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The Sustainability of The Netflix's Business Processes With Knowledge Risk Management Approach

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Abstract

Abstract The Squid Game film is a film that is very familiar among the public because the story, storyline, and also the quality provided gives a very good impression that can be accessed by the public through an application called Netflix. Not surprisingly, many people remember their childhood in these stories. However, on the side of its very global fame, there are several issues that must be faced by Netflix in showing the Squid Game film that can threaten the sustainability of Netflix's business process itself. Through this research, we will analyze the factors that cause Netflix to face the worst scenario in showing the Squid Game film through Factor and Regression analysis on a predetermined model. The results stated that there were 9 factors that caused Netflix to have to deal with this problem.

Keywords: *Supply Chain Management; Risk Management; Knowledge Management; Business Opportunity; Business Sustainability*

1. Introduction

Netflix is one of the streaming service providers based on digital media subscriptions, where at this time it is known that television broadcasts in Indonesia are no longer broadcast with analog signals but already digitally, therefore the business of streaming service providers such as Netflix is important to learn its sustainability. Netflix is an application that provides streaming services for TV shows, movies, and animations that can be used on any device. Netflix was founded on August 29, 1997 and initially offered a DVD subscription service. Currently used by approximately 36 million subscribers in 40 countries, Netflix tracks more than 5,000 movies and television shows available both internationally and domestically on Netflix. Netflix itself is headquartered in Los Gatos, California, USA. One of the up-and-coming movies that is currently Netflix's savior and cash crop is the squid game movie. Squid Game is a Korean-based movie series about 456 people who are in debt without expecting to survive, participating in a children's game where the lives of

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players are at stake. increase. There are the six games that the players must play are red light, green light, dalgona, tug of war, marble, stepping on glass, and finally the squid game.

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However, behind the fame of the squid game are some controversial issues that have recently been discussed in the mass media. It can certainly harm multiple parties, including Netflix Such as SK Broadband, which sued Netflix for spikes in traffic bandwidth, and one of the victim's phone owners received a 24-hour notice Overwhelmed and distraught. Behind the controversial and extraordinary movie squid game, the statement of the issue raised in this study is the opportunities and risks that Netflix faces, and the consequences of displaying the squid game on Netflix itself and Netflix's own business continuity. Then, what are the consequences and risks that Netflix has to face in showing the Squid Game Movie? Are there any opportunities that Netflix can take behind the controversial Squid game film? How does Netflix manage the risks involved in serving Squid Game? What is Netflix's strategy in taking advantage of the opportunities behind the controversial Squid Game?.

2. Methods

2.1. Literature Review

Talking about the sustainability of an organization, it will have to do with how the organization can manage the opportunities and risks that exist depending on the knowledge management of the organization itself [1]. Knowledge management itself is divided into two words namely Knowledge and Management. Knowledge itself is a competency and the main source in increasing organizational competitiveness and creating value for the organization [2]. And Management itself means manage. So knowledge management is how an organization can manage competencies and the main resources for an organization in creating a value that can increase competitiveness for the organization itself.

Knowledge Management will also relate to how the organization manages its relationship with customers and manages its supply chain. Customer relationship management is a strategy in choosing customers who can be served who are able to provide benefits to the organization and establish interaction between customers and the organization itself with the aim of optimizing the value of the organization in the eyes of the customer [3]. While supply chain management or called supply chain management is a task that plays a role in integrating organizations along the supply chain and coordinating the flow of materials, information, and finances to meet customer demands in the hope of increasing competitiveness advantages in terms of supply chain [4].

How the organization is able to manage the organization itself, both in establishing relationships with customers and managing the supply chain, will depend on how far their knowledge in managing the opportunities or risks they must face. Therefore, knowledge risk management can be a way in which organizations are able to manage risk based on the knowledge and potential that can influence it [5]. Knowledge risk management is an approach related to managing the risks faced by the knowledge possessed by the organization itself [6]. Through knowledge risk management, it will be used as research material to prove the knowledge of risk management for an organization in this case is Netflix to be able to manage their risks but on the other hand being able to analyze opportunities and take advantage of them in this case is the controversial film Squid Game

in business continuity for the organization itself in establishing relationships with customers and managing its supply chain. The following is the research instrumental development in Table 1.

Based on the research instrumental, the following is the model of the research that will answering the problem and the solutions of the research

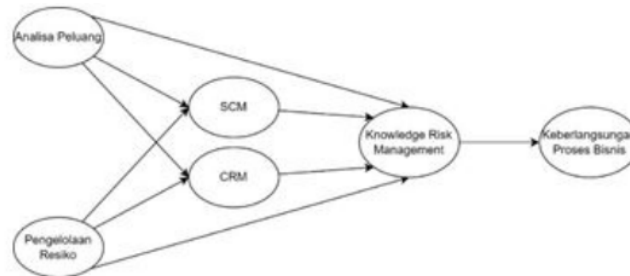


Figure 1. Research Variable

With this reference of research model, the point that can make it as the hypothesis that will use to assuming the answers of the research are:

- H1: Knowledge Risk Management depends on how the organization manages its risks in the continuity of the organization's business processes in establishing relationships with its customers against phenomenal or controversial events.
- H2: Knowledge Risk Management depends on how the organization manages its risks in the continuity of the organization's business processes in managing its supply chain against phenomenal or controversial events
- H3: Knowledge Risk Management depends on how the organization manages its risks in the continuity of the organization's business processes against phenomenal or controversial events.
- H4: Knowledge Risk Management does not depend on how the organization manages the risks to the continuity of the organization's business processes, but the organization can still establish relationships with its customers for phenomenal or controversial events.
- H5: Knowledge Risk Management does not depend on how the organization manages the risks to the sustainability of the organization's business processes, but the organization can still manage its supply chain against phenomenal or controversial events
- H6: Knowledge Risk Management does not depend on how the organization manages its risks, the continuity of the organization's business processes in managing its supply chain against phenomenal or controversial events.
- H7: Knowledge Risk Management does not depend on how the organization manages its risks, the sustainability of the organization's business processes in managing its supply chain against phenomenal or controversial events.
- H8: Knowledge Risk Management does not depend on how the organization manages its risks in the continuity of the organization's business processes against phenomenal or controversial events.
- H9: Knowledge Risk Management depends on how the organization analyzes its opportunities in the continuity of the organization's business processes in establishing relationships with its customers against phenomenal or controversial events.

- H10: Knowledge Risk Management depends on how the organization analyzes its opportunities in the continuity of the organization's business processes in managing its supply chain against phenomenal or controversial events.
- H11: Knowledge Risk Management depends on how the organization analyzes its opportunities in the continuity of the organization's business processes against phenomenal or controversial events.
- H12: Knowledge Risk Management does not depend on how the organization analyzes the opportunities for the continuity of the organization's business processes, but the organization can still establish relationships with its customers for phenomenal or controversial events.
- H13: Knowledge Risk Management does not depend on how the organization analyzes the opportunities for the continuity of the organization's business processes, but the organization can still manage its supply chain against phenomenal or controversial events.
- H14: Knowledge Risk Management does not depend on how the organization analyzes the opportunities for the continuity of the organization's business processes in managing its supply chain against phenomenal or controversial events.
- H15: Knowledge Risk Management does not depend on how the organization analyzes the opportunities for the continuity of the organization's business processes in managing its supply chain against phenomenal or controversial events.
- H16: Knowledge Risk Management does not depend on how the organization analyzes its opportunities in the continuity of the organization's business processes against phenomenal or controversial events.

Table 1. Research Instrumental Development

Factor	Indicator		Ref.#	
Opportunity [OP]	Diversification OP1	1	Squid Game movies on Netflix often add up their episode count quickly	[7]
	Diversification OP2	2	The Squid Game movie on Netflix is able to change the current market trend	[7]
	Diversification OP3	3	The Squid Game movie on Netflix is able to attract a lot of attention of potential users these days to use Netflix	[7]
	Diversification OP4	4	Squid Game Storylines and Story Elements on Netflix are an attraction for subscriber to watch Squid Game Movies	[7]
	On-Demand 1 OP5	5	Squid Game movies on Netflix can be watched by customers without any limitation or problems with existing manufactures (servers, time restrictions.	[8]
	On-Demand (OP6)	2	Squid Game movies on Netflix can be watched wherever customer are	[8]

2.2. Data Collection Methods

The data will take from a questionnaire which distributed to respondents that have been compiled have been structured based on the indicators that have been prepared previously. The questionnaire will be distributed until 5 July 2022 with 200 target responded and realized at least 240 responded. The responded itself is a stakeholders that involved in Netflix. The result of the data will process through the SPSS applications.

2.3. Validity Analysis

By using the questionnaire, the result can be valid if the questionnaire are able to reveal something that will measured by the questionnaire[18]. By using item to total correlation method, the result item can be valid if the corrected item to total correlations is greater than the n table value.

2.4. Reliability Analysis

Reliability is a series of measurement the instrument that have consistency if these is measurement are repeated [19]. By using the questionnaire, the measuring instrument can be said to be reliable if it gives the same results from one test to another under consistent conditions. In this case, the SPSS software was used to analyze the reliability by using Cronbach's alpha method which the coefficient results can be said valid if the result of value is above 0.70.

2.5. Factor Analysis

Factor analysis can be done in the following steps [20]:

1. Developing a correlation matrix for the variable to be analyze and conduct the examinations;
2. Perform the factor extraction;
3. Perform factor rotations;
4. Calculating the factor score.

Squid Game movies on Netflix can be watched by customers without any limitations or problems with existing manufacturers or servers.

3. Result and Discussion

3.1. Validity Test

The validity test was carried out using the corrected item to total correlations method using SPSS by comparing the r value in the table in 200 samples.

3.2. Reliability Test

Through the SPSS tool by conducting reliability tests. The results state that the Cronbach's Alpha value in the questionnaire results is 0.777 out of 0.700 which indicates that the reliability test results have met the requirements for analysis, as shown in the Table 2.

Table 2. Reliability Test Result

Cronbach's Alpha	Number of Items
0,777	25

3.3. Factor Analysis

Correlation Matrix Examination. This examination includes Bartlett's Test of Sphericity, sample adequacy test for each indicator and variable represented by Anti-Image Correlations value, and KMO Test with the following criteria

1. The Significance Value of Bartlett's Test of Sphericity does not exceed 0.05
2. KMO-MSA value is not less than 0.700
3. Anti-Image Correlations value for each Indication is not less than 0.500.

4 Table 3. KMO & Bartlett's Test Result

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0,759
3*Bartlett's Test of Sphericity	Approx. Chi-Square 737,822
	df 300
	Sig. 0

New Factor Forming. Based on the rotation results on factor analysis. The results show that there are 9 components, each component can be used as a factor as shown in the table below.

Table 4. Formed Factor

No	Indicator	New Factor
1	On Demand 1	Product Marketing
2	Diversification 2	
3	Sustainability SCM	
4	Downstream Supply Chain	Product Additions
5	Diversification 1	
6	Service Innovation 1	
7	Raw Material 1	Product Quality
8	Diversification 4	
9	Raw Material 2	Product Data Management
10	Information Flow	
11	Security Management	Product Trusted
12	Marketing Innovation 5	
13	Marketing Innovation 1	Product Impact Through Customer
14	Marketing Innovation 2	
15	Financial Flow	Product Supply
16	On Demand 2	
17	Marketing Innovation 4	Product Interest
18	Marketing Innovation 5	Product Incident

1. Product Marketing. The first factor which consists of 3 indicators (numbers 1 to number 3 in Table 4.) is then grouped into one factor named "Product Marketing" which contains marketing on the Squid Game product on Netflix
2. Product Additions. The second factor consists of 3 indicators (numbers 4 to 6 in Table 4.) which are grouped into one factor called "Product Additions" which contains how the Squid Game Film on the Squid game is able to provide convenience to the Customer
3. Product Quality. The third factor consists of 2 indicators (numbers 7 and 8 in Table 4.) which are grouped into one factor named "Product Quality" which describes the quality of Squid Game Movies on Netflix that is able to attract market attention.
4. Product Data Management. The fourth factor consists of 2 indicators (numbers 9 and 10 in Table 4.) which are grouped into one factor named "Product Data Management" which describes how Netflix manages its customer data in the Squid Game Movie.
5. Trusted Products. The fifth factor consists of 2 indicators (numbers 11 and 12 in Table 4.) which are grouped into one factor named "Product Trusted" which describes user confidence in the product in this case the Squid Game Movie on Netflix.

6. Product Impact Through Customers. The sixth factor consists of 2 indicators (Numbers 13 and 14 in table 4.) which are grouped into one factor named “Product Impact Through Customer” which describes the impact felt by customers in watching Squid Game Movies on Netflix.
7. Product Supply. The seventh factor consists of 2 indicators (numbers 15 and 16 in Table 4) which are grouped into one factor named “Product Supply” which describes the Netflix Supply Chain in the Squid Game film.
8. Product Interest. The eighth factor which consists of one indicator (number 17 in Table 4. which is identified as a factor named “Product Interest” which describes customer interest in the product in this case is Squid Game on Netflix.
9. Product Incident. The last factor which consists of one Indicator (number 18 in Table 4. which is identified as a factor named “Product Incident” which describes an incident that occurred after the release of a product in this case is Squid Game on Netflix



Figure 2. New Factor Forming Through Business Process Sustainability

Regression Analysis. After obtaining a linear equation model on 9 new variables, a descriptive analysis was carried out to identify the minimum and maximum values for each independent variable. Thus, the following results are obtained:

$$Y = 105,929 + 3,194X_1 + 2,884X_2 + 2,426X_3 + 2,388X_4 + 2,417X_5 + 2,335X_6 + 2,212X_7 + 1,531X_8 + 1,832X_9$$

1. The product marketing factor has a correlation coefficient of 3.194 (positive) which means that with increasing marketing value, Netflix still has the opportunity to maintain the Squid Game film behind its controversial.
2. The Product Additions factor has a correlation coefficient of 2.884 which is positive which indicates that the Squid game film is still a film that is very easy to reach by users with the offers and conveniences provided.
3. The Product Quality factor has a correlation coefficient of 2,426 which is positive which indicates that the squid game film on Netflix still has a fairly good quality with some given qualities.
4. The Product Data Management factor has a correlation coefficient of 2,388 which is positive, which means that the Squid Game Film on Netflix is able to maintain data quality both in terms of customers and suppliers.
5. The Product Trusted factor has a coefficient correlation value of 2,417, which is positive, which means that the Squid Game film on Netflix can still be trusted by users and suppliers.

6. The Product Impact Through Customer factor has a positive coefficient value of 2,335 which means that the Squid Game Film on Netflix can have an impact on customers both psychologically and by impression.
7. The Product Supply factor has a coefficient value of 2,212 which is positive, which means that the Squid Game film in the Netflix film still has a good supply chain in managing its films on Netflix.
8. The Product Interest factor has a coefficient value of 1,531 which is positive, which means that the Squid Game Film on Netflix is able to attract the attention of users.
9. The Product Incident factor has a coefficient value of 1,832 which is positive, which means the Squid Game Film still has conflicts or issues that must be resolved and can have an impact on Netflix itself.

4. Conclusion

Based on the analyzes that have been carried out, there are 9 factors taken in analyzing the risks and opportunities of Netflix behind the controversial Squid Game film during its release. Among others: The first Product Marketing, which represents several indicators, including on-demand, Diversification 2, and Sustainability SCM. Product Additions, which represent several indicators, namely Down Stream Supply Chain, Diversification 1, and Service Innovation 1. Product Quality, which represents several indicators, namely Raw Material 1, and Diversification 4. Product Data Management, which represents several indicators, namely raw material and information flow. Product Trusted, which represents several indicators, namely security management, and marketing innovations. Product Impact Through Customer which represents several indicators, namely Marketing innovation 1 and marketing innovation 2. Product Supply which represents several indicators, namely Financial Flow and On-Demand 2. In terms of the results of the analysis in terms of regression analysis, it can be concluded that each factor has a strong impact and influence on the utilization of opportunities and risk management for Netflix in the screening of the Squid Game film after its release. Therefore, it is hoped that Netflix will take good steps in overcoming this problem.

5. Acknowledgement

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