TALLINN UNIVERSITY OF TECHNOLOGY
School of Business and Governance
Department of Business Administration

Riku Suominen

CONSUMER ATTITUDE TOWARD COMMERCIALIZED ENTERTAINMENT BASED ON VIDEO ON DEMAND

Bachelor’s thesis

Programme International Business Administration, specialisation Marketing

Supervisor: Merle Ojasoo, PhD

Tallinn 2021

I hereby declare that I have compiled the thesis independently
and all works, important standpoints and data by other authors
have been properly referenced and the same paper
has not been previously presented for grading.
The document length is 9149 words from the introduction to the end of conclusion.

Riku Suominen, 13.5.2021
(signature, date)
Student code: 177650TVTB
Student e-mail address: riku.suominen@hotmail.fi

Supervisor: Merle Ojasoo, PhD:
The paper conforms to requirements in force

……………………………………………
(signature, date)

Chairman of the Defence Committee:
Permitted to the defence
…………………………………
(name, signature, date)

TABLE OF CONTENTS

ABSTRACT

This thesis shows the problem with there not being enough information on how the previous year (COVID-19 pandemic) has influenced consumers attitudes towards commercialized VOD (Video On Demand), in terms AVOD (Advertising Video On Demand) and aims to find out consumer attitudes towards subscribing to digital channels with advertisements. The research is conducted as a quantitative research questionnaire to achieve better insight to the problem and the information is collected by a nonprobability sampling method. The findings from the research are supported by a theoretical background.

The research findings are that nearly all consumers favor VOD platforms as an source of entertainment and SVOD (Subscription Video On Demand) is by far the most popular source of entertainment. Consumer attitudes are increasingly more open to AVOD services in which paying lower or free subscriptions by watching advertisements is made possible, compared to no advertisements and a fixed monthly subscription fee in SVOD services. Consumers likeliness to cancel their old streaming subscription to pay for a new streaming service is significant. The conclusion of the research is that AVOD offers consumers a possibility to have streaming service subscriptions at a lower price or free of charge which consumer attitudes are open to. This opens possibilities for marketers to advertise in the AVOD market as the market is growing.

Keywords: Video on demand, Consumer attitudes, Entertainment, Advertising

INTRODUCTION

The consumer preferences have changed in almost every industry. The changes in consumer preferences are caused by new technologies that are changing the lives of people every day. Some of the business opportunities that previously existed have gone extinct. In the entertainment industry new platforms have emerged and given consumers a new way of enjoying the products of film industry. During the Covid-19 pandemic many people were stuck at home and the usage of (VOD) Video on demand services skyrocketed.

The rise in the usage of VOD services started before the pandemic, in the early 2010s. Regular television is slowly being replaced by VOD services as the popularity especially in the younger generations is very high. In VOD services SVOD (Subscription video on demand) has gained the most popularity in recent years with companies such as Netflix rising to high. The “easy in – easy out” model attracts users with a monthly fixed a relatively low subscription fee and wide variety of content. As SVOD has gained popularity the amount of SVOD services has risen and with consumers subscribing to multiple services the seemingly once cheap services seam suddenly expensive to consumers, with multiple subscriptions meaning multiple subscription fees. This has opened a window for consumers for AVOD (Advertising Video On Demand) services with low subscription fees or free subscriptions.

The research problem is that there is not enough information on how the last year (COVID-19 pandemic) has influenced consumers attitudes towards commercialized Video on demand (VOD), in terms AVOD (Advertising Video On Demand). The aim of the research is to find out consumer attitudes towards subscribing to digital channels with advertisements. This study might be useful for marketers on the decision making on where to advertise in the entertainment industry. Marketing specialists can plan more precisely to whom to advertise.

A large majority of adults whose streaming habits grew during quarantine, told that they will keep up their new streaming habits also in the future. This expands the power of VOD services in the future (Vanithamani, 2020). Different brands can through AVOD at long last interact with consumer who are viewing on-demand video. Advertisements that are amusing, enjoyable and pleasing improve the likeliness of consuming an AVOD service according to 46% of Consumers in the UK (Rakuten Advertising, 2020).

The research questions are as following:

1. What are the sources where consumers stream their entertainment from?
2. How much entertainment do the consumers consume weekly?
3. What are the factors that influence consumer decision making in the context of subscribing to a VOD service?

Quantitative methods will be used in the research paper to collect information. A quantitative questionnaire was answered by consumers. A quantitative method to conduct the research was chosen due to being a more efficient way of gathering information about consumer tastes, compared to a qualitative method of interviewing.

The information in the literature about the users of different platform for viewership of Television platforms or Cinema are based on general European consumers. By comparing this literature to the answers by Finnish consumers to the questionnaire, it can be determined to Finnish marketers on what platforms Finnish viewers use to consume their entertainment of Tv-shows, movies and sports. The research works as a guideline for the Finnish marketers on what the viewership is in the different platforms of consumption in the television and film industry and can guide them on the platform of advertisement. The research will give insights for companies also who offer SVOD, AVOD, TVOD and PVOD services, as well as, Cinema companies on what the consumer tastes of Finnish consumers are and what the possibilities are for the future. The research works also for ordinary readers to give knowledge on the Finnish consumer viewership and can be used for future research also.

The research paper is structured by the author to make it easy for the reader to follow through the research topics and make it pleasant to read through. The research paper starts with a literature review of the first two chapters regarding the different platforms in television and film. Chapters three, four and five will cover the research methodology and how it was conducted, Purpose of the study and the results and discussion. The research paper will end in the conclusion, where the paper will be reviewed shortly and insights and elements for further research are given.

1 THEORETICAL FRAMEWORK

1.1 Consumer attitudes

An attitude can be determined as a learned predisposition to answer in a rationally favourable or unfavourable way with with recognition to a given object (Krasniqi, Krasniqi 2014). There is a broad understanding that attitudes are learned. Meaning that attitudes applicable to purchase behaviour are developed as a culmination of word-of-mouth knowledge collected from others, experience directly with the product, or being exposed to the internet, various styles of direct marketing (eg.retail catalogue) and mass-media advertising. Attitudes can result from behaviour although it is crucial to understand they are not one and the same with behaviour. Attitudes mirror either a positive or a negative evaluation of the attitude object. Posessing a motivational quality, meaning they might push a consumer against a certain behaviour or drive off the consumer from a certain behaviour as a result of attitudes beign learned predispositions (Schiffmann et al, 2008).

Consumer attitudes come in situations. When talking about about a situation, in this case it is meant as an event or circumstance that, at a certain time, effects the marriage between and a behaviour. A certain situation can influence consumers to act in ways obviously conflicting with their attitudes. For example, let us consider that a Danish consumer, Marcus, buys a different brand of deodorant every time the brand he is using is almost finished. Admitting brand-switching behaviour can imply to mirror a negative attitude or dissatisfaction with the brand he tests, it can actually be affected by a certain situation, in instance, a wish to economise. So, he will buy any brand that has the lowest cost and it is not a mean of negative attitude. This situation is also oppositely true. Individuals can have a wide spread of attitudes for a certain behaviour, which correlate for certain situations (Schiffman et al, 2008). Understanding consumers attitudes in a range of events and actions and to arrange means for persuading those attitudes is essential for marketers, in order for consumers to follow more postive attitudes for services or products on offer (Madichie, Kapoor, 2012).

Four sets of different major charecteristics influence consumer buying behavior: psychological, social, cultural and personal. A marketer cannot influence most of these charecterisctics, the characteristics enable to identify fascinated buyers. Four different pshycological determanents influence an individuals buying behavior: motivation, learning, perception and attitudes and beliefs. The different determanents control the perspective of the behavior. Social charecteristics are the micro social environment of a individual. For instance the individuals family, friends, work and social networks, which highly affect the brand and product choices a individual makes. The cultural charecteristics influence the individuals buying behaviour and what a individual desires. Perceptions, basic values, behavior and preferences are all influenced by what the individual has learned from family and different establishments. Subcultures like age and ethnicity also influence the buyers decision making. A individuals buying behavior is based also on the personal charecteristics a indivual possesses (Kotler, Armstrong 2010).

1.2 Consumer attitudes towards advertising

Advertising in TV has been conducted since the first commercial on tv aired in 1941 before a baseball game in 1941. The first commercial ever advertised was by Bulova watches and lasted only 10 seconds (Gunninger, 2020). People do not open the television for the advertisement or to buy magazines to see advertisements. Advertising are the necessary evil, the price people pay for watching television. Advertising is the crossing of free speech and free enterprise. An average american receives almost 3000 impressions of advertisement daily. People are battered by radio commercials, billboards, print ads, bottle labels, phone apps, pop-ups, social media channels, internet banners and Tv spots (Marinaccio, 2015).

For the building of brand awareness advertising is the most powerful gadget of a product, company, idea or service. Advertising is tough to batter on cost-per thousand people reached. Brand acceptability to the slightest, image and prefence can be brought by the advertising campaign, if the advertisements are also clever. Usually advertisements tend not to be creative. The amout of individuals watching advertisements, particularly television advertisements may have lowered. To futher television advertisements havent extended, instead shortened to fifteen seconds. Individuals usually are assembled to turn on different channels when advertisements appear by the use of the remote (Kotler, 2012).

There are no advertisements in SVoD since the services are always ad free and come with a monthly subscription fee. In Ampere’s Q1 consumer tracking study (see figure 1) it was shown that the more SVoD services a house hold takes the more ad tolerant they are (Chowdhury, 2019).

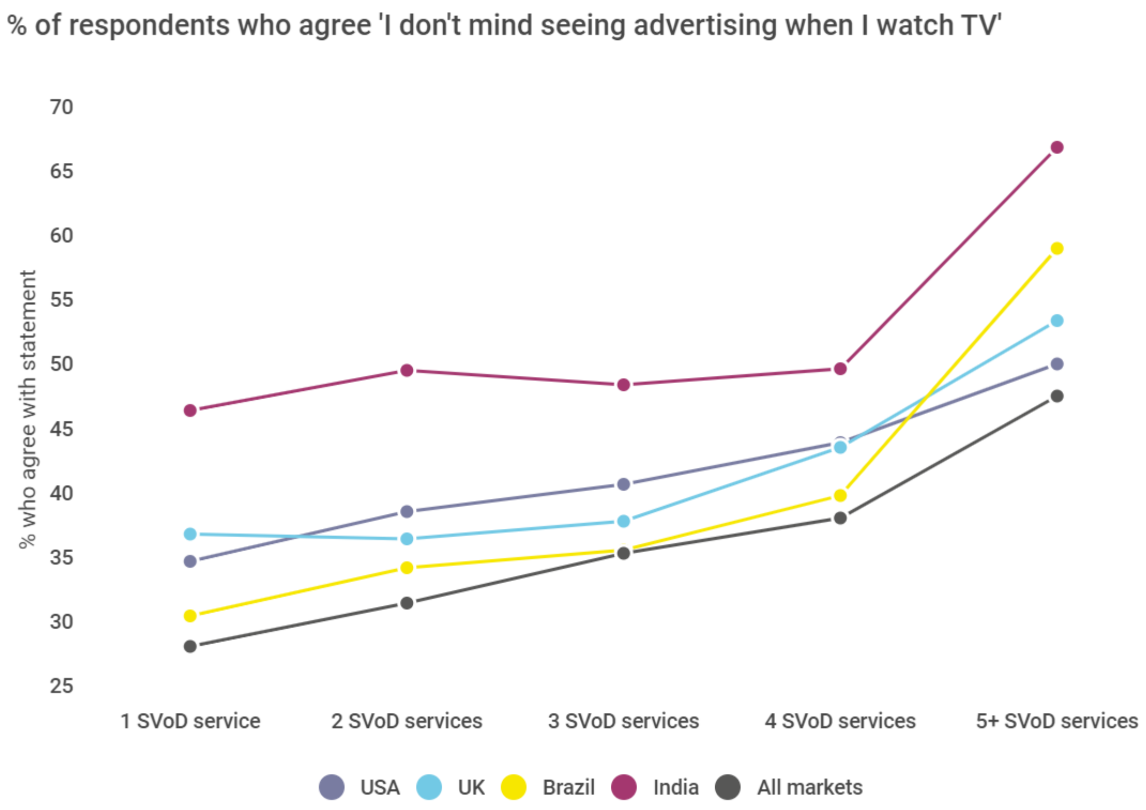

Figure 1. Percentage of respondents who agree ‘I don’t mind seeing advertising when I watch TV’
Source: Ampere Consumer (2019)

There are numerous forms and genders of advertising. In advertising, advertising agencies purchase space on different platforms to advertise on: news papers, magazines or for companies who sell products time to broadcast commercials or services on radio and television stations. There are other approaches to advertising, being bill board avertisement, in bus shelter or on buses and taxis; adopting the internet, sponsoring events; and product placement in films and television shows. Commercials or print advertisement are usually designed to appeal to the mind of people with convenient demographics and the appropriate psychographics (values and psychographics) for anu product or service. Advertising firms focus on people who they see as purchasing a large portion of the products and services advertised. Advertising firms see this category of people approximately from ages eighteen to forty-nine. Depending on the product, some are intentionally advertised to childen, while others to the older generation. Most products are aimed at the segment of eighteen to forty-nine years, with a few years give or take (Berger, 2015).

The spending on Advertisement in the year 2010 in the United states of America was $142.5 billion and $467 billion according to eMarketer. In the year 2018 the worldwide spending on advertising had climbed to $550 billion, half of the amount spent in America (Berger, 2020).

1.3 Video on Demand

Enabelment for the consumer to choose when and where to watch entertainment is commonly associated with Video On Demand, compared to classic linear TV with channels. On Demand as an crucial aspect is the usage of the Internet to share the video. “VOD” in some cases is also used universally to refer to a business model or service, that is online (Kaysen, 2017).

Instant buys are a charecteristic of PPV (Pay-Per-View) and VOD markets, given that purchases are made impulsively. A VOD without an advance can be seen as naturally a pipe or a certain place for entry comparable to a cinema theatre, given it‘s uncertain direct consumer consumption and proporsionate risks taken. The pricing is less costly than to purchase a movie. With customers in the past having access to films by renting films, it is tough to ask remarkably more than the rental fee. The comfort of watching at home can bring a more premium like pricing on the purchase, but convinience wise elasticity is not that substantial apparently (Ulin, 2009).

SVOD (Subscription Video On Demand), TVOD (Transactional Video On Demand), AVOD (Advertising Video On Demand) and PVOD (Premium Videon On Demand) are all forms of VOD. In the context of streaming television they are used to characterize “on demand” consumption of video. Advanced manners of consuming video and television have seen a striking U-turn in the entertainment industry. A patternly move has been seen moving in astounding speed, within the way varying media material is consumed, distributed, produced and sold. This new approach has led to the bypassing of the TV service supplier on the account of growth in the delivery of services over the internet. Over-the-top (OTT) or “cord cutting” are words that also subscire this method.

The Definition of VOD is video on demand. The VOD model enables the consumer of the streaming service to select where, when and what to watch. SVOD, AVOD, TVOD and PVOD are different forms of VOD that have emerged from the demand to generate profit from the service. Therefore the difference with different tastes is found on how the service creates revenue (Werd, 2020).

1.3.1 Subscription video on demand (SVOD)

A service where you subscribe and sign into a subscription agreement, which allows a person to enter the service and view its contents is called a SVOD (Subscription Video on Demand) service. A characteristic of an SVOD service is that you can watch with no limits with a fixed price. The mass of SVOD services work with monthly subscriptions, that are resumed unless revoked by the subscriber. Traditional entertainment outlets such as Cable TV operators generally force customers to contracts of 6 to 12 months. SVOD companies' subscriptions can be cancelled instantly an offer a smaller risk for the consumer with an easy way out of the subscription. Although this creates more work for SVOD companies to keep customers due to the "easy in - easy out" feature. Netflix for instance is a SVOD company (Kaysen, 2015).

The television industry has been a source of entertainment for families and friends for nearly a whole century and in example in the U.K. alone the industry generates £13bn each year (Ofcom, 2015b: 143). In recent years though SVOD services like Netflix have shifted the power away from the broadcasters financially as well as the audiences switching from regular tv to SVOD services (Doyle, 2016).

In June 2015 in the United Kingdom, Kantar Media was commissioned by Ofcom to carry out a qualitative workshop and in depth-interviews with regular citizens to have deeper knowledge of the viewers behavior and attitudes regarding accessing on-demand services on tv platforms. In the study they found out that linear tv is still preferred, but more in sporting events where viewers live in the moment. Viewers complained that in linear tv there was absence of personalization, adverts and repeats, compared to on-demand services (Kantar Media, 2015). It is estimated that ad free SVOD will pass Ad based TV in hours viewed per day by the year 2023. In 2018 the number of SVOD subscribers was 478million, with it expected to climb to 743 million subscribers by 2023 as shown in Figure 2 (Rethink Technology Research, 2019).

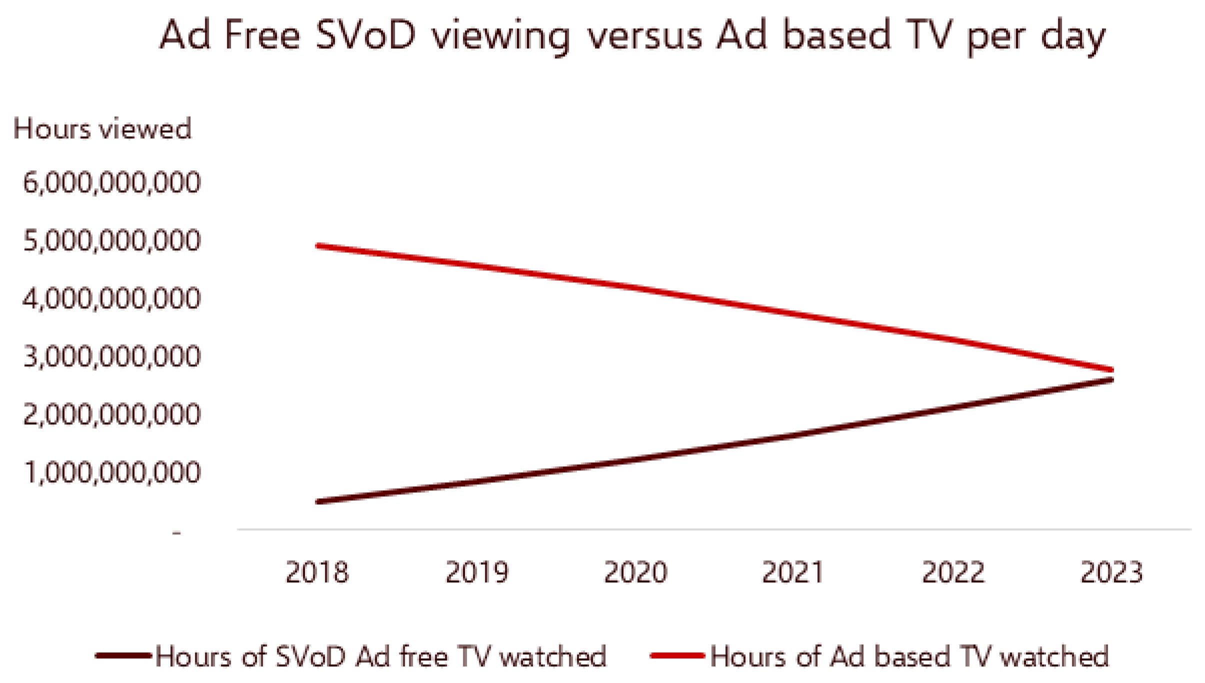

Figure 2. Ad Free SVoD viewing versus Ad based TV per day
Source: Rethink Research (2015)

Cinema has been the most lucrative area historically and behind it has been broadcast sales and rentals, as well as DVD. Globally operating platforms have taken over the consumption of films. The consumption of DVD's has dropped dramatically and has shifted to TVOD, especially to SVOD services like HBO and Netflix. Although SVOD consumption was only 7% of overall revenues of pay-services in Europe, the growth that it achieved in Europe was 60%. According to the EAO/European Audiovisual Observatory in Europe SVOD subscriptions rose in the year 2016 by 55% to 37.7 million subscribers (Poort, Van Til 2019). Movies, TV-shows and documentaries window for SVOD opens up approximately 2 years after the release and often foreshadows Free To Air by a brief time (Sanchez, Carro 2017).

1.3.2 Ad-supported video on demand (AVOD)

AVOD is a hybrid model of regular commercial tv and SVOD. It has the exclusivity to watch when you prefer like SVOD, but it has the ad-based content as commercial tv does. AVOD in many ways is like SVOD, but the difference is that instead of subscribing and paying like in SVOD, the payment is done by viewing adverts before (Kaysen, 2015). AVOD should not be distracted with ad-supported video streaming services such as Youtube. Typically these services feature user-generated clips, music videos, and types of content other than premium videos (Sanchez, Carro 2017). The American base SVOD service offers 30 day free trials with ads and after with a $5.99 monthly subscription fee after the free trial. The $5.99 price is an ad-based subscription and Hulu’s premium subscription without ads costs $11.99 (Gushue, Cohen 2020).

Rakuten Advertising (owned by Japanese based company Rakuten) conducted a study in Europe consisting 4,500 adults in spring 2020 during COVID-19 lockdown. The study showed that 65% of adults had turned to SVOD services, the average person paying for up to two streaming services. A large percentage of the participants (26%) answered they had cancelled their subscription due to high price and 35% of participants would cancel their subscription in order to pay for another streaming service. AVOD makes it possible for brands to connect to on-demand audiences, which hasn’t previously been possible. If the consumers see ads which they consider engaging, funny or entertaining, 46% of UK consumers agreed that it will increase the possibility of them adopting and AVOD service (Farrar, 2020).

The AVOD market in Europe may be given a boost by international companies arriving to AVOD like Rakuten, Pluto Tv, and in the future to be released in the U.S. Peacock. In Latin-America YouTubes domination is still unquestionable with 90% of the advertising revenue generated by YouTube in the entire Latin-American AVOD market. On a global scale the AVOD market is awaited to increase rapidly (Shown in Figure 3). Lead by the launch of new significant players in the US, increased popularity of Youtube in Latin-America and Europe. The uniting of the Asian Market contributing to the movement also (Giry, Stallvieri 2020).

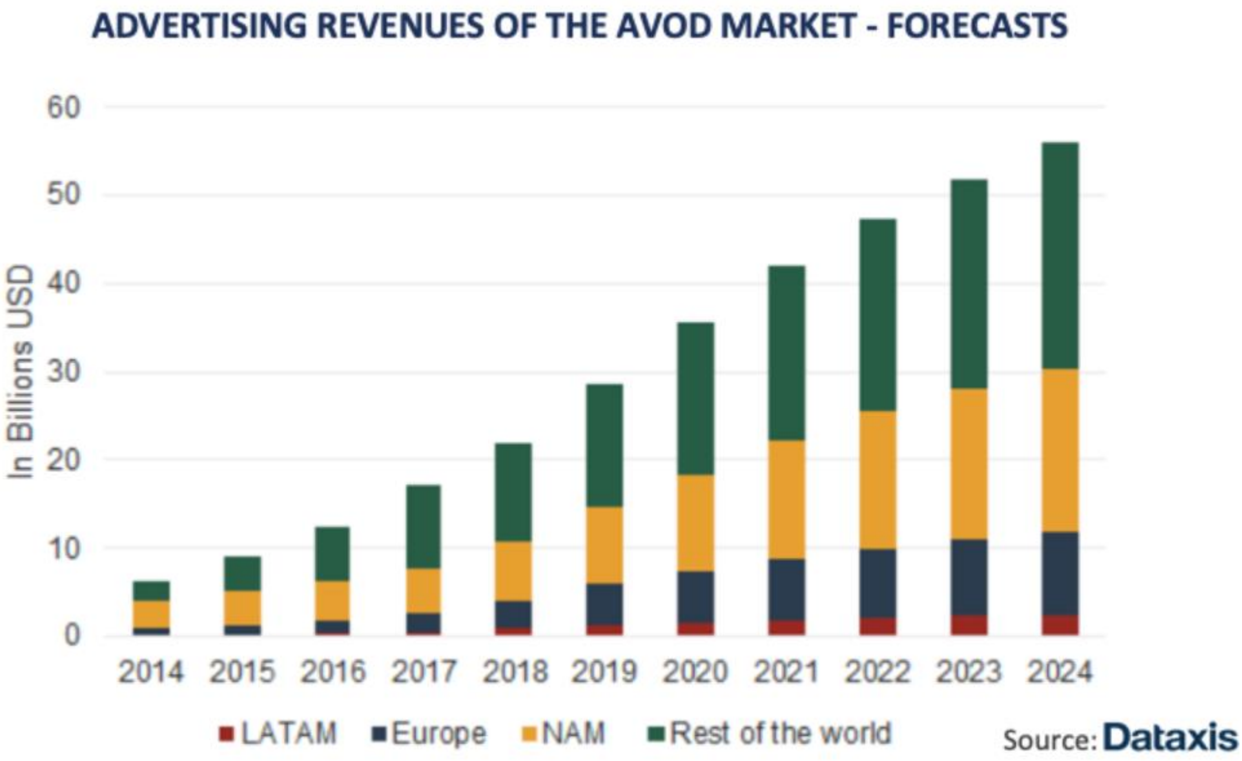

Figure 3. Advertising Revenues of the AVOD market - Forecast
Source: Dataxis (2020)

The benefits of AVOD are that it gives viewers of the audience easy access with free content. This generates a possibility of a large audience, with consumers paying through the viewing of advertisements. All this adds up for AVOD companies being able to attract big and growing audiences. For AVOD to generate profit it does need large audiences due to advertisements paying small sums per view (Boyarsky, 2020). AVOD has begun to challenge the advertising players of traditional television and in mass-advertising it brings a more unique targeted experience for the consumer. As a developing market AVODs growth is encouraging due to consumers spending increasingly more time online. When comparing traditional television markets mass entertainment market to AVOD, AVOD brings a more user-friendly approach with targeted individual advertising to consumers (Grece, 2021).

1.3.3 Transactional video on demand (TVOD)

TVOD is different compared to “all you can eat”-buffet concept of SVOD. It is not custom for TVOD to charge a customer for setting up an account. Commonly TVOD services will dab to retaining users by offering lucrative pricing on certain parts of content, in attempt to keep users using their provided service when consuming video entertainment. TVOD services now are seen to present more new releases. This is made possible by the way they can superiorly structure their business backwards towards the right owners, due to a larger revenue per view achieved (Kaysen, 2015).

TVOD rights consent the response of a media property on a viewing device via electronic circulation by any means of communication. For an exclusive service provider's on-demand platform TVOD rights are to be finite exclusively allowing a final user the capability to download or stream a program in exchange for a one-time transactional fee. TVOD has taken over from the classic "video rental" concept; unlike EST(electric sell through) rights, there is a finite viewing window assumed to the final user. Due to the window TVOD is infrequently referenced in agreements as DTR (download to rent) right (Kirkpatrick, 2018). The Pay-Per-View (TVoD) segments user base has grown in recent years and is expected to reach 571 million users in 2025 as shown in Figure 4.

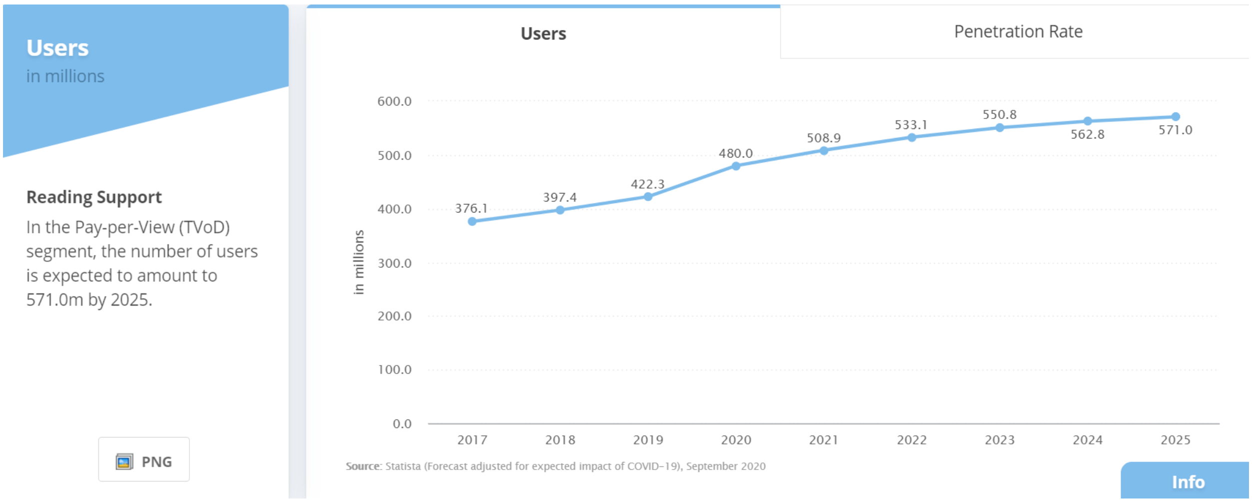

Figure 4. Pay-per-View TVoD users
Source: Statista (2020)

The audiovisual home entertainment sector started with the emergence of VHS-video in the 1970s. This made renting or purchasing a physical video shortly after the theatre release possible. TVOD has replaced the buying of VHS, DVDs and blu-ray since the early 2000s. The comfort of renting from home without going to rent a physical DVD or VHS-video from the rental store has been the reason of TVODs popularity. It can be argued how greatly has TVOD replaced the physical transactional video market and what is TVODs overall impact to the home entertainment market been (Grece, 2021).

The COVID-19 pandemic has sped-up the movement to TVOD as it offers a way to make a non-profitable business profitable. As cinemas have been closed globally TVOD has replaced the cinemas during the pandemic and has been an alternative for the movie industry to generate profit. The TVOD model having replaced cinemas during the pandemic, with new film releases being released on TVOD instead of cinemas (Stanimirovic, 2020).

1.3.4 Premium Video on Demand (PVOD)

PVOD (Premium video on demand) is a service that includes content released in the first windows. With a PVOD service in example you can view a movie when the movie is showcased in cinemas or directly after. Consequently, PVOD is connected mostly with services that would influence the Cinema industry, due to this avenue on distribution realign on exclusivity for showcasing blockbusters when they are released (Kaysen, 2017).

During the COVID-19 pandemic PVOD has gained more digital popularity with cinemas being closed and people enjoying the comfort of viewing entertainment at home. Deloitte’s latest digital media survey (shown in figure 5) which was conducted in May 2020, showcases that PVOD had found the US consumer with 22% of consumers (24% Gen X and 36% millennials) had viewed a new release on a PVOD service by payment. For Millenials with kids the number rose to 56%. (Srivastava, 2020).

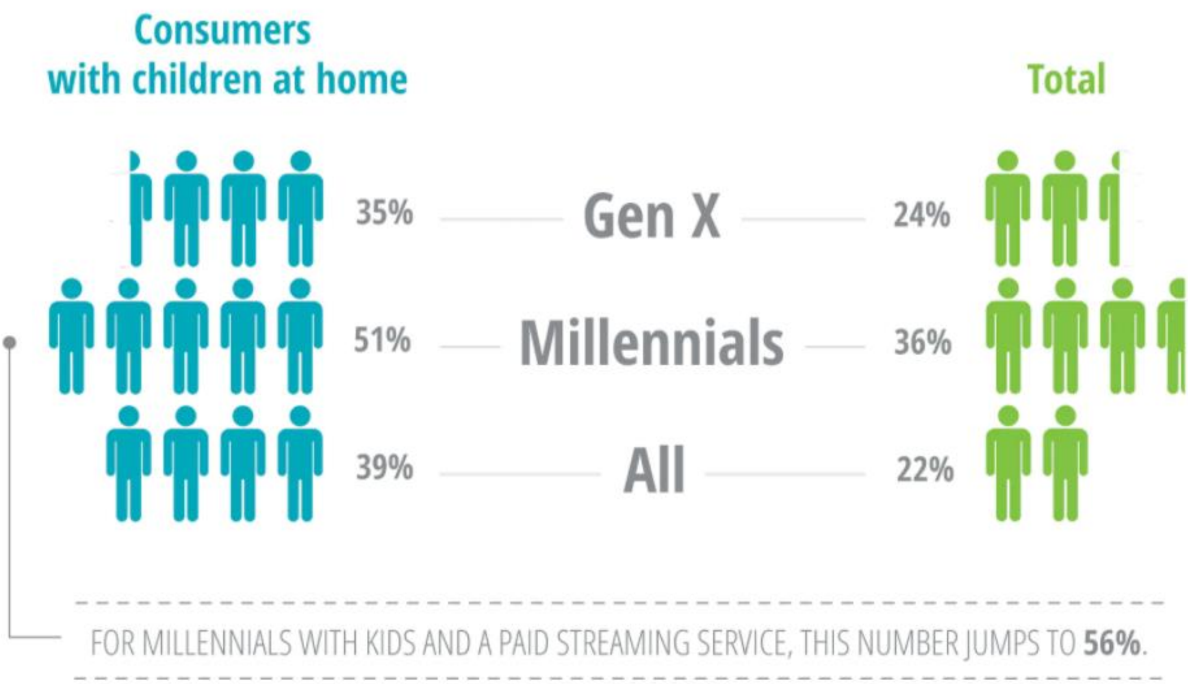

Figure 5. Percentage of US consumers who paid to rent and watch a new movie directly released to streaming video services at home
Source: Deloitte (2020)

The difference between PVOD and TVOD is the contents value and how sought-after the content is, often newly released films. The pricing of PVOD is therefore justified to be higher due to higher value of content. Terms can also be more controlled and tighter. When Amazon prime launched the release of Trolls World Tour, there was no possibility to buy the film for a longer window for viewing during the launch, the price was £16 for a 48-hour viewing window (Imagen, 2021). Rejecting the possibility of blockbusters in the future released in PVOD is an opinion of Imax CEO Rich Gelfond calling PVOD an “Failed experiment”. Gelfond brought up the topic at the Goldman Sachs Communacopia conferences, question the fact that PVOD hasn’t gathered enough viewers during the pandemic and how can it therefore work in non-pandemic times (Hayes, 2020).

1.4 Linear TV

Linear TV is a long-established way of viewing television by cable, satellite or wirelessly. Linear Tv is used to relate to the way the content is consumed through television. The content is “lined up” for the consumer and the consumer can not choose to watch it when ever he/she wants. The consumer has to watch the content when it is scheduled to be broadcasted (Vinikas, 2021).

In U.S. homes with SVOD (subscription video-on-demand) services view less television according to the Nielsen metered panel data. In the U.S. market VOD carries on to increase great power, a huge reason for the decline of television viewing in SVOD households is that they are young and more wealthy. The previous mentioned groups that generally watch less TV. Most of the respondents (68%) in the global survey in 2016 (See figure 6) say they won't stop the usage of their traditional TV service and switch to a online-only service. Nearly one out of three (32%) of respondents told they will stop the usage of traditional TV. It is to be highlighted that even though people say they will stop watching traditional TV, it doesn't mean they automatically will (The Nielsen Company, 2016).

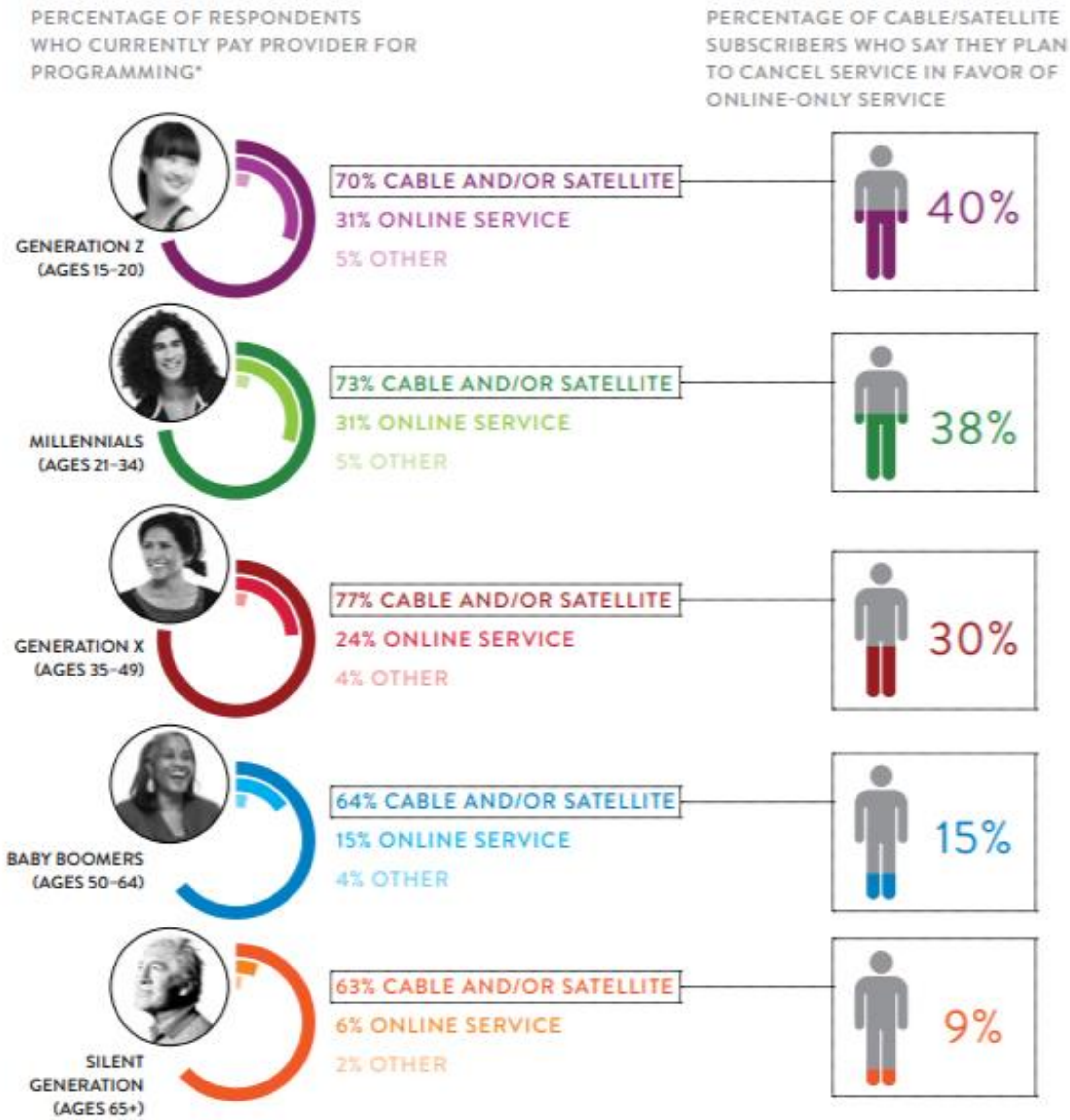

Figure 6. Younger respondents are more likely to use AN ONLINE-SERVICE provider and to plan to cut the cord
Source: The Nielsen Company (2016)

The significance of the digitization of television important. From the 1950s until the end of the century the middle element in the media-based public area was television. Television accumulated by a margin the largest number of spectators, being the medium from which all other structures of public communication related to. Television was the binding piece which connected society’s public life and the personal lives of people (Gripsrud, 2010).

1.5 Television and VOD viewing

In the UK even though SVOD and Youtube earned more viewing time, broadcast content still counted in 2018 over two-thirds of viewing. Individuals viewed audio-visual content a total of 4 hours 54 minutes per individual over all devices, in the UK (as showcased in Figure X). The popularity of SVOD and Youtube had grown since 2017. Since SVOD is mostly viewed on the tv set it can be assumed that many have substituted broadcast viewing and switched to SVOD. Total broadcast viewing dropped by 11 minutes compared to 2017, with an average of 3 hours and 22 minutes per indidual of viewing time daily in 2018.

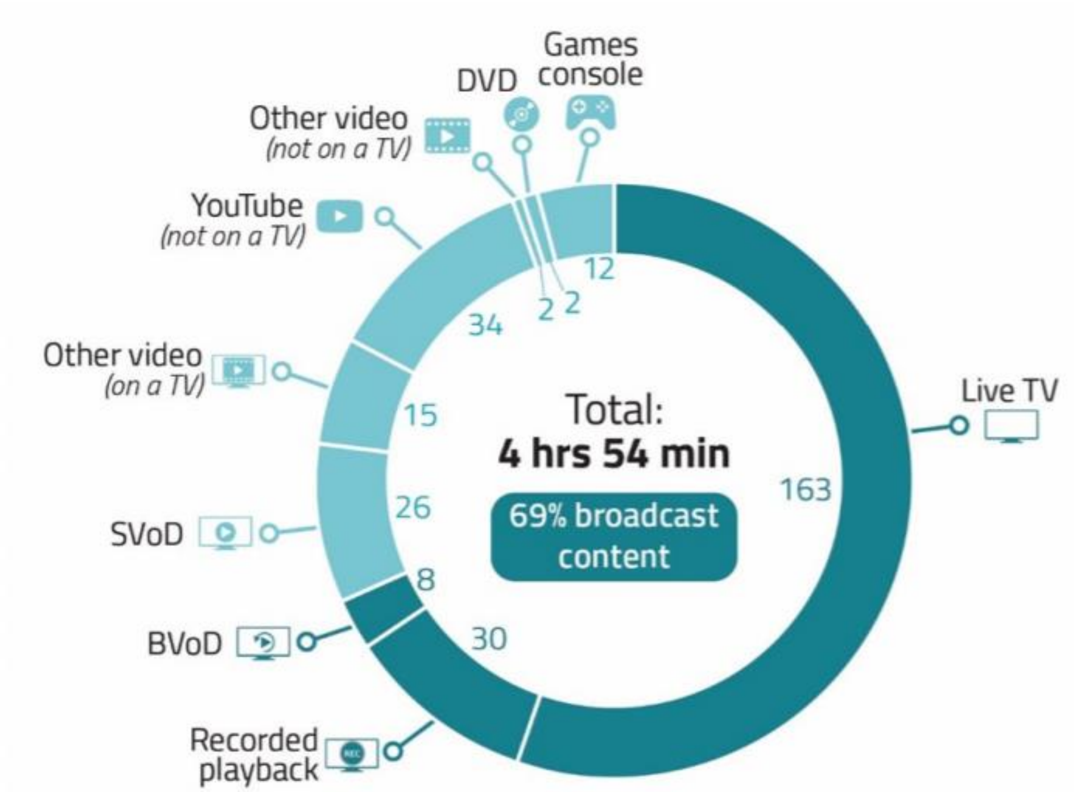

Figure 7. Total video minutes per person per day: 2018 (UK)
Source: Ofcom (2019)

The Television sector industries are encountering a swift change, in where remodeling of the ways of audiences viewing television is undertaking. The television sector has undergone changes in the past with i.e. the rise of pay-TV in the 1990s and multiple digital TV channels. The difference this time-around is that the young audience especially is turning online with VOD services from global internet platforms (Ofcom, 2019).

2. RESEARCH METHODOLOGY

The aim of the research is to find out consumer attitudes are towards subscribing to digital channels with advertisements. The methods used for the research were the review of literature on the topic and a questionnaire which was answered by respondents on their attitudes and habits towards VOD services. The quantitative researches purpose is to provide marketers possible aid in the world of advertising in AVOD.

The questionnaire was conducted based on unveiling Finnish consumer attitudes. The research was carried out using the answers from quantitative questionnaire from google forms. The questionnaire was conducted to achieve better insight on the problem. In the research comparing literature to the answers of Finnish consumers in the questionnaire was done to determine whether AVOD (Advertising Video On Demand) could benefit Finnish marketeers.

The quantitative questionnaire was delivered to consumers on google forms and consisted in total of 11 questions. A total of 108 people answers were collected by consumers to use in the research. The responds to the questionnaire were correct and answered in the proper manner according to the questionnaire guidelines. Responds gathered from the thesis were all used to analyze the result and to compare them to the literature. The Data was analyzed by revealing what the respondents answered to the research questionnaire in chapter 3.1 result analysis. In chapter 3.2 discussion the literature was compared to the results of the research questionnaire and results were showcased of the findings.

In the quantitative questionnaire consumers were asked about their viewing habits, preferences and attitudes towards VOD services gave information which was compared and analyzed with the literature. Ultimately when the information from the questionnaire of Finnish consumer attitudes to VOD is compared to the literature, it gives guidance to Finnish marketers on whether to start investing on advertisement to AVOD services and what the Finnish consumer attitudes say.

Finnish marketers aren’t the only stakeholders to benefit from the research. Companies offering VOD services can benefit from the research and use the information to make decisions whether to pursue AVOD services in the future more to consumers in Finland. Besides Finnish marketers and VOD service providing companies, regular Finnish consumers can benefit by exploring AVOD services as a result with advertisements and pay less, compared to a standard SVOD service (i.e. Netflix). Finnish marketers have long advertised through traditional and linear television and turning more into AVOD will allow companies to find customers through advertising in the future also.

The sample was convenient for the questionnaire and the data gathered from the questionnaire was suitable for the research. The respondents to answer the questionnaire were gathered through WhatsApp private messaging or group messages. The respondents were either friends or friends of friends. The data from the questionnaire was collected from google forms and transferred to excel. In excel the data was formed in to charts which were analyzed in the results section. The charts were based on answers from the question in the questionnaire and mean results from answers from various questions.

3. RESULTS

3.1 Analysis of the Results

The analysis of the results presents the reader a clear understanding of the results and how it supports the literature. In the analysis of the results the information gathered is analyzed to offer answers to each research question. The research questions were the following:

- What are the platforms from where the public consumes their entertainment?
- How much Weekly consumption of entertainment is conducted?
- What incentives and factors influence consumers in the decision making when subscribing to a VOD service?

The platforms from where the public consumes their entertainment. In the questionnaire the respondents were asked about which sources do they use for entertainment and were told to pick at least one. The sources to choose from were SVOD, AVOD, TVOD, Cable TV and regular television. As shown in figure 8, ninety-five percent of the respondents revealed SVOD as a source of entertainment, AVOD being the second most consumed with almost fifty percent of the viewers consuming entertainment from this source. Approximately thirty percent of respondents also revealed that they either use regular tv or cable tv as a source of entertainment.

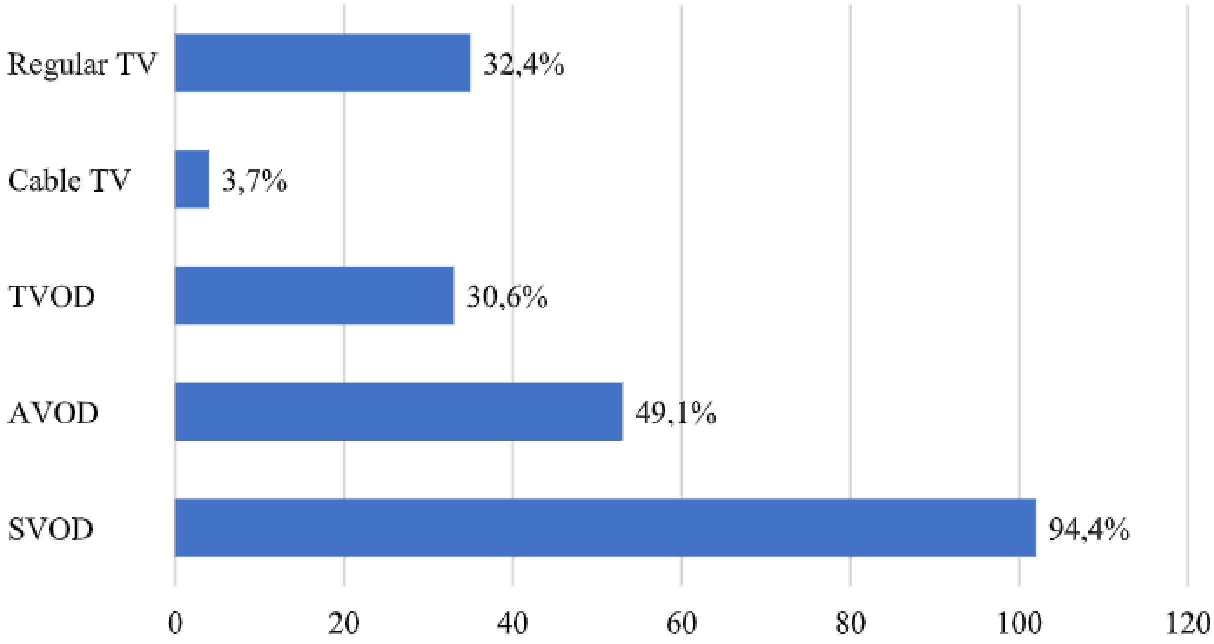

Figure 8. Sources used for consumption of entertainment
Source: Composed by the Author

The margins between VOD services and Television based services was large when compared that at least 94.4% of respondents watch a VOD based platform, compared to 32.4% of respondents using television-based platforms to consume entertainment.

Weekly consumption of entertainment. In the questionnaire the respondents were asked about their weekly consumption of entertainment. The respondents were given as options to answer, 1 to 3 hours, 4 to 6 hours, 7 to 13 hours and 14 hours or more. As shown in Figure 9, Approximately 40 percent of the respondents answered that they spend weekly 7 to 13 hours on consuming entertainment and around 35 percent revealed that they spend four to six hours. 13 percent of respondents revealed that they spend 14 hours or more consuming entertainment, whereas 12 percent revealed that they spend 1 to 3 hours.

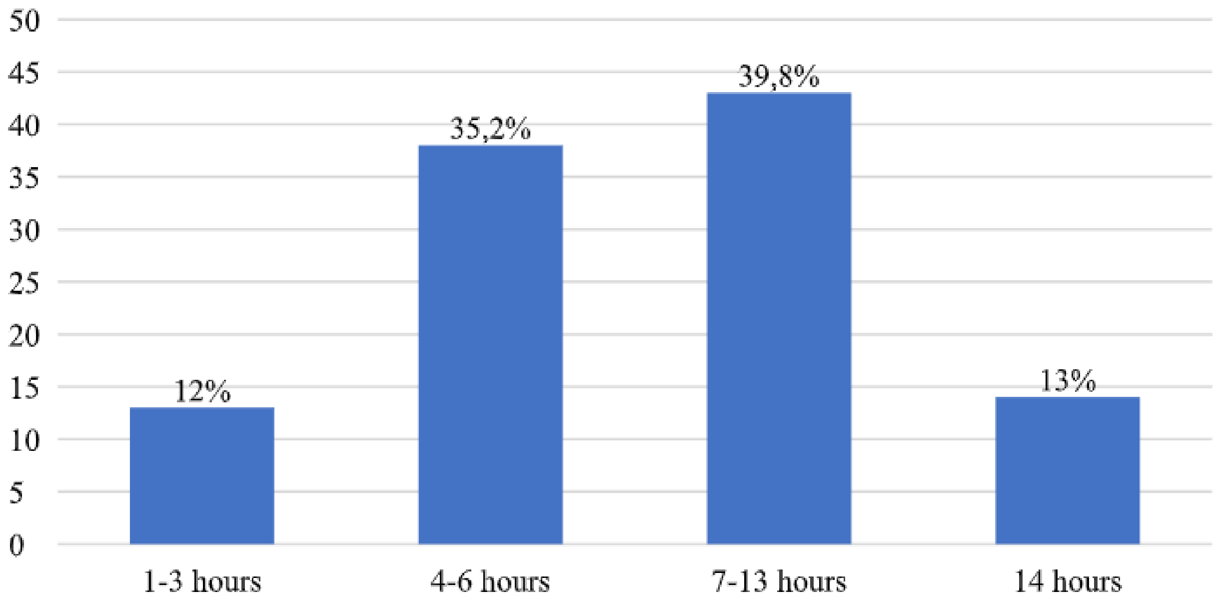

Figure 9. Weekly consumption of digital entertainment
Source: Composed by the Author

Of the respondent's 75 percent revealed that they weekly consume entertainment 4 to 13 hours. Of the remaining 25 percent of respondents, the weekly consumption was either minimal 1 to 3 hours weekly or 14 hours or more, which totals to two hours or more daily for the latter.

Incentives and factors that influence consumers in the decision making when subscribing to a VOD service. To answer this research question respondents were asked questions about their opinions and preferences on different factors such as advertisements, price, streaming service content and word of mouth from friends or the internet.

Respondents were asked about the factors they consider before subscribing to a streaming service. The respondents were given a choice of choosing multiple factors that they stress when subscribing. As shown in figure 10, respondents held the content that the streaming service offers as the most important factor with over 90 percent of respondents choosing content in the questionnaire. The price of the streaming service was considered the second most important factor with 60%. WOM (Word-Of-Mouth) and no advertisements were considered as equal factors when subscribing to a new streaming service with nearly 26 percent of respondent favouring word-of-mouth as a factor.

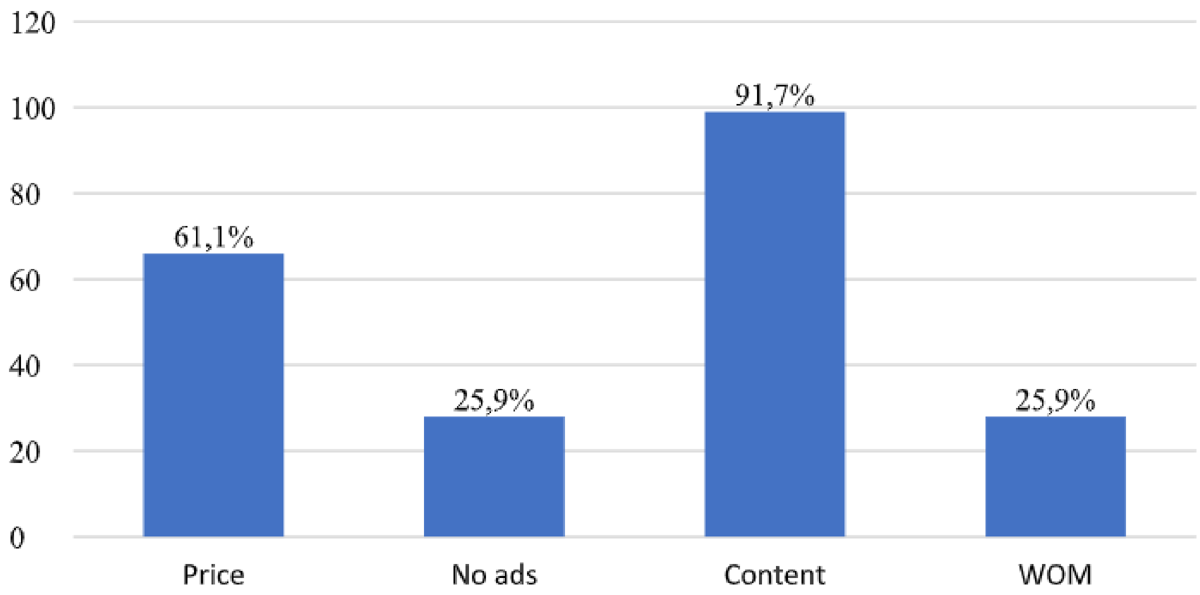

Figure 10. Factors considered before subscibing for a subscription service
Source: Composed by the Author

According to the respondents answers to the questionnaire, content and price are seen as the most important factors of the options given with at least 61,1 % of respondents favouring at least either on. No advertisements and WOM where seen as the lesser important factors.

Respondents were open for advertisements (shown in figure 11) in a slightly hesitant manner with approximately 50 percent answering maybe or no opinion to the question wether they would be open to reduce the cost of their streaming service by viewing advertisements, effectively change their SVOD service to AVOD service. Even though only 1/5 respondents answered yes to the proposition, only 28 percent answered no. This showcases that in total almost ¾ of respondents might be open to proposition of advertisements in their VOD streaming service.

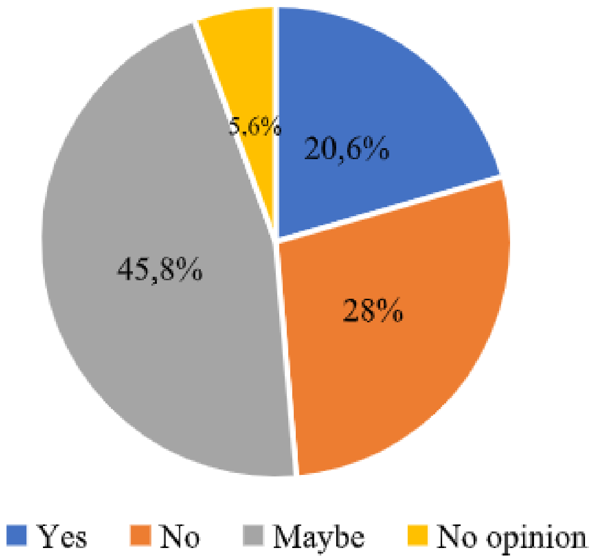

Figure 11. Consumers willing to watch advertisements in order to make their SVOD service change to AVOD, with the assumption that the price is lower
Source: Composed by the Author

The respondents answeres to the questionnaires question on the willingness to swich their SVOD service to AVOD, with the assumption that the price is lower are tilted narrowly to the answer No with a 7,4% advantage compared to the answer Yes.

The respondents to the research questionnaire on Finnish consumer attitudes, When thinking of purchasing a new SVOD subscription will you cancel another one to pay for a new one? As shown in figure 12, approximately half (50.5%) of respondents revealed that they wouldn't cancel a streaming service to pay for a new one. The amount of respondents who answered don't know (21.5%) and yes (28%) was in total 49.5 percent.

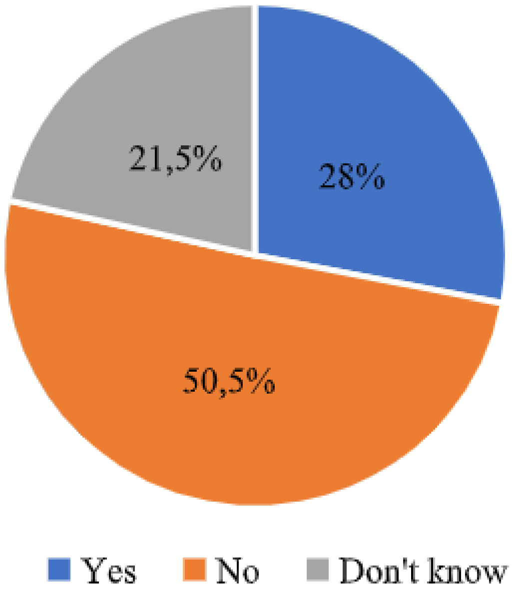

Figure 12. Consumer who would cancel and old SVOD subscription in order to pay for a new one
Source: Composed by the Author

With 79.5 percent of the respondents having a clear answer to the question, the amount of consumers who wouldn’t cancel an old SVOD subscription in order to pay for a new one can be seen greater than the amount that would cancel their subscription.

Respondents were asked whether they would be more likely to subscribe to a streaming service, if they got a free trial for it. As shown in figure 13, nearly 3/5 of respondents (58.5%), revealed that they would be more like to subscribe if awarded a free trial. Nearly every fourth (22.5%) revealed that it may have an effect on their subscribition decision and 18.6 percent of respondents answered either doesn’t really effect me (16.7%) or no effect (1.9%) on their subscribition decision. Only 0.9 percent of respondents didn’t know if the free trial would have an effect on them.

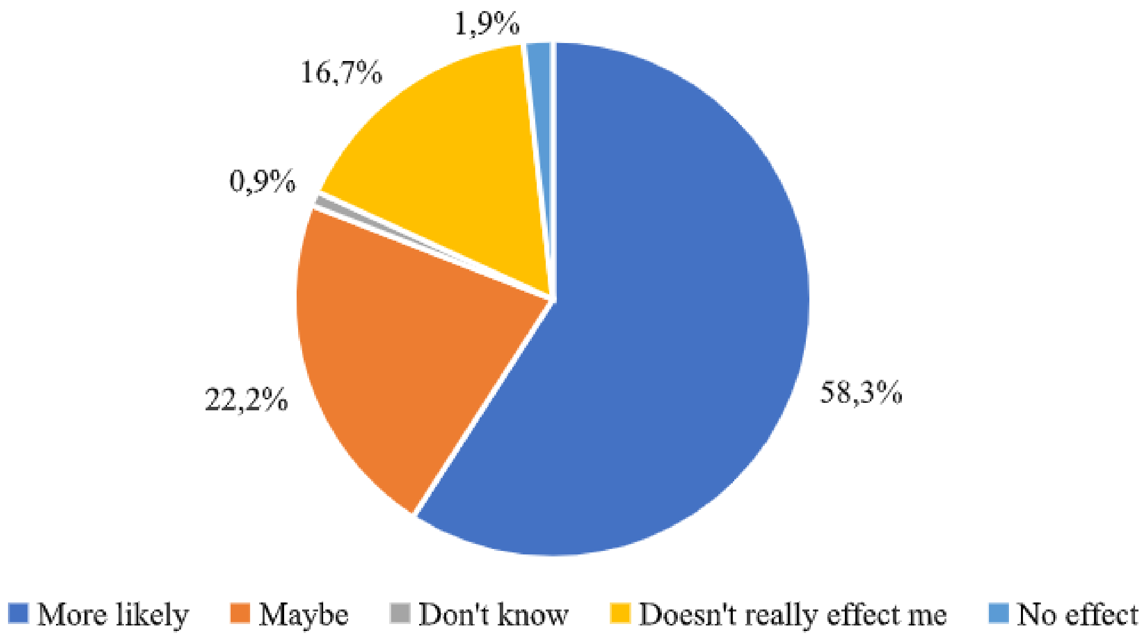

Figure 13. The likeliness of consumers subscribing to a streaming service, if receiving a free trial
Source: Composed by the Author

Of the respondents 80,5 percent saw a free trial increasing their likeliness of subscribing to a streaming service and only 1,9% of respondents saw the free trial having absolutely no effect. The amount of consumers seeing a free trial increasing the likeliness versus having no effect at all was 42 times greater in favour of increasing the likeliness of subscription.

When asked about how much respondents would be willing to spend on a single streaming service (shown in figure 14), almost half of the respondents (49.1%) revealed that they wouldn't pay more than 10€ for a single subscription and 31.5 percent wouldn't pay more than 15€. A maximum of 20€ only 10.2 percent of respondents were willing to pay and a maximum 30€ only 9.3 percent of respondents. None of the respondents were willing to pay over 30€.

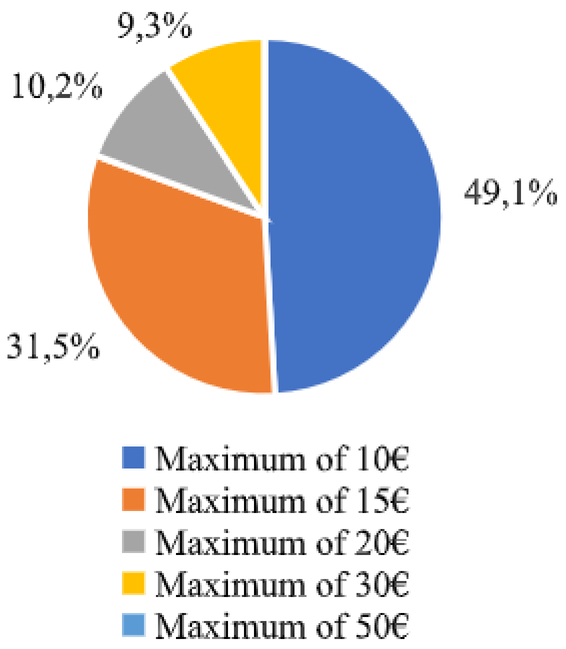

Figure 14.The maximum amount consumers are willing to spend monthly on a single streaming subscription
Source: Composed by the Author

Of the respondents 81,5 percent were not willing to spend more than 15€ for an single streaming service and the remaining 18,5 percent either a maximum of 20€ or 30€. The respondents saw the breaking point as more than 30€ for an single streaming service.

When respondents were asked what is the maximum amount they would be willing to spend monthly in TOTAL for streaming service subscriptions, over half of the respondents (54.6%) revealed that they wouldn't spend more than 11€ to 25 € in total for their streaming services and almosyt 1/3 of respondents (29.6%) reveled that they wouldn't spend more than 26€ to 50€, as shown in figure 15. Respectively only 10.2 percent of respondents would spend a maximum amount of 10 euros on streaming services and 5.6 percent of respondents revealing that they would spend 51-75 euros. None of the respondents were willing to spend over 75 euros in total for their streaming services.

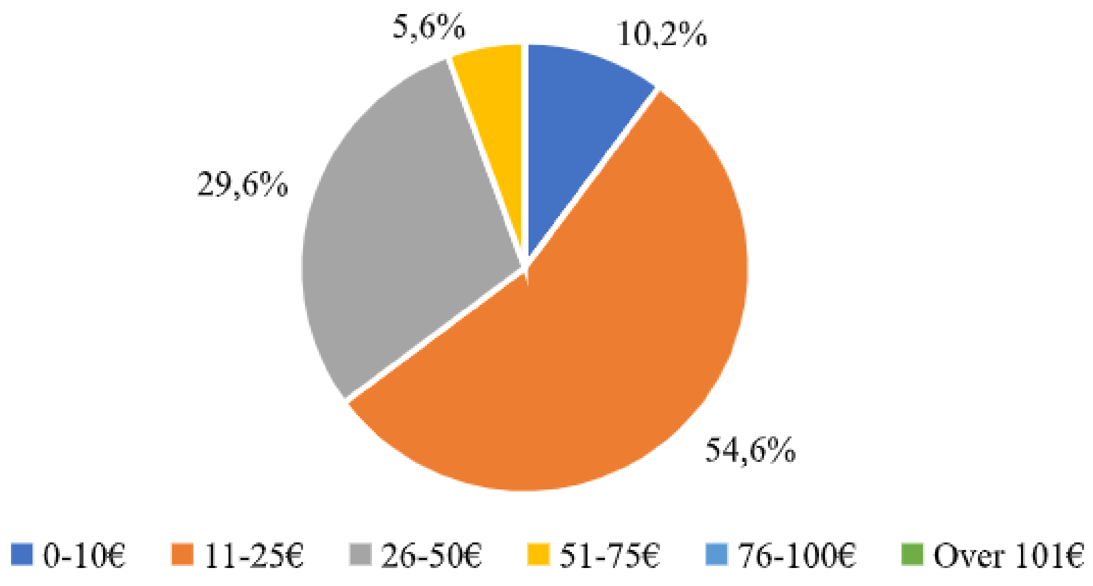

Figure 15. The maximum amount consumers are willing to spend monthly in total for streaming subscriptions
Source: Composed by the Author

The large majority of the respondents (84,2 percent) were not willing to spend more than 50€ in total for their streaming service and the reamining 15,8 percent were willing to spend the maximum of 100€ in total for their streaming services. Most of the respondents saw the 50€ mark as a breaking point.

When asked about reasons for cancelling their streaming subscription, the respondents answered varied (as shown in figure 16). The respondents had an option to pick one or more options as their answer. Of the respondents at least 83,3 percent saw that they didn’t need the streaming service anymore. An equal of 45.4% saw at least that either the streaming service was too expensive or didn’t feel they didn’t get their money worth and cancelled their streaming subscription. The least important reason by respondents of the option given was that they wanted to try another streaming service.

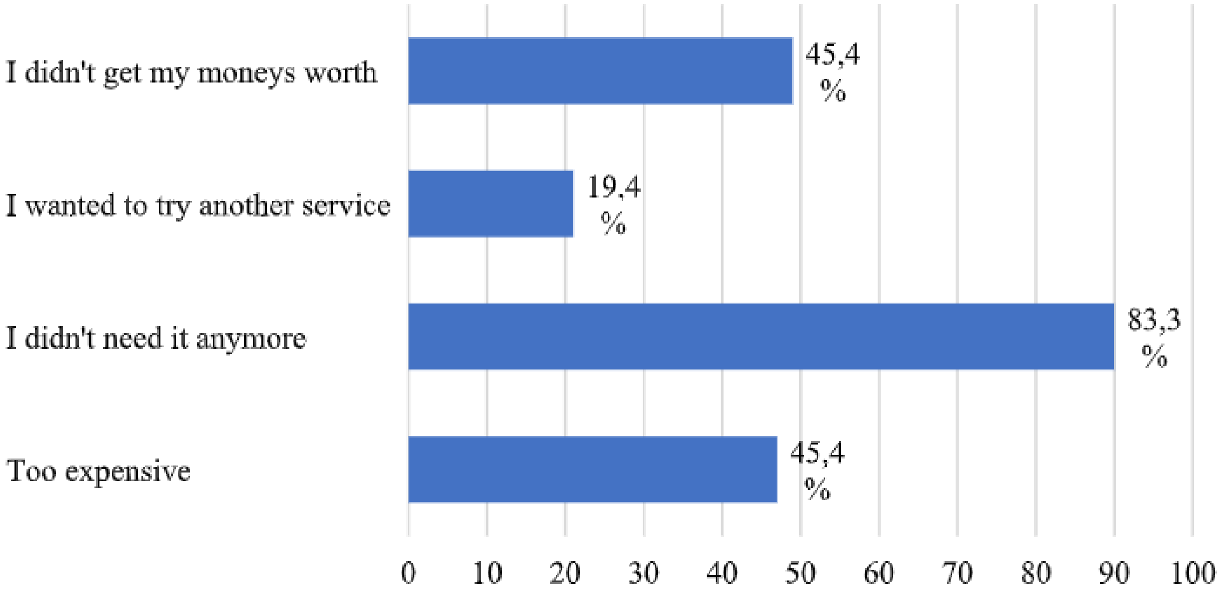

Figure 16. Reasons for cancelling streaming subscription
Source: Composed by the Author

According to the answeres by respondents 45,4 percent of reasons for cancelling a streaming can be linked to the price of streaming service. The factor of not needing the certain streaming subscription and wanting to try a new one were also reasons which consumers saw as reason to cancel the subscription by at least approximately 20%, although not needing the service anymore (83,3 percent) was the way more recognized reason to cancel a streaming service.

Towards totally free AVOD services consumers were more likely to switch their SVOD service into AVOD service, if the AVOD service were to be free of charge, as shown in figure 17. Nearly half of the respondents (49.6 percent) answered on a scale of 7-10 meaning they would very likely switch their SVOD to an AVOD, if it were to be made free of charge. The amount of respondents who were fairly neutral answering 4 to 6 was about ¼ of the respondents (26.7 percent) and the last reamining 23.8 percent wouldn’t swoitch their subscription answering 1 to 3.

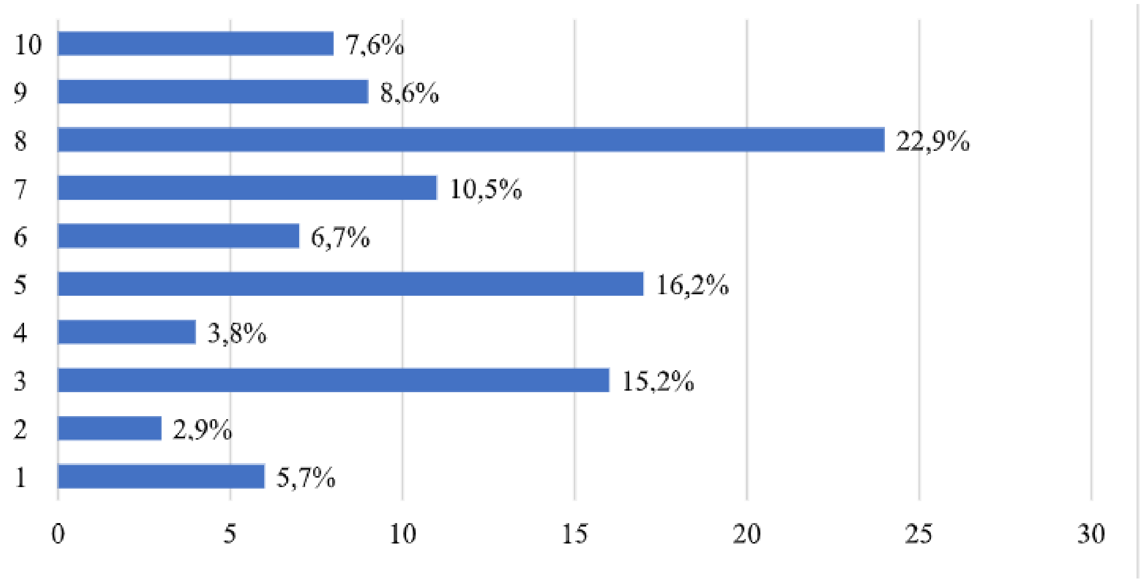

Figure 17. A scale for how likely consumers would switch to AVOD from SVOD, if their subscription would turn free
Source: Composed by the Author

To generalize the answers from respondants nearly half of the respondants would switch to AVOD from SVOD if it were to be completely free. Only 26.7 percent of respondents were against the thought of not switching, which makes the switching to AVOD from SVOD, when made completely free of charge the most popular opinion of the respondents.

Contrary to the previous questions on advertisements, figure 18 showcases that respondents held very important or important that there are no advertisements in their streaming services. Over 65 percent of respondents were in the opinion that having no advertisements was at least important. Only 16.8 percent of respondents revealed that it is not important to them even though there are advertisements in a service (13.1%) or they are not bothered by adversiments (3.7%).

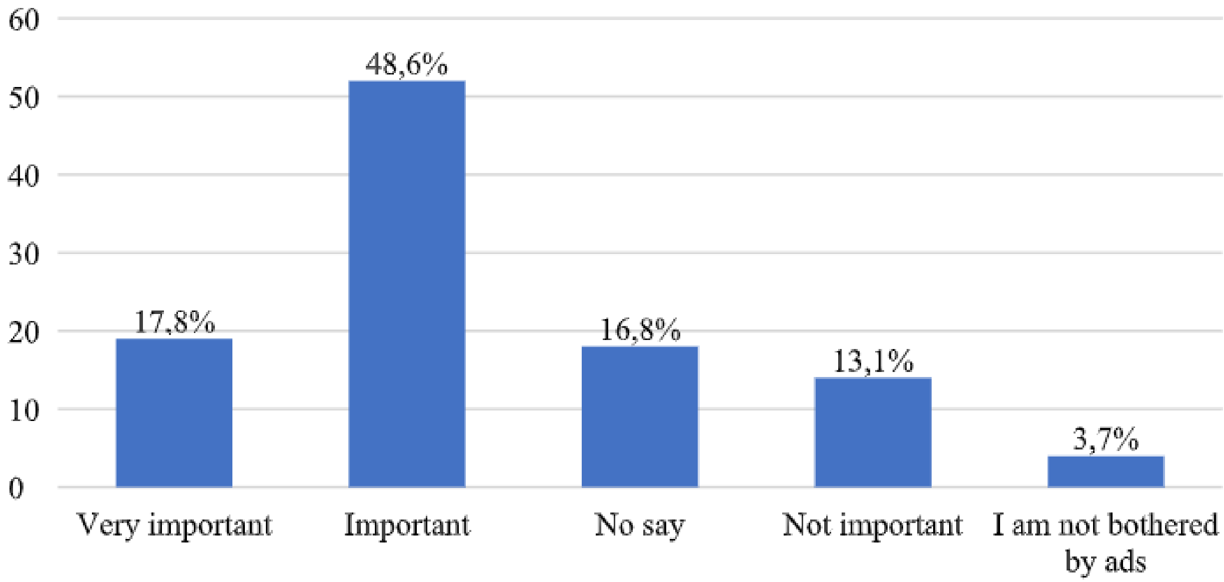

Figure 18. How important consumers see that there are no advertisements in their streaming service
Source: Composed by the Author

With only 16,8 percent of respondents having no opinion to the question it can be concluded that according to respondents the fact that there are no advertisements in a streaming service is far more popular of an opinion than not being bothered by advertisements. The respondents were not given any incentive for the viewing of advertisements.

3.2 Discussion

The answers from respondents in the questionnaire gave answers to the research questions. Before the questionnaire was formed and released online, literature from different sources was gathered to form the core of the research. The questions to questionnaire were formed based on the literature.

The literature gathered showcased that SVOD (Subscription video on demand) is currently the most popular source to view entertainment worldwide with it's easy monthly subscription fee and wide rage of content. The information gathered from the questionnaire proved that Finland is no exception to the rule of SVOD, with 94 percent of the respondents answering that they use an SVOD service. As mentioned in the literature by Chowdhury, SVOD services are advertisement free and come with a monthly subscription fee. The "easy in -easy out" model (Kaysen, 2015) makes SVOD service easy to subscribe to with the freedom of cancelling at any time, compared to traditional Cable TV deals. This is the first verification for the research aim of the research and why this study might be useful for marketers on the decision making on where to advertise in the entertainment industry. Leading to the problem of multiple subscription, with people canceling a subscription in order to subscribe to another service when subscribing to their third SVOD, according to the Survey in the literature by Rakuten Insights. The amount of respondents to the research questionnaire on Finnish consumer attitudes, who cancel streaming service in order to pay for a new one. Almost half of the Finnish respondents (49.5%) answered to the questionnaire either Yes or Don't Know to whether they would cancel a SVOD subscription in order to pay for a new subscription. This result from the questionnaire verifies the findings from the literature, opening a possibility for the AVOD market, for cost sensitive consumers whose attitudes might be open to a less costly or free service, in this case AVOD.

AVOD (Advertising Video On Demand) as shown in the Rakuten Advertising study conducted where it was showcased that 46 percent of UK consumers would be willing to adopt and AVOD service and watch advertisements on their VOD service. The questionnaire in the research reveals that 49 percent on respondents use a AVOD service to consume entertainment. This showcases that AVOD in Finland is gaining popularity. As Sancho and Carro mentioned in the literature, TVOD has replaced DVD's and this has benefitted SVOD viewing. Instead of buying single DVD's it is much more benefitial for the consumer to purchase or rent a movie from i.e. Youtube from the own comfort of their home. The respondents to the questionnaire revealed that 30 percent of them watch TVOD services for their entertainment.

The decline of traditional linear TV according according to The Nielsen Company global survey showcased in 2016 that consumers worldwide were more likely to stop watching traditional television in the future. In the global survey analysis it was questioned whether respondents would actually stop watching traditional linear television, even though they planned to do so. In the questionnaire for the research this was proved to have shifted further in 5 years. Finnish respondents answered that only 32.4 percent watched regular television or 3.7 percent reported to watch cable television now in 2021. This showcases that regular television viewing is slowly declining. With this information it is hard to tell whether it will decline to the point of vanishg for good or will it live on, though as a very small source of entertainment. This again verifies the aim of the research and why this study might be useful for marketers on the decision making on where to advertise in the entertainment industry, when regular television with advertisements shows a drop in viewers, making regular ad-based television a less lucrative market to advertise in.

In the literature the viewing time of video in the U.K. in 2018 was collected by a study and survey done by Ofcom. The finding were that an average U.K. individual spends daily 4 hours and 54 minutes viewing video. The research questionnaire on finnish consumer attitudes revealed that finnish consumers spend significantly less time viewing entertainment with only 14 percent of respondents watching 14 or more hours weekly, meaning a daily consumption of 2 hours or more. The largest individual group of respondents (39.8%) was with a viewing time of seven to thirteen hours weekly, meaning a daily viewing time of approximately 1 hour and 15 minutes to 1 hour and 50 minutes. Respondents that had a viewing time of entertainment 1 to 6 hours weekly were 47.2 percent of respondents.

It is to be noted that the Ofcom survey and study was made with a professional team who analyzed data and used surveys, compared to the questionnaire on finnish consumer attitudes where the respondents could lie about their consumption of entertainment on purpose or not acknowledge the actual time they spent in reality. There is also no real information on the finnish viewing of entertainment available to compare to the questionnaire results. The benefit of the doubt was given to respondents in trusting their viewing time responses and to verify the research aim. This showcases in the results the viewing time to give marketers a better understanding of how much viewing time people spend weekly on entertainment. This information added to the result of respondents viewing AVOD will give marketers a better understanding of the market and it's possibilities in advertising in it.

In the literature consumers from the Rakuten Advertising survey across Europe revealed how different situation affected and influenced their decision making. The Rakuten Advertising survey revealed that 26 percent of subscribers to VOD services had to cancel their subscription because it was too expensive and 35 percent of subscribers revealed that they would cancel and subscription in order to pay for a new one. In comparison the questionnaire on Finnish consumer attitudes revealed that almost 28 percent of respondents would cancel a SVOD subscription in order to pay for a new one, revealing also that almost half (49.1%) of the respondents wouldn't spend more then 10€ on a single streaming service and 54.6 percent wouldn't spend in total more than 25€ on all of their streaming services.

In the Finnish consumer attitudes questionnaire results, 61.1 percent of respondents revealed that price was one of the factors they consider before subscribing to a streaming service, having a choice of one or more options, with only 25.9 percent of respondents revealing no advertisements being a factor. Adding to these results when asked about the reasons motivating to cancel a subsription 43.5% of finnish consumer srevealed that the service being too expensive and 45.4 percent of respondents reporting that if they don’t feel they get their moneys worth. Free trials had a large part in choosing to subscribe to a service with 58.3 percent of respondents more like to subscribe to a service if earning a free trial.

The results showcase that also in Finland AVOD is a growing market, as well as a market with lot’s of potential since SVOD prices a relatively high and multiple subscriptions might end to the canceling of previous subscriptions. The results revealed results with information to the research problem that there is not enough information on how the last year (COVID-19 pandemic) has influenced consumers attitudes towards commercialized video on demand (VOD), in terms AVOD (Advertising Video On Demand). With the new information from this research, marketers can more precisely plan on where to advertise in the entertainment industry.

Consumer behavior can according to Kotler be split in to four charecteristics that influence consumer buying behavior: Cultural, personal, social and psychological. Social charecteristics, the individuals family, friends, work and social networks can influence the buying behavior of a individual. According to the research questionnaire WOM (Word-of-mouth) influenced ¼ of respondents when considering to subscribe to a streaming service, which showcases the the social charecteristics which influence the buying behaviour for a individual.

Psychological charecteristics were named by Kotler in the four charecteristics, which are seen as motivation, learning, perception and attitudes and beliefs. According to the research questionnaire over 50% of respondents answered that they don’t want advertisements in their VOD service, even though it would make the service completely free. This showcase the psychological characteristics in which individuals have attitudes and believes which are in the basis of their buing behaviour.

Cultural charecteristics were not analyzed in this research, but personal charecterics which were part of Kotlers four charecteristics in influencing buying behaviour were. In the research questionnaire the prices of services were influenced by personal charecteristics i.e. how much a individual was willing to pay for a single streaming service subscription and in total for all their streaming subscriptions. This showed that even though peoples personal charecteristics and Kotler's other three chraecteristics most likely influenced the buying behaviour, the willingness of paying or lack of money influenced consumers to draw a line which none crossed in the total money willing to spend on streaming services 75€. Over half of the respondents weren't even willing to pay over 25€. This qualifies the research topic since it showcases a opening for AVOD services with consumers lacking the funds or are not willing to spend money on streaming service subscriptions highly. With the most popular SVOD service Netflix costing 7,99€ for a single user and for a family package 16€ in finland, the amount of SVOD services people are willing to pay for are two.

This research study will be shared to Statista, the global number one business data platform, for everybody and especially marketers when searching for advice in potential markets in Finland, in this case AVOD. Marketers can keep in mind the research findings when planning possible entry to the VOD market. With the VOD platform growing constantly and especially AVOD which has lots of possibilities in the future in advertisement with the interest towards the platform beign high due to the low or free subscriptions it offers, marketers today need to look at AVOD the way they looked at commercial television in the early 2000s.

CONCLUSION

The research problem in the study was that there was not during the time of research enough information on how the previous year (COVID-19 pandemic) has influenced consumers attitudes towards commercialized Video on demand (VOD), in terms AVOD (Advertising Video On Demand). The research through the results unveiled results which directly might offer solutions to marketers on their decision making when advertising in the entertainment industry. The entertainment industry has gone through changes now in the last year and consumers will keep their new habits of viewing entertainment and not return completely to their old habits.

The aim of the research was to find out what consumer attitudes are towards subscribing to digital channels with advertisements. The aim of the research was fulfilled with the quantitative research questionnaire revealing the consumer attitudes towards AVOD, with the support of the literature. The findings from the research showcase that towards AVOD consumer attitudes are mostly positive and welcoming. AVOD can be viewed as a challenger for the long-ruled power of SVOD (Subscription video on demand) which was the most popular way of consuming entertainment, with nearly every respondent in the questionnaire having a subscription to a SVOD service. Advertising on demand was viewed as an attractive option with the low price of subscription or free price of subscription through the viewing of advertisements. The literature supported these finding with the study of Rakuten showcasing that many consumers will cancel their old subscription for a streaming service when thinking of subscribing to their third SVOD service.

The research questions for the study were answered and fulfilled with the theoretical part of the research and by comparing the results to the respondent’s answers to the research questionnaire. The findings from the research supported the theoretical part of the research and the research questions were answered and fulfilled the research with the respondents habits on the different platforms they consume their entertainment from, the amount of time consumer spend weekly consuming entertainment and the different factors and incentives which influence their attitudes towards decision making when subscribing to a VOD service.

The research provided new knowledge with its results in the context of attitudes to AVOD (Advertising video on demand). Now that streaming services have gone global and SVOD streaming subscriptions increasingly popular, the AVOD market has a chance to capitalize. Consumers not willing to spend over a certain amount of money on their streaming service and as significant percent of consumers cancelling their streaming service when opting to subscribe to a new streaming service, AVOD can be seen as the new advertised television, which dominated for many previous centuries the television market. Consumers are increasingly more open for advertisements in AVOD due to lower prices or completely free subscription. With AVOD consumers can subscribe to streaming service in many cases free of charge, which offers the possibility of unlimited subscriptions and consumers can view subscriptions as tv channels in a way. It is to be kept in mind that many AVOD services such as the American streaming service Hulu and Finnish streaming service Ruutu. In the case of these two examples both of these streaming services offer SVOD and AVOD services in their streaming packages, giving the consumer an option, which wasn't given in the past.

Limitations for the research were that the lack of honesty in the quantitative research answers by respondents with the amount of viewing entertainment weekly compared to theoretical part of the thesis was low, however it was easily noticeable and could be addressed in the research. For further research the research can be continued with consumer attitudes stabilized after the global pandemic year and the consequences have become the new normality in terms of consuming entertainment. From the research information gained the research can be continued and specified to focus on different age groups and their attitudes toward VOD to gain a furthermore understanding on how the new generations and older generations attitudes differ. This research can also be continued as a qualitative research by interviewing marketers and how they have shifted into advertising in AVOD platforms.

New information from the study for marketers was gained through the research through the questionnaire. Marketers can more precisely plan on where to advertise in the entertainment industry with the new information learned from the study with AVOD as a platform experiencing growth now and will continue to grow in the future with many consumers considering it as an alternative option to the expensive SVOD subscriptions. Marketers will need to view the AVOD platform now and in the future as customary when considering advertising in the field of commercialized entertainment.

LIST OF REFERENCES

Ampere Analysis. Chowdhury, I. (2019, Aug 19). *Tolerance for advertising highest among homes taking multiple streaming services.* [Blog Post]. Retrieved from https://www.ampereanalysis.com/insight/tolerance-for-advertising-highest-among-homes-taking-multiple-streaming-services, 13 March 2021.

Berger, A. (2015). *Ads, Fads, and Consumer Culture: Advertising's Impact on American Character.* Retrieved from https://books.google.fi/books?id=dVRnBgAAQBAJ&printsec=frontcover&dq=Ads,+Fads,+and+Consumer+Culture:+Advertising%27s+Impact+on+American+Character&hl=en&sa=X&ved=2ahUKEwjblt6Q8rzvAhVSAxAIHWkZAMcQ6wEwAHoECAUQAQ#v=onepage&q=Ads%2C%20Fads%2C%20and%20Consumer%20Culture%3A%20Advertising's%20Impact%20on%20American%20Character&f=false, 28 October 2020.

Berger, A. (2020). *Ads, Fads, and Consumer Culture: Advertising's Impact on American Character.* Retrieved from https://books.google.fi/books?id=6J7yDwAAQBAJ&printsec=frontcover&dq=Ads,+Fads,+and+Consumer+Culture+Sixth+Edition&hl=en&sa=X&ved=2ahUKEwif0KSF87zvAhXMiIsKHWqZCu4Q6wEwAHoECAAQAQ#v=onepage&q=Ads%2C%20Fads%2C%20and%20Consumer%20Culture%20Sixth%20Edition&f=false, 5 November 2020.

BRID.TV. Stanimirovic, U. (2020, Nov 24). *What Is TVOD and Why It Is Growing in Popularity.* [Blog Post]. Retrieved from https://www.brid.tv/what-is-tvod/, 20 April 2021.

Business Insider. Gushue, J. Cohen, S. (2021, Feb 4). *A complete price breakdown for Hulu and Hulu Live TV packages.* [Blog Post]. Retrieved from https://www.businessinsider.com/how-much-is-hulu?r=US&IR=T, 16 March 2021.

Dataxis. Giry, T. Stallivieri (2020, Jul 2). *The AVOD Landscape in Europe and Latam : A comparative analysis with U.S. Model.* Retrieved from https://dataxis.com/press-release/the-avod-landscape-in-europe-and-latam-a-comparative-analysis-with-the-u-s-model/, 10 April 2021.

Deloitte Insights. Srivastava, S. (2020, Jul 31). *After COVID-19, will movie fans return to the theater—or keep watching at home?* [Blog Post]. Retrieved from https://www2.deloitte.com/us/en/insights/industry/technology/pvod-upend-content-covid.html, 9 April 2021.

Doyle, G. (2016). *Television production, funding models and exploitation of content.* Icono14, 14(2), 75-96. Retrieved from https://www.researchgate.net/publication/305761310_Television_production_Funding_Models_and_Exploitation_of_Content, 19 March 2021.

European Audiovisual Observatory. Grece, C. (2021, Jan). *Trends in the VOD market in EU28.* Retrieved from https://rm.coe.int/trends-in-the-vod-market-in-eu28-final-version/1680a1511a, 12 May 2021.

Forrester Research. Nail, J. (2017, Aug 9). *Back To the Future: The Benefits Of TV Advertising.* [Blog Post]. Retrieved from https://go.forrester.com/blogs/back-to-the-future-the-benefits-of-tv-advertising/,, 10 November 2020.

Gripsrud, J. (Ed.). (2010). *Relocating television: Television in the digital context*. Routledge. Retrieved from https://books.google.fi/books?hl=en&lr=&id=k84q2Ems18MC&oi=fnd&pg=PR5&dq=television&ots=5TaK8ix1kE&sig=WdZI4yy2uvgx9fW04FwNvQBHrXU&redir_esc=y#v=onepage&q=television&f=false, 7 May 2021.

Imagen Ltd. *Is Premium Video on Demand here to stay?* Retrieved from https://imagen.io/resources/premium-video-on-demand/, 20 April 2021.

Jump TV Solutions. Werd, S. (2020, Aug 16). *What is Video on Demand (VOD)?* [Blog Post]. Retrieved from https://www.jumpdatadriven.com/what-is-video-on-demand-vod/, 26 March 2021.

Kantar Media. *Linear vs non-linear viewing: A qualitative investigation exploring viewers' behaviour and attitudes towards using different TV platforms and services providers.* Retrieved from https://www.ofcom.org.uk/__data/assets/pdf_file/0029/68816/km_report.pdf, 19 March 2021.

Kirkpatrick, S. (2018). *Introduction to Media Distribution: Film, Television, and New Media.* Retrieved from https://www.perlego.com/book/1578908/introduction-to-media-distribution-film-television-and-new-media-pdf?queryID=2fed0ee09012110b1073cb8000096af7&searchIndexType=books, 15 November 2021.

Kotler, P. (2012). *Kotler on marketing*. Simon and Schuster. Retrieved from https://books.google.fi/books?hl=en&lr=&id=iHWxeT7X5YYC&oi=fnd&pg=PT7&dq=kotler+on+marketing&ots=ei6Ky_7HPR&sig=gFJVpaVgBNG_hS2ulTobcqDqT-U&redir_esc=y#v=snippet&q=advertising&f=false, 7 May 2021.

Kotler, P., & Armstrong, G. (2010). *Principles of marketing.* Pearson education. Retrieved from https://books.google.fi/books?hl=en&lr=&id=ZW2u5LOmbs4C&oi=fnd&pg=PA16&dq=kotler+marketing+principles&ots=B_Yfy42epl&sig=cUNAR-K4RY6jvwbJA_x_pn979Nw&redir_esc=y#v=snippet&q=behavior&f=false, 7 May 2021.

Krasniqi, D., Krasniqi, M. (2014). *Attitudes and costumer behaviour.* Retrieved from http://journals.euser.org/files/articles/ejser_sep_dec_14/MalushK.pdf,, 30 November 2020.

LinkedIn Corporation. Kayden, M. (2015, Aug 24). *Understand the "SVOD", "TVOD" and "AVOD" terms and business models of streaming services like Netflix.* [Blog Post]. Retrieved from https://www.linkedin.com/pulse/understand-svod-tvod-avod-terms-business-models-streaming-mads-kaysen#:~:text=AVOD%20%3D%20Advertising%20VOD,when%20looking%20at%20premium%20content, 16 November 2021.

LinkedIn Corporation. Kayden, M. (2017, Nov 13). *Understand the "PVOD" term and business model of streaming services.* [Blog Post]. Retrieved from https://www.linkedin.com/pulse/understand-pvod-term-business-model-streaming-services-mads-kaysen, 18 March 2021.

Madichie, N., Kapoor R. (2012). *Consumer Behaviour*. Retrieved from https://www.researchgate.net/publication/328676646_Consumer_Perception, 13 March 2021.

Marinaccio, D. (2015). *Admen, Mad Men, and the Real World of Advertising: Essential Lessons for Business and Life.* Retrieved from https://www.perlego.com/book/506416/admen-mad-men-and-the-real-world-of-advertising-pdf?queryID=76ae5a2a39dce1381de07b22a7b55a37&searchIndexType=books, 15 November 2021.

Ofcom. *Media nations: UK 2019.* Retrieved from https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160714/media-nations-2019-uk-report.pdf, 17 April 2021.

Poort, J., Van Til, G. (2020). *The role of territorial licenses and public support schemes in financing European films.* International Journal of Cultural Policy. Retrieved from https://www.tandfonline.com/doi/full/10.1080/10286632.2019.1690475, 19 March 2021.

Rakuten Advertising. Farrar, R. (2020, Jun 22). *Content FOMO: Consumers demand more entertainment during lockdown and beyond.* [Blog Post]. Retrieved from https://blog.rakutenadvertising.com/en-uk/insights/avod-the-time-is-now/, 16 November 2020.

Rethink Research. *The rise in SVoD viewing to swamp traditional TV by 2023. SVOD Revenues Forecast to 2023.* Retrieved from https://blog.rakutenadvertising.com/en-uk/insights/avod-the-time-is-now/, 19 March 2021.

Sanchez, A., Carro, B. (2017). *Digital Services in the 21st Century: A Strategic and Business Perspective.* Retrieved from https://books.google.fi/books?id=9S3bDgAAQBAJ&pg=PT21&lpg=PT21&dq=Sanchez,+A.,+Carro,+B.+(2020).+Digital+Services+in+the+21st+Century:+A+Strategic+and+Business+Perspective.&source=bl&ots=W52CCMECjP&sig=ACfU3U3OiPwnoEUc1JocT8Gl-LxqciA3-Q&hl=en&sa=X&ved=2ahUKEwjF1qyS7bzvAhXMvosKHRlUCX0Q6AEwBHoECBEQAw#v=onepage&q=Sanchez%2C%20A.%2C%20Carro%2C%20B.%20(2020).%20

Digital%20Services%20in%20the%2021st%20Century%3A%20A%20Strategic%20and%20Business%20Perspective.&f=false, 14 March 2021.

Saura, J.R.; Palos-Sanchez, P.; Rodríguez Herráez, B. (2020) *Digital Marketing for Sustainable Growth: Business Models and Online Campaigns Using Sustainable Strategies.* Retrieved from https://www.researchgate.net/publication/338921259_Digital_Marketing_for_Sustainable_Growth_Business_Models_and_Online_Campaigns_Using_Sustainable_Strategies, 19 March 2021.

Schiffmann, L. G., Hansen, H., Kanuk, L. L., (2008). *Consumer Behaviour: A European Outlook.* Retrieved from https://books.google.fi/books/about/Consumer_Behaviour.html?id=i7ztnQEACAAJ&redir_esc=y,, 10 November 2020

Statista. *Pay-Per-View (TVOD).* Retrieved from https://www.statista.com/outlook/205/100/pay-per-view--tvod-/worldwide#market-users, 14 March 2021.

The Nielsen Company. *Video On Demand. How worldwide viewing habits are changing in the evolving media landscape*. Retrieved from https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/global-video-on-demand-report-mar-2016.pdf , 17 April 2021.

Ulin, J. C. (2019). *The business of media distribution: Monetizing film, TV, and video content in an online world.* Routledge. Retrieved from https://books.google.fi/books?id=lOfqgMgUlhQC&printsec=frontcover&dq=video+on+demand+books&hl=en&sa=X&ved=2ahUKEwiatfLXk8fvAhVRtIsKHekPBeIQ6AEwAHoECAAQAg#v=onepage&q=video%20on%20demand&f=false, 12 February 2021.

Vanithamani, M. R. (2020). *Impact on Usage of Online Streaming Services among Adults During Quarantine With Reference To Coimbatore District.* Retrieved from https://www.researchgate.net/publication/344709610_Impact_on_Usage_of_Online_Streaming_Services_among_Adults_During_Quarantine_With_Reference_To_Coimbatore_District, 6 May 2021.

Vimeo. Boyarsky, A. (2020, Aug 21). *How to monetize video on demand using SVOD, TVOD, and AVOD.* [Blog Post]. Retrieved from https://vimeo.com/blog/post/how-to-sell-video-on-demand/, 20 April 2021.

Warner, C., Lederer, W., Moroz, B. (2020). *Media selling: Digital, Television, Audio, Prind and Cross-Platform.* Retrieved from https://www.perlego.com/book/1646008/media-selling-digital-television-audio-print-and-crossplatform-pdf?queryID=b38686013a31f25df780e45b99022c45&searchIndexType=books, 10 November 2020.

Wasko, J., Meehan, E.R. (2020). *A Companion to Television.* Retrieved from https://www.perlego.com/book/1342998/a-companion-to-television-pdf?queryID=da3bb4ec2c2a4916ac53ef40dbb77095&searchIndexType=books, 20 November 2021.

Yahoo! Finance. Hayes, D. (2020, Sep 16). PVOD For Top Studio Films Is “Failed Experiment”, Imax CEO Rich Gelfond Declares. [Blog Post]. Retrieved from https://ca.finance.yahoo.com/news/pvod-top-studio-films-failed-205335829.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAL8E3Oy7pPFZiitXkqrn4o1oFYIywj53mIUgMnnMZkawvYc4CkeWyV1-TSs2DbXOj05LVoyaCxmKvlM0_jrS1wq8h8VZxdwgkbF1tFEACeCMXu-Qs8_RO8KzTcw9ODUfJeKkwbboDTx9OypRSX7PJhkkqTYtshpRmteAYi45pV4t, 12 May 2021.

APPENDICES

Appendix 1. Questionnaires

1. How much do you weekly consume digital entertainment (Tv-shows, movies)?
- 1-3 hours
- 4-6 hours
- 7-13 hours
- 14 hours or more

2.Which of these sources you use for entertainment (pick at least one?)
- SVOD (Netflix etc.)
- AVOD (Ruutu, hulu, Rakuten etc.)
- TVOD (renting movies from youtube, viaplay etc.)
- Cable TV
- Regular TV

3. When thinking of purchasing a new SVOD subscription will you cancel another one to pay for a new one?
- Yes
- No
- Don't Know

4. How much more likely are you to subscribe to a streaming service, if you get a free trial?
- More likely
- Maybe
- Don't know
- Doesn't really effect me
- No effect

5. What is the maximum amount you would be willing to spend monthly on a SINGLE streaming subscription (SVOD, AVOD, Cable Tv, TVOD)?
- Maximum 10€
- Maximum 15€
- Maximum 20€
- Maximum 30€
- Maximum 50€

6. What is the maximum amount you would be willing to spend monthly in TOTAL for streaming service subscriptions (SVOD, AVOD, Cable Tv, TVOD)?

- 0-10€
- 11-25€
- 26-50€
- 51-75€
- 76-100€
- Over 101€

7. Reasons motivating to cancel a streaming subscription?

- Too expensive
- I didn't need it anymore
- I wanted to try another service
- I didn't get my moneys worth

8. What factors do you consider before subscribing for a streaming service? (pick one or more)

- Price
- No ads
- Content
- WOM (Word of mouth from friends/reviews)

9. Would you be willing to watch advertisements in order to make your SVOD service change to AVOD, making it cost less?

- Yes
- No
- Maybe
- No opinion

10. On a Scale from 1 to 10, 10 being the highest and one the lowest one, how likely would you switch to AVOD (Ad-based Video On Demand) from SVOD (Subscription Video on Demand) services, if it would mean that you wouldn't have to pay for your subscription?
Answer here:

11. How important is it for you that there are no ads in the streaming service? Even if it means that you would have to pay more for the service compared to AVOD streaming service.

- Very important
- Important
- No say
- Not important
- Not bothered by ads

Appendix 2. Results

Link for the raw data spreadsheet of results from quantitative questionnaire available in google sheets:
https://drive.google.com/file/d/1z5pFB4s4KxqfgTJoJDszf7mXuBb14iK1/view?usp=sharing

Appendix 3. Non-exclusive licence

A non-exclusive licence for reproduction and for granting public access to the graduation thesis[1]

I ________Riku Suominen___________________________ (*author's name*)

1. Give Tallinn University of Technology a permission (non-exclusive licence) to use free of charge my creation
Consumer attitude toward commercialized entertainment based on Video on Demand____
____
____,
(*title of the graduation thesis*)

supervised by________________________Merle Ojasoo
____,
(*name of the supervisor*)

1.1. to reproduce with the purpose of keeping and publishing electronically, including for the purpose of supplementing the digital collection of TalTech library until the copyright expires;

1.2. to make available to the public through the web environment of Tallinn University of Technology, including through the digital collection of TalTech library until the copyright expires.

2. I am aware that the author will also retain the rights provided in Section 1.

3. I confirm that by granting the non-exclusive licence no infringement is committed to the third persons' intellectual property rights or to the rights arising from the personal data protection act and other legislation.

[1] *The non-exclusive licence is not valid during the access restriction period with the exception of the right of the university to reproduce the graduation thesis only for the purposes of preservation.*