

Navigating the OTT Landscape: Comparative Analysis of Netflix and Tonton in Malaysia's Entertainment Industry

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Abstract

The entertainment landscape in Malaysia is rapidly evolving, driven by the rise of over-the-top (OTT) platforms. This study explores the dynamics between two major players: the local platform Tonton and the global giant Netflix. Through a comparative analysis of viewership demographics, engagement metrics, and content strategies, the research examines the challenges and opportunities local OTT platforms face in competing with international counterparts. The findings reveal that while both Netflix and Tonton attract similar age groups and face challenges in retaining viewer attention, significant differences exist in their global reach and content diversity. Tonton's content is predominantly tailored to a local audience, limiting its appeal on a broader scale, whereas Netflix's diverse offerings enable it to maintain a strong global presence. The study concludes that to thrive in the increasingly competitive OTT market, Tonton and other local platforms must diversify their content to cater to a wider audience, learning from the successful strategies employed by Netflix. This research provides valuable insights into the future of OTT platforms in Malaysia and offers recommendations for enhancing the global competitiveness of local entertainment providers.

Keywords: OTT Platforms, Tonton, Netflix, Malaysian Entertainment, Content Diversity, Streaming Trends.

Introduction

The entertainment landscape in Malaysia is experiencing a profound transformation, driven by the rapid rise of over-the-top (OTT) platforms. According to the Malaysian Digital Association (MDA), the surge in global and local streaming services, fuelled by the increasing demand for online entertainment, is fundamentally reshaping how Malaysians consume content (Alvin Ooi, 2021). In this competitive and ever-changing environment, two platforms stand out: Tonton, a homegrown Malaysian streaming service, and Netflix, a global powerhouse. Although both platforms aim to satisfy the burgeoning appetite for streaming content, their reception and influence among audiences are vastly different.

This study's importance lies in unravelling the intricate dynamics between local and international OTT platforms, which is crucial for understanding the future of the Malaysian entertainment industry. As the digital landscape becomes increasingly dominated by international giants like Netflix, it is imperative to explore how local platforms like Tonton can carve out their niche and remain competitive. By examining the success factors that have propelled Netflix to global dominance and contrasting them with the hurdles faced by Tonton, this research provides critical insights into the strategies that can enhance the resilience and appeal of local OTT platforms.

The urgency of this study is further underscored by the seismic shift in consumer behaviour towards digital and on-demand content consumption. Traditional media models are being disrupted, and the stakes are higher than ever for local players striving to capture and retain audience attention. This research is essential not just for media companies and content creators, but also for policymakers and investors who are instrumental in shaping the trajectory of Malaysia's digital entertainment sector. Understanding the preferences and viewing habits of Malaysian audiences is key to crafting content that resonates, building brand loyalty, and driving sustainable growth. The significance of this study extends beyond a mere comparison of two streaming platforms; it serves as a critical exploration of the evolving media landscape in Malaysia. By delving into the cultural, technological, and strategic dimensions that differentiate Tonton and Netflix, this research offers valuable guidance for local OTT platforms on how to innovate, diversify, and thrive in an increasingly globalized market. The insights derived from this study will not only aid in the survival of local platforms but also in their ability to become formidable competitors on both domestic and international stages.

Ultimately, this study seeks to illuminate the pathways through which local streaming services can harness the power of digital transformation to redefine entertainment in Malaysia. By learning from the successes and challenges of both Tonton and Netflix, stakeholders can better navigate the complexities of the OTT landscape, ensuring that Malaysia remains a vibrant and competitive player in the global entertainment industry.

Viewership Analysis

An interesting overview on how people watch their videos on Tonton or Netflix can be obtained from comparative analysis done on these two platforms. It gives an idea about what will happen in future when we look at user engagement metrics. A comparative analysis of the viewership demographics of Tonton and Netflix reveals intriguing insights into the viewing habits of Malaysian audiences. By examining the user engagement metrics of these platforms, we can gain a clearer understanding of the future trajectory of entertainment in Malaysia. The rise of OTT platforms signifies a shift towards on-demand consumption and personalized viewing experiences (Rahimi Yunus, 2020). This research report aims to illuminate this dynamic landscape by exploring the challenges and opportunities within the local OTT sector. By the end of this study, we hope to provide a comprehensive comparative analysis of Tonton and Netflix, offering valuable insights into the challenges and opportunities facing local OTT platforms.

Data Overview

Utilizing data from SimilarWeb, we first examine the traffic statistics for Tonton and Netflix. Tonton, with its domain tonton.com.my, ranks #100,661 globally, #1,082 nationally, and #45 in Malaysia's streaming and online TV category within the arts and entertainment sector. In contrast, Netflix's domain, netflix.com, boasts a global rank of #30, a national rank of #33, and ranks #3 in the United States for streaming and online TV within the arts and entertainment category.



Figure 1 Rates of Tonton on global, national and streaming & online TV ranks

Regarding page visits, tonton.com.my recorded 524,600 visits, with an average visit duration of nearly 5 minutes, spanning 5 pages per visit, and a bounce rate of 30.36%. Conversely, netflix.com garnered 1.4 billion visits, with an average visit duration of nearly 6 minutes, also covering 5 pages per visit, and a bounce rate of 34.38%. Despite Netflix's significantly higher visit numbers, both platforms exhibit similar engagement patterns, with users spending a brief amount of time on each site and exploring a limited number of pages.



Figure 2 Rates of Netflix on global, national and streaming and online TV rank.

Country Demographics

Exploring the geographic distribution of visits, tonton.com.my primarily attracts Malaysian visitors, comprising 97.87% of total traffic. The remaining visitors are scattered across the United States, Germany, Singapore, and Poland, each contributing less than 1% to the total visits. For netflix.com, the top visiting country is the United States, accounting for 24.5% of traffic, followed by the United Kingdom, Brazil, Canada, and Germany, each contributing between 5% and 6% of total visits.

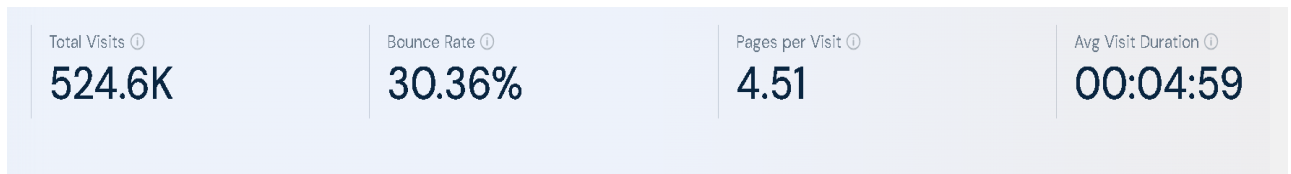


Figure 3 Rates of visits of tonton.com.my

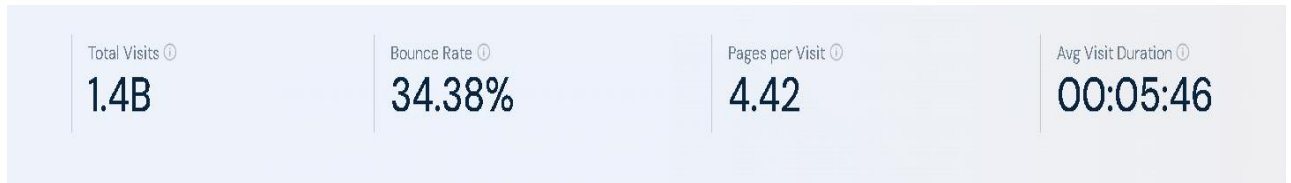


Figure 4 Rates of visits to netflix.com.



Figure 5 Map of top countries that had visited tonton.com.my.

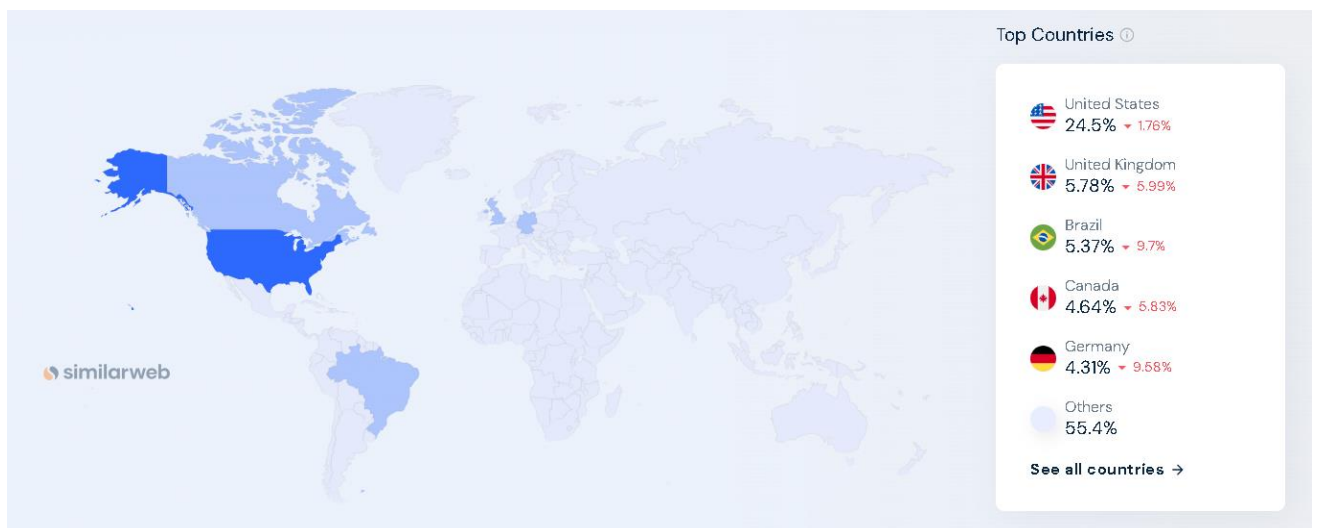


Figure 6 Top countries visiting netflix.com.

Gender and Age Distribution

An analysis of gender and age distribution shows that tonton.com.my is predominantly visited by females (57.04%), with males comprising 42.96% of the audience. The majority of visitors fall within the 25-34 age range, accounting for 23.75% of total visits. In comparison, netflix.com has a more balanced gender distribution, with 50.57% male visitors and 49.43%

female visitors. Similarly, the majority of Netflix’s audience falls within the 25-34 age range, comprising 32.06% of total visits.

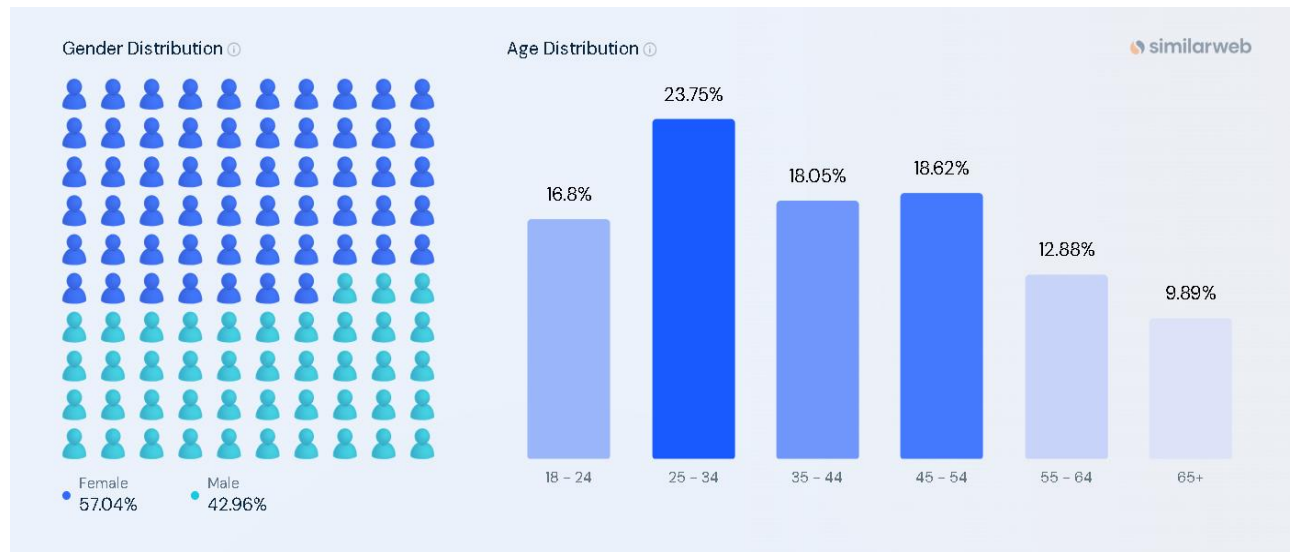


Figure 7 Chart of gender and age distribution of visits of tonton.com.my



Figure 8 Chart of gender and age distribution of netflix.com.

Discussion

The data highlights both parallels and contrasts between Tonton and Netflix, shedding light on their respective strengths and weaknesses. A key similarity between the two platforms is the short visit duration and high bounce rates, indicating a common challenge in retaining user attention. This suggests that both platforms may need to refine their content delivery and user interfaces to better engage users, particularly those with shorter attention spans. Additionally, the similar age distribution of visitors shows that both platforms are effectively reaching digital-savvy millennial and Gen Z demographics, who are drawn by the ease of access and the relevance of the content provided.

However, the differences between Tonton and Netflix are more telling. Tonton’s relatively low rankings, both globally and nationally, suggest that it struggles to capture and maintain viewer interest, even within its home market of Malaysia. In stark contrast, Netflix’s

robust global presence and extensive content library allow it to sustain high levels of engagement across diverse markets. This disparity can largely be attributed to their differing content strategies. While Tonton primarily focuses on Malay-language content, Netflix offers a broad spectrum of genres and languages, appealing to a global audience and thus maintaining its dominance.

Moreover, the limited international reach of Tonton, as evidenced by the negligible percentage of visits from outside Malaysia, underscores its difficulty in breaking into global markets. Conversely, Netflix's significant international traffic highlights its success in overcoming cultural and linguistic barriers. This global appeal is driven by Netflix's strategic use of data analytics to curate content that resonates with a wide range of audiences, a practice that Tonton could emulate to expand its own reach beyond Malaysian borders. Tonton's heavy reliance on Malay-language content, while effective for serving a specific demographic, may be limiting its potential for growth. Netflix's success demonstrates that offering diverse, multi-language content can significantly boost a platform's global appeal and user retention. To remain competitive, Tonton must consider expanding its content offerings to include a wider array of languages and genres that cater to a broader audience base.

The challenges faced by Tonton also point to broader systemic issues within Malaysia's OTT ecosystem, including a lack of investment in high-quality, diverse content and insufficient digital marketing strategies. Addressing these challenges will require collaboration among content creators, platform managers, and policymakers to cultivate a more dynamic and competitive local OTT landscape.

In conclusion, while Tonton and Netflix share some common challenges, Netflix's ability to cater to a global audience with diverse and engaging content sets it apart as a leader in the OTT space. Tonton, however, has a unique opportunity to learn from Netflix's strategies and adapt its offerings to better meet the needs of both local and international audiences. By embracing content diversity and leveraging data-driven insights, Tonton can strengthen its market position and play a more significant role in the future of Malaysia's OTT industry. This adaptation is not just about surviving in a competitive environment but about thriving and contributing to a richer, more varied digital entertainment landscape in Malaysia and beyond.

Conclusion

The phenomenon of local and international OTT platforms such as Tonton and Netflix having different viewing cultures reflects the deeper challenges and opportunities for Malaysia's entertainment industry. Tonton needs to offer a wider audience, but has concentrated on one business sector in terms of culture and this is limiting. To compete effectively with Netflix-type global heavyweights, Tonton should start screening shows that relate internationally by dealing with other themes in their content.

This report points out that, for instance, Tonton needs to redefine itself based on some lessons it has learned from Netflix. By looking at Netflix's use of data analytics in a strategic way, its commitment to diversity within contents and reaching worldwide viewership; the problem at hand can be addressed because these are the lessons that Tonton can put into work when competing with other streaming services. By incorporating these strategies,

Tonton may not only establish itself as a major player in Malaysian market but also position itself as one of the key players in the global OTT space.

Furthermore, Tonton's evolution should be seen as part of a larger effort to elevate Malaysia's digital entertainment sector. By investing in high-quality, diverse content and leveraging cutting-edge marketing strategies, Tonton has the potential to become a pioneer in the region. This journey is not just about catching up with international competitors; it's about setting new standards and contributing to the growth of a vibrant, inclusive digital entertainment ecosystem in Malaysia and beyond. Ultimately, Tonton's success will depend on its ability to adapt to changing viewer demands and embrace a more global perspective, ensuring its relevance in an increasingly interconnected world.

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