

Analysis of User Motivation and Acceptance of Subscription and Free Video on Demand

Abstract

Over the last decades, online video has become a major part of media consumption worldwide. Global subscription video-on-demand (SVOD) platforms have grown rapidly distributing content directly to consumers and becoming a strong competitor for the national broadcasters and their free video-on-demand (FVOD) services available via online media libraries (OML). Both public service broadcasters (PSB) and private broadcasters use OML to distribute their live broadcasts and video-on-demand (VOD) streaming content over the top (Castendyk & Goldhammer, 2018; Truong, 2009).

In Germany, the viewership of SVOD has been growing at a strong rate. Today, Netflix has a larger audience of weekly users than any of the national broadcasters on the VOD market. In the young age-group of 14-29 year-old people, however, the use of VOD has already become more popular than linear television (Castendyk & Goldhammer, 2018).

Recent studies investigated drivers of online video consumption using the technology acceptance model (Davis, 1993) at an early stage of the media innovation's diffusion process (Shin, 2009; Truong, 2009). Researchers in the field suggested the implementation of extrinsic as well as intrinsic factors for the investigation of hedonic technologies (Lin, 2001). However, studies that compare the adoption and usage of different innovative media services and technologies are scarce. Comparative adoption behavior research primarily investigated relationships between an established and a new technology like print and online news (Flavián & Gurrea, 2007) or television and online video platforms (Cha, 2013).

This study aims to identify the main determinants of consumers' decisions to use a SVOD service over a broadcaster's FVOD. Accordingly, this study addresses the following research questions: (RQ1) What factors influence the consumers' intentions to use VOD?; and (RQ2) Do consumers perceive a substitutability between SVOD and OML-FVOD?

The authors combine three well-known theories – the extended unified theory of acceptance and use of technology (Venkatesh, Thong, & Xu, 2012), diffusion of innovations (Rogers, 2003), and the uses and gratification approach (Katz, Blumler, & Gurevitch, 1973) – to an innovative model. The research model was empirically tested using 246 responses from an online survey conducted with university students in Germany. By using factor and regression analyses, the results show that perceived substitutability, relative advantage, effort expectancy, habit, and hedonic motivation have a significant influence on SVOD and/or OML. The relative advantage of SVOD is affected by SVOD's and OML's content quality, as well as relaxing entertainment, information seeking, and ritualized media use.

The contribution of this study is twofold. First, by investigating the antecedents of VOD adoption, the findings of earlier VOD studies are complemented. Based on Cha's (2013) study and established theoretical approaches, the authors present an integrated model that was tested empirically. Second, the success of SVOD towards OML is evaluated by including the perceived substitutability into the model. Thus, this study advances the body of knowledge in comparative adoption behavior research. Moreover, this study fills a gap in literature that is also of great interest for practitioners. From a practical view, this study delivers insights on how traditional broadcasters can remain competitive in an online environment facing increasing international competition.

Keywords: acceptance, motivation, perceived substitution, relative advantage, video on demand.