

Dissecting Netflix's Self-Preferencing

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Evidence from Viewer-Level Data

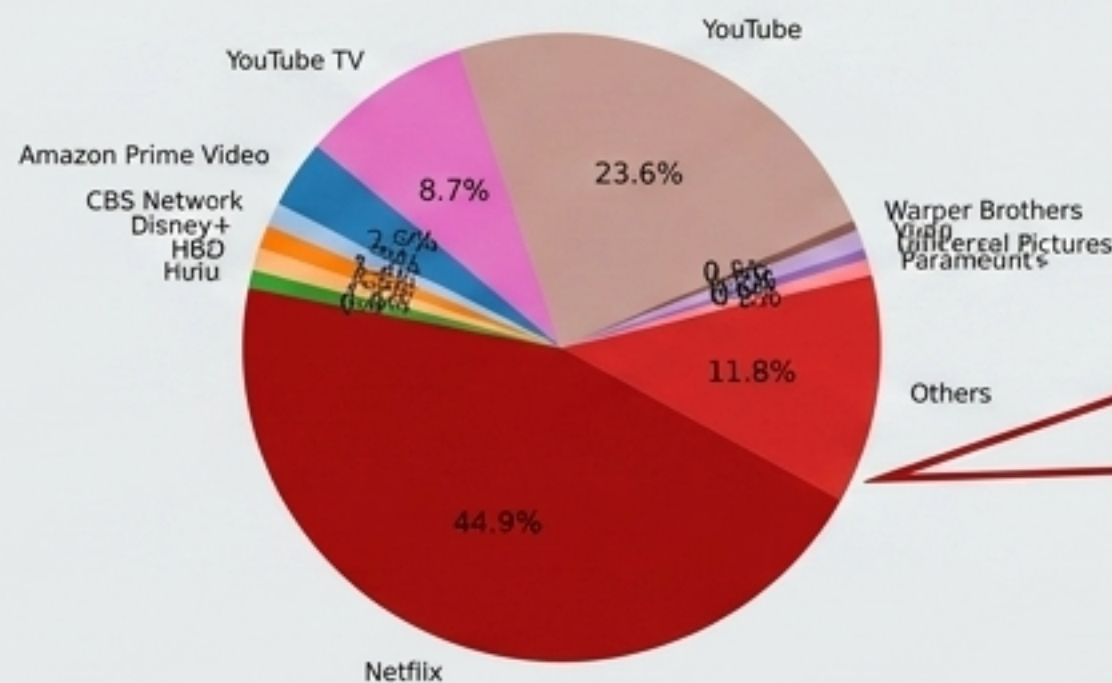
Tin Cheuk Leung, Shi Qi, Koleman Strumpf (June 2026)

timestamp	device_id	title_id	duration_sec
1631404800	a8f9b2...	80057281	3450
1631404805	c4d1e9...	81040344	120
1631404812	f7b3a1...	80192098	2100
1631404818	b2e4c7...	80222286	5400
1631404818	b2e4c7...	80222286	5400

The Economic Context: Gatekeeping in Zero-Marginal-Cost Media

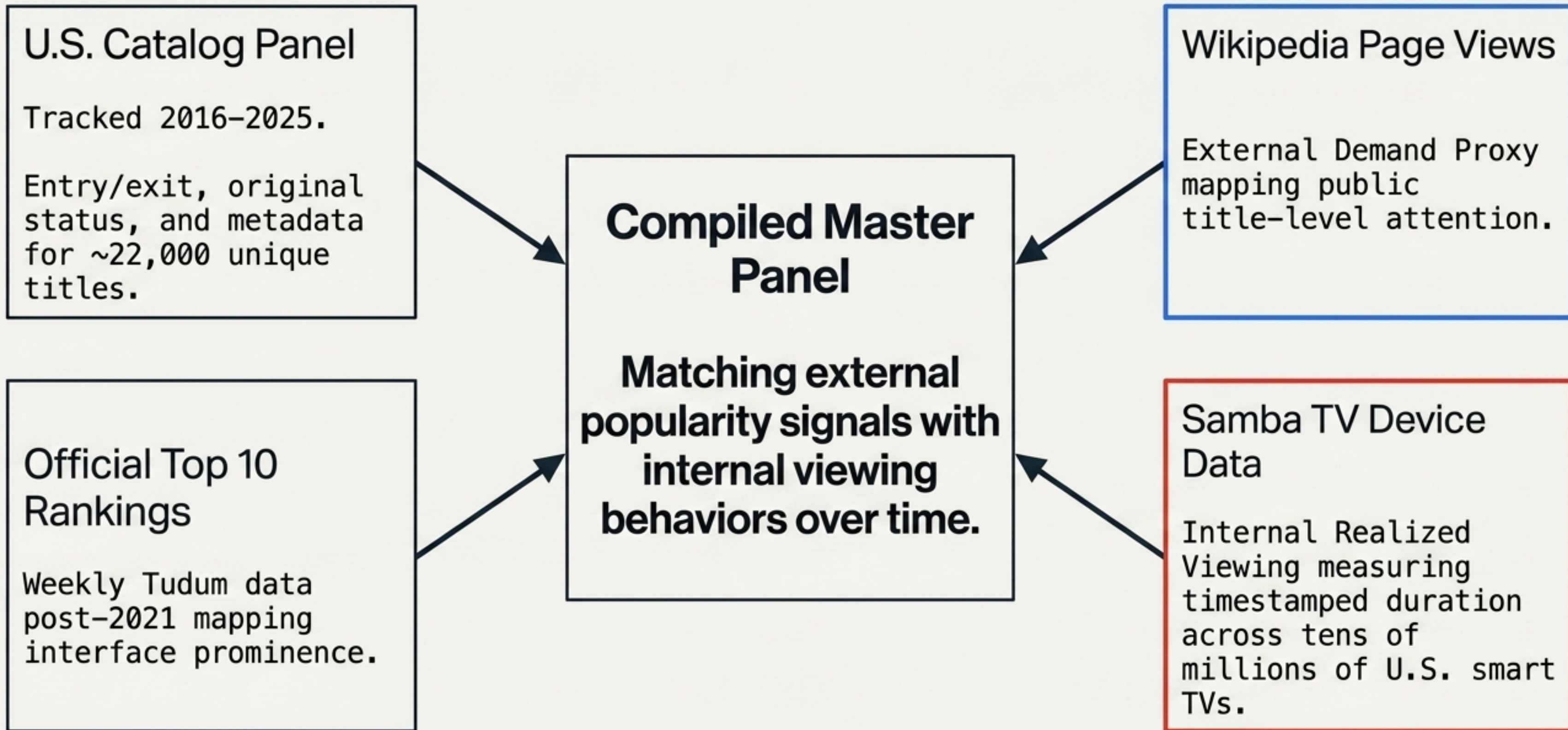
Transaction Marketplaces	Attention Intermediaries
<ul style="list-style-type: none">• e.g., Amazon, App Stores• Mechanism: Per-click fees or commissions.• Bias impact: Point-of-sale steering, price distortions.	<ul style="list-style-type: none">• e.g., Netflix• Mechanism: Zero marginal cost per title, flat-rate subscription.• Bias impact: Interface placement redirects scarce attention to manage licensing costs.

U.S. Streaming Market Share by Duration (Sept 2021-Oct 2024)



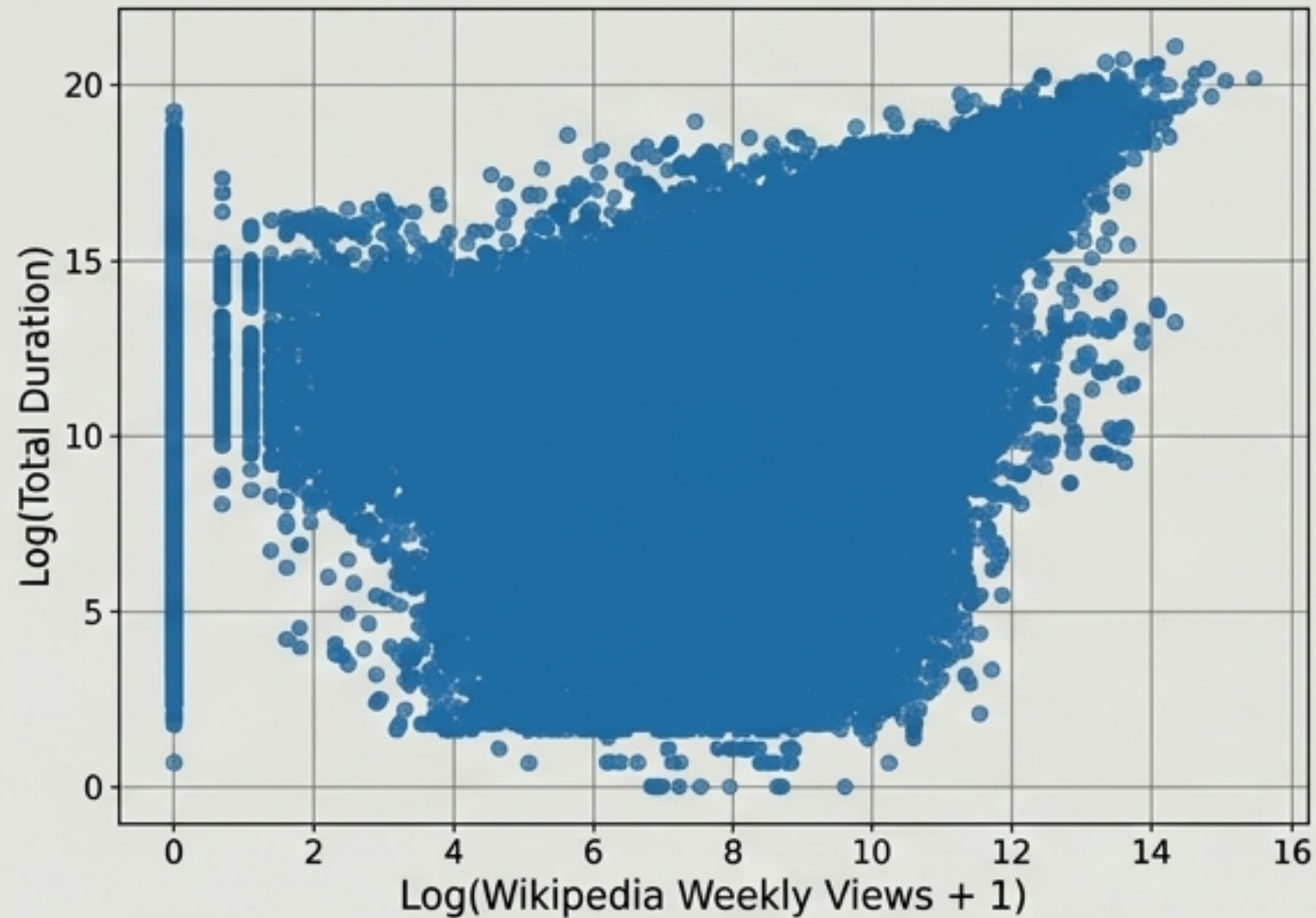
Netflix dominates with 44.9% of all streaming device duration, establishing systemic gatekeeper status.

The Measurement Innovation: A 4-Pillar Dataset



Validating the Attention Proxy

Macro Validation



Series Duration Elasticity: 0.455 ($p < 0.01$)
Movie Duration Elasticity: 0.335 ($p < 0.01$)

Micro Event Validation



Pre-Netflix: <50k weekly views →
Netflix Entry: >300k weekly views

Validation: Wikipedia traffic perfectly correlates with device-level duration and sharply responds to catalog availability, proving it is a robust external demand proxy.

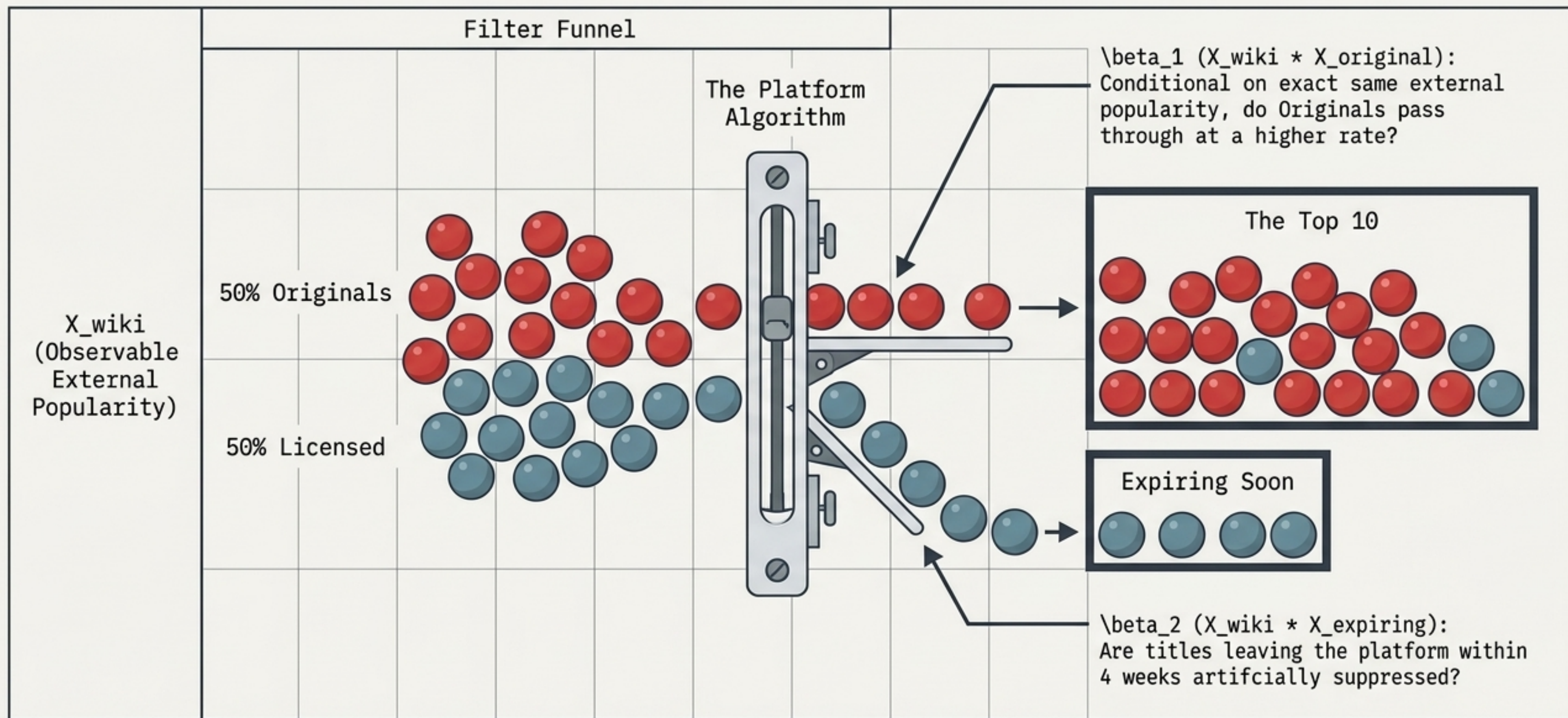
The Endogeneity Problem: Prominence vs. Popularity

Composition Table

Metric	Non-Top 10 Series	Top 10 Series
Wikipedia Pageviews (External Attention)	5,885	214,052
Device Duration (Internal Behavior)	0.60 sec/dev	59.15 sec/dev
Netflix Original Share	70.6%	86.3%

The Core Challenge: Is the **86.3%** Original share in the Top 10 driven by **organic user demand**, or by **algorithmic self-preferencing**?

Methodology 1: Conditioning on Observables (C00)



Result 1: Evidence of Algorithmic Self-Preferencing

The Original Boost



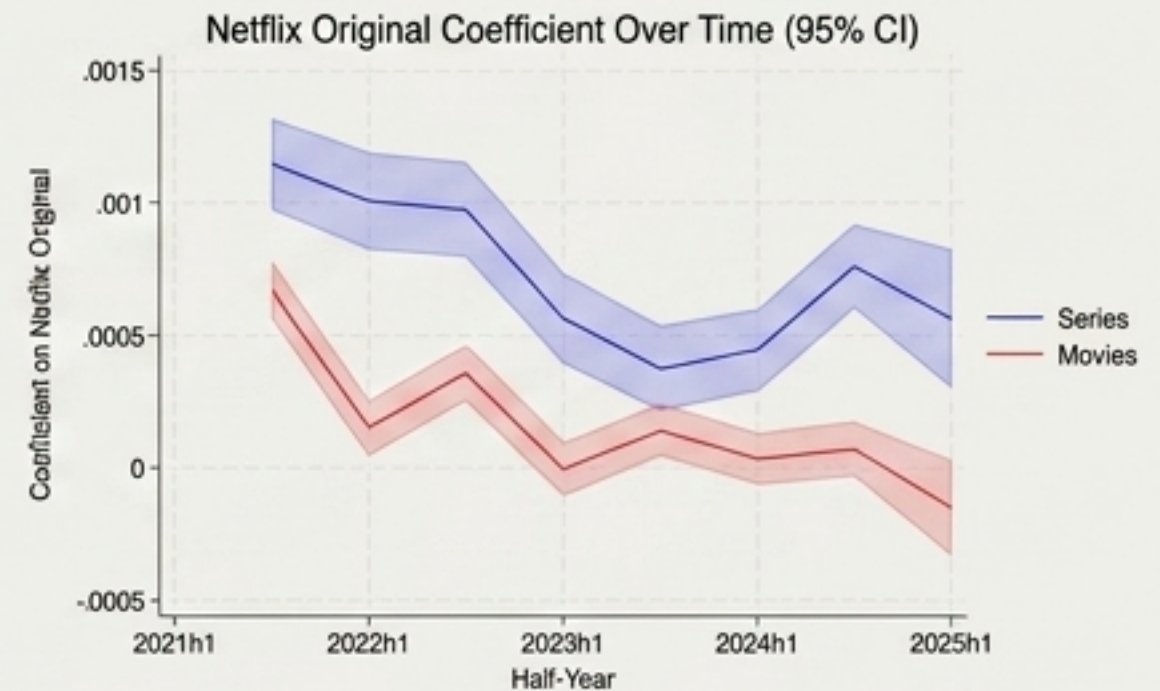
A 10% increase in Wiki views yields **+0.75%** higher Top 10 placement likelihood for Original Series relative to non-originals of identical popularity.

The Expiration Penalty



Titles expiring within 4 weeks are systematically deprioritized and blocked from the Top 10, even when attracting substantial external viewer interest.

Dynamics Over Time



Series bias persists fully; Movie bias wanes post-2023 metric change.

The Economic Mechanism: Why Manipulate Visibility?

Licensed Series Exits



A 10% increase in Wiki views of an exiting series raises platform **unsubscribe rate by 0.4%** (massive impact on a 4% average churn).



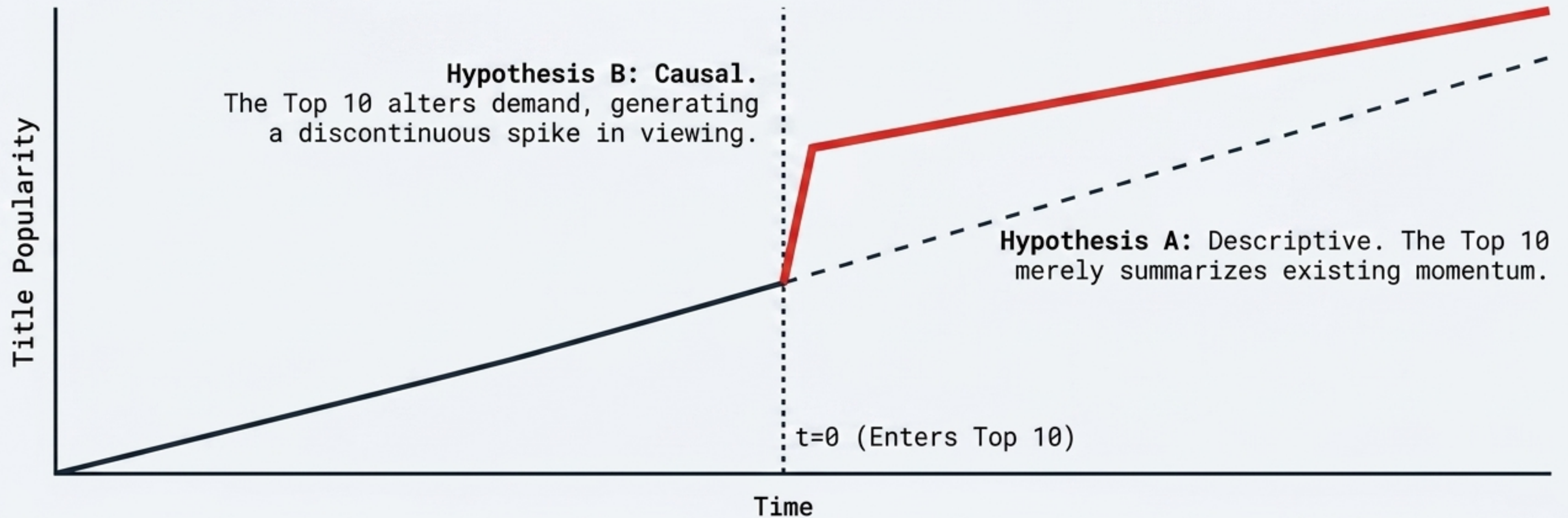
Netflix Original Series



Fully controlled, globally licensed, zero flight risk. Exiting movies have negligible churn impact.

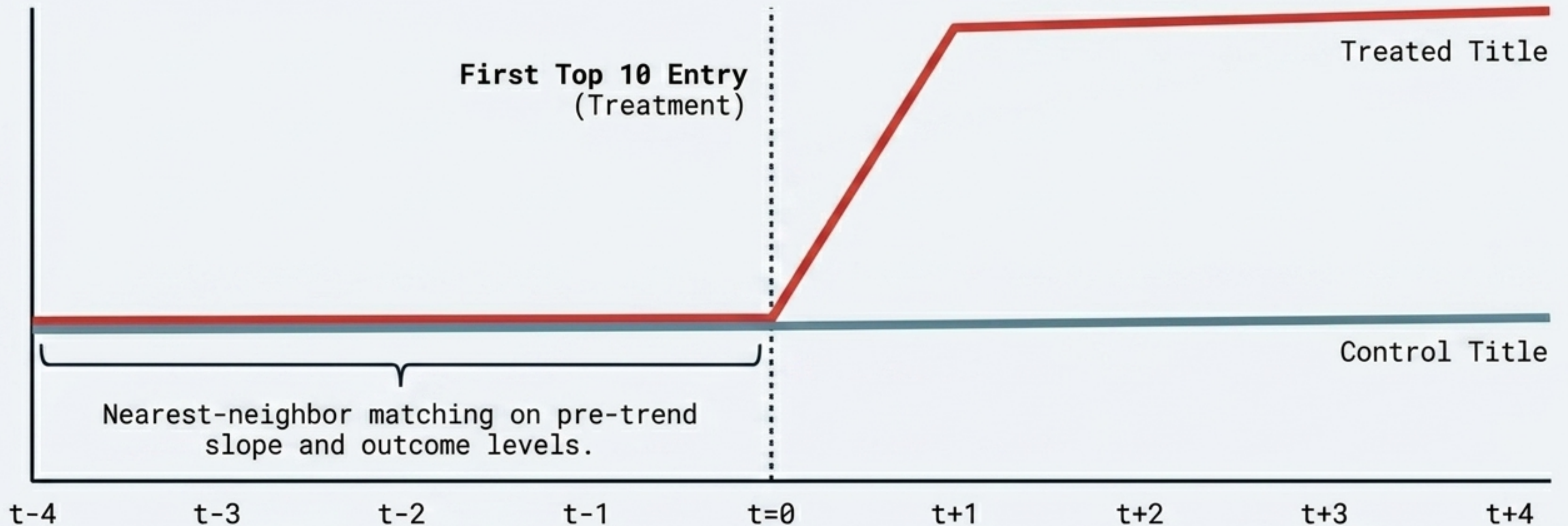
Self-preferencing is a rational strategic response to catalog instability. By pushing attention to Originals, Netflix entrenches user habits around IP they fully control, mitigating churn from expiring licensed deals.

The Causal Question: Descriptive Signal or Demand Engine?



The challenge: We must cleanly separate pre-existing momentum from the pure causal effect of interface prominence.

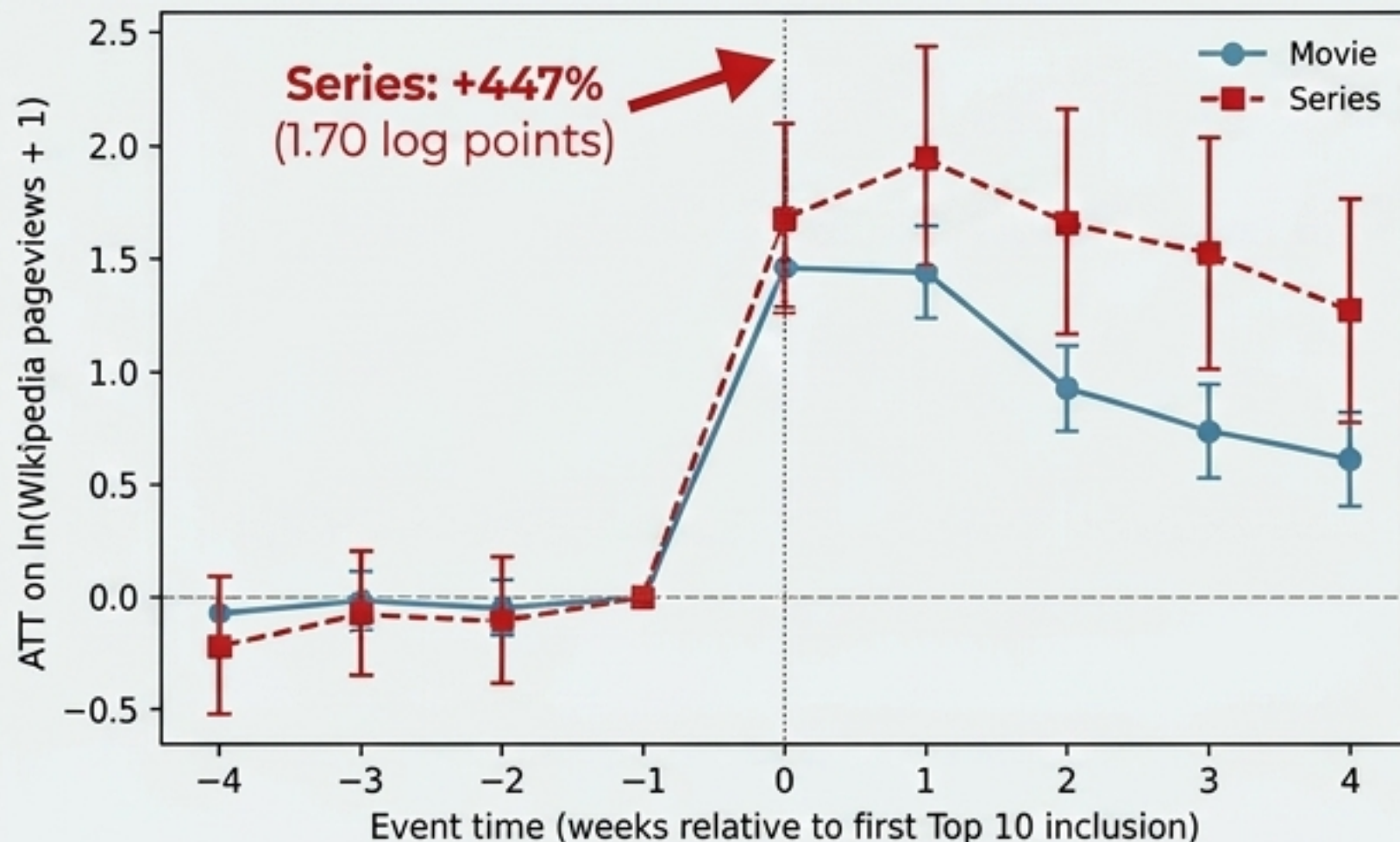
Methodology 2: Matched Staggered Difference-in-Differences



By matching treated titles with untreated titles of identical pre-trend popularity, we isolate the pure demand shock of Top 10 visibility.

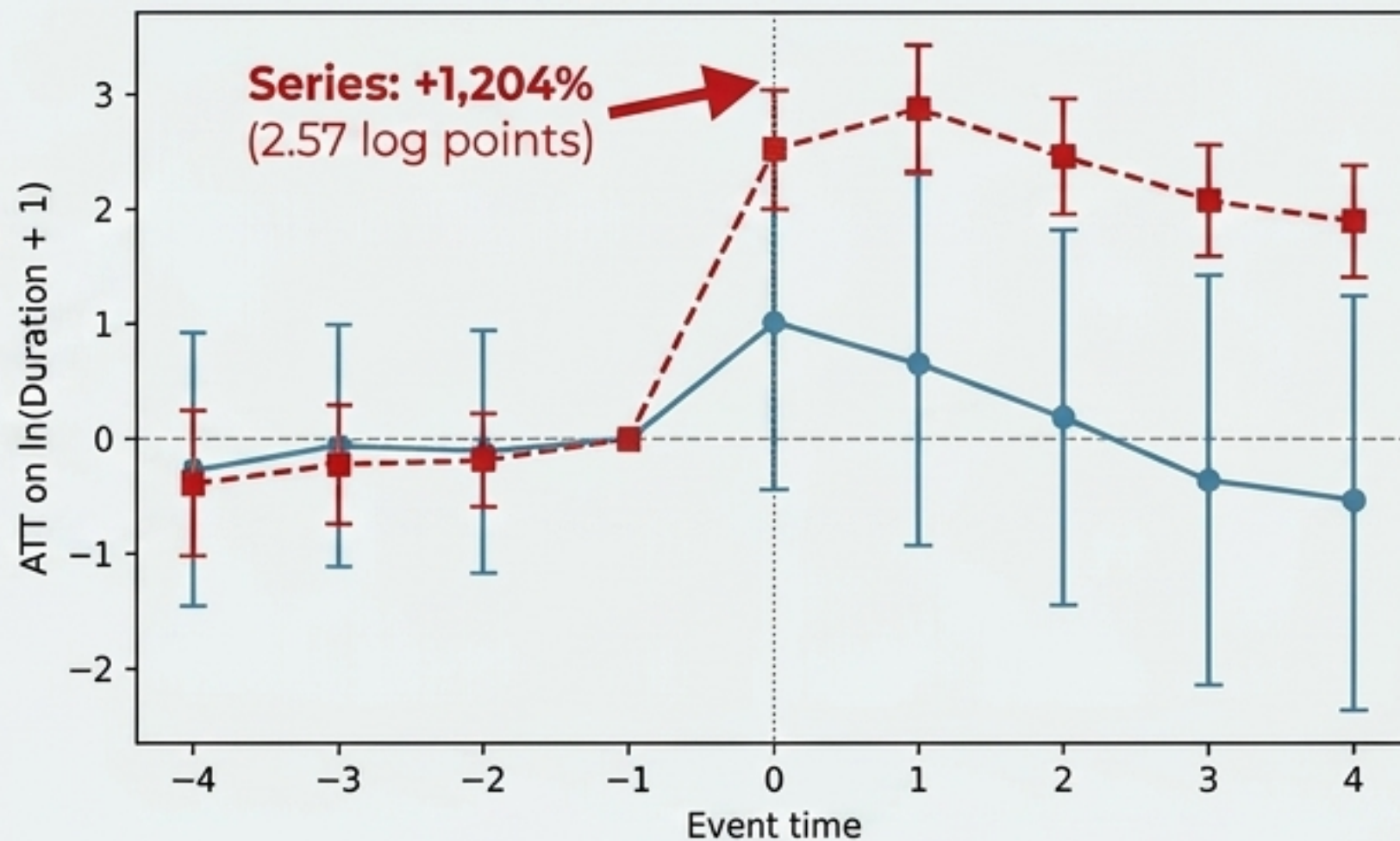
Result 2: The Causal Impact of Visibility

Impact on External Attention



Event time $k=-1$ is the omitted category and is normalized to zero.

Impact on Realized Viewing

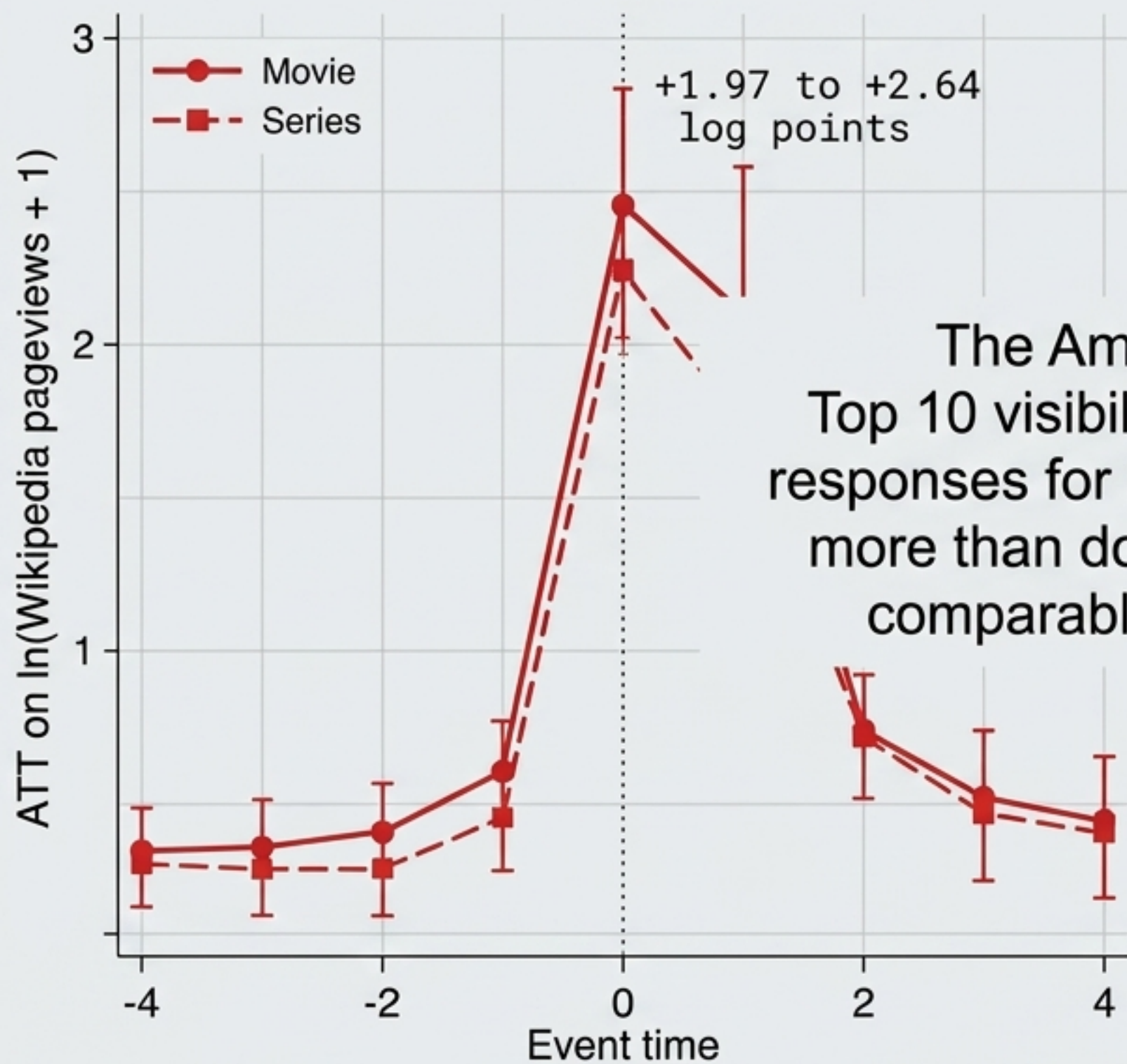


Event time $k=-1$ is the omitted category and is normalized to zero.

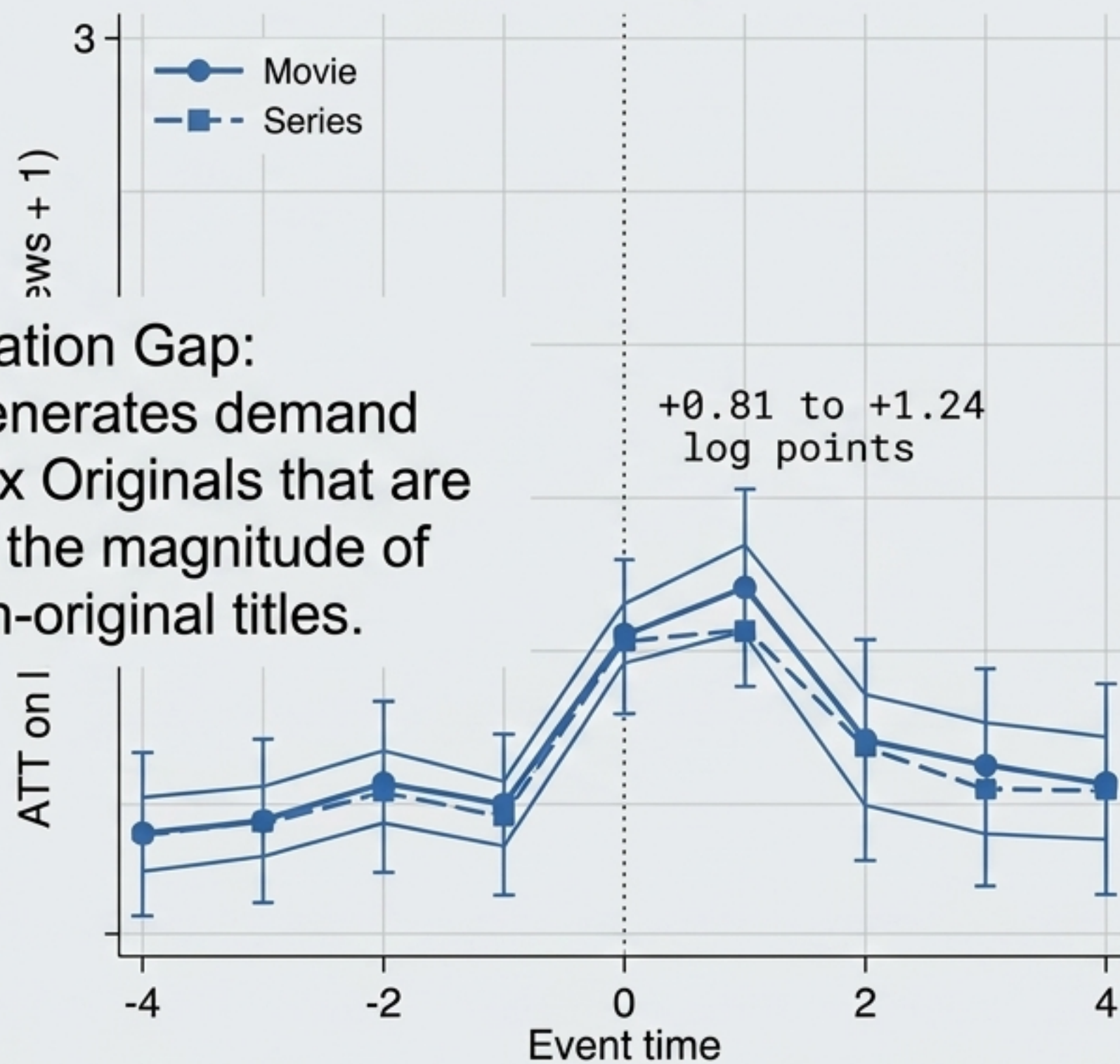
Top 10 inclusion is not merely a popularity signal—it is an engine of demand, triggering explosive growth in both external attention and internal viewing duration.

Heterogeneity: The Amplification Gap

Netflix Original Titles



Netflix Non-Original Titles



The Amplification Gap:
Top 10 visibility generates demand responses for Netflix Originals that are more than double the magnitude of comparable non-original titles.

Consumer Heterogeneity: Signal Substitution

New / Infrequent Users
(High Responsiveness)

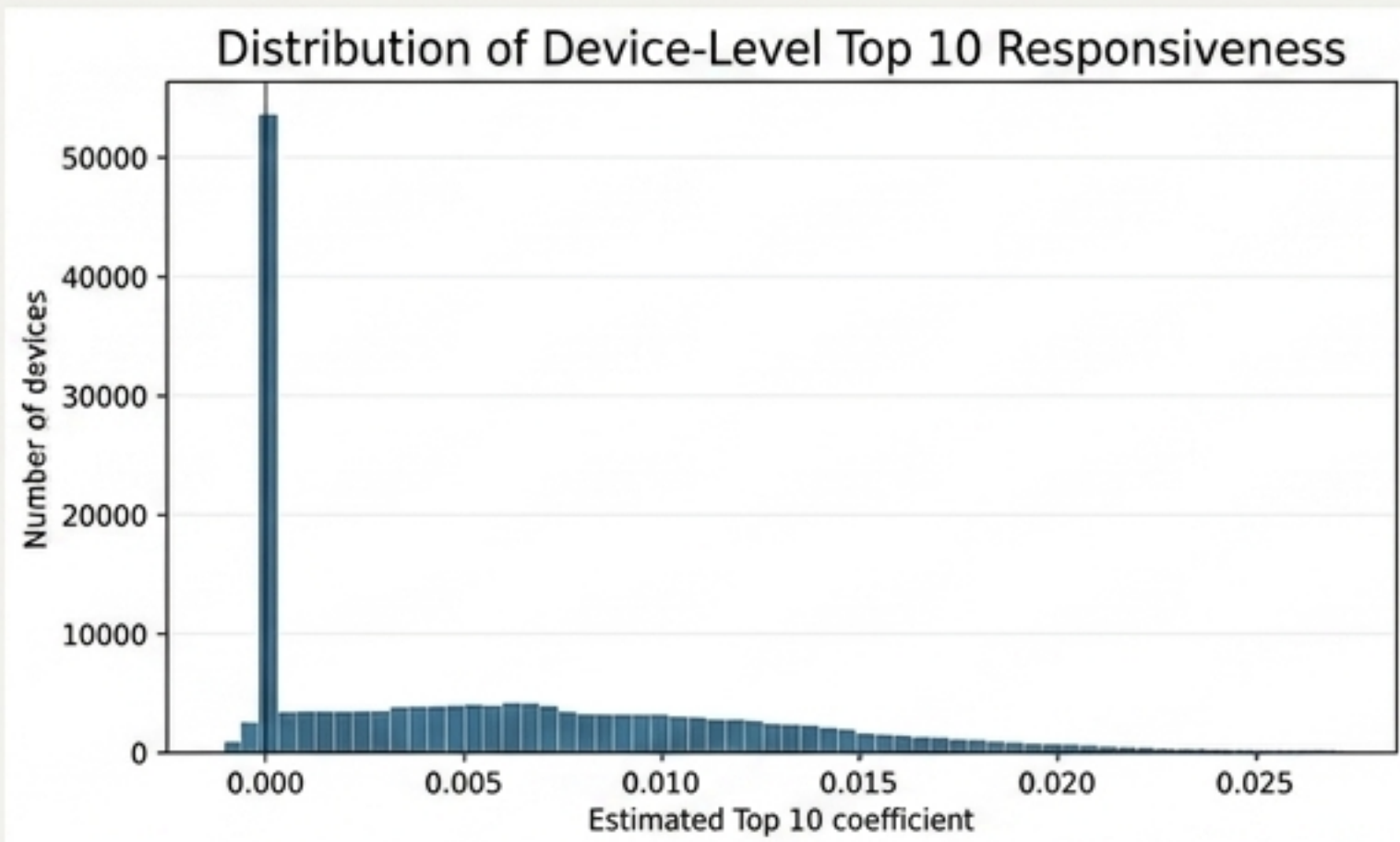
Signal Substitution Spectrum

Veteran / Frequent Users
(Low Responsiveness)



Rely on common public signals to reduce search costs.

Rely on personalized recommendations and catalog familiarity.

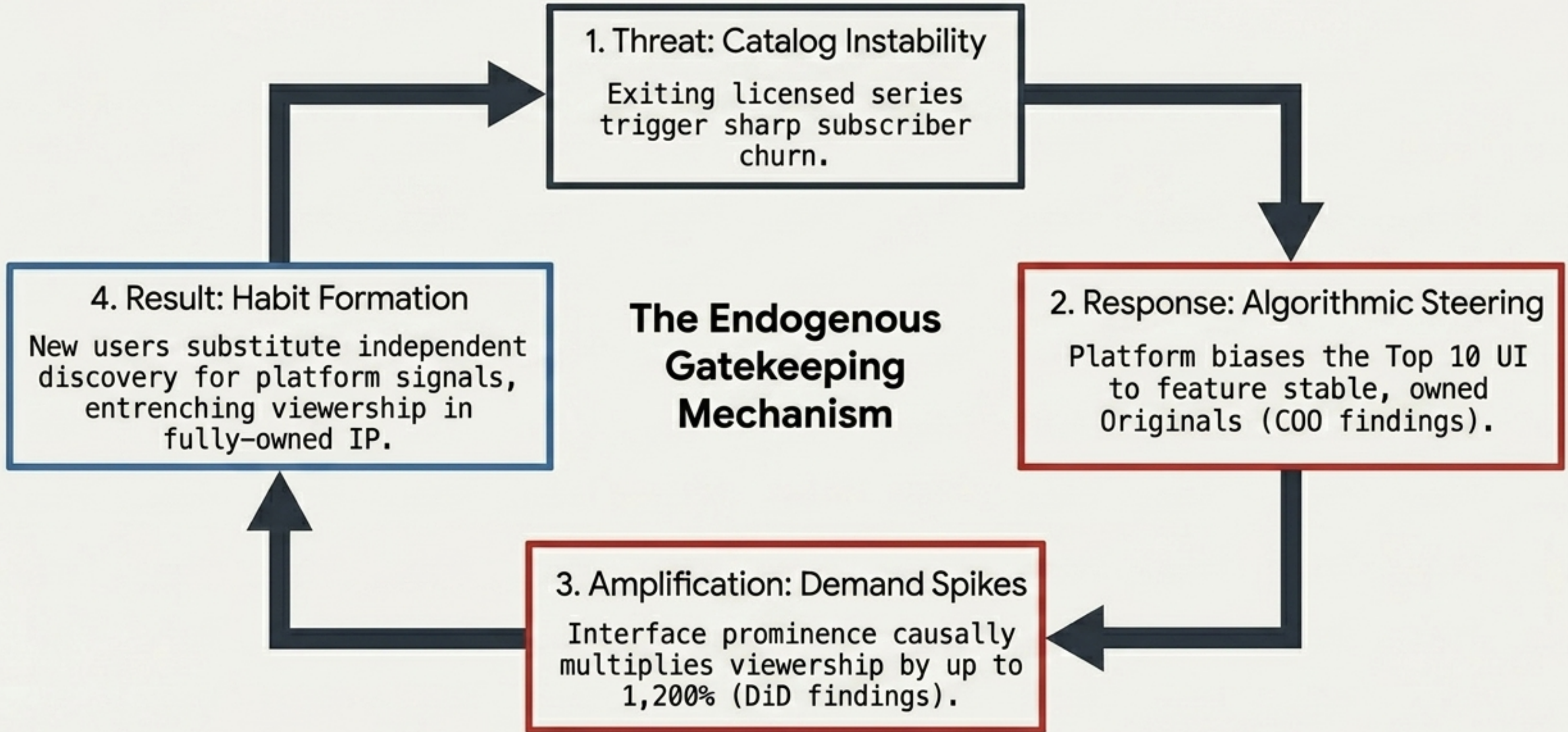


Device-level Regression Detail:

An additional 1,000 viewing hours reduces a device's Top 10 responsiveness coefficient by 0.0015.

(Highly significant across 179k devices)

Synthesis: The Platform Gatekeeping Loop



Policy Implications: AICOA and DMA

The Outdated Framework

- Focuses on point-of-sale platforms (e.g., Amazon).
- Harm is measured in price distortion, commissions, and transaction blocks.

The Streaming Reality

- Content is flat-rate. Marginal cost is zero.
- Platform control operates entirely through attention allocation, UI design, and recommendation bias.

Policy Imperative

To enforce tech legislation in media ecosystems, regulators must rigorously evaluate “visibility power”.

“In digital media ecosystems, market power isn’t just the ability to raise prices. It is the ability to engineer attention.”