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Netflix's K-Drama Exclusivity Strategy and Customer Loyalty

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Abstract: The intensifying competition in the Indonesian video streaming industry has made customer loyalty a critical success factor, with exclusive content emerging as a key differentiator among platforms. This study aims to analyze Netflix's K-Drama content exclusivity strategy in the Indonesian market and its role in shaping sustainable customer loyalty. Employing a qualitative case study approach, data were collected through in-depth interviews with seven active Netflix subscribers and secondary data from industry reports, public documents, and media coverage for the 2022–2025 period. The findings reveal that Netflix implements exclusivity through three main pillars: original production, exclusive rights acquisition with windowing strategies, and algorithmic curation. K-Drama functions as a strategic Value Unit, creating artificial scarcity, while customer perceptions are divided into two loyalty clusters: platform-loyal and content-loyal. Sustainable loyalty is formed through the Customer Loyalty Loop cycle, reinforced by Fear of Missing Out (FOMO) as an emotional driver, along with psychological and social switching costs. This study concludes that K-Drama exclusivity strategies serve not only as customer acquisition tools but also as effective retention mechanisms through creating defensible network effects, contributing to the literature on platform economics and loyalty strategies in the digital streaming industry.

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INTRODUCTION

The digital transformation era, or Industry 4.0, has fundamentally shifted the entertainment industry from traditional broadcast models to platform-based business models (Ayunda and Kusuma, 2023). This transformation significantly impacts brand communication strategies and customer loyalty formation in the streaming platform context. Platform-based business models have replaced traditional pipeline models, where value is no longer created linearly from producer to consumer but through networks of interaction among various parties. Belleflamme and Neysen (2023) define a platform as an entity that brings together economic agents with complementary needs and facilitates interactions among them, creating value through network effects rather than linear production.

Netflix exemplifies this business model, operating as a two-sided platform that facilitates interactions between viewers and content producers (Belleflamme and Neysen, 2023). Netflix's content acquisition and production strategies encompass four

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distinct models: fully-owned original productions (*Netflix Originals*), commissioned content from external studios, licensed content acquired from third-party producers, and co-productions shared with other studios or networks. However, not all of these categories qualify as *exclusive* in the strategic sense. In this study, exclusivity is operationalized as content that Netflix holds sole distribution rights for in the Indonesian market for a defined window, which applies to most Netflix Originals, select commissioned titles, and certain licensed acquisitions secured through windowing agreements. Recent research on data-driven personalization in OTT platforms has shown that algorithm-based recommendations significantly enhance user engagement and retention (Carroni et al., 2024; Chen & Xu, 2025). Beyond technological infrastructure, Belleflamme and Neysen (2023) emphasize that platform value increasingly depends on the ability to manage cross-side network effects and create dynamic interaction ecosystems that reinforce user retention.

The technology-based entertainment industry, with its streaming-platform model, has displaced traditional business models, forcing companies to discover new formulas for attracting and retaining customers in increasingly intense competition. More affordable subscription models and more varied content have become business weapons in this competition (Vishnu, 2023). This competition has created a "Streaming War" condition with the emergence of numerous platforms, also changing how consumers interact with media. Consumers have become more selective, with higher expectations of customer experience during streaming, particularly on major platforms like Netflix (Lee et al., 2021). The increasing competition forces streaming giants to adapt quickly by providing diverse and quality content, delivering superior user experiences, and implementing innovative marketing strategies (Lee et al., 2021).

Globally, Netflix has consistently increased its subscriber base for over a decade. As of the end of 2025, Netflix reported more than 325 million paid subscribers worldwide, up from 301.2 million a year prior (Juanillo, 2025). Despite subscriber growth, one challenge in the Subscription Video-on-Demand (SVOD) industry is the high churn rate. According to Mada (2025), Netflix Indonesia's churn rate reached 12% based on data analysis from 2022-2023, with a prediction model achieving 0.839 F1-score. Industry benchmarks suggest that acquiring a new customer typically costs five times more than retaining an existing subscriber. Mada (2025) further identified two dominant factors causing churn: content (60%) and price (25%). This finding aligns with Galingging et al. (2023) and Johannes et al (2024), who found that content is the strongest mediator in subscription continuance decisions and that variety of content, user experience, and price fairness significantly influence customer satisfaction and loyalty.

The same trend occurs in Indonesia. A Populix survey published by GoodStats (Angelia, 2022) shows Netflix ranked first among Video on Demand (VoD) applications most frequently used by Indonesians, with 69%, surpassing Disney+ (52%) and YouTube. This data indicates a paradigm shift in how Indonesian society consumes entertainment toward digital platforms (Angelia, 2022). In this tight competition among various service providers, customer loyalty becomes the key to business sustainability (Johannes et al., 2024).

A survey by Jakpat (2024) confirms that Netflix remains the number one Over-the-Top (OTT) platform in Indonesia with 65% usage, a 13% increase from the previous period. More importantly, Korean content (K-Drama) is the most dominant type of content across Indonesian OTT platforms, with 72% of respondents consuming it. This fact is consistent with a report by GoodStats (Akmal, 2025) showing that seven out of ten series with the most streams on Netflix Indonesia in 2024 were K-Dramas, including *Queen of Tears*, *Love Next Door*, *Doctor Slump*, and *Miss Night and Day*. The *Queen of Tears* drama alone topped the streaming chart with an index score of 100, followed by *Love Next Door* (79), *Doctor Slump* (71), and *Miss Night and Day* (69).

The global Hallyu (Korean Wave) phenomenon further reinforces the significance of K-Drama. Recent scholarship demonstrates that K-Drama's global success results from strategic hybridization means mixing universal narratives with distinctive Korean cultural elements, combined with distribution partnerships with global streaming platforms (Kim, 2021). Jin (2024) observes that platforms like Netflix have become the primary gatekeeper of the Korean Wave, controlling K-Drama distribution to global audiences through licensing and exclusive production agreements. Sarkar and Yang (2024) add that K-Drama's ability to build emotional connections with audiences across geographic boundaries has made it a leading content category in global consumption markets. Netflix's exclusivity over K-Drama titles is achieved through two primary mechanisms: production agreements that grant Netflix sole distribution rights for original content (*Netflix Originals*) such as *Squid Game* and *The Glory*, and licensing windowing arrangements that secure exclusive access for defined periods—typically 4 to 12 weeks after domestic broadcast—before content becomes available on competing platforms.

K-Drama, with its loyal fan base, has evolved into a strategic asset or "Value Unit" in platform economics terminology—a cultural commodity creating artificial scarcity and strong appeal (Belleflamme and Neysen, 2023). The global success of *Squid Game* exemplifies this phenomenon, significantly gaining global popularity and restructuring content distribution through OTT/streaming platforms (Alardawi and Brereton, 2025).

However, the dominance of K-Drama in consumption data alone is insufficient to explain why and how such content can form sustainable customer loyalty. Park and Hong (2023), in their study on the global reception of South Korean content on Netflix, found that emotional engagement with characters is a key driver of viewer loyalty and subscription continuation. Audiences develop feelings of connection with characters and actors they follow regularly. In the K-Drama context, viewers consume stories and also develop feelings of "closeness" and "knowing" with characters or actors, creating loyalty and emotional dependence.

In the OTT industry, customer loyalty is fluid and nonlinear, consisting of repeated cycles because users can easily cancel subscriptions and switch platforms—unlike cable TV with its more complicated termination procedures. To secure its position in this competitive environment, Netflix aggressively invests in original productions (Netflix Originals) and exclusive rights acquisition. Investment in exclusive content catalyzes solving the platform's classic chicken-and-egg problem by attracting a large user base (Carroni et al, 2024; Chen & Xu, 2025). The effectiveness of this strategy is supported by recent findings that exclusive content creates defensible network effects and significant switching costs for customers (Chen & Xu, 2025).

Previous studies have established that exclusive content is central to Netflix's competitive positioning in Indonesia. Widia et al. (2021) concluded that Netflix's competitive advantage relies heavily on original content (*Netflix Originals*) that appeals to the Indonesian market. Auditya and Hidayat (2021) found that exclusivity and personalized recommendation algorithms are key factors positively influencing customer engagement among millennial Netflix subscribers in Indonesia, with higher perceptions of content exclusivity correlating with higher platform engagement. Similarly, Iswandari and Indarti (2022) confirmed that Netflix maintains superior service quality compared to competitors like Viu, suggesting that technical and experiential dimensions complement content exclusivity in driving customer satisfaction. In a comparative study across platforms in India, Devang and Mansi (2025) found that while Netflix excels in original content and recommendation algorithms, Amazon Prime Video competes through regional content strength and affordability—findings relevant to Indonesia's similar market characteristics, where local content and pricing remain critical competitive factors.

Despite the acknowledged importance of quality and content exclusivity strategies, no research has specifically, deeply, and integratively examined Netflix's K-Drama content exclusivity strategy from the consumer perspective in Indonesia. This study aims to fill this gap by conducting an in-depth analysis of how Netflix designs and implements its K-Drama exclusivity strategy in Indonesia. Beyond analyzing strategy at the platform level, this research also explores how customers describe the connection between their perceptions of exclusivity and their loyalty-related behaviors—including emotional attachment to content, viewing habits, and perceived switching costs—within the highly fluid OTT market.

The urgency of this research is underscored by three critical factors: (1) the high churn rate (12%) in the Indonesian SVOD industry (Mada, 2025); (2) the increasing dominance of K-Drama as a key content driver, with 72% of Indonesian OTT viewers consuming Korean content (Jakpat, 2024) and seven out of ten top-streamed series being K-Dramas (Akmal, 2025); and (3) the limited understanding—particularly from the consumer perspective—of how exclusivity strategies translate into sustainable loyalty. While previous studies have examined Netflix's strategy from a corporate perspective (Widia et al., 2021; Auditya and Hidayat, 2021), and others have identified correlations between content and retention (Galingging et al., 2023; Johannes et al., 2024), the link between strategic design and consumer perception remains underexplored. This study addresses both dimensions: first, by analyzing how Netflix designs and implements its K-Drama exclusivity strategy, and second, by examining how customers perceive and respond to these strategies in forming loyalty.

LITERATURE REVIEW

Over-the-Top (OTT) and Platform Economics

Over-the-Top (OTT) or Subscription Video-on-Demand (SVOD) is an internet-based media distribution service that allows users to access audiovisual content anytime, anywhere, through various digital devices with subscription-based payment systems. This subscription-based system gives OTT the characteristic of high flexibility for consumers to start, stop, or switch services according to their needs without complicated procedures. This contrasts sharply with conventional subscription television, which generally binds long-term contracts. Consequently, customer loyalty in the OTT industry becomes highly fluid and dynamic, so platforms like Netflix cannot rely solely on low prices or technical ease of access to retain customers. In this ecosystem, exclusive content becomes the primary differentiator because it can create unique value that cannot be found on other platforms (Kotler et al., 2022).

Belleflamme and Neysen (2023) define a platform as "an entity that brings together economic agents with complementary needs and facilitates interactions among them" (p. 23). In the relationship between Netflix and K-Drama, this platform operates as a two-sided platform that brings together two sides: viewers (consumers) seeking quality entertainment and content producers (studios, production houses) seeking global distribution and monetization. The platform's value lies in its ability to manage network effects and create dynamic interaction ecosystems (Belleflamme and Neysen, 2023). This framework provides the basis for understanding how exclusivity strategies operate in the streaming industry. Therefore, the following research question is proposed:

RQ1: How does Netflix design and implement its K-Drama content exclusivity strategy in the Indonesian market?

Content Exclusivity Strategy

Content exclusivity strategy creates access restrictions to specific content so that it can only be enjoyed by certain user groups or customers of particular services. Exclusive content strategies enhance platform appeal and strengthen competitive positioning (Chiang and Jhang-Li, 2020), not merely related to access restrictions but also creating perceived value for users with access to such content. Recent research confirms the effectiveness of this strategy. Chen & Xu (2025) demonstrate that exclusive content creates defensible network effects and significant switching costs for customers. Seifert et al. (2023), in their analysis of exclusivity strategies for digital products, show that exclusive content creates artificial scarcity that increases perceived value and reduces users' ability to switch to competing platforms.

Netflix implements this strategy through three primary pillars: (1) original content production (Widia et al., 2021; Belleflamme and Neysen, 2023), (2) exclusive rights acquisition from Korean studios and TV stations (Jin, 2024; Park and Hong, 2023), and (3) algorithmic thematic curation (Auditya and Hidayat, 2021; Belleflamme and Neysen, 2023). Widia et al (2021) concluded that Netflix's competitive advantage relies heavily on exclusive content that appeals to the Indonesian market. Auditya and Hidayat (2021) found that exclusivity and personalized recommendation algorithms are key factors positively influencing customer engagement among millennial Netflix subscribers in Indonesia. These findings lead to the second research question:

RQ2: How do Netflix customers in Indonesia perceive the K-Drama content exclusivity strategy, including awareness of exclusivity labels, assessment of recommendation algorithms, and viewing experiences of exclusive content?

Korean Wave and K-Drama as Strategic Content

The Korean Wave (Hallyu) has become one of the most significant cultural movements of the 21st century, with K-Pop and K-Drama as its primary cultural commodities penetrating global markets, including Indonesia. Kim (2021) explains that K-Drama's global success results from mixing universal narratives with distinctive Korean cultural elements, along with intelligent distribution partnerships with major global streaming platforms. Jin (2024) observes that SVOD platforms like Netflix have become the primary gatekeeper of the Korean Wave, controlling K-Drama distribution access to global audiences through licensing and exclusive production.

In the context of platform economics, Belleflamme and Neysen (2023) position K-Drama with its loyal fan base as a strategic "Value Unit"—an asset that creates artificial scarcity and strong platform appeal. Park and Hong (2023), in their study on the global reception of South Korean content on Netflix, found that emotional engagement with characters is a key driver of viewer loyalty and subscription continuation. This emotional dimension is critical to understanding how content translates into sustained loyalty.

Customer Engagement & Customer Loyalty Loop

Customer Engagement (CE) provides a critical lens for understanding the psychological mechanisms underlying customer loyalty in digital platform ecosystems. While traditional definitions emphasize multi-dimensional engagement (cognitive, emotional, behavioral), in the streaming context, emotional engagement—particularly attachment to characters and content—has been identified as a key driver of viewer loyalty and subscription continuation (Park and Hong, 2023). This engagement is facilitated by the platform's ability to manage network effects and create dynamic interaction ecosystems, where value is generated through the continuous exchange between viewers and content producers (Belleflamme and Neysen, 2023). In this ecosystem, well-managed engagement strengthens platform-customer relationships and transforms viewers into loyal subscribers.

The proposed relationship between content exclusivity, engagement, and loyalty is explained through the Customer Loyalty Loop mechanism (Siebert et al., 2020). Exclusivity strategies create unique customer experiences that then trigger multidimensional engagement not only with content but also with the platform as an enabler. This high engagement level drives repeat purchases (subscription retention) and advocacy (recommendations), closing the loyalty loop. In the platform economy context, this cycle creates a virtuous cycle where existing user recommendations attract new users, strengthening network effects while exclusive experiences increase psychological switching costs (Belleflamme and Neysen, 2023; Chen & Xu, 2025). Research by Chen & Xu (2025) confirms that exclusive content creates defensible network effects and significant switching costs for customers, making them reluctant to leave the platform. This leads to the third research question:
RQ3: How do customers describe the relationship between their perceptions of K-Drama exclusivity and their loyalty-related behaviors, including emotional attachment to content, viewing habits, and switching costs?

METHODS

This research employs a qualitative approach with a case study design. According to Creswell and Creswell (2023, p. 5), qualitative research explores and understands the meaning individuals or groups ascribe to social or human problems. The case study approach is justified because it allows researchers to explore a bounded system in depth over time through detailed data collection from various information sources (Creswell and Creswell, 2023). The unit of analysis is customer perceptions of Netflix's exclusivity strategy, bounded by the case of Netflix's operations in Indonesia and the specific period of 2022-2025. Within this single case, embedded units of analysis include individual customer accounts, each representing a distinct subscriber experience with K-Drama content on Netflix. The case in this study is Netflix in the Indonesian streaming market context, with a specific focus on its K-Drama content exclusivity strategy during the 2022-2025 period. Netflix was selected as the case because it is the market leader in Indonesia's Subscription Video-on-Demand (SVOD) industry, with a dominant market share (Angela, 2022; Jakpat, 2024), and has invested significantly in exclusive K-Drama content.

Primary data were collected through in-depth semi-structured interviews with seven active Netflix subscribers in Indonesia. Participants were recruited using purposive and snowball sampling techniques (Daymon and Holloway, 2011). The inclusion criteria were: active Netflix subscribers with a minimum subscription period of six consecutive months, actively watching K-Drama content (at least two titles in the last three months), residing in Indonesia, and willing to be interviewed and recorded. The initial participants were identified through the researcher's professional network, and subsequent participants were referred by initial informants. Data saturation was achieved when the seventh informant provided no new significant information, and patterns began to recur consistently (Daymon and Holloway, 2011).

The informants consisted of seven individuals with diverse backgrounds: two business owners (INF01, INF04), one freelancer (INF02), two private employees (INF03, INF07), one student (INF05), and one researcher (INF06). Their subscription durations ranged from two to eight years, with K-Drama consumption ratios between 70% and 90% of their total viewing time, and they were domiciled across Jakarta, Bandung, Mataram (NTB), and Palu (Central Sulawesi). This sample is suitable for exploratory insight into the experiences of highly engaged K-Drama viewers. However, the all-female composition and purposive sampling mean that findings reflect perceptions within this specific group and are not generalizable to all Indonesian Netflix customers.

In-depth semi-structured interviews were conducted between October 2025 and January 2026 via Zoom and Google Meet, averaging 45-90 minutes. The interview guide covered awareness of exclusivity labels, algorithmic recommendation experiences, emotional engagement, and renewal intentions. Secondary data were collected to triangulate findings and reconstruct Netflix's publicly communicated exclusivity strategy. The corpus included: (a) Netflix press releases and quarterly reports from ir.netflix.net (2022-2025; n=16; search terms: "Korea," "K-drama," "exclusive"); (b) promotional Instagram posts from @netflixid for K-drama titles (2022-2025; n=47); (c) industry reports from JustWatch, Statista, GoodStats, Jakpat, and Google Trends; and (d) academic sources on OTT platforms and exclusivity. All documents were retrieved between October 2025 and January 2026; inclusion criteria were public accessibility, relevance to Netflix/K-drama in Indonesia, and publication within 2022-2025. Secondary data were analyzed thematically to identify patterns in exclusivity communication and market positioning.

Ethical approval was obtained from the LSPR Institute Research Ethics Committee (Protocol: LSPR/EC/2025/014, 15 Sept 2025). All participants provided written informed consent and were assured of anonymity and the right to withdraw. Interviews were recorded and transcribed verbatim, with transcripts returned to participants for member checking.

Data analysis followed the interactive model of Miles, Huberman, and Saldaña (2020), which consists of three concurrent activities: data condensation, data display, and conclusion drawing/verification. This model was integrated with Braun and Clarke's (2022) thematic analysis approach. The integration was operationalized as follows: data condensation was achieved through Braun and Clarke's coding phases (familiarization, open coding, theme generation); data display was achieved by organizing themes into matrices and tables aligned with the Customer Loyalty Loop stages; and conclusion drawing was achieved through iterative interpretation and verification across both frameworks. Coding was primarily inductive, with codes generated from participant narratives rather than imposed from theory. The first author conducted all coding; a second coder independently coded 20% of transcripts to validate consistency; disagreements were resolved through discussion. Saturation was assessed when the seventh interview yielded no new codes and patterns recurred consistently (Daymon and Holloway, 2011).

To ensure the trustworthiness of findings, this study applied the four criteria established by Lincoln and Guba as outlined in Daymon and Holloway (2011): credibility, transferability, dependability, and confirmability. Credibility was achieved through source triangulation (comparing findings across multiple informants and secondary data), member checking (returning transcripts and preliminary findings to informants for validation), and peer debriefing (regular discussions with research supervisors). Dependability was ensured through an audit trail documenting all research stages.

The seven participants were all women and self-identified as heavy K-drama viewers (70-90% of viewing time), recruited partly through the researcher's professional network. While this composition provides in-depth insight into the experiences of engaged female K-drama subscribers, it does not represent the broader Indonesian Netflix customer base. Accordingly, findings reflect perceptions within this specific group and are not generalizable to all subscribers. The term "diverse" in this study refers to variation in occupation, age, and domicile—not gender or viewing intensity. Readers should assess transferability to similar contexts based on the thick description provided.

This research adhered to the ethical principles outlined in Daymon and Holloway (2011). All participants provided informed consent and were assured of their anonymity and confidentiality. Audio recordings and transcripts were stored securely on password-protected devices accessible only to the research team, and data will be retained for five years and then destroyed in accordance with institutional data management policies.

RESULTS AND DISCUSSION

A total of seven Netflix subscribers participated in the study, providing a comprehensive overview of their backgrounds and experiences, as detailed in Table 1. The informants consisted of individuals with diverse backgrounds across different occupations and regions of Indonesia. Participant subscription durations ranged from two to eight years. Their K-Drama consumption ratios ranged from 70% to 90% of their total viewing time. This varied range of experience provided a rich context for exploring the integration of exclusivity strategies in shaping customer loyalty. In terms of work environment, the informants included business owners, freelancers, private employees, students, and researchers, offering insights into diverse professional perspectives.

Table 1. Sociodemographic and Subscription Characteristics of Informants

Variable	Descriptions
Total Participants	7
Gender	Female (7)
Domicile	Jakarta, Bandung, Mataram (NTB), Palu (Central Sulawesi)
Occupation	Business Owner (2), Freelancer (1), Private Employee (2), Student (1), Researcher (1)
Subscription Duration (Years)	2-8 years
K-Drama Consumption Ratio (%)	70-90%
Access Intensity	Daily to 1-3 times per week

Source*:* Data that has been processed by the author (2026)

The qualitative analysis of the interviews identified four main themes aligned with the Customer Loyalty Loop framework (Siebert et al., 2020): (1) Unique Experience, (2) Emotional Attachment, (3) Repeat Purchase, and (4) Advocacy. These themes reflect customers' perceptions of Netflix's K-Drama exclusivity, the emotional engagement it generates, their renewal intentions, and their advocacy behavior. Table 2 presents the detailed thematic analysis based on participant narratives, providing valuable insights into the integration of exclusivity strategies in shaping loyalty.

Table 2. Overview of Themes and Subthemes Identified in Customers' Perspectives

Theme	Sub-Theme	Illustrative Codes / Concepts
Unique Experience	Exclusivity Awareness	Awareness of Netflix Original labels, perception of exclusivity
	Recommendation Algorithms	Personalized recommendations, algorithmic accuracy, user interface
	Update Speed	Release timing, availability of new content
	Technical Quality	HD quality, subtitle options, ease of use
	Local Content	Availability of Indonesian films, local content support

Theme	Sub-Theme	Illustrative Codes / Concepts
Emotional Attachment	FOMO (Fear of Missing Out)	Fear of being left out, staying up to date with trends
	Social Discussion	Social conversations, community discussions
	Cultural Relevance	Shared Asian values, cultural proximity
Repeat Purchase	Renewal Certainty	Commitment to subscription, renewal intention
	Switching Costs	Psychological costs, social costs, administrative inertia
	Price Sensitivity	Tolerance for price increases, conditional loyalty
Advocacy	Active Recommendation	Recommendations to friends and family
	Account Sharing	Account sharing as advocacy

Source*:* Data that has been processed by the author (2026)

Theme 1: Unique Experience

This theme captures how customers perceive and interact with Netflix's exclusivity strategy. All participant subscribers had prior experience with Netflix's platform. This theme includes five sub-themes: Exclusivity Awareness, Recommendation Algorithms, Update Speed, Technical Quality, and Local Content.

Exclusivity Awareness: Label vs. Legal Exclusivity

Participant awareness of exclusivity was uneven and generally low. While INF01 recognized the "Netflix Original" label at the start of content, they also noted its limited visibility: "when we are in the middle of watching, I don't know whether this is Netflix's or not" (INF01). Most participants admitted rarely or never attending to these labels: "I don't pay attention... it's not explicit... there's only a small text, I don't pay attention to it either" (INF06); "To know whether it's exclusive or not, I don't really pay attention" (INF05); "I never check that... I don't really care either" (INF07).

This low awareness is analytically important. It indicates that the Netflix Original label—a branding device—was not consistently perceived or understood by participants as a marker of legal exclusivity (i.e., sole distribution rights in Indonesia). The two concepts are distinct: a title may be branded "Netflix Original" without being legally exclusive in all territories, while licensed titles acquired through windowing agreements may be temporarily exclusive but carry no special label. Most participants did not differentiate between these categories; they simply did not engage with the label at all.

Netflix's communication of exclusivity claims occurs through multiple channels: the "Netflix Original" or "Only on Netflix" tags on the platform interface, promotional trailers, social media posts, and press releases. However, participant accounts suggest these signals were not uniformly received. For participants who did not attend to labels, the exclusivity claim was effectively not communicated—or at least not registered. This finding qualifies, rather than confirms, assumptions about successful exclusivity communication.

Perceived Recommendation Quality

Several participants described algorithmic recommendations as a facilitator of content discovery and viewing satisfaction. One informant stated: "The user interface... Netflix Original content also has advantages compared to K-dramas that they bought production rights for. Besides that, Netflix's algorithm also makes it easy to get recommendations that match our preferences" (INF04). Another added: "In my experience, Netflix's algorithm helps, but when it comes to watching the newest content, sometimes we have to actively search for it ourselves" (INF06).

Analytically, algorithmic curation is how Netflix surfaces exclusive content. If algorithms fail to recommend exclusives or if participants do not trust them, the exclusivity strategy is undermined regardless of content availability. However, not all customers relied on algorithms. INF05 expressed: "I rarely use it... I don't like being planned or following Netflix recommendations." INF07 also noted: "Sometimes it matches, sometimes it doesn't... I usually ask for recommendations first, especially from friends who have watched it." This variation indicates that while algorithms may support discovery for some, social recommendations remain primary for others—a finding with implications for how exclusivity value is communicated.

Platform-Experience Attributes (Technical Quality, Interface, and Subtitles)

Participants consistently praised Netflix's technical quality, interface design, and subtitle options. One informant noted: "From image quality, it's good... operating it is also not complicated, and there are many subtitle options, audio, languages are also many" (INF07). Another observed: "The quality... I like the image quality; it uses HD. Because on Amazon, sometimes it's not HD" (INF05). These attributes—streaming resolution, interface usability, and subtitle availability—are platform-experience features rather than evidence of K-Drama exclusivity.

They contribute to overall satisfaction and switching costs (a well-designed interface makes alternatives less attractive), but they do not demonstrate that K-Drama content itself is exclusive. For example, subtitles and HD quality apply equally to all content on Netflix, not specifically to K-Drama titles. As such, these findings are interpreted as contextual factors that reinforce loyalty through user experience, not as proof of exclusivity value. The analytical distinction is important: exclusivity operates at the content level; technical quality operates at the platform level. Both may contribute to retention, but through different mechanisms.

Local Indonesian Content as Complementary Asset

One informant highlighted Netflix's strength in local Indonesian content: "Indonesian films, yes. Netflix's advantage is that it supports local content more. Like on Disney, it seems like there's none. New Indonesian films, six months after being in theaters, Netflix already has them" (INF01).

Local content is analytically distinct from K-Drama exclusivity. It operates as a complementary asset that strengthens Netflix's overall value proposition. While not evidence of K-Drama exclusivity per se, the availability of locally relevant content raises switching costs by offering content unavailable elsewhere, working in parallel with K-Drama to make the platform more defensible.

Theme 2: Emotional Attachment

This theme captures the affective bonds participants formed with K-Drama content and how these bonds reinforced loyalty. While not all participants expressed strong emotional attachment, those who did linked it to social currency (being "up to date") and cultural proximity. Three sub-themes were identified: Fear of Missing Out (FOMO), Social Discussion, and Cultural Relevance.

FOMO: Social Currency as Loyalty Driver

The most significant finding was the role of FOMO in reinforcing subscription intentions. One informant articulated this explicitly:

> "There's an emotional attachment... we feel up to date... Driven by FOMO... It's like back in the day when we had cable TV. It feels like 'wow, how do I describe it'. It's the same with Netflix now. Because we already know first, compared to others." (INF06)

This statement links FOMO directly to loyalty: being "up to date" with K-Drama content grants social currency—the ability to participate in conversations before others. The fear of losing this currency makes cancellation less attractive. FOMO thus operates as a social switching cost: discontinuing Netflix means losing access to the social currency derived from trending content.

Social Discussion

Social discussion emerged as the mechanism through which FOMO materializes. INF07 explained: "We all watch together, so it becomes material for discussion... luckily I subscribe to Netflix so I can keep up." This suggests that group viewing and shared discussion make subscription feel necessary for maintaining social connections. However, INF01 offered a contrasting view: "When talking with people who are indeed K-drama fans, yes. But not because I'm proud to subscribe to Netflix. Not at all... when we subscribe, it actually reduces stress. It's stressful to search or whatever." For INF01, subscription was valued for convenience rather than social prestige—a deviant case suggesting that FOMO is not universal.

Cultural Relevance: Proximity and Divergence

Most participants perceived K-Drama as culturally aligned with Indonesian values. INF07 stated: "It matches very well... the culture is similar. General Asia, it fits compared to Western culture." INF01 similarly noted: "It fits... maybe because we're both Asian. Some cultures seem to fit in Indonesia. So it feels more real, closer." This cultural proximity may lower the psychological barrier to engagement, making K-Drama more emotionally resonant than Western content.

However, one informant diverged: "I don't think so. It seems more general, not specific to Indonesia" (INF03). This deviant case indicates that cultural relevance is not uniformly perceived; for some, K-Drama content felt generic rather than specifically relatable. This finding qualifies the assumption that cultural proximity drives attachment for all viewers.

Theme 3: Repeat Purchase

This theme captures participants' stated renewal intentions, the factors they reported as influencing these intentions, and the boundary conditions that qualify their commitment. Three sub-themes were derived: Renewal Certainty, Switching Costs, and Price Sensitivity. Importantly, this study measures stated renewal intention, not verified repeat purchase or objectively observed sustainable loyalty. All findings in this theme reflect participants' self-reported future behavior, which may differ from actual behavior.

Renewal Certainty

Six of seven informants expressed certain renewal intention, but this certainty was not unconditional. INF04 responded: "100% okay." INF06 confirmed: "100% will renew." INF01 declared: "Oh, definitely subscribe, no doubt." However, INF02 explicitly qualified their intention with a price condition: "As long as the price stays the same, I will definitely keep subscribing." INF07 affirmed: "Oh yes, I will renew." INF03 stated: "100% definitely renew."

The "100%" claims thus reflect certainty given current conditions—particularly the existing price point and content availability—rather than unconditional commitment. This distinction matters: stated renewal intention is contingent, not absolute. A price increase or loss of key K-Drama titles could alter these intentions. The analysis therefore treats "100%" as an expression of current satisfaction rather than an irreversible promise of future behavior.

Conditional Loyalty

INF05 represented a distinct pattern—conditional renewal intention. When asked about renewal, INF05 stated: "If K-drama were available on Viki... I would choose Viki." This conditional stance qualifies the otherwise high renewal certainty observed in the sample. For INF05, loyalty was tied to content availability rather than platform attachment. This participant's position is not an "exception" to be dismissed but a boundary condition that delimits the scope of the loyalty claims: exclusivity-based loyalty holds only when the exclusive content is not available elsewhere at a lower price.

Switching Costs as Boundary Condition

Customers expressed reluctance to switch platforms due to various switching costs. Participants expressed reluctance to switch platforms due to various perceived costs. INF06 explained: "If it's just similar (catalog), I won't switch. If it's just cheaper, no." INF04 stated: "No. I'm not the type like that... not too price driven." INF02 admitted administrative inertia: "It's more about being lazy to set up new payment." INF01 noted the possibility of multi-homing (subscribing to multiple platforms simultaneously): "As long as there's an interesting K-drama, they might switch. Not switch in the sense of stopping Netflix subscription... because there are some that don't air on Netflix but air here." When asked if they would miss Netflix, INF01 replied: "Switch to another one. There's Disney, there's VIU, unless they all disappear. But yes, Netflix still has a difference. The interface, also Indonesian films."

Multi-Homing as Boundary Condition

Multi-homing—subscribing to multiple streaming platforms simultaneously—was mentioned by one informant and functions as a boundary condition for loyalty claims. INF01 noted: "As long as there's an interesting K-drama, they might switch. Not switch in the sense of stopping Netflix subscription... because there are some that don't air on Netflix but air here." When asked if they would miss Netflix, INF01 replied: "Switch to another one. There's Disney, there's VIU, unless they all disappear. But yes, Netflix still has a difference. The interface, also Indonesian films."

This account complicates a simple loyalty narrative. For INF01, loyalty to Netflix does not mean exclusive commitment; it means retaining Netflix as a core subscription while supplementing with other services for content not available on Netflix. Switching, in this context, refers to adding or prioritizing other platforms, not canceling Netflix. Multi-homing thus represents a boundary condition: loyalty may coexist with use of competitors, and renewal intention does not imply single-platform exclusivity. This pattern is particularly relevant in the Indonesian market, where multiple OTT platforms coexist, and consumers may subscribe to several services simultaneously.

Price Sensitivity as Boundary Condition

Price sensitivity varied among participants and served as a third boundary condition. While most participants tolerated price increases (ranging from 10% to 100%, depending on their perceived value), INF05's conditional loyalty was explicitly price-driven: "If K-drama were available on Viki... I would choose Viki." This indicates that for content-loyal viewers, price sensitivity can override exclusivity perceptions when equivalent content is available elsewhere. Price sensitivity thus delimits the sustainability of loyalty: it holds only within a certain price range.

Theme 4: Advocacy

This theme captures participants' willingness to recommend Netflix to others and their engagement in account sharing. These two behaviors are analytically distinct: advocacy involves recommending the service to others (generating new subscribers), while account sharing involves granting access to one's own account (which does not generate new revenue and may violate terms of service). Both reflect positive disposition, but their implications for platform growth differ.

Active Recommendation (Advocacy)

Several informants actively recommended Netflix to friends and family. INF06 stated: "Often (recommending Netflix to friends)." INF03 confirmed: "Often. And yes, one of them is because of K-Drama. I often tell friends that there are many good Korean dramas on Netflix." INF07 added: "K-Drama, in my opinion, is good and very entertaining."

These recommendations were primarily content-driven: K-Drama was the stated reason for advocacy. This suggests that exclusive content functions not only as a retention tool but also as a driver of positive word-of-mouth, potentially attracting new subscribers.

Account Sharing (Distinct from Advocacy)

One informant engaged in account sharing: "Or I actually share... share account... so you can watch" (INF07). This behavior, while reflecting positive sentiment, is not equivalent to advocacy. Account sharing does not generate new subscribers or revenue; it may even reduce Netflix's potential customer base by providing free access to non-subscribers. Analytically, it should be distinguished from advocacy as a separate category of behavior—one that signals satisfaction but not necessarily platform growth.

Non-Advocates

Not all informants engaged in active advocacy. INF01 stated: "Watching on Netflix? No. No." This negative case indicates that satisfaction does not uniformly translate into recommendation behavior. For INF01, personal use was sufficient; promoting the service to others was not a priority.

This study suggests that Netflix's original productions and exclusive rights may create value units that attract the interviewed customers, consistent with Belleflamme & Neysen's (2023) concept of artificial scarcity. However, the finding that not all customers are aware of exclusivity labels suggests that Netflix relies more on experiential marketing—customers feel "added value" without needing to know whether content is Netflix Original or merely acquired. This enriches platform economics literature by demonstrating that Value Units can work implicitly through superior user experiences.

The identification of two observed loyalty patterns complements previous quantitative studies (Johannes et al., 2024; Galingging et al., 2023) by revealing that loyalty is non-homogeneous and requires different retention strategies. For platform-loyal segments, Netflix should continue investing in UI/UX and algorithm improvements. For content-loyal segments, Netflix must ensure sufficient exclusive content availability to prevent switching to competitors. This managerial implication is a novel contribution of this research.

The emotional dimension of customer engagement—specifically FOMO—has received less attention than cognitive and behavioral dimensions in existing literature. The interviews suggest that FOMO is a salient emotional dimension for these participants. When discussions about popular K-Drama flood social media timelines, customers not subscribed to Netflix feel "left out," driving them to remain subscribed. This confirms Sarkar and Yang's (2024) finding that digital platforms like Netflix have become the main gatekeeper of the Korean Wave, creating cycles where exclusive content triggers global discussions, which in turn increases demand.

CONCLUSION

This study indicates that Netflix's K-Drama exclusivity strategy may support customer loyalty in Indonesia, although its effects varied across participants. The findings organize customer perceptions around three elements—original productions, exclusive licensing and windowing, and algorithmic curation—and distinguish platform-loyal from content-loyal orientations. An unexpected yet significant finding was the emergence of Fear of Missing Out (FOMO) as an emotional driver that reinforced renewal intentions, alongside psychological, social, and administrative switching costs; importantly, FOMO was not introduced as a theoretical assumption but emerged inductively from participant narratives, suggesting that social currency—the ability to participate in discussions about trending K-Dramas—plays a meaningful role in sustaining subscription intentions. Accordingly, K-Drama exclusivity may contribute to both acquisition and retention, but the evidence is perceptual rather than causal. The study's small, all-female purposive sample and reliance on subscriber accounts limit transferability and do not directly establish Netflix's internal strategy or defensible network effects. Future research should include more diverse participants, compare competing platforms, incorporate platform-side evidence, and test the proposed relationships quantitatively or longitudinally.

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