Netflix Organizing System
By Konrad Lewszyk, May 2019

Overview. Netflix was founded in 1997 because Reed Hastings one day forgot to return his video tapes on time to widely popular movie rental store, Blockbuster. In 2007 Netflix began streaming movies and TV Shows and 5 years later Blockbuster became history. For a certain amount of time Netflix was the undisputed champion of the streaming business. Yet despite its popularity over the years other streaming services such as Hulu of Amazon video emerged and became dangerous competitors,. The streaming business became more cutthroat than ever and Netflix had to ensure it is an organized and fun platform. To understand the Netflix organizing system, it's important to know how the streaming business works. In order to add a movie to a library, a streaming service pays large sums to TV networks, filmmakers and various content owners for the license. For example, last December Netflix paid 100$ million to Warner Media to continue streaming Friends. The message is, the licenses are very expensive. Because the streaming services will go against each other and try to get the best licenses for the best prices, it’s necessary for them to find different income sources to stay in the business. This case study will analyze how Netflix organizes its resources for individual customers, but also how it organizes its own products in order to rely less on the licenses and more on its own. This case study will analyze how Netflix organizes its movies and tv shows to please the customer, but also how to promote itself. For the sake of clarity, the conclusions in this case study will be based on my Netflix page.

What is being organized?
The most direct and obvious resources that Netflix organizes are the movies and TV shows, but the way they are organized creates more resources. Each offered video has its own library of thumbnails. Based on watch history, the most appropriate thumbnail is chosen to suit the user’s preference. Therefore Netflix also organizes thumbnails for the movies.

Once you point with your cursor on a particular thumbnail, a trailer or a clip montage plays. Netflix uses its algorithm to choose the most appropriate trailer or clip that will grasp your interest.

Just as the thumbnails are selected based on preference, so are the genres. Each user can search through movies by choosing one of the 20 basic genres, but there are way more genres on the website that we don’t see. Once again based on watch history, Netflix sorts the movies according to your liking and taste. Netflix looks at the movies you watched, and based on their type it generates its own genres that might capture your interest. To conclude, Netflix organizes movies, tv shows, thumbnails, trailers and genres.

Why is it being organized?
There are a couple of reasons behind the Netflix Organizing System. The overarching objective is to gather as many loyal customers as possible. In order to do so, Netflix must be a pleasant and fun platform. Netflix helps the customer find what he is looking swiftly and comfortably. The manual search bar can be used to find a specific movie. The title you type in does not have to be exact, if it’s close enough, Netflix will recognize what movie you are looking
for. If the user has trouble choosing a movie or a tv show, Netflix selects which resources to present based on the watch history and estimates the preference. These factors provide not only entertaining, but also an effective way to browse through videos.

Netflix not only helps you find the movies that you look for, but it also tries to grasp your interest in other movies. The generated genres, thumbnails and movies are meant to provide content that will appeal to you and suit your preference. Because a certain movie listed under a category you are curious about has an interesting thumbnail, you might choose to watch it and then maybe explore more movies from that genre. This way Netflix gets you to branch out and spend more time on the platform.

The current way of organizing the movies is different from the one before 2013. Back then Netflix only promoted someone else’s content, but back then the war on the licenses was not as fierce as it is today. Now Netflix aims to find different sources of income other than movies produced by well known studios and rely more on itself. In 2013 Netflix released its first original TV Show, House of Cards. Since then, the organizing system attempts to advertise Netflix original products and convince you to watch their content more. A large percentage of resources presented are clearly labeled as Netflix originals. Should you like their products, the thumbnail will become a sort of certificate of quality and a contributing factor in your search.

How much is it being organized?

In 2018, Netflix offered 5579 movies and TV shows. These are available through manual search or selection of one of the 20 basic genres. Additionally, the resources are sorted based on the style of use. The Netflix algorithm uses watch history, the times of the day, ratings and length of sessions to generate a website tailored to you. The algorithm chooses roughly 1660 movies and TV shows to be split into 40 categories into 7 blocks of 6 movies template.

When is it being organized?

Netflix has two timelines when it comes to the time of organization. Netflix redesigns the user interface every year or so. These are large and important changes that can bring significant profits or losses, therefore they do not occur frequently. This regards to the basic skeleton of the webpage that every user begins with, but every user’s individual Netflix page is redesigned everyday.

Netflix updates the titles, the thumbnails, the genres and recommendations every day and continuously analyzes your watching history and habits. The organizing algorithm is continuously used on every account to accurately fit your liking.

How or by whom is it being organized?

There are four different categories that allow you to search through the resources in different ways. The first one is called ‘Home’. This option mixes TV shows and movies altogether. Next is the ‘TV shows’ category, then ‘Movies’ and lastly ‘recently added’ category. All four of these subcategories have the same structure. The resources on the home page are categorized and sorted into roughly 40 rows of 42 videos, and 20 rows of 42 videos in the other categories (These numbers vary on daily basis), but here’s where Netflix gets interesting. You can search through all the movies and shows by the default 20 genres, but each user’s page has unique niche genres. Out of those 40 rows, some will belong to the default 20 genres, but
others are generalized by an algorithm. Netflix uses your watch history, ratings and comparison with users with similar watch history to estimate the likelihood of you watching a particular title. Additionally to the title itself, Netflix chooses the appropriate thumbnail and a clip/trailer for the movie that will most likely draw your attention. Based on the results of the algorithm generates specific genres for you other than the 20 default ones. For example for on my movies page there were categories such as 'top picks for konrad', 'movies based on real life', 'critically acclaimed movies' or 'because you watched'.

Another important aspect of Netflix organization of resources is self promotion. Because the licenses are so expensive, Netflix wants to rely on its own content. In order to do so, it has to promote it the best it can. On every page, the first title visible to the user is always produced by Netflix. In addition Netflix intertwines its titles between the rows and gives them an individual presentation. Among the sorted rows, one stands out from others. The thumbnails are bigger and draw more attention that the other ones. This row is called “Netflix Originals” and contains only Netflix videos. What Netflix is aiming for is the longest possible watchtime of their product. They do not care if it is a movie or a tv show, as long as you are watching their content. Therefore Netflix focuses more on tv shows. I compared the ‘popular on netflix’, ‘trending now’ and ‘top picks’ categories in movies and tv shows, and 11% of the movies were made by Netflix, while shows averaged at 30%.

Other considerations.

Thanks to this case study and the analysis of the Netflix Organizing System I learned what kind of industry online streaming is, but also where the industry is heading and how it impacts our lives. Netflix is analyzing our watching patterns with as much detail as it can and it constantly tries to improve its algorithm. This has both good and bad sides. The good side is, the more detailed the algorithm, the more Netflix will know what particular groups of people want and find ways to satisfy them. The scary part is, Netflix will be able to tell more and more about you, just based on how you use their platform. It is a bit unsettling to think that your digital traces left on a video streaming website, where you don’t even communicate or express your opinion, will give an outline of who you are.