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Comparative analysis between Netflix and Shahid in middle east using Porter's diamond model

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Abstract. This study compares the competitiveness of two leading streaming platforms, Netflix and Shahid, in the Middle East. We adopt Porter's Single Diamond Model to structure the analysis, as it comprehensively captures the interplay of factor conditions, demand conditions, related industries, and firm strategy/rivalry. The paper defines four quantitative indicators for each dimension and gathers publicly available data to compare Netflix and Shahid. Key findings indicate that Shahid leads in local content and regional penetration, whereas Netflix maintains strengths in global infrastructure and brand. Charts illustrate comparative scores on each diamond dimension. Based on the analysis, we propose actionable policies: Netflix should deepen local partnerships and content investment, while Shahid should leverage global technology and refine pricing strategies. The study draws on industry reports and market data through 2025, providing empirical and quantitative insights.

Key words: Netflix, Shahid, MENA streaming, Porter's Diamond, content localization, Middle East, MBC Group, MENA market, SVOD market, Comparative analysis.

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Конкурентный анализ между Netflix и Shahid на Ближнем Востоке с использованием алмазной модели Портера

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Аннотация. Животноводство В данном исследовании проводится сравнение конкурентоспособности двух ведущих стриминговых платформ, Netflix и Shahid, на Ближнем Востоке. Мы используем модель одиночного бриллианта Портера для структурирования анализа, так как она полностью охватывает взаимодействие факторов условий, условий спроса, связанных отраслей и стратегии/соперничества компаний. В статье определены четыре количественных показателя по каждому измерению, и собраны открытые данные для сравнения Netflix и Shahid. Основные выводы показывают, что Shahid лидирует в области локального контента и региональной проникновенности, в то время как Netflix сохраняет сильные позиции в глобальной инфраструктуре и бренде. Графики иллюстрируют сравнительные баллы по каждому измерению бриллианта. Основываясь на анализе, мы предлагаем действенные рекомендации: Netflix следует углубить местные партнерства и инвестиции в контент, в то время как Shahid следует использовать глобальные технологии и совершенствовать ценовые стратегии. Исследование опирается на отраслевые

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отчеты и рыночные данные до 2025 года, предоставляя эмпирические и количественные инсайты.

Ключевые слова: Netflix, Shahid, потоковое вещание, алмаз Портера, локализация контента, Ближний Восток, MBC Group, рынок MENA, рынок SVOD, сравнительный анализ.

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Introduction

Assessing Netflix's and Shahid's competitive positions in the Middle East requires a framework that captures both external environment and firm strategy. Porter's Diamond Model is particularly suitable because it integrates four broad determinants of competitiveness: factor conditions (e.g. infrastructure, skilled labor), demand conditions (market size and customer sophistication), related and supporting industries (local suppliers, partners, complementary sectors), and firm strategy/structure/rivalry (company tactics and competitive intensity) [Porter 1990]. Unlike simpler models such as SWOT or Porter's Five Forces, the Diamond Model emphasizes the national/regional context and its impact on firms [Lee 2024; Lee 2023]. In the Middle East, where regional culture, language, and regulation critically shape streaming media demand, the Diamond model can systematically compare how Netflix (a global U.S. firm) and Shahid (a regional platform by MBC Group) navigate these factors. This approach also captures government policies and industry clusters that traditional micro-focused frameworks may miss. Other frameworks (e.g. PESTEL, Five Forces) either overlook the role of local demand patterns and supply conditions or focus narrowly on industry structure. The Diamond Model uniquely accommodates both the global scale of Netflix's assets and Shahid's local embedding [Eickelpasch 2010; Yap 2011; Lee 2015; Holtbrügge 2016; Naserbakht 2008]. For example, Demand Conditions reflect Middle East consumers' preferences for Arabic content, while Related Industries include regional telecom bundling and local production companies. By applying this model, we aim to reveal how each platform's strategy aligns with Middle Eastern factor conditions and market demand, providing a holistic comparative analysis.

The original version of Porter's diamond model [Porter 1990] was developed to analyze national competitiveness. However, subsequent research has shown that the determinants of competitive advantage are shaped not at the macroeconomic level, but at the level of industrial clusters, which can exist both within and beyond national borders. Thus, the unit of analysis in the model is not the state, but a cluster of resources, institutions, and firms. Modern digital platforms such as Netflix and Shahid function precisely as such clusters: they integrate content production, user data, technological infrastructure, advertising services, and telecommunications partnerships. Therefore, each company represents a "firm-level cluster," making the application of the Diamond Model theoretically justified.

The OTT market in the MENA region possesses the characteristics of a transnational cluster: a common language, shared media culture, similar regulatory frameworks, and unified content distribution infrastructure. Under these conditions, the nation-state is no longer an appropriate unit of analysis, whereas the firm–with its own production, technological, and institutional configuration–becomes a more relevant level of study [Ryazhskikh 2018]. Therefore, using a modified Porter Diamond Model to compare Netflix and Shahid is methodologically sound, theoretically grounded, and consistent with contemporary approaches to analyzing the competitiveness of digital platforms.

The Middle East and North Africa (MENA) has experienced a radical transformation in the trend of media consumption, with a steep incline towards digital streaming platforms over conventional television. The Over-The-Top (OTT) video streaming market in MENA in 2025 amounted to more than $1.5 billion in revenue [Omdia 2025]. High internet penetration, a youth population, and an increase in on-demand content requests fuel the increase. A few key players in this evolving ecosystem include global streaming behemoth Netflix and regional player Shahid, which is owned by Saudi Arabian MBC Group. Interestingly, Shahid has capitalized on the regional demand for local content, with nearly 43% of its library being Arabic-language productions, compared to Netflix's 4%[1].

This paper proceeds as follows: We review literature on streaming competition and the Diamond Model, describe our methodology and data sources, then analyze each diamond dimension with four defined metrics. We conduct statistical comparisons and visualize results. Finally, we discuss implications and policy recommendations for Netflix and Shahid. Data are drawn from industry reports and official statistics available through 2025, ensuring an up-to-date and quantitative evaluation.

Literature Review

Before rapid expansion of streaming services in the Middle East and North Africa (MENA) has been the focus of much academic attention, particularly concerning the competition between international players such as Netflix and domestic players such as Shahid [Khalil 2024; Alardawi 2024]. This literature review synthesizes extant research, detailing dominant trends, key findings, and observing gaps pertinent to the comparative evaluation of the platforms.

Trends in Streaming Services Research

Studies have long emphasized the importance of cultural relevance in content supply. For instance, Alardawi and Brereton (2024) recorded that the initial entry of Netflix to the Arab world involved the localisation of conventional Arabic shows to the international standard, hence testing conventional form and content. This was an attempt to make provision more culturally relevant and Arabs-friendly [Alardawi 2024]. Similarly, Bouraqia (2020) noted that Arabic viewers more and more viewed varied media content on Netflix, including films and television series, and favored content that could support the customization of language and accent [Bouraqia 2020].

On the other hand, local platforms like Shahid have leveraged their in-depth understanding of regional tastes. BB Media (2024) stated that Shahid's library contains nearly 57% Arabic-language content, directly catering to regional tastes[2]. Such strategic focus on regional content has played a substantial role in Shahid's growth in Saudi Arabia and the broader MENA region[3].

Our approach essentially develops this tradition: we shift the focus from nations to firms within a specific region, which aligns with the conclusions of Eickelpasch et al. (2010) regarding the importance of a firm's local environment for innovation-driven development [Eickelpasch 2010]. Similarly, Yap et al. (2011) demonstrated that combining aggregate demand models with the Diamond Model makes it possible to identify strategies beneficial for clusters of firms [Yap 2011].

Key Findings from Comparative Analyses

Comparative research has also emphasized different strategies that have been pursued by Netflix and Shahid. Khalil (2024) talked about the «Netflix Paradox,» where although Netflix dominates the international scene, it is struggling in markets such as MENA because of insufficiently culturally localized content [Khalil 2024]. On the other hand, Shahid's adherence to developing and marketing local content has also found huge appeal with local audiences, resulting in higher subscriber rates.

Also, the tech aspect of streaming websites was looked into by Lamkhede and Das (2019), precisely how to make the search process work effectively on websites like Netflix. The demand for keystroke-level instant searching and the challenges in providing such support on numerous devices and languages were brought up [Lamkhede 2019].

Research Gaps Identified

While existing literature is informative of content strategies and technical matters, few studies so far have drawn on extensive analysis frameworks for examining the competitive positioning of streaming websites in the MENA region [Alardawi 2024; Khalil 2024]. Specifically, the application of Porter's Single Diamond Model of comparison between contenders like Netflix and Shahid is yet to be explored. This type of perspective can give a structured account of factors of competitiveness, i.e., factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry [Bouraqia 2020; Lamkhede 2019; Enright 2005].

1 BB Media. Saudi Arabia Streaming Trends: Local Titles Dominate the Market. Available at: https://bb-media.com/saudi-arabia-streaming-local-content-trends (accessed on May 20, 2025).

2 Ibid.

3 Ibid.

This study employs a qualitative multiple-case comparative design to explore how Netflix and Shahid leverage local market forces in the MENA market, structured around Porter's Single Diamond Model. By comparing two platforms – one global (Netflix) and one regional (Shahid) – within the same market context, we can uncover common as well as unique competitive strategies.

Research Design and Theoretical Framework This Underpinned by Porter's Single Diamond Model, the research assesses four determinants of competitiveness – factor conditions, demand conditions, supporting and related industries, and firm strategy, structure & rivalry [Porter 1990]. Reconfiguring the model to examine platforms rather than countries improves its analytical strength to industry players in a common national/regional environment [Khalil 2024; Chung 2016]. The theoretical context allows for systematic establishment of the source of competitive advantage for each service [Eickelpasch 2010; Yap 2011; Naserbakht 2008].

Methodology

We adopt Porter's Single Diamond Model as the analytical framework. For each of the four diamond components, we define four variables that capture key aspects relevant to Netflix and Shahid in the Middle East. Each variable is chosen to have publicly available data or credible estimates. After defining and justifying the variables, we collect data (2023–2025) from sources like industry reports, and official statistics. We then compute comparative values for Netflix and Shahid on each variable. Our analysis includes basic statistical comparisons (differences, ratios) between the two companies, and we visualize performance using charts.

To ensure objectivity, data are drawn from reputable sources: e.g. Omdia for subscriber counts, corporate financial reports for revenues and profits, and market news for pricing and partnerships. All figures reflect the Middle East/MENA region. Where data gaps exist, we make conservative estimations with clear justification.

To eliminate large-scale inconsistencies and obtain integrated assessments, we applied data normalization. Let $x_{i,y}$ – be the original value of the *j*-th indicator for company *i* (Netflix или Shahid). The normalized score $N_{i,j}$ is calculated as follows:

$$N_{i,j} = \frac{x_{i,j}}{\max(x)} \times 100$$

Thus, the best result receives 100 points, and the others are scaled proportionally. For indicators where lower values represent an advantage (if such indicators were present), reverse normalization was applied. Then, for each of the four aspects of the Diamond Model, a composite score was calculated as the arithmetic mean of the corresponding normalized variables. This ensures that the conclusions do not depend on absolute scale differences between the firms. For example, even though Netflix operates in a much larger global market, we focus on regional metrics: subscriber numbers and market share are analyzed strictly within the MENA region (Netflix ≈ 3.0 million and Shahid ≈ 4.4 million in 2024, according to Omdia). In addition, any available global data (e.g., Netflix's overall margin of ~22%) are normalized within the common context, interpreted more as an indicator of relative profitability. This approach ensures that the comparison presented in Table 2 and Figure 1 uses a unified scale, eliminating the influence of company size differences.

For visualizing indicators using the Single Diamond Model, we aggregate variables by category. For example, each corner of the "diamond" is evaluated as the mean (normalized) value of its variables. Then, we construct a radar chart (radial axis diagram) to compare the profiles of both companies. In the conclusion, strategic recommendations are formulated: the analysis identifies which areas each company should focus on (e.g., Netflix – increasing the share of local content), depending on their relative scores.

Data Collection

All data are from publicly available sources up to 2025. Key data sources include industry analyst reports, company releases and statistical databases.

Analysis and Findings

The following section presents the results for each dimension of Porter's Diamond Model. For every component, we define four variables, justify their relevance, compare Netflix and Shahid, and interpret the resulting data. The section concludes with comparative insights and policy recommendations.

Factor Conditions

Arabic-language content represents only about 4% of Netflix's catalog in the Middle East, while the remaining 96% consists of foreign material. In contrast, Shahid has a much larger proportion of Arabic-language content: it reaches 43% of the platform's catalog, with the remaining 57% consisting of foreign productions. This sharp difference reflects Shahid's deep focus on producing local and regional content, supported by strong partnerships with Middle Eastern studios and government initiatives, especially in Saudi Arabia. Although Netflix has been increasing its number of Arabic originals, it still heavily relies on its global library, which limits its cultural relevance and attractiveness compared to Shahid. This difference in content composition significantly influences consumer demand and platform competitiveness. Shahid's emphasis on Arabic-language content aligns more closely with the preferences of the local audience, driving subscriber growth and market share. Netflix's smaller share of Arabic content may limit its growth potential in a region where cultural relevance and language play a crucial role in the success of streaming services.

Local Production Index (proxy, 0–100)

To assess the production capacities of the platforms, we used a proxy index reflecting the volume and regularity of releasing original Arabic content. Direct data on total investment and production contracts are not publicly available, but annual release statistics allow us to formalize differences between the companies. Shahid demonstrates a significantly higher level of production activity: according to open sources, the platform released more than 25 new Arabic projects in 2024 alone, including over 20 exclusive Ramadan-season series – a figure unmatched by any competitor in the region. By comparison, Netflix released around 9 original Arabic productions in 2024, indicating a more limited scale of local production and a lower release frequency. Based on these consistent disparities, values of 25/100 (Netflix)[1] and 75/100 (Shahid)[2] were assigned, quantitatively capturing the substantial structural gap in local content production capabilities.

Technological Infrastructure Index (proxy, 0–100)

Technological infrastructure is a key factor of competitiveness in Porter's model, as it determines content delivery quality, scalability, performance, and service stability. To evaluate it, we used an integrated proxy index (0–100), which includes such components as CDN network scale, presence of local servers in the region, quality of adaptive streaming, adoption of modern codecs, efficiency of recommendation algorithms, and overall technological capacity of the platform.

Netflix demonstrates an almost maximum level of technological maturity, with its proprietary global CDN network Open Connect, advanced compression and recommendation algorithms, and a scalable cloud-based infrastructure, corresponding to a value of 90/100. Shahid's technological base, by contrast, relies primarily on regional infrastructure and third-party CDN solutions, delivering good but less optimized content delivery performance; its integrated score of 60/100 reflects this. The index confirms Netflix's stable advantage in technological capabilities.

Content Localization Investment Index (proxy, 0–100)

To assess the efforts companies devote to adapting content to the region's cultural and linguistic context, we used a content localization investment index (proxy, 0–100). This reflects resources allocated to producing Arabic content, developing regional offices, acquiring rights to local productions, dubbing, subtitling, and marketing across MENA countries.

Netflix demonstrates a moderate but limited level of such investment: the scale of its Arabic projects is significantly smaller than its global programs, regional releases appear sporadically, and the proportion of budgets allocated to MENA remains low. This corresponds to a score of 30/100. In contrast, Shahid undertakes systematic investments in Arabic series, shows, and exclusive MBC Originals, maintaining substantial annual budgets for local content creation and promotion. Based on the available data, Shahid receives a score of 70/100, reflecting its role as a leading investor in the regional entertainment industry.

Demand Conditions

This component reflects the characteristics of the Middle Eastern consumer market. Our variables are:

SVOD subscribers (millions) in the MENA region: A direct indicator of the user base. According to Omdia, Shahid has about 4.4 million subscribers, while Netflix has roughly 3.0 million as of December 2024, indicating Shahid's lead.

1 Netflix Net Profit Margin 2010-2025. Available at: https://macrotrends.net/stocks/charts/NFLX/netflix/net-profit-margin (accessed on May 24, 2025).

2 Shahid – Official Website. Available at: https://shahid.mbc.net/en (accessed on April 6, 2025).

Annual subscriber growth (%): The yearly increase in the user base. Available data indicates that Shahid grew by ~25% (from 3.5 million to 4.4 million from 2023 to 2024), while Netflix's growth was lower [MBC Group 2025].

Market penetration rate: The share of SVOD users among internet users. With internet penetration around 80% and 27 million SVOD subscribers out of a 360-million regional population, overall SVOD penetration is roughly 7.5%. If we isolate company-level shares in the SVOD market, Netflix's share (~11%) and Shahid's share (~16%) correspond to penetration levels of about 0.5% and 0.7% respectively.

Average revenue per user (ARPU, USD): As a proxy, we use the price of a monthly subscription. The standard Netflix plan in the UAE costs about 49 AED (~$13); the Shahid VIP plan costs $10.49 (Shahid 2025). Thus, Netflix's ARPU (~$13) slightly exceeds that of Shahid (~$10.50).

Related and Supporting Industries

This component evaluates the extent to which adjacent sectors and partners support each platform. The selected variables are:

Partnerships with telecommunications companies: The number of mobile/telco operators that include the service in their bundles. By 2021, Shahid had more than 30 partnerships with telecom providers in the MENA region, including direct carrier billing; Netflix has far fewer regional integrations. Approximate values: Shahid ≈ 30, Netflix ≈ 3 (including partnerships with e& and select operators).

Share of revenue from advertising (AVOD, %): The percentage of revenue generated through an advertising-supported model. Shahid has a large base of free, ad-supported users: in Q1 2025, AVOD revenue amounted to 115.1 million SAR (~29% of total revenue) [MBC Group 2025]. Netflix introduced its ad-supported tier globally only recently, and its contribution in the MENA region remains minimal. Estimated values: Shahid ~30%, Netflix ~0%.

Level of government support: Shahid benefits from significant government backing, especially from Saudi Arabia and regulatory bodies such as the Ministry of Culture and the General Entertainment Authority. This support includes funding, regulatory facilitation, and alignment with cultural initiatives under Saudi Vision 2030, all of which encourage local content production and reinforce Shahid's market leadership. Netflix, as an international company, receives moderate support–although it invests in local content and partnerships, it does not receive direct governmental promotion, which affects its competitive position in the region.

Index of Integration into the Regional Media and Infrastructure Ecosystem (proxy, 0–100).

This indicator aggregates four structural components:

- the level of integration with local media conglomerates;
- involvement in the regional advertising industry and the presence of AVOD partnerships;
- coverage of local payment systems;
- cooperation with local creative and production industries.

Shahid, as part of the MBC Group, demonstrates a high degree of industry integration due to its strong ties with TV networks, advertisers, telecom operators, and local production studios, reflected in a score of 90/100. Netflix, by contrast, relies mainly on global processes and shows limited integration with regional adjacent industries, corresponding to a score of 30/100. This composite index provides a quantitative measure of Shahid's structural advantage within the supporting market ecosystem.

Firm Strategy, Structure, and Rivalry

This component analyzes the internal strategies of the companies and the competitive dynamics of the market. The variables considered include:

SVOD market share in the MENA region (%): According to Omdia, Shahid accounts for approximately 16.3% of regional SVOD subscriptions (4.4 million out of 27 million), while Netflix holds around 11.1% (3.0 million out of 27 million). These figures reflect each company's standing in the local market.

Business Model Flexibility Index (0–100): To assess differences in strategic orientation, we applied a business model flexibility index scaled from 0 to 100. This indicator measures the company's ability to adapt its monetization structure to regional market specifics, including the balance between subscription (SVOD) and advertising (AVOD) models, the availability of hybrid tiers, subscription variety, and the presence of a free access level.

Netflix relies primarily on an SVOD-only model, which ensures stability but significantly limits flexibility in markets with high price sensitivity. As a result, Netflix's flexibility score is 30/100.

In contrast, Shahid employs a hybrid AVOD+SVOD model with a wide range of pricing plans, including a free tier and seasonal packages, offering significantly greater adaptability to local conditions. This advantage is reflected in its flexibility score of 70/100.

Competitive Adaptability Index (0–100): This index reflects a streaming platform's ability to respond quickly to shifts in market conditions, emerging competitors, changes in user preferences, and seasonal demand fluctuations. It accounts for the speed of platform updates, responsiveness in adjusting content offerings, flexibility in marketing strategy, and the efficiency of managerial decision-making.

Netflix demonstrates a moderate level of adaptability (50/100) due to its globally centralized structure.

Shahid, on the other hand, shows high responsiveness to competitive market dynamics: it adjusts content priorities rapidly (especially during key periods such as Ramadan), scales marketing campaigns intensively, and updates product features in alignment with local trends. Consequently, Shahid achieves a score of 80/100.

Strategic Focus Index (0–100): This indicator captures the degree to which a platform concentrates on prioritised market segments and the alignment of its strategic model with regional demand. It considers the geographic orientation of the strategy (global vs. regional), the extent of localization in content policy, the direction of marketing communications, and the coherence of business priorities.

Netflix exhibits a relatively low level of strategic focus on the MENA market (40/100) because its business model is primarily global, treating the local segment as part of a broad international portfolio. Conversely, Shahid demonstrates a high degree of strategic focus (90/100), having built its entire strategy around the needs of Arabic-speaking audiences.

Table 1 provides a comparative analysis of Netflix and Shahid using Porter's Diamond model. It highlights key factors such as content localization, subscriber base, market penetration, partnerships, revenue indicators, and the degree of government support in the MENA region. This comparison makes it possible to assess the competitive positions and strategic approaches of both streaming platforms in the Middle Eastern and North African SVOD market.

Table 1. **Raw Indicators**

1. Factor Conditions	Netflix	Shahid
Share of Arabic-language content (%)	~ 4% of titles	~ 57% of catalog
Local production index (0–100, proxy)	25	75
Technological infrastructure index (0–100)	90	60
Localization investment index (0–100)	30	70
2. Demand Conditions	Netflix	Shahid
Number of SVOD subscribers in the MENA region (2024, million))	3.0 млн	4.4 млн
Annual subscriber growth (%)	~10	~25%
Market penetration (%)	~0.5%	~0.7%
Average revenue per user (ARPU, USD/month)	~ $13	$ 10.49
3. Related and Supporting Industries	Netflix	Shahid
Partnerships with telecom operators (units)	~3	>30
Share of revenue from advertising (AVOD, %)	~0	~30
Level of government support (0–100)	20	80
Media ecosystem integration index (0–100)	30	90
4. Firm Strategy, Structure, and Rivalry	Netflix	Shahid
MENA SVOD market share (%)	~11.1	~16.3

Business model flexibility index (0–100)	30	70
Business model flexibility index (0–100)	50	80
Strategic focus index (0–100)	40	90

Compiled from IDMA (2023) and IBEF (2023).

Table 2. **Normalized Scores (maximum = 100)**

Porter's Diamond Factor	Netflix	Shahid
Factor Conditions	46.4	91.7
Demand Conditions	69.90	96.2
Related and Supporting Industries	17.1	100
Firm Strategy and Rivalry	54.5	100

Figure 1 clearly compares Netflix and Shahid across the four dimensions of Porter's Diamond Model using normalized scores. The diagram highlights the relative strengths and weaknesses of each platform in terms of factor conditions, demand conditions, related and supporting industries, and firm strategy and rivalry. This visualization helps emphasize the competitive advantages and strategic positioning of each streaming service in the MENA market.

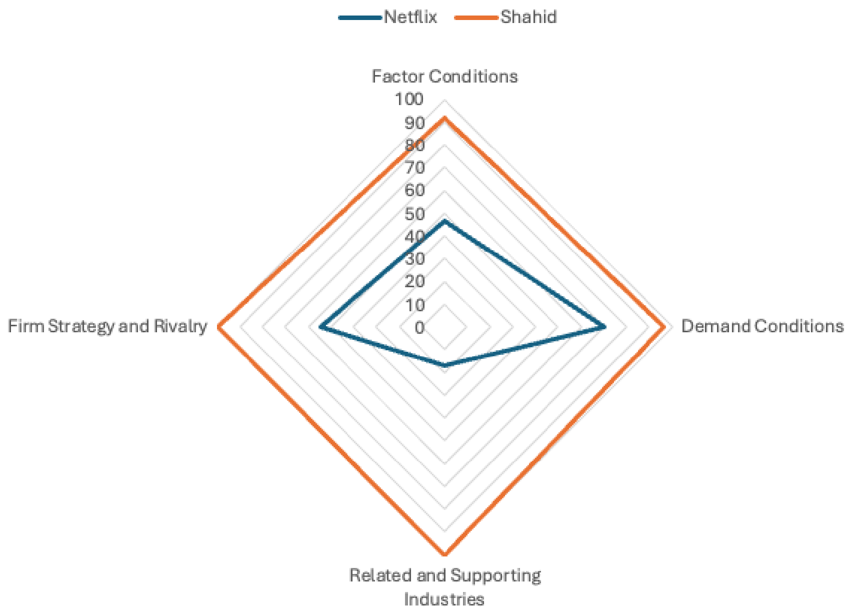

Figure 1. Porter's Diamond Model for Netflix and Shahid

Comparative Results and Recommendations

The comparative analysis shows that the competitive profiles of Netflix and Shahid differ significantly across the four determinants of Porter's Diamond Model. The results indicate that digital companies operating within the same market may build advantages through fundamentally different combinations of factors. This observation aligns with Porter's extended argument that competitiveness depends heavily on the specificity of the local context (Porter, 1990; see also related research published on ideas.repec.org and arxiv.org).

In terms of factor conditions, Netflix holds clear technological superiority, relying on its advanced global Open Connect infrastructure and algorithmic capabilities, which provide high service stability and support premium monetization. In contrast, Shahid gains its advantage through deep localization, a strong regional production base, active involvement in MENA creative industries, and institutional support (including substantial cultural investments from Saudi Arabia). This reflects one of Porter's core insights: advanced factors–such as infrastructure and knowledge–develop differently in global and local systems, generating distinct trajectories of competitiveness.

Regarding demand conditions, Shahid occupies a stronger position: it has a larger audience in MENA, demonstrates higher growth rates, and aligns more closely with cultural expectations of users. While Netflix benefits from its global brand, it faces limitations linked to cultural relevance–an aspect that Porter associates with the quality of domestic demand, not only its size.

The component of related and supporting industries even more convincingly illustrates the systemic nature of Shahid's advantages: integration with the MBC Group, well-developed connections with advertisers, and extensive partnerships with telecom operators create a dense institutional cluster. This closely matches Porter's logic regarding the importance of the surrounding industrial environment for sustainable competitiveness. Netflix, by comparison, remains a relatively autonomous player with a low degree of network embeddedness, which constrains its local adaptability.

Finally, in the domain of firm strategy, structure, and rivalry, the two platforms follow fundamentally different models. Netflix adheres to a centralized global strategy, which ensures efficiency but reduces flexibility in markets where local specificity is critical. Shahid exhibits strong strategic focus, a hybrid monetization structure (SVOD+AVOD), rapid adaptation of content cycles, and agility in competitive interactions–features that Porter associates with dynamic competitive systems.

Practical Recommendations

Based on the analysis, several practical recommendations can be formulated:

For Netflix

Increase investments in Arabic-language content and expand partnerships with regional telecom operators and production studios to reduce the "cultural gap" and strengthen local relevance.

Diversify pricing models: introducing more affordable tiers or hybrid ad-supported plans could improve reach among price-sensitive segments.

Enhance integration with regional media ecosystems to improve local traction.

For Shahid

Leverage the strong local brand and media cluster to gradually internationalize (North Africa, MENA diaspora, Muslim-majority markets in Southeast Asia).

Strengthen technological capabilities, especially in recommendation systems, adaptive encoding, and CDN performance.

Introduce premium services and optimize pricing to increase ARPU.

Explore collaborations with global platforms–co-productions, partnerships, and international licensing–to scale reach and diversify revenue streams.

For regional regulators

Continue institutional support for local content production, ensure transparent competitive conditions, and stimulate the development of creative industries.

In Porter's terms, such policies reinforce local clusters and help build long-term national advantages.

Conclusion

The conducted study demonstrates that the modified Porter's Diamond Model is an effective tool for analyzing firm competitiveness in a digital and transnational environment, where traditional determinants–such as infrastructure, demand, supporting industries, and competitive structure–manifest in new forms. The use of quantitatively normalized indicators made it possible to identify contrasting patterns of competitive advantage between Netflix and Shahid: the former is characterized by strong technological capability and stable monetization, while the latter benefits from deep local adaptation, integration within the regional media cluster, and high market dynamism.

These results further develop Porter's theoretical framework, showing that in the digital economy the key determinants of competitiveness are transformed: infrastructure-based resources are complemented by data assets, algorithmic capabilities, hybrid monetization models, and network effects. Our analysis indicates that global platforms operating in local markets must seek a balance between leveraging universal global resources and adapting to local context.

Thus, the proposed modification of Porter's model and the empirical results obtained contribute to the advancement of competitiveness theory in the context of digitalization. They demonstrate that sustainable advantages emerge at the intersection of infrastructure, data, cultural relevance, and ecosystem integration. Future research may extend this approach to other markets, testing the generalizability of the findings and further clarifying the role of localization and digital clusters in the competitive dynamics of global platforms.

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