

**Subscription Video on Demand:
Viewing preferences among New Zealand
audiences**

Rachel Hayley Daniels

A thesis submitted to Auckland University of Technology in
partial fulfilment of the requirements for the degree of Master of
Communication Studies (MCS)

2017

School of Communication Studies

Abstract

With the development of digital television platforms in New Zealand and the launch of Subscription Video on Demand (SVOD) services such as Netflix NZ, Lightbox, Quickflix and Neon, a more discerning television audience is emerging. SVOD services are influencing a change within the television broadcasting landscape in New Zealand, fragmenting audiences away from traditional linear television, appealing to viewers in new and innovative ways and changing viewing behaviour.

This thesis provides qualitative and quantitative analysis of SVOD viewers' experiences, expectations, and behaviours with respect to viewing content on the digital platforms and services available to New Zealand subscribers. Quantitative data was collected from an online survey; participants were drawn from readers of the New Zealand Herald online. The quantitative data was collected in order to help position and supplement the qualitative data, which was obtained through focus group interviews. A thematic analysis was used to identify key themes and draw insight from the data sets.

The thesis identifies that viewers place a high degree of preference and value on the freedom and opportunities that SVOD provides in personalizing their own viewing practices. Key preferences among these was the ability to control content selection and engage in the practice of anytime viewing, i.e. to choose from an increasingly broad selection of content wherever they are, whenever they like and on whatever device they prefer to view it on. New routines of individual consumption and changing selective television viewing practices are identified. Self-scheduling of programmes provides viewers with the ability to 'lean forward' and engage with programme discovery in innovative ways, 'binge watch' and foster social connections. With increasing competition between television services, viewers' emphasized the importance of high quality original content and high production values in their content selection with expectations that an SVOD provider must meet these standards to be considered. The thesis concludes with recommendations for further research to enable the New Zealand television industry to identify ways to address fragmentation and evolving television consumption practices.

Table of Contents

Abstract	ii
List of Figures	v
Attestation of Authorship	vi
Acknowledgements	vii
Ethical approval	viii
List of defined terms and abbreviations	ix
Chapter 1: Introduction	1
1.1 Overview	1
1.2 Research aims	3
1.3 Significance of the Research	4
1.4 Structure of the thesis	5
Chapter 2: Literature review	6
2.1 Introduction	6
2.2 Television audience viewing behaviours	6
2.2.1 Changing viewer behaviours	7
2.2.2 Social connectivity	8
2.2.3 Lean forward mentality / Lean back mentality	9
2.2.4 Binge watching	9
2.2.5 Differing demographic profiles	11
2.2.6 Devices	12
2.3 Disruption to the television landscape	13
2.3.1 The international television viewing landscape	13
2.4 Subscription Video on Demand services	18
2.4.1 Subscription Video on Demand in Australia	20
2.4.2 Subscription Video on Demand in New Zealand	21
2.4.3 Subscription Video on Demand available in New Zealand	23
2.4.3.1 Lightbox	23
2.4.3.2 Netflix	23
2.4.3.3 Neon	24
2.4.3.4 Quickflix	24
2.5 Summary	24
Chapter 3: Methodology	26
3.1 Introduction	26
3.2 Methodological framework	26
3.2.1 Qualitative / Quantitative research	27
3.2.2 Thematic analysis	28
3.3 Research design	29
3.3.1 Data	29
3.3.1.1 Survey	30
3.3.1.2 Focus groups	32
3.3.2 Sampling	33
3.3.2.1 Data scope	34
3.3.2.2 Participant recruitment and selection	35
3.3.3 Data Analysis	35
3.4 Summary	37
Chapter 4: Findings	38

4.1 Introduction:	38
4.2 Survey findings	38
4.3 Focus group results	57
4.3.1 Original content	58
4.3.2 Reliability and trust	59
4.3.3 Netflix familiarity	59
4.3.4 No advertisements	60
4.3.5 Anytime viewing	60
4.3.6 Mood viewing	61
4.3.7 Attention	62
4.3.8 Binge watching	62
4.3.9 Viewers searching for content recommendations	63
4.3.10 Social group connection	64
4.3.11 Watching Alone	65
4.3.12 Content catch-up	66
4.3.13 PVR / resume play	67
4.3.14 Advertising Video on Demand	67
4.3.15 Pay TV – sport package	68
4.3.16 Pricing packages	68
4.3.17 Devices	68
4.3.18 User Interface	70
4.4 Summary	70
Chapter 5: Discussion	72
5.1 Introduction	72
5.2 Anytime viewing	72
5.2.1 No advertisements	77
5.3 Viewers demand innovative ways to engage with a service	78
5.3.1 Searching	78
5.3.2 Content research	80
5.3.2 Content recommendations	81
5.3.3 Social group connection	83
5.3.4 Binge watching	87
5.4 Quality content	90
5.5 Devices	96
5.6 Summary	99
Chapter 6: Conclusions	101
6.1 Introduction	101
6.2. Answering the research questions	101
6.2.1 Question 1: What are New Zealand audiences' experiences of SVOD services that are currently available in New Zealand?	101
6.2.2 Question 2: To what extent do viewers engage with SVOD services available in New Zealand?	102
6.2.3 Question 3: What are the current viewing preferences?	102
6.3 Significance of the study and implications of findings	103
6.4 Limitations of the study and findings	107
6.5 Recommendations for future research	108
References	111
Appendices	117
A1 Focus group questions	117
A2 Online survey questions	119

List of Figures

Figure 4.1: Participants who view SVOD services.....	38
Figure 4.2: Participants who view FTA television services	39
Figure 4.3: Participants who ranked on demand television services	40
Figure 4.4: Sky subscribers.....	40
Figure 4.5: Participants' age and gender of Sky subscribers	41
Figure 4.6: On demand services and Sky subscribers.....	42
Figure 4.7: Visual representation of on demand services and Sky subscribers	43
Figure 4.8: Participants' television service preferences	44
Figure 4.9: Number of hours participants watched SVOD services.....	45
Figure 4.10: Best value for money of SVOD services and Pay TV	46
Figure 4.11: Preference for SVOD service and value for money	47
Figure 4.12: Device used to watch SVOD.....	48
Figure 4.13: Age of participant and device used to view SVOD services.....	49
Figure 4.14: Watching SVOD alone or with others.....	49
Figure 4.15: Gender of those who watch SVOD alone or with others	50
Figure 4.16: Binge-watching	50
Figure 4.17: Searching for content on SVOD.....	51
Figure 4.18: Gender of SVOD viewers and how they search for content	52
Figure 4.19: Age of participants and how they search for content	53
Figure 4.20: Television viewing - genre preferences.....	54
Figure 4.21: Age of survey participants.....	56
Figure 4.22: Gender of survey participants.....	57
Figure 4.23: Patterns from Netflix familiarity	60
Figure 4.24: Individual viewing habits through SVOD.....	61
Figure 4.25: Viewers' experiences with binge watching.....	63
Figure 4.26: Content catch-up variables	66
Figure 4.27: Device usage for viewing.....	69
Figure 5.1 Netflix's <i>The Get Down</i> graffiti, photographed at Britomart train station, Auckland. (2016).....	83

Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Rachel Hayley Daniels

Acknowledgements

It is my most sincere thanks that I give to my supervisor, Dr Gudrun Frommherz. Your academic prowess, intellectual rigour and perseverance gave me great encouragement to continue on through the challenges and to do my best. Your unconditional support has been immensely appreciated. Thank you for your patience and persistence and for believing in me. I am grateful to my initial supervisor, Diane Musgrave, who steered me towards developing knowledge on my topic.

My journey of research discovery was encouraged by the AUT Television and Screen Department, which gave me a chance to teach students about my television industry knowledge. My colleagues also supported my research and showed enthusiasm about my subject. Thank you!

A special thanks goes to the focus group participants. Without your time, I would not have been able to undertake my research. You have greatly helped me understand and explore the new frontier of on demand television in New Zealand. Your experiences are the beginning of a new and exciting world of entertainment.

Most importantly, the biggest of thanks goes to my family and friends – so many dear friends, who have put up with my absence and given me support. A special thanks goes to Liz Donnelly, who cheered me on and showed a keen interest in my research, including her diligence in screening my final draft. To my father, brothers and the extended Daniels family, for consistently checking in on my progress. To my sweet children, Leila and Alex, who put up with an absent mum, and who left me alone to study, we shall now go on our adventures. To my mother Ann, who has supported me throughout and patiently, looked after my children whenever I asked. To my sister Jacqui, who at the other end of the phone kept me going with the faith that I could finish. And to my husband Sasha, who helped me articulate my thoughts, whose own industry knowledge challenged mine and assisted me with clarity of concepts and ideas. Thank you also for proof reading my drafts, constantly encouraging me to go beyond my own safe place of writing. Giving me the time to do this and taking care of our family has been invaluable.

Ethical approval

AUT University Ethics Committee (AUTEC) approved the ethics application for this research on 10th February 2016. The application number was 16/32.

Written and informed consent was obtained from all of the focus group participants. Discussion groups were held on Tuesday June 7th 2016 and Saturday June 11th 2016.

List of defined terms and abbreviations

Terms used within this thesis that require definition and/or clarification are listed below (including the meaning and the acronym used in this document).

OD - *On demand* – Refers to being able to watch television content via a television service that offers users a wide range of content options, giving users control over their viewing choices. This service is supplied either by a fee-paying service or a free to air service. It is downloaded or streamed from the Internet.

VOD - *Video on Demand* – Services that give users the ability to select and watch video content that is available from the Internet; viewers do not have to watch at a specific time but rather stream or download the content to watch at their leisure.

SVOD - *Subscription Video on Demand* – The SVOD services streamed or downloaded from the Internet offer a package of content to be viewed for a subscription fee, accessible via selected devices. In New Zealand there are several SVOD services - Netflix, Lightbox, Quickflix and Neon.

AVOD - *Advertising Video on Demand* – AVOD offers content, either as part of a free-to-air television channel that is supported through inserted commercial advertising spots, or through a pay TV service. In New Zealand, several of the free-to-air television services have AVOD. TVNZ OnDemand, ThreeNow¹, Maori Television On Demand

OTT - *Over the top television* – Video content that is delivered over the Internet by an application or service that provides a product.

IPTV - *Internet Protocol television* – The delivery of content that is live television or library stored content. The service is streamed and distributed by a service provider; it can either be free or subscription based.

FTA - *Free-to-air* – This service enables any person who has the appropriate receiving equipment, for example a Freeview satellite dish, to receive the free-to-air signal. There is no subscription fee for this service. In New Zealand, there are several free-to-air channels: TVNZ has TVNZ1, TVNZ2, and Duke; MediaWorks has ThreeNow, Bravo and TheEdge TV. Maori Television also broadcasts free-to-air and Sky TV has Prime. There are also other small local terrestrial regional channels.

¹ ThreeNow was called 3Now up until February 2017

Pay TV - Sky TV – Sky Television in New Zealand is the only pay television satellite provider. Serviced from a set top box, Sky offers either a basic package of 30 channels or the option to watch sports, movies and/or premium content in different fee packages, some of which include over 100 channels. The service also offers HD options and MySky, which gives viewers the ability to fast forward; rewind and pause live TV, all for a fee.

PVR - Personal Video Recorder – Also known as a Digital Video recorder (DVR), this is a device which records digital television usually on to a set top box that stores the content, the viewer can access it later to watch and has the ability to fast forward, rewind, and pause.

WoM - Word of Mouth – Passing information from person to person through verbal communication; this is often used as a marketing tool.

Innovators - The product adoption lifecycle (Rogers, 2003) defines innovators as being interested in anything new; people who are quick to adopt new and innovative products.

Early adopters - The early adopter is identified as a person who is keen to try new products and technology; early adopters are more discreet in their choice of what to try than innovators. This group influences later adopters.

Early majority - These people will adopt a new product once they see others adopting it but only if the product adds value to their lives.

Late adopters - These people wait for the majority to have started using a product before they adopt it.

Laggards - The very last group to adopt a new product, they see no need or necessity to change.

Lean forward mentality - Where a viewer takes control of their viewing behaviour and selects the content from the television service they want to view from, views it where they want as well as deciding when they view.

Lean back mentality - A viewer who does not actively participate in their content selection, but watches what the television service programme feed is.

Binge watching - A form of television viewing behaviour, where, when watching a

television series, two or more episodes are consumed in one session.

Cord-cutters - Consumers who have ‘cut’ their subscription to a pay TV or fee-paying service.

Cord-nevers - Consumers who have the means to subscribe to a paid television service but have never paid for a television subscription.

Cord-shavers - Consumers who have reduced their subscription to pay TV and other subscription services.

Millennials - Also known as Digital Natives or Generation Y, born between 1980 and the 2000s. They are familiar with and have grown up with digital technology, including the Internet and a range of digital devices.

Generation Z - People born between 2000 and today.

Generation X - People born between the 1960s and the 1980s.

Baby boomers - People born between 1946 and 1964.

Digitalization - Digital technologies integrated into everyday life.

Digitization - Turning something (pictures, text and/or sound) in to a digital format.

Chapter 1: Introduction

1.1 Overview

Digitalization has caused major disruption to the media landscape in New Zealand, especially in the area of broadcasting, where, in line with global trends, a profound technological convergence has occurred between telecommunications and television. Ever increasing broadband speeds and the plethora of devices now available with wireless Internet connectivity has resulted in audiences in 2016 consuming media via radically new systems.

There has been a real and significant change in audience viewing habits; a migration from the traditional practice of watching pre-determined linear programming scheduled for lounge room television sets, to consuming and interacting with a much broader range of media content online. Viewers now have the ability to select and consume content on a platform and device of their choice, wherever and whenever it suits them

Television has been at the centre of media-related leisure in New Zealand for the past 60 years, and is still an important feature of everyday leisure activities. New technologies are contributing to a vastly changing landscape in the television industry. An increasing number of digital television options, accessible on the Internet across multiple platforms and devices, are now leading the charge in new media offerings, all battling for audience attention. Subscription Video on Demand (SVOD) services enable viewers to watch an almost unlimited amount of video library content for a set monthly fee with the option to access the service on a number of different devices concurrently (Wolk, 2015). As the number of SVOD services available in New Zealand has increased, and the quality and quantity of content available through these has grown, so too has the adoption of SVOD by New Zealand viewers.

This thesis aims at studying New Zealand audiences' experiences with SVOD services, exploring the shift in viewing practices, the choice of consumption, and patterns of selective control. Internationally, the audience is moving from watching linear television broadcast according to a rigid schedule in family groups around a shared television set to watching anytime anywhere, on multiple devices, alone or with others, pausing in one room, playing on another device. This fragmentation and break up of the mass audience is linked to an abundance of content and digital technologies (Abreu,

Almeida, Teles & Reis, 2013; Aldea & Vidales, 2012; De Meulenaere, Van den Broeck & Leivens, 2012; Morsillo & Barr, 2013).

Overseas research has found that on demand viewers have gained control over their media consumption, they have changed their viewing habits and learned how to personalise their content across a range of devices and via several new SVOD services (Jennes & Pierson, 2012; Jennes, Pierson & Van den Broeck, 2014; Katz, 2009; Lotz, 2014; Napoli, 2012). This thesis aims at showing a similar occurrence in New Zealand. The audience is now demanding the freedom of individual choice in their selection of content. This new viewing behaviour signals a major shift in audience consumption. This new interactive user is actively engaged with the SVOD services, selecting content, and expecting that content providers adapt content and content delivery methods to meet their demands for greater flexibility and broader availability (Simons, 2009). It is becoming easier for viewers to take up SVOD services because of the easy accessibility via the Internet on a number of connected devices, including smart TV technology (where the television set is directly connected to the Internet). This easy access to SVOD services across a range of different devices has fuelled a movement away from the family-centred viewing scenario of television in the living room, which marks a change in physical location and viewing behaviour (Katz, 2009; Napoli, 2012).

Since 2012, there has been an increase in the number of SVOD services available in New Zealand. Quickflix NZ is an SVOD service available in Australia and New Zealand that launched in New Zealand in March 2012. Lightbox, which is owned by Spark New Zealand, a New Zealand retail telecommunications provider, launched in March 2014. Sky TV's SVOD service, Neon, began providing SVOD offerings in February 2015. Netflix NZ launched in March 2015. In addition, in March 2007, TVNZ OnDemand was first launched, and subsequently MediaWorks and Maori Television launched on demand access to their Free-to-Air (FTA) shows through advertising funded video on demand (AVOD) models.

Accordingly, as SVOD appeared and grew and more people started using it, 2016 was the right time to begin a dialogue about viewer impressions of SVOD services available in New Zealand. This thesis aims at contributing to a body of knowledge in New Zealand, which is yet limited in this area of research. What first needs to be investigated

is how audiences are engaging with SVOD, what they are choosing to watch and why, their viewing patterns, as well as the adoption rates of SVOD services in New Zealand.

1.2 Research aims

This research aims at identifying and measuring New Zealanders' SVOD viewing habits. It seeks to understand and identify changes in audience viewing behaviour when moving from linear to the digital environment. It also identifies SVOD (and linear) content preferences and discusses the way in which the New Zealand audience engages with SVOD content. Following the analysis of data on user experiences, this research will make recommendations for SVOD providers and content producers where relevant.

The primary objective of this study is to answer the following research questions:

Question 1: What are New Zealand audiences' experiences of SVOD services that are currently available in New Zealand?

Question 2: To what extent do viewers engage with the SVOD services available in New Zealand?

Question 3: What are the current viewing preferences of New Zealand television audiences?

The first research question looks at the frequency with which research subjects come into contact with SVOD, what SVOD services they have used, what aspects of each SVOD service appeal to them, how they find the user interfaces, what drew them to a particular service and how often they consume SVOD services.

The second research question seeks to identify whether and to what extent subjects actively engage with content through multimedia fora, including social media; to what extent they seek out or respond to further information about programmes, and if they continue to actively seek out particular types of content to view and/or build their day around.

The third question seeks to identify the motivation behind subjects' selection of a particular service, what service they prefer to consume SVOD content, and what types of content they enjoy most.

1.3 Significance of the Research

Digital optimists say the Anglophone countries are in an era of post-linear television. Bulck, Tambuyzer, and Simons (2014) claim “time-shifting and video-on-demand options allow viewers to break away from the pre-structured and pre-timed programme flow of traditional linear broadcasting, undermining its very existence” (p. 40). With audiences rapidly adopting new services, the television industry is on the precipice of fundamental change. But change in media is as much about evolution of technology at an increasingly rapid pace, as it is about audiences fragmenting across the media landscape (Katz, 2014; Lotz, 2014). With a whole new media industry here to stay (Turner, 2016), viewers are consuming television content in different, more personalised ways.

This study expects to contribute to the body of knowledge in the subject area by identifying the experiences of New Zealand audiences and comparing these with international research findings. Despite rapid change occurring across digital media and platforms, and the pace at which SVOD services emerge, evolve and exit, it is hoped that this study will generate fresh insights into SVOD user expectations and preferences.

By measuring patterns of viewing behaviour, this study will identify the implications for the New Zealand television industry as a whole, with insights expected to be equally relevant to FTA, Pay TV and SVOD providers, as well as local production funding bodies, production companies and audiences. It has always been evident that the success of television content is directly linked to its ability for sustained audience engagement. From an era when traditional ratings that measured audience numbers determined the success or failure of a programme, to today’s world where individual audience engagement data provides more meaningful insights.

The study was prompted by the researcher’s work in television production in New Zealand and overseas at a range of companies, including TVNZ and RTE, the state broadcasters in New Zealand and Ireland respectively, and privately owned production houses in South Africa and New Zealand. The researcher’s experience in producing content for independent production houses provided clarity on just how valuable it is to craft the elements of a series to a high standard (concept, script writing, directing and editing) in order to capture and maintain an audience.

The emergence and growth of SVOD and AVOD services in New Zealand provide audiences with new opportunities and an abundance of choice; the choice to gorge, and mass promote content that delights them, and to shun, avoid and dissuade others from ever viewing content that does not meet expected standards. This snapshot taken in 2016 will have implications for existing television companies, media content creators and industry professionals. Information in this document will benefit their practices, keeping them abreast of the massive changes that SVOD has brought about.

1.4 Structure of the thesis

There are six chapters to this thesis. The first chapter is this introduction, which provides an overview, the background to the study, its aims and purpose, and places the research in a wider context. The second chapter presents a review of relevant literature. This chapter is organised into two parts: first part reviews industry reports and academic literature relevant to the changes occurring in the television industry. The second part of the literature review focuses on different aspects of audience behaviour. Chapter three presents the methodological framework of the study, the design of the research, and introduces data collection and analysis methods. Chapter four presents a summary of the findings from both qualitative and quantitative data. Chapter five discusses the findings in context to the wider concerns of the field and with respect to the research questions. The thesis concludes with chapter six, which presents answers the research questions, discusses the implications for the New Zealand television industry, the limitations of this study, and suggests topics in need of further research.

Chapter 2: Literature review

2.1 Introduction

This chapter presents a summary of literature that addresses recent key changes and new challenges to the New Zealand and overseas television-broadcasting environment. The main subjects discussed are television audience viewing behaviours and specific features such as social connectivity, the lean forward and lean back mentalities, different demographic profiles of viewers, devices, binge watching, and SVOD services available in Australia and New Zealand. The first section comprises an international literature review that includes academic articles, and because of the fast pace of change within the broadcasting sector, industry reports from 2014-2017. The second section focusses on literature exploring subscription video on demand (SVOD) and its impact on New Zealand audience behaviours.

Articles reviewed cover digitalization of the mass media, the changing television environment, and how digitalization has created significant audience fragmentation. The literature identifies that viewers now have, by orders of magnitude, more control over all available content. Audiences are no longer beholden to terrestrial and satellite network schedules; viewers can watch and interact with content at a time and location of their choice, and select from a range of devices and platform delivery options.

The SVOD literature review topics include a definition of SVOD and an analysis of where it is positioned in the revised digital television landscape. Relevant studies included here examined the unique technical features of SVOD that give viewers control over what they consume, as well as sources that analysed individual viewers' intent and preference to actively determine what, when, how and where content is watched. This literature review also notes the production of original content solely for SVOD platforms and the implications of this for competitors in the wider global broadcasting industry. The review outlines specific services offered in New Zealand and how these have created a change in audience viewing behaviours in this country.

2.2 Television audience viewing behaviours

This section is a discussion of fragmented audiences and new viewing behaviours. The articles reviewed analyse traditional family spaces and familiar linear viewing practices according to pre-programmed television schedules and note that the audience is now

creating personalised viewing by exercising new found freedom in choice of content, device and location – without restriction and at their leisure.

2.2.1 Changing viewer behaviours

Traditional linear television has been a central part of family life in New Zealand for decades (Glasshouse, New Zealand on Air, 2016). Now that digital technologies are part of an audience's viewing options, the social practice of watching television together is changing (Tay & Turner, 2010). The television was traditionally located in the living room, a social space that has always been a place to interact with family, a meeting room used regularly as part of a daily household routine, as well as a place for connection based on whatever programme content was being viewed (Cruickshank, Tsekleves, Whitham, Hill & Kondo, 2007; Gaunlett & Hill, 1999; Taneja & Viswanathan, 2014).

Digitalization of the media and interactive capabilities provided by multiple platforms have enabled viewers to now engage more with on demand services. These new services are not all viewed on television sets, nor together in a family situation or a family space, and there are many more consideration that factor into the content chosen as a result (Simons, 2009). This accessibility to different media platforms is increasing viewer control over their viewing options and enabling access to a wider selection of content, resulting in changes to viewing patterns (Jennes & Pierson, 2012).

The Screen Australia Report (2014) identifies that viewing on demand has enabled viewers to develop a personal interest in content choices. De Meulenaere et al. (2012) investigated the 'era of overflow' in Flanders, Belgium. There were 47 people who participated in focus groups that studied how they decide what content to watch, a challenge when so much content is readily available and new services through digitalization are growing rapidly. De Meulenaere et al. (2012) identified three relevant dimensions that viewers employ in their decision-making process when using digital television services; the personal dimension, the contextual dimension, and the content dimension, and how these impact the viewers, and their viewing behaviour.

The personal dimension is where viewer choice is based on personal skills and competence with technology. Knowledge is a key component of this, knowing where to acquire content and what to acquire and the effort a person is prepared to put into searching for the content. With competence comes a deeper knowledge of devices, how

and where to view the content, which is all related to the second dimension; the contextual dimension. The contextual dimension incorporates the intentional choices a viewer makes in selecting the content, the place, time and device to consume that content, including the social and spatiotemporal context. De Meulenare et al. (2012) identified the random selection or routine scheduled viewing of on demand content was as a result of deliberate intent. Elements intentionally ordered do include the different positions of viewing the screen, each of which can be interpreted as reflecting the different levels of engagement with content. De Meulenare et al. (2012) found that when the screen was in specific positions, i.e., *TV in the front*, viewers engaged in focused viewing. *TV on the side* meant the viewer was using this while multitasking, and *TV in the back* was for when the TV is playing in the background as ‘company’.

The study of the content dimension was carried out with participants who preferred fictional TV series, consumed via on demand. This dimension relates to viewers choosing their programme based on the content of the programme, including the selection of series and films based on genre, cast, director, language, and/or producers. These three dimensions of De Meulenare et al. (2012) signify a new audience with technical skill and background knowledge of content who actively exercise their right to choose their content selectively.

Mikos (2016) found the motivating factors for watching on demand services were the freedom to choose and schedule own content, the mobility of devices and the resultant ability to move and watch anywhere, and the opportunity to individualise and personalise content consumption. The findings also showed that participants would only stay with an on demand service if the content offerings were satisfactory and that they preferred to watch on television sets and laptops that provided clear audio and video.

2.2.2 Social connectivity

Linear television was effective in bringing viewers together to watch programming because the schedules were set by a third party (the broadcaster) and there were a limited number of channels and programmes to watch and discuss. The social connection established by linear television resulted in the concept of the office ‘water cooler conversation’. Lotz, (2014) explains this as a place where work colleagues could relax and discuss television shows, current affairs or content being broadcast at the time, for particular daily shows or weekly television series. Now, in the digital environment, this regular ‘water cooler’ shared experience is being disrupted with television-related

stories lacking the same impact because viewers no longer watch the same content on the same days, or even during the same week or month. There is also a substantial increase in the volume of series and episodes available on demand so it is harder to find common ground. Social connection around television series has moved to the online social spaces, where communities' form based on the series and the episode in the series where groups of viewers may be (Lotz, 2014).

The social connection search for content recommendations has also moved to online spaces. Vanattenhoven and Geerts (2015), Albreu, Almeida, Teles and Reis (2013) and De Meulenaere et al. (2012), all identify that viewers used to look for recommendations from traditional linear programme promos, or WoM (Word of mouth) (primarily at conversations around the water cooler). Now behaviour has changed. Viewers are seeking reviews and recommendations from online sources such as industry critics, bloggers and guides who write on social media or social online discussion forums. WoM from family and friends is still important, however.

2.2.3 Lean forward mentality / Lean back mentality

On demand television, and the subsequent lean forward behaviour from viewers, is influencing individual selection of content as well as engagement with that content. This flexible user experience is enabling viewers to interact and select their own content and actively engage with it (Morsillo & Barr, 2013; Simons, 2009). A number of studies (Baker & Hulsen, 2003; Chorianopoulos, 2008; Cruikshank et al., 2007) argue that viewers lean forward because of the content choice they made. In contrast, a lean back mentality is synonymous with traditional television where viewers simply watch programmes in a linear format and view content in a passive manner (Simons, 2009).

The motivation to lean forward and engage with on demand services is studied by Mikos (2016) in Germany. The research consists of 32 group discussion participants and four individual interviews, the focus on VOD users and their rituals, what their motivation to watch content is, as well as what VOD means to them in everyday life. The study also looks at whether binge watching behaviour can predict the future of television. A discussion of binge watching follows.

2.2.4 Binge watching

Binge watching is defined as “an intensive form of viewing a television series, two or more episodes in one viewing session” (Mikos, 2016, p. 157). It is also known as

marathon watching (Ramsay, 2013, as cited in Jenner, 2016). Allowing a viewer to continuously watch several episodes of a series eliminates any structured weekly linear schedule, and makes redundant commercial breaks and traditional broadcasting structures such as channel identifications or network programme promotions (Jacobs, 2011, as cited in Jenner, 2016). Binge watching is not a new concept; it was originally identified when VCR and DVD players developed (Mikos, 2016). The VOD industry has appropriated the term to use it as a marketing tool with which to engage viewers in the heavy consumption of programme series (Mikos, 2016).

Viewers are choosing to binge watch the increasing number of original quality television shows now available on demand. If a viewer is able to watch autonomously (when and where they want), then they can binge watch whenever it suits them. This shows a strong correlation with the reason why autonomy over viewing is so important to viewers (Jenner, 2016). But it has also been found that this type of intense viewing behaviour is controlled by situational factors and is not always feasible on weekdays, when viewers have less time, and is rather best suited to the weekends when there is more time to watch (Mikos, 2016).

Binge watching is also changing the nature of how television scripts are crafted. Viewing a television programme as a whole series facilitates continuity. As a result, the way in which television scripts are now written has also changed, to cater for binge watching (Wolk, 2015). Traditionally, television drama scripts were written so as to enable a viewer who tuned in on a particular week to pick up on the storyline without feeling left out of the character development and plot lines even if they had not followed earlier episodes, because each week a subplot would start and end. Now, with binge watching, scripts can include story arcs. Wolk (2015) describes a story arc as a segment of the story that is carried over from another episode or even another season and recommences part way through an episode having been excluded from other episodes (Wolk, 2015). Binge watching also allows viewers to go back and watch previous episodes or seasons to learn and better understand storylines (Wolk, 2015). When a viewer has been watching a series for many hours, it has been argued that they start to identify with the characters and become familiar with their lives throughout the storyline, this attachment develops more as binge watching continues (Mikos, 2016).

Today's SVODs have writers who are able to create complex narrative structures that are suitable for this longer form drama. This encourages viewers to immerse themselves in the storylines. These are "complex pleasures of narrative, in which one is caught in the contradictory desire to find out what happens next and for the story not to end" (Brunsdon, cited in Mikos, 2016, p. 66). Mikos (2016) explains that, "intensive watching of complex television series requires a high degree of emotional and cognitive participation on the part of the viewers" (p. 158).

2.2.5 Differing demographic profiles

The movement of viewers from broadcast television and the increase in audience fragmentation naturally has researchers examining viewing differences across age demographics. As new viewing behaviours are recognised, so too is the careful identification of exactly who these viewers are. Cruikshank et al. (2007) establishes that although all the demographic age groups still enjoy the social space and activities surrounding a television, (especially if the programme content is of mutual interest) there are different viewing habits for different generations. For example, younger viewers seek to watch content independently. And, according to McClellan and Morrissey (2008), the demographic group of 18-34 year olds are rejecting appointment viewing of traditional linear schedule television and embracing the digital platforms and packages where they can personalize their media. Barkhaus and Brown's (2009) study identifies that viewers under the age of 20 watch very little linear television because they have no control over the schedule and prefer to be able to customise their viewing.

Rideout, Foehr and Roberts (2010) conducted one of the largest studies on American youth. Their study tracked 2,000 participants aged eight to 18 years of age, analysing their media consumption over a ten-year period. The participants were surveyed three times-in 1999, 2004, and 2009. One notable trend over the ten years was that by the end of the study, participants watched 25 minutes less linear television per day on average, but watched 38 more minutes of television online and on other devices such as mobile phones. This study was the first to suggest that the younger viewers could be the generation to move its viewing habits completely away from the linear programme schedule of broadcast television. As there are more media outlets offering content and more devices that viewers can use in different locations viewers may be watching more content overall. The findings of the study showed that this generation was using more mobile devices to watch content and watched less 'live TV' at the end of the study than

they did at the beginning of the study. Further, they engaged more with online media platforms and with different types of media tools.

Aldea and Vidales' (2012) research project looked at television consumption preferences, opinions and attitudes of Spanish young people aged between 14 and 25 years, through a survey of 2000 participants. They found significant differences between the age groups of 14-17 (adolescents) and 18-25 (young people) in relation to their television consumption, viewing preferences, habits and opinions. Results reveal that half of the adolescents, and a quarter of the young people utilise the Internet and engage with the content on the Internet as a form of entertainment. They still consume linear television but view content on different platforms. Both age groups are becoming active in their viewing habits and seek interactive platforms, more personalized content, and a participatory engagement with services online. Adolescents preferred to consume their media on mobile devices on their own, in the privacy of their own bedrooms away from their families.

2.2.6 Devices

Different aged demographic viewing groups are using different devices (Aldea and Vidales, 2012). The Nielsen (2016) report on the millennial mind-set polled 30,000 consumers in 60 countries and found that millennials, who had grown up in a media fragmented environment are "are fully immersed in both their digital and physical lives" (para. 2). They expect quality content that is convenient, demand to be connected, and always seek control. All are closely linked to their devices. Devices used by all television viewers include smart televisions, computers, smartphones, tablets, video game consoles, and multimedia devices such as Apple TV, Google's chromecast, and Roku. These all give viewers access to digital platforms. Devices that are mobile give viewers control over where they can watch their chosen service (Sanz & Crosbie, 2015). With these devices viewers can watch content streamed, live, time-shifted, or downloaded (Bury & Li, 2013).

Tseklevs, Whitman, Kondo and Hill's (2011) study of 27 families in the greater London area found that viewers make a distinction between different media devices and different uses in the household, for example some use the PC for multiple tasks, accessing it for work but also using it for watching online content, whereas the television set is used for broadcast television and entertainment. The number of devices that provide access to online content has increased, as cost-efficient mobile viewing and

bundling of data and video services increase so too does the viewing of online content (Ericsson, 2015).

2.3 Disruption to the television landscape

Since 2007 there has been major disruption to the television industry. The literature in this part of the review has been specifically chosen to identify how the digital television landscape is evolving and to take a closer look at the disruption in the television landscape, with a focus on SVOD services and how companies are producing content to grow their subscriber numbers. The literature relating to digitalization identifies that a range of digital viewing platforms have emerged, creating distinct audiences who now expect to download and consume content in a variety of ways. Because of this, global television corporations now need to deliver content via multiple platform digital services. They enable content delivery to audiences via the Internet (online), which drives large-scale change. This disruption to television has widespread implications for broadcasters, aggregators, content creators and audiences.

2.3.1 The international television viewing landscape

Reports show that television audiences are transforming their television consumption habits, moving from sitting at home with family members in front of a shared television set in the living room waiting for linear programming to be broadcast to them at a scheduled time to now consuming content from an online source, on a screen of their choosing, a platform of their choosing, on their own timeline, pausing content when they need to. Every one of the broadcasting industry reports analysed in the literature review finds that audiences are increasingly steering their own content discovery experiences.

FTA and linear Pay TV are now viewed by audiences primarily for live sports, global or national events, and specific genres such as news, current affairs, and competitive reality programming (*Australian Multi-screen quarterly report* (2016), Ericsson ConsumerLab report, *TV and Media* (2015), New Zealand on Air report *Where are the audiences?* (2016), and Nielsen's *The Total Audience report* (2014)).

Digitalization and the subsequent convergence of telecommunications, broadcasting and media has disrupted the earlier defined traditional viewing practices by allowing a raft of new content consumption techniques, such as content downloading, time shifting, streaming, and viewing on demand. Simons (2009) identified that viewers prefer to

select content from non-linear services so they can watch selected content when, where, how, and on the platform of their choice. Simons interviewed 80 participants in the study, finding that almost all had adjusted their television viewing schedule to suit their own needs rather than adjusting their life to accommodate programming schedules. Simons (2009) introduces the concept of 'Me TV' where participants create a "self-selected schedule", and where the strongest preference is the convenience and flexibility of choosing when and where to watch (Simons, 2009).

Simons (2009) recognised that when viewers self-schedule their own content, traditional viewing behaviour characteristics change significantly. Simons highlights these changes in three areas; firstly, with the explosion of digital services and multi platforms available, audiences are now dispersing. Similar to what radio did in the past, television itself is now each person's own companion. Family togetherness is changing. Instead of viewing in a group domestic environment to a predetermined schedule, which Katz (2009) describes as 'sharedness' (and where the linear television experience has a familiar 'nation building' element) people are no longer viewing broad content with others but selecting (and enjoying) their own niche preferences. Katz (2009) explains this as audiences now preferring their own individual viewing experience, a departure from the collective viewing experience described earlier in this section.

Simons' (2009) second finding relates to 'belonging' to an audience. Usually with a traditional television linear schedule, viewers watch the same programme each week at the same time in the same location from the same channel. The new digital environment is more fractured; viewers are not connecting in relation to specific programmes at the same time. The social connection experienced in a traditional viewing situation is fundamentally changing.

Simons' (2009) terms the third characteristic a lean back mentality, where viewers literally lean back and watch television, a wholly passive activity (Baker & Hulsen, 2003; Chorianopoulos, 2008; Cruickshank, et al., 2007; Morsillo & Barr, 2013). Leaning back is synonymous with traditional television and a linear schedule. Now, with the ability to select their own content, viewers are leaning forward and engaging more fully with the available content options offered to them. (De Meulenaere, et al., 2012).

In 2012 specialist digital technology consulting firm Accenture commissioned a survey of VOD users across South America, Europe, USA and the UK. The study involved 7,500 participants and the purpose was to monitor the evolution of audience behaviours, tastes and aspirations. The researchers Venturini, Marshall, and Alberto (2012) found that audiences are increasingly adopting new technologies and that online viewing has progressed from being a niche activity to a mainstream pastime as content has become more easily accessible. Accenture identified a number of qualities that audiences are looking for when choosing a VOD service. This includes which devices a service can be accessed on, whether the service provides access to a large range of content, reduced advertising and a high level of trust in the VOD service provider. These qualities indicate that viewer preference is now much more driven by selection and choice than in the past. Viewers want the freedom to view what they like, when they want, where they want and how they want.

Napoli (2012), who undertook research into audience evolution and considered the future of audience behaviour, identified that as technology changes so too does the media environment and audience behaviour including how people engage with the media and what they consume.

In 2016, Nielsen's international survey; *Video on demand: How worldwide viewing habits are changing in the evolving media landscape*, worked with participants from 61 countries discovering that 65% of the respondents watched on demand services daily (Nielsen, 2016). The Ericsson ConsumerLab (2015) *TV & Media report* surveyed participants from 22 countries employing quantitative surveys on 30,000 participants and 24 in-depth qualitative interviews. The report identifies two factors that have huge ramifications for traditional television. First, SVOD is competing with traditional television for the audience's attention, and second, SVOD is enabling the audience to fundamentally change the way they view television content.

The Nielsen (2016) report identified that SVOD now makes up 43% of all active viewing and that a linear programme schedule, which imposes a restrictive movement in the viewing schedule, conflicts with viewers' preference for media a-la-carte. Viewers are changing the way they want to view television; SVOD services enable viewers to select their own content, generally ad-free, watch a programme continuously, rewind, fast forward, pause and resume play, Ericsson (2015) finds that SVOD viewers'

satisfaction levels are growing. They are generally happy with the price and user experience, as well as the content discovery mechanism and availability of content.

OFCOM, the independent communications regulator for the United Kingdom, released a detailed report on *Linear versus non-linear viewing* (Kantar Media, 2016). They conducted a qualitative study in the UK in June 2015 using data from workshops and 85 in-depth interviews, seeking to learn about viewer behaviour and attitudes towards using different on demand TV platforms and service providers, as opposed to traditional television viewing. The OFCOM findings reveal that although linear TV remains an important part of viewers' schedules, broadcaster AVOD services are being consumed with increasing regularity. This trend is seen even more so in younger participants, who are in general more technology savvy than their older counterparts. SVOD services are seen as advantageous when compared to the traditional television environment. Participants in the OFCOM survey valued uninterrupted viewing (due to the absence of advertisements), the ability to binge watch entire series, the large libraries of content, and in particular the exclusive content available on each SVOD service. The findings in this report demonstrate that viewers are choosing providers based on whether that provider has the content they want to consume.

Spigel and Olsson (2006), Turner and Tay (2009), and Jennes and Pierson (2012), all identified that since digital television has become widely available, audiences' behaviours and preferences are changing. Research by Katz (2009) found that the television industry is changing and evolving. And is in fact entering an entirely new phase. There have been number of historic phases of television, as John Ellis identified in his research project (Ellis, 2000). He notes that during the initial phase of scarcity, between the 1950s and 1970s, television coverage was scarce with fewer content choices than in more recent years. The viewing experience was a traditional one, with families gathered around a single television set to watch the limited selection of linear content together. The next phase Ellis terms: the 'era of growth' from the 1970s to 1980s, where television programmes and channels grew and the audience ratings system became the main tool of competition. The 'era of plenty' went from the 1980s up until 1999. This was when pay TV providers emerged and focussed competition for audiences developed. Viewing habits also changed during these years, in particular this was when it became popular to have multiple television sets throughout the home, and this is when audience fragmentation began, before then it was a shared viewing

experience. From 2000 onwards Ellis' 'era of plenty' became the 'era of overflow'. SVOD services launched and exploded in popularity during this era. Katz (2009) explains this era as one of infinite choice, where audiences have the ability and technical means to view what they like, when they like, where they like. With this abundance of choice both television and audience behaviours are evolving.

U.S. scholar Amanda Lotz in her book *Television will be Revolutionized* believes while the demise of linear viewing has begun, it is not dead. Lotz states:

The U.S. television industry is evolving, the experience of television viewing may be evolving, but our intuitive sense of this thing we call television remains intact. A revolution is on its way, but it will not over throw television; the growing accessibility and manipulability of video will expand its sovereignty and embed it ever more deeply into our cultural experience. (Lotz, 2014, p. 12)

Lotz (2014) surmises that the broadcasting industry is slowly realising consumers are adopting new technologies, but that the industry has not yet reached the end of traditional broadcast television. She identifies three distinct categories of content and acknowledges there are different types of viewer behaviours synonymous with each. The first category is 'Live sports and contests', which includes the Olympics and reality television genres. Second is 'linear viewing', consisting of FTA and Pay TV programmes scheduled by a broadcaster, and third Lotz terms 'prized content' which refers to content that is searched and selected; this includes all on demand services. It is the content within each category that signals how a viewer will manage the way they find, select, and watch their preferred programming choice. Lotz (2014) believes the existence of these categories demonstrates the on going need for different types of television services and specific types of content, taking into account different business models, access to the Internet, digital technology and different audience types.

Turner and Tay (2009) state that this era of overflow and seemingly infinite choice is having a huge impact on the broadcasting landscape. Digital television is changing the way that viewers watch and how communities connect around television. Turner (2016) re-iterates that the new digital platforms that have created changes in the production and consumption of media, as well as creating a whole new media industry with new business models (such as SVOD) are also blurring what mass media and interpersonal

communications are. Digital platforms are changing how audiences interact with services and with each other. Turner (2016) explains it is this influx of digital television options that have mass audiences fragmenting, with service providers competing for audiences. The services then inundate audiences with too many options. Buonanno (2008), as cited in Turner (2016), identifies SVOD as specifically being part of the cause of mass media fragmentation, with SVOD ‘narrowcasting’ the market, which means “aimed at a narrowly defined niche and taste-based market” (p. 6). With a move to more individual consumption habits the mass media is in decline. It is vital to understand what media people are actually using, their habits in the consumption of media, as well as how these fit in to their everyday lives. Turner (2016) explains that consumption studies help define what active choices consumers are making with regards to media selection, and where media is now fitting within the social, cultural and political worlds.

2.4 Subscription Video on Demand services

Commercial free online viewing, with a library of content at viewers’ fingertips, is shaping and changing the way television content is consumed. SVOD service providers across the world offer viewers the opportunity to download or stream all available content in a single session. In recent years, SVOD service providers have been building large audiences, using high quality content libraries; large back catalogues, and improved user interfaces as key competitive areas (Deloitte, 2014). SVOD providers will simultaneously launch all episodes of a new series, whilst continuing to make other series and movies available via a library of content (Ryan, 2015).

In addition, within the production industry too, change is happening because of SVOD. On-screen talent, programme producers, and writers are accepting contracts with competing SVODs that offer them more opportunity than in their original productions. Lotz (2014) points out that motion picture (film) professionals, who would usually have never considered television production work, are signing up to produce and direct ‘closed end’ series. These have a small number of episodes, complex storylines and multi-layered character development. Netflix makes a number of closed end series and is a production company that offers larger budgets and reasonable time frames for the production of its episodic content. In comparison ‘open end’ series content has been historically produced for television under compressed time frames that require the production team meeting weekly or even daily output goals. This sort of content, by its

nature, requires a different set of production workflows compared to motion picture production, with greater compromise on quality. Now, motion picture professionals who are accustomed to high production standards are creating television content, meaning the quality of overall television content since the arrival of SVODs has risen substantially. These high production values are also becoming a driving factor in the popularity of some shows (Nakono, 2015).

Global SVOD superstar Netflix has differentiated itself from competitors by being the first to adopt an original content strategy. Netflix has diversified its content library by including high quality original programming produced by film industry professionals (Cunningham & Silver, 2013; Jenner, 2016). Netflix is utilising the film industry professionals to generate higher quality productions (Nakono, 2015). Jenner (2016) studies the relationship between television and on demand, with a specific focus on the way that Netflix fits in to the current media environment and what sets Netflix apart from other SVOD services. Jenner (2016) has called the current era in television, 'TVIII'; Ellis (2000) termed this the 'era of overflow'. Jenner's (2016) TVIII surmises that it is technological improvements that enable SVOD services to connect to customers across a multitude of platforms and devices, and it is technology that helped develop Netflix's different programme and branding strategies. Jenner (2016) claims that Netflix has developed strategies that are a move away from the company positioning itself as a pure exhibitor of film to a creator of original content. The Netflix business model is to create, make and distribute their own content, which is unique when compared to any other service. Recently Netflix has focused on serialised drama offerings that are made available for an extended period of time. The drama format also includes a different way to tell stories, for example where episodes within a series have story arcs that carry storylines over from previous episodes or even another season. This is different from traditional weekly storylines (Wolk, 2015).

The Netflix brand has become synonymous with innovation and high quality SVOD services and content. Netflix distributes the content to encourage and facilitate binge watching, the company does this by widely publicizing upcoming new releases and making them available all at once. Jenner's (2016) study examines the acquisition of cult series by Netflix, the re-screening of these series, and how Netflix encourages further interest in this content. For example, the critically acclaimed and award-winning series *Arrested Development*, originally created and broadcast by the American

television network Fox, failed to gain sufficiently high ratings in its third season on the Fox Network and was cancelled as a result. Although it was no longer a commercial success for the network, *Arrested Development* had acquired a dedicated following of viewers who saw the franchise, including the actors as ‘indie’ and unique (this is how a series acquires ‘cult’ status). Netflix identified this and purchased it off Fox for inclusion in their content library. The re-screening drew the ‘cult’ audience to the Netflix service. In addition, this strategic manoeuvre created a new fan base for the *Arrested Development* brand because it screened to Netflix subscribers who hadn’t previously seen the show. Netflix then created a fourth season, with episodes purposely constructed to further develop the multi-layered characters in the storylines and explain the back stories across all the earlier series. This extra series was created in order to encourage the audience to binge watch as well as re-watch all four seasons (Jenner, 2016; Lotz, 2014).

2.4.1 Subscription Video on Demand in Australia

SVOD services are readily available in Australia. The accessibility to digital on demand content increased in 2013 as the Australian government prepared to launch another video content transmission platform, the high speed fibre optic National Broadband Network (NBN) (Morsillo & Barr, 2013). Screen Australia’s (2014) *Online and on demand Trends in Australia online video report* found that with the available Internet capabilities growing, and average connectivity speeds increasing, the uptake in audiences signing up to over the top (OTT) content options began increasing rapidly.

Between January and March 2015 Australia saw the start-up of three SVOD services; Netflix, Presto TV², and Stan. Adding to the online DVD rental service, Quickflix, which has been around since 2003. In 2015 Netflix grew substantially but interestingly in 2016 Stan grew faster than any other SVOD service (Harpur, 2017). The total number of SVOD subscriptions as of June 2016 was 1.9 million subscribers, with a predicted 4.1 million users by June 2019. This total is expected to eventually surpass the total Australian pay TV subscribers (Telsyte, 2016), a further sign that television has entered an entirely new phase. A report commissioned in November 2015 by the Australian Communications and Media Authority, titled *Subscription Video on Demand in Australia* (2015), found consumers were highly satisfied with SVOD, both in uptake and use, with 56% of viewers watching up to five hours of content a week. The other

²Presto TV closed down January 31st 2017 (C-Scott, 2016)

44% watched more than five hours per week, some up to 25 hours per week. And users were subscribing to more than one SVOD (Telsyte, 2016).

2.4.2 Subscription Video on Demand in New Zealand

The availability and performance of high speed broadband has significantly increased since 2014, because of the roll out of UFB fibre and 4G wireless broadband. This technology has directly improved the performance of (and accordingly the demand for) video streaming services in this country. The Commerce Commission's Telecommunications Market Monitoring Report (2015) reveals significant increases in data downloads across the market, coinciding with the increase in popularity of new video-streaming services.

The State of the Nation Report by Roy Morgan Research (2016) places the spotlight on the rise of on demand television. Roy Morgan Research found that 83% of New Zealanders have accessed one or more on demand content services in the past 12 months, 24% of the population have an SVOD service at home, and 12% use FTA AVOD services. The service providers do not publicly disclose the success of the SVOD services in New Zealand; to date not releasing any official subscriber measurements. The uptake of SVOD is definitely growing at a rapid rate even though there are conflicting views on actual numbers. Roy Morgan Research (2017) estimates that nearly two in five kiwis have SVOD in their homes, with one in ten having at least two services in their home. An estimated 1,066,000 New Zealanders subscribe to Netflix and 630,000 subscribe to Lightbox. The Roy Morgan Research (2017) quantification methodology is unclear, as Netflix NZ have not released any official figures. Furthermore, on 27 February 2017, as part of the announcement of their partnership with Netflix, the CEO of Spark's Home, Mobile and Broadband division stated that Lightbox had grown to 250,000 subscribers / households (Ryan, 2017). Roy Morgan Research (2017) estimates Neon and Quickflix have between them 127,000 subscribers.

Viewers access the New Zealand SVOD services through devices such as Apple TV, Google chromecast, smart phones and android phones, and they have direct access through applications on some smart TVs, (Sony, Panasonic and Samsung, depending on the model), and gaming consoles such as Sony PlayStation and Xbox (Commerce Commission, 2015).

The report “Where are the audiences?” commissioned in 2016 by New Zealand On Air (Glasshouse, New Zealand on Air, 2016), identifies that SVOD services in New Zealand are growing, and that a fragmentation of the traditional New Zealand FTA audiences is occurring. On demand material from a multitude of platforms is being accessed more than ever before, with daily media consumption varying across demographic populations. Specifically, the NZ On Air report reports:

One in four New Zealanders (23%) tune in to a New Zealand or overseas SVOD service each day. Those who watch SVOD content typically do so for 3 hours a day – nearly as long as a TV viewer watches [traditional FTA] TV each day. In an SVOD home linear TV still attracts the biggest daily audience (65%). It is matched by online video via sites like YouTube and Facebook, and daily SVOD audiences are only slightly smaller (60%). SVOD viewing is driven slightly more by NZ sites (17% daily reach) than overseas sites (14%) – of which Netflix NZ delivers by far the biggest audience with 14% daily reach. (2016, p. 19)

In order to understand how Netflix has been received in Australasia, Givens (2016) conducted interviews of senior executives in the media industry. The research found that executives consider that traditional television is not at an end but is rather at a point of change. Givens (2016) identified important contextual features of the Australia and New Zealand broadcasting landscapes that create a receptive environment for digital platforms; he explains that each country has “unique TV systems and practices that shape the possibilities enabled by emerging technologies, enterprises, behaviours and ideas” (p. 109). Turner (2016) explains that television is influenced by the national and local cultures of a country as well as the political conditions. These factors all influence the way in which audiences respond to television, including on demand services. Television changed in New Zealand in 2013, moving from analogue to digital. This presented an opportunity for digital platforms such as Freeview and Freeview Plus to join the competition and become more accessible to consumers. Givens (2016) notes that this physical change from analogue to digital, linked with other relevant features, including audiences’ definition of quality content, diversification of the media and the high level of commercialisation within the New Zealand broadcasting environment are all key considerations that will influence the success of SVOD services in this country. He explains that certain features and phases of the television evolution are unique and

no two countries are alike in their television industries, but the way in which SVOD services continue to grow Givens (2016) believes will depend on all of these television industry factors combined.

2.4.3 Subscription Video on Demand available in New Zealand

2.4.3.1 Lightbox

Set up in March 2014, the Lightbox SVOD service is an initiative of Spark New Zealand, an integrated mobile and broadband retail telecommunications provider. A key difference to the other services available in New Zealand is that Lightbox offers viewers a variety of television programmes but not movies. *Ditching the Dish: Television in the Internet age*, a white paper report from Lightbox (2015), claims that viewers are streaming content and seeking content that complements as well as enhances and supplements their viewing, and that they don't want interruptions from advertisements. Kym Niblock, Lightbox CEO between 2014 and 2016, commented that the way SVOD services are now working is that viewers are taking an active role in the viewing, and content is a key reason viewers choose a service. Niblock indicated that Lightbox is aware of the need to regularly revisit its business model to adapt to the market as media industry factors change in this fast-moving space, amending price structure to remain competitive (Lightbox, 2015).

2.4.3.2 Netflix

Netflix US started up in 2001 originally as a 'mail order' DVD rental service, and evolved to an SVOD service platform in 2007. Netflix had 93 million subscribers as of the fourth quarter of 2016, with 47.8% of subscribers located outside of the US and spread across 80 countries worldwide (Feldman, 2017). Netflix is now a truly global company. Netflix NZ launched in New Zealand in March 2015, with the service immediately rolling out its global business model of producing and distributing original offshore content into New Zealand (Commerce Commission, 2015). Netflix has cleverly connected the brand with these programming strategies as well as utilising multiple platforms of distribution (Cunningham & Silver, 2013; Jenner, 2016). The Commerce Commission (2015) identified that Netflix created a competitive SVOD environment when it arrived in New Zealand as it offered its service at a basic package rate of \$9.99 per month. Lightbox reduced their monthly subscription to compete in March 2015. Sanz and Crosbie (2015) and Jenner (2016), identify Netflix's success from innovation is not just its careful selection of its television programme products and its move to original programming, but also the innovative ways in which the company

technically processes product and distribution. Audiences value the accessibility and immediacy of SVOD features as identified in the Netflix offering. In addition, their new approach to script writing draws viewers towards binge watching (Jenner, 2016).

2.4.3.3 Neon

Sky TV's SVOD Neon, launched in February 2015. Technical problems with Apple and the iTunes store stalled Neon's early growth (Commerce Commission New Zealand, 2015). For \$20 per month Neon offers online access to films and television series but does not offer access to sports, these remain in Sky's pay TV packages. It was free from the start to Vodafone customers (Vodafone New Zealand Limited is a wholly-owned subsidiary of Vodafone Group PLC. In New Zealand Vodafone provides telecommunications and resells Sky TV services) with their unlimited broadband product bundle and from 2015 also offered as a bundled package with 2degrees, another New Zealand telecommunications company (Commerce Commission New Zealand, 2015).

2.4.3.4 Quickflix

Quickflix was the first SVOD service to be offered to New Zealand audiences in 2012. It is Australian owned and operated and services both the Australia and New Zealand markets. Quickflix offers only movies, at a competitive price of \$14.99 per month, as well as offering one off movie purchases (Commerce Commission New Zealand, 2015).

2.5 Summary

Digitalization has clearly created an abundance of television content options available across a multitude of platforms. In this era of overflow (Ellis, 2000), it becomes important for content providers to understand what draws audiences to their offerings. The literature shows that audiences now seek out content of interest according to their own personal schedules and create individualized viewing experiences, encouraging 'Me TV' from available content (Simons, 2009).

SVOD services Netflix, Lightbox, Quickflix and Neon have emerged in the New Zealand television market over the past few years. SVOD services have contributed to increasing fragmentation of television audiences and a new set of viewing behaviours are emerging. Moving from traditional family spaces to new dimensions of viewing, these personalized spaces allow individual control of consumption with complete freedom to choose and schedule content. Despite this fragmentation viewers continue to

seek out social connections around the content they view. The research indicates that younger demographic groups are more prepared to view television content on a range of devices and invest more time interacting with the available content. Leaning forward and binge watching are the new viewing behaviours of engaged audiences. Rideout et al.'s (2010) longitudinal study shows that younger audiences are consuming significantly more content over the Internet and substantially less linear and live television. SVOD services provide a straightforward way for audiences to access the content they want.

Chapter 3: Methodology

3.1 Introduction

This chapter details thematic analysis, the leading methodological framework, which is used on the qualitative data. The methodology used in this research project explains how data was gathered using two collection methods, namely a quantitative online survey to establish a broad sample of SVOD users, with two qualitative focus group sessions where participants provided in depth discussion about the topic. This chapter also considers ethical issues within the research process. For each type of data, this chapter provides an explanation of the sampling, data scope, participant selection and recruitment, and the data itself.

3.2 Methodological framework

By inquiring into users' expectations and behaviours with respect to SVOD viewing, this study takes on a qualitative perspective. Often, quantitative and qualitative research methods are seen as two different research practices, each attached to specific disciplines. For example, social sciences tend to lean towards qualitative research that investigates human behaviour and decision making, while quantitative research is common to empirical disciplines where exact observation and measurement are central to the discipline (Keyton, 2006). In contrast to considering quantitative and qualitative procedures as two opposing research paradigms, a mixed methodological approach integrates qualitative with quantitative data. Quantitative data aids to support the subsequent discoveries made through qualitative data (Park & Park, 2016). In addition, some quantitative data will also be collected in this study in order to help position the qualitative discussion.

As the media landscape and its audiences evolve, measurement of viewer behaviour attempts to represent the diverse contemporary television audience that is beginning to emerge (Napoli, 2012). Simons (2000) comments on television research in the age of digitalization and proposes that there should be three distinctive aspects to the data when studying the viewing behaviours of television audiences. First, an identification of the means with which audiences watch television (with a focus on technologies such as content delivery platforms), second, a consideration of the viewing devices through which audiences engage with television (focussing more on the physical objects used to watch television) and third, analysis of the actual content that audiences are watching. Following Simons' (2000) inclusive research perspective, this study recognises that an

audience engages with all three of these aspects (i.e., media channels, viewing devices and content) across all relevant platforms. Simons (2000) emphasises that in order to ensure the comprehensive measurement of viewing behaviour, the “research requires an interdisciplinary research design, with multiple research methods” (p. 103).

By using an online survey, this study seeks to access an audience that is digital-literate and engages with online content, and one that uses multiple platforms. Taking all of this into account, the structure of this research project was decided. Because the ideal audience is one familiar with new technologies, an online survey was used, identified as a group of people who specifically use SVOD services, preferably more than one SVOD service. The focus groups are recruited from this pool of participants.

3.2.1 Qualitative / Quantitative research

This study employs both quantitative and qualitative methods in seeking a better understanding of the viewing habits of television audiences and choices made with respect to SVOD. Keyton (2006) discusses qualitative and quantitative methods in communication research and identifies that “quantifying abstract concepts provides a way for researchers to isolate variables and gain knowledge about concepts” (p. 54). The advantages of quantitative methods in communication research are that they help to quantify and measure data; numbers and statistics then serve as aids to evaluate qualitative relationships and differences in that data. The substantiation of qualitative research with quantitative data supports the reliability of qualitative analysis (Keyton, 2006). This study utilises an online survey as a quantitative approach and focus groups as a qualitative component.

Qualitative research is equally important, as it is a methodology where the researcher can learn how to interpret communication processes. Participants are able to discuss real situations and scenarios, and describe actual experiences as well as give detailed responses. A moderator, in a comfortable non-laboratory environment, conducts the focus group. Where participants can vocalise and express their experiences with SVOD – and this can often result in complex and descriptive discussions.

The general approach to analysing the qualitative focus group data will be an initial transcribing of the focus groups’ dialogue and interactions, noting comments from the discussion questions and topics as well as the participants’ views and opinions. As the

data is interpreted it is matched to the research questions, and then the data is examined using the thematic analysis described in the next section.

3.2.2 Thematic analysis

Thematic analysis is a method used to analyse qualitative information inherent in data, and to interpret and understand the patterns of meaning as they emerge from this data. Thematic analysis is ideal for analysing data that seeks to capture human experiences in a particular construct or context, as well as focus group research with both small and large data sets. Language and the meaning behind experiences and practices do not always adhere to a particular, pre-existing, or explanatory framework. By using thematic analysis that is theoretically flexible and not indebted to a specific intellectual position, actually occurring themes and patterns in the data can be elucidated (Clarke & Braun, 2013). Boyatzis (1998) describes thematic analysis as having a number of overlapping purposes, which help the researcher see and make sense of information. Clarke and Braun (2013) believe that thematic analysis aids to produce ‘real’ insights and helps to see layers of latent meaning underneath a simple first reading of data. The qualitative data in this study is analysed using thematic analysis as the underlying methodological framework.

Clarke and Braun (2013) advise that once the transcripts of focus group (or similar) data are ready, they are then examined and analysed rigorously for specific criteria or ‘codes’. The coding is based on a deep analytic insight into the data. The coding is recursive and systematic which gives a rich and complex account of meaning beyond what may seem obvious. Clarke and Braun (2013) surmise that there are six stages of thematic analysis. First, the researcher familiarises themselves with the data and identifies related meanings and recurrences; the researcher also categorises the repetitive key words (a salient feature). The second step is where the codes are generated, with then a move to analysis each is analysed separately and in relation to the context of the research and research questions. Thirdly, the researcher identifies patterns of meaning across the data set, reviews these patterns and then defines and describes any emerging themes. The fourth step is a review of the themes, relating them back to the codes, and to the data. In this step, the researcher checks that the emerging themes tell a story about the data, looking for relationships between individual themes, and consistently verifies whether the emergent narrative requires the re-building of themes or a re-working of themes. The fifth step is to name and define the themes, and finally

the themes are collated in a clear narrative that tells a story about the data, this contextualises it within existing literature.

3.3 Research design

This research design section includes a description of the quantitative online survey and qualitative focus groups, with a close study of the two data types, the sampling technique and data scope of the sampling. The means of data analysis is discussed, along with participant recruitment and selection.

3.3.1 Data

The study utilises two distinct data types, a quantitative online survey and two qualitative focus group sessions. The online survey is designed to seek information on New Zealand SVOD viewing audiences. The survey is administered via the New Zealand Herald online website and via the researcher's Facebook page. The Qualtrics online survey programme (www.qualtrics.com) provides the platform for the administration of the survey. The survey consists of 16 questions (see Appendix 2) that seek information about participants' viewing experiences, engagement and preferences with respect to SVOD in New Zealand. The survey focuses on the context of user engagement, looking at the finer details of how participants are engaging, as well as the specific content that viewers enjoy. It also questions participants' opinions about how the SVOD services compare to other services within the New Zealand television environment.

Using a research instrument, such as a survey conducted via an independent survey service, gives a reliable and accurate set of data because it ensures that there is no interference from the researcher during data collection. This helps eliminate bias (Park & Park, 2016). Another notable benefit of using an online survey, as compared to mail or physical 'on location' surveys; is the low cost. An online survey is efficient because there is direct access to the public from different platforms (this study uses NZ Herald and Facebook), and it could potentially reach the majority of the New Zealand online population. A high survey distribution helps to optimise the response rate. The survey can be anonymous which empowers the respondents and gives them the freedom to answer honestly, thus giving results that accurately reflect the population. The survey further functions as this study's mechanism to source participants for the focus groups.

The questions from the survey are designed to give a measured quantitative result; they seek information on what type of experience the audience has with the SVOD services, look specifically at what service they prefer as well as content options they choose, and how they engage with the services. The results from the survey help shape the focus group questions; they invite a discussion that allows for a wider range of answers. The focus group format is designed to give detail and in depth explanation to the participants' answers, with the questions specifically written to ask about the aspects of the SVOD services they are interacting with, as well as the qualities and challenges of the SVOD services, why the participants are adopting the SVOD service, and how they compare this to traditional television services. The surveys look at what the participants' viewing habits are, whether the participants have individual experiences and social connectivity. The survey also informs the size of the focus group. The group size requires five or more participants whom all engage with SVOD services with some intent and purpose. An exciting element of the focus group design is to give the participants the opportunity to engage on the topic with each other and not just the facilitator (Keyton, 2006).

The process of qualitative data collection involves focus group discussions and the natural discourse within the discussions transcribed for data (Morgan & Krueger, 1998). The focus group is a data collection format, where participants respond to certain topical prompts and discuss their ideas, opinions and experiences with respect to the topic under scrutiny. The group is led by the moderator who facilitates the discussion and seeks insights on the topic and an understanding of the participants' experiences and engagements with the field of study (Morgan & Krueger, 1998). In this study, the focus groups build on the survey results, i.e., they investigate and discuss participants' viewing behaviours based on the insights that were developed from the preceding survey findings.

3.3.1.1 Survey

Posting the survey to the Herald Online (www.nzherald.co.nz) website makes the survey accessible to as many New Zealanders as possible. The New Zealand Herald is a national newspaper with a page viewership of 20 million per week (NZME, March 2016). The survey is posted for three weeks and commissioned for 100,000 advertising impressions; the invitation to the survey is on rotation across the whole Herald Online site, loading beside other advertisements. The survey is also available on the social media platform Facebook for a further ten days.

Keyton (2006) identifies that participants are more likely to respond to a question if there are options for the answers, they prefer responding with a click to one answer than to many answers or to have to write an answer to an open question. The survey asks predominantly quantitative questions with only two out of the 16 questions inviting an own, free-text, answer. The survey online service, Qualtrics, administers a 'point and click' questionnaire style, which allows for instant tracking of respondents' answers. The survey questions are simple and precise, and nearly all questions are closed questions because they produce results that are easily comparable (Keyton, 2006). Some of the questions require multi-choice answers with a number of permitted responses (i.e. they are not limited to a single answer). Other questions invite ranked or ordered responses, and as earlier stated, two questions provide space for a text entry answer.

The advantage of an online survey is the simple data setup and collection process. This offers convenience, because the tools to produce the survey and to view the results are all in one place. The short amount of time to set up a survey, all at one location, helps with reducing costs (Fan & Yan, 2010). In addition to the scale of the audience reach through the Herald Online website across New Zealand, the survey invites a broad audience that is digital-literate and engages with online services (Simons, 2000, 2013).

The disadvantages of an online survey are the problems with potential respondents who have technology barriers, those that have no Internet access as well as those who are not digital-literate. This is called the 'under-coverage error' (Engel, Jann, Lynn, Scherpenzeel, & Sturgis, 2015). And although this is a recognised bias in general, this study requires that the participants are contemporary television viewers and have access to the Internet. In this instance, the risk for an under-coverage error is negligible.

Another online survey bias is the self-selection process, which is where a person chooses to take a survey and be part of a group; this eliminates the random selection process (Engel et al., 2015). There is also a low response or non-response rate of participation in online survey, this bias highlights that there can be those who are not interested or do not have the time, and do not participate in the survey (Engel et al., 2015). Online surveys have a known low response rate, with an average of 6-15% (Jin, 2011), 10% lower than any other survey mode (Fan & Yan, 2010; Jin, 2011). As this

study is a qualitative study, it does not aim to be representative or inclusive from the quantitative data and this helps mitigate these limitations and biases.

3.3.1.2 Focus groups

The focus group is the instrument of qualitative data collection in this study. The questions are structured in a conversational format with the questioning route going from opening, introductory, transition, and key, to ending questions (Morgan & Krueger, 1998). SVOD services are quite new in New Zealand and the opening and introductory questions are to establish a sense of familiarity, but also to learn how each participant started their engagement with SVOD services, and what drew them to the services. The transition questions ask what each participant's experiences currently are with the services. This aims to set up an understanding of their individual and specific viewing experiences, and what different viewing habits have formed as they move from traditional FTA linear television into a self-selected viewing practice. Some of the key questions seek to elucidate details on participants' actual viewing practices and preferences for services. The ending question seeks to learn what their preferred ultimate television experience would be. The conversational tone during the focus group session is casual in order to create a relaxed and comfortable environment. The participants should feel that they could converse and offer information freely and safely. It is vital that all participants feel they can engage in the open discussion and contribute in a meaningful way. More than one group is being planned for, so the focus group questions need to be standardized, and enough time needs to be allowed for each group (Keyton, 2006). It is the moderator's role to manage this process. The moderator ensures that all participants are asked questions, given the confidence to participate, and that over talking by members over others in the group will not occur. The moderator keeps control over the flow of the discussion, encourages direction and maintains the focus of the discussion on the topic. The moderator also provides the participants with an information sheet and explains to the focus group what is expected of them, as well as getting the participants to sign a consent form. A note taker collects the data and operates a camera and two audio recording devices, all strategically placed to record the whole discussion.

Exploration and discovery, giving context and depth to the topic as well as interpretation, are key strengths of focus group discussions (Morgan & Krueger, 1998). Acknowledging these strengths, this research project focuses the questions around the

viewers' specific engagements and experiences with SVOD services, their viewing habits and whether they are alone or with others when watching the services. The focus group also involves group activities and brainstorming ideas, a technique which encourages conversation and gathering of ideas. Specifically, the focus groups participants are invited to consider the SVOD services and, as if they were to market and sell the SVOD service, discuss and present ideas on the brand and its strengths and weaknesses. This activity aims to learn about the participants' expectations and wishes for 'the perfect' SVOD service. Other group activities are a discussion on the content and which aspects of the content are preferred or seen to be lacking from each service. And a final activity involves the group listing qualities of the SVOD services, ranking them from least to most important (see focus group questions/prompts in Appendix 1).

3.3.2 Sampling

The survey seeks as many participants as possible, and invites any adult who lives in New Zealand and watches television as well as those who watch SVOD services via any platform. Participants are accepted to take part in the survey if they fulfil the selection criteria. Although the research is not about the quantity of television watched, it is about utilising the services and for those who watch a substantial number of hours, they are likely to engage more with the services and will have more experiences and viewing behaviour to give comment on.

The survey has two sections; the first carries the bulk of the questions, the second section is a final question on whether the respondent would like to participate in a focus group discussion. The sections are created because of ethical reasons of anonymity; specifically this means that the answered questions of section one are divided from the second section and thus anonymous from the second section. It is from this second section data that the focus groups are formed. Participants in the focus groups are subject to the same selection criteria as the survey; people over 18 years old who watch television as well as SVOD services available in New Zealand via any platform. In addition, participants needed to be physically available for the focus group sessions in Auckland, New Zealand. The selection of the focus group participants is via the online survey. For focus groups, if there are too many expressions of interest, the selection will be based on those who spend more hours watching SVOD above candidates who spend fewer hours online.

3.3.2.1 Data scope

The option of viewing SVOD services via the Internet, are now part of the contemporary media landscape. The viewing practices for these SVOD services have audiences engaging and evolving their viewing behaviour; choosing their own individual viewing practices such as self-scheduling programmes (Jenner, 2016). The scope of the data is based around these SVOD viewers.

The aim of the survey is to get as many survey participants as possible. There was no limit placed on the number of participants who could respond to the online survey. The target population is all of New Zealand's online television viewership, which according to the 2016 Audience Report by NZ on Air is 26% of the New Zealand population, i.e., 1.16 million people. The Herald online site catchment area consists of 1.9 million viewers per month as of August 2016 (Nielsen, 2016). If, according to Jin (2016), the average rate of responses to online surveys is 6 to 15%, the targeted survey population is between 70,000 and 174,000 people.

The size of the focus group requires different consideration. The aim of the research is to recruit two or three groups of five participants, who have confirmed they are available for each session. Sustaining a conversation may become difficult if there are less than five participants (Keyton, 2006). Research studies have two to five groups on average, but more does not necessarily result in any more meaningful insights (Keyton, 2006). The calculation of engagement of each participant is: each focus group is to be a 120 minute session with 12 questions, giving eight minutes and 30 seconds for each question. This allows approximately 10 minutes for the researcher to have time for set up and introduction and approximately 10 minutes to close. Each participant will get 1 minute 30 seconds for each answer, and a maximum of 18 minutes average in total to speak during the session, excluding the moderator's input in the discussion. These timings will give the participants ample time to discuss each answer. This is not a set format for focus groups, rather an estimate, which helps verify the time frame. If the responses do take longer or shorter that will be acceptable, space will be created as well for some participants to contribute to all or only some of the questions. According to Morgan and Krueger (1998), when developing questions for focus groups it is important to be aware of limitations such as time, attention of the participants, and clarity of the questions. They recommend that focus groups stay between 60 and 120 minutes. As this thesis subject is very topical, there is a lot to discuss with each question and it is

important to not just engage the person in a discussion about their viewing behaviour but ascertain exactly what that engagement entails, including detailed examples.

3.3.2.2 Participant recruitment and selection

The format of the survey is important (Fan & Yan, 2010). The design of the online survey invitation offers several specific factors and information. The sentence “Have your say on the future of ...” gives the Herald Online and Facebook users the chance to be involved and put forward their opinion. The topic is clearly identified as “Digital television streaming services in New Zealand”. The time to answer the survey is also included in the advertisement, it is stated that this is a “short survey” which may influence users’ willingness to participate and, as a result, the overall response rate. Also in the welcome statement (see Appendix 2), there is information for the respondents about the objectives of the study as well as the ethical design of the research.

The survey design quickly separates those who click and drop off from those who respond and engage. Question one (see Appendix 2) specifically asks what services the participant watches, separating those who engage with SVOD from those who do not. If a respondent answers “no” to question one (i.e., is not watching any SVODs), they are thanked for taking part in the survey, and are directed to finish.

The Facebook invitation sent out by the researcher requests that interested participants share the link to the online survey as well as participate in the survey themselves. This type of recruitment is “snowball sampling”, when participants help the researcher identify other potential participants for the survey (Keyton, 2006). Using the ‘share post’ mechanism within Facebook, interested participants share the survey link to their Facebook friends lists, and these friends also share the link, and so on – creating the snowball effect.

3.3.3 Data Analysis

The research uses the Qualtrics software to analyse the quantitative data of this study and provide the reports when the survey responses are aggregated. Questions can be analysed individually, or cross-tabulated with answers from the other areas of the survey. The reports and raw data are then examined for the occurrence of elements, their

frequency, and rankings of the results. The numerical findings are presented in tables, graphs and charts that detail and summarise all the data.

The coding and analysis processes for the qualitative focus group data is based on the thematic analysis methodological framework. The data is collated and coded for patterns and themes correlated to the research questions. The data is interpreted using Clarke and Braun's (2013) six stages of thematic analysis. In addition, NVivo, qualitative data analysis software assists in analysing the data by looking for word frequency and text searches, from which codes are developed and then compared. The criteria for deciding individual codes are based on the participants' discussion about their viewing behaviour. Identifying common behaviours is key, but also important is allowing new and unique viewing behaviour to emerge, looking for and measuring repetitive themes and patterns. When the raw data is interpreted into codes the meaning from the narrative has to remain visible. This includes keeping a clear understanding of the conceptual meaning, the way the word is formed, and how the word is defined and what its possible meanings are? As the raw data is transcribed, examined and coded, subthemes emerge where the themes are identified. These themes are compared for similar characteristics, consistency and patterns. Below are examples of how the raw data is examined for codes and themes:

- Participants' behaviour towards content data; this includes specific discussion around the programme episodes or series, the content as well as the structure, what participants enjoy or do not enjoy about a programme.
- Social connectivity data identifies how a participant engages with services as well as with other users. If participants are not viewing together is there a social element of connectivity they are engaging with?
- Service engagement data establishes what it is about the service that specifically engages the participant.
- Value for money data identifies what participants value a service as, participants' expectations of what they will receive for their subscription fee and their trust of the brand.

- Data on content resources identifies what gives participants the option to view what they like, when they like, wherever they like (Katz, 2009; Mikos, 2016; Simons; 2009).
- Data on the user interface recognises the means by which the user and a computer system interact, exploring in particular the use of input devices and software.

3.4 Summary

This chapter provides a description of the methodological design of the study. Data collection techniques include an online survey to provide quantitative data about the wider audience who engage with SVOD. Focus group discussions offer further qualitative insight into the research questions and offer a window in to SVOD audiences' experiences, their engagement and viewing preferences. The qualitative survey data is analysed according to the thematic analysis theoretical framework, aiming to discover themes and patterns of meaning.

Chapter 4: Findings

4.1 Introduction:

This chapter presents the findings of the online survey and the focus groups. It summarises the responses of the online survey, which looked at participants' engagement with SVOD services in New Zealand. This chapter also presents a summary of the focus groups' discussions, where participants elaborate on their experiences with, perceptions, and expectations of SVOD services. Data was collected from online survey participants who had responded to an online advertisement and Facebook requests to participate in the survey during April 2016. From the online survey two focus groups were selected, each made up of five participants; these took place in June 2016.

4.2 Survey findings

The online survey collected data from 79 participants who responded to the newspaper and Facebook invitations. Of the 79 online respondents, 41% (32) were screened out after the first question because they did not watch the digital streaming services relevant to the survey. The remaining 59% (47) participants completed the balance of the survey, as shown in Figure 4.1 below.

SVOD viewing behaviour (yes/no)

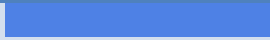
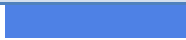
#	Answer		Response	%
1	Yes		47	59%
2	No		32	41%
	Total		79	100%

Figure 4.1: Participants who view SVOD services

Reponses to question 2: Can you please confirm which Free to Air television channels you watch?

Question 2 seeks to determine the extent that participants watched Free to Air (FTA) television. The answers indicate that 70% of participants still watch FTA television. This finding indicates a need for further research to gain a contemporary understanding of FTA, in order to understand what aspects of FTA television viewers are engaging with, and why.

Free to Air television channels

#	Answer	Response	% of participants (out of 47)	% of responses (out of 33)
1	TVNZ1	23	49%	70%
2	TVNZ2	20	42.5%	61%
3	Three (TV3)	21	45.7%	64%
4	Bravo (Four)	11	23.4%	33%
5	Maori Television	6	12.7%	18%
6	All of the above	10	21%	30%
7	No response	14	30%	42%

Figure 4.2: Participants who view FTA television services

Of the 47 participants, only 33 responded to this question. It could be postulated that the 14 participants who did not answer this question might not watch FTA services at all, or might watch other FTA channels (such as Prime). In contrast, 21% of participants indicate that they watch all of the listed FTA channels (30% of those who watch the listed FTA channels). Almost half (49%) of the participants (70% of those who watch the listed FTA channels), indicate that they watch TVNZ1, 42.5% (61% of those who watch the listed FTA channels) indicate that they watch TVNZ2, 45.7% (64% of those who watch the listed FTA channels) watch Three (TV3), 23.4% (33% of those that watch the listed FTA channels) watch Channel Bravo (Four), and 12.7% (18% of those who watch the listed FTA channels) watch Maori Television. These rankings indicate that the three main FTA channels (TVNZ1, TVNZ2 and Three (TV3)) remain popular choices for SVOD users as and when they tune in to traditional FTA television services.

Responses to question 3: Rank the New Zealand digital streaming services that you watch.

Question 3 asked participants to rank the on demand services they watch, in order of preference. The choices listed included SVOD and advertising funded video on demand (AVOD) services of the FTA television channels.

New Zealand on demand rankings

Ranked Answer	1	2	3	4	5	6	7	8
Netflix NZ	77%	14%	2%	2%	2%	2%	0%	0%
Lightbox	9%	33%	7%	21%	14%	7%	2%	7%
Neon	0%	2%	5%	14%	19%	19%	21%	21%
Quickflix	0%	0%	5%	7%	16%	37%	26%	9%
TVNZ OnDemand	7%	30%	26%	5%	5%	16%	7%	5%
TV3 on Demand	5%	5%	37%	12%	9%	12%	19%	2%
Four on Demand	0%	2%	0%	16%	14%	5%	23%	40%
Don't watch	2%	14%	19%	24%	21%	2%	2%	14%

Figure 4.3: Participants who ranked on demand television services

The results show Netflix to be the most popular service, with 33 out of the 43 participants (77%) ranking Netflix NZ as their first choice. Second was Lightbox (33% rated it as their second choice), followed closely by TVNZ OnDemand (30% rated it as their second choice). The most popular third choice for on demand services was TV3 on demand (33%), with other services evenly ranked from fourth to eighth as indicated in Figure 4.3 above.

These results reveal a clear preference for Netflix NZ, when ranked against other on demand services in New Zealand, proving it is the current dominant first-choice.

Responses to question 4: Have you stopped your subscription to Sky?

Sky subscription

#	Answer	Response	%
1	Yes (discontinued)	7	16%
2	No (continued)	17	38%
3	Never had a subscription to Sky	21	47%
	Total	45	100%

Figure 4.4: Sky subscribers

Question 4 seeks to identify ‘cord-cutters’, i.e., consumers who have cut their subscription to a pay TV or fee-paying service, and ‘cord-nevers’, i.e., consumers who have the means to subscribe to a paid television service but have never paid for a television subscription.

Out of 45 responses to this question, 7 (16%) indicated that they had discontinued their previous Sky subscription (cord-cutters). In contrast, 17 (38%) answered that they continued their Sky subscriptions even when also relying on SVOD services. It is of note that 21 (47%) of the respondents answered that they had never had a Sky subscription. The motivation of this group to move to SVOD services is likely to be different from those viewers who kept their Sky account and different again from those who chose to discontinue their Sky subscription. These participants appear to be cord-nevers who now with a variety of options of content prefer SVOD services as they have less of a contract commitment and lower viewing costs.

The results from question four were cross-tabulated with data on age and gender in order to understand the demographic of each group, as set out in figure 4.5 below.

		Have you stopped your subscription to Sky in the last 12 months?			
		Yes	No	Never had Sky	Total
Age	under 18	0	0	0	0
	18 – 24	0	1	0	1
	25 – 34	0	6	8	14
	35 – 44	2	6	8	16
	45 – 54	1	1	4	6
	55 – 64	2	2	0	4
	65 – 74	1	0	0	1
	75 – 84	0	0	0	0
	85 or older	0	0	0	0
	Total	6	16	20	42
Gender	Male	3	7	7	17
	Female	3	9	13	25
	Gender diverse	0	0	0	0
	Total	6	16	20	42

Figure 4.5: Participants' age and gender of Sky subscribers

Results show across all ages there are a significant number of participants who had discontinued their Sky subscription. Participants who have never had Sky were primarily in the 25 to 54 years age groups, with a clear majority (80%) aged between 25 and 44 years. This result would appear to indicate that participants aged between 25-54 may be more selective in their subscription commitments, but that they in fact may be looking for a service that appeals to them, but are not prepared to commit to Sky TV, i.e., a pay TV service.

Cross-tabulated results studying gender preferences show that there are some slight

differences between male and female user groups with respect to their Sky preferences. Of the 6 people who cancelled Sky in the previous 12 months, half were men and half were women. Of the 10 men who originally subscribed to Sky, 70% retained it. Of the 12 women who originally subscribed to Sky, 75% retained it.

A further analysis carried out on the survey results was a cross-tabulation of what SVOD service the participants watch, and if they have stopped or never had a Sky subscription.

SVOD Service	Yes; stopped subscription	No; still have subscription	Never had subscription
Netflix	(12%)	(39%)	(48%)
Lightbox	(25%)	(50%)	(25%)
Neon			
Quickflix			

Figure 4.6: On demand services and Sky subscribers

Figure 4.6 shows that 48% of Netflix viewers never had a subscription to Sky, 39% continue to have a Sky subscription, and 12% recently stopped their Sky subscription. This indicates that 60% of these Netflix users do not engage in Sky viewing, while half of Lightbox viewers do not engage in Sky viewing. However, the number of Sky cancellations by Lightbox viewers is double the Netflix viewers. The figures suggest that in particular Netflix seems attractive to viewers who would not consider a Sky subscription.

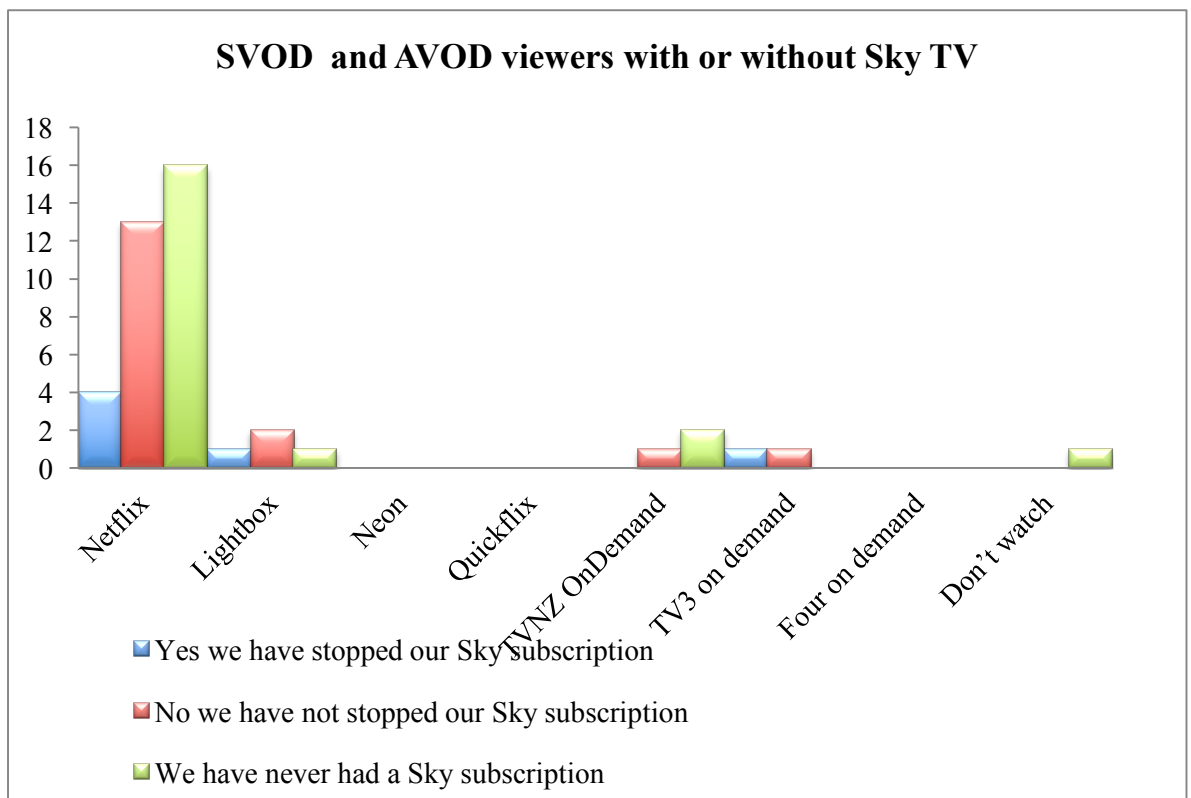


Figure 4.7: Visual representation of on demand services and Sky subscribers

Responses to question five: Why do you prefer a particular service?

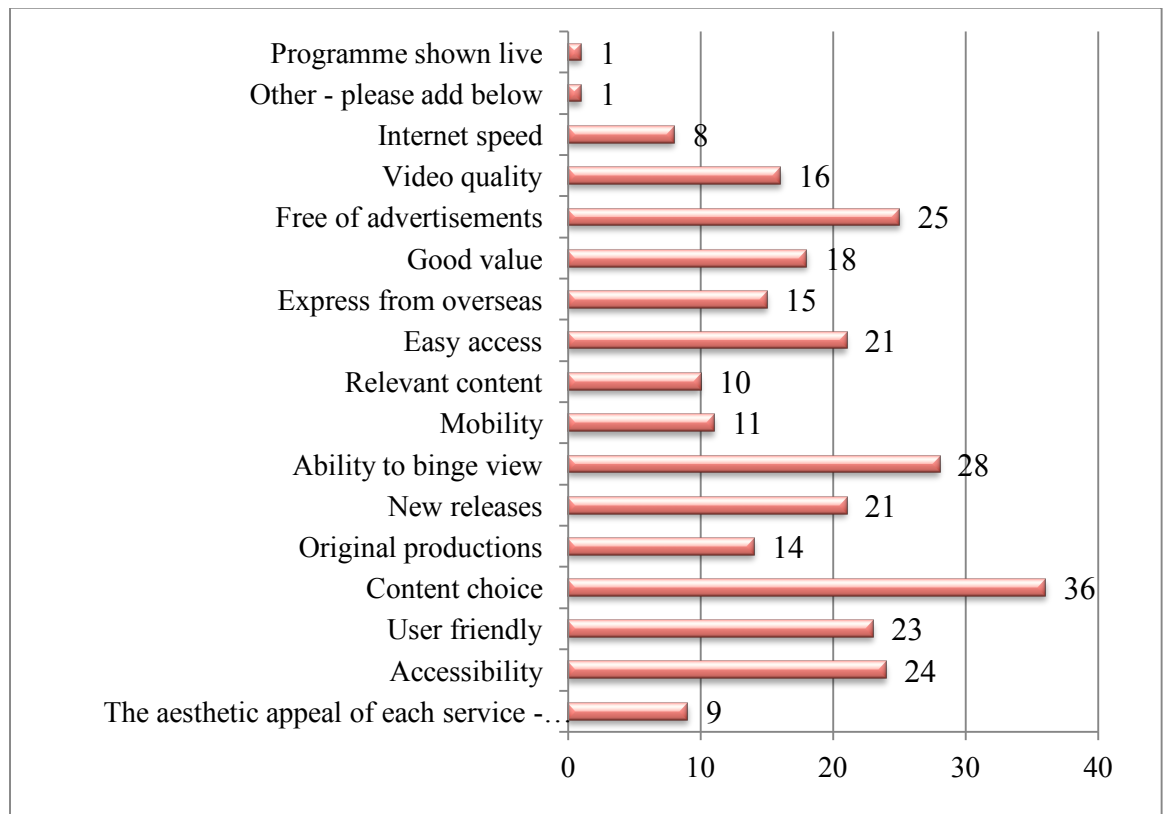


Figure 4.8: Participants' television service preferences

There were 43 participants who answered question five, with the results showing that most participants, i.e., 84% (36 participants) indicate that they preferred a particular television service because of the content choice. A further 65% (28 participants) preferred the ability to binge watch, and 58% (25 participants) preferred the ability to watch content free of advertisements. 56% (24 participants) preferred the accessibility of the service, and 53% (23 participants) preferred a service based on ease of use – ‘user friendly’. It appears that choice of content is the primary reason for participants to choose a specific service, this is followed by preferences for a viewer’s ability to control how they interact, knowing that they can binge watch, watch free of advertisements, control access, and operate a user friendly service.

Responses to question six: On a typical day how long would you spend watching the SVOD services?

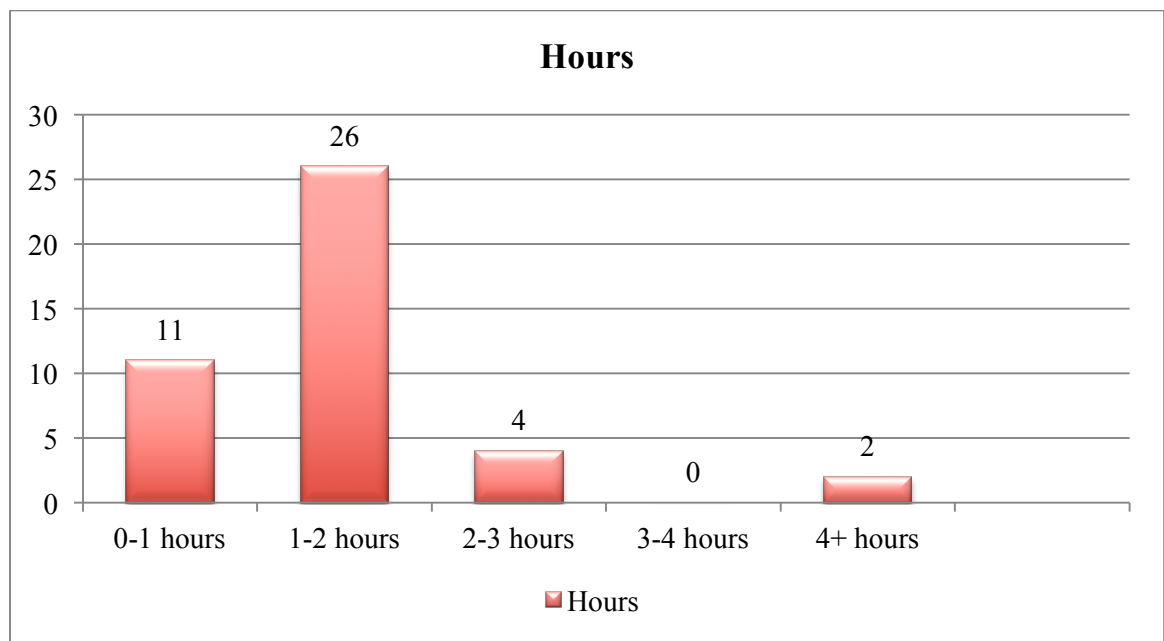


Figure 4.9: Number of hours participants watched SVOD services

Question 6 seeks to understand how much SVOD viewing occurs on a typical day. The survey found that 26% of respondents watch up to one hour per day, 60% watch between one and two hours per day, 9% watch two to three hours per day and 5% watch more than four hours of SVOD per day. This reveals that the majority of viewers spend a limited amount of time viewing SVOD services, i.e. one or two hours a day. This finding is particularly interesting when compared to the stated reason of binge watching (figure 4.8 above) that actually implies longer viewing hours.

Understanding how much time is spent viewing SVOD on a typical day provides an insight into current TV viewing behaviours. A viewer who can select content on demand (with the inherent immediate gratification) may watch for different lengths of time than those required to wait for scheduled linear television programmes. This is because they are able to watch only the selected programme and not have to wait through six minutes of advertisements per every half hour of content. And someone who can view targeted content of their choice may watch more of that content and be more consciously engaged with it and with the media (such as advertising) surrounding it. By contrast, less active engagement may occur when viewers consume linear programmes they are less interested in. This may result in less time spent watching content and a less active engagement with content and supporting media (including advertisements). According to the hours detailed on figure 4.9, this could mean that two

hours of watching SVOD is equal to five ‘half’-hour episodes of a programme (120 minutes of viewing time divided by 24 minutes of a programme equals five episodes). In this sense SVOD services not only provide more choice but also reduce the time to wait for and engage with particular content, making SVOD more time efficient than FTA services.

Responses to question seven: Which service do you think has the best value for money?

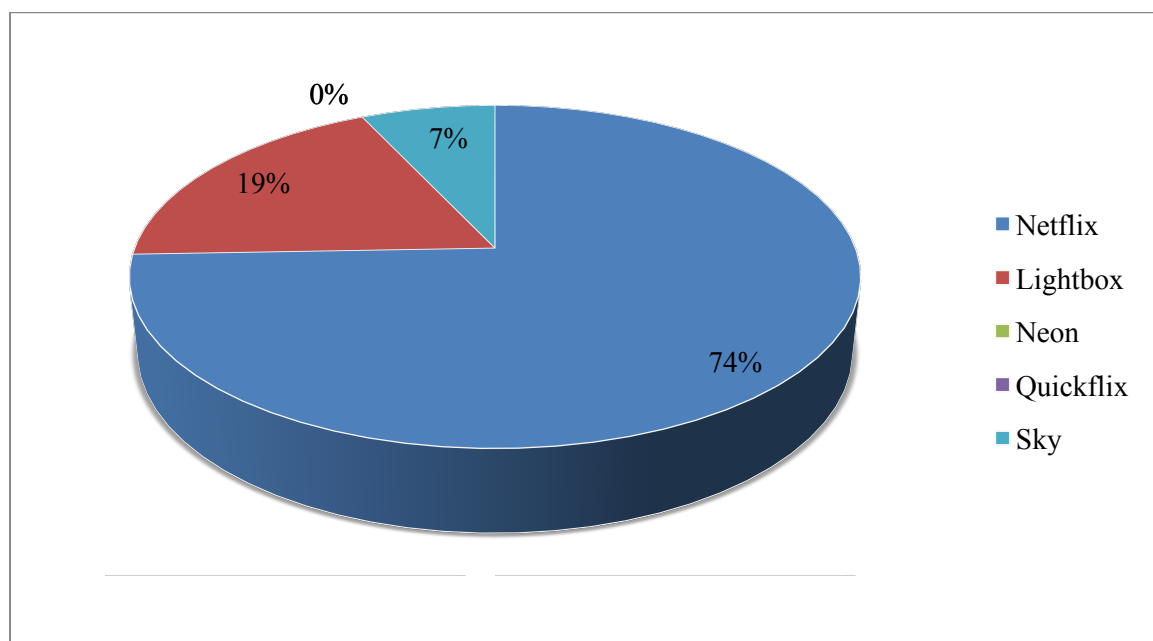


Figure 4.10: Best value for money of SVOD services and Pay TV

Question 7 sought to identify how participants rank the value for money proposition of each service. Understanding which SVOD is perceived to provide good value for money is useful because it reflects why viewers are choosing the service, what they see as monetary worth, and whether such benefits meet viewers’ expectations.

The survey found that 74% of the participants considered Netflix NZ to provide the best value for money, 19% identified Lightbox as providing the best value for money, and 7% selected Sky. These results present Netflix as the single most popular service with respect to perceived value. The results also rank SVOD services well above traditional subscription services.

Preferences	Value for money					Total
	Netflix NZ	Lightbox	Neon	Quickflix	Sky	
The aesthetic appeal of each service; does it appeal to you?	7	1	0	0	1	9
Accessibility	17	4	0	0	3	24
User friendly	19	3	0	0	1	23
Content choice	27	6	0	0	2	35
Original productions	13	1	0	0	0	14
New releases	18	2	0	0	1	21
Ability to binge watch	21	4	0	0	3	28
Mobility	8	2	0	0	0	10
Relevant content	7	1	0	0	1	9
Easy access	18	1	0	0	2	21
Express from overseas	11	3	0	0	0	14
Good value	14	3	0	0	1	18
Free of advertisements	19	5	0	0	1	25
Video quality	13	1	0	0	2	16
Internet speed	6	0	0	0	2	8
Other: please add below	0	0	0	0	1	1
Programme shown live	0	0	0	0	0	0

Figure 4.11: Preference for SVOD service and value for money

Figure 4.11 highlights the particular service a participant watches and rates as value for money, and notes the reason as to why they watch this service. Showing the correlation between two variables; these are value for money (Figure 4.10) and viewing preferences (Figure 4.8). The data reveals that content choice ranks as the most important value determinant, the next being the ability to binge watch, followed by a service free of advertisements, then accessibility and user-friendliness. This result shows that viewers place content as their key preference. With no distractions, and knowing they can choose their own content, participants commented that they would view as much as they could, so long as it was convenient for them.

Responses to question eight: Which device do you watch SVOD on?

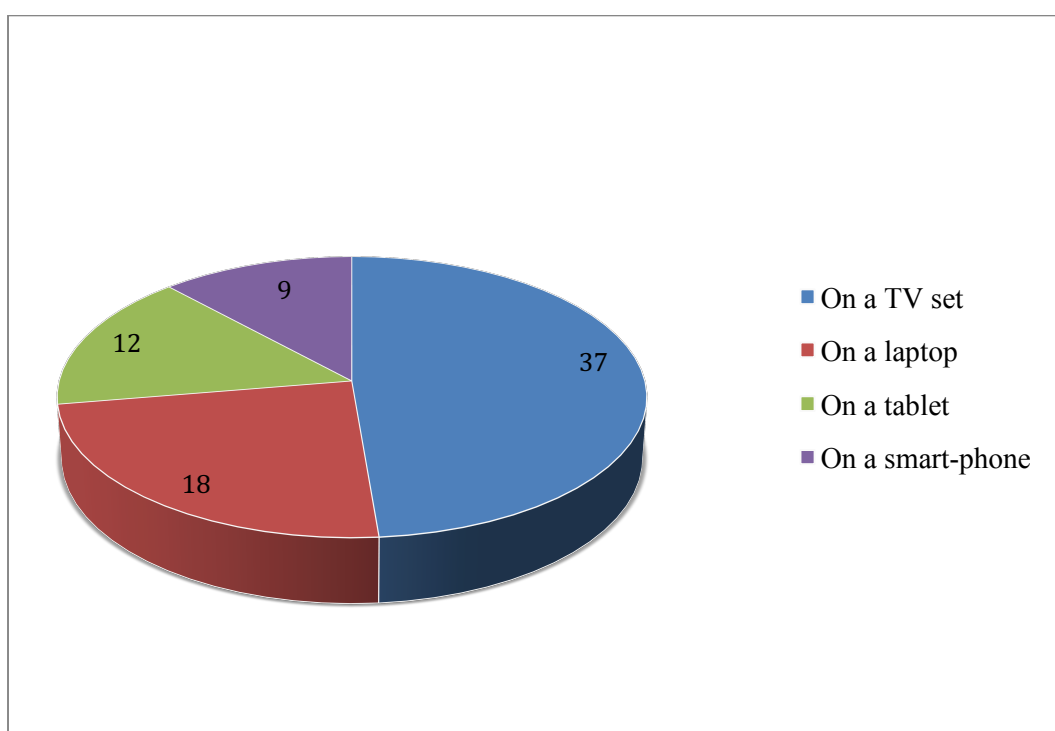


Figure 4.12: Device used to watch SVOD

Question 8 sought to identify which devices viewers used to access and view SVOD services. The results show that television sets are still the main device for SVOD viewing. Laptops are second, then tablets, and last smart-phones.

A cross-tabulation with age was carried out to understand if age had an effect on device choice:

Device	Age								Total
	18 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85 or older	
On a television set	1	9	15	5	4	1	0	0	35
On a laptop	1	5	8	4	0	0	0	0	18
On a tablet	1	4	5	1	0	0	0	0	11
On a smart-phone	1	4	3	1	0	0	0	0	9

Figure 4.13: Age of participant and device used to view SVOD services

Figure 4.13 shows that 18-24 year olds seem ‘device agnostic’; an equal number of participants watched SVOD services on television sets, laptops, tablets and smartphones. Older viewer groups were more likely to watch on a television set, including the 55+ age group, which watched exclusively on television sets. Viewers aged 25 to 54 watched on all devices but the majority watched on television sets. Laptop usage for SVOD viewing peaked in the 35 to 44 age group. These figures show that the television set is still the preferred device for all ages to watch content on. Larger screens are preferred over smaller screens; younger participants watched on all devices, which may mean future generations use a wider variety of devices for their viewing habits.

Responses to question nine: When you watch SVOD services – are you alone or with others?

With or without others when watching SVOD

#	Answer	Response	%
1	Alone	19	45%
2	With others	23	55%
	Total	42	100%

Figure 4.14: Watching SVOD alone or with others

Out of the 42 participants of the full survey, more preferred to watch with others; there was a 10% higher ranking than those who watch SVOD alone. This finding suggests that television watching still seems to be a social activity.

	Gender		
	Male	Female	Gender diverse
Alone	41%	53%	0%
With others	59%	47%	0%

Figure 4.15: Gender of those who watch SVOD alone or with others

Table 4.15 scrutinizes differences between female and male viewers with regard to whether they watch SVOD alone or with others. The results indicate that more female viewers watch alone, whilst male viewers prefer to watch with others. The gender difference in social viewing behaviour was 12% in this survey.

Responses to question ten: For the purpose of this study binge watching is; the practice of watching multiple episodes of a television programme in rapid succession. Do you binge watch content on SVOD services?

Binge watching

1	Yes	37	86%
2	No	6	14%
	Total	43	100%

Figure 4.16: Binge watching

The overwhelming response to question ten was *Yes*. Viewers of SVOD services are definitely binge watching. However, as indicated above, this result might need to be seen in context to the stated overall viewing times of SVOD services (Figure 4.9).

Responses to question 11: How do you find the content you are looking for on SVOD?

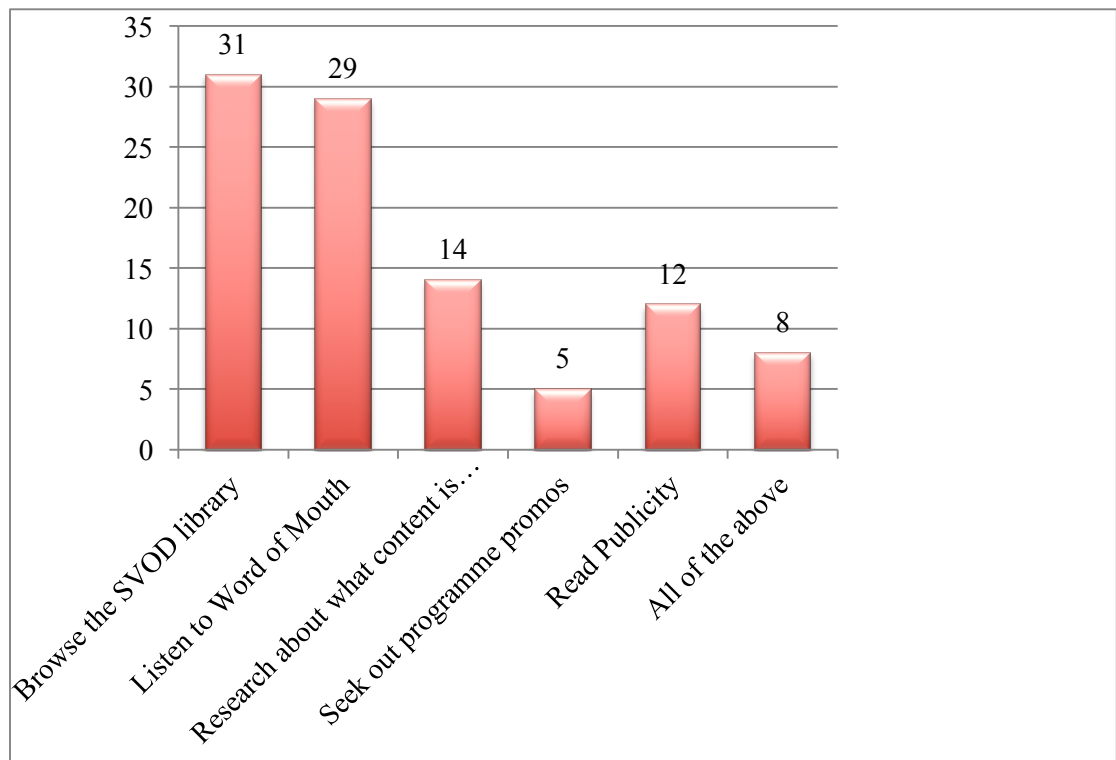


Figure 4.17: Searching for content on SVOD

This question asked how viewers are seeking content. The traditional linear programme television structure gives viewers the access to view television promotional content within their schedule, by placing it in front of them between every show. SVOD promotional material is not part of the SVOD library and so their advertising presently resides on different platforms. The results for question 11 show that although all five different options were used to search for SVOD content, there were two clear preferences by the survey participants on how they locate content. Out of the 42 respondents, 13 (31%) browse the SVOD library service, and 12 (29%) learn about content from others through ‘Word of Mouth’ (WoM).

This data offers an insight into how viewers need to know (and want to know) about content offerings. Finding content via browsing was a predictable option for users of SVOD services, as content is available as library catalogues. SVOD services must prioritise an easy search experience on their platform and also recognise that WoM is a major factor in content choice. WoM is a popular second choice for finding content, highlighting the need for SVOD services to market their content well and consider diverse marketing required on various platforms, in particular one of these being social media which prevails to WoM behaviour and content hype.

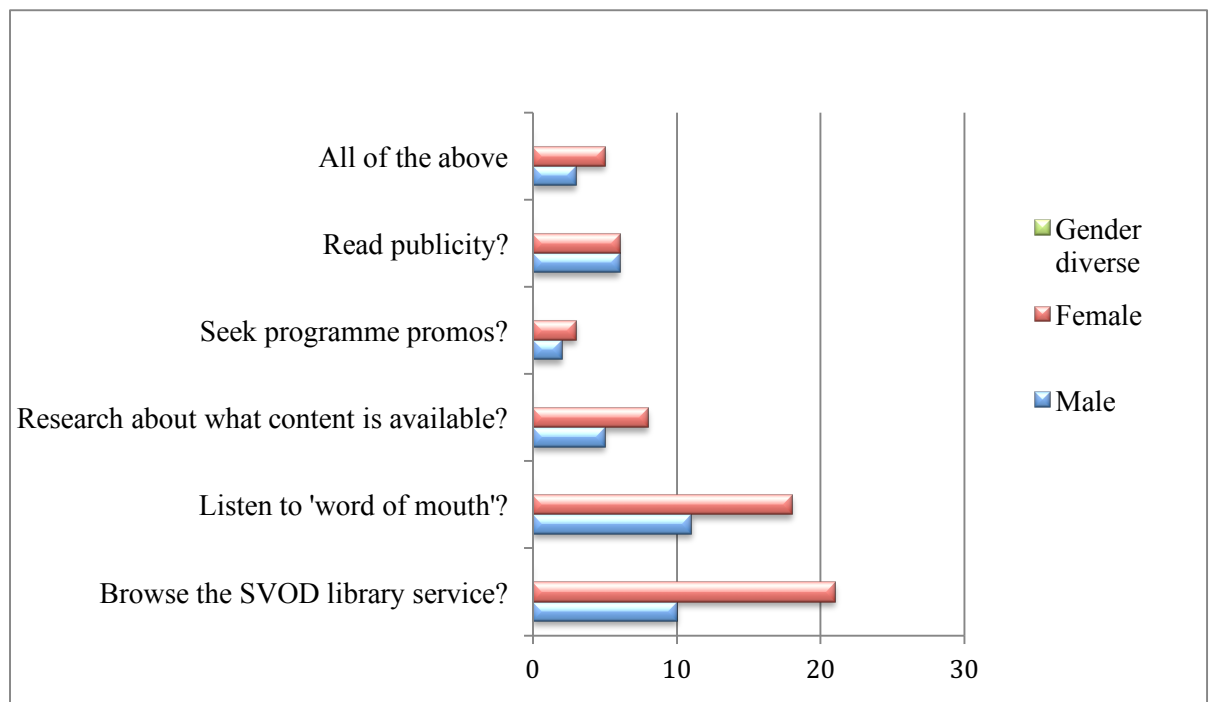


Figure 4.18: Gender of SVOD viewers and how they search for content

The results above are a cross-tabulation between gender and how viewers are finding their content. The results show that both females and males are utilising a multitude of tools to find content. Women preferred to search for content on the SVOD library, while the men's strongest tool was to engage slightly more in WoM. The figure also shows that more women than men use WoM as a tool for content search.

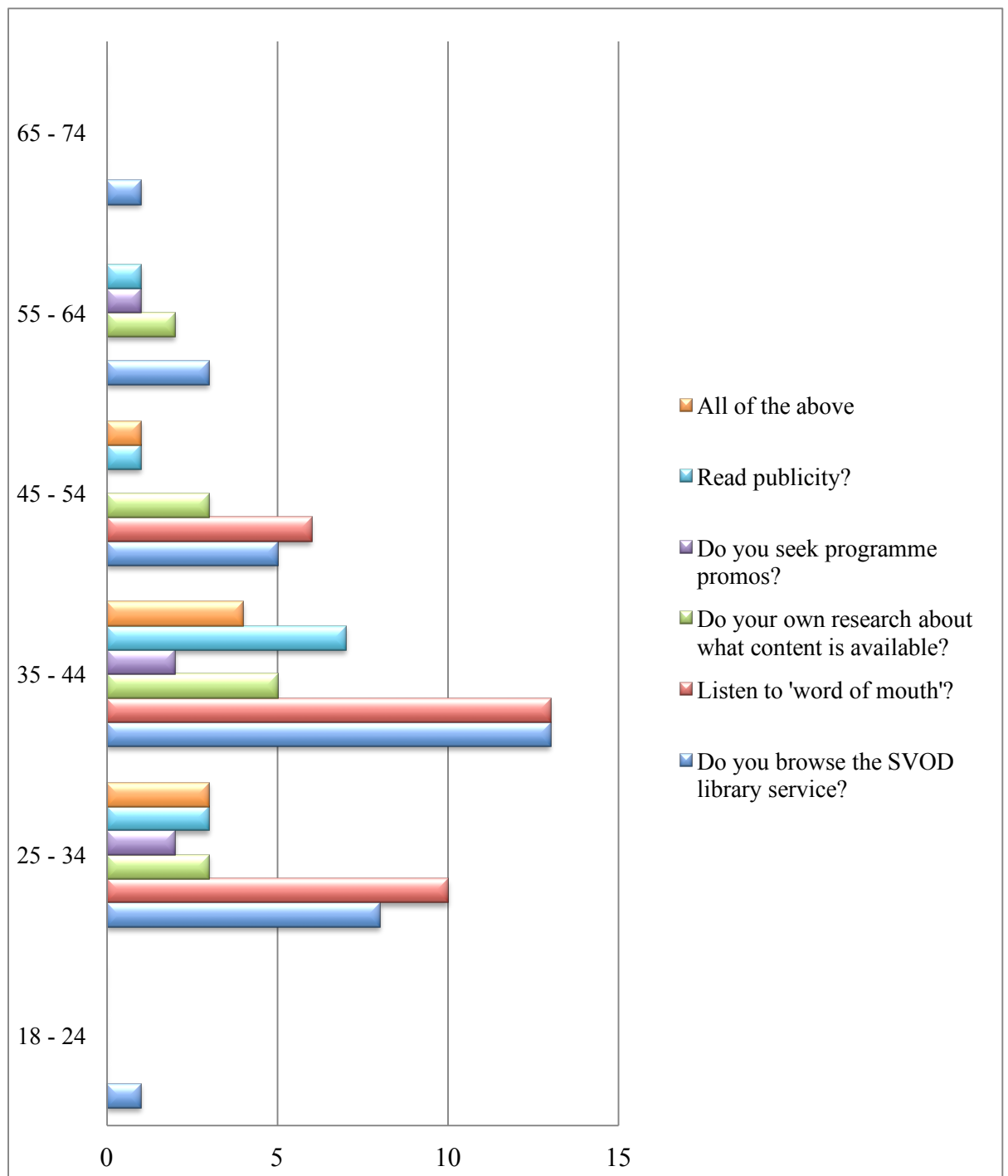


Figure 4.19: Age of participants and how they search for content

Figure 4.19 shows the results of the cross-tabulation between age group and content search. The findings show that those in the age group of 25-34 years old favoured WoM as the tool to find content. The 35-44 year age group used both WoM and search of the service's library; they also read publicity about content. The 45-54 year age group engaged in WoM activities in order to find content, whilst participants aged between 55 and 64 years did not engage in WoM to find content. Instead, they utilised the tool of finding content via searching through the SVOD library. All of these results indicate

that it is relevant that SVODs offer various ways to encourage viewers to use their services. Another significant point of these results is the implication for SVODs to continue to present their library content to viewers in a simple format for easy access. The focus group research and discussion chapter examines this topic further.

Responses to question 12: What type of content do you like? Select as many as you like.

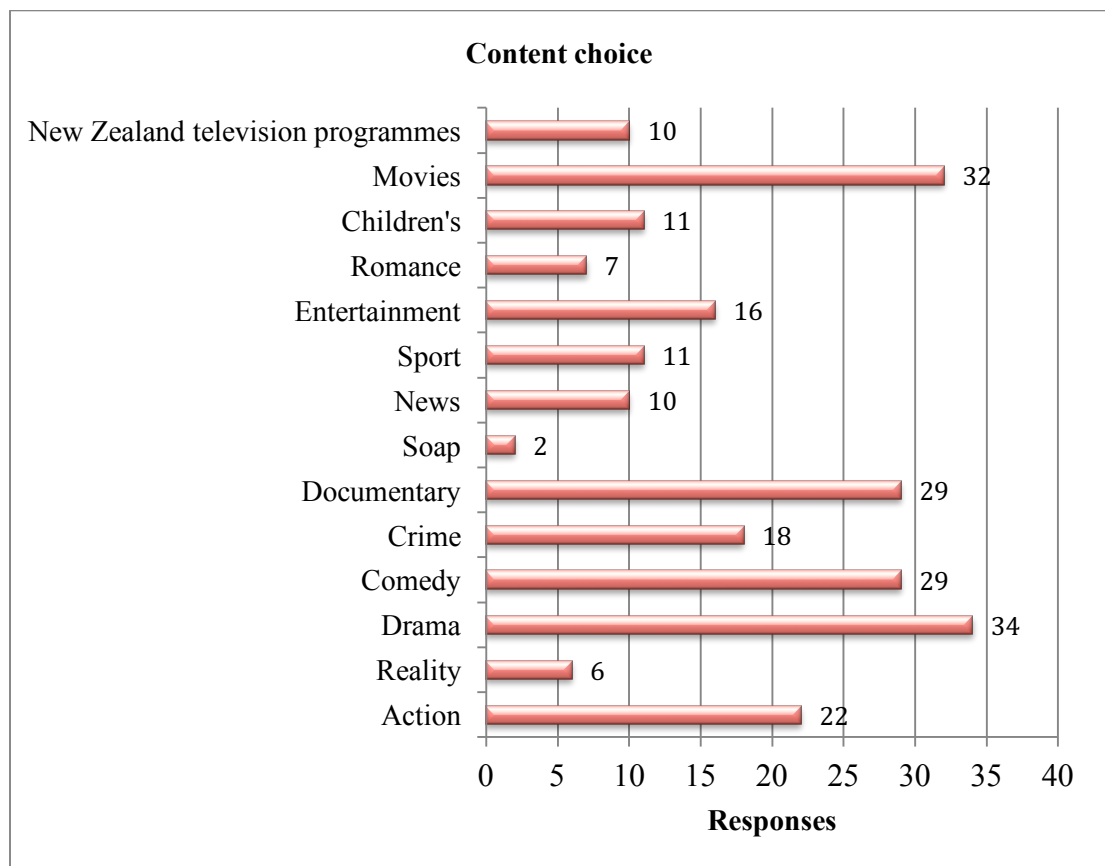


Figure 4.20: Television viewing; genre preferences

The results in figure 4.20 show that most viewers preferred drama genres, chosen by 34 out of 40 participants as one of their preferences. While both Netflix and Lightbox focus on drama as part of new original content and premium content offerings, they also offer well known existing back catalogues of drama series. The focus group findings and discussion in Chapter five consider whether user preference for drama is driven by content availability, content promotion or other factors, such as familiar story structure.

The results also show that movies were almost as important for participants with 32 out of the 40 participants choosing movies as a preferred option. Documentary and comedy were ranked next as content that audiences like to watch.

Responses to question 13: What is your current favourite television programme?

The most popular television programme was *House of Cards*, produced by Netflix, with *Suits*, produced by Universal Cable Productions, following closely. Both shows are available on Netflix NZ, and *Suits* is also available on Lightbox. Popularity for these series may have been influenced by the recent season four release of *House of Cards*, which was on March 4th 2016, shortly before the survey took place. The popularity of *Suits* may also have been influenced by lead actor Gabriel Macht's publicity tour of New Zealand in April 2016; hosted by Lightbox. Programmes that received at least two votes were *Al Jazeera News*, *Vikings*, and *New Girl*. Other television programmes that received at least one participant acknowledgement in the 'favourites' category included *The Office*, *Daredevil*, *Grand Designs*, *Blacklist*, *Filthy Rich*, *Orange is the New Black*, *Game of Thrones*, *Shameless*, *Master of None*, *Freaks and Geeks*, *The Americans*, *The Night Manager*, *Homelands*, *Damages*, *Downton Abbey*, *The Good Wife*, and *Blindspot*.

Responses to question 14: Do you use a particular service for a specific content choice? For example do you watch News on Free to Air television?

Of interest to the study was what specific content attracts audiences to SVOD and whether viewers chose a particular SVOD service based on the content it has available in the catalogue. The results for question 14 were qualitative and show that 35% (11 of the 31 participants) did not choose a particular service for a specific content choice. The remaining 65% however indicated a strong link between a service and its content. A small number (7.5%) of the participants that said they watched Sky TV for particular content. These included "Movies on Sky (until subscription runs out)" , "Sky for sports" , and "Sky for news" . There were 22.5% of the participants that stated they watch FTA television for the news and local content. Of the participants 25% selected Netflix for content such as TV series, movies and drama, and some even "Choose content based on what is available on Netflix"³. This could mean they watched only what is available on Netflix and so chose this as their preferred viewing option.

Nine participants provided comments on their content preferences across a range of services, such as "Movies and doco's on Netflix and normal channels on free to view," "Sky for news, Lightbox for certain shows and Netflix for other shows, I like the fact that each Netflix user have their own profile." "FTA for news and local content and

³ Note that the qualitative responses that have grammatical errors have not been corrected.

Netflix for American/UK series”. “News on free to air, some kiwi programmes on free to air, rest on Netflix”.

There were two comments about news: “I don't watch news on TV, get it online”. “Don't have free to air connected. Watch Al Jazeera live stream via a smart TV app, everything else via Netflix or occasionally TVNZ OnDemand”.

Responses to question 15: What is your age?

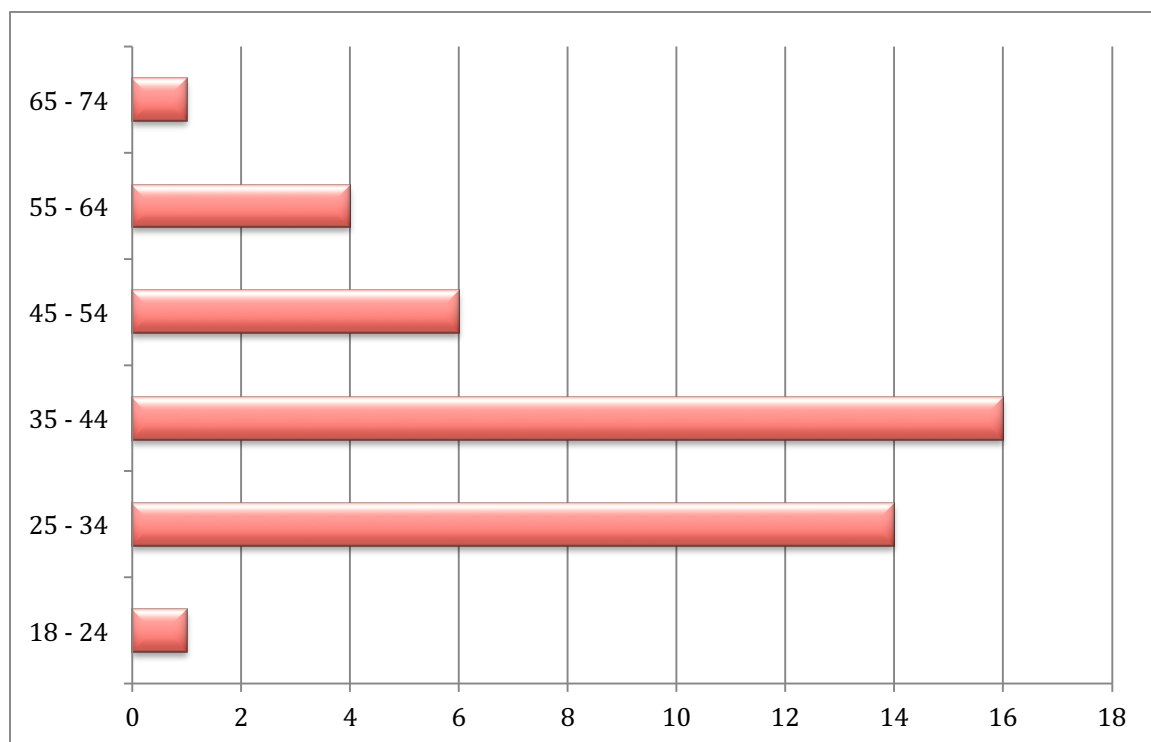


Figure 4.21: Age of survey participants

Question 15 asked the participants what their age is. This was to understand content consumption, and to know what specific demographics engage with SVOD services. There were 42 participants who answered the question; 2.5% aged 18-24, 33% aged 25-34, 38% aged 35-44, 14% aged 45-54, 10% aged 55-64 and 2.5% aged 65-74. This placed the bulk of participants in the 25-44 years bracket.

Responses to question 16: What is your gender?

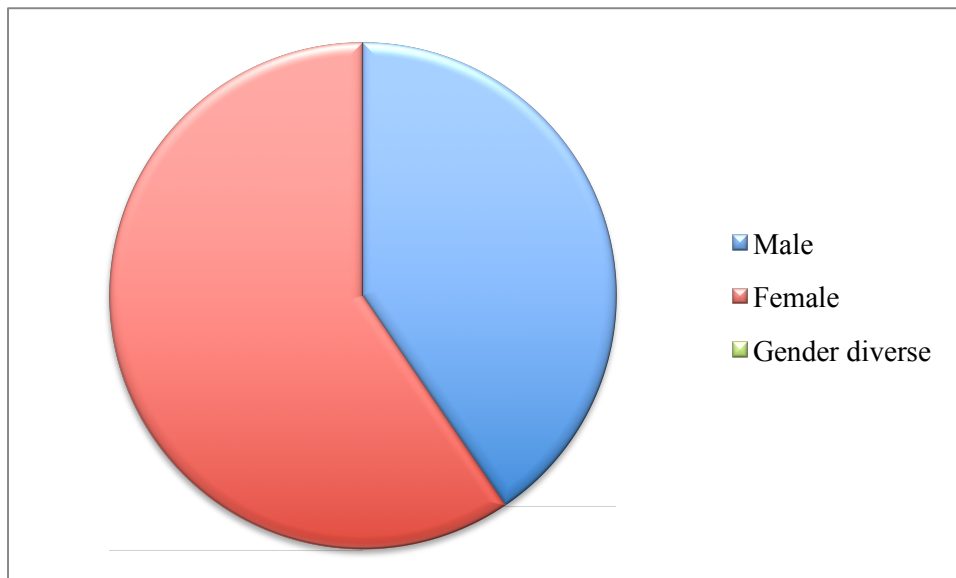


Figure 4.22: Gender of survey participants

42 respondents out of the 47 survey participants answered this question. 17 (40%) were male, and 25 (60%) were female. The figures represent the participants who took part in the survey and cannot be taken as indicative of gender with respect to overall SVOD audiences.

4.3 Focus group results

The focus group findings presented here combine the results of the two sets of focus group sessions. There were two focus groups with five participants each, six females and four males ranging in age from 20-45. Two participants were parents and all but three were in relationships. The focus group participants were asked to respond to and discuss a series of 12 questions (see Appendix 1). The aim was to gain an in-depth understanding about how, where, when and why participants watch and engage with the SVOD services, as well as to gather insight into their experiences, preferences and expectations of these services. As discussed in the methodology chapter, the initial data analysis was conducted using NVivo, a qualitative data analysis programme. The data was coded, the codes refined and organized into different categories, then the codes were examined to identify patterns and themes in the participants' responses.

This section of the chapter presents the patterns and themes found in the data and the key findings. Many participants enjoyed and valued original SVOD content (in fact they regarded this as an advantage that Netflix has over its competitors). Netflix was also specifically identified as reliable and trusting. One highly valued aspect of SVOD services was the ability to view content without interruption from advertisements.

Watch services “anytime, anywhere”, stood out as a consistent pattern of viewing preferences i.e., the accessibility and freedom to choose and watch their content as per individual schedules. The participants acknowledged that whilst watching SVOD content, focus and attention was required. The pause and resume play functions were highlighted as essential for viewing SVOD content. Watching with others or alone had an influence on what content choice viewers made as well as how viewers searched for content and utilised recommendations from the service. The easy access to the back catalogue on SVOD services created a convenient mechanism with which to catch-up on content, whilst binge watching was something focus group participants readily engaged in. Participants linked quality content to binge watching as well as anytime viewing and viewer control. It was also noted that even if they had the time, the physical act of binge watching affected their well being, because it was at times exhausting. In keeping with traditional linear television traditions, focus group participants valued the creation of shared family experiences and social group connections to facilitate a positive viewing experience.

4.3.1 Original content

A major appeal of SVOD services was the ability to access original content. Original content refers to content created, produced, and first broadcast by the service. The focus group discussions made it clear that original content was highly valued and enjoyed and was often a key reason for selecting a particular SVOD service. Viewers regularly identified original content as a reason they subscribe to Netflix. When focus group participants were asked to *list the qualities they look for in an SVOD service and then to rate those from least to most important*, the most important quality identified overall was content. All participants valued content highly, describing it as “key” or “king”. The extent of a service’s back catalogue and the availability of new original content options within a full and comprehensive library were also important factors.

Out of the ten focus group participants nine claimed that original content was a key reason for their subscription to Netflix and part of their desire to continuing subscribing to the service. One participant found the Curiosity Stream, an SVOD service available via the Internet, was excellent for high quality documentaries that presented thorough research, sensational filming, and wonderful locations. Some participants were highly engaged in the new season of Game of Thrones on Neon. This series has subsequently become available on Sky on demand as well as screening on Sky’s SOHO channel.

Data emerged showing the focus group participants complimented Netflix's original content offering, stating that the high production values with casts, scripts and filming was something they appreciated and greatly anticipated prior to viewing. Discussion of original content centred on the agreed action that when you see a Netflix original you make a point of watching it. Discussions within social media was what drew the viewers to the original content on Netflix; a connection to the characters through high-quality character development across several seasons, as well as the inherent development of the shows.

4.3.2 Reliability and trust

Netflix was singled out by the focus group for the quality of its content, its reliability, trustworthiness, and dependability. The length of time a series was available online was key to participants' engagement with a service (SVOD keeps the programming up longer than AVOD). Participants were also aware of and enjoyed the Netflix library, which they sometimes referred to as the "back catalogue". This back catalogue on Netflix is continuously updated and new content is added on a regular basis.

On a more negative note, there were some criticisms however, regarding Netflix's back catalogue content. Viewers found many movies were older releases and purchased television series (not original Netflix productions) were seen as out of date.

4.3.3 Netflix familiarity

There was a high degree of familiarity with the Netflix brand and the Netflix services. This became a common thread of the focus group discussion, with a number of participants identifying that they had previously had access to the international Netflix services and were pleased when they came to New Zealand. They described themselves as eager to subscribe to the service, and readily transferred the familiarity and brand values synonymous with Netflix's global content to their perceptions of the Netflix New Zealand service. Assuming that they could rely on Netflix carrying original content, focus group participants felt that they were led straight to what they want to watch. This, they perceived, stands in contrast to FTA linear television, which leaves users scrolling through selection menus in order to find something to watch, with the hope that something worthwhile might serendipitously appear.

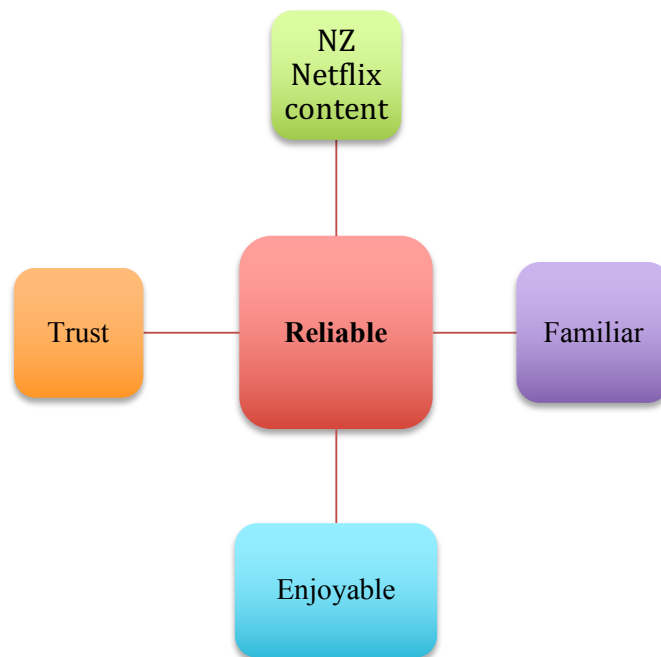


Figure 4.23: Patterns from Netflix familiarity

4.3.4 No advertisements

In both the online survey and the focus group discussions participants showed a clear preference for advertising free services. Focus group participants commented that advertisements were annoying, and that FTA linear as well as AVOD services played too many advertisements within and around programming. Some participants explained the view that they will no longer sit and watch advertisements. One participant felt that advertisements were not generally compelling, and since viewers cannot skip advertisements in linear viewing, they may get up and leave the television set, and consequently lose where they are in their programme. The fact that there are no advertisements on SVOD also enhanced the viewers' enjoyment when binge watching.

4.3.5 Anytime viewing

Many participants of the focus group identify "whenever I want" or "anytime" viewing as a significant change factor in their viewing habits. Some even state that "anytime" had changed every aspect of how they watch television. The convenience of the SVOD services gave many the ability to not have to "rush" for the linear programme schedule; and allays concerns about missing their show. Participants commented that the ability to "pause and play" at their discretion had greatly improved their viewing experience. Instead of having to wait week to week, they had the ability to watch programmes at their own convenience whenever they wanted, this was regarded as a huge benefit. The option to select the content of their preference from an abundance of content, and binge

watch that content, were all identified as equally important factors. Regardless whether participants watch their preferred content weekly or on weekends, the option to select and view to fit with their own schedule has become a key driver to the SVOD services.

Another common concept highlighted in the focus groups was the conscious use of time. Time was considered precious and participants expressed that they would not watch programmes that they are not interested in; being able to select their content and utilise anytime viewing supports their time values and time constraints.

The focus group participants also acknowledged that some content was deep and detailed and they enjoyed the freedom of choice so they could choose whether and when to engage with content that had depth to the storylines and/or complex narrative threads.

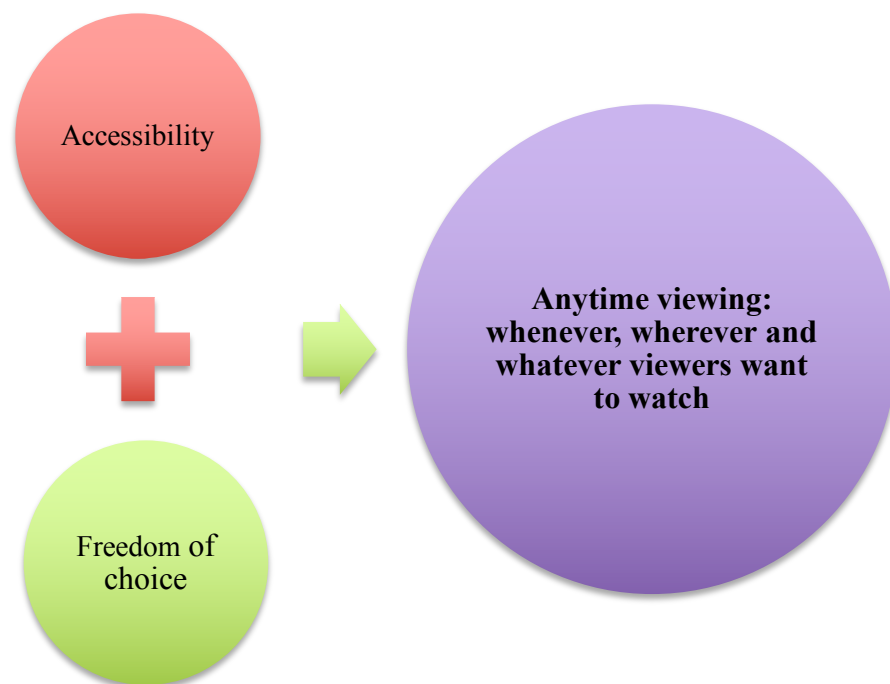


Figure 4.24: Individual viewing habits through SVOD

4.3.6 Mood viewing

Some participants commented that what they choose to watch and when they choose to watch depends on their mood. Participants felt that they have “guilty pleasures” and would watch superficial programmes such as teen dramas or romantic comedies, and they did not want anybody else watching with them. And, unlike linear programming, SVOD content allows them to select the option of watching what best suits their

personal interests.

4.3.7 Attention

The focus group discussion showed that viewers found watching SVOD services requires concentrated attention. This is different from standard traditional linear television programmes because the schedule of linear television services forces advertisements in front of viewers, which breaks the flow of the programme, and gives the viewer time out from the storyline. If content is multi layered (as much of the original Netflix/SVOD content is) then if you're not paying attention you can easily lose the plot line of the programme.

Participants commented that the replay and resume functions often provide a valuable way to understand the intricacies of more complex plot lines and/or dialogues. They also provided participants with an enhanced sense of empowerment related to the control over their viewing habits. Other participants felt that complex storylines are more difficult to follow and require higher levels of concentration. "A fifty minute show with no ads is a long time to keep my attention going" (P.1)⁴.

Participants found that higher attention is also required for programmes of "quality". And binge watching complex long form drama requires concentrated attention; watching more than "several" episodes at once was regarded as exhausting, and participants reported that their ability to focus was challenged once they reached a level of satiation.

Another factor related to a viewer's attention span is the immediacy of SVOD access. They no longer have to wait for a programme to feature on a linear programme schedule, they are able to select their programme choice, and participants ranked this as highly convenient.

4.3.8 Binge watching

Binge watching habits on SVOD services were very common across all participant groups. The vast majority, i.e., 86% of online survey respondents, reported that they binge watch on SVOD. This was consistent across all demographic groups; the focus group findings show that binge watching seemed to be a common viewing behaviour. Viewers often preferred to watch a whole television series instead of a movie. Knowing

⁴ Quotes are from focus group participants.

they have the option to binge watch gives viewers the chance to manage their viewing schedule and fit binge watching into their lives. Having the freedom to choose content, released from the restrictions of linear programme schedule, which “dictates your life” (P.9) or constrains viewers to “be home by a certain time” (P.5), was highly valued by the most of participants.

The participants were generally aware that binge watching is potentially exhausting. Regularly binge watching, for example watching several episodes of a series every night, “can get very tiring” (P4). Figure 4.25 below illustrates participants’ comments on binge watching.

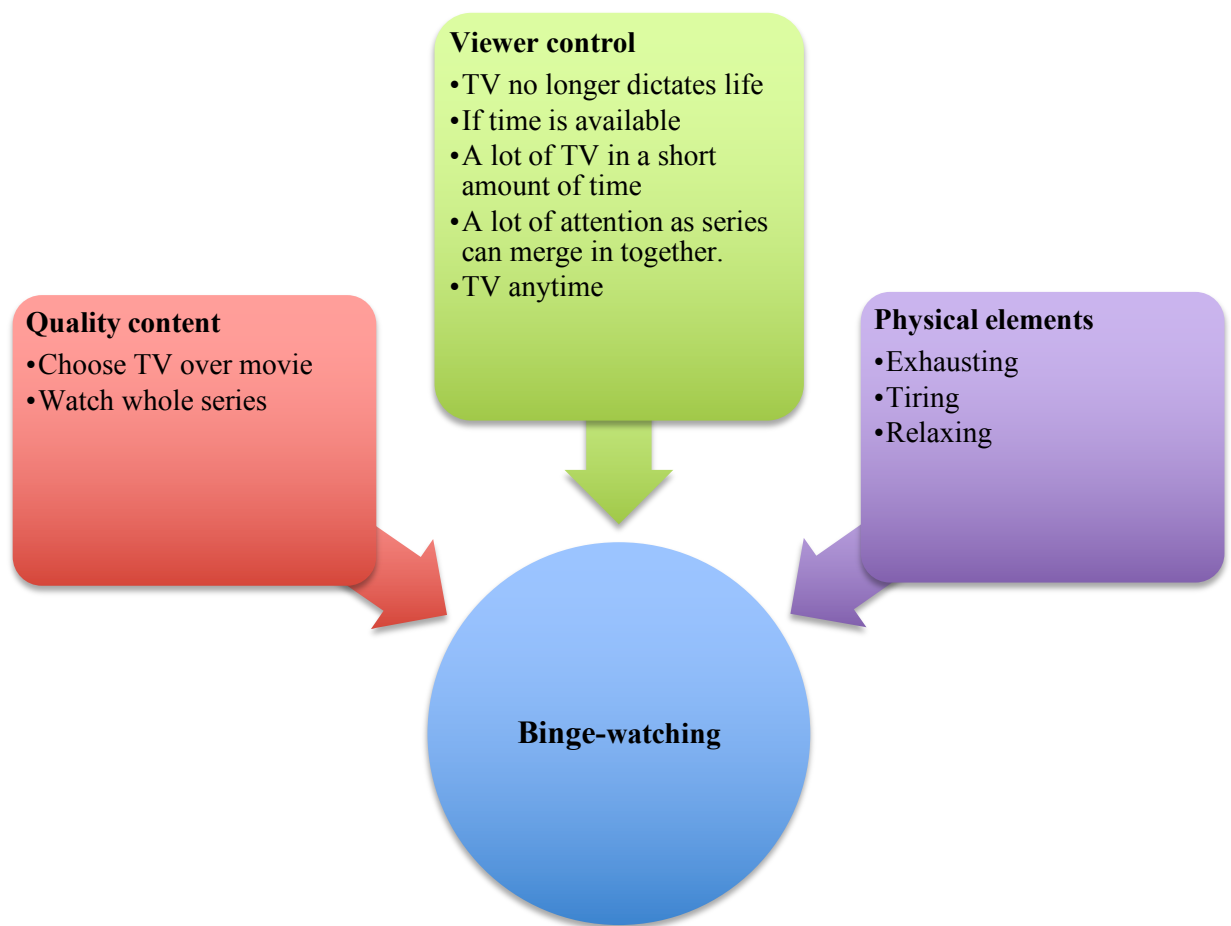


Figure 4.25: Viewers’ experiences with binge watching

4.3.9 Viewers searching for content recommendations

Many focus group participants commented that they usually spend quite a bit of time searching for content. They reported that on demand services like Netflix provide the opportunity to be more selective with content choices. However, participants also commented that with so much content on Netflix, they often struggle to find quality

content other than the currently well-publicised programmes such as *House of Cards*, *Making a Murderer* or *Orange is the New Black*. One Netflix viewer commented that they liked the back catalogue of documentaries and would flick from one to the other “with no end” (P.5). But others found that there was too much content and that searching took up valuable time. They felt that the search could lead to trying a lot of programmes that they then actually did not want to engage with. Participants appreciated the recommendations feature and sought more information, but there was a feeling that many of these recommendations did not always “hit the mark” (P.5). Participants commented repeatedly that they thought there should be trailers on SVOD services, that the reviews and ratings needed to be more comprehensive, and that the reliability of the ratings systems should be improved. Sending messages from the SVOD services to participants’ Facebook and email accounts about new content being released was seen as a useful resource.

There was a discussion in both focus groups about how Word of Mouth (WoM) recommendations were still key to finding the right content. Some participants thought of WoM like a “book club”, where people recommend programmes like it is done with books; you read them, then you recommend them, you talk about content but you do not give away spoilers.

4.3.10 Social group connection

One of the challenges with SVOD viewing is that friends and associates will not necessarily watch the same content at the same time, making it difficult to discuss particular episodes or storyline developments without creating spoilers. At work “it is a different shared experience...there are more chance of spoilers if they have watched the whole series” (P.1). However, Participants stated that although they wanted to remain social about what they were watching, constant spoilers and/or accidentally spoiling it for someone else was of concern. Some of the participants noted at their place of work, the discussions around the water cooler were different with SVOD content than with linear television programming. As people now can easily divulge spoilers, the new way to share the experience would be to ask, “Where are you at?” (P.1). Participants realized that they still wanted to discuss a programme series in their social networks even if others were at a different point with the series.

Participants commented on the recent *Game of Thrones* (GoT) series that was released weekly on Sky TV and later on Neon as a linear series. Participants observed, “everybody is watching it” (P.9); they liked that there were discussions on social media sites like Instagram and Snapchat, and they felt they could talk to people about it. Participants wanted to join the GoT community and learn more about the series via discussion on social media sites about characters, plotlines and the series itself.

Participants stated that viewers would generally seek social connections through social media, wanting to be part of the buzz. And they commented that they liked community groups and being emailed about upcoming television series as potential content options.

Several focus group participants commented that traditionally they have had families with the television constantly on in the home, but with nothing relevant to watch. The viewers were not suggesting that there was unhappy viewing in their past, but rather happy memories of families sitting down to watch a movie together. Viewers are now more aware of alternative options; what constitutes a happy family-viewing environment is changing. In order to re-create the family experiences they had as children in their family homes, participants now choose series and movies to watch together in their own time, with their flatmates as well as creating a movie night with their children. Not only did participants want to share their viewing experiences with the wider community but the same was true at home. There was a clear desire to have a shared family experience. Some participants reported that on regular occasions they deliberately fostered a family experience by selecting specific content to watch together, and they rather compromise their own, perhaps more adult, preferences to ensure there is an opportunity to connect on these occasions.

Two participants craved the social connection to the local community and explained that by having the news on during their evening meal they felt connected to the rest of the country. They also watched *Shortland Street* with the family as an appointed viewing time but all went their separate ways afterwards and watched their own SVOD series.

4.3.11 Watching Alone

All of the participants appreciated that on demand viewing provides the option to watch alone and at their own pace. Some of the participants commented that they generally do not watch content with others. They noted that although they like to watch together,

they are more than happy to find their own programme and watch on their laptop as and when it suits them. Several participants acknowledged that finding content was a challenge, and there was some “crap programmes and movies” (P.5), in the Netflix back catalogue library. Sometimes couples gave up on the search for something to watch that they both liked, and subsequently chose individual programmes. Others found the back catalogue supplied them individually with a great choice of programmes to select from.

4.3.12 Content catch-up

One of the favourite features of SVOD is the ability to catch up on content. Participants all felt that SVOD services offered an excellent opportunity to catch up on content with the convenient access to back catalogues. They considered it a bonus to be able to revisit content at any time. Catch-up was more highly regarded and utilised when there was a very simple process and a user-friendly interface to access the content. Participants found SVOD catch-ups were less stressful than AVOD, where a back catalogue is only available for a limited time. A key to the popularity of catching up was the ability to watch at a time of the viewer’s choice, it gave the participant full control over their viewing schedule.

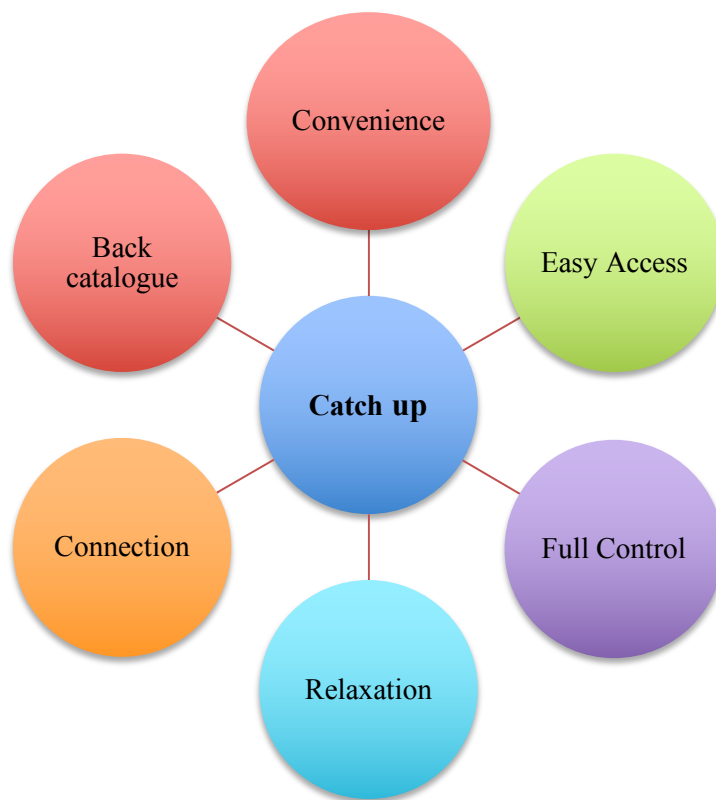


Figure 4.26: Content catch-up variables

4.3.13 PVR / resume play

The personal video recorder (PVR) on Sky TV, called My Sky, is similar to the ‘resume play’ function in SVOD services. It gives viewers the chance to catch up with content. Many participants were satisfied with the ‘resume play’ function. A great advantage of SVOD viewing was knowing that the SVOD services takes the viewer back to the exact place in the programme where it was previously paused. Many of the participants did not discuss My Sky services if they used Sky, they did however comment that when accessing their SVOD services, the ‘resume play’ gave them control, i.e., the ability to pause, resume, stop and play catalogue content at any time.

In this context, the multi-user feature of SVOD was highly appreciated. This feature gives members of the same account individual profiles and, in this way, allows the maintenance of individual ‘resume play’ settings. Furthermore, SVOD services can offer personalised recommendations with respect to specific viewing habits. Overall, participants appreciate the SVOD services because of this high level of control and customization.

4.3.14 Advertising Video on Demand

Focus group participants spoke extensively about AVOD content and how to catch-up on missed episodes. Many participants utilised the AVOD services via apps on different devices. Comments were varied and some expressed satisfaction with AVOD services, feeling that TVNZ OnDemand offered a competitive service to 3NOW (TV3’s on demand service); both had AVOD sites that equalled the quality of live television broadcast. Both FTA and AVOD services make their content available online soon after a programme was broadcast live, and participants value this.

Participants were concerned that a series was not accessible long enough on AVOD, and if they missed the first few episodes of the series, they had no opportunity to catch up later.

The restrictions of FTA linear services were discussed, and many participants felt that there was not a lot of content that was appealing. Not being able to pause FTA linear content and the requirement to watch advertisements made for less compelling viewing.

4.3.15 Pay TV – sport package

Several focus group participants commented that Sky would be great if it provided live streaming of more sport, news and movies. One participant liked the option of being able to sit and watch random shows, displaying a lean-back mentality as opposed to a lean-forward. But many participants commented that Sky would be too expensive with comparably few content options. A pattern emerged from the focus group about viewers' frustrations with present television access to sport. Participants noted that they would prefer access to selected sport programming, e.g., to buy a fan pass to certain events and watch on pop up Sky channels. One focus group participant commented, "I can see a change in how we watch sport, it is incredible frustrating how we get sport, if we can change that, great, I will go back to Sky, if not then cut off Sky now and go to a pub to watch rugby. If Netflix had sport it would be perfect" (P.4). When asked about their ultimate television experience many focus group participants expressed that they would like an SVOD service such as Netflix to also include live sport and news and some local New Zealand content. "Like a one-stop shop...if you compare to phone companies, you want to have one service with everything" (P.6).

4.3.16 Pricing packages

Participants expressed the view that SVOD monthly services (for example Netflix) were well priced and affordable compared to pay TV (for example Sky). They liked that Netflix provides a whole television series. Several participants commented that Sky's pricing is too high. Participants suggest that it would be of value if pricing and package deals could be provided for multiple SVODs and other content services, in the way that phone companies provide a single bill for a range of communications services. One suggestion was to buy content by programme options, similar to iTunes. Other suggestions were for services to create package deals, which could include renting a DVD series from an SVOD service like Netflix, or an on demand model where a subscriber pays for a certain amount of content with ads and a certain amount without ads. This could be a viable option for AVOD because it may eliminate the need for advertising altogether. Other suggestions were for viewers to be able to upgrade to a monthly AVOD subscription, for example 'an advertising-free VIP user' category.

4.3.17 Devices

The discussion about what device the participants were using to watch the SVOD services on was a key focal point. The pattern that emerged in the focus group supported

the online survey, finding that viewers preferred to watch shows on a television set. Participants commented that they use their own individual device for individual viewing, whilst family viewing was on a television set. Computers were sometimes used for one or two people watching together and smaller devices for individual viewing were popular.

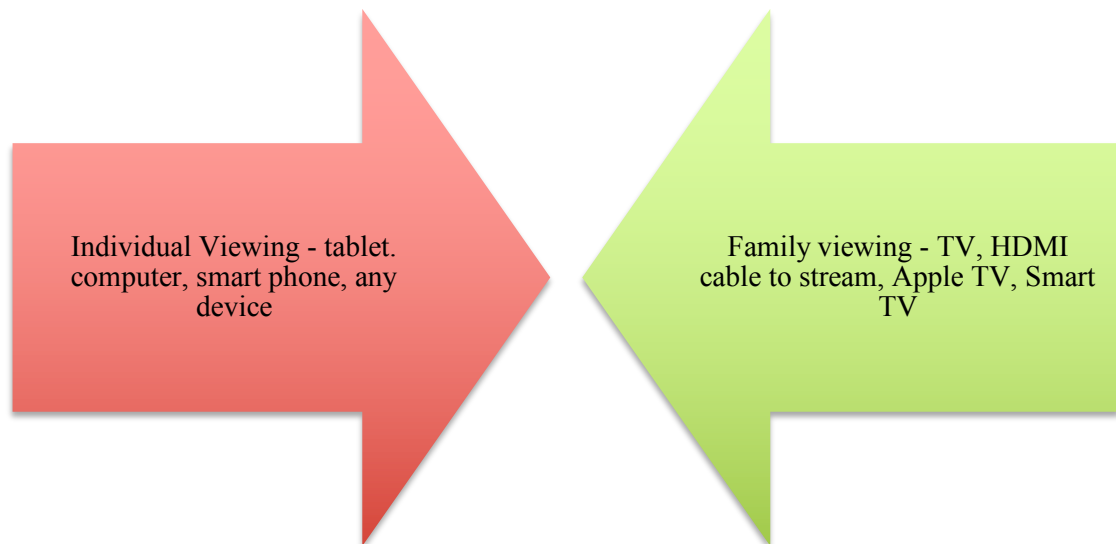


Figure 4.27: Device usage for viewing

These findings suggest that although the television set still dominates all other devices, the laptop is a strong second. For younger viewers, the tablet and smart-phone feature as preferred viewing devices.

Focus group participants found that it was important to be able to technically connect to services easily. Participants discussed challenges with Internet connections, poor content delivery server capabilities and systems “kicking viewers out” (P.2). Participants quickly lost interest in a service if technical issues persisted for any length of time. This point was discussed in the context of watching Sky Go during a big sporting match; viewers had to endure several technical glitches. Other comments from the participants explained that they disengaged from a service with technical problems, and that this was not a good user experience for a Pay TV VOD service (Sky Go). The ways in which viewers were physically connecting to their devices, and how they technically received their services, was also a vivid discussion point. Participants encouraged others to watch via an Apple TV device, a smart TV, iPad streaming or an Xbox, or connecting the Laptop to the TV via a HDMI cord. Many viewers found

connection issues challenging, as these tend to be technically more complicated than desired and not easy for a layperson to manage.

4.3.18 User Interface

The focus groups discussed the importance of a good user interface in some detail. Many participants commented that the ease of use of the SVOD interface and being able to navigate easily through multi-user settings were key value points in staying loyal to a particular service. Many viewers liked the Netflix application and the ease with which they can access and navigate it. Devices like Apple TV gave access to the Internet and on demand services but made it difficult for the viewer to engage with Free-to-air (FTA) television. One negative aspect to Apple TV was the inability to easily switch between the Apple TV and FTA services. Some participants commented that the “easy to use thing is not there for Lightbox” (P.7); this example highlights that ease of connection is of central importance to users.

4.4 Summary

The focus group participants raised interesting and significant points on the changing way they view and interact with content and the SVOD services. It was clear that SVOD has significantly influenced their attitudes to AVOD and Pay TV. Netflix NZ dominates in popularity and has established a high standard of quality original content, ad free anytime viewing, an easy to use interface, accessibility, and user convenience. Participants are still finding and developing ways to search for content. Recommending SVOD services as a new kind of social engagement is important for participants, recognising that as they engage with content at their own pace, they still want to be able to share their viewing experiences with others and to remain socially connected via content.

The findings find a new type of viewing behaviour emerging across all demographics, with the audience using a variety of devices to engage with content as well as adapting to technical connectivity inherent in new devices. However television sets are still the dominant choice to view content on.

The user interface and multi-user settings on SVOD are preferred to other services as they are easier to navigate and also providers offer personal recommendations, as well as resume play for each individual viewer. The improved viewing experience gives

viewers freedom and control over content choice and the ability to better manage their viewing schedule at any time. The lifespan of a series is seen as more accessible with SVOD, focus group participants feel that AVOD content is not accessible for long enough. Participants are still interested in FTA services but there were some negative comments about the quality and range of content and, consistently, the undesirable existence of advertisements. Participants acknowledge that Pay TV, i.e., Sky in New Zealand still has a following but the cost of a Sky subscription has become expensive when compared with SVOD services. They favour lower priced Sky Sports options, such as those made available for the online Sky Fan pass service.

In this chapter, the focus group findings allowed the researcher to expand on and provide more depth to the initial findings from the online survey. Both data sets provide a clear indication that a new type of viewing experience is emerging as a result of SVOD options. Viewers no longer watch as much linear television and value the freedom of not having to wait week to week for their favourite programmes. However, only a small number of participants' fully utilised AVOD services, findings suggest that participants prefer to select a service with no advertisements. When searching for content, participants valued recommendations and often went directly to specific content on specific services. A number of participants have started reducing or discontinuing their Sky TV subscriptions or are not subscribed to Sky TV at all. Overall, Netflix was identified as the preferred television service of choice. The demographic analysis of survey participants shows that there are differences in viewing patterns with age groups and genders. They also have different patterns of viewing devices as well as social connectivity. The survey and focus group data indicates a new landscape of viewing behaviour emerging, where viewers lean in to the television, and embrace the freedom to choose and engage with individual content selections. It appears that, although the change wasn't radical at first, the television landscape in New Zealand is in a dramatic stage of change brought about by the arrival of SVOD services, in particular Netflix.

Chapter 5: Discussion

5.1 Introduction

Chapter five provides a discussion of the main findings, focusing on how the findings substantiate the research questions. These discussions also connect and link the data with relevant literature as identified in the literature review, and considers further research for the body of knowledge in television and broadcasting practice in this digital age.

The dialogue in this chapter is presented in four sections. These are based on SVOD viewer themes as identified in the Findings chapter: (1) anytime viewing, (2) new and innovative ways to engage with content, (3) quality content and (4) viewing devices.

5.2 Anytime viewing

The findings of this study show that viewing behaviour is shifting both individually and collectively as viewers modify the way they watch television. The focus group participants express their preference for a broad range of on demand catalogue content consisting of television programmes and movies that they can watch at their leisure. Participants also prefer the ability to create their own schedules from a wide range of content, rather than fitting in with pre-determined timetables.

In the 2015 Market Monitoring Report (released in May 2016), the New Zealand Commerce Commission reflects that 2015 turned out to be a milestone year in the New Zealand telecommunication markets because of the launch of Netflix, which joined other SVOD services (Lightbox, Quickflix and Sky's Neon service). Demand for streaming services, coupled with the increased data speeds available from the expanding Ultra-Fast Broadband (UFB) fibre network led to a strong growth in broadband data consumption. This provided incentives for Internet service providers (ISPs) and SVOD providers to enable users to get online and access television content through a variety of devices, including mobile phones. 2015 also saw the devices used in a new way, for example by linking to a home Wi-Fi network and transmitting content from the Internet to the big screen in a viewer's living room through applications such as Google Chromecast and Apple Airplay. In addition smart TVs, Apple TV boxes, tablets, laptops and even gaming consoles increasingly provided a substitute for the basic home television set (these can all be used to stream SVOD content directly from the Internet

onto the home television too). This technology assisted the uptake and ease of use of SVOD services.

Features built into SVOD services for convenience such as resume play, memory functions, and individual or family log-ins enable viewers to pause viewing in one room and resume play at the same point in another room and on another device. SVOD compatibility between mobile phones and tablets enables out of house viewing at different locations. With personal subscription information, accessible technology and a continuing personalised viewing experience the viewer really can watch their chosen content wherever and whenever they like.

Participants in this study indicate they appreciate the ability to control how they access content. The way in which they engage with content in general is changing, because participants know they no longer have to wait a day or week for the next episode:

It changed the way I watch TV everyday (P.4).

TV is not going anywhere, I calmed down, in fact TV is slightly less important than it was before, it is on less than before, when or what I want, I don't have to go home and watch something (P.8).

When discussing the ability to watch SVOD anytime, the consensus among participants was that television viewing has become more convenient:

Not having to wait week to week and to watch programmes in my own time, I am a shift worker so don't have to watch at 7 at night but rather at 11 at night (P.10).

Watching something when I want to watch it. Watch when I want, I like the accessibility (P.3, P.4, P.5).

Nice to go back and watch older stuff-watch it as it goes through no stress to watch it live (P.4).

It enables me to watch the top shelf stuff, I don't have to watch all the other stuff,

when it is in front of you just watch what you want, never get through it all, now I can pick and choose. I used to settle for mediocre shows but now I don't have to. It feels like I'll never tire of the content (P.4).

The research participants indicate that anytime viewing is about convenience, accessibility, control and increased choice of content. In a consumer culture that expects immediacy, the SVOD services consciously provide what the participants prefer and value, the ability to select specific content from a range of particular services when it suits them. The ability to match viewing to their lifestyles depending on whether they have the time or energy to give a series the appropriate attention, or whether they wish to find content that matches a particular mood they might be in; this enables viewers to exert much more control than with traditional TV models.

In New Zealand, the government has acknowledged that the television industry is changing. The Hon. Amy Adams, Minister for Communications and Minister of Broadcasting, speaking at the Media Technology Pacific Conference on 3 March 2016, said in her opening address that “Consumers are also controlling what they want to view and when to view it through video on demand and subscription services such as Netflix. The traditional broadcast model of appointment viewing is increasingly seen as outdated” (Adams, 2016, para. 53).

One in four New Zealanders now engage with a New Zealand or overseas SVOD service, as reported by the 2016 NZ on Air ‘Where are the audiences?’ research report (Glasshouse, New Zealand on Air, 2016). This study shows that 59% of the online survey respondents watch SVOD services. In Australia, Morsillo and Barr (2013) identify that the Australian media environment shows an increasing trend towards viewers requiring a more flexible viewing experience. They summarised viewers’ key responses in four comments: “I want it when I want it”, “I want it where I want it”, “I want to interact with it”, and “I want it all to be available at the cheapest price” (Morsillo & Barr, 2013, p. 250).

These statements indicate that viewers prefer services that allow content to be consumed at any time and place. In addition, viewers are increasingly adopting smartphones and tablets as additional devices for watching video away from the home. Viewers also want to engage with content through social networking, often via a second screen, at the same time as actually viewing a show. Further, viewers prefer searchable global playlists,

cheaper pay-per-view or ‘all-you-can-eat’ monthly subscription services, and only want to pay for what they actually use (Morsillo & Barr, 2013).

Participant one (P.1), who identifies herself as a woman aged between 25 and 35 and living with her partner, said that in her home she has FTA VOD, Sky and SVOD (in particular Netflix). She identifies that she makes appointment viewing and self-schedules her television programmes specifically for local content, this is all done by pre-recording it, and then watching when it suits her.

I live with my partner and we watch a hell of a lot of television, it is our chill out time, after work, the news while cooking dinner, Shortland Street is my half hour...I watch it on demand. We like to keep up with shows as they are happening, we set aside time in the evening catch-up whether it is Netflix, on demand and live television. We get hooked in to live shows e.g. cooking shows. There is a switchover point at around 8.30ish where we watch a show that we have backed-up somewhere. One of the American shows we have downloaded. Very much our thing; we have shows we watch together. ...and I like research my information beforehand.

She later says:

My viewing habits have changed, much rather choose watching a TV series over a movie these days. Then binge watch that. In saying that I still really like having SKY and flicking through. I can sit and watch random shows. I like the idea of it on in the background. I like Food TV quite a lot. I channel surf and look for stuff, the Netflix series requires attention. If I don't pay attention then I've got to go back and watch it.

P.1 is a clear example of a viewer asserting the freedom to select content and identifying when she wants to watch it. This self-scheduled television viewing practice seems to be emerging as the preferred style of watching television. Self-scheduling can be connected to a person's disposition, the context in which they watch television as well as the content they choose. P.1 chooses to research content before viewing; she then records it and watches it in her own scheduled timeframe. She chooses to have television playing in the background, while she engages with another task. But she will watch her selected

content when she has the time and ability to concentrate on what she has chosen to watch. She identifies that an original production by Netflix requires focused attention, and if she is feeling distracted and she cannot watch Netflix, she understands that she will get more out of the show if she watches it another time.

Simons (2009) argues that the impact of digitalization results in viewers who adjust their television programme around their daily routines in order to suit their own needs. Data in this study reveals that the digitalization of television is dispersing the relationship between when, what and where in television viewing. By losing the timed schedule and anchored routines, the newly found flexibility in online viewing enables viewers to create their own schedules and to optimise their viewing times. Viewers are more interactive when selecting content, they use a lean forward mentality of a viewer being proactive and selective of their viewing from transferring content off computers and surfing the Internet to television viewing of streaming services (Cruikshank et al., 2015; Iosifidis, 2014; Morsillo, & Barr, 2013). The lean back mentality, typical of disengaged viewers and/or linear television, where viewers are relaxed and passively consume content fed to them in a predetermined schedule, is now less popular among the millennials (Mikos, 2016; Morsillo & Barr, 2013). The findings of these studies indicate that participants of all ages seem to increasingly embrace lean forward behaviour and to actively engage with SVOD services.

Viewers fit viewing and engagement with television content around their lives, it is no longer the other way around. Data gathered by Nielsen Research shows that consumers increasingly expect media products to provide this anytime functionality; they want a social community, with a good value, high convenience and extensive choice (Nielsen, 2016).

Viewers clearly now have access to a range of devices, platforms and services that they often simultaneously engage with in multiple ways. This means that the traditional television market is fragmenting as viewers move their viewing slowly away from pre-determined time-bound linear viewing to time-shifted, self-selective, self-scheduling viewing, utilising catch-ups and back catalogue viewing (Napoli, 2012; Sheppard & Plumpe, 2015). For these viewers, the digital environment is evident in their lives, often led by a millennial (aged between 18 and 35 years old) mind set; these people are also known as 'digital natives', who are familiar with accessing content anytime on a variety of platforms (McClellan and Morrissey, 2008; Nielsen, 2016).

Participant nine (P.9) is a woman aged between 25 and 30 years old who lives between her parents' home and her own flat. She stated that she arranges her family's viewing of SVOD, but when they choose to view FTA or Pay TV content, she moves from the living room to her bedroom to watch her preferred SVOD content alone.

Sometimes, I am less willing now to watch with something I am not interested in. My mum watches Coro, I am going to watch something way more interesting in my room on Netflix. I don't watch something I am not really interested in (P.9).

The Nielsen (2016) audience report confirmed that viewing habits, specifically in those aged between 15-39 years, are increasingly shifting to more flexible streaming services. It also found a definite generational gap between younger and older audiences of media consumed on digital platforms; 81% of 45 years+ are still engaging with traditional linear television, while 22% are engaging with video content online. Viewers aged 15-39 watch linear television at a rate of 63%, and 72% engage with online video content. The findings of this study show that participants aged between 18 and 74 all engage with SVOD services.

5.2.1 No advertisements

Another reason why the participants enjoy and prefer SVOD is the benefit of no advertisements. Comments included:

I really like that there are no ads (P.5).
I have gotten very annoyed by ads, the more now we are watching (P.8).
It is annoying about free VOD services include the ads (P.9).
I don't sit and watch ads (P.4).

The generally negative reaction by viewers to advertisements is a key challenge for the traditional television broadcaster and for the FTA VOD services, because their business model is reliant on advertising placed throughout the programming. As Wolk (2015) states, viewers become accustomed to not having advertisements; SVOD is slowly training them to watch television without commercials and going back to a service that has advertisements now is not seen as a viable option. Participant eight and participant four both reveal that they have no patience with advertisements. Aldea and Vidales (2012) looked at television consumption preferences of 14 to 25 year olds in Spain and found that broadcast television was less appealing because viewers considered there to

be too many advertisements. Jenner (2016) queried why viewers would want advertisements when all they do is take away their attention; this is illustrated by participant nine's comment above.

5.3 Viewers demand innovative ways to engage with a service

In the modern digital television environment, viewers are taking full advantage of the features that allow them to use content in new ways. The focus group participants prefer to have control over their viewing and this is an important part of their engagement with television content. Being able to search and choose their content is an important feature for selecting a particular service. The innovative features that viewers now expect from services include a personalised identification mechanism, and content recommended for programme discovery. They also look for a resume play function also known as playback service function, a content catch-up function, and functions that give them the ability to binge watch content.

5.3.1 Searching

The act of searching for content is changing in the digital age. When a viewer searches through channels for content on traditional linear television there is no escaping the restrictive programme schedule and the bombardment of advertisements. Often the search on linear schedules is to find content serendipitously, which means the viewer is hoping to discover content that is good and enjoyable. Ericsson (2015) comments that this type of serendipitous viewing behaviour, even though not planned, is a rewarding experience. When viewers watch on demand, they are given the option to search for their content and select from a library catalogue, rather than the marketed content with high media presence (and where they do not always find what they are looking for). The serendipity experience is still enjoyable on SVOD, though on demand viewers are pleasantly surprised when they find auspicious quality content. The findings of this study show that the participants who use Netflix are often searching for content other than the familiar listings and end up finding content serendipitously.

So if I can sit down and my case Netflix, like the back catalogue of documentaries works well for me, flick from one to the other, no end yet, keeps me sane (P.7).

This participant finds there is an abundance of other genres, including documentaries,

on Netflix. It is also possible by the interplay between the particular services, and how the content is shared socially by multiple friends on social media, for content to be found serendipitously by one viewer and then recommended to others.

A number of focus group participants experience the frustration of trying to find something novel or interesting without success. Several commented that Netflix in particular had so much content that there was too much content and a lot of time was spent searching. Comments were as follows:

We spend more time looking to watch than watching (P.10).

Flicking around and trying to find something to watch (P.6).

Some focus group participants felt the movie selection on Netflix was inadequate, depending on the type of genre.

I find I struggle to find a movie on Netflix, I'm sick of searching (P.7).

These comments reveal that content needs to be directed more towards the viewer; this is not solely relevant for Netflix but for all on demand services. The development of an improved personal preference system, based on a personal identification mechanism, would give viewers more information about content, and they could make a more informed choice of what to watch. When an SVOD service is able to clearly identify an individual's viewing preferences, it can recommend personalised content options to the viewer. It is not necessarily that the viewer wants to have less choice of content options, but the data shows that they do want a comprehensive preference system that helps to identify content that may suit their tastes. This type of data analytical measurement measures individual viewing behaviour; once it becomes part of the industry structure it will assist all services with personalizing media. These types of comments show that viewers whether time rich or time poor still want guidance, so they can exert greater control over their selection process and to make quicker choices.

This is often the case, as identified by the Ericsson consumer lab TV and Media report (2015):

When consumers cannot find anything to watch and recommendation engines fail to help, consumers simply 'default'. Defaulting is when consumers give up and

resort to, or settle for, a viewing habit they are familiar with, despite having had other viewing ambitions. Defaulting indicates that the service does not cater to the consumer's needs. (Ericsson, 2015, p. 10)

Some of the above comments and other findings show that depending on the genre, participants were happy to default to any television show on the Netflix service, especially as in the case of documentaries, because they trust in the quality of the content and are watching one-off programmes that only require one hour's commitment. Where participants were not happy with a default system is when seeking movies and dramas. They prefer detailed recommendations for movies and dramas as there are so many more to choose from and they are in general longer in length. They wanted more information in their search for content.

Watching content as a default further highlights the need for service providers to engage and interact with viewers and to provide programme recommendations (Ericsson, 2015). SVOD services have started to engage on social media with their subscribers, posting and creating discussion around their content as well as utilising other traditional marketing tools, like publicity tours, email marketing, advertising on billboards and in magazines. For example, the focus group participants discussed the social buzz created around the series *Suits*. In March 2016 Lightbox brought the lead actor to New Zealand, where he toured and promoted the show. There were opportunities for viewers to meet the actor at publicity events. His interviews and press photographs were all released via social media outlets. The resulting publicity engaged the viewers with the *Suits* series.

5.3.3 Content research

There are clear differences in the searching behaviours carried out by different audience demographics. Survey respondents demonstrate two clear preferences for ways to find the content they are after; browsing the SVOD library and WoM. The online survey findings show that women search for content on the SVOD library more than men, and more women than men use WoM as a tool for content research. The findings also show a split in age-based preferences with 25-34 year olds preferring to use WoM in order to find content and 35-44 year olds using WoM and the SVOD library, 35-44 year olds also read publicity about content. The 45-54 year old group use mainly WoM to find content, but participants aged between 55 and 64 did not engage at all in WoM, preferring instead to search the SVOD library. These differences split the demographic

viewing groups and show that there is a need for the industry to acknowledge variations in audiences and to learn to accurately manage the differences. Understanding individual preferences seems to be one of the key challenges within the growth of online content. Millennials are much more competent at digital engagement, searching for and finding online content and acquiring specific knowledge of that content (De Meulenaere et al., 2012). They are eager to share via WoM to find out what to watch and to connect with friends and family in social situations. Their content selection behaviour is a lean forward mentality. They want to learn about the content and to share their knowledge on content by engaging through social media, as in the comment below:

Game of Thrones⁵, got a great story line, there is a great community around it; fan base, we talk to people about it. It is all over Instagram, Snapchat, funny memes. It is very social (P.9).

As viewers age their social engagement behaviour changes, including the ways they seek content information through library searching, as well as watching programme promotions and doing their own research. SVOD services will need to deploy unique marketing strategies for each demographic. Such an approach will ensure they engage all audiences, and each audience's preferred method of finding content is honoured.

5.3.2 Content recommendations

Seeking recommendations for programme series was discussed, traditional trailers and other innovative marketing ploys to engage viewers.

The focus group participants felt that there should be more than just a recommendation on the service, but that content trailers should also be available for each programme. They suggest a ratings system relevant to them and easy-to-find interactive social media information about specific shows would be of great benefit.

Participant's comments:

The on demand Garage service offers trailers, which benefitted the viewer (P.8).

⁵ *Game of Thrones* is a series that was broadcast in New Zealand by Sky's SOHO channel then Sky's SVOD service Neon.

If Netflix had something better when you click through to a show, with info or social media to access and think about. If people are saying it is really good those stars mean nothing...it needs to be something more (P.5).

I try to drill my way through it all...my time is precious at the moment, I don't want to get hooked in to something useless and something I don't want to watch. They should build more recommendations in their service. I get some of the recommendations work as they are niche at the moment (P.1).

Discussion within the focus groups centred on a personalised service option as discussed in section 5.3.1 above that could offer recommendations to assist the viewers in finding content. Wolk (2015) discussed that on demand services would benefit by making use of viewers' data analytics. This viewing data measures and gathers detailed information on actual viewing data and offers programme recommendations, and if necessary, advertisements that reach specifically targeted audience demographics.

Traditionally, television programmes were promoted through trailers or 'promos'. Not all SVOD services (yet) provide these options. In fact, as of December 2016, Netflix began to offer a new type of 'curator' recommendation system in America, where a 90 second introduction to the series can be viewed. The viewer can access this video preview when browsing the library of content. The introduction is a summary of the whole series that focuses on the story and characters, giving the viewer a taste of the series. These are similar in format to teasers and traditional programme promos but the sole focus on the whole series rather than individual episodes.

SVOD providers are marketing content in innovative and interactive ways to inform and generate viewer interest and engagement in each series. An example of this is Lightbox's campaign around the children's show *Mister Maker*. In September 2016 Lightbox sponsored Mister Maker (Phil Gallagher) to visit New Zealand, make appearances and perform in stage shows. Children had a chance to be part of the show audience and even meet Mister Maker. Taking advantage of his cult status amongst children, Phil Gallagher shared the tour on his social media and Lightbox publicised where children and their parents could go to interact with Mister Maker at locations such as shopping malls on its Facebook page.

Another innovative marketing project was carried out in August 2016, when Netflix launched a graffiti campaign alongside the release of their original produced series *The Get Down*. The graffiti was created in public and displayed beside Britomart, the Auckland central train station. Coinciding with the release of *The Get Down* was an interview with the local graffiti artist, Askew One, which was publicised via the Netflix Facebook page.



Figure 5.1 Netflix's *The Get Down* graffiti, photographed at Britomart train station, Auckland. (2016).

These marketing campaigns both created a huge opportunity for viewers to connect with each show. The next section discusses social group connection in more detail.

5.3.3 Social group connection

It is important to note that all generations that engage with television content on any platform still want to belong to an audience and have a shared viewing experience (Simons, 2009). Exactly how that shared experience is created is changing, however. The findings of this study indicate that many viewers like to watch with others, but are also happy to watch individually, depending on their content choice and the pace with which they watch.

Typical day is once we get home, after dinner I quite often watch by myself, we have different tastes, a dedicated TV show like Big Bang Theory is usually what we watch together because it is on TVNZ OD, watch it on demand as it is only up for 2 weeks. Everything else we watch by ourselves, on Netflix. On my laptop, It is not uncommon for both of us to sit there with headphones on. We have such different taste, so much out there, why sit through so much. One of us with the documentary, one with drama, I quite like light TV (P.2).

Participant two states that although she wants to watch with her partner, she finds they have different tastes in programming. She is happy to watch on her own and, although she does enjoy individual viewing, she is not prepared to wait for her partner to catch up.

Only time it was a little bit weird was when I got my partner to watch Making a murderer. I was two episodes before him, same series but in different points... Modern viewing, I couldn't wait

Participant two goes on to discuss that she identifies her preference to connect, discuss, and be social with friends about programmes. The fact that colleagues at work talk about the series shows that she is keen to discuss the show, but she does not want to experience spoilers. Jennes and Pierson (2012) state that television audiences, when viewing alone, tend to move their discussions offline and to social networking sites, enabling viewers to view and share. Participant two says (in reference to the series *Making a Murderer*):

Coming in to work and everyone was talking about it... people are not that considerate (P.2).

Participant three (P.3) watches FTA, and has Sky Go access through his girlfriend's parents' account, as well as Netflix. He loves to watch sport and documentaries, and watches most programmes on his own unless his girlfriend organises a movie that they watch together.

Usually watch at night by myself, on my own, because of tastes. We do watch movies together but sometimes it is a struggle on Netflix, too many, too much, we look but too many and give up so watch TV on our own (P.3).

Participant four (P.4) is aware that she has the options of watching individually or of creating a social situation for her and her family.

I like alone time, but also I like watching with my partner. I like doing a movie night. I am fostering the let's sit down together and watch movie night with the kids but it is tempting to get up and do things though. I am trying to make a

family situation, and that for my kids to be aware the media is not just an endless pit of stuff. I want a shared experience and I do want to put my feet up (P.4).

The participants indicate that although SVOD affords them the chance to watch content in their own choice of context, they are still eager to watch with others and engage in social connectivity about the SVOD content they are watching. The participants identify that depending on the social context of a viewing situation, they do adapt to different consumption practices so they can watch alone or with others.

The social engagement around traditional linear programmes depict the scenario of discussions around the water cooler about episodes from a specific programme watched by the whole group the night before. The findings from this study indicate that these discussions have now moved to “where are you at in the series?” conversations. Viewers want to discuss the characters and plot lines as well as to recommend specific programmes to others. The “water cooler effect”, i.e., the place to gossip, is still there for television content discussions (Lotz, 2014). But these discussions have become more individualized and not so synchronized as previously in the traditional television-viewing situation (Jenner, 2016). It is this WoM discussion that a majority of participants engage with, finding a place to discuss and learn about content whilst also encouraging other viewers to watch specific content and not always discussing what actually happened in each episode. As discussed in the findings chapter, this scenario is similar to a book club, implying that viewers are seeking a connection and wanting to share their viewing experiences but are prepared to wait until all members of the group have viewed the whole series. The majority of viewers want to remain connected, whether they are watching content simultaneously or not. The study indicates that SVOD services must continue to prioritize their efforts to provide viewers with a way to connect.

The previously discussed link between television and the structure of people’s lives (Cruickshank, et al., 2007; Gaunlett & Hill, 1999; Taneja & Viswanathan, 2014) has changed. People used to come home in the evenings and watch the news on television, and have dinner. Now, the family unit all being together whilst viewing is changing (Katz, 2014). With no rigid linear television schedule, viewers are watching television content from on demand services or using PVR to record and watch later (Ericsson,

2015); they are creating a personalized viewing schedule. This shift by viewers to an engagement with social mediums and creating social groups, whether in person or online, shows that watching TV is now a changing shared experience (Simons, 2009). The comments by participants below illustrate that there is still the occasional show that remains appointment viewing though; people still want to have social engagement around television content, be it verbally or on different social media platforms:

It is different now, not so much a next day water cooler effect. We do have that with Game of Thrones at work as nobody wants to miss out. Everybody wants to talk about it. All those references you will miss out, a different shared experience, you will recommend more to people. Not the same, Making a Murderer came out it was appointment to view (P.1).

It has such a big fan base around it like Game Of Thrones, massive discussion, almost a cult, drives conversation and Fandom, I watched it on Sky use to be on Prime delayed, now on Neon via other streaming (P.1).

There are some notable differences with social connections depending on the genre being viewed on television platforms. International series are more talked about than local series. Simons (2013) identified that TV fiction is engaging viewers more with social discussions; they are comparing viewing practices and watching more with family and friends. Apart from programme promotions by the service, an integral part of this extension of content widening out into everyday life is WoM, which is led by the social engagement of viewers.

Some things I love to share, when you do you find yourself talking about shows and making in-jokes and references, kind of nice and you've done something together (P.5).

People are still recommending programmes, like you do with books, still talking about content, and trying not to spoil. To the extent I will go home and catch up so I can talk about it with my friends (P.9).

The key to an on demand service being socially engaging to create an awareness of their content is to actively interact with audiences across the social media that the viewer is

most active on. Wolk (2015) identifies that digital data gathered by on demand services is important because it reveals a viewer's consumption behaviour and engagement in great detail, especially if this information is correlated with data being gathered from the other social platforms that the individual viewer is on. Tracking what viewers are 'liking' and discussing on social media will also help with future content recommendations, which can lead to connecting viewers socially through their viewing preferences. Sometimes a desire to remain socially connected leads to the practice of binge watching; this is detailed in the next section.

5.3.4 Binge watching

Binge watching is a popular practice for 86% of the online survey respondents and all of the focus group participants. The focus group discussed how it gave them the control to watch content at their leisure. Many enjoyed the experience of being able to watch as many episodes of a series as they wanted to, as well as to control their viewing with stop; start and resume play (playback) options. Binge watching gives the viewer the chance to immerse themselves in the storyline of the programme by watching content for longer periods of time, more like a movie experience where character and storyline can be developed more fully by the producers and indulged by the viewer. Viewers are led to watch the series, they then have the accessibility and convenience to binge watch, not necessarily only new series, but any of the back catalogue an SVOD offers.

I definitely binge. My partner is a big TV watcher and we egg each other on. You get addicted especially when you know it is there to watch (P.1).

Netflix also biggest one for me and I watch TV3 through Netflix, which makes my "Graham Norton obsession more accessible". Watching something when I want to watch it. Convenience linked to where ever you want, whenever you want. I am a big binge watcher, no need to be home by a certain time (P.5).

These comments were two of many by the participants that reveal they practice binge watching. Several important elements are seen as part of the binge watching behaviour; SVOD services entice viewers by releasing a series all at once, accessible immediately for viewers to watch at their leisure. Jenner's and Tryon's studies, both conducted in 2015 (as cited in Mikos, 2016), sees this as a marketing and publicity technique that leverages off the series release in order to advertise and sell the whole on demand

service. The release of the entire series at once entices viewers to watch full series, helped by the build up prior by the service and social hype created before the release date.

The demand by viewers to release a full series at once also changes television production practices. As Wolk (2015) explains, episodes are now written and produced as a continual evolving series, which impacts specifically on the writing, filming and post-production processes of production. This is examined in detail later in this chapter.

Time was a major factor in viewers deciding whether to binge watch or not. Many participants acknowledge the considerable time investment needed.

I sometime binge, as long as I have done everything else that I need to do in the day. I don't mind it at all (P.7).

I don't binge every time I watch. It would depend of circumstances, situation and time. I love to cook and put the TV on to things I have already seen so it is there, in the background. Right now my time is my own, I would imagine with other responsibilities my life with change but for now it is perfect for my life. I do what I want when I want to; I do regularly binge, but not consistently (P.5).

Participants acknowledge that binge watching takes time and there are other activities in life that must take priority. The 'anytime viewing' concept gives the viewer the ability to stop, start, resume play and adapt viewing to their everyday lives. Jenner (2016) and Mikos (2016) both identified that binge watching SVOD is adapted into viewers' personal lives; it becomes part of a cultural practice, where depending on their personal situation they may have the freedom of time and personal space to consume many episodes at once.

Another element of binge watching are the types of programmes that are binge-watched, the participants discussed how they enjoyed the SVOD dramas with complex narratives, storylines and characters that evolve through the series, which hooks them into wanting to keep watching. Some participants did comment that this element of binge watching did become exhausting:

I binge all the time. I would watch at least one episode, maybe not if an hour but I can watch 2 or 3 episodes if shorter, maybe not for long length shows but definitely half hour shows. I get 'exhausted' from watching TV (P.2).

I binge for a while, one or two episodes the same thing every night for a month, Breaking Bad, Curb your Enthusiasm, I don't do 4 or 5 in a row, I get too tired (P.4).

With binge watching the viewer has control over their content choice and can pause and think about the content, stop and laugh, reflect on the moment, or even search on a second screen for programme information. These are all part of viewing a controlled on demand service (Jenner, 2016).

Mikos (2016) and Wolk (2015) explain that writers of SVOD original series are creating characters and storylines that continually build as each series evolves, and the viewer needs to watch the series from the start to understand and grow with the narrative. This contrasts with linear television series, which have subplots that end after each episode; this allows viewers to watch individual episodes and not lose any storylines.

The SVOD series format encourages binge watching because the viewer is given the option (and thus freedom) to go back and catch up on what they may have missed, as well as watch other episodes when it suits them. This type of viewing engages and connects viewers more deeply to the storylines, encouraging them to watch and re-watch the whole series through. This can be uncomfortable for the viewer, who may experience a disconnection; eager to find out what happens next but also not wanting the series to end (Mikos, 2016).

This change in programme format has widespread implications for the industry, not only in the obvious way in that production crews need to modify their story crafting, writing, editing and delivery schedules (traditional television is produced in a sequential timeline where single episodes are released to the broadcaster just prior to the programme going to air whereas with SVOD the programme needs to be produced in entirety before delivery because the SVOD service releases the whole series simultaneously) but also and arguably more importantly if viewers are binge watching content and moving swiftly through entire series how will smaller content providers

remain competitive? Netflix is able to spend five billion dollars on original production costs, as of 2016 (C-Scott, 2016), but how will local content providers retain their viewers? The television industry must embrace the change to survive. It appears the big production budgets that Netflix has means being able to hire the best production teams, plus the use of innovative marketing strategies to attract and sell their content, is what is appealing to so many consumers.

5.4 Quality content

Above all else, quality content is the main factor that determined which SVOD service the online survey participants chose. About three quarters considered Netflix to be their favourite service, specifically because of the high quality of Netflix's original content (high production values used in casting, scripts and filming). Participant's also recognised SVOD services as offering recent releases, a vast library of content, international release dates, the social buzz around a programme, 'anytime viewing', the ability to binge, and a reasonable subscription cost. All of these factors add value to a service and are reasons as to why the participants preferred SVOD services, but far outweighing this is the preference for high quality content.

Being able to engage with a service that offers all of the above attributes now sees viewers choosing SVOD services in particular over traditional linear broadcasters. The comments below illustrate why so many participants enjoy and prefer a particular programme and/or service.

I like the series Chef's table on Netflix. Documentary of amazing chefs that go around the world, Michelin star chefs, it is an hour long, their journey, how they got to where they are a lot is based on food and the story of the chef, background and struggles. I like the story being told. It is a Netflix original series and generally pretty well made in my opinion (P.6).

House of Cards, that is original content for Netflix. That particular programme was based on a UK series from the 90's. The production value and original content is quite high, they take a lot of time to make it, quite good (P.6).

Almost to the point of where you see a Netflix original you make a point of watching it (P.10).

Narcos was brilliant. That was original as well (P.7).

Orange is the New Black; I like the diversity of the cast, a lot of females and different ethnicities. It wasn't just 'another churned out drama'. I learned also this story was based on a true story. Complex but well executed. Never quite know what is going to happen but I love that. I like how they build the character development. You feel quite connected to characters in Orange is the New black, gives 'humanness. We look for that in our content (P.2).

Life on Fire; extremely well researched, sensational filming, wonderful locations, narrated by Jeremy Irons. Enough time to build a picture, give you time to understand it: the SVOD service Curiosity Stream (P.8).

The focus group participants commented on a variety of content and spoke about aspects of the productions. They stated that if FTA and Pay TV were not offering compelling content and excellent consistent service, they would then go elsewhere. Comments below about FTA services were limited to engagement with live programmes such as news and the TVNZ2 series *Shortland Street* as well as some event television such as New Zealand reality shows and drama.

Literally nothing on free to air TV 1,2,3 that I miss... Gave up Sky decoder, We thought we would get a freebox but have not missed it (P.8).

Much much more selective, we have freeview and watch news then...watch on demand some shows like Greys Anatomy. They take them down after 2-4 weeks. My viewing habits have changed that if there is a show I want to watch on free to air I wont sit down and watch depending on my mood, for example on demand services eg Why Am I. Quality and time are the main themes (P.5).

Free to air services are more for catch up, I'll go home and watch it on demand. Eg Shortland Street (P.1)

These comments reveal that content is important to a viewer; some watch live and others catch up. People are selective about what they want to watch and with SVOD services becoming so widely available viewers are going as far as commenting that they do not want to use FTA services anymore because of the content on offer. This places increasing pressure on FTA services to deliver unique and competitive content.

The participants also commented that they liked the FTA free AVOD services, where content is loaded within an hour of being first broadcast; they use it to catch up on content they have missed. However they felt challenged by the short amount of time that episodes of a series were available on the service. They also disliked the advertisements and saw the FTA AVOD service as an extension of the FTA channel. Kantar Media (2016) identified that viewers were more likely to engage with a service they have paid for than one they can access for free. Perhaps this explains why many of the participants who have been Sky subscribers have little patience left for the Sky service, knowing they are paying high subscription costs but only getting limited quality content that is full of advertisements, and full of restrictions on their subscription, in particular when it came to sports viewing:

I follow the content and am prepared to pay within reason, I think Sky is exorbitant, I think on demand is the future (P.5).

The ability to watch sport online without Sky, find a way around that. Overseas for a lot of sport you can buy a pass per season or pay per game. Nothing like that here, especially for rugby. Sky has their stranglehold. Rugby without Sky or another stream of service, \$30 a month or whatever would be me sorted (P.7).

Participants commented that of all on demand services Netflix had become the most reliable place to find content. Participants stated that Netflix offers familiar and enjoyable content, that they trust the brand, and that Netflix offers in the form of added value. The significance of this finding is that Netflix has differentiated itself from other on demand services as it delivers exclusively produced and distributed original content. Jenner (2016) notes that Netflix has its own business model of ‘create, make and distribute’ and audiences are buying in to this model for the full package; Netflix is a whole and complete service that knows the needs of each demographic of their audience. Netflix services are different from the FTA AVOD, because AVOD has

advertisements and limited access to content, and is also different from Sky, which has premium subscription rates for content that the focus group participants feel is not of sufficient quality. The implication of this is that now, in the digital television environment, viewers' experiences lead them to be more selective with each service. They have little patience with advertisements, want a series to be available for a longer time and if necessary they choose to pay premium rates for smaller sports packages, as P.7 explains below:

Yes, I don't sit down to regularly sit down and watch, not in the background at all, I am not searching for anything. It will be on Netflix, straight to what I want to watch. Not left scrolling through to find something to watch. This became habit because of Netflix. It is where I now go for shows. I use to not find anything switch between channels something might come on, pretty sure nothing now will come on so I go straight to Netflix (P.7)

With US\$5 billion in 2016 being spent on original content (C-Scott, 2016), Netflix stands out as a unique SVOD service, differentiating its services from competitors by the originality of its content. The focus group and survey participants acknowledged Netflix's collection of quality content. It is important to note that Netflix does not necessarily produce all of their original content. They purchase from other networks and production houses. They do have 31 new and returning original series, 24 original feature films and documentaries, a wide range of stand-up comedy specials and 30 original kids series (C-Scott, 2016). Netflix has also produced new versions of programmes based on the original cult television series (*Arrested Development*, *Gilmore Girls*, *Fuller House*). Jenner (2016) notes that through these new/old series Netflix is training the audience to engage with its service. Viewers can binge watch the older series as well as watch the newly added series, with the slight changes in narrative and structure in the remakes encouraging binge watching and working for a self-scheduling audience.

I watch Full House remade for Netflix only, I love the old series and the new made for Netflix (P.1).

There were two programmes that were discussed in the focus group from other SVOD services, these were *Game of Thrones* (GoT), the series highlighted earlier in the social

connectivity section which features on Sky TV and on Sky's SVOD Neon. The other series was *Suits*, also mentioned earlier in this document, which screens on Lightbox. Like with any new innovative product, people are intrigued and GoT created a social buzz where everybody was talking about it, wanting to watch it. One participant commented that once *Suits* was finished they would resign from the Lightbox service. Apart from these two series there was very little mentioned about Lightbox, Neon, and Quickflix in the focus groups.

Lightbox has 150,000 New Zealand subscribers according to Spark's 2016 annual report (Spark, 2016), yet it was barely discussed in the focus groups. The Lightbox, Neon and Quickflix content offerings all include high quality drama and/or movies. The focus group participants did not watch these services but there were respondents from the online survey who said they watched Lightbox; 33% chose it as their second option if Netflix was not available. Some of the focus group participants commented that they did have the Lightbox service and had used the free one-month trial offered but had not continued on to a paid subscription. There were some negative comments about the Lightbox service, participants did not sign up as they had difficulties with connecting it to their television set.⁶

I trialled Lightbox and I didn't like it. Because I was paying for one thing I did not want to pay for more. I did it right in the very beginning, I didn't give it much time of day or series to watch or look for something or like a series, my 30 days was up and I never thought about it again (P.2)

Suits is on Lightbox, I have not finished but I wont get Lightbox for just that...I wont sign up for something for one show (P.5).

We signed up to Lightbox but we haven't used it yet. If we watched Lightbox we would try the app but probably use a computer, the easy use thing is not there at the moment (P.7).

The lack of adoption of the New Zealand SVOD services by the participants could be due to their relative newness according to the rates of adoption that Rogers (2003)

⁶At the time of this research Lightbox was not as widely available via smart TVs as Netflix was; Spark now has an Application that automatically appears on a broader range of smart TVs. This has significantly increased the potential reach of Lightbox.

defines. He states that the levels of adoption in groups within a population are innovators (2.5%), early adopters (13.5%), early majority (34%), late majority (34%), and laggards (16%). Rogers (2003) identifies the early adopter as; 'keen to try new products and technology, enjoying innovation, new products and technologies'. At present it appears New Zealand is at the early adoption stage with SVOD for Quickflix and Neon. Several determinants contribute to the success of an SVOD; these include the innovation of the product, the technological aspects, and the time it takes to become competent on the service, and the spread or communication of the service by the local social system. As viewers of SVOD become more capable with all of these factors the speed of adoption will increase.

With Netflix however, the participants' preference, content knowledge, and acknowledgement of the value and reliability of the brand exhibits signs of being in Rogers (2003) early majority group. At the time of the focus group sessions Lightbox appeared to be in early adopters, however by the 2017 it is clearly moving into the early majority stage.

Content is important and the discussion from the participants about the other SVOD services in New Zealand indicates that they are selective of what they want to watch and they are willing to follow content over to another service. The decision to remain with a service can rest solely on the quality of content it offers.

In the focus group results participants are already signed up to SVOD services with the majority never signing up to pay TV packages; these are cord-nevers, i.e., consumers who have never had a pay TV subscription (Ericsson, 2015). These participants also stood out in the online survey findings, nearly half of the participants had never had a subscription to Sky TV. When cross-tabulated with the SVOD service they watch the findings show that close to half of Netflix and a quarter of Lightbox viewers have never had a Sky TV subscription and have now chosen SVOD services as a preferred alternative to a TV-based subscription. Cord-nevers are identified as having never paid a pay TV subscription and are described as people who don't understand the value in having a pay TV subscription; they see it as an inflexible package with high costs as well as having to endure advertising and sign contracts (Ericsson, 2015). In both the focus group and online survey participants commented on their dissatisfaction with Sky; some had cut their subscription to the Sky pay TV service. This sort of viewer is called a cord-cutter; people who are not prepared to pay for a pay TV subscription because the

cost is seen as too high, often when alternative services are offered at a competitive price and value. With audience numbers dropping this has a potentially huge impact on Sky TV and its revenue model. They may need to lower their subscription rate and/or create a-la-carte channel options, where viewers could select and pay for specific channels or shows.

If you have kids, your time is not your own as it used to be, you still watch the media as and when you can, no longer seven o' clock sit down to watch Shortland Street, that is what drew me. I have been a Sky subscriber for years but just resigned. I just resigned 6 months ago, did the figures, Netflix \$15 a month, Sky \$80-\$100 per month, we are not big sport viewers (P.4).

You have to anticipate that Sky and TV channel's power will diminish, as the buying power of Netflix will become predominant, they have more cash to buy the programmes. I foresee Sky losing a lot of its content (P.8).

People talk about how good these things are, and they need to be more compelling because they are not gonna get watched. Some people would say it is an attention span thing but I think it is more discerning, and about having more options. If this is not as good as something else then opportunity costs and I am going to something else (P.8)

If I moved out of home I would not get Sky, it is too expensive, I don't find a lot of content, I am definitely influenced by people at my house. If they are watching something I would find it interesting or not. If I moved I would have Freeview (P.6).

Access and connection to SVOD content would not be possible without the availability of devices.

5.5 Devices

Consumers have many options for viewing online content on devices. These range from the mobile phone, tablet, PC or laptop, to the television set (including smart TV's and gaming consoles).

With the mobility of devices engaging in content in any location is possible, and for younger viewers, this can mean viewing is more private and personalised (Wolk, 2015). The 2016 report by NZ on Air noted that New Zealanders above 45 years of age prefer to use a television set to view content, whilst New Zealanders aged 18 to 39 engage more with PC, mobile phone, tablets and smart TVs. It is not necessarily true that all viewers are interested in watching on all devices, but having the access to the service on all devices is appealing. The data from the study shows that the television set is still the dominant device with the laptop a strong second for one or two people to view on. For younger viewers the smaller devices such as the tablet and smart-phone were preferred as they allow them to have an individual viewing space. There are other variables affected by viewing on mobile devices, factors like when viewing long form content the scenes and characters are more complex, and with the bigger screen detailed scenes and the framed composition give a better viewing experience (Puopolo, 2011).

Family viewing around the television set has always been a central favourite (Cruickshank et al., 2007; Puopolo, 2011). The television device can be used by several people, who sit at a distance, passively (Iosifidis, 2014). Compare this scenario to the person who uses a laptop or PC device that is more suitable for a single user, he or she sits close to the screen, is more active and in control of the screen and can constantly interact via the keyboard (Iosifidis, 2014).

In New Zealand it appears that the television set is still the most popular way to consume video content but the overall numbers are falling. The 2016 report by NZ on Air shows that the overall use of a television set has come down from 93% in 2014 to 84% in 2016, the use of the PC is down marginally, the mobile phone, tablet and smart TV have grown significantly in usage. However, access to smart phones, tablets and smart TVs is restricted to those who can afford these devices, but as the access grows so too will those who engage with and access SVOD services on these devices. All of this implies that consumers of television content and on demand content are moving their viewing behaviour to different locations, giving them mobility and freedom; this empowers viewers with a sense of control. Mikos (2016) identified this as a lean forward mentality, with viewers taking control of their viewing selection and situation.

Computer for one person, not good for social watching but fine for one, two people maybe (P.5).

I like how the on demand services have iPad apps. Like participant 8 said I can stream to the TV. Especially with TV3, quality is as good as broadcast television. Netflix both ways, stream through iPad and TV. I have an extra TV app on my iPad, so plenty of options (P.6).

You can record but Netflix, you can find basically anything. You can watch it on an iPad or TV, or computer...on any device; wherever (P.6)

These participants reflect knowledge about using devices, accessing SVOD content and how to manipulate that content. The ability to connect with the service as well as communities on social media platforms, and to research content information, is all seen as preferences for different devices by viewers (Jennes, et al., 2014; Simons, 2000). Not only was the device important but also the ability to connect technically to the device played a significant part in how a participant felt about access to an SVOD service.

Multi user aspect is key for subscription services. Free services you don't change user (P.1)

Interesting Terrestrial television we don't have the capacity to watch anymore. Gave up Sky decoder, we thought we would get a freebox but have not missed it. Don't have a chalkboard at home. My daughter likes scary stuff on Discovery channel... and that is a pain as have to stream from the Internet, stream from phone or her iPod via the Apple TV. Curiosity has an App you run from your phone; and the Garage channel from the Internet, everything run from my phone, can't ring while watching TV (P8).

It is annoying to switch between Apple TV and Freeview (P.4).

*FTA AVOD services don't recognise individual users
(Group consensus)*

We signed up to lightbox but we haven't used it yet. If we watched Lightbox we would try the app but probably a computer –the easy use thing is not there at the moment (P.7).

The research shows that participants engage more in a service if the user interface is easy to navigate. It was only until recently that Netflix was the only SVOD service integrated within smart TV sets (other New Zealand SVOD services were accessible only through an Apple TV device or Google Chromecast). Recently, this has changed and the other services are now available on smart TV sets. As shown in the quotes above there were also negative comments about screen interfaces where participants were dissatisfied, citing reasons like the complexity in connecting the device to the service, swapping to and from terrestrial television on the device (one participant runs services from their phone efficiently but it restricts them in receiving phone calls which is inconvenient); all these are a barrier to majority adoption where the ease of usability by the service is vital.

The participants from the online survey did not select mobility as a major reason for selecting a service but they did choose user friendliness and accessibility, which indicates that they want to be able to engage with a service on a device easily. The survey results also show that television is still a dominant device with which to engage with on demand services, revealing that viewers are still wanting the big screen and to socialise together whilst watching television.

5.6 Summary

The participants in this study reflect a new moving audience who show a clear preference to avoid pre-scheduled linear television and have no interest in advertisements. Making use of ‘anytime viewing’, participants prefer to create their own schedule, be selective of their content and lean forward into that content. Binge watching is a very prominent viewing behaviour for participants. The study reveals that participants expect that SVODs continue to find innovative ways to present personal recommendations for their content and they still strongly desire a social connection with other viewers around that content.

The way that SVOD services release a series all at once means that content has become immediately accessible and the associated technology allows participants to choose the time they watch (and binge watch). A key reason that the participants favour SVODs is the added value of the services; this study identifies participants who give strong preference to services that offer high quality content (this includes production values);

they identify Netflix as reliable and familiar and this is their preferred SVOD service. The study also recognises devices; a high proportion of participants do still favour the television set as their device of choice but younger viewers are choosing mobile devices, which enable private, anywhere viewing choices.

Chapter 6: Conclusions

6.1 Introduction

This study was designed to look at television audiences' experiences with emerging SVOD services in New Zealand. An online survey was conducted to gather quantitative data from the New Zealand public, and two focus group sessions provided qualitative data. This chapter answers the research questions, presents the results and implications of the study along with recognition of the limitations of the research. It further offers some recommendations of subjects that require further research.

6.2. Answering the research questions

6.2.1 Question 1: What are New Zealand audiences' experiences of SVOD services that are currently available in New Zealand?

The purpose of this research was to instigate a discourse about the preferences and experiences of New Zealand audiences who use SVOD services. Participants in the study have welcomed SVOD services and all they have to offer, in particular taking up subscriptions to Netflix and Lightbox. The findings show that with the increase in broadband speed in New Zealand and emerging new technologies, like the Smart TV and Internet access devices such as Apple TV, viewers are more able to enjoy the power and control that SVOD gives them. The convenience of the devices has further encouraged people to adopt SVOD. The experience of having access to the vast library of content that can be viewed anywhere separates SVOD services from traditional television viewing. The various SVOD service interfaces accommodate individual preferences, giving each viewer freedom to control media play and to select content of choice within their homes and across different devices. Participants embraced the SVOD service experience, identifying the Netflix library of content as abundant and enjoyable. Participants felt satisfied with their new behavioural tendencies of binge watching and leaning forward for selective choice. One major advantage of SVODs, as identified by the participants, is the high quality international content. This feature had a constantly positive response from participants. And with consistent immediate access to new releases, they enjoyed the wide selection on a daily basis. Considering this shift in consumption practices, a new type of viewing experience has formed: one that gives the viewer increased choice over his or her viewing behaviour. Participants' experience of SVOD changed the way they viewed television. Instead of having television dictate a schedule to them, they now have the freedom to create their own viewing situation, to

thoroughly enjoy content, and to immerse themselves in quality programmes for as long or as short a time as it suits them.

6.2.2 Question 2: To what extent do viewers engage with SVOD services available in New Zealand?

This study found that viewers are engaging heavily with SVOD services in New Zealand. The ‘early adopters’ in this country have clearly discovered and embraced what SVOD has to offer. Types of engagement include managing and controlling their own viewing schedules, individually selecting quality content at their convenience, and their clear preference for original SVOD produced series. These audiences have formed new trends in how they watch, with viewers given the ability to access content anytime, and the freedom to binge watch. Actively engaged viewers lean forward in the way they interact with SVOD services, which builds on content self-scheduling that includes new ways to interact with content. These changed affordances create even more new behaviours around SVOD services, from social media commentary to alternative types of water-cooler conversations and recommendations to providers on the ways they wish to receive content. Personal appointment viewing with self-scheduling fits well with a flexible lifestyle, and SVOD enables just this kind of viewing of programmes at participants’ leisure. The selection by individuals to view programmes independently is impacting on family viewing situations, changing living room practices, this well-known viewing location. Participants are finding that there are benefits of individual viewer control, yet they are still seeking social connections and wanting to engage with others around programme storylines. The viewing behaviour of binge watching illustrates how viewers engage with SVOD, enjoying the freedom to marathon-view and manipulate their own viewing programme at their leisure.

6.2.3 Question 3: What are the current viewing preferences?

The results from this research show that there are a number of specific features that viewers prefer. These are the absence of advertisements, a better value for money, a preference to view on a device of their choice, and the fact of having control over their own schedule; to watch at their leisure as well as having access to the best possible content available. SVOD services sit comfortably in the present consumer culture of immediacy and anytime accessibility, giving the viewer the option to save time by watching their own selection of content when they choose. The new, audience-driven opportunities of ad-less television are likely to influence, if not entirely change, existing

production and revenue models in the television and media consumption industries. Viewers today clearly demand more value for money and deliberately select services that offer competitive subscription fees. The findings show cord-cutters are stopping their pay television subscriptions and cord-nevers are not signing up to pay television. The service choice is also based on the quality of the content offered; content was the most important determinant in this study for participants selecting any particular service. With SVOD services often offering high quality production values, including spending big budgets on cast, script and filming, as well as latest releases and original content not yet released in New Zealand on FTA or pay television, the SVODs are in a powerful position to dominate viewers' attention. The research shows that viewers regard the Netflix brand as reliable and trustworthy. The implications of this finding illustrate how Netflix is providing a service that is capturing their viewers' attention and most importantly, also their loyalty in this highly competitive environment. Netflix is also managing viewers' expectations, influencing their decisions and preferences, and creating a feeling of confidence in the content choices that they make.

6.3 Significance of the study and implications of findings

The implications of the findings for the television and broadcasting industry are far reaching. A deeper awareness of significant audience fragmentation and major implications with a change in viewer behaviour, and a focus on how to develop innovative ways to remain engaged with all viewers, aids to assist broadcasters, programme producers and SVOD teams in capturing and sustaining their audiences' attention. This requires continual management of audiences' expectations, crafting programmes that have interesting new structures and formats, developing storylines that appeal to binge-watching audiences, and providing the means to keep viewers socially connected, including through devices and with technology that work easily and effectively. Netflix is leading the way with a successful business model labelled by Jenner (2016) as 'create, make and distribute', which is one of the components of their overall business strategy.

Some implications for the existing television industry are that content providers and broadcasters developing services will need to offer a-la-carte channel options or bundling of programmes in order to allow viewers the freedom to select from a range of content options and view when it is convenient to them. The existing television models

will need to develop innovative tools that give easy access to content on demand, have longer viewing window for AVOD content, and provide better interactive interfaces.

For the television industry to remain competitive through the emergence of these new platforms, television services need to deeply understand their audiences and viewing behaviours. This study confirms Turner's (2016) view that SVOD is an important new component of digital media, pushing the industry to develop new modes of production, distribution and consumption. Traditional television services have begun to embrace this digital media movement, with some reactively developing new television platforms that seek to meet emerging audiences' needs. The study shows that meeting those needs, FTA must become more interactive, more personalised, and provide easy and dynamic access to a larger bank of content. Only by doing so will FTA continue to be relevant. At this time and (digital) age, it is critical that FTA industries have a plan for future growth. Relevant genres, such as news, sport, local programming and some reality television, still remain important for audiences and need to be part of television providers' growth plans. FTA content that is available for a limited time on AVOD (of around 2 weeks) restricts their ability to maximise new revenue opportunities. While this limitation may be inherent in the distribution rights broadcasters traditionally acquire from content owners, broadcasters must seek to broaden distribution rights with accompanying extended distribution windows. It is now no longer enough for traditional linear broadcasters to have only some content available on demand for a short window of time (examples given in the research were generally about a fortnight).

Participants in this study loudly bemoaned the presence of advertisements. Ads now clash directly with one of the key factors viewers love about on demand services – the fact that content can be shown ad-free. New revenue models, with an absence of advertising during shows, will be critical to any continued engagement with content. Participants in this study have shown that they are prepared to pay for content and services they value. Interactive and targeted promotions, which leverage the personalised nature of on demand, will be something to consider in the future.

The television industry needs to be much more aware of what audiences expect. Creating a service that a viewer can self-select from and create his or her own individualised content schedule is paramount. It will be important to offer viewers new and innovative ways to engage with the content, and to manage that content to provide

much greater control over the content selection process, as well as to utilise playback and catch up options. The personal identification of users through a personal preference system is already part of on demand systems. Data from these systems enables the detailed monitoring of viewing behaviours, in this way, content can be recommended as another way for viewers to discover new programming. Innovative features, such as the curator recommendation system offered to Netflix users, are a valuable blueprint of how television services might engage with viewers in the future and add value to their viewing preferences. In order to capture audiences' attention and provide them with content recommendations, services need to make viewers aware of content through platforms and channels they are most familiar with. Accordingly, identifying whether viewers seek and respond to WoM recommendations or look to publicity and reviews, is a key to growing a personalised service.

The present study clearly demonstrates a shift from broadcaster control to viewer control, which aligns with all the literature about SVOD services. This is a major change to the television industry, as the question of who has control is a key factor for the industry. Viewers are more empowered than ever; they have a real choice to shun broadcast (with its linear programme schedules, advertisements, and sometimes mediocre quality content) in favour of narrowcast (services with focused media that target individuals and have specific audience subscribers). Broadcaster control over the time and place of viewing and the era of six minutes of commercials for every half hour are likely coming to an end. The reality now is that audiences skip commercials. They want to control their own viewing, and participants in this study clearly stated that they do not want advertisements. FTA seems to maintain some place in the industry, but its relevance and value as an advertising medium will be determined more and more by how much they invest in new interactive media and work with the new viewer control model.

As the younger generations mature and seek new and innovative platforms, it is not unreasonable to conclude that older audiences will also move towards SVOD in time. As older adults are currently the main consumers of traditional television formats, the question is, what will happen to traditional television if it does not continue to engage these older audiences, could it disappear altogether? Traditional television needs to work harder to catch up with the new, digitally confident and content-savvy viewers. The tolerance for AVOD commercials, even if they are of a short duration, may not last

much longer. FTA broadcasters need to develop new programme formats that appeal to different demographics of the audience. If the broadcasters still need to work with the present advertising revenue model (6 minute of commercials per half hour), one solution could be that the FTA AVOD service becomes an SVOD service with new content offered to viewers via a subscription and without advertisements. Then the traditional linear television schedule could still support advertisements, offering the same content but on a delayed basis. Traditional broadcasters likely still have time to develop parallel interactive media and revenue streams, while they rely on the income from their traditional advertising business models for a short while longer. But they will have to make sincere efforts to adapt to the changing audience, as advertisers may start forcing down the high price of television adverts as the linear reach declines, thus threatening the business model with total collapse.

If FTA AVOD was made available to all New Zealanders through a simple connection to their television set, all demographics, technologically savvy or not, would be able to engage more with content and channels. There is real potential to create an on demand service with a sustainable connection personalized to the viewer. A service with no traditional advertising, but which uses enhanced algorithms to recommend desired programmes to individual viewers. This would not only enable viewers to create their own improved view/play lists (Wolk, 2015), and thus define their own, unique, television experience, but also provide a place for more personal (and desirable) commercial placements that are targeted, relevant and viable. Viewers might also be able to view FTA without advertisements for a subscription fee. Other suggestions are for viewers to buy content a-la-carte, be it individual episodes, series or complete genre packages. These might include live sports, news and local content, as well as original SVOD series. Alternatively, an on demand model could be introduced, where viewers are able to upgrade to a monthly subscription, such as an 'ad-free VIP' option, as suggested by one of the focus group participants. In this case, users would pay for a certain amount of content with advertisements and for a certain amount without advertisements. What is important in this on demand model is that the user decides the amount and content of commercials they want to view, thus retaining control.

In the longer term, SVOD services could offer a full package of content that includes local content as well as sports, news and current affairs. This could include investing in local content in each country, not just offering entertainment, but also looking at news

and current affairs, and related topics with appealing formats. This might be perfect for the local industry where regional content could be co-produced with a local funding body or independently produced by a local production unit. Another option would be to negotiate with international SVOD providers, such as Netflix, to co-produce local content for New Zealand. Strategically then, cutting marketing costs by engaging social media channels to create hype around a programme, or for seeking interactive or collaborative involvement from viewers, is another critical consideration the contemporary television players will want to consider.

6.4 Limitations of the study and findings

This study has three main limitations: 1) survey numbers, 2) a fast changing media environment, and 3) an absence of information from the SVOD companies. This section also notes the limited amount of literature published on the topic.

The first limitation relates to the number of respondents to the online survey. The study looked at SVOD as a new and developing digital media platform accessible to a specific demographic of viewers, in this case adult New Zealanders of age 18 and above. However, data collection could not include all New Zealanders, as some do not have sufficient Internet access and/or do not know about SVODs, nor do they necessarily view the New Zealand Herald online, and/or did not elect to partake in the study for whatever reason. These limitations were reflected in the relatively small sample size of people who responded to the online survey. The hope of this study was that there would be more than 100 online survey respondents, and also that there could have been more than two focus groups. Higher response rates for either data type might have resulted in a wider representation of New Zealanders. A larger sample size could have helped provide a more refined set of responses. Nevertheless, the actual data in this study is well aligned with previous international studies of a similar nature, although most existing studies appear to be focussed on the quantitative side of the research. It is also relevant to keep in mind that this essentially qualitative study did not seek to generalise its findings but provide an entry point to a more thorough discussion of, and new solutions to, a changing television industry.

The second limitation acknowledges that this study is simply a snapshot in time of what the media landscape looked like in 2016. SVOD services have not been in New Zealand for very long. Provided that digital media continues to change rapidly, and

developments in television services keep happening at this fast growing rate, the responses by participants in this study may quickly date as future technology and SVOD services overtake what was available in 2016. Responses might be completely different if the research would be repeated in 12 months time.

A third limitation of this study was that it is deliberately viewer-centric; the qualitative and quantitative data collection methods were purposefully based on each participant's perceptions and preferences. The study did not intend to make any claims on the current state of television viewing experiences in New Zealand beyond the reports that the participating individuals provided. The SVOD services had no part in the research. However, data provided by the SVOD teams could be very valuable and welcome in future projects, in particular from Netflix, Lightbox, and their audiences' insights into their programming strategies.

And finally as this is such a new area of research there is a limited and eclectic collection of literature on SVOD and new audience behaviour to compare the results of this study with. The bulk of historical literature research that was sourced relates to linear television and audience measurement, as well as snapshots of audience engagement with differing elements of on demand services.

6.5 Recommendations for future research

There is significant scope for future research in this area. Following are five initial recommendations: 1) working on the premise of one or two large scale New Zealand audience studies, 2) examining the younger 'digital natives' demographic fully, 3) looking at the 'lean in' mentality that SVOD services promote, 4) asking if there is still a place for traditional linear television in this new era, and finally, 5) asking what the real ramifications for the New Zealand cultural identity are when our local media has to compete with slick, high budget, hugely popular, original SVOD content.

Firstly, further research will need to look at expanding the scale of study in order to better understand whether the findings of this study can be extrapolated out to the wider New Zealand audience. One advantage of a bigger study would be the ability to identify differences in viewing behaviour across all the specific demographics, and investigate whether these differences are of real significance when studying the consumption habits of on demand viewing,

Secondly, there is also a need for further research on the younger demographics who will likely utilise SVOD services more and more, because they are already creating their own anytime schedules and rapidly and constantly expand the way they use the services using every new technology that comes along. Thus, it is proposed that there is a need for a large-scale longitudinal study of the viewing behaviour of this younger age group, the ‘digital natives’. The innovators who adopted SVOD services early, and now lead the way in their content consumption, should be of primary focus of such future research.

Thirdly, a topic that should be carefully considered for further research is a large audience behaviour study across New Zealand, specifically studying the lean forward mentality, because it is key to viewer engagement with an SVOD service. Fully understanding how to get more viewers engaged and ‘leaning forward’ into their service of choice, will provide meaningful insight into technological innovations that services will need to create in future. And a more detailed insight into audiences and exactly how and why they lean forward will have huge ramifications for how SVOD and AVOD services will need to structure their programming in future.

A fourth area of research interest might want to know if there is a need to understand, whether in this new era of television, viewers always prefer to be engaged or whether there is still value in providing a service that also enables them to zone out and relax, as they did (and still do) in the traditional linear viewing scenario. The research question identified here could be ‘will on demand services completely replace traditional television services or will they remain in some form as a complementary add on?’ This block of research would be invaluable to those that run FTA television services, whether it reveals a need for FTA services to evolve only partly or reinvent themselves entirely.

If viewers create self-schedules and become curators of their own ‘channel’, this behaviour will change the nature, context and content of local and community connections and the social identity that has historically developed around certain television shows. Further research could ask 'if the SVOD viewer is free to choose what they want and is no longer limited by schedules set by local television broadcasters, will they lose their interest in local and live content altogether if the content is not the same

quality?’ This future research should study the impact of SVOD in New Zealand on the New Zealand identity. More research needs to be done on whether the growth in popularity of predominantly international SVOD content displaces the demand for live and local content entirely, or whether the two types of content can continue to co-exist in a complementary third era television world. What are the long-term implications on our New Zealand cultural identity if viewers radically shift their preferences away from local programming (such as news, current affairs and local drama)? A longitudinal study focussing on whether the content that SVOD viewers self-select creates a change in social identity within a community may provide invaluable data pertinent for local funding bodies, and provide information as to whether there needs to be an increase in funding to create high production value local programming for SVOD services, to ensure New Zealanders continue to see and hear their own voices within the global media landscape.

This study revealed that New Zealand audiences are relishing the opportunity to consume new and exciting media provided by SVODs, but on their terms. There is a definite demand for technologically innovative, high quality SVOD services, and audiences are welcoming this new era of television. It is likely that there is an exciting future for content creators and providers alike, provided that content services learn quickly from changing user expectations and innovate the ways in which television is delivered and consumed.

References

- Abreu, J., Almeida, P., Teles, B., & Reis, M. (2013). Viewer behaviors and practices in the (new) television environment. *Proceedings of the 11th European Conference on Interactive TV and Video - EuroITV '13*, 5–12. doi:10.1145/2465958.2465970
- Adams, A. (2016). *Opening address to Media Technology-Pacific conference, Auckland*. Retrieved from <https://www.national.org.nz/news/2016-03-03-opening-address-to-media-technology-pacific-conference-auckland>
- Aldea, P. G., & Vidales, N. L. (2012). Television consumption trends among the “digital generation” in Spain. *International Journal of Iberian Studies*, 25(2), 111–134. doi:10.1386/ijis.25.2.111_1
- Australia Communications and Media Authority. (2015). *Subscription video on demand in Australia*. Sydney, Australia: ACMA. Retrieved from <http://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Subscription-video-on-demand>
- Baker, K., & Hulsen, P. (2003). Multi-service models for interactive television. *International Conference on Consumer Electronics*, 88–89. doi:10.1109/ICCE.2003.1218822
- Barkhaus, L., & Brown, B. (2009). Unpacking the television: User practices around a changing technology. *ACM Transactions on Computer-Human Interaction* 16(3). doi:10.1145/1592440.1592444
- Boyatzis, R. E. (1998). *Thematic analysis and code development: Transforming qualitative information*. Thousand Oaks, CA: Sage Publications.
- Bulck, H., Van Den, Tambuyzer, S., & Simons, N. (2014). *Scheduling and continuity techniques in a changing television landscape: A case study in Flanders*, 5(1), 39–60. doi:10.1386/jdtv.5.1.39
- Bury, R., & Li, J. (2015). Is it live or is it timeshifted, streamed or downloaded? Watching television in the era of multiple screens. *New Media & Society*, 17(4), 592–610. doi:10.1177/1461444813508368
- Chorianopoulos, K. (2008). User interface design principles for interactive television applications. *International Journal of Human-Computer Interaction*, 24(6), 556–573. doi:10.1080/10447310802205750
- Clarke, V., & Braun, V. (2013). Teaching thematic analysis: Over-coming challenges and developing strategies for effective learning. *The Psychologist*, 26(2), 120–123. Retrieved from <http://eprints.uwe.ac.uk/21155>
- Commerce Commission. (2015). *2015 market monitoring report*. Retrieved from <http://www.comcom.govt.nz/regulated-industries/telecommunications/monitoring-reports-and-studies/monitoring-reports/>

- Cruickshank, L., Tsekleves, E., Whitham, R., Hill, A., & Kondo, K. (2007). Making interactive TV easier to use: Interface design for a second screen approach. *Design Journal*, 10(3), 41–53. doi:10.2752/146069207789271920
- C-Scott, M. (2016, April 22). The battle for audiences as free-TV viewing continues its decline. *The Conversation*. Retrieved from <http://theconversation.com/the-battle-for-audiences-as-free-tv-viewing-continues-its-decline-58051>
- Cunningham, S. (2013). *Hidden innovation: Policy, industry and the creative sector*. Retrieved from <https://ebookcentral-proquest-com>
- Deloitte. (2014). *Television's business model, fit for a digital world*. Retrieved from <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Technology-Media-Telecommunications/gx-tmt-ibc-report-2014.pdf>
- De Meulenaere, J., Van den Broeck, W., & Lievens, B. (2012). From era of plenty to era of overflow: What shall I watch? *Journal of Communication Inquiry*, 36(4), 305–321. doi:10.1177/0196859912461015
- Ellis, J. (2000). *Seeing things*. London, United Kingdom: Cambridge University Press.
- Engel, U., Jann, B., Lynn, P., Scherpenzeel, A., & Sturgis, P. J. (2015). *Improving survey methods: Lessons from recent research*. Retrieved from <https://ebookcentral-proquest-com>
- Ericsson. (2015). *TV and media 2015: The empowered TV and media consumer's influence, an Ericsson consumer insight report, September 2015*. Retrieved from <https://www.ericsson.com/res/docs/2015/consumerlab/ericsson-consumerlab-tv-media-2015.pdf>
- Fan, W., & Yan, Z. (2010). Factors affecting response rates of the web survey: A systematic review. *Computers in Human Behavior*, 26(2), 132–139. doi:10.1016/j.chb.2009.10.015
- Feldman, D. (2017, March 2). *Why Netflix is investing nearly \$2 billion into more than 90 European productions*. Retrieved from <https://www.forbes.com/sites/danafeldman/2017/03/02/why-netflix-is-investing-billions-into-more-than-90-european-productions/#3e61089c6b82>
- Gauntlett, D. & Hill, A. (1999). *TV Living: Television, culture and everyday life*. London, United Kingdom: Routledge.
- Given, J. (2016). “There will still be television but I don’t know what it will be called !”: Narrating the end of television in Australia and New Zealand. *Media and Communication*, 4(3), 109–122. doi:10.17645/mac.v4i3.561
- Glasshouse, New Zealand on Air. (2016). *Where are the audiences?* Retrieved from <http://www.nzonair.govt.nz/document-library/where-are-the-audiences-2016/>
- Harpur, P. (2017, January 25). *Australia - digital media - video streaming - major players*. Newcastle, Australia: BuddeComm. Retrieved 1 March 2017 from

<https://www.budde.com.au/Research/Australia-Digital-Media-Video-Streaming-Major-Players>

- Iosifidis, P. (2014). Commentary: Changing audience habits ? The case of TV versus the PC. *International Journal of Television*, 5(2), 175–178. doi:10.1386/jdtv.5.2.175
- Jenner, M. (2016). Is this TVIV? On Netflix, TVIII and binge-watching. *New Media & Society*, 18(2), 257-273. doi:10.1177/1461444814541523
- Jennes, I., & Pierson, J. (2012). Audience measurement and digitalization: Integrating TV and internet? *International Journal of Digital Television*, 3(2), 239–252. doi:10.1386/jdtv.3.2.239
- Jennes, I., Pierson, J., & Broeck, W. Van Den. (2014). User empowerment and audience commodification in a commercial television context. *The Journal of Media Innovations*, 1(1), 71–87. doi:10.5617/jmi.v1i1.723
- Jin, L. (2011). Improving response rates in web surveys with default setting: The effects of default on web survey participation and permission. *International Journal of Market Research*, 53(1), 79–104. doi:10.2501/IJMR-53-1-075-094
- Kantar Media. (2016). *Linear vs nonlinear 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
- Katz, E. (2009). The end of television? *The ANNALS of the American Academy of Political and Social Science*, 625(1), 6–18. doi:10.1177/0002716209337796
- Katz, H. (2014). *The media handbook: A complete guide to advertising media selection, planning, research, and buying* (5th ed.). New York, NY: Routledge.
- Keyton, J. (2006). *Communication research: Asking questions, finding answers* (2nd ed.). New York, NY: McGraw-Hill.
- Lightbox. (2015). Ditching the dish: Television in the *internet age* [White paper]. Auckland, New Zealand: Lightbox.
- Lotz, A. D. (2014). *The television will be revolutionized*. New York, NY: New York University Press.
- McClellan, S., & Morrissey, B. (2008, December 3). The future of TV. *Mediaweek*, 18(41), 20-28. Retrieved from <http://ezproxy.aut.ac.nz/login?url=http://search.proquest.com/docview/213663801?accountid=8440>
- Mann, L. (2016, July 22). Audiences as subscribers and Netflix's notions of success. *Flow Journal*. Retrieved from <https://www.flowjournal.org/2016/07/audiences-as-subscribers-netflix/>

- Mikos, L. (2016). Digital media platforms and the use of TV content: Binge watching and video-on-demand in Germany. *Media and Communication*, 4(3), 154. doi:10.17645/mac.v4i3.542
- Morgan, D. L., & Krueger, R. A. (1998). *The Focus group kit*. London, United Kingdom: Sage Publications.
- Morsillo, R., & Barr, T. (2013). Innovation or disruption? The national broadband network comes to Australian TV. *The International Journal of Digital Television*, 4(3), 239–260. doi:10.1386/jdtv.4.3.239
- Nakono. (2015). Here's how OTT Internet TV will transform Pay-TV. Torquay, United Kingdom: Nakono. Retrieved from <https://www.nakono.com/reports/>
- Napoli, P. M. (2012). Audience evolution and the future of audience research. *International Journal on Media Management*, 14(2), 79–97. doi:10.1080/14241277.2012.675753
- Nielsen. (2014). *The total audience report*. Retrieved from <http://www.nielsen.com/us/en/insights/reports/2014/the-total-audience-report.html>
- Nielsen. (2016). *Video on demand: How worldwide viewing habits are changing in the evolving media landscape*. Retrieved from <http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2016-reports/global-video-on-demand-report-mar-2016.pdf>
- Park, J., & Park, M. (2016). Qualitative versus quantitative research methods: Discovery or justification? *Journal of Marketing Thought*, 3(10), 1–7. doi:10.15577/jmt.2016.03.01.1
- Puopolo, B. S. (2011, March 1). *The future of television: Sweeping change at breakneck speed*. San Jose, CA: Cisco. Retrieved from <http://blogs.cisco.com/sp/the-future-of-television-sweeping-change-at-breakneck-speed>
- Regional TAM, Oztam & Nielsen. (2016). *Australian multi-screen report quarter 3*. (2016). Retrieved from <http://www.oztam.com.au/documents/Other/Australian%20Multi%20Screen%20Report%20Q3%202016%20FINAL.pdf>
- Rideout, V. J., Foehr, U. G., & Roberts, D.F. (2010). *Generation M² media in the lives of 8-to 18-year-olds: A Kaiser Family Foundation study*. Menlo Park, CA: The Henry J. Kaiser Foundation.
- Rogers, E. M. (2003). *Diffusion of innovations*. New York, NY: Free Press.
- Roy Morgan Research. (2016). *State of the nation: New Zealand*. [Finding no. 6818]. Retrieved from <http://www.roymorgan.com/findings/6818-state-of-the-nation-new-zealand-may-2016-201605230112>
- Roy Morgan Research. (2017). *Nearly 2 in 5 Kiwis now have Subscription Video on Demand in the home – and 1 in 10 already have at least two services*. [Finding no.7164]. Retrieved from <http://www.roymorgan.com/findings/7164-netflix-and->

- Ryan, H. (2017, February 27). Spark offers free Netflix to customers. *New Zealand Herald*. Retrieved from http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11808209
- Ryan, J. (2015, February 27). *The new age of SVOD services: How will a television series change?* Retrieved from <http://www.spoilertv.com/2015/03/the-new-age-of-svod-services-how-will.html>
- Sanz, E., & Crosbie, T. (2015). The meaning of digital platforms: Open and closed television infrastructure, *Poetics* 55, 76-89. doi:10.1016/j.poetic.2015.11.002
- Screen Australia. (2014). *Online and on demand: Trends in Australian online video use* Retrieved from Screenaustralia website: <http://www.screenaustralia.gov.au/getmedia/0062da06-db04-4932-a3e1-20a81d383129/Online-on-demand-copy.pdf?ext=.pdf>
- Sheppard, B.W., & Plumpe, J.G., (2015). The Rise of SVOD: How the growth of subscription video-on-demand impacts copyright holders. *Landslide*, 8(1), 1–12.
- Simons, N. (2000). Television audience research in the age of convergence: Challenges and difficulties, *EuroITV'00*, 101–104. doi:10.1145/2000119.2000139
- Simons, N. (2009). “Me TV”: Towards changing TV viewing practices? *EuroITV 2009*, 219–222. doi:10.1145/1809777.1809819
- Simons, N. (2013). Watching TV fiction in the age of digitization: A study into the viewing practices of engaged TV fiction viewers. *International Journal of Digital Television*, 4(2), 177–191. doi: 10.1386/jdtv.4.2.177_1
- Spark. (2016). *Spark Annual Report, 2016*. Retrieved from http://investors.sparknz.co.nz/FormBuilder/_Resource/_module/gXbeer80tkeL4nEaF-kwFA/doc/FY16_H2/2016_Annual_Report.pdf
- Spigel, L., & Olssen, J. (2004). *Television after TV, essays on a medium in transition*. London, United Kingdom: Duke University Press.
- Taneja, H., & Viswanathan, V. (2014). Still glued to the box? Television viewing explained in a multi-platform age integrating individual and situational predictors. *International Journal of Communication*, 8, 26.
- Tay, J., & Turner, G. (2010). Not the apocalypse: Television futures in the digital age. *International Journal of Digital Television*, 1(1), 31–50. doi:10.1386/jdtv.1.1.31/1
- Telsyte. (2016, June 27). *Strong SVOD growth creates opportunities for content providers and resellers in Australia*. Retrieved from <https://www.telsyte.com.au/announcements/2016/6/27/strong-svod-growth-create-opportunities-for-content-providers-and-resellers-in-australia>

- Tsekleves, E., Whitham, R., Kondo, K., & Hill, A. (2011). Investigating media use and the television user experience in the home. *Entertainment Computing*, 2(3), 151–161. doi:10.1016/j.entcom.2011.02.002
- Turner, G., & Tay, J. (2009). *Television studies after TV: Understanding television in the post-broadcast era*. New York, NY: Routledge.
- Turner, G. (2016). *Re-inventing the media*. New York, NY: Routledge.
- Vanattenhoven, J., & Geerts, D. (2015). Broadcast, video-on-demand , and other ways to watch television content: A household perspective. *TVX'15*, June 03 - 05, 2015. doi:10.1145/2745197.2745208
- Venturini, F., Marshall, C., & Alberto Di, E. (2011). *Hearts, minds and wallets winning the battle for consumer trust*. Retrieved from <http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Video-Over-Internet-Consumer-Survey-2012.pdf>
- Wolk, A. (2015). *Over the top: How the internet is (slowly but surely) changing the television industry*. San Bernardino, CA: A. Wolk.

Appendices

A1 Focus group questions



1. Can we go around the table and introduce ourselves and say something about SVOD services – perhaps the first thing that comes to mind?
2. You are all here because you watch SVOD services – what exactly would you say initially drew you to engage with SVOD services? (can you expand on your answers)
3. Paint me a picture – tell me about your experience of your day when you watch SVOD – your viewing - when do you watch, where, with whom and what is it that you are watching? (please don't exclude FTA and SKY viewing - can you give me some examples)
4. Imagine you are a group of sales people – can you sell me your selected SVOD service? (benefits, weaknesses – marketing, branding, a slogan...) (adjectives – write up on the board)
5. Have you changed your viewing habits because of SVOD?
6. Is this viewing a family affair? Or is it something you watch totally alone – and if you are alone - are you wanting to share this experience with others? LEAD IN TO...
7. Are you bingeing every time you watch? Do you think you will be able to sustain this behaviour? (can you give me some examples)
8. Can we do a brainstorm with favourite content – (I write up which ones you like) what is it about the content on SVODs that you like so much?

Or is it actually lacking content (e.g. movies on Lightbox or current movies?)

Any thoughts on how Netflix creates their own original content?

9. People are still watching FTA and Sky – what is it about these services that are different? (explain what you mean - is this a good or bad thing?)
10. Do you see your future of television viewing only on SVOD – do you have any expectations...do you think it will run its course, you might switch back... or not and if it doesn't and you do continue, is your viewing going to include FTA and Sky? Or is there anything missing? (help me understand what you mean?)
11. As a group can you list the qualities you look for in an SVOD and then rate the items from least to most important. (write down on a post it note, then put up under headings - discuss). 5mins.
12. If we could all image our ultimate television experience or best television viewing experience possible - what would that be? (any examples)

A2 Online survey questions



Welcome to the online survey about your experiences in using digital television streaming services in New Zealand (also referred to as Subscription Video on Demand – SVOD). By completing this survey you consent to take part in the research.

The following questions will give you the opportunity to tell us more about your experience. Please answer openly and truthfully, thank you.

Q1. Do you watch digital streaming services (Netflix NZ, Lightbox, Neon, Quickflix)?

Yes

No

Q2. Could you please confirm which Free to Air television channels you watch?

TV One TV2 TV3 Four Maori Television All of the above

Q3. Rank the New Zealand digital streaming services that you watch? (drag and drop) - if you don't watch certain services rank them below the don't watch option

Netflix NZ

Lightbox

Neon

Quickflix

TVNZ OnDemand

TV3 on Demand

Four on Demand

Don't watch

Q4. Have you stopped your subscription to Sky in the last 12 months?

Yes

No

Never had a subscription to Sky

Q5. Why do you prefer a particular television service? (tick as many boxes as required)

The aesthetic appeal of each service - does it appeal to you

Accessibility

User friendly

Content choice

Original productions

New releases

Ability to binge watch

Mobility

Relevant content

Easy access

Express from overseas

Good value

Free of advertisements

Video quality

Internet speed

Programme shown live

Other - please add below

Q6. On a typical day how long would you spend watching the SVOD services?

<1 hours

1-2 hours

2-3 hours

3-4 hours

4+ hours

Q7. Which service do you think has the best value for money?

Netflix NZ

Lightbox

Neon

Quickflix

Sky

Q8. On what device do you watch SVOD services?

On a television set

On a laptop

On a tablet

On a smart-phone

Q9. When you watch SVOD services - are you alone or with others?

Alone

With others

Q10. For the purpose of this study binge watching is; the practice of watching

multiple episodes of a television programme in rapid succession. Do you binge watch content on SVOD services?

Yes

No

Q11. How do you find the content you are looking for on SVOD?

Do you browse the SVOD library service?

Listen to 'word of mouth'?

Do your own research about what content is available?

Do you seek programme promos?

Read publicity?

All of the above?

Q12. What type of content do you like - select as many as you like?

Action

Reality

Drama

Comedy

Crime

Documentary

Soap

News

Sport

Entertainment

Romance

Children's Movies

New Zealand television programmes

Q13. What is your current favourite television programme?

Q14. Do you use a particular service for a specific content choice? For example do you watch News on Free to Air television?

Q15. Please indicate your age:

under 18

18 - 24

25 - 34

35 - 44

45 - 54

55 - 64

65 - 74

75 - 84

85 or older

Q16. What is your gender?

Male

Female

Gender diverse

At this point the survey technically ends – a final page appears to the participant (below) this is a separate survey, which ensures the respondents have complete anonymity.

Thank you for participating in this survey.

The next phase of the research is a focus group with people who live in Auckland.

If you are happy to be a part of the focus group that is being conducted by Auckland University of Technology, either leave your email address in the box below or send an email to Rdaniels@aut.ac.nz with the header: Focus group interest.