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**“Streaming Disruption and Gen Z Consumer
Behavior in Italy: The Case of Netflix”**

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Introduction

In the past fifteen years, the entertainment industry underwent a complete transformation led by the migration from linear broadcasting to streaming as the primary distribution method. This transition wasn't only a technological development, it changed how the whole industry works. It altered how companies buy or sell rights and how they fund productions; it also shifted viewer value from scheduled programming to flexible on-demand access, creating intense battles, not just between a few TV channels, but across different platforms and devices for audience attention. The evolution of Netflix serves as both a market transformer and indicator; it helped cause the shift by establishing OTT infrastructure, subscription models and by popularizing algorithmic content discovery and investing in international original productions. Now, it faces challenges from individualized viewing in a social mobile media environment; streaming interfaces are highly personalized, but audiences, especially young ones, discover and discuss content socially. The objective of this thesis is to explore the dynamics of the streaming industry within the Italian market, examining an ever-changing media environment in relation to Generation Z consumer habits and behaviours. The research further deepens its exploration throughout a case study on Italy's leading streaming platform: Netflix. The latter has been constructed and developed following the analysis of theoretical notions and studies implied in Chapter 1 and Chapter 2, respectively on Strategic innovations within the streaming landscape and Gen Z media habits. More specifically, throughout a consumer questionnaire, Chapter 3 explores the managerial implications of an innovative concept which sees the integration of social media features on the Netflix platform, testing its responsiveness within a cluster of Italian Gen Z respondents.

The first chapter introduces the strategic elements that define the streaming industry, and its goal is to lay the conceptual groundwork for the whole thesis. It begins by defining OTT as the technological and commercial foundation of streaming, which delivers content through open broadband networks to a multiplicity of devices without broadcast requirements, and explains how rights acquisition and original content production sustain the business model. Then, the chapter presents Netflix's market entry and growth through two complementary strategic lenses: disruptive innovation and blue ocean strategy. The disruption theory explains how streaming services replaced traditional video rental stores and linear TV with subscription-based apps that focus on user convenience and accessibility, while the blue-ocean strategy shows how Netflix moved competition from traditional broadcast schedules to on-demand viewing with personalized content, which led to an initial period of market dominance before competitors entered the field. The chapter also uses the Innovator's DNA framework to analyze Netflix's innovative capabilities by identifying its five key skills of associating, questioning, observing, networking, and experimenting. The second chapter focuses its investigation on the Italian market, with a particular emphasis on Gen Z viewers, who bear the brunt of these shifts. The chapter describes the Italian streaming industry and analyzes its "glocal" strategy.

It then shows how Italian Gen Z viewers discover and consume long-form content. The audience relies on both app recommendations and recommendations from peers and content creators, with a preference for binge-watching content. This analysis also reveals the presence of a structural tension between streaming interfaces, which remain largely individualized, and Gen Z users, who need social interaction during their content discovery process. The chapter, therefore, surfaces a specific managerial gap: SVOD platforms excel at personalization yet lack built-in social features that could attract Gen Z users and transform Netflix into a mix of both short-form and long-form content. The third chapter presents empirical evidence to solve this identified research gap. The research investigates how social features added to Netflix affect both user conduct and business operations for Italian Gen Z subscribers. It uses an online survey of Italian Gen Z participants to answer the research question through three sections, which measure 1) their current viewing habits and access methods, 2) their interest in and planned usage of particular social features, 3) their behavioral changes, payment willingness, and subscription choices, and 4) their essential requirements in a streaming service through a final open-ended question. The findings identify which social features generate the most efficient decision-making and social value and translate those preferences into a guide for the development of a TV-first product roadmap and measurement plan for the Italian market.

Chapter 1: From Broadcast to Streaming — The Strategic Disruption of the Entertainment Market

1.1 Literature review (gap-focused)

Research studies about OTT and SVOD platforms have established two main elements, which include personalization at the individual level through recommendation systems and profile-based content and, secondly, on-demand viewing without linear scheduling constraints. Research shows Generation Z as the most sensitive to these platform features, as the latter depends on social networks and content creators to locate and assess new content and information. What the literature fails to provide is sufficient detail about the interpersonal aspects that exist within SVOD platforms; it lacks the assessment of features that enable users to share their preferences through playlists and co-watch content with chat functionality. The platform optimization for personal content delivery does not match its underdevelopment in social discovery and co-viewing features, which creates a notable difference for Gen Z users. This thesis focuses on addressing this specific gap. This thesis combines existing studies about media choice, social influence, perceived usefulness, and social value to demonstrate how built-in social features in generalist SVOD platforms can produce quantifiable user behavior changes (for instance increased opening frequency, longer viewing time, and user referrals) and reduce subscriber churn rates. All of the latter areas of interest led to the definition of the following research question: “What are the behavioral and business implications of integrating social features into Netflix for Italian Gen Z users?”

1.2 Over-the-Top (OTT) as the Foundation of Streaming Markets

The Italian regulator AGCOM defines Over-the-top (OTT) services as web-based content which broadband networks deliver through open networks to multiple devices. The definition of OTT services matches its core nature because it describes content delivery through open internet networks instead of traditional broadcast systems using cable or satellite. The model operates directly with consumers through a new distribution

approach which differs from traditional broadcasting systems that used network operators to schedule content access. The OTT model operates through two distinct content strategies which include studio and distributor licensing of restricted films and series and the creation of proprietary original content that platforms fully own and control. The dual content system provides both extensive library selection and unique content that enables viewing across smart TVs and consoles and mobile devices.

OTT services brought about a complete transformation in how people accessed audiovisual content. The new streaming technology enabled viewers to access to diverse content at any time they wanted without requiring fixed viewing schedules or traditional pay-TV subscriptions. Research studies from 2007 to 2021 show that viewers adopted OTT services because of low costs and high content quality and convenient access and flexible viewing options and entertainment value and cultural representation and binge-watching capabilities and feelings of control over their viewing experience (Menon, 2022). Netflix launched its streaming service in 2007 by focusing on four key elements which included affordable month-to-month plans and user-friendly interface and an extensive content library and personalized recommendations through algorithms. The integration of Netflix apps on Microsoft and Sony and Nintendo consoles through early partnerships helped establish streaming as a standard part of media consumption habits.

OTT services brought disruptive changes to the market which reached further than simple user convenience. The emergence of OTT services led millions of households to switch from costly cable and satellite subscriptions to more affordable streaming services with flexible viewing options. The United States experienced a continuous decline in pay-TV subscriptions starting from 2012 which indicated a permanent change in the television industry. The initial purpose of streaming services as TV supplements transformed into primary entertainment choices which forced established companies to develop new business approaches. The market pattern started in one country before expanding to multiple others. The Italian pay-TV market faced increasing competition from Netflix and subsequent streaming services Prime Video and Disney+ because these new providers delivered affordable flexible entertainment options to consumers. The audiovisual market experienced a fundamental shift because OTT services enabled viewers to watch content at their preferred times and financial levels instead of following broadcast schedules.

The Italian market entry of Netflix in 2015 forced domestic broadcasters to create their own digital platforms for competition. The Italian on-demand service TivùOn launched by Rai Mediaset and La7 attracted more than 400,000 subscribers during its initial twelve months of operation. Sky Go expanded its OTT services through its existing 2.3 million subscriber base in 2015. The hybrid service Premium Play from Mediaset combined with TimVision from Telecom Italia entered the market. The established companies showed willingness to use OTT principles in their services although their technological capabilities and worldwide reach and data-based recommendation systems remained inferior to Netflix.

The process of adopting new technologies depends on various cultural elements. Research shows that "cultural inclusion" stands as the primary factor which makes consumers adopt OTT services (Menon, 2022). The Italian market required dubbed content so Netflix made a strategic decision to provide dubbed versions of its original shows at the same time as their U.S. debuts. The operational costs of this strategy proved worthwhile because it enabled Italian viewers to watch global content without delays which strengthened Netflix's position in the local market. OTT revenues worldwide surpassed \$85 billion in 2020 according to Statista (2023) which marked a significant growth from the \$7 billion level of 2010. The Italian OTT market shows a dual nature because it combines international SVOD services with local AVOD and hybrid streaming models which have existed for nearly a decade since Netflix entered the market. The national broadcaster uses RaiPlay as its free ad-supported platform which delivers both live and on-demand content. Mediaset Infinity generates revenue through advertising while providing premium content and Sky operates NOW as an OTT service which functions independently from satellite requirements. The Digital Consumer Trends Survey from Deloitte (2024) reveals that Italian families now subscribe to more than two streaming services because they combine international platforms with domestic streaming services such as RaiPlay.

OTT has brought about a complete transformation of how content gets produced and distributed. The traditional broadcasting approach of risk-averse large-scale productions with known box office or ratings success has given way to OTT platforms which can freely experiment with niche content. The combination of algorithmic recommendations and long-tail economic models enables smaller productions to discover dedicated viewers which makes content diversification possible. The new flexibility in content delivery has created a wider range of programming options which better matches the diverse individual viewing preferences of audiences.

OTT serves as the fundamental base which supports the streaming economy structure. OTT transformed media distribution through its hybrid model of content licensing and original production while giving viewers flexible access to media across multiple devices which altered their relationship with media providers. The Italian market shows how Netflix established industry standards through its early adoption of the model yet traditional media companies adapted by launching their own streaming services to operate within the new streaming-based media environment. The media industry now operates under streaming logic, which has transformed traditional broadcasting instead of replacing it while legacy players maintain their presence in this new paradigm.

1.3 Disruptive innovation: theory and the Netflix trajectory

The disruptive innovation theory developed by Christensen describes how entrants that begin outside the core of an industry will eventually overturn incumbents through their optimized service delivery systems for their current customer base. The theory demonstrates two disruption patterns: low-end disruption, which targets customers who receive excessive service from incumbents, and new-market disruption, which serves non-consumers and people who deem incumbent products too complex. The new entrant starts with inferior performance on the incumbent's main metric but competes through different value propositions, which include price, convenience, and accessibility. The entrant advances through performance improvements until its market segments merge and it reaches the high-end market, while established companies retreat to their premium segment because they remain dependent on their current customer base and performance metrics. The historical development of the theory identifies three essential elements that explain its causal mechanism: resource dependence compels organizations to focus on sustaining projects, entrants gain an advantage from asymmetric motivation to move upmarket while incumbents withdraw from competitive segments, and organizations can either maintain their core through structural integrity or establish separate units for effective responses.

Netflix evolved from a DVD-by-mail service to a worldwide streaming platform, demonstrating a new-market development path that eventually disrupted both pay-TV and home-video value networks. The DVD service offered Netflix as a better alternative to Blockbuster because it provided longer catalogue options and subscription-based pricing without late fees and superior convenience. The service attracted new customer segments and existing customers who received too much from their current providers without forcing established companies to give up their profitable store-based and late-fee business models. The introduction of streaming in 2007 marked a pivotal moment that eliminated speed limitations and initiated a prolonged transformation of the value network, enhancing device distribution, content development, and data management for on-demand viewing. A scholarly analysis examines how five strategic decisions enabled this transition by following a hybrid business model that used DVD revenue to fund SVOD development and by creating exclusive content and original shows that challenged traditional release schedules. By achieving device and global market penetration, the company's decisions led to increased user interaction and supplier network growth, changing the power dynamics between streaming and using algorithms to transform personalized recommendations into the fundamental retail operation of the platform. The strategy involves collaborating with studios, distributors, ISPs, and MVPDs to integrate into the current system while transforming both services and traditional linear television.

The profit-formula conflict described in the theory becomes evident throughout this entire time. The traditional TV networks, together with pay-TV operators, based their business operations on scheduled

programming and affiliate fees and advertising revenue, while home video sales and rentals operated through physical product distribution. The subscription-based model of Netflix generated revenue from user engagement time and content variety, which led the company to develop recommendation systems, form device partnerships, acquire global rights, and create original content. The extendable core of the new entrant, which included software distribution and cloud and CDN infrastructure and data-driven selection capabilities, enabled the company to expand its market reach without losing its convenience benefits. The framework of Christensen shows how this core structure enables new market entrants to improve performance while keeping their competitive advantage in cost and accessibility.

The disruption process involved a complete transformation of the value network structure. Netflix entered the market by supporting the existing pay-TV system through content licensing agreements and Open Connect delivery improvements and by establishing itself as an enhancement to the existing system instead of a replacement. The company's "cooperate while scaling" approach enabled it to expand its reach while delaying industry competition as people stopped watching TV in a linear fashion. The development of streaming technology enabled Netflix to create original content and shorten release times, which damaged the financial models of established competitors. The theory predicts this specific outcome because when performance levels match and the new model fulfils essential customer needs, the transition process becomes faster while the traditional network becomes less effective.

The organizational structure plays an essential role in this process. The successful growth of such an entrant depends on ambidexterity because it needs to use current operations while developing new business models for the future. The hybrid business model of Netflix during its DVD and early SVOD period, along with its strategic content development approach and its approach to building proprietary capabilities through partnerships, aligns with the recommended organizational structure. Managers who want to handle disruption effectively create separate units with independent decision-making authority, which leads to successful responses; however, when new models operate within established constraints, the responses fail to materialize. The transition of Netflix from DVD rental to online streaming follows Christensen's model because the company started with a different value proposition and used its extendable core to move into higher market segments while transforming the value network to disrupt traditional home video and pay-TV businesses as the market evolves toward on-demand streaming with personalized content across various devices.

1.3.1 Disruptive for whom, sustaining for whom: Blockbuster, studios, and cinemas—with a focus on Italy

A company's business model together with its position within the value network determines what constitutes disruption. A single innovation brings disruptive change to organizations operating in one market segment but sustains existing operations in another. The video rental industry and studio and exhibitor sectors experienced disruption through Netflix's growth, while the Italian market provided essential details about how streaming affects cinemas and viewer behaviour.

The video rental model of Blockbuster faced complete disruption from Netflix. The subscription service with no late fees destroyed the business model of video rental stores, which relied on customer visits to generate revenue from late fees, and streaming eliminated the last remaining benefit of Blockbuster by providing instant access. The resource-dependence mechanism of Christensen predicted that physical retail companies would become trapped by their existing performance metrics and customer service standards because they maintained lease agreements and retail infrastructure designed for physical stores.

Major studios experienced different market conditions throughout the evolution of streaming technology. During the early 2010s streaming operated as a sustaining innovation because it provided studios with new licensing opportunities to generate revenue from their libraries while shifting premium content from pay-TV to subscription video on demand (SVOD). The Disney-Netflix pay-1 deal, announced in December 2012, marked a significant milestone as it transitioned premium content from cable television to streaming services, thereby yielding immediate financial benefits for the studio. The trade industry widely reported this deal, which demonstrated to Hollywood that streaming services could work alongside traditional windowing systems to generate additional consumer interest. Studios developed their own streaming platforms and tested window compression through day-and-date releases in 2021 to find that streaming as a standalone service would damage revenue streams from theatrical releases and pay-TV. Theatres received back their premium release windows for about 45 days, starting in late 2021 and 2022, because studios recognized theatrical value, and streaming needs a balanced approach. The current market trend shows that studios now use a combination of theatrical releases followed by strategic licensing to Netflix and flexible windowing periods, which demonstrates their ability to adjust their business model instead of surrendering to competition.

The streaming revolution has brought permanent damage to movie theatres because it taught viewers to seek instant and inexpensive home entertainment. Italy offers a clear view. The Italian market gained access to SVOD through Netflix's launch on October 22nd, 2015, which led to quicker home video consumption. The Italian home video market experienced a decline in physical sales before the pandemic because DVD/Blu-

ray sales dropped by double digits in 2017, which indicated the shift toward online streaming. The Italian home-video market experienced continuous decline in physical sales channels during 2021, while traditional distribution channels generated €69.8 million in revenue, which demonstrated the complete collapse of traditional home-video distribution as streaming services gained popularity.

The theatrical sector demonstrates both the effects of disruption and the process of adaptation. The Italian box office generated 97.59 million admissions and earned €635.45 million in revenue during 2019 before the pandemic, according to Cinetel/ANICA statistics. The 2023 box office results showed a significant recovery from the pandemic period with 70.6 million admissions and €495.6 million in revenue, which remained lower than 2019 levels. The 2024 preliminary data indicates 69.7 million admissions and €493.9 million in revenue, which maintains a stable level from the previous year yet keeps the market at 29% below 2019 levels for ticket sales. The Cinema Revolution initiative, with its €3.50 ticket promotions, together with event-based strategies, increased summer theatre attendance in 2023 because these measures attracted viewers who still watch movies at home. The Italian cinema industry shows signs of recovery yet operates at a lower customer engagement level than before 2019 because viewers now spend more time watching content at home.

The Italian regulatory body's research indicates that streaming services operate as complementary services instead of competing directly with each other. The Italian Competition Authority found in 2024 that streaming platforms have created loyal viewers who want flexible home viewing but also discovered that streaming users frequently visit cinemas and purchase theatre tickets following online trailer views. The Communications Observatory of AGCOM tracked millions of paid VOD users each month from 2023 to 2024, with Netflix reaching 8–9 million unique users during that period, which demonstrates widespread adoption. The collected data shows that streaming services modify viewer behaviour, but theatrical movies maintain their own dedicated audience segment when presented with appealing content and suitable pricing strategies. The integration of these elements through Christensen's framework reveals which groups faced disruption at specific points. The extendable core of Netflix directly disrupted Blockbuster-style rental because it eliminated their competitive edge and destroyed their profitability model. The studios received sustaining benefits through licensing agreements (the Disney–Netflix deal serves as an example) until window compression and D2C streaming emerged to partially disrupt their pay-TV and home-video revenue streams, which led to their current business model of theatrical-first windows and selective third-party licensing and controlled streaming investments. A prolonged period of audience training for home entertainment led to increased demand in the Italian cinema industry. The Italian data indicates that

expanding platforms does not diminish the value of theatrical releases due to the presence of a customer base that engages with both exhibitors and streaming services.

The managerial evidence supports specific recommendations that go beyond simple slogans, as disruption necessitates that organizations recover audience demand through policy support, successful content releases, and the restoration of distribution windows. This recovery helps firms identify their target audience, address threatened profit models, and establish appropriate organizational structures for participating in the value network. The case studies of digital media indicate that four key factors, including cross-functional collaboration and data analytics expertise and strategic planning and governance systems, which enable model changes, lead to effective responses against streaming competition. The choices made in processes that facilitate adaptation to streaming growth align with Christensen's theory, which predicts outcomes for successful firms that adapt compared to those that resist change and ultimately decline.

The Italian case demonstrates a fundamental concept that extends beyond this specific situation. The value network position of each actor determines how disruption affects them because disruption operates as a multi-dimensional process. Studio library revenue streams benefit from sustaining innovations during certain times, but these same innovations become disruptive to their pay-TV business models in different periods. The value of cinema attendance remains positive when studios present strong content and set appropriate ticket prices, but home entertainment options become more attractive when window periods shorten and streaming services flood the market with content.

1.4 Blue Ocean Strategy and the creation of a new market

Conceptual foundations.

Blue Ocean Strategy (BOS) represents a strategic framework that enables businesses to establish new market areas through competition rule transformation instead of competing against existing market standards. The core mechanism of value innovation enables businesses to enhance customer value while redesigning costs so they can break free from traditional differentiation versus cost tradeoffs. The approach functions through the Eliminate–Reduce–Raise–Create framework, which demands managers to identify (i) industry conventions that generate costs without delivering equivalent value for elimination, (ii) attributes that need to be lowered under the current standards, (iii) features that should exceed industry norms because they enhance perceived value, and (iv) new elements that should be introduced because they lack presence in the industry offerings. Sound BOS strategies possess three essential characteristics, which include focus through resource allocation to specific choices, divergence through unique selection patterns, and a straightforward value proposition that customers can understand easily. The emergence of observable new value principles

leads to space reddening through imitations and counter-positioning strategies, which forces companies to develop fresh value innovations instead of engaging in price wars or matching features (blue oceans are dynamic).

Application to Netflix.

The shift of Netflix from DVD-by-mail subscriptions to Internet streaming services demonstrates a Blue Ocean Strategy implementation in the home entertainment sector. The dominant competitive logics were set by linear television and physical rental and retail services before streaming became available. The industry competition centered on channel selection, programming schedules, distribution methods, store locations, and late payment policies, while customers endured costly search operations and had limited control over their viewing experience. The company addressed the viewer's issue by introducing an unlimited flat-fee subscription service that provides on-demand content via broadband internet. The company applied blue ocean strategy principles to transform its business model: the company (a) removed physical inventory, late fees, store hours, and broadcast schedules from its operations; (b) cut distribution and retail expenses through digital delivery, simplified billing, and device requirements; (c) enhanced convenience with instant start, cross-device continuity, and persistent user profiles; and (d) introduced features that were absent in the traditional model, such as personalized discovery and streaming content designed for continuous viewing. The new offer shifted competition away from the traditional dimensions of channel breadth and schedule management to focus on instant availability, content personalization, and a user-friendly interface. The service created a new market expansion by allowing users to integrate long-form entertainment into their daily activities without physical limitations.

Uncontested space and early outcomes.

The market remained without any global consumer-oriented competitor who could match Netflix's unlimited streaming service with flat fees for several years following its launch. Early challengers operated in specific geographic areas or limited their services to particular devices while using transactional pricing instead of subscription-based models. In this phase, the Netflix value proposition, which allowed users to watch content at any time on any device, remained both easy to understand and unique to the market. The company achieved cost advantages through digital distribution network effects and user data collection, which improved recommendation systems and content acquisition processes. The business environment matches the BOS concept of "uncontested space" because rivals cannot adapt quickly enough to new game rules, while the industry value shifts toward attributes that established companies fail to deliver (control and search cost reduction and relevance).

Reddening of the ocean and strategic renewal.

As imitation and counter-positioning emerged, the space reddened. Amazon expanded Prime Video through its multi-benefit membership program, which made streaming more affordable to users and introduced live sports in select markets to restore appointment viewing. The launch of Disney+ and HBO Max (now Max) brought extensive content libraries and franchise universes to market, which shifted competition toward

exclusive intellectual property and universe-based fan engagement. Netflix's subsequent trajectory illustrates the dynamic requirement of BOS: sustained advantage depends on renewed value innovation. The company expanded its original content production worldwide through a global-local content strategy, which made content more relevant to local audiences yet maintained international marketability. The company dedicated funds to discovery initiatives, which expanded personalized row features and social proof indicators to maintain low search costs as both library size and competitor numbers grew. The company introduced different pricing tiers, which included an ad-supported plan and a 4K quality option, to reach more customers while preserving instant streaming access. The Eliminate–Reduce–Raise–Create framework helps explain each strategic move by showing how the company (a) reduced reliance on licensed IP and single price points, (b) improved both relevance and instant access, (c) developed new subscription value, and (d) removed user experience obstacles that emerged as the library grew.

1.5 Innovator's DNA and Netflix's Strategic Capabilities

The Innovator's DNA framework justifies the reasons why firms do not treat innovation as an episodic event, but rather repeatedly generate novel strategies (Dyer, Gregersen & Christensen, 2011). The framework is structured around five "discovery skills:

- 1 Associating
- 2 Questioning
- 3 Observing
- 4 Networking
- 5 Experimenting

The latter, if used combined, define the ability to create new business models (Dyer, Gregersen & Christensen, 2011). For the purpose of this thesis, it is relevant to analyze each element more in depth. Associating. The business model of Netflix operates through continuous integration of technological capabilities with data scientific methods and creative content development (Gomez-Uribe & Hunt, 2015; Amatriain & Basilico, 2012). The engineering teams maintain close collaboration with content

commissioning and marketing teams at Netflix (Gomez-Uribe & Hunt, 2015). The company uses viewing telemetry data and taste cluster information to make decisions about greenlighting content and marketing strategies and localization priorities (Gomez-Uribe & Hunt, 2015). The company demonstrates associational thinking through its practice of uniting data insights between different departments such as compression research and product experience and audience analytics and programming bets (Netflix TechBlog, 2019).

Questioning. Netflix has used continuous "why" and "what if" inquiries to transform industry boundaries into design elements which include access restrictions and time limitations and international delivery delays (Carr, 2013; Jenner, 2016). The company developed a managerial practice which transforms operational barriers into changeable elements for delivering customer value through the examination of release windows and device restrictions and pricing structures and interface design (Hastings, 2016; Lobato, 2019).

Observing. The company tracks customer behavior through continuous observation of their selection patterns and screen focus and home environment usage (which include seamless resume viewing and Skip Intro/Recap functionality and customized home screen experiences (Gomez-Uribe & Hunt, 2015). The research findings enabled the development of features 2017; Gomez-Uribe & Hunt, 2015). The observation process enables Netflix to make better localization decisions about localization and device-specific modifications by studying actual user behavior instead of designer assumptions (Lobato, 2019).

Networking. The ecosystem strategy of Netflix depends on creating diverse external partnerships to acquire knowledge from these relationships (Lobato, 2019; Wayne, 2018). The company expands its user base through distribution partnerships while working with national producers and guilds and showrunners enables creative and culturally relevant content development (Lobato, 2019). The organization maintains a continuous flow of outside ideas by exposing product and content teams to outside thinkers and comparative industries through internal leadership (Hastings, 2016). The established networks help organizations locate solutions more efficiently while accelerating their ability to transform concepts into operational actions (Wayne, 2018).

Experimenting. The organization conducts product and content decisions through ongoing experimental testing (Netflix TechBlog, 2019). The interface together with ranking logic artwork and trailers and notification cadence undergo continuous A/B testing across all global markets (Gomez-Uribe & Hunt, 2015; Netflix TechBlog, 2019). The company uses limited series and interactive narratives to validate engagement hypotheses which later become the basis for larger-scale content development (Jenner, 2016; Lobato, 2019). The company pursues multiple small-scale experiments which use learned knowledge to minimize the expenses of incorrect decisions (Netflix TechBlog, 2019).

The practices outlined above establish Netflix not only as a transient disruptor of traditional television but as an entity engineered for perpetual innovation (Dyer, Gregersen & Christensen, 2011; Lobato, 2019). Associating puts together signals from data into a clear strategy; questioning keeps the company from falling back on old industry logics; observing ties choices to what viewers do; networking brings in new ideas and skills that the company doesn't own; and experimenting quickly turns guesses into proof (Dyer, Gregersen & Christensen, 2011; Gomez-Uribe & Hunt, 2015).

Chapter 2: The Battle for Attention — Netflix and Gen Z in Italy

For the purposes of this thesis, it results essential to undergo an analysis regarding Gen Z consumer behaviors and habits in relation to the streaming industry. After having described the logics and relevant business strategies that construct the streaming landscape, it is crucial to study how the latter are perceived by consumers belonging to Generation Z. More specifically, as the literary review finds a gap within existing literature and studies, analysis of Gen Z habits and preferences in relation to the industry in question are fundamental to validate the gap and justify the behavioral and business implications that the research question aims to investigate.

Chapter 2 enables further research and allows to prove how Gen Z consumeristic preferences are predominantly shift towards business models that embrace digital advancements and technologies.

2.1 Gen Z in the Italian digital media landscape

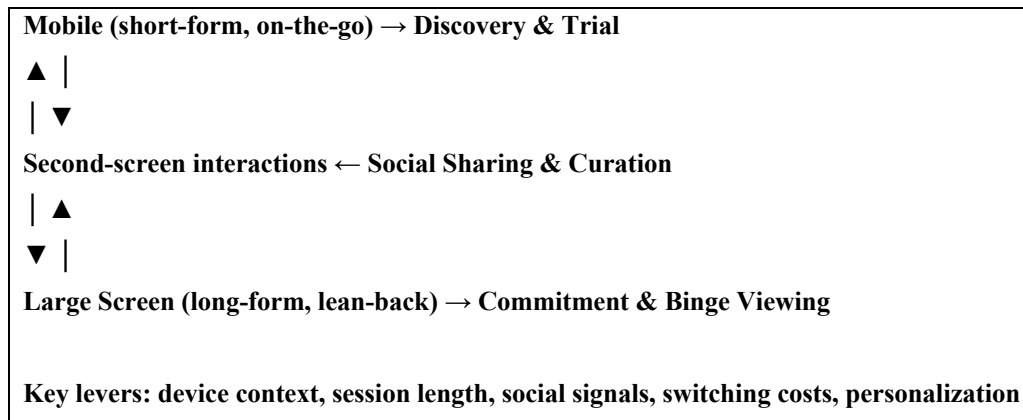
The digital native nature of Italian Generation Z combined with their economic limitations leads them to use streaming services differently than previous generations do, which makes them a very distinct audience from older viewers. The Deloitte Digital Consumer Trends Survey (2024) reveals that 70% of Italian adults subscribe to at least one SVOD platform while their households maintain an average of 2.1 active subscriptions (Deloitte, 2024). The way Gen Z users handle their streaming services through combination and management, stands out as their main characteristic rather than the number of subscriptions they hold. The younger Italian population demonstrates high service switching behaviour; 18% of national users canceled at least one SVOD in the past year and the same share subscribed to a new one (Deloitte, 2024). This pattern is most pronounced among 18–24-year-olds since they want to explore different content libraries without making long-term financial commitment.

The price sensitivity stands as a primary element which shapes how Gen Z Italians use streaming services. The Deloitte (2024) survey indicates that, for 28% of Italians, cost remains the primary reason for cancelling a subscription, but Gen Z members face this concern more intensely because of their limited financial resources and unstable economic situation (Deloitte, 2024). Younger Italians show strong price sensitivity when it comes to their streaming services because they tend to cancel or switch providers when they notice even small monthly fee changes. The combination of paid SVOD services with free AVOD platforms like RaiPlay and Mediaset Infinity becomes a common practice among Gen Z viewers who want to achieve both cost-effectiveness and content variety; while only 7% of Italians rely exclusively on paid subscriptions, almost two-thirds (63%) combine SVOD with free AVOD (Deloitte, 2024).

The practice of account sharing has established itself as a fundamental aspect of streaming behavior among members of Generation Z. The Deloitte (2024) survey reveals that 24% of SVOD users in Italy share their account information with outside household members, but this number dramatically increases to 37% among 18–24-year-olds (Deloitte, 2024). By contrast, account sharing occurs less frequently among Boomers and Gen X because they follow different media usage customs and maintain financial independence. The new password sharing policy at Netflix has led to a significant reduction in account sharing among Italian users with data showing that 25% of users stopped sharing their passwords after the change, which forced Gen Z to find alternative ways to access content (Deloitte, 2024). Young viewers used account sharing as a dual-purpose activity; it helped them save money and it enabled them to participate in social activities that reflected their digital networked lifestyle.

The framework developed by Lamberton and Stephen (2016), outlined in Figure 1, about mobile and cross-platform usage helps explain these observed patterns (Lamberton & Stephen, 2016). Gen Z users experience streaming platforms not as isolated destinations, but as interconnected ecosystems which enable content exploration, user interaction and content viewing across different devices and environments. The Italian audience demonstrates two separate video-watching behaviors between short-form “snackable” content on mobile devices and long-form content on smart TVs. The majority of Italian users watch short-form content on TikTok, Instagram and YouTube through their smartphones during brief daily moments, while they increasingly watch SVOD content on smart TVs which 70% of households use daily (Deloitte, 2024). The screen and format choices of Gen Z members match their current situation; they watch short-form content on mobile devices for fast entertainment and cultural involvement, but they use TV screens for extended viewing of films and series.

Figure 1: Lamberton & Stephen (2016) Cross-Platform & Mobile Consumption Framework



Social media platforms play a major role in shaping streaming preferences between different generations because they create the most noticeable difference in viewing preferences. The 2023 and 2024 Deloitte studies demonstrate that Gen Z watch SVOD content, after discovering it through online creators, at a rate of 59%, but this behavior occurs in less than one-third of Boomers and Gen X viewers (Deloitte, 2023; Deloitte, 2024). Young Italian watchers trust social media recommendations for viewing content more than they trust the recommendations from streaming platforms, although this preference does not exist among older viewers. The streaming habits of Gen Z members exist within their everyday digital communities because influencers and peer recommendations and memes function as essential filters to determine their viewing choices. Streaming platforms function as an expanded television service for Boomers and Gen X, while Gen Z views them as part of an active interconnected social media network.

In conclusion, the streaming habits of Italian Gen Z members differ from previous generations because they exhibit unstable subscription patterns, low price tolerance, use free streaming services and share accounts extensively while discovering content through social media platforms. The streaming behavior of Gen Z members demonstrates that they use streaming service, not only for accessing a catalogue, but also to experience an integrated digital ecosystem which reflects their cultural tastes and their financial situation.

2.2 Competitive Streaming Landscape in Italy

The Italian streaming market has reached full maturity because video-on-demand (VOD) services have become standard in how people watch content. The first quarter of 2025 brought 8.3 million unique monthly

users to Netflix while Amazon Prime Video reached 7.3 million and Disney+ attracted 3.7 million subscribers. The total number of monthly paid VOD platform users exceeded 15.55 million at the end of 2024 which indicates widespread market adoption. The Italian entertainment media market generated USD 68.8 billion in revenue during 2024 while experts predict it will expand at a 9.1% annual rate until 2035. The live streaming market in Italy generated USD 1.57 billion in revenue during 2024 while showing promising growth potential. The worldwide video streaming market reached USD 674 billion in 2024 and analysts predict it will reach USD 2.66 trillion by 2032. Netflix leads the world with 301 million subscribers while Amazon follows with 200 million and Disney+ with 128 million subscribers follow behind.

Within this landscape, outlined in Figure 2, it is important to distinguish between SVOD (Subscription Video-on-Demand) platforms like Netflix, Prime Video, and Disney+, and AVOD (Advertising Video-on-Demand) services like RaiPlay and Mediaset Infinity. The global players operate on a subscription model, monetizing primarily through recurring fees and, increasingly, hybrid ad-supported tiers. Instead, RaiPlay and Mediaset Infinity remain free to access, relying instead on advertising revenue or also on public funding (Rai). Their positioning is therefore more closely tied to catch-up viewing and the extension of traditional television content rather than to original production at a global scale. Although they register significant audiences in Italy, especially among older demographics, Gen Z tends to perceive them as complementary rather than substitutive to global SVODs, using them mainly for specific national programs or live television replays rather than as their primary entertainment hubs.

Figure 2: SVOD vs AVOD in Italy — Positioning Snapshot

Dimension	SVOD (e.g., Netflix, Prime Video, Disney+)	AVOD (e.g., RaiPlay, Mediaset Infinity)
Primary revenue	Subscriptions (+ ad-supported tiers)	Advertising (plus public funding for Rai)
Content focus	Originals + licensed, global + local	Catch-up TV, national shows, replays
Perceived by Gen Z	Primary hubs for entertainment	Complementary/utility for specific needs
Engagement drivers	Personalization, franchises, sports (Prime)	Free access, national relevance
Price sensitivity fit	Tiered plans incl. low-cost ad tiers	Free to use

In the Italian streaming market, Netflix’s leading position becomes more meaningful when examined alongside its closest rivals, Amazon Prime Video and Disney+. Prime Video follows a unique strategy, leveraging the strength of Amazon’s broader ecosystem. The standard annual Prime subscription in Italy is priced at €49.90, with a heavily discounted plan available for university students at €24.95, effectively halving the cost. This policy has proven particularly attractive to Generation Z, many of whom are still in education and therefore price-sensitive. Beyond pricing, Prime Video has also gained ground by investing in sports rights, most notably securing exclusive broadcasting of UEFA Champions League matches in Italy.

Football remains the most watched sport among Italian youth, and this move has allowed Amazon to capture a substantial share of male Gen Z consumers, for whom access to live matches is a decisive factor in subscription choice.

Content strategy further strengthens Prime Video's positioning. They have a really vast catalogue, although the perception from viewers of its original productions is more mixed compared to Netflix. One of its flagship titles, "The Boys", has become a global phenomenon which particularly resonates with Gen Z, in fact, its satirical and subversive take on the superhero genre has positioned it as a cultural counterpoint to Disney+'s Marvel and Star Wars franchises, which remain central in attracting younger audiences. Disney+, priced at €8.99 per month in Italy, has deliberately built its strategy on these global franchises, appealing strongly to fans of fantasy and superhero narratives. Its narrower catalogue is offset by the cultural power of its intellectual property, which ensures deep engagement from Gen Z audiences, who already identify with these universes, and from families. However its Italian catalogue is surprisingly sparse.

By contrast, Netflix differentiates itself less through franchise power or bundling and more through its three-tiered subscription model and its balance of global and local content. The subscription model currently available in Italy reflects this competitive pressure and consumer segmentation. Netflix has a few options for subscribers, each of these plans has its set of features and limits including differences in video quality and the number of devices you can use at the time. The cheapest plan, which includes ads costs €6.99 a month, lets you watch shows and movies in 1080p on up to two devices at once, however you'll have to sit through breaks and some titles won't be available for download. Step up to the tier plan, which's €13.99 a month, it still gives you 1080p resolution but the ads disappear. You can download content on two devices making for a more enjoyable viewing experience. Then there's the Premium plan, which costs €19.99 a month, it takes things up a notch boasting 4K Ultra HD with HDR and allowing you to stream on, up to four devices at the time. It also includes features like spatial audio making it a good fit for families or anyone who wants superior quality and the ability to share access with others. The way the prices are set up reveals how the service is tailored to types of users based on what they're willing to pay. It's a balance, between keeping things affordable and offering some extras.

The new ad supported plan is interesting and must be interpreted by looking how different generations interact with media. A recent survey, by Deloitte found that nearly half of generation Z do not consider themselves financially secure and More than half are living paycheck to paycheck (Deloitte, 2024). For these consumers being able to get a subscription even if it means watching some ads is a big deal. It's a way for companies to stay relevant to this crowd, who're really careful, about how they spend their money.

When compared to Prime's affordability and sports rights, and Disney's franchise-driven appeal, Netflix positions itself as the platform of breadth and personalization, using its algorithms to retain engagement across a more heterogeneous Gen Z audience. This triangulation made by Prime Video as the cost-efficient ecosystem with sports leverage, Disney+ as the franchise specialist, and Netflix as the glocal personalization

leader, defines the competitive balance in Italy and explains the differentiated appeal of each platform to Gen Z viewers.

So, despite some competition and a growing focus on price, it's clear that Netflix is still the main player in Italy's streaming market. As of now, offering a range of pricing options and putting money into Italian made shows is setting Netflix apart from international brands making it a more attractive option for younger viewers, who can count on more flexibility and affordability, but also for people who want to see stories and characters which reflect their own culture which shows how Netflix balances global strategy with local adaptation to sustain its leadership in a dynamic competitive environment.

2.3 GLOCAL STRATEGY

The competitive advantage that characterizes Netflix within the Italian market, strongly depends on its unique approach to differentiation. The latter has been accomplished through technological innovation, cultural sensitivity and content expansion, which led to the merging of international and local content into a unified platform. The establishment of a Rome-based Italian office in 2022 proves Netflix's commitment to local content development which has already produced successful shows including "Suburra", "Luna Nera" and "Il Gattopardo" during the last period. The platform has anchored itself within the Italian cultural landscape through these titles which both improve its content selection and attract young viewers who seek stories that reflect their culture. The "glocal" model of Netflix combines worldwide hits like "Stranger Things" and "Wednesday" with local content to attract international viewers and build dedicated customer bases in specific markets.

Netflix's pioneering approach also lies in its strategic decision to be the first major global streaming service to enter the Italian market, ahead of its competitors. When planning an initial injection within the market, Netflix promptly devised a strategy to release its original programs concurrently with the United States, but with Italian dubbing already completed. This practice was particularly appealing to young individuals, who typically consume media in their native language and desire immediate access to new content without the risk of encountering disclosures online. The company's investment in dubbing infrastructure was not merely a matter of operations; it was a strategic decision that was designed to align with local cultural norms and assist in its successful entry into the Italian market.

Equally distinctive is Netflix's use of data-driven personalization and advanced recommendation algorithms to transform its vast catalogue into a curated and individualized viewing experience for each user. The

recommendation system at Netflix operates differently from competitors, who focus on established franchises, because it uses behavioral data to enhance interface functionality and generate content suggestions based on individual viewer preferences. More precisely, the Netflix Recommendation Engine (NRE) operates as a complex system which employs multiple algorithms including collaborative filtering and content-based filtering to generate percentage-based recommendations for users. The system uses user ratings and viewing history and other behavioral data to generate customized content recommendations for each user. The algorithmic guidance system helps Generation Z viewers who use multiple devices and have brief attention spans by simplifying their content choices and extending their viewing time. The recommendation system functions as a strategic tool which delivers customized viewing experiences to users through personalized content suggestions that match their preferences and create a sense of ownership and control which appeals to digital natives who expect personalized experiences in all their online activities.

The cultural nature of Netflix content extends through social media platforms which represent a new dimension of differentiation. The company encourages the promotion of its shows through TikTok, Instagram and YouTube instead of relying merely on traditional marketing leveraging offline channels, as these platforms allow users to make short clips and memes which may eventually turn series into social media trends. The media amplification process works best with Gen Z since they consume media both independently and as a group through their individual viewing habits and their online discussions and creative reinterpretations that unfold online. For instance, "Squid Game" was not initially highly regarded by Netflix due to its lack of exceptional narrative appeal. However, the series quickly became a cultural milestone worldwide as a result of the extensive use of its imagery and symbols in digital communities throughout social media. This dynamic reinforces the notion that Netflix content is not merely watched in a passive manner, but also actively shared, debated, and reimaged within digital social groups composed of Italian Gen Z customers.

The platform also stands out because it tests unconventional content formats and new genres which most traditional broadcasters do not include within their streaming portfolio. For instance, the company invested in interactive narratives like "Black Mirror", which explore niche genres in order to achieve strategic innovation, thus expanding audience reach. The Italian market needs this readiness to diversify since domestic broadcasters mainly focus on established formats like talent shows and dramas which creates an opportunity for Netflix to lead creative innovation and experimentation.

In conclusion, Netflix's differentiation in the Italian market depends on a combination of factors such as its early market access, cultural adaptation through dubbing, local content production, data-driven personalization and social media amplification which ultimately generates cultural resonance. The company stands apart from competitors who base their business on pricing strategies and global franchises because

Netflix has established itself as a platform which unites worldwide accessibility with local cultural understanding and advanced technology and innovative global reach with local sensitivity, creative risk-taking and technological sophistication. The company achieved Italian market leadership through this multidimensional approach which developed a culturally embedded service that drew young customers and maintained enduring business success.

2.4 Consumer Engagement and Binge-Watching Trends

Binge-watching has become a dominant media behaviour among Generation Z viewers since its emergence as a popular practice during the last ten years. The term gained widespread usage in academic and public discussions to describe watching multiple TV show episodes back-to-back in one extended viewing session that exceeds typical viewing times. According to Jenner (2015) binge-watching represents a new way of watching TV which breaks down traditional viewing patterns by allowing viewers to watch shows at their own pace through streaming platforms (Jenner, 2015). Netflix has become the leading company that both accommodated the shift in viewing habits and actively promoted it through strategic business decisions. The streaming platform introduced a new release model which allowed viewers to watch complete seasons of original content at once, in a single release date. The company's signature release model gave viewers complete control over their viewing pace, eliminating distributor-imposed scheduling constraints.

This innovative release model demonstrates its cultural importance through its impact on younger audience viewing behaviours. The digital age has formed Generation Z into viewers who want entertainment content that delivers instant satisfaction through flexible viewing options. Binge-watching provides viewers with the ability to experience uninterrupted and deep narrative immersion. Young Italians now watch television content through binge-watching; it has become their primary method of television consumption. Italian viewers watch two or more consecutive episodes weekly at a rate of 41 percent while this number increases to 44 percent among viewers between 25 to 36 years old. The survey shows that binge-watching occurs daily for 18 percent of Italians but this number increases to 22 percent among 20 to 24-year-olds and 21 percent among 25 to 34-year-olds. The data demonstrates binge-watching occurs most frequently among younger viewers who represent the digital entertainment generation (Ericsson Consumer Lab, 2016).

The platform design of Netflix creates an environment that pushes users toward watching multiple episodes in succession. The platform interface was built to maintain continuous viewing by automatically starting the following episode right after the previous one ends. The interface design, eliminates traditional broadcast scheduling obstacles which leads viewers to watch more episodes in succession. The platform uses this design feature to enhance user engagement time while decreasing platform abandonment and building stronger consumer-platform relationships. The system operates in a way that presents continuous viewing as

the default option while users must actively stop the stream to interrupt their session. The design choice aligns with Gen Z viewers who spend most of their time online in a continuous digital immersion, because it creates a seamless and automatic binge-watching experience (Griffin, 2011).

Research data confirms that Generation Z displays a natural preference for watching content in extended sessions. Research shows that Generation Z viewers prefer binge-watching at a rate of 63.8% compared to 51.5% among Millennials because they view this practice as their natural media behaviour. The two generations show identical preferences for television seasons that contain between five to ten episodes instead of the traditional twenty-episode American model. The short episode lengths enable viewers to watch complete seasons in one sitting which matches their binge-watching habits thus solidifying its position as their primary media consumption method. The combination of brief content lengths and simultaneous availability, enables Netflix to create an ideal viewing experience that fulfils the viewing habits of this specific audience segment.

The social effects of binge-watching extend beyond technological and cultural aspects because they have major social consequences. Gen Z members use streaming services as individual entertainment while also using social media platforms to share their viewing experiences with others. The release of complete seasons creates specific cultural events which lead to massive online discussions about content through meme creation and short video sharing and commentaries. The cultural significance of shows like *Stranger Things* and *Squid Game* emerged from the high level of online discussion which occurred right after their release. Young Italians who use TikTok, Instagram and YouTube throughout their day need to watch entire seasons quickly to join online discussions without missing important plot points and avoiding spoilers. The practice of binge-watching is therefore more than a mode of consumption; it allows users to consume content while also joining social groups and engaging in cultural activities.

The attractive features of binge-watching can also create operational difficulties for streaming platforms to handle. Users who finish their most anticipated shows within short periods of time may decide to cancel their subscriptions until fresh content becomes available. The risk of subscriber cancellation has forced some competitors like Disney+ and HBO to change their release strategy by releasing episodes weekly instead of all at once to keep users engaged throughout the series. The release model now functions as both a cultural and strategic choice because it needs to achieve user contentment while maintaining financial stability. Netflix maintains its commitment to full-season releases betting on the belief that instant content availability and social media engagement will keep subscribers, even though this approach might lead to subscription losses.

The behavioural theory of consumer empowerment, outlined in Figure 3, helps explain why Netflix chose to release full seasons at once. According to Lamberton and Stephen (2016) digital media users now seek platforms which let them customize their viewing experiences because they value control and autonomy in their media consumption (Lamberton & Stephen, 2016). The binge-watching model provides users with complete control over their viewing schedule because it removes all scheduling restrictions. The ability to

watch content whenever they want plays a vital role in how Gen Z develops their viewing habits since they experience daily life through multiple tasks and fragmented media consumption.

Figure 3: Consumer Empowerment Levers in Binge-Watching (Theoretical Mapping)

Lever	Mechanism on Platform	Outcome for Gen Z Users
Autonomy/Control	Full-season drops; on-demand access	Self-paced viewing
Convenience	Autoplay; device continuity (resume on TV)	Frictionless long sessions
Personalization	Algorithmic recommendations; Top-10 rows	Reduced search costs
Social Validation	Shareable lists; friend cues; trending	Community participation; FOMO dynamics
Value Sensitivity	Ad-tier/price options; student promos	Affordable access

The practice of binge-watching exists alongside the trend of watching short, “snackable” content on platforms like TikTok and YouTube. The two seemingly opposing viewing habits of long-form binge-watching and short-form audiovisual consumption share a common requirement for media to match the natural flow of daily life. The complete season release strategy of Netflix works perfectly within this media environment because users can watch content in either long sessions or brief intervals based on their individual preferences. The ability of Netflix to adjust its content delivery to user needs makes it more appealing to Gen Z because it matches their digital behaviour which favours flexible and immediate consumption options.

The evidence proves binge-watching serves as a fundamental element of Netflix's market differentiation strategy because it aligns with Italian cultural behaviours and social patterns. The Ericsson Consumer Lab (2016) survey results about binge-watching adoption among young Italians match current research showing Gen Z strongly prefers this viewing method, which has become a standard practice for their generation (Ericsson Consumer Lab, 2016). The company achieved its success through three key actions: it introduced bulk season releases, dubbing services and created an interface that promotes continuous viewing which together transformed binge-watching into a fundamental aspect of digital television. This practice represents a core value for Italian Gen Z because it allows them to experience instant gratification while maintaining control over their viewing choices and staying connected to their cultural interests. Therefore binge-watching serves as a dual advantage for Netflix; it fulfills both user preferences and enables strategic market differentiation in an expanding streaming industry.

Chapter 3: Empirical Study — Social Features for Netflix and Italian Gen Z

3.1 Methodology

As explained throughout the previous chapters, the purpose of this study is to investigate the streaming industry dynamics within the Italian Market, in relation to Generation Z consumer behaviors. The thesis addresses the Netflix case from a strategic managerial perspective as a result of the observation of potential market opportunities from the studies and the literary review presented in Chapters 1 and 2. More specifically, the research aim is to examine how adding social functionalities to Netflix matches the needs of Italian Gen-Z users while determining potential business outcomes. The exploration of the latter potential market opportunity has been conducted throughout a comprehensive qualitative approach. This method, allowed to conduct a detailed investigation of Generation Z consumer preferences, needs and behaviors in relation to the Italian streaming market, throughout a consumer questionnaire.

3.1.1. Sampling Process & Questionnaire Design

The survey has been created through the platform Qualtrics and was administered to a total of 204 respondents on a 4-weeks period (August 2025). The survey was distributed through a web-based collection method, gathering a satisfactory number of responses quickly and at no cost, and promoted via Facebook, WhatsApp groups, and personal contacts.

The questionnaire was carefully designed with the aim of minimizing bias and included both open-ended and multiple-choice questions. The sample included both female and male individuals from various Italian geographic regions, in order to ensure a broad representation of consumer opinions.

Navigating deeper into the survey construction, the latter consisted of five sections, which served different purposes for data collection and analysis.

In Section 1 (Screening), in order to build a reliable and relevant sample of respondents and avoid the reception of data from subjects external to the thesis reference group (e.g. consumers not belonging to Gen-Z, consumers not living in Italy, etc.), three fundamental screening questions were posed:

1. Do you belong to Generation Z (Therefore you have an age between 18-26)?
2. Do you currently live in Italy?
3. Are you a consumer of streaming services?

In case of negative responses to any of these three initial questions, respondents were redirected to the end of the survey. In case of positive responses to all three of the above-mentioned questions, respondents were redirected to the following sections of the questionnaire, as their profiles matched with the target reference studied in the thesis.

Section 2 (Demographics), examined respondents' profiles collecting demographic information, including age range, sex, employment, but also industry-specific information like streaming platform subscriptions, plan type, viewing duration, and device usage.

Section 3 (Habits & Discovery) recorded information about Gen-Z consumer behaviors, investigating watching habits, content discovery methods and needs and preferences in relation to the different streaming services available on the market.

Section 4 (Concept Testing) introduced a new concept of the streaming platform Netflix, with integrations similar to social media features. Throughout several 1-5 Likert Scale questions, and open-ended questions, the survey tested respondents' preference spectrum for specific features such as:

- The creation of Netflix profiles visible to other users, comprehensive of the "Follow" feature
- The creation of public or private playlists comprehensive of films or series
- The integration of friend-activity feeds
- The integration of co-viewing screen with open chats
- The integration of ratings measured through Likes.

The survey then asked participants to rate the above-mentioned integrations through a Best–Worst (MaxDiff) task.

Finally, section five (Behavioral Impact) measured how participants planned to change their platform usage and consumer habits after potential social integrations on Netflix. This section asked respondents whether the introduction of social features would change their:

- Frequency of platform usage
- Likelihood of canceling their service within six months (churn intention)
- Willingness to pay for the service
- Preferences in plan options & preference of Netflix over other streaming services
- Likelihood of inviting other potential customers to adhere to a Netflix subscription

Within the survey, 1–5 Likert scale questions allowed for core construct measurement of the concept tested, while MaxDiff produced comparative importance ratings, and single-choice items determined plan choices and price/ads trade-off decisions. The analysis of the data collected comprehends numerical results limited to descriptive tabulations (counts and percentages), while the qualitative material from the open-ended questions was analyzed through an inductive thematic reading, with categories refined through discussion rather than software-assisted coding.

3.2 Findings and data analysis

3.2.1 Section 1 (Screening) & 2 (Demographics)

As previously stated, the cleaned sample of respondents who adhere to the correct target reference for this study, consists of 204 participants (N=204). Within the latter, 100% belong to the age range 18-26, are currently living in Italy and are active consumers of streaming services. Gender is balanced enough to avoid

obvious skew with 52% women and 42% men, with a predominance of respondents being University students (64%).

The survey Section 1&2 results, summarized in Figure 4, show that Netflix stands as the most popular streaming service among Gen Z users in Italy, selected by 78%, ahead of Amazon Prime Video (72%) and Disney+ (50%), with RaiPlay (42%), Mediaset Infinity (30%), and NOW/Sky (19%) trailing—an ordering consistent with Netflix’s leadership among young Italian viewers in our dataset. Platform access patterns show that most Gen-Z viewers do not pay for their Netflix account; among those with access (n=164), only 42% pay for their subscription themselves (69 out of 164 users), while 45% get their subscription from family members (73/164), which demonstrates how age and financial situation determine who pays for streaming services. Plan usage questions show that Gen Z users choose lower-cost plans, but they do not exclusively select ad-supported options since Standard ad-free remains the most popular choice at 45%, followed by the ad-supported plan at 31% and Premium at 20%, which indicates that users tolerate ads but prefer ad-free options at affordable prices.

Weekly viewing time result to be quite high: 70% of participants spend more than 6 hours per week watching long-form streaming content, with 22% watching between 6 and 8 hours. The data shows that users spend a lot of time on the platform, which creates opportunities to develop features that simplify choices and boost user engagement.

Figure 4: Sections 1 & 2 — Key Findings (N=204)

Dimension	Findings
Respondent profile	100% aged 18–26, Italy-based, streaming users; gender balanced; 64% students
Platform Choice	Netflix (78%) > Prime Video (72%) > Disney+ (50%); local players
Access & Payment	Only 42% self-paying; 45% via family accounts
Plan Usage	Standard ad-free (45%) > Ad-supported (31%) > Premium (20%)
Viewing Time	70% watch >6h weekly; 22% between 6–8h

Finally, it can be concluded that data from Section 2 validates three essential points for the empirical research chapter:

1. Netflix stands as the leading SVOD service for Italian Gen Z viewers;
2. Most users have their streaming costs covered by their household, which affects how they react to pricing strategies and subscription options;
3. Users spend relevant time rates on the platform, which enables the development of features that simplify choices and boost internal platform engagement.

The following paragraphs will continue to analyze the data collected from the further sections of the survey.

3.2.2 Section 3 (Habits & Discovery)

Section 3 ensures a clear exploration of Italian Gen Z consumer habits and behaviours in relation to the streaming industry. Figure 5 summarizes these findings into a Strategic Matrix.

Figure 5: Strategic Priorities Matrix: Italian Gen Z Streaming Behaviors

Insight	Key Data	Strategic Focus
Cross-platform use	83% TVs, 64% smartphones, 46% laptops	Seamless device sync, mobile-first design
Binge habits	59% binge weekly+	Binge-friendly UX, weekend co-viewing features
Hybrid discovery	62% in-app recs, 58% online buzz, 34% offline peers	Blend algorithm + social discovery
Choice overload	63% find recs useful, 49% still struggle choosing	Simplify UI, "Quick Picks," peer filters
Social identity	48% enjoy sharing preferences	Private sharing tools, playlists, activity feed

As shown in Table 2, data collected from the survey highlights how the majority of respondents (83%) selected smart TVs as their primary viewing device, although 64% used smartphones, 46% used laptops, 19% used consoles, and 18% used tablets. Furthermore, the high number of choices (169 for smart TV, 131 for smartphone, 94 for laptop...) makes us understand that the majority of Gen Z users employ streaming services on different devices, thus creating a strong cross-platform system is crucially important for a firm like Netflix. The majority of viewers (59%) watch multiple episodes in a row at least once per week according to their binge-watching habits, with 33.8% watching weekly and 25.0% watching several times per week, while 5.9% never binge-watch; this data indicates entrenched habits rather than sporadic use. The discovery process combines algorithmic recommendations with human input since 61.8% of users depend on

in-app suggestions, but 57.8% also follow creators and friends on social media and receive additional suggestions from friends and family offline (34.3%). The survey results also show that users find in-app recommendations useful but still need to invest time deciding what to watch because 63.2% found recommendations helpful, yet 49.0% spent too much time choosing content, and 58.8% started watching a title after hearing about it online. Nearly half of participants (48.0%) also showed pleasure in showing their viewing preferences to their friends through rating systems and list creation. The algorithmic curation system fails to eliminate choice difficulties for this audience because they seek peer recommendations before selecting content. The TV-friendly social platform of Netflix should provide private sharing features that help users identify content quickly while preserving recommendation systems through friend-curated playlists and a minimal activity feed with optional co-viewing chat during peak binge-watching periods.

3.2.3. Section 4 (Concept Testing)

As previously specified, section 4 of the survey introduced and tested a new concept of Netflix integrated with social media feature. The survey asked respondents to evaluate their interest and predicted usage (1–5) for eight social features while also asking about perceived advantages and feature importance. As shown in Figure 6, the results show a clear pattern. Playlists/Collections stands as the top choice for both metrics (“interest” means 4.2, top-2 box 72.1%; “likely use” means 4.0, top-2 66.2%), establishing it as the leading candidate if a social layer were implemented. The Friend activity feed ranks second in both interest and use metrics (interest 4.1, 68.1%; use 3.9, 61.3%), which shows that Gen-Z viewers want to see what trusted friends watch or save because it helps them keep pace and start discussions together about shared content. The second tier of features includes co-viewing with chat and public/private profiles (co-viewing: interest 3.9, 60.8%; use 3.6, 53.9%; profiles: interest 3.8, 56.9%; use 3.5, 49.0%). The results indicate that users are willing to watch content together while maintaining control over their profile visibility. The mid-table options include ratings/mini-reviews (interest 3.5, 46.1%; use 3.2, 38.2%) and following creators/curators (interest 3.4, 42.2%; use 3.1, 35.3%), while reactions/stories (3.1, 33.8%; 2.9, 28.9%) and especially badges/objectives (2.7, 22.1%; 2.5, 19.1%) trail, showing that Gen Z users have a limited appetite for gamified elements relative to utility-driven tools. The results from the benefits battery demonstrate that users want practical benefits first since they rated “discover faster” as their top choice (mean 3.9 and 61.8% top-2), followed by engagement uplift (mean 3.8 and 57.8%), feeling more socially connected with friends (mean 3.7 and 54.9%), and personal identity expression (mean 3.6 and 51.0%). Prioritization via Best–Worst delivers an even sharper ordering: Playlists/Collections receive 34% of the most important ratings, followed by Friend-activity feed at 28% and Co-viewing with chat at 22%, while Profiles receive 9%, Ratings get 4%, Follow creators gets 2%, Reactions get 1%, and Badges get 0.5%. The “least important” side confirmed that Badges and Reactions receive the most dismissals at 28% and 21%, respectively, with Follow Creators

(15%) and Ratings (14%) also down-ranked; by contrast, Playlists and Feed received only 8% and 9%, respectively. In conclusion, this study shows that Italian Gen Z users want specific social features that make peer taste visible (friend feed) and transform it into actionable shortcuts (shareable playlists) above all else, while co-viewing plays a complementary role for watching events or binges. The section, therefore, validates a privacy-focused social layer for TV viewing that starts with playlists, followed by friend feed and co-viewing, while profiles and basic ratings serve as supporting features that guide a product development plan for Netflix in Italy.

Figure 6: Netflix Social Layer: Strategic Feature Summary (Italian Gen Z)

Feature	Interest/Use	Priority	Strategic Role
Playlists / Collections	4.2 / 4.0	★★★★★	Flagship: peer taste visible & actionable shortcuts
Friend Activity Feed	4.1 / 3.9	★★★★☆	Core social: drives discussions & engagement
Co-viewing with Chat	3.9 / 3.6	★★★☆☆	Complementary: shared viewing experiences
Profiles	3.8 / 3.5	★★☆☆☆	Privacy & identity control
Other features (Ratings, Follow Creators, Reactions, Badges)	2.5–3.5	★★☆☆☆	Optional / gamification; low adoption

3.2.4. Section 5 (Behavioral Impact)

If Section 4 introduced the new potential concept and tested consumer preferences, section 5 of the questionnaire translated those preferences into actual behavior and business impact, as shown in Figure 7. The evidence from this final part of the survey, indicates that adding social features to Netflix would lead to significant behavioral lift and better retention rates and new user acquisition among Italian Gen Z users. When asked how “use” would change if preferred social features were launched, 61.3% of users stated that they would increase their Netflix usage and 55.9% that they would spend more time on the platform each week. Advocacy and retention signals, while smaller, remain material: users would invite friends to subscribe to Netflix (46.1%), and they would be less likely to cancel their subscription within six months (43.1%). Furthermore, the price responses show a split reaction from users who would not pay more (40.2%), while the rest would consider either a lower-price ad-supported plan (27.0%) or a small ad-free surcharge (+€1: 19.1%; +€2: 9.8%; +€3: 3.9%), displaying potential for customized pricing based on feature

usage. The survey results show that current subscribers (n = 164) have equal willingness to renew their subscription (48.2%), which is notable given that the question isolated the effect of social features alone. Among non-subscribers (n=40), 45% would subscribe to Netflix if social features were included at no additional cost, pointing to an acquisition lever in a price-sensitive cohort. The open-ended responses show that users want to create personalized playlists and collections that they can share with friends (≈40% of qualitative responses), similar to music platforms such as Spotify. The results from Section B and Section C support the utilitarian view of the “social gap”; Gen-Z users want features that reduce choice friction and show trusted peer recommendations within the app (playlists/collections and friend-activity feed) with co-viewing with chat as a situational enhancer. The integration of social cues at decision points leads to faster content consumption, which results in more users starting sessions and staying longer on the platform. The same cues also help users feel more comfortable about cancelling their subscription since Netflix would become a regular part of their daily conversations. The packaging strategy should include two separate approaches (a two-track strategy) where the social features are included by default in the ad-supported tier, even though users can choose to disable ads in premium plans. Overall, data from Sections C and D confirm that the proposed social features will lead to significant changes: a privacy-controlled social platform featuring playlist sharing and a light friend feed functionality aligns with Gen-Z behavior patterns and is expected to generate measurable improvements in user frequency, time spent, referral rates, while having minimal effects on retention and acquisition.

Figure 7: Netflix Social Features — Feature → Behavioral Impact

Feature	Behavioral Impact
Playlists / Collections	↑ Usage & time spent; ↑ referrals; ↑ engagement
Friend Activity Feed	↑ Social connection; ↑ referrals; supports engagement
Co-viewing with Chat	↑ Shared viewing; situational engagement boost
Profiles / Privacy	Maintains trust; minor effect on retention
Other features (Ratings, Reactions, Badges, Follow Creators)	Minimal impact on behavior

3.3 Managerial Implications and Discussion of Findings

The findings presented in this final chapter validate existing research about OTT and SVOD services. The analysis shifts focus from individualistic streaming service adoption perspectives to social factors that influence Italian Generation Z viewership behavior. The literature has explained Netflix's market expansion

through its convenient access, flexible viewing options, wide content selection and personalized recommendations. Menon (2022) identifies convenience, cultural inclusion and binge-watching habits as key factors that drive streaming service adoption. The primary data collected in the case study shows that these established measures remain essential yet they no longer adequately explain Generation Z's commitment to streaming services. The surveyed Italian market (N = 204) shows that Netflix stands as the leading SVOD service among users at 78% while the sample consists mainly of university students and both genders. The study shows that users spend substantial time watching long-form content since 70% watch more than six hours weekly and they use multiple devices for streaming (83% for TV and 64% for smartphones and 46% for laptops). The in-app recommendation system proves useful to users yet half of them still experience a "selection dilemma." The combination of high viewing duration and platform usage with decisional bias shows that algorithmic content selection fails to reduce the mental effort required to navigate large content libraries for young viewers.

The research findings extend the work of Lamberton and Stephen (2016) by validating their cross-platform model. The framework developed by Lamberton and Stephen (2016) shows that digital natives will create content across multiple devices and platforms. The survey data confirms the predicted behavior of digital natives regarding platform use but shows that Generation Z users want their SVOD preferences to be visible to friends within the platform. The research fills a knowledge gap in academic literature because scholars have explained on-demand personalization and autonomy but have not yet investigated how peer signals from shared activities and co-watching affect SVOD generalists' discovery process and streaming sessions initiation and duration. The concept test results show that Generation Z users seek practical tools which convert peer preferences into functional solutions instead of treating them as video game mechanics.

The research findings about binge-watching have received additional support through these results. The platform enables self-directed non-linear viewing according to Jenner (2015) and Griffin (2011) who describe binge-watching as a viewing behavior. The data shows binge-watching remains a core habit for 59% of participants who watch content at least weekly but reveals that Generation Z engages in this behavior as part of their shared digital habits. The combination of playlists and feeds helps users select content before watching and enables them to talk about what they watched afterward. The shared viewing experience through chat functions as a situational booster for shared or end-of-week events but it does not represent a necessary condition for all users. Generation Z users experience binge-watching as a dual experience because they want to match their viewing habits with their social circle's cultural schedule while maintaining control over their viewing speed.

Finally, the results both support and challenge the existing literature. They endorse Menon's emphasis on practicality and cultural inclusion, indicating that double-sided catalogs, glossaries, and on-demand cadences are still valued; they endorse Lamberton and Stephen's multiplatform behavior, providing multi-display usage models; and they endorse Jenner and Griffin's emphasis on the centrality of binge-watching. However, they also raise the implicit assertion of sufficiency in which algorithmic personalization can, in

and of itself, ensure satisfaction and loyalty in mature markets: our respondents appreciate the recommendations (63.2% find them useful), but they remain dissatisfied (49.0% indicate selection difficulty) and frequently rely on peer validation. Therefore, the thesis advances the frontier of research by redefining streaming engagement as an interaction between personalization and socialization. The analysis unit should be extended from the single user to the network user for the students, and the SVOD loyalty models should explicitly parametrize the signals visible to peers and the social discovery cycles. The implementation is operational for managers: designing Netflix as a social utility controlled by privacy for long-form video, which displays favorites selected by friends at the moment of selection, maintains social functions that are explicitly optional and minimally intrusive, and measures success not only in terms of viewing hours, but also in terms of the discovery rate within the platform rather than outside of it. In the Italian Gen Z segment that has been examined, it is anticipated that this moss will increase the frequency and duration of use, reduce abandonment, and stimulate referrals, thereby supporting Netflix's leadership in a context of increasing price competition and franchise wars.

Deeper analysis into the potential managerial implications derived from the survey, explains that primary data evidence supports the construction of a TV-first social layer that operates with privacy protection to help users make faster decisions through peer recommendations within Netflix. A structured timeline outlines the steps for implementation. The first phase of development, from months 0 to 6, introduces shareable playlists and a friend-activity feed to users. These features enable users to transform their friends' preferences into concrete shortcuts, shortening search time while keeping them inside the app. Users should have full control over their content sharing through explicit consent requirements, and they should be able to block or report others with a single tap (one-tap controls). The interface must work via remote control so that consumers can make decisions while seated on their sofa. Phase 2, months 6–12, will implement co-viewing with chat functionality for specific title events, such as local originals or finales. This additional feature would make coordinated viewing sessions possible while also maintaining control over spoiler information and deepening discussions between friends. Additionally, room participation should require explicit consent. Phase 3, from months 12 to 18, will implement public and private profile options and the possibility for users to rate content with notes or mini-reviews. These elements represent clear social cues, easily readable and understandable by other users, and also useful inputs for playlists (which friends can browse and follow) or for friend activity feeds (which surface the most relevant updates, e.g., Marco finished "Stranger Things") without being too noisy. The system should maintain creator follows and gamified badges as limited pilots because they enhance user expression but do not solve the decision-making problems that data analysis revealed.

The network expansion begins through campus-based pilot programs and ambassador playlists that target high-density communities. A natural user expansion through invite-a-friend and follow-a-playlist flows would produce high-intent sign-ups and authentic networks (less fraud than cash referrals), encouraging

organic growth by tying invitations to content rather than giving monetary incentives. Furthermore, cold-start issues (a new social layer often opens to an empty feed) could be solved by giving consumers the ability to import content from Letterboxd or CSV files and by preloading Italian collections that users can modify. Together, these mechanisms accelerate engagement and build a trust-based social graph. Packaging should display social features as complements to the main product; the essential ones should be included in the ad-supported version to achieve maximum user reach and expand advertising opportunities. Meanwhile, the ad-free plans will gain their unique selling points through additional features, which include private group management, collaborative editing permissions, and enhanced privacy settings. The measurement must show that the added layer enhances user decision speed and creates enduring behavioral patterns. Decision efficiency is tracked by estimating how long it takes users to start playing content after launching the app and by monitoring any reduction in browsing minutes. The system tracks user engagement through two metrics: the percentage of plays that originate from playlists or friend feeds (the percentage of how many times users pressed “play” by clicking a playlist item or a friend-feed item rather than the homepage row or search) and the number of starts each user makes during a session (how many plays users start when they open Netflix). Social graph growth can be measured through three indicators: playlist development, user connections, and co-viewing participation rates. Health metrics are estimated through referrals (new sign-ups that arrive via invite links), 30-day and 90-day churn rates (the change in cancellation rates after 30 and 90 days), the ratio of daily to monthly active users, and session duration. Additional revenues are evidenced by increased ad display (the extra number of ads actually shown because of the new social features) and the demonstration of higher customer value for each cohort. Safety and integrity are maintained through default settings, which require users to explicitly agree to share content, and through strong tools for reporting, blocking, and muting. A small team dedicated to editorial and integrity functions should maintain curation guidelines and moderation protocols and adapt collection content for the Italian market. The system should expand its deployment after successful experiments that show durable improvements on the stated metrics.

3.4 CONCLUSIONS AND LIMITATIONS

This thesis has examined the potential impact of the integration of social functionality into a general SVOD platform on the behavior of users and business results in the Italian Generation Z. It has employed Netflix as a case study and explicitly addresses the dichotomy in the literature regarding the interpersonal dimension of streaming consumption. The work has reformulated engagement from a pure individual path, guided by algorithms, to one in which the signals of the partners – such as the activities of friends, shared

playlists/collections, and opt-in co-vision – operate within the platform at the time of selection, starting from the articulated research question in the empirical chapters. In this way, the thesis contributes from both a theoretical and managerial perspective: theoretically, by proposing that streaming engagement arises from the interaction between personalization and socialization; and managerially, by defining a social level regulated by privacy that can reduce attrition in the selection process, increase the number of sessions and the duration of the session, and create social exchange costs that incorporate the benefits of content and price.

Empirically, the study was founded on a structured survey of Italian Gen Z users (N = 204) and a test concept that prioritized concrete product selections. The data indicates a clear hierarchy of functional preferences: playlists/collections are the primary element, followed by a light-hearted friends' activity feed, with co-viewing and chat serving as situational motivators. Conversely, gamified elements (badges/reactions) exhibit a restricted appeal. These preferences are directly correlated with behavioral intentions: the respondents indicate a higher level of expected use and a longer weekly stay, a lower intention to abandon, and a greater advocacy when the preferred social functions are available. The results are also clear because these functionalities are significant: despite the high multi-device usage and consistent weekly visualization, many users continue to experiment with decision fatigue, and a significant amount of discovery occurs through creators and friends outside of SVOD. Bringing these insights into Netflix is the logical next step in transforming social influence into in-app experiences. These results are the foundation of the managerial proposal to launch a social level, the first in Italy and privacy-conscious, that is focused on a shared playlist and a minimal activity feed with voluntary membership. This is accompanied by a two-tier packaging strategy, which includes default social functions in the basic level with advertising and advanced controls in the premium level.

In essence, the thesis advances the field by separating the analysis unit from the individual user to the network user and arguing that the discovery rate within the platform should be treated as a first-order metric in conjunction with the viewing hours. This perspective synthesizes the central intuition of the study: personalization remains necessary, but it is no longer sufficient in a mature and price-sensitive market where Generation Z's cultural conversations and vision triggers are socially dealt with. The practical translation is to design Netflix as a social utility that is regulated by privacy for long-form video, that displays favorites selected by friends in decision-making points, maintains social functions that are strictly functional and minimally intrusive, and measures success by facilitating discovery on the platform rather than allowing it to occur elsewhere.

Finally, this conclusion anticipates and deliberately aligns with specific limitations. The study's inferences are restricted by a non-probabilistic and self-reported design (which is subject to the effects of the question and social desirability), the use of single-element evaluations without a comprehensive psychometric validation, and the absence of causal models. Furthermore, the research does not quantify network externalities, privacy engineering and management costs, or compliance outcomes (e.g., GDPR/DPIA, minor protection), nor does it evaluate user security in co-viewing chats or attentional impact. For these reasons, future developments of the thesis could take into account A/B testing prototypes to observe real data and actual consumer behavior on the streaming platform evaluated. These limitations and these long-term steps establish a clear and verifiable program for future research and implementation.

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