheless be noted that Turkey's parliament approved on March 2018 a law that expands RTÜK's (Turkish radio and TV watchdog authority) control over Internet broadcast. The new regulation will effect not only local streaming services like BluTV and PuhuTV but also Netflix and YouTube (Solaker 2018).

[10]Video available on Netflix Turkey's official Instagram account (@netflixturkiye, 10 September 2017).

[11]Video available on Netflix Turkey's official Instagram account (@netflixturkiye, 22 December 2017).

[12]Video available on Netflix Turkey's official Instagram account (@netflixturkiye, 6 April 2018).

[13]Videos available on Netflix Turkey's official Instagram account (@netflixturkiye, 27 October 2017) and (@netflixturkiye, 1 November 2017).

Conclusion

"Movement away from a monolithic idea of the global market to a modal of located, niche audiences" is one of the key logics of digital media today including streaming services (Lobato 2016). At this point in SVOD research, the question of how local and varied is different catalog's content in different geographies emerges as an important one. Keeping in my mind the difficulty of that kind of research related to the volatile nature of catalogs in constant change and the problems of access to data, the European Audiovisual Observatory's reports should be acknowledged as important resources informing us about the origin of content available in each country[14].

When it comes to analyzing the specificities of content offered by SVOD platforms, Lobato (2017) warns us against the risk of taking the catalog as the audience: "Catalogs cannot, by definition, tell us anything about audience activity. Without access to Netflix black box we will never be able to understand what items audiences are actually watching, only the range of content provided to them. (…) The catalog is 'market-image', at best. While Netflix catalogs do not tell us anything straightforward about what kind of media are preferred in different nations, they can tell us something about what Netflix thinks certain nations like". The same is also true with respect to the marketing materials used in each country.

This study mapping the official arrival of Netflix in Turkey in relation to the given market's historical specificities highlights two aspects: First of all, Netflix's politics of localization in Turkey prioritize customized marketing materials for its global originals over production of original local content and over acquisition of domestic films and series. Thus, to be able to fit in an audio-visual landscape marked by piracy and local taste, the company doesn't seem to choose to compete actively with domestic players which are far more dedicated to catering to the general audiences' growing appetite for local content. Instead of investing in TV series for this small and hard to gain market which is strategically not that important for Netflix, the company concentrates its efforts on promotional level and tries to solidify its well-established image with respect to Turkish audience through localized marketing materials. Secondly, how Netflix customizes these marketing materials for Turkey underlines the company's understanding of a potential Netflix subscriber in the country as a technologically competent, cultural elite living in big cities. This observation provides support to Lobato's (2017) claim stating that to the contrary of it's mainstream middle-class

[14]Observatory's 2016 report states that while European television content is relatively better represented in Netflix's 28 European catalogues (around a third of the overall TV content), European originated movies account for only 12 to 21 per cent of the catalogues, depending on the country and with significant variation between the content's country of origin (in Lobato 2017). After the publication of this report, the European content quota of a minimum 20 per cent imposed on all SVOD platforms by the European Commission and its strategy for the European Digital Single Market (DSM) which aims at replacing the territory-by-territory licensing with a more flexible copyright system are likely to change this panorama, with the latter being at the origin of many discussions and concerns of different players, especially the local stakeholders (Szczepanik 2017). For more details on DSM see https://ec.europa.eu/commission/priorities/digital-single-market_en [last accessed 15 August 2018].

positioning in the United States, Netflix's foreign target audiences are cosmopolitan upper-classes. It is hoped in this sense that the present paper focusing on Turkey makes a small contribution to the growing body of literature documenting different national scenarios. It should be noted that to have a better understanding of global-to-local, local-to-global strategies of giant media conglomerates and to see if the same patterns are repeated in various audio-visual markets of different sizes, more case studies are undoubtedly needed.

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