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Content is king as the Amazon and Netflix battle continues

Content is king it seems as the two online streaming giants battle it out, according to investment firm Wedbush Securities.

The concept of producing original content has become increasingly attractive - and is now arguably the primary feature of both Netflix and Amazon's content library brand.

Original series seem to be pulling in subscribers, with Amazon's *Transparent* and Netflix's *House of Cards* recently both recipients of various Emmy Awards.

Wedbush estimates that Amazon will spend as much as US\$3.5bn on content this year and will grow its spending on video content by US\$500mln or more a year for the next few years.

Netflix currently spends around double on original content than Amazon, but its wider distribution means the content gap is likely to narrow.

However, Netflix's subscription price increase is expected to drive a number of customers over to its rival.

Amazon's monthly video service is US\$8.99 compared to US\$9.99 for Netflix. Amazon Prime membership costs US\$99, compared to US\$119 for Netflix's equivalent membership.

Wedbush said consumer spending will likely go down over the next decade as each platform "finds its audience".

In the meantime, the group foresees continued elevated content spending in the near term as Amazon and Netflix continue their fierce battle to differentiate their programming and user experience.

Price: 488.28

Market Cap: \$215.34 billion

1 Year Share Price Graph



October 2019 April 2020 October 2021

Share Information

Code: NFLX

Listing: NASDAQ

52 week	High	Low
	575.28	268.81

Sector: Media

Website: www.netflix.ca

Company Synopsis:

Netflix, Inc. is a subscription service streaming movies and television episodes over the Internet and sending digital versatile discs by mail to more than 12 million subscribers.

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