Genie Capital

Hollywood: Structural Diagnosis and Scenarios

A structural diagnosis for studios, streamers, creators and the public

GENIE CAPITAL LTD · NOVEMBER 2026

About This Report

PREPARED FOR	Studios, Streaming Platforms, Executives, Writers, Directors, Producers, the Press and the People
PREPARED BY	Genie Capital Ltd
FRAMEWORK	Industrial Stack, Nikoka Protocol
LICENSE	CC-BY-NC-SA
DATE	November 2026

Method. This report synthesizes publicly available information only, read through the lens of the Industrial Stack and Nikoka Protocol frameworks.

Data conventions. Figures are reported as cited in the References. Figures labelled “derived” are computed from reported values; charts labelled “illustrative” show direction, not forecasts.

Reuse. Licensed under CC-BY-NC-SA: attribute Genie Capital Ltd, use non-commercially, and share adaptations under the same license.

Genie Capital

About Genie Capital Ltd

Genie Capital Ltd (Genie Capital) is an IP origination and stewardship company based in Buea, Cameroon. Genie Capital Ltd is the originator and steward of novel mathematical formalisms, including Commitment Mathematics, Recursion Mathematics (formerly Loop Theory), Transcendental Mathematics and derivative works. While the bulk of the work is available under the CC-BY-NC-SA license, some derivations are kept proprietary.

LICENSABLE PROTOCOLS

1. Genie Credit Protocol

A data-agnostic protocol that enables digital platforms to underwrite and manage the credit lifecycle on their own terms. Profitably serving the unbanked and underbanked with confidence.

2. Strategic Foresight Protocol

A strategic thinking, diagnostic, decisioning, control and governance language and methodology for boards and executives. Strategize and execute without gaps.

In addition to IP origination and stewardship, Genie Capital uses its frameworks to diagnose structural fragilities in global, national and corporate systems and makes the diagnoses publicly available under the CC-BY-NC-SA license, to enhance the public's understanding and push informed debates.

Every report is made by synthesizing only publicly available information through the lens of specific frameworks.

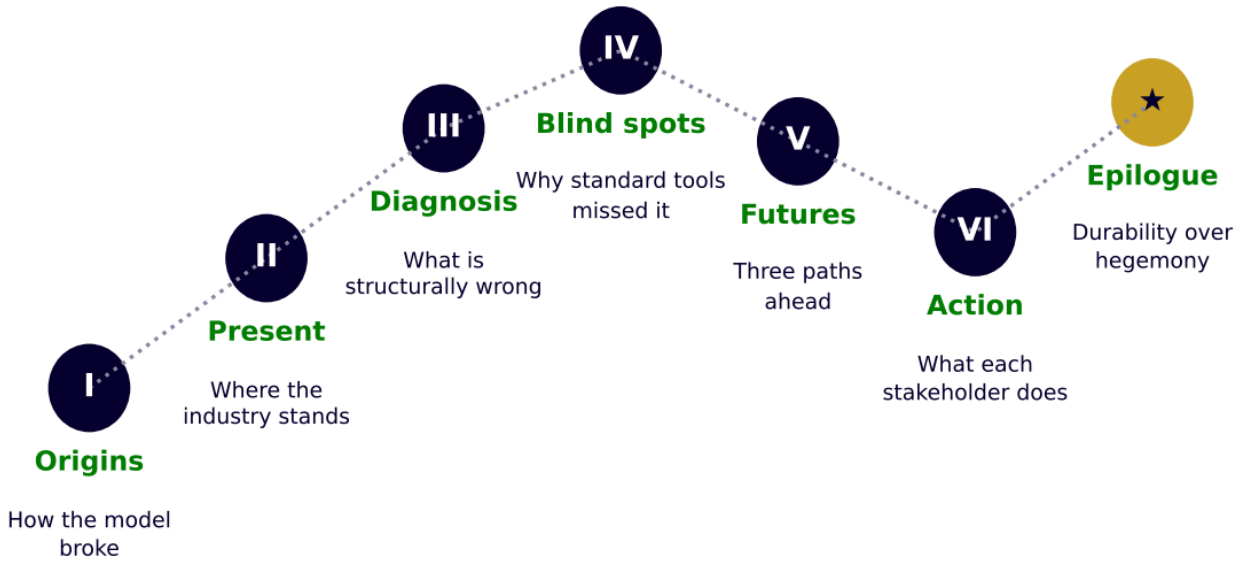
Intelligence Engagements. Decisionmakers can get Genie Capital to diagnose the structural position and trajectories of a company, sector, industry or target. This is ideal for investors, executives, policymakers and others. Intelligence Engagements are limited to one per quarter. Exclusive. Confidential. Private. Always.

Independence. Genie Capital is not an advisory firm, not an investment firm, not a lobbyist. It holds no position in any of the entities mentioned in the report. Neither are any of its customers as at the date of publication. This does not exclude them becoming licensees or partners.

THE STORY IN SEVEN MOVEMENTS

Contents and Narrative Arc

The report moves from origins to action: how a coherent model broke, where it stands, why it is structurally wrong, why standard tools missed it, where the three futures lead, and what each stakeholder should do.



Verdict	**Executive Summary**	The diagnosis and the recommendation in brief
Act I	**1. Historical Background**	How a coherent model became a conflicted one
Act II	**2. Current State**	What the numbers show
Act III	**3. Diagnosis**	Five layers, the core conflict, the starved supply chain, AI extraction
Act IV	**4. Why Conventional Business Tools Miss It**	Why standard frameworks cannot see the problem
Act V	**5. Scenarios and Implications**	Three futures, winners and losers
Act VI	**6. Recommended Action to Stakeholders**	What each stakeholder should do
Epilogue	**Conclusion**	Hegemony or durability
Sources	**References**	Where the figures come from

THE VERDICT IN BRIEF

Executive Summary

Hollywood is not facing a crisis because it made a few bad movies. It is facing a systemic economic crisis because the industry's major players have adopted fundamentally conflicted business models. They are trying to act as both the manufacturer and the retailer at the same time, and in doing so, they have starved the most critical part of their supply chain: the creative talent that generates original stories.

This report analyzes the entertainment industry through the lens of its five foundational business layers: Producer, Aggregator, Platform, Infrastructure, and Protocol (defined in detail in Section 3).

The diagnosis is severe and industry-wide:

- **The Conflict of Interest:** The major studios, streamers, and distributors have abandoned neutral, profitable business models to compete directly with their own suppliers. Disney, Warner Bros. Discovery, Universal, Paramount, and Netflix are simultaneously acting as Producers (making content) and Aggregators (selling/distributing content). This creates an unresolvable conflict of interest. They favor their own content, which alienates third-party suppliers and drives up costs.
- **The Supply Chain Crisis (Infrastructure):** The "Infrastructure" of the entertainment industry is its creative capital—writers, fringe voices, cultural scenes, and new mythologies. This layer is being systematically defunded. Writers' employment has fallen **27% from its 2022 peak**; streaming residuals have declined; soundstage occupancy sits at **62%**, with shoot days in Los Angeles down **46.5%**. The industry is living off its existing intellectual property while failing to invest in new R&D (original stories).
- **Erosion of Global Market Share:** Hollywood's dominance is fading. Its share of the global box office has fallen from **92% to 66%** over two decades. In China, **90% of tickets sold in 2025 were for domestic films**. Domestic attendance has fallen to **780 million**, well below pre-pandemic levels.
- **The AI Threat:** AI is being deployed as a cost-cutting tool. It is an extractive technology—it consumes existing creative work to generate remixes, but it does not create new myths or cultural truths. If the industry uses AI to replace the very writers and creators who generate new material, it will accelerate the collapse of its own supply chain.

Three futures are possible. Continuing as is leads to slow irrelevance. Fixing the internal business model but surrendering copyright and AI standards to Big Tech leads to the same place, faster. Only full structural correction—divesting conflicting business units, heavily investing in creative R&D, and fighting for favorable regulatory standards—gives Hollywood a chance to survive as a global player.

> *The recommendation in one line:* ***End the conflict of interest by separating production from distribution, reinvest heavily in original creative talent, protect copyright from AI extraction, and trade global dominance for durable partnerships.***

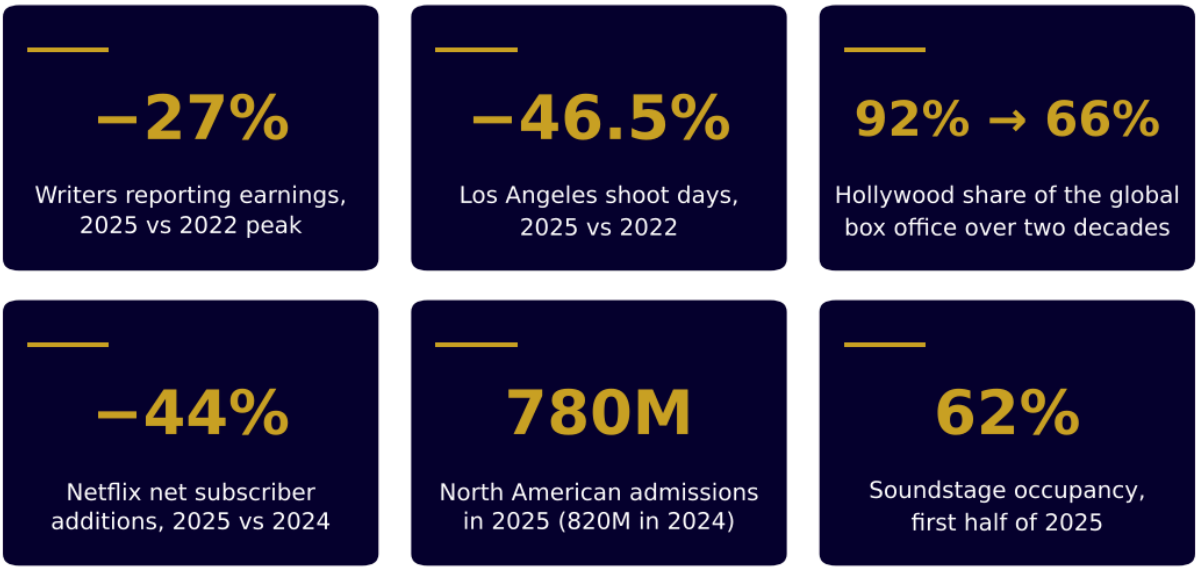


Figure 1. *At a glance: the structural indicators behind the diagnosis.*

ACT I — HOW WE GOT HERE

1. Historical Background

To understand the current economic crisis, one must trace how Hollywood shifted from a stable, vertically integrated model to a highly conflicted, capital-intensive one.

1.1 The Studio System: A Coherent Business Model

Hollywood's original dominance was built on a highly efficient, vertically integrated industrial model. From the 1920s to the 1950s, the major studios (Paramount, MGM, Warner Bros.) controlled production, distribution, and exhibition.

This was a coherent business. The studios owned the soundstages (the means of production), the distribution networks, and the theater chains (the retail outlets). They controlled the entire supply chain, from the raw material (scripts, talent) to the final consumer. They also controlled the creative pipeline, holding contracted stars, directors, and writers who generated the era's cultural myths.

The Paramount Decrees of 1948 forced the studios to divest their theater chains, but the underlying economic logic—control the supply chain—persisted. Studios retained control of production and distribution and built a highly profitable global licensing model, making them the indispensable suppliers of content to theaters worldwide.

1.2 The Rise of the Neutral Distributor

The DVD-by-mail era (1997–2006) introduced a new, highly profitable business model: the neutral Aggregator. Netflix controlled consumer demand and optimized access and selection—mail delivery, no late fees, and a massive catalog.

Crucially, Netflix was **not in conflict** with the studios. It bought DVDs at wholesale and licensed streaming content. The studios viewed Netflix as an additional, lucrative revenue channel. There was no competition, no conflict of interest, and no reason to withhold supply. The studios remained the manufacturers; Netflix was the neutral retailer.

The streaming transition (2007–2012) deepened this arrangement. Studios signed multi-year licensing deals and became increasingly dependent on streaming for distribution revenue. By the early 2010s, streaming aggregators were the primary distribution channel for studio content. The retailer had become indispensable to the manufacturer.

1.3 The Inflection Point: Vertical Integration and Conflict

In February 2013, Netflix released *House of Cards*, marking its transition from a neutral retailer into a manufacturer (Producer).

The financial logic for Netflix was sound: original content carried higher margins, was exclusive, and supported subscriber growth. But the **strategic and economic logic** was disastrous. By becoming a Producer, Netflix became a direct competitor to its own suppliers. It was now bidding for the same talent, the same intellectual property, and

the same viewer attention. More fundamentally, it was now in a position to favor its own content over licensed content in its algorithms, promotion, and placement.

The studios noticed. Netflix had broken the unwritten rule of neutrality. It was no longer just the marketplace; it was a player on the field.

1.4 The Retaliation and the Streaming Wars (2019–2023)

The studios' response was slow but decisive. Disney launched Disney+ in 2019, followed by WarnerMedia's HBO Max in 2020, NBCUniversal's Peacock in 2020, and Paramount+ in 2021.

Each of these services pulled their content off Netflix. The catalogs that had made Netflix's selection promise credible were systematically withdrawn.

The consequence for consumers was direct and material. Where once one subscription gave access to nearly everything, now five or six were required. The single most valuable element of the aggregator's value proposition—**access to everything in one place**—was destroyed.

This is a **two-step causal chain**: the Aggregator's move into production caused the studio supply to break, and the studio supply breaking caused the consumer proposition to degrade. The studios, in trying to defend their manufacturing business by building their own retail apps, bled billions in cash to buy subscribers, breaking their own neutrality and forcing themselves into massive debt.

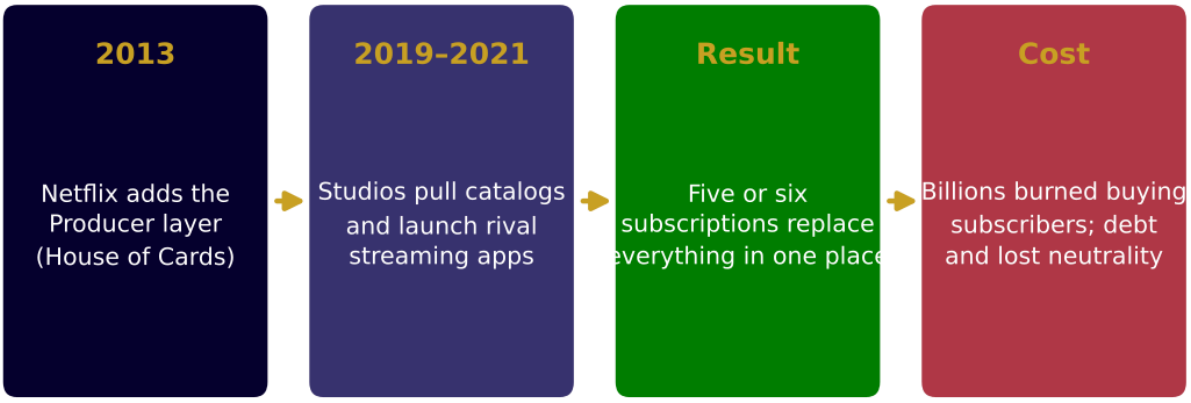


Figure 2. *The two-step causal chain: the Aggregator's move into production broke studio supply, and broken supply degraded the consumer proposition.*

1.5 The Current Period (2024–2026): Managing Consequences, Not Causes

The industry has spent the last three years trying to manage the symptoms rather than the disease. It introduced advertising-supported tiers, cracked down on password sharing, raised prices, and invested in live events and games.

These are all structural expansion moves—attempts to build new revenue streams. But they are being built on a broken foundation. The supply arrangements remain fragmented. The consumer proposition remains weak. And shareholder pressure continues to demand short-term growth, forcing companies to extract value from the layers that are already strained.

The industry is now locked in a capital-intensive arms race at the distribution layer, while the creative supply chain—the writers, fringe voices, and cultural scenes—is being systematically defunded.

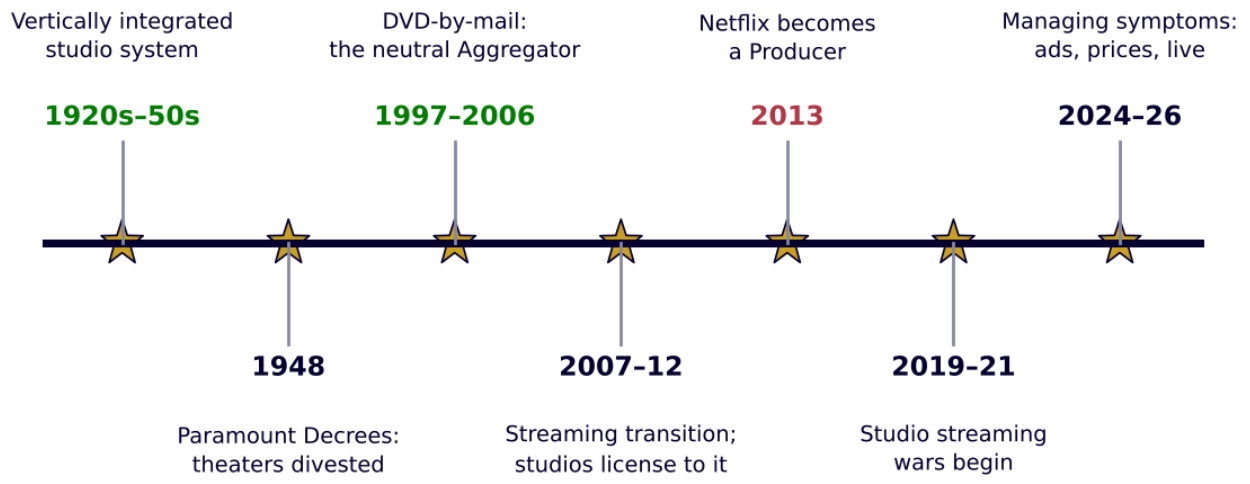


Figure 3. *From a coherent, vertically integrated model to a conflicted, capital-intensive one.*

ACT II — WHERE THINGS STAND

2. Current State

2.1 Financial Performance of the Major Players

Netflix: Full-year 2025 revenue was **$45.18 billion**, a **15.85%** increase year over year. Net income was **$10.98 billion**, up **26.05%**. Operating income was **$13.33 billion**. Q2 2026 revenue was **$12.56 billion**, up **13%** year over year, with an operating margin of **33.4%**. Full-year 2026 guidance is **$51.0–$51.4 billion**. Operating margin targets have been raised to **31.5%**. Advertising revenue was approximately **$1.5 billion in 2025** and is expected to double to **$3 billion in 2026**. Despite these numbers, Netflix stock has fallen approximately **42%** over the past 52 weeks, trading in the **$70–80** range as of October 2026. Market capitalization is approximately **$294 billion**. The company has announced layoffs involving roughly **5%** of its workforce.

Disney: Led global ticket sales with **$6.6 billion** in 2025. Content spending will reach **$24 billion** in fiscal 2026, up **$1 billion** from 2025. Disney held approximately **26%** of domestic admissions (202.9 million admissions, $2.49 billion domestic).

Warner Bros. Discovery: Held **20.15%** of domestic admissions (157.1 million admissions, $1.9 billion) and **$4.4 billion** in global ticket sales. WBD was acquired by Paramount Skydance in a **$110 billion** transaction after Netflix abandoned its own **$82.7 billion** bid.

Universal: Held **17.96%** of domestic admissions (140 million admissions, $1.79 billion).

The five major studios generated **$17.7 billion** globally in 2025, up **15%** from 2024, representing **54%** of the global box office.

2.2 Subscribers and Engagement

Netflix ended 2025 with approximately **325 million paid memberships**. Including shared accounts and ad-tier viewers, the audience approaches one billion people globally. Netflix added approximately **23 million net new subscribers in 2025**, down from **41 million in 2024**—a **44%** decline in net additions. Viewing hours grew approximately **2%** in the first half of 2026, following **1.5%** growth in 2025. Revenue grew **13%** over the same period. More than one-third of all viewing is non-English programming. The advertising-supported tier has approximately **250 million monthly active viewers**.

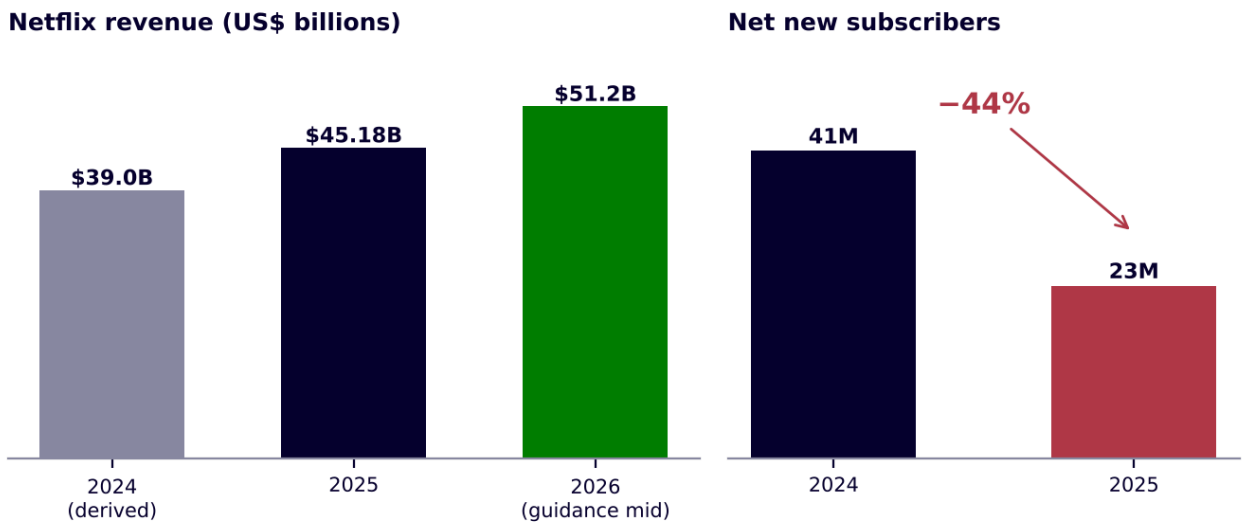


Figure 4. *Netflix revenue and net subscriber additions. 2024 revenue is derived from the reported 2025 figure and growth rate ($45.18B ÷ 1.1585); 2026 shows the midpoint of the $51.0–$51.4B guidance.*

2.3 Domestic Box Office Revenue and Attendance

The North American box office generated **$8.87 billion** in 2025. Attendance was **780 million**, down **4.9%** from 820 million in 2024. The average ticket price was **$13.29**, up **5.7%** from the prior year. (Dividing the $8.87 billion box office by 780 million admissions implies an average realized yield of about $11.37 per admission; the two price measures use different bases and are not interchangeable.) Pre-pandemic, annual attendance averaged over one billion.

Action movies accounted for **39.2%** of attendance, horror **11.56%**, and animation **14.4%**. PG-rated films accounted for **34.4%** of admissions.

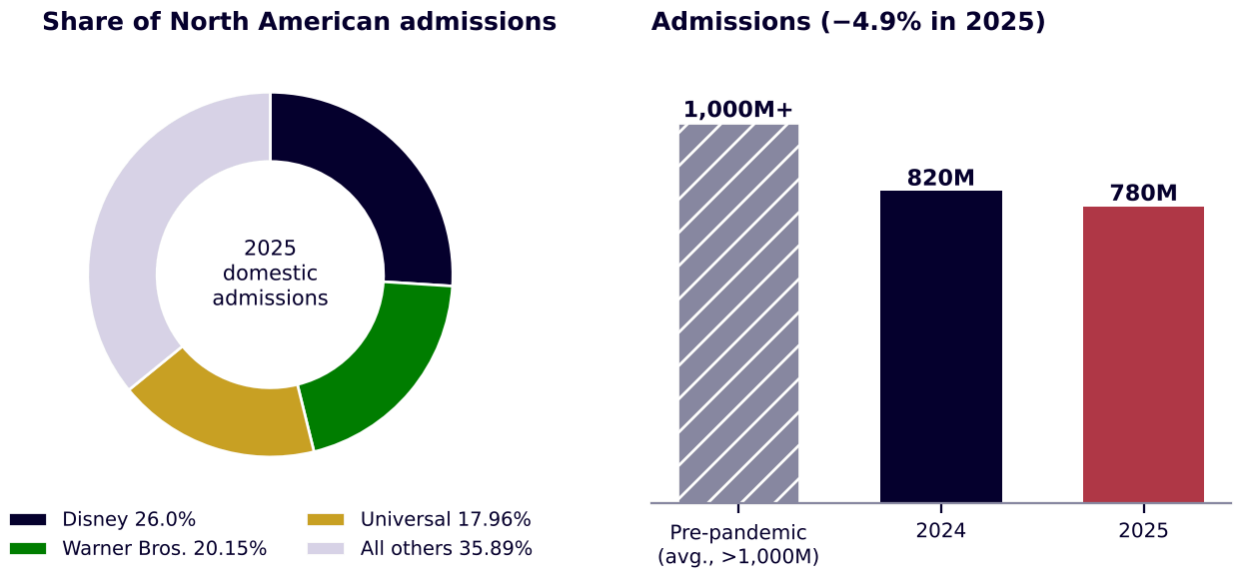


Figure 5. *North American admissions share and attendance. "All others" is the remainder after the three studios shown; pre-pandemic attendance is shown at the lower bound of "over one billion".*

2.4 Content Spending and Commissions

Netflix is forecast to spend approximately **$20 billion** on content in 2026, an increase of roughly **10%** year over year. Approximately **5%** of the content budget ($1 billion) is allocated to live programming.

Disney's content spending will reach **$24 billion** in fiscal 2026. Paramount has also pledged to increase spending.

Commissioning activity reached its highest level in five years in Q1 2026, with **231 titles** commissioned globally. Crime, thriller, and drama now represent **69%** of scripted commissions, up from **35%** in Q4 2020. Science fiction and fantasy commissions are at **8%** of the total.

2.5 Labor and Production Data

According to WGA West, **5,072 writers** reported earnings in 2025, down from nearly **7,000 in 2022**, a fall of about **27%**. Writer employment decreased **10.2%** from 2024 to 2025. Total up-front earnings fell **24.5% since 2022**, adjusted for inflation. Streaming residuals were **$330.7 million** in 2025, down from **$346.6 million** in 2024. Total residuals were **$535.5 million** for 2025, down **4.9%** year-over-year.

FilmLA reported that shoot days in Los Angeles County sank **46.5%** in 2025 compared to 2022. Soundstage occupancy was **62%** in the first half of 2025.

According to the Otis College Report on the Creative Economy, actor employment nationally has dropped **17%** and writer employment **14%** since May 2023. Industry jobs are down **40%** from the peak TV era.

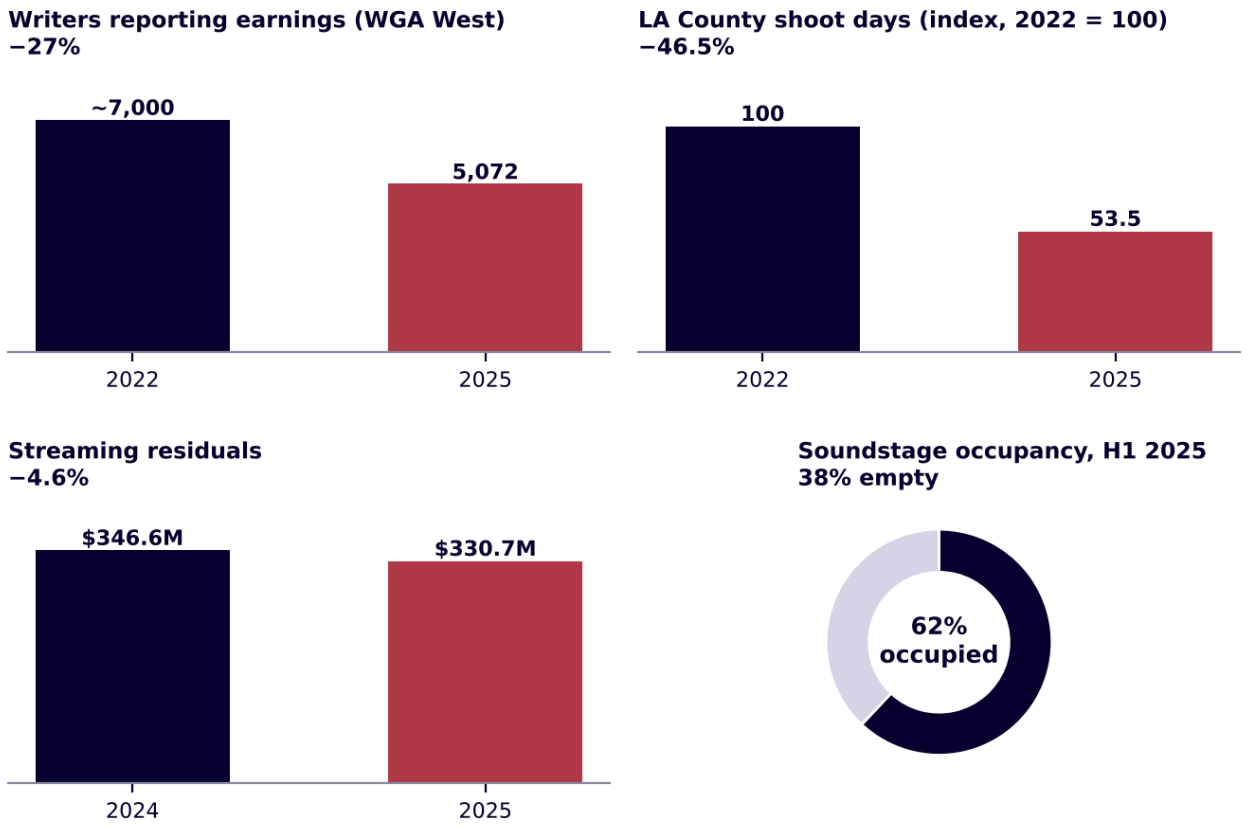


Figure 6. *Indicators of creative supply-chain starvation. The 2022 writer count is "nearly 7,000" as reported; the shoot-day index is derived from the reported 46.5% decline.*

2.6 Global Market Share

The share of US films in the top ten charts of 39 major markets was **82% in 2023**, **77% in 2024**, and **66.1% in 2025**. Hollywood's share of the global box office has fallen from **92% to 66%** over the past two decades. The two series measure different things: the first counts US films' share of top-ten chart positions in 39 major markets; the second is a longer-run share of global box-office revenue.

In China, approximately **90%** of tickets sold in 2025 were for domestic films. Hollywood's market share in China was approximately **21%** in 2024, compared to **35–40%** before the pandemic. Chinese productions averaged **20%** of the global box office in the five years since 2020, compared to **10%** in the five preceding years. **98%** of those earnings came from China's domestic market. The top-grossing film of 2025 was *Ne Zha 2*, which grossed **$2 billion** worldwide. **2%** of its gross came from outside China.

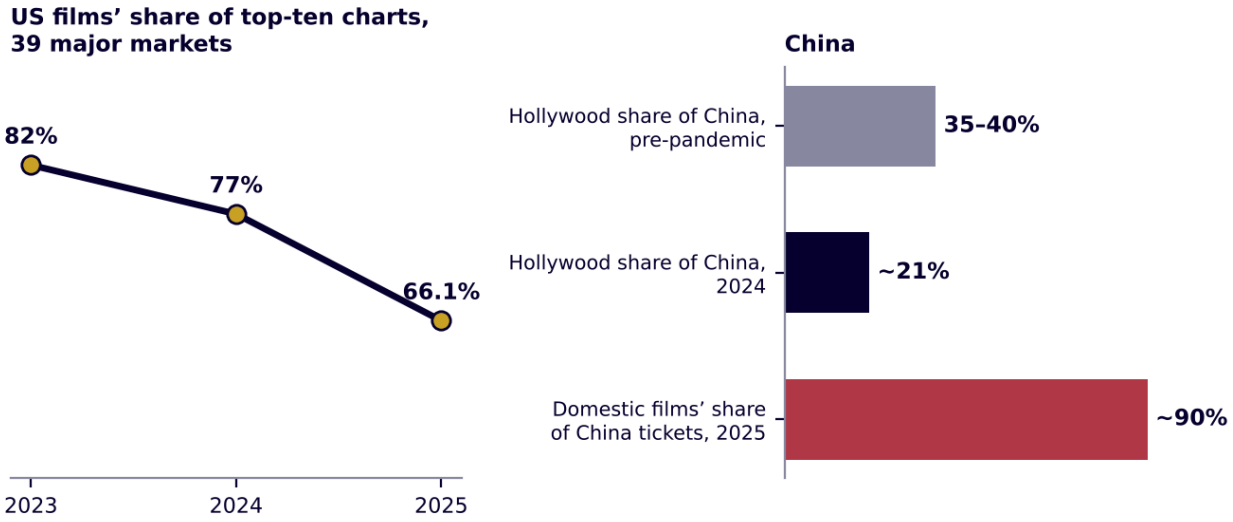


Figure 7. *Hollywood's eroding position abroad. The chart-share series and the China series use different measures and are not directly comparable.*

2.7 AI Deployment Across the Industry

AI is being deployed across the industry at every layer:

Producer layer: Studios are using generative AI in post-production, pre-visualization, visual effects, de-aging, dubbing, and background generation. Netflix has used generative AI across approximately **300 titles**. AI is also being used in script analysis, greenlighting decisions, and audience testing.

Platform layer: AI tools are being built and sold by tech companies—OpenAI, Google, Runway, Luma, Midjourney. These tools generate video, images, voice, and text. They are trained on vast datasets that include copyrighted creative work and are marketed to studios as cost-reduction tools.

Aggregator layer: Streaming platforms use AI for recommendation algorithms, content tagging, thumbnailing, and advertising targeting. Netflix acquired InterPositive, an AI post-production company, for **$587 million** in March 2026.

Protocol layer: The rules governing AI use—copyright, likeness, consent, compensation, training data, and output ownership—are being contested. The WGA has accused companies including OpenAI of having "stolen vast libraries of works." Disney, Netflix, Sony, and Warner Bros. have sent cease-and-desist letters to tech companies

alleging massive copyright infringement. The 2023 strikes secured some AI provisions, but the broader legal war remains unresolved.

ACT III — WHAT IS BROKEN

3. Diagnosis

To understand the industry's structural failure, we must decompose it into its five foundational economic layers.

3.1 The Five-Layer Framework

The Five Layers of the Entertainment Industry:

1. **Producer (Value Makers):** Transforms inputs into output. *Hollywood Examples:* Studios' production arms, production companies, crews, VFX/post houses.
2. **Aggregator (Market Creators):** Matches supply and demand. *Hollywood Examples:* Distributors, cinemas, streamers, TV networks, talent agencies.
3. **Platform (Toolmakers):** Provides the means and components of production. *Hollywood Examples:* Camera/lighting manufacturers, edit/VFX software, virtual production, equipment rental, AI tools.
4. **Infrastructure (Substrate Providers):** Provides the foundational raw material/capacity. *Hollywood Examples:* Myth creators: writers, storytellers, fringe voices, cultural scenes, new mythologies.
5. **Protocol (Standard Setters):** Makes things compatible so they can flow. *Hollywood Examples:* Codecs, DRM, copyright, contracts, ratings, AI consent rules.

Each layer depends on the layers below it. The Protocol is the base. **The dependency is also leverage**: each layer below holds power over the layer above it. The Producer is the most exposed position because every layer below it can squeeze it.

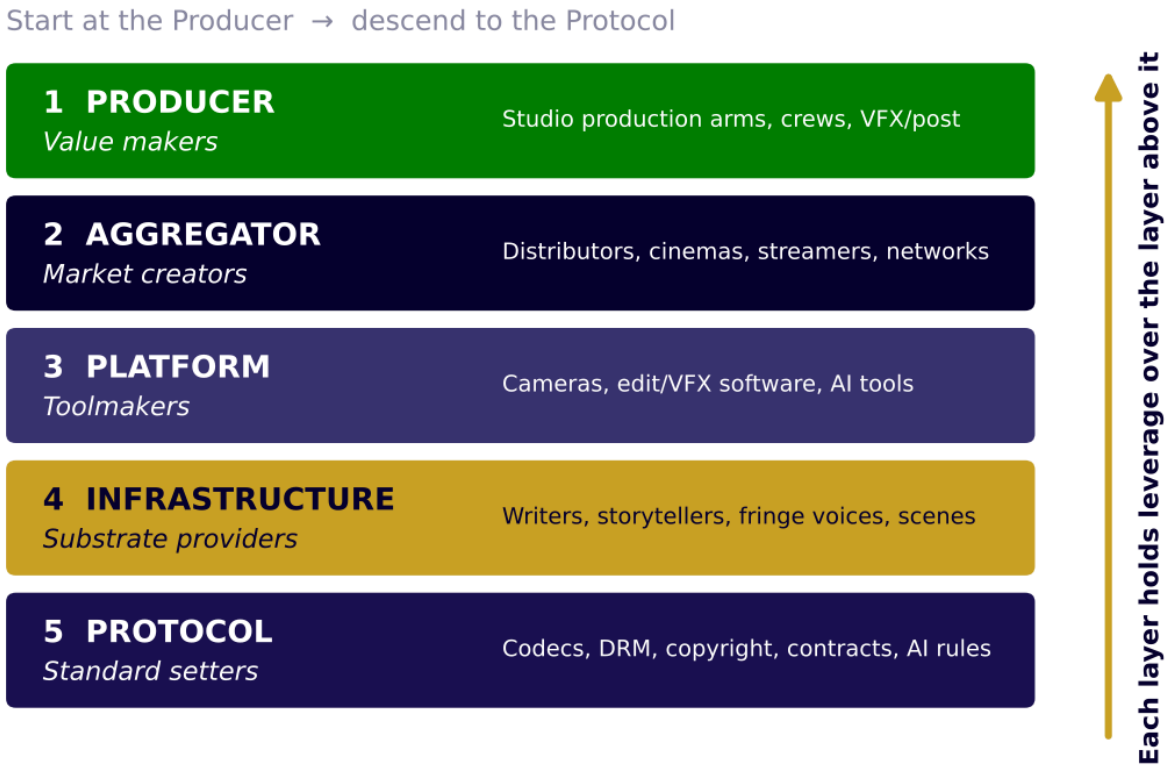


Figure 8. *The five-layer model of the entertainment industry (Industrial Stack).*

3.2 The Core Economic Conflict: Occupying Incompatible Layers

The streaming aggregators began as pure Aggregators. They controlled demand and optimized access and selection. This was a coherent, highly profitable business model.

In 2013, Netflix added the Producer layer. It began controlling inputs (talent, IP, production capacity) and optimizing the quality and quantity of its own content. **Netflix now occupies two layers simultaneously.** This is the source of every problem the company faces—and the same structural error has been replicated across the industry.

- **The Aggregator's business model depends on neutrality.** It is the marketplace where all suppliers bring their goods and all buyers come to find them. Its credibility rests on treating all suppliers equally. If it favors some over others, the disfavored suppliers withdraw, and the selection promise weakens.
- **The Producer's business model depends on winning.** It is not neutral. It competes for talent, audience attention, and shelf space. It must favor its own output to succeed.

These two business models are fundamentally incompatible. A company cannot simultaneously be the neutral marketplace for all suppliers and a competing supplier itself. The moment it becomes both, its neutrality is compromised, and its suppliers begin to treat it as a competitor.

The studios made the same error in response. When Netflix threatened them, they looked at Netflix's Aggregator layer and decided they needed their own. Disney+, HBO Max, Peacock, and Paramount+ were all attempts to out-Netflix Netflix. But the studios were not tech-native Aggregators. They entered a capital-intensive arms race where they had no structural advantage. They bled billions in cash to buy subscribers, breaking their own neutrality and forcing themselves into massive debt.

By becoming Aggregators, the studios started self-preferencing their own content on their own platforms. They stopped being neutral suppliers of content to the entire market (the old, highly profitable licensing model) and became conflicted gatekeepers.

The entire industry is now locked in a conflict that none of them can win, because the conflict is structural, not competitive.

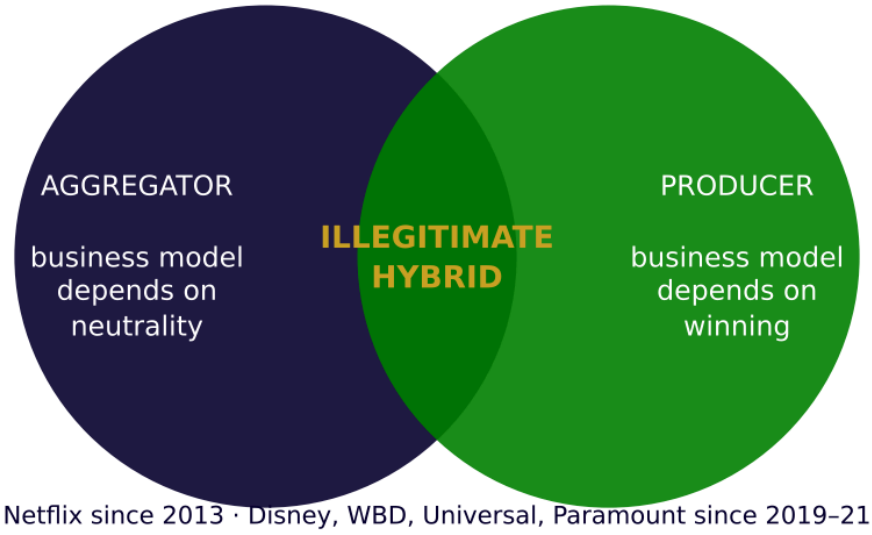


Figure 9. *The incompatible positions that an Aggregator–Producer hybrid must occupy at once.*

3.3 The Financial Impact: Structural Legitimacy is Zero

In financial terms, the industry's major players score zero on four critical dimensions of business health:

Dimension	Industry Score	Explanation
Control Purity	**0**	Major players control both demand (Aggregator) and inputs (Producer)
Output Dimension Purity	**0**	They optimize four dimensions instead of two
Neutrality Purity	**0**	They favor their own content over licensed content
Conflict Avoidance	**0**	They compete directly with their own suppliers

Because these factors are multiplicative in business, a zero in any one collapses the total value. The major studios, streamers, and distributors score zero on all four. They are not legitimate Aggregators. They are not legitimate Producers. They are **illegitimate hybrids**.

3.4 The Supply Chain Crisis: The Infrastructure Is Being Starved

In the entertainment economy, **Infrastructure = the creative capital**. Writers, storytellers, fringe voices, cultural scenes, folklore communities, regional scenes, fan canon—the collective symbolic memory that supplies raw material. Their output dimensions are **Bandwidth × Reliability**—how much new material flows, and how dependably it regenerates.

The industry treats them as **People flow** into the Producer layer—labor, cost, input. That single misclassification cascades through everything:

- Writers are paid as labor, not as R&D. There is no capital expenditure line for new myth generation; it is expensed as a cost, not invested in as an asset.
- Residuals are fought as "compensation," not "royalties" or "IP maintenance." The replenishment function is invisible, so it is unpaid.
- AI training on writers' work is litigated as copyright infringement, not as supply chain extraction. The legal fight is real, but the economic stake is unnamed.
- Cultures and folklore are "free" inputs—public domain, unownable. The most foundational layer is priced at zero.
- The 2023 strike was framed as labor vs. capital. It was actually **supply chain vs. distribution**—substrate providers vs. center drift.

The industry has no dashboard for **creative bandwidth** or **supply chain reliability**. Depletion shows up late, as "franchise fatigue" and "global audience drift," long after the pipeline has thinned.

The data confirms the starvation. Writers' employment has fallen 27% from its peak. Streaming residuals fell 4.6% in 2025, from $346.6 million to $330.7 million. Soundstage occupancy is at 62%, with shoot days in Los Angeles down 46.5% from 2022. Actors' employment is down 17%, and industry jobs overall are down 40% from the peak TV era. The creative supply chain is not being replenished. It is being mined.

3.5 The AI Threat: Extraction, Not Generation

AI is a **Platform-layer technology**—a tool that optimizes simplicity and versatility. But it is being deployed across the industry in a way that aggressively cannibalizes the **Infrastructure** layer.

Generative AI is an **extractive engine, not a generative one**. It does not "think" or "create" in the human sense. It is a vast pattern-matching engine that consumes the substrate—the myths, stories, cultural nuances, and human experiences that writers and creators have generated over centuries—and recombines them. It does not add to the **Bandwidth** of the Infrastructure. It does not generate new cultural truths, new subcultures, or new mythologies. It merely remixes what already exists. **It is a liquidation engine for creative capital.**

The strategic danger is a **model collapse**: if human creators are starved out of the industry, the substrate stops regenerating. AI models begin training on other AI-generated content. The result is homogenization and degradation of output. The stories become incoherent, repetitive, and culturally dead.

The tech companies building these AI models are trying to **capture the Protocol layer**. They want to redefine copyright, likeness, and fair use so that they can extract the Infrastructure substrate for free.

AI makes Infrastructure investment paramount. If AI can handle the center—the predictable, formulaic, blockbuster CGI, the generic procedural scripts, the algorithmic remixes—then human creators must be freed to do what AI cannot: **generate new myths**. The only defense against AI homogenization is radical originality. New genres, new cultural scenes, new mythologies, new storytelling formats. This is where the Infrastructure layer must be heavily capitalized.

3.6 The Structural Imbalance: Capacity vs. Supply Chain

An industry's built capacity—its structure, reach, and scale—cannot sustainably exceed the strength of the supply chain that supports it.

> ***You cannot build more than your supply chain can hold.***

The industry violated this principle. It scaled content spending to **$20 billion per year at Netflix alone**, with Disney at **$24 billion** and Paramount increasing spending. It built global production capacity, expanded into advertising, games, and live events. It built enormous structural capacity.

But the creative supply chain that would need to support this structure was not being replenished. In fact, it was being depleted.

The industry is spending more to achieve less. Content spending is rising **10%** annually while engagement grows **2%**. Subscriber additions have fallen **44%** year over year. The gap between what the industry spends and what audiences actually watch is widening. The box office is propped up by price increases even as attendance falls. The industry is building more distribution and production capacity on top of a creative supply chain that is being mined to exhaustion.

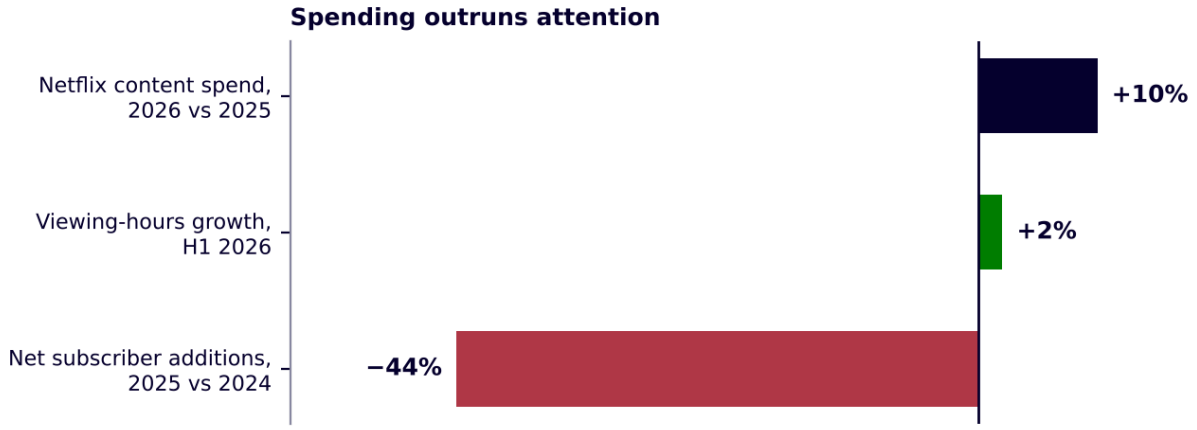


Figure 10. *Spending outruns attention: growth rates cited in this report.*

ACT IV — WHY IT WAS MISSED

4. Why Conventional Business Tools Miss It

The diagnosis presented above is not available from standard business analysis. This is not because analysts are inattentive. It is because the standard tools are built on assumptions that make the diagnosis unrepresentable.

Conventional tools assume one position in the value chain. Porter's Five Forces, SWOT analysis, and the BCG matrix all treat a company as occupying a single competitive position. They ask about suppliers, buyers, substitutes, entrants, and rivals. They do not ask whether the company is itself a supplier to its own customers, or a competitor to its own suppliers. The major studios and streamers occupy two positions simultaneously. No standard framework has a vocabulary for this.

Conventional tools do not measure neutrality. Competitive analysis generally assumes that self-preference is normal and even optimal. Apple favors its own apps. Amazon favors its own products. This is treated as good business. But in aggregation, **neutrality is the moat**. The moment an Aggregator self-prefers, it stops being the marketplace and becomes a competitor. Standard tools have no neutrality variable and therefore cannot detect the breach.

Conventional tools produce snapshots, not causal chains. SWOT and Five Forces tell you where you are. They do not tell you how you got there or what happens next. The industry's situation is a multi-step causal chain: the move into original production caused the studio supply to break, the studio supply breaking caused the consumer proposition to degrade, and the consumer proposition degrading caused the current fragmentation. Standard tools see separate events. They do not model propagation across layers.

Conventional tools assume shareholder primacy as the objective. Agency theory, which underpins most corporate governance, holds that the firm should be managed to maximize shareholder value. This is treated as the goal, not as a variable to be examined. But shareholder value is a demand on the Aggregator and Producer layers that can never be satisfied in depth. Managing the firm for it means systematically extracting from the layers that can develop depth—the creative supply chain, the workforce, the consumer proposition. Standard tools cannot see this because they treat shareholder value as the objective rather than as one demand among several.

Conventional tools lack a structural constraint. Strategy frameworks say "grow," "invest," "scale," and "differentiate." They do not say "you cannot scale structure beyond what your supply chain can support." Without that constraint, there is no way to detect structural overreach in advance. It only becomes visible after the damage is done.

Conventional tools treat stakeholders as groups, not as layers. A stakeholder map lists categories: customers, employees, suppliers, communities, shareholders. It does not model that each group occupies a specific layer in the value chain, with its own control variable, its own output dimensions, and its own leverage. The industry treats writers as labor because it has no vocabulary for the layer they occupy. Standard tools cannot represent this.

ACT V — WHERE IT LEADS

5. Scenarios and Implications

Three futures are possible. Each has a distinct trajectory, cost structure, and distribution of winners and losers.

5.1 Scenario One: Continue As Is (The Depletion Loop)

The move. No structural change. Continue the hybrid model. Maintain content spending at approximately $20 billion per year at Netflix alone, with Disney at $24 billion and others increasing. Continue raising prices and expanding advertising. Hope that growth in advertising and live events compensates for slowing engagement.

The mechanics. The studios and streamers continue to fight over the distribution layer. They burn capital on streaming apps and blockbuster IP. Because they are locked in this war, they continue to starve the creative supply chain—writers, fringe creators, new myths. Hollywood's global share continues to erode as local mythologies gain ground. The creative capital rots.

Costs. Content spending of $20–24 billion per year at Netflix and Disney, against roughly 2% engagement growth. Continued brand erosion. Progressive loss of audience commitment. Sunk cost in overbuilt infrastructure.

Benefits. Short-term revenue growth for two to three years. No difficult decisions. No political cost.

Winners. Short-term investors who exit before Year 3. Competitors who gain share while Hollywood drifts. Advertisers who obtain cheap inventory.

Losers. Long-term shareholders. Employees facing layoffs. Audiences facing higher prices and worse selection. Creative talent as budgets tighten. The industry's global standing.

Assessment. This is the default outcome. It requires no courage and no decisions. It leads to slow decline and eventual irrelevance. Hollywood slides with the decline of American power and runs into irrelevance within 30 years—slow but certain aging.

Verdict: Failing every business metric. Slow death.

5.2 Scenario Two: Address the Fight, But Surrender the Protocol (The Half-Measure Trap)

The move. The industry wakes up and fixes the internal structural conflict. Studios stop trying to be Aggregators. Netflix spins off its studio. They return to neutrality. They open up to the fringe.

The fatal flaw. They fail to recognize the supply chain (Infrastructure) and surrender the legal/regulatory framework (Protocol) to Big Tech (OpenAI, Google, Meta). They let AI companies scrape the creative supply chain for free, and they use AI to replace the very creators who generate new substrate.

The mechanics. Business purity is restored internally, but the legal framework is captured externally. The AI companies become the true extractors. The studios are just renting AI tools to make cheaper, homogenized content. The supply chain still rots—just faster.

Costs. Massive short-term revenue loss from divestment, but without the compensating benefit of a restored supply chain. The industry becomes a vassal state to Silicon Valley.

Benefits. Structural conflict is resolved. Clearer identity. But the foundation is still being extracted.

Winners. Big Tech, which captures the legal framework and rents tools to a hollowed-out industry. Short-term investors who exit during the divestment bump.

Losers. Everyone else. The industry ends up in the exact same place as Scenario 1, but with tech billionaires owning the wreckage.

Assessment. This is the "tech-bro" path. It looks like a fix, but it sells the soul of the industry to the AI Protocol. It will not be that different from Scenario 1 in terms of implications.

Verdict: Purity restored, but legal framework captured. Supply chain extraction continues. Slow death, accelerated.

5.3 Scenario Three: Accept the Full Diagnosis (The Sovereign Pivot)

The move. The full structural correction.

1. **Divest the Aggregator conflict.** Studios stop trying to be streaming platforms. Netflix spins off its studio. They return to neutral aggregation and neutral production.
2. **Recognize and protect the Infrastructure.** Writers and creators are recognized as the supply chain. They are treated as strategic partners, not cost centers. Capital is redirected to fund original IP incubators, fringe cultural scenes, regional storytelling ecosystems, and new mythologies.
3. **Fight for the Protocol.** The industry establishes a new legal framework. AI consent and compensation rules are enforced. Copyright is defended. "Human-made" becomes a structural differentiator. The industry refuses to let AI companies capture the regulatory layer.
4. **Commercialize Platform assets.** Studios monetize their Platform layer—VFX houses, soundstages, AI tools—as neutral services for the entire industry, including competitors.
5. **Accept multipolarity.** Hollywood accepts that American hegemony is fading. It cannot dominate the globe anymore. It pivots to partnership—working with Korean, Indian, African, and other regional industries as collaborators, not colonizers.

The mechanics. Business purity is restored across all layers. The supply chain is protected by the legal framework. The industry trades hegemony for durability.

Costs. Massive short-term revenue loss as studio revenue is separated. Licensing costs return. Brand must be rebuilt as neutral and collaborative. Platform build over three to five years. Requires board courage to accept short-term pain.

Benefits. Structural conflict resolved permanently. Neutrality restored as a structural advantage. Durable moat as a trusted node in a global network. Supply chain replenished. Platform economics, which carry higher margins than production.

Winners. Studios who gain a neutral partner. Audiences who get better content. Long-term investors who gain durability. Creators who gain a protected supply chain. The global industry, which gains a collaborative partner rather than a hegemon.

Losers. Short-term investors who experience pain before gains. Competitors who relied on Hollywood's fragmentation. The American empire, which loses its cultural unipolarity.

Assessment. Hollywood may lose its status as the center of global entertainment. The center shifts to a multipolar network. But the players—the studios, the talent, the infrastructure—survive because they become indispensable nodes in the global network. They trade hegemony for durability.

Verdict: Full business health. Legal framework protected. Supply chain invested. Systemic survival.

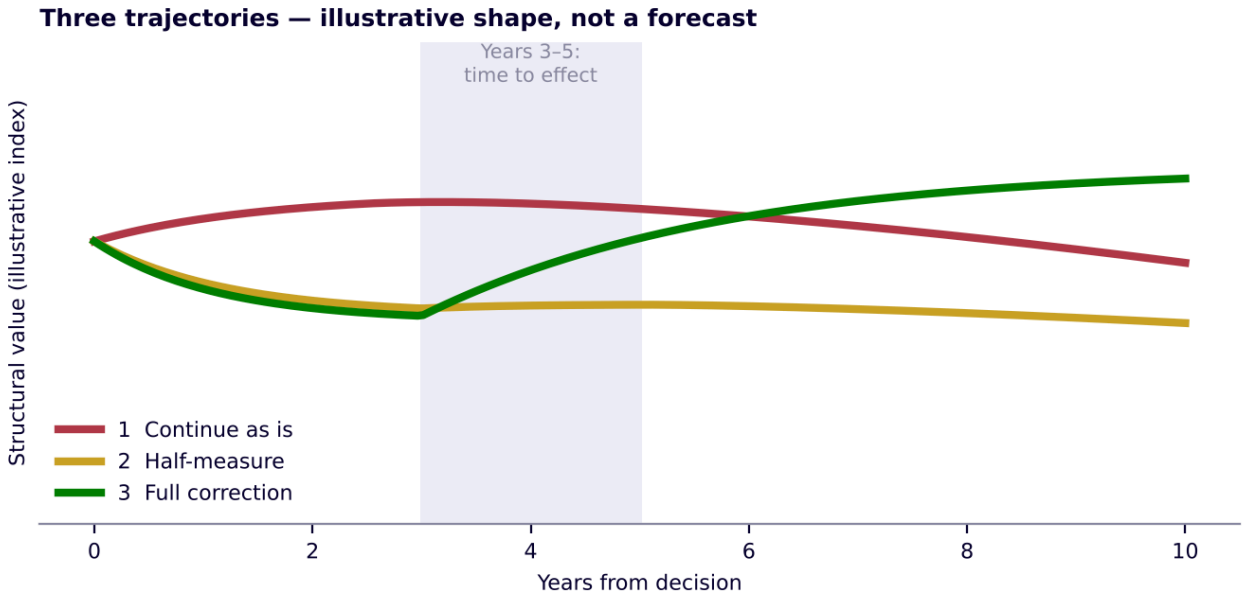


Figure 11. *Illustrative trajectories of the three scenarios. Shapes convey direction and the 3–5 year time to effect, not forecast values.*

5.4 Scenario Comparison

Dimension	Scenario 1: Continue	Scenario 2: Half-Measure	Scenario 3: Full Correction
Structural conflict	Unresolved	Resolved internally	Resolved fully
Layer occupied	Illegitimate hybrid	Divested, but Protocol captured	Pure Aggregator + Platform + protected Infrastructure
Supply chain	Starved	Starved (AI extraction)	Invested and protected
Business Health	0	Partial (Protocol captured)	Full
Revenue trajectory	Grows then collapses	Shrinks, stabilizes, then hollows	Shrinks, then grows durably
Time to effect	3–5 years until decline is self-reinforcing; irrelevance within about 30 years	3–5 years to vassal state	3–5 years to stability, 5+ to prove
Risk	Irrelevance	Subordination to Big Tech	Execution and courage
Reversible	No	Partially	Partially

5.5 Winners and Losers by Stakeholder

Stakeholder	Scenario 1	Scenario 2	Scenario 3
Mass-market audiences	Lose	Lose	Win
Premium audiences	Lose	Win	Win
Studios	Lose	Neutral	Win
Creative talent (writers, actors)	Lose	Lose	Win
Employees	Lose	Mixed	Mixed
Short-term investors	Win if exit early	Lose	Lose
Long-term investors	Lose	Lose	Win big
Big Tech / AI companies	Win	Win big	Lose
YouTube	Win	Win	Lose
Global audiences	Lose (homogenization)	Lose (AI sludge)	Win (diversity)

ACT VI — WHAT TO DO

6. Recommended Action to Stakeholders

The analysis yields a clear recommendation. It is not comfortable, and it requires accepting short-term pain for long-term structural health. The recommendations below are addressed individually to each stakeholder group named in the report's mandate.

6.1 To Studios (Disney, Warner Bros. Discovery, Universal, Paramount, and Others)

> **Diagnosis:** You are illegitimate hybrids. You are trying to be manufacturers and retailers simultaneously. Your structural business health is zero. You are bleeding billions in a streaming arms race you cannot win, while starving the creative supply chain that supplies your content.

RECOMMENDED ACTION

Step One: Divest the Aggregator conflict. Shut down or spin off your streaming apps. You are not technology companies. You do not have the structural advantage of a tech-native Aggregator. Return to what you are: Producers and Platform owners. License your content to every Aggregator—Netflix, Amazon, Apple, and any other that will pay. The old licensing model was not a weakness. It was your strength. You were the indispensable supplier. You gave that up to chase subscriber counts. Take it back.

Step Two: Return to neutral production. Commit publicly and bindingly to non-self-preferential treatment of content. If you operate any distribution channel, publish the rules by which content is ranked, promoted, and placed. Apply those rules uniformly. Treat every supplier equally, including your own production arms.

Step Three: Recognize and protect the Infrastructure. Stop treating writers and creators as labor. Treat them as substrate providers. Reframe residuals as **substrate maintenance**—a recurring claim on the value the substrate generates. Fund original IP incubators. Invest in fringe cultural scenes, regional storytelling ecosystems, and new mythologies. Measure **creative bandwidth** and **supply chain reliability** as core metrics, alongside box office and churn.

Step Four: Fight for the Protocol. Establish clear AI consent and compensation rules. Defend copyright. Refuse to let AI companies capture the legal framework. "Human-made" becomes a structural differentiator. Act collectively with other studios, with writers, with directors, and with the unions to set the rules of the game before Big Tech sets them for you.

Step Five: Commercialize Platform assets. Turn internal tools—VFX pipelines, soundstages, AI post-production—into neutral services for third-party studios. This is how you monetize your Platform layer. You own the stages. You own the VFX houses. You own the post-production infrastructure. Rent it to everyone. Be the arms dealer, not the warring faction.

Step Six: Establish governance for the transition. Your board must protect this strategy from quarterly pressure. The transition will produce several quarters of declining revenue and a falling stock price. If the board cannot withstand this, the strategy will fail before it succeeds. Change compensation structures to reward long-term structural health, not quarterly subscriber counts.

Step Seven: Accept slower growth. The objective is not to maximize near-term revenue. It is to restore structural health and build a durable competitive position. Growth will be slower in the short term and more durable in the long term.

6.2 To Streaming Platforms (Netflix, Amazon Prime Video, Apple TV+, and Others)

Diagnosis: You began as legitimate Aggregators. You controlled demand. You optimized access and selection. Then you moved into production. You became competitors to your own suppliers. You broke the neutrality rule. Your structural business health is zero. You are spending billions to produce content that your own algorithms must favor, while the suppliers you depend on withdraw their catalogs and launch competing services.

RECOMMENDED ACTION

Step One: Split off your production arm. Separate your studio from your platform. The studio should license content to your platform on the same terms as any other studio. The platform should license content from all suppliers on equal terms. The objective is to eliminate the conflict of interest that currently defines your position.

Step Two: Return to neutral aggregation. Commit publicly and bindingly to non-self-preferential treatment of content. Publish the rules by which content is ranked, promoted, and placed. Apply those rules uniformly. Treat every supplier equally. Restore the promise that made you indispensable: that everything is in one place.

Step Three: Become a Platform service provider. You have built AI tools, post-production capabilities, and production infrastructure. Sell them. Turn InterPositive and similar assets into neutral services for third-party studios. This is how you monetize your Platform layer. It only works if you are not competing with your customers. The split in Step One makes this possible.

Step Four: Build Infrastructure. Invest in data centers and computing capacity. Use this infrastructure to serve both your own needs and external studio customers. This reduces your own costs while creating a new revenue line.

Step Five: Restore the long tail. Reinvest in breadth of selection, not only in prestige originals. The long tail is the Aggregator's moat. It is what YouTube has and what you have abandoned. Restoring it is the only way to compete credibly with YouTube.

Step Six: Fight for the Protocol. Establish clear AI consent and compensation rules. Defend copyright. Refuse to let AI companies capture the legal framework. Act collectively with the rest of the industry.

Step Seven: Accept slower growth. The objective is not to maximize near-term revenue. It is to restore structural health and build a durable competitive position. Growth will be slower in the short term and more durable in the long term.

6.3 To Executives (Studio Heads, Platform CEOs, and Senior Management)

Diagnosis: You are managing for a demand that can never be satisfied—quarterly growth in transaction volume—while extracting from the layers that can develop depth. Your compensation structures reward short-term extraction. Your governance structures protect you from accountability for long-term structural damage.

RECOMMENDED ACTION

Step One: Change the objective function. Stop managing for quarterly subscriber counts and box office opening weekends. Manage for structural health. Measure creative bandwidth, supply chain reliability, workforce sustainability, and audience trust alongside financial metrics.

Step Two: Change compensation structures. Tie executive compensation to long-term structural health, not short-term revenue. Reward the executives who invest in the creative supply chain, not the ones who extract from it.

Step Three: Protect the transition from quarterly pressure. The transition to structural health will produce several quarters of declining revenue and a falling stock price. The board must protect this strategy. If the board cannot withstand this, the strategy will fail before it succeeds. Educate shareholders. Set expectations. Hold the line.

Step Four: Lead the Protocol fight. The legal framework is being captured by Big Tech. You have the resources and the platform to fight back. Act collectively with other executives, with the unions, and with creators to establish clear AI consent and compensation rules. Refuse to let AI companies set the terms.

Step Five: Accept slower growth. The objective is not to maximize near-term revenue. It is to restore structural health and build a durable competitive position. Growth will be slower in the short term and more durable in the long term.

6.4 To Writers

Diagnosis: You are the Infrastructure. You are the creative supply chain. The industry treats you as labor—a cost center to be squeezed. Your employment is down 27% from its peak. Your residuals are declining. Your work is being scraped by AI companies without consent or compensation. The industry cannot exist without you, but it has no name for the layer you occupy.

RECOMMENDED ACTION

Step One: Recognize your layer. You are not labor. You are the Infrastructure. The industry cannot exist without you. The 2023 strike was a start, but it was framed as labor vs. capital. The next fight must be framed as **supply chain vs. extraction**.

Step Two: Demand substrate maintenance. Reframe residuals as a recurring claim on the value your work generates. Demand that AI training on your work be treated as supply chain extraction, not fair use. Demand compensation for the use of your work in training AI models.

Step Three: Organize around Infrastructure status. Build coalitions with other substrate providers—directors, showrunners, novelists, playwrights, journalists, and cultural creators. The fight is not just about wages. It is about the survival of the layer that generates new myths.

Step Four: Build alternative substrate pipelines. Do not wait for the Aggregators to fund the fringe. Build your own platforms, your own audiences, your own cultural scenes. The center is hollowing out. The fringe is where the next myths will come from. Use direct-to-audience tools, independent production, and community building to sustain your work outside the traditional studio system.

Step Five: Fight for the Protocol. Demand clear AI consent and compensation rules. Refuse to let AI companies capture the legal framework. "Human-made" becomes a structural differentiator. Your work is the supply chain. Protect it.

6.5 To Directors

Diagnosis: You are labor within the Producer layer—a people flow into the transformation process. Your creative vision shapes the output, but you are not the Infrastructure. Writers generate the creative supply; you transform it into a film. You are squeezed between the Aggregators who demand blockbusters and the Infrastructure that is being starved. Your employment is down, your budgets are tightening, and your creative autonomy is shrinking.

RECOMMENDED ACTION

Step One: Recognize your position in the stack. You are the creative leadership of the Producer layer. You transform substrate into output. You are not the substrate itself. Your leverage comes from your ability to execute at the highest level—and from your ability to choose which projects you take and which you refuse.

Step Two: Support the Infrastructure. The writers are your substrate providers. When they are squeezed, your raw material thins. Support their fights for substrate maintenance. Refuse to work with AI-replaced writing rooms. Refuse to accept budgets that starve the creative pipeline.

Step Three: Build independent production capacity. Do not wait for the Aggregators to fund your projects. Build relationships with independent financiers, international partners, and alternative distribution channels. The center is hollowing out. The fringe is where the next generation of filmmakers will emerge.

Step Four: Mentor the fringe. The next generation of directors is emerging from the periphery—regional cinema, independent film, international markets. Support them. Collaborate with them. Learn from them. The future of the industry is multipolar. Be part of the network, not just the center.

Step Five: Fight for the Protocol. AI is being used to replace creative labor at every level. Demand consent and compensation for the use of your work in training AI models. Demand that "human-made" be a protected category. Your creative vision is not a training dataset.

6.6 To Producers

Diagnosis: You are the Producer layer. You transform inputs into output. You are the visible, tangible, output-creating layer. But you have been squeezed by the Aggregators above you, starved of the Infrastructure below you, and forced to compete in a capital-intensive arms race you cannot win. Your margins are shrinking, your creative autonomy is eroding, and your long-term viability is threatened.

RECOMMENDED ACTION

Step One: Recognize your layer. You are not an Aggregator. You are not a Platform. You are the Producer. Your value comes from transformation—from turning scripts, talent, and resources into finished entertainment. Stop trying to be something you are not.

Step Two: Return to producing. Stop chasing streaming subscriber counts. Stop competing with Netflix and Disney on their terms. Focus on what you do best: identifying great material, assembling great teams, and executing great productions.

Step Three: Invest in the fringe. The center is hollowing out. The next generation of myths will come from the fringe—new voices, new genres, new cultural scenes. Fund them. Develop them. Produce them. The Aggregators will not do it. You must.

Step Four: Treat writers as partners, not vendors. The writers are your substrate providers. They generate the raw material you transform. Treat them as strategic partners. Pay them fairly. Give them credit. Protect their work from AI extraction. Your long-term viability depends on their long-term viability.

Step Five: Build alternative production models. The traditional studio model is breaking down. Build new models—independent financing, international co-productions, direct-to-audience distribution, cooperative ownership. The center is fragmenting. The fringe is where the new models are emerging.

Step Six: Fight for the Protocol. AI is being used to replace production labor at every level. Demand consent and compensation for the use of creative work in training AI models. Demand that "human-made" be a protected category. Your work is not a training dataset.

6.7 To the Press

Diagnosis: You report on Hollywood as a collection of companies and personalities. You cover box office, streaming numbers, executive comings and goings, and the latest franchise announcement. You do not report on the structural layers. You do not report on the starvation of the creative supply chain. You do not report on the capture of the legal framework. You do not report on the systemic reasons why the industry is hollowing out.

RECOMMENDED ACTION

Step One: Name the layers. The industry treats myth creators as labor because it has no name for the layer they occupy. Name it **Infrastructure**, and the choke point becomes visible, investable, and defensible—instead of being mined until it fails.

Step Two: Report on structural issues, not just surface events. When a studio announces another franchise sequel, ask why it is not investing in new myths. When a streamer announces another price increase, ask why it is not investing in the creative supply chain. When a writer's room is halved, ask what that means for the pipeline of new stories. Connect the dots.

Step Three: Cover the Infrastructure starvation. The writers' employment data, the residuals decline, the soundstage occupancy, the shoot days in Los Angeles—these are not just labor statistics. They are leading indicators of systemic collapse. Report them as such.

Step Four: Hold AI companies accountable. The tech companies are attempting to capture the legal framework. Report on their lobbying, their litigation, their licensing deals, their regulatory pressure. Name what they are doing: supply chain extraction.

Step Five: Support the fringe. The center is where substrate is consumed. The fringe is where it is generated. Seek out new voices, new stories, new mythologies. Give them coverage. They are the future of the industry.

6.8 To the People (Audiences, Fans, and the Public)

Diagnosis: You are the demand. You are the reason the industry exists. But you have been trained to accept less—fewer original stories, more sequels and reboots, higher prices, fragmented subscriptions, and increasingly homogenized content. You have been told that this is what you want. It is not. It is what the industry has been forced to give you by its structural failures.

RECOMMENDED ACTION

Step One: Demand better. Stop accepting sequels and reboots as the default. Seek out original stories, new voices, and new mythologies. Your attention is the most valuable resource in the industry. Use it to reward originality and punish extraction.

Step Two: Support the fringe. The center is where substrate is consumed. The fringe is where it is generated. Watch independent films. Support regional cinema. Explore international content. The future of the industry is multipolar. Be part of it.

Step Three: Demand neutrality. When a studio or streamer favors its own content, call it what it is: a breach of neutrality that destroys the Aggregator's business health. When AI companies extract creative work without consent, call it what it is: supply chain extraction. Your voice matters. Use it.

Step Four: Understand the stakes. The industry is not just entertainment. It is the myth-making apparatus of a civilization. When the supply chain is starved, the myths thin. When the myths thin, the culture hollows out. What you watch, what you support, and what you demand shapes the future of the culture.

Step Five: Build your own substrate. Do not wait for the industry to give you new myths. Create them yourself. Write. Direct. Produce. Build communities around the stories you want to see. The tools are more accessible than ever. The barriers are lower than ever. The future of the industry may not be in Hollywood. It may be in your hands.

EPILOGUE

Conclusion

Hollywood's problem is not that it made a bad content bet. It is that the industry as a whole occupies two incompatible positions in the value chain, and the conflict between those positions has destroyed its credibility as a neutral intermediary and starved the creative supply chain on which it depends.

The move into original production in 2013 made the Aggregators competitors to their own suppliers. The suppliers retaliated by withholding content and launching competing services. That retaliation fragmented the streaming market and broke the most valuable promise: that everything would be in one place. The studios made the same error in reverse, trying to become Aggregators and bleeding billions in a war they could not win.

The Infrastructure—the myth creators: writers, fringe voices, cultural scenes, new mythologies—is being systematically starved across the entire industry. Writers' employment is down 27%. Residuals are declining. Soundstages are more than a third empty. AI is an extractive engine that consumes substrate without replenishing it, deployed across every studio, every streamer, and every production company. If the industry uses AI to replace the very creators who generate the substrate, it will accelerate the depletion of the layer that sustains everything above it.

Three futures are possible. Continuing as is leads to slow irrelevance. Addressing the fight but surrendering the legal framework to AI companies leads to the same place, faster. Only full structural correction—divesting the Aggregator conflict, recognizing and protecting the Infrastructure, and fighting for the Protocol—gives Hollywood a legitimate chance to work with the rest of the world rather than be displaced by it.

Hollywood may not be the center anymore. But it can still be in the room. The choice is between a difficult transition and a slow death. The transition is the only path to durable value.

> ***Start at the Producer. Descend to the Protocol. See the layers. Enable the flow.***

SOURCES

References

Internal Frameworks (Genie Capital Ltd)

Genie Capital Ltd. (2026). *Industrial Stack* (CC-BY-NC-SA).

Genie Capital Ltd. (2026). *Nikoka Protocol* (CC-BY-NC-SA).

Genie Capital Ltd. (2026). *Netflix Inc.: Structural Diagnosis and Scenarios* https://geniecapital.co/insights/netflix-inc-structural-diagnosis-and-scenarios1792346868 .

Public Data Sources (Mapped to Report Figures)

Financial Performance and Corporate Data

- **Netflix FY2025/Q2 2026 Financials, Subscribers, Layoffs, InterPositive Acquisition:** Netflix, Inc. Form 10-K (FY2025) and Form 10-Q (Q2 2026), SEC filings. Market data (share price, market capitalization) as of October 2026, public exchanges. InterPositive acquisition (March 2026) as disclosed in company filings.
- **Disney Financials and Content Spending:** The Walt Disney Company Fiscal Year 2025 Annual Report and Q4 2025 Earnings Call.
- **Warner Bros. Discovery / Paramount Skydance M&A:** Paramount Skydance Corp. SEC filings and public press releases regarding the $110 billion acquisition (2026). Netflix abandoned bid ($82.7B) reported in Netflix Q1 2026 earnings call.
- **Five Major Studios Global Box Office ($17.7B / 54% share):** Comscore 2025 Year-End Global Box Office Report.
- **Netflix Content Spending Forecast ($20B):** Netflix Q2 2026 Earnings Call and guidance.

Box Office and Attendance

- **Domestic Box Office ($8.87B), Attendance (780M), Average Ticket Price ($13.29):** Comscore 2025 North American Box Office Report; National Association of Theatre Owners (NATO) 2025 Year-End Statistics; Deadline (Jan 2026).
- **Studio Market Share (Disney 26%, Warner 20.15%, Universal 17.96%):** Comscore 2025 Domestic Market Share Report.
- **Genre and Rating Breakdowns:** Comscore 2025 Demographic and Genre Analysis.

Labor, Production, and Infrastructure

- **WGA West Writer Employment (5,072 writers), Earnings Decline (24.5%), Residuals ($330.7M streaming / $535.5M total):** Writers Guild of America West (WGAW) 2025 Annual Financial Report.
- **Los Angeles Shoot Days (-46.5%), Soundstage Occupancy (62%):** FilmLA 2025 Production and Soundstage Occupancy Report (Q2 and Year-End).
- **Actor/Writer Employment (-17% / -14%), Industry Jobs (-40% from peak):** Otis College Report on the Creative Economy (2025).

Global Market Share and International

- **US Film Share in Top 10 Markets (82% '23, 77% '24, 66.1% '25):** Omdia / Bloomberg (Jan 2026) "American Films Are Losing Their Dominance Over the Global Box Office."
- **Global Box Office Share Decline (92% to 66%):** UNESCO Institute for Statistics and Comscore historical data.
- **China Market Share (90% domestic, Hollywood 21%), Ne Zha 2 ($2B gross, 2% international), Chinese Global Box Office (20%):** Artisan Gateway, Maoyan, and Comscore 2025 International Box Office Reports.

AI Deployment and Litigation

- **AI Usage Across 300 Titles:** Netflix Q2 2026 Earnings Call.
- **WGA Accusations Against OpenAI:** WGAW Press Release (2025) and legal filings.
- **Disney/Netflix/Sony/Warner Cease-and-Desist to Google/OpenAI:** Public corporate statements and trade press (Variety, Deadline, The Hollywood Reporter, 2025-2026).
- **2023 WGA/SAG-AFTRA AI Provisions:** WGA MBA 2023 and SAG-AFTRA TV/Theatrical Agreement summaries.

Note on figures. All figures are reported as cited in the sources above. Figures marked "derived" are computed from reported values; charts marked "illustrative" show direction only. Market data are as of October 2026.

Genie Capital

Hollywood: Structural Diagnosis and Scenarios

Prepared by Genie Capital Ltd · Buea, Cameroon

Every Genie Capital report synthesizes only publicly available information through the lens of specific frameworks, and is published under the CC-BY-NC-SA license to deepen public understanding and inform debate.

Genie Capital is not an advisory firm, not an investment firm, not a lobbyist.

Intelligence Engagements: one per quarter. Exclusive. Confidential. Private. Always.