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EXPLORING CONSUMER PERCEPTIONS AND PREFERENCES IN THE  
PORTUGUESE SUBSCRIPTION VIDEO ON DEMAND MARKET THROUGH  
PRELIMINARY INTERVIEWS TO GUIDE SUBSCRIBER ATTRACTION

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### **Abstract**

In the highly competitive Portuguese SVOD market, platforms face increasing challenges to attract and retain subscribers, thus the purpose of the thesis is to explore strategies to mitigate this concern. Therefore, Literature Review established the market context and strategies, while Preliminary Interviews provided qualitative perspectives from consumers and industry experts. Perceptual and Conjoint analysis uncovered consumer preferences and perceptions. The findings highlight that exclusive content, local productions, personalization, and competitive pricing are the most valued features for users, while advertisement holds minimal significance. Additionally, piracy presented a significant threat to the market, with higher prevalence among men and younger demographics.

### **Keywords:**

Market research, Subscription Video on Demand, Portuguese Market, Video Streaming Platforms, Subscriber Attraction, Literature Review, conjoint, Perceptual Map, Conjoint Analysis, Consumer perceptions, Consumer preferences, Piracy

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## **1. Introduction**

In the contemporary digital landscape, video streaming platforms have emerged as a significant driver of revenue generation, with forecasts predicting continued growth in the coming years.

These platforms are categorized within the broader category of Over-The-Top (OTT) video services, which provides a modern framework for delivering digital media. OTT services enable users to access video content on demand, offering unparalleled flexibility in how and when content is consumed (Statista 2024d).

This thesis will focus specifically on Subscription Video on Demand (SVOD) platforms, included in the OTT scope, within in the Portuguese market. Portugal presents a unique opportunity for understanding how SVOD platforms address the challenge of attracting new customers. Although relatively small when compared to other markets, the video streaming industry is growing in the Portuguese market, with the SVOD segment projected to grow at a compounded annual growth rate (CAGR) of 2.95% (Statista 2024k).

Nevertheless, evidence from the Portuguese video streaming market raises a significant concern about the sustainability of its success, particularly in terms of subscriber engagement and growth. This concern arises from a combination of potential market constraints, intense competition and evolving consumer needs and expectations, all of which create a challenging environment for SVOD platforms operating in the Portuguese market.

Firstly, the Portuguese video streaming industry appears to be reaching a stage of maturity, with user penetration expected to stabilize at 10.8% by 2027, growing from the projected 10.5% in 2024 (Statista 2024j). These statistics suggest that the market may be nearing its plateau in terms of new subscriber attraction, complicating growth efforts. Additionally, compared to European SVOD market, the penetration rate is lower (expected to reach 28.5% in 2024 and to reach 33.5% by 2027), being it one more reason for analysing how can subscriber growth be achieved in the Portuguese market (Statista 2024i)

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Moreover, intense competition further exacerbates the difficulty of achieving subscriber growth in this market. While major players like Netflix or Disney+ are experiencing a decrease in their market share numbers, Prime Video and Max have stabilized in terms of their market share numbers (Patinha Dias 2024). Conversely, smaller players like Apple TV+ or SkyShowtime are starting to gain traction in Portugal (Patinha Dias 2024). These competitive forces pressure and compel platforms to adapt their strategies not only to attract subscribers, but also to offset the increasing costs associated with retaining existing subscribers.

Additionally, shifting consumer needs and expectations also place greater demands on platforms. For instance, an increasing number of consumers are opting for cheaper, ad-supported plans, a topic explored further in the Business Models chapter (Statista 2024g). Another notable trend is the growing habit of subscribing temporarily to a subscription service to watch specific content and then cancelling the subscription (Statista 2024g).

Finally, it is notable that there is not a lot of literature that specifically focuses on SVOD platforms in the Portuguese market, another motivation for exploring it and contributing with insights.

In the light of these challenges, the established main research question guiding this thesis will be: *“Video streaming platforms: How SVOD platforms can attract new subscribers in the Portuguese market”*.

To thoroughly address this question, relevant literature was reviewed to establish foundational insights into key topics, including business models, subscriber attraction measures and content and user engagement. Additionally, the Market Overview section provided critical context for selecting the platforms to analyse, reinforcing the rationale for choosing the Portuguese market as the focus of this research.

This thesis undertakes both qualitative and quantitative research methods to better understand how SVOD platforms can attract new subscribers in the Portuguese market. The qualitative

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research employed Preliminary Interviews, conducted with industry experts to gain insights into the Portuguese SVOD market dynamics. Interviews were also conducted with subscribers of SVOD platforms and non-users to explore their motivations, needs and preferences. These interviews yielded valuable insights which were integrated in the analysis in the subsequent sections.

The quantitative research methods employed two surveys. The first survey was conducted to collect data on consumer perceptions of SVOD platforms to build a perceptual map using SPSS, as well as consumer views on piracy usage to access video streaming content. The second survey was created to collect data on consumer preferences through deconstructing the platforms' services into individual attributes to ultimately perform a conjoint analysis using Conjointly.

It is important to note that the data used, and analysis conducted, specifically the conjoint analysis, in this thesis are based on the subscription plans and pricings offered by SVOD platforms at the time that the data collection occurred. The SVOD market is very dynamic and competitive; therefore, platforms frequently adjust their pricing strategy and plans to fit changing consumer behaviour and stay competitive, thus some information used in this thesis may no longer reflect the exact current offerings of SVOD platforms.

The perceptual analysis will explore how Portuguese consumers view these platforms and the resulting perceptual map from this analysis will illustrate the positioning of these SVOD platforms considering their perception. This section will answer the following research questions: *How do subscribers perceive the quality and type of content offered of the various streaming platforms?* (Research Question 1); *What unmet needs or opportunities exist in the SVOD market that these platforms can leverage from?* (Research Question 2).

Meanwhile, the conjoint analysis will illuminate the most important attributes for Portuguese consumers when selecting a platform and identify the most preferred attribute combinations.

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This analysis will address the following research questions: *What are the attributes viewers value the most in terms of content?* (Research Question 3); *Is there a potential trade-off between the inclusion of advertisement and subscription costs that could still ensure sustainable user growth?* (Research Question 4); *What insights can be drawn from segment-specific analysis that are useful to create effective attraction strategies?* (Research Question 5).

In both analyses, differences across demographic segments – age, gender and employment status – generated tailored conclusions and strategies to attract more subscribers in the Portuguese Market.

Following these analyses, the key conclusions and findings were synthesized into a final discussion, managerial implications and recommendations for the platforms under study. Furthermore, limitations and possible suggestions for future research were also derived.

## **2. Literature Review**

### 2.1. Market Overview

#### *2.1.1. Global SVOD Industry*

Subscription-based video on-demand services offer unlimited access to a content library for subscribers who pay a monthly (Statista 2024). SVOD services have transformed how people consume media, and rapidly changed consumer behaviours and expectations (Christian Grece 2021). The convenience they offer has attracted a broad user base, freeing users from the traditional broadcasting schedules. With SVOD services, users are able to watch what they want, whenever and wherever they choose with no interruptions, allowing for a more independent form of media consumption (Elisa Paz Pérez 2020). They typically offer a wide selection of media products, that subscribers have access to at all times and on various devices, including mobiles phones, laptops and tablets (Elisa Paz Pérez 2020). Moreover, SVOD services are often more affordable than traditional pay TV and provide a seamless user

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experience and interface, which has led to consumers reassessing the value of traditional media (Christian Grece 2021).

The global SVOD market has experienced significant growth in recent years. In 2017, the total global revenue of SVOD services was US\$27.86 billion, rising to US\$95.88 billion in 2023. Projections indicate the revenue will increase to US\$137.70 billion in 2027, representing a compound annual growth of rate (CAGR) of 8.27% between 2024 and 2027 (Statista 2024l). This growth is mainly driven by the rapid increase in the adoption of internet usage, the increasing accessibility of mobile devices, and the growing popularity of online content consumption (Statista 2024m). Additionally, the surge in original content produced by streaming platforms increased platforms' appeal, contributing to the growing popularity of SVOD platforms (Statista 2024m). As of 2024, the global user penetration rate of SVOD services is 18.3%, expected to rise to 20.7% by 2027 resulting in approximately 1.6 billion users worldwide (Statista 2024l). This projection underscores the potential for market expansion in the next years.

In 2021, Amazon Prime Video (which will be referred to as Prime Video) and Netflix emerged as the leading platforms in terms of total subscriber numbers worldwide (Statista 2024l). Collectively with Disney+, these three platforms dominate the industry, accounting for over 750 million subscribers worldwide (Statista 2024m). However, in recent years, Disney+ and Netflix have faced significant challenges, with both platforms having lost a substantial number of subscribers in several markets as competition intensifies with both newcomers and established platforms (Statista 2024m).

In Europe, the SVOD market has also experienced rapid growth. The SVOD segment expanded from representing merely 3% of the video on-demand (VOD) market in 2010 to having an impressive share of 84% by 2020 (Statista 2021). Since Netflix launched Europe's SVOD

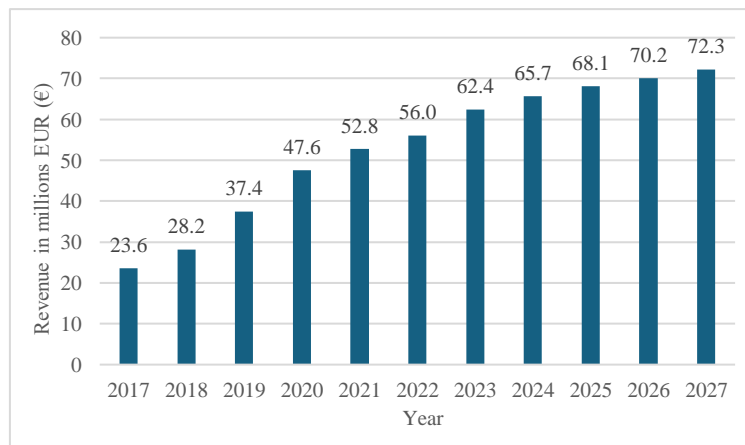
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market by launching its platform in the region in 2012, it has remained the most popular platform (Statista 2024h).

The rapid expansion in the SVOD market has provoked traditional media providers, such as pay TV operators, to adopt direct-to-consumer streaming services to remain competitive (Christian Grece 2021). While international players such as Netflix and Prime Video, dominate the European SVOD landscape, more developed European markets have strong local players, owned by local pay TV providers or broadcasters. These local players have significantly contributed to the rapid growth of the European SVOD market, excelling in localization of content, including in the adaption of content to local languages (Christian Grece 2021). However, international players have since started to adopt localization strategies to increase their appeal beyond young audiences and early adopters, by heavily investing in the production of local content (Iordache, Raats, and Afilipoaie 2022). This localization strategy places additional pressure on local players, who now face more competition in content acquisition (Iordache, Raats, and Afilipoaie 2022). Notably, according to (Christian Grece 2021), the SVOD market does not follow a “winner-takes-all” dynamic but rather several players being able to coexist and compete, this dynamic can be observed between pay TV and SVOD, with a few players dominating

### 2.1.2. SVOD Market in Portugal

The SVOD market in Portugal, though smaller in scale compared to the United States (U.S.) and other Western European countries, is well-established and experiencing rapid growth. Within Portugal's SVOD market, video streaming is the largest segment, with a projected revenue of €65.73 million by the end of 2024 and €72.25 million by 2027, representing an estimated annual growth rate of 2.95% (Statista 2024k).



**Figure 1:** Total revenue of the Portuguese SVOD market in millions from 2017 to 2027.

(Source: own elaboration with data from (Statista 2024k))

According to Christian Grece (2021) Portugal is characterized by having a low SVOD penetration and high pay TV penetration, with a high growth potential. While the user penetration rate in Portugal remains relatively lower, at 10.5% in 2024, compared to other more mature markets such as Spain (34.6%) United Kingdom (45.6%), and France (39%), this underscore promising opportunities for expansion (Statista 2024k).

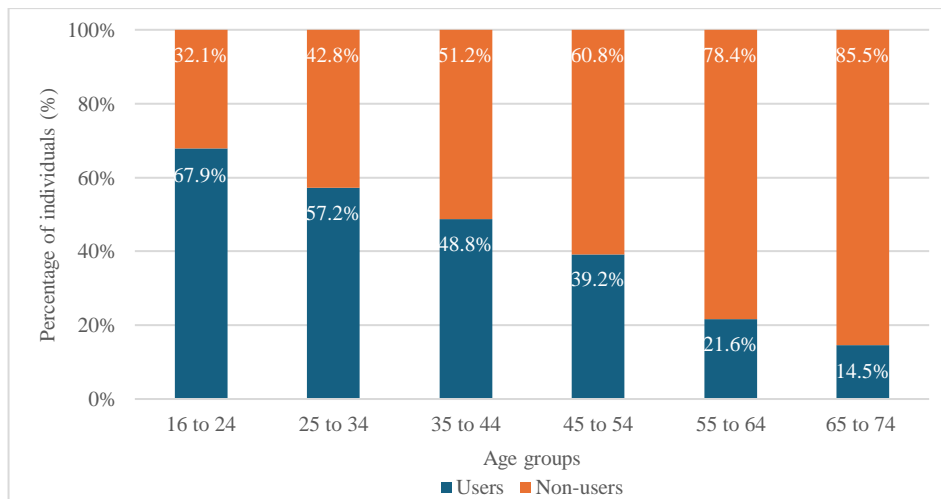
The Portuguese SVOD market is expected to reach 1.1 million users by 2027. This growth is primarily driven by the increasing demand for local and original content and increasing adoption of streaming services among young and tech-savvy consumers (Statista 2024k). Additionally, the 2020 COVID-19 lockdowns played a vital role in pushing many households to adopt SVOD services or opting for multiple SVOD subscriptions, thereby increasing the

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number of subscribers and average revenue per user (Duff Burnay et al. 2021; J. Easton 2020). The lockdowns were marked by a significant increase in time devoted to entertainment and thus led to an increase in demand for content (Duff Burnay et al. 2021). Between February and April 2020, during the lockdown period, SVOD platforms saw an influx of 800,000 new subscriptions, primarily for Netflix and Max Portugal (Duff Burnay et al. 2021). Additionally, the Portuguese SVOD market experienced its largest growth from 2019 to 2020, with an increase of over €10 million (figure 1), representing a 29.6% revenue growth. Furthermore, the trend in multi-homing –where subscribers use two or more SVOD platforms to satisfy needs– gained popularity in 2020 during lockdown, (J. Easton 2020) led to an increase in average revenue per user, which sat at €41.42 in 2019 and is currently estimated to be €62.32 (Statista 2024k).

When examining the demographics of SVOD subscribers in Portugal in 2021, 54.6% of SVOD subscribers were males and 45.4% were female (Statista 2024k). In terms of age representation, there is a strong skew towards younger audiences in 2021, individuals aged 25 to 34 made up the largest share, representing 28.7% of all SVOD subscribers, followed by those aged 35 to 44 accounting for 23.1%, 45- to 54-year-olds at 21.2%, 18- to 24-year-olds at 18.8% and lastly 55- to 64-year-olds (8.2%) (Statista 2024k).

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**Figure 2:** Percentage of users and non-users of SVOD services by age groups in Portugal in 2022. (Source: own elaboration with data from (Statista 2024e))

Within each age group, 16- to 24-year-olds had the highest proportion of subscribers, with 67.9% being subscribed to SVOD services in 2022, followed by 25- to 34-year-olds, which had a share of 57.2% of SVOD subscribers (Figure 2) (Statista 2024e). Figure 2 highlights that the greatest growth potential in the Portuguese market lies in older age groups, that have fewer subscribers. In terms of employment status, students had the biggest share of subscribers with 69% of all students being subscribed to video streaming platforms, followed by full-time employed individuals, with a 44.8% share (Statista 2024f). Additionally, in 2021, 36% of SVOD subscribers came from high income households, 34.1% from medium income and 29.9% from low income (Statista 2024k). The usage of SVOD services increased in all sociodemographic groups in recent years, however, the largest growth was seen in those aged 16 to 24 and 35 to 54 with a secondary education, students and employed individuals (Autoridade Nacional de Comunicações (ANACOM) 2023).

According to our research from various sources, 20 SVOD platforms were identified as currently operating in Portugal (Table 1, Appendix 1). As of 2024, the Portuguese SVOD market is primarily dominated by global players and according to (Statista 2024b), the leading players

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were Max, holding the largest market share at 31%, followed by Disney+ (13%), Netflix (13%) and YouTube (13%), Globoplay (12%) and Prime Video (7%). Other sources indicate that Apple TV+ also has a significant share of subscribers in Portugal (21%) (Branislav Pekic 2024; Christian Grece 2021). Additionally, Christian Grece (2021) reported that Netflix, Prime Video and Apple TV+ had a share of 81% of the Portuguese market in 2020. SkyShowtime is one of the newest platforms to enter the Portuguese market, having launched its services in the country in the end of 2022 (PÚBLICO 2024).

In 2022, among Disney+, Netflix, Prime Video and Max, Disney+'s subscribers had the highest intention of keeping their subscription to Disney+ (88.9%), followed by Netflix (84.4%), Max (81.8%) and Prime Video (57.1%) (Statista 2022). When analysing awareness of the platforms operating in Portugal among the population, in 2022, Netflix was the most recognized SVOD platform, with 77.6% of participants in the study recognizing it, followed by Disney+ (56.5%), Max (50.6%), Prime Video (50.4%) and lastly NOS Play (47.1%) (Marktest 2022).

While the growth of SVOD services is undeniable, particularly after the COVID-19 pandemic, on the other hand, several pay TV channels viewership has since slightly declined. Notably, SIC, a private broadcaster, was the only local network to have experienced a slight growth in viewership, while other broadcasters such as TVI and RTP saw a decline (Duff Burnay et al. 2021). This decline can be attributed to the increase in the use of television for other means, particularly streaming and console gaming (Duff Burnay et al. 2021).

In Europe SVOD services have not yet induced cord cutting – the process of cancelling a subscription to TV – but rather pay TV and media groups have adopted an aggregation strategy to compete with international players such as Netflix (Christian Grece 2021). By adopting a strategy of aggregation, local pay TV channels and media groups have started to offer their own streaming platforms. These platforms include RTP Play, NOS App TV, Opto SIC and TVI

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Player. Additionally, some local pay TV such as NOS have popular SVOD platforms aggregated in their packages (NOS offers Disney+), allowing users to have a single billing relationship for all their subscriptions. This strategy benefits both the international and local players, allowing for coexistence of both in the market. On one hand it allows pay TV to not lose users to SVOD platforms as they gain popularity and offer a more complete package; on the other it allows SVOD services to have access to national audiences and attract households that trust the local providers' reputation and would have been harder to reach otherwise. These partnerships are key components for several SVOD platform's global strategy, particularly for Netflix, as a way to simplify the acquisition of new subscribers (Wayne and Castro 2021). Additionally, the bundling model is utilized as a tool by SVOD platforms to retain market presence in a highly competitive and oversaturated markets. This strategy can be particularly effective to rapidly grow a subscriber base in the early phases of a platform's lifecycle (Digital TV Europe, n.d.; Wayne and Castro 2021).

As mentioned previously, international SVOD players, following local players, have started to heavily invest in localizing their content to attract and retain subscribers (Iordache, Raats, and Afilipoaie 2022). In May 2023, Netflix produced a Portuguese original series, *Rabo de Peixe*, that captured the attention of Portuguese and global viewers, having a total of 31.5 million hours of viewing globally (Observador 2023b). Additionally, Prime Video is also actively investing in the localisation of content in Portugal. Prime Video joint with Media Capital invested in a reawakening of an old series from TVI *Morangos com Açúcar*, a series that was a success among the youth. By bringing back this series, Prime Video is hoping to attract this segment and connect with them by leveraging nostalgia (Observador 2023a). While both players heavily invest in local content production, Prime Video outpaced Netflix in terms of share of regional content produced. In the first quarter of 2024, 71% of produced commissions from Prime Video

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were from outside the U.S., compared to 68% of produced commissions from Netflix (Statista 2024h).

Despite the rapid growth observed in SVOD services in Portugal, this trend is slowing down and expected plateau, which can be observed in some mature markets already. The streaming of sports is the only content expected to keep a positive growth rate over the next few years (Advanced Television 2024). This is particularly due to users cancelling their subscriptions, as consumers start rationalizing their choices with the economic downturn and as competition becomes stronger. Specifically in the U.S., 66% of consumers of SVOD services have reported cancelling one of the services in 2023 (Vincent Douin 2023). With the major reasons for cancelling subscriptions being the cost of the subscription (26%) and having found better content in another platform (10%) (Statista 2023).

### **3. Choice of Brands**

#### 3.1. Brand Choice

As previously addressed in the Market Overview section, seven video streaming platforms were selected to conduct the analysis on the Portuguese market, based on their market share significance. These platforms are Apple TV+, Disney+, Globoplay, Max, Netflix, Prime Video and SkyShowtime, with the latter being the most recent entrant in the Portuguese market. Given the focus of this thesis on SVOD platforms and major players in the market, platforms whose primary offerings do not evolve around subscription (YouTube) or those with insignificant market share, were excluded from the analysis. The following section briefly presents each platform (Table 2, Appendix 2) and its entry date in the Portuguese Market.

#### 3.2. Platform Overview

- **Apple TV+**

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Apple's streaming platform launched in Portugal in 2019 (Almeida 2019). Since its inception, Apple TV+ content strategy was focused on delivering original and exclusive productions (Almeida 2019). However, when it first entered the market, DECO, a Portuguese leading consumer rights organization, pointed some pitfalls to the platform namely the fact that it had a very short catalogue of available series (DECO 2019).

Focusing on more recent times, the platform offers a wide array of Apple Originals series and films, as mentioned. New titles are available each month, through the Apple TV app or website (Apple 2024). Among some of the most famous titles one can find shows like the Emmy-winning *Ted Lasso*, the acclaimed *The Morning Show* and dark comedies such as *Bad Sisters*, as well as award-winning movies such as *CODA*, among others (Timeout 2024).

- **Disney+**

Disney+, the streaming service that positioned Disney within the video streaming service industry, was introduced to the Portuguese market in 2020 (da Rocha Ferreira 2020). Aside from content, the platform stands out for its appealing and visual interface: colourful design with focus on details (da Rocha Ferreira 2020). Furthermore, the platform features the main categories that define Disney's content catalogue: third party series, Disney, Pixar, Marvel, Star Wars, National Geographic, among others (da Rocha Ferreira 2020).

Upon its initial launch, a review highlighted the integration of supplementary content as one of Disney+'s most appreciated features (da Rocha Ferreira 2020). For instance, if one decides to watch a *Pirates of the Caribbean* movie, within the space dedicated to the movie, there is a tab that provides access to this extra content (behind the scenes footage, bloopers, directors' commentary, among others), features that were once only found in special Blu-Ray editions of DVDs and that Disney+ brought to the streaming world (da Rocha Ferreira 2020).

- **Globoplay**

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Globoplay, which was launched in Portugal in October 2021, delivers a diverse selection of Brazilian content to Portuguese audiences, capitalizing the long-standing popularity of Globo's soap operas or telenovelas in Portuguese (Salvador 2021). As so, its streaming service offers mainly Brazilian soap operas, series and movies, solidifying its appeal through beloved shows like *Vai na Fé* and classics such as *Avenida Brasil*, one of the most popular telenovelas in Brazilian history (Rede Globo 2023).

In addition to telenovelas, Globoplay includes a lineup of exclusive series such as *Onde Está Meu Coração* and *As Five*, entertainment programs such as *Big Brother Brasil* and other programs related with lifestyle, fashion and wellness (Valadares 2021). Moreover, the platform also offers live broadcasts of sports events as well as children content, which features famous series such as *Vamos Brincar com a Turma da Mônica*. The platform serves a more niche audience, as it focuses primarily on famous Brazilian titles. Given the decades-long success of Globo's soap operas in Portugal, it is natural that Globoplay has gained prominence in this market. Note however, that unlike Netflix or Max, its appeal remains largely local, as its primary goal is to connect with Brazilian expatriates and Portuguese audiences familiar with Globo's longstanding content (Gomes Garcia 2021).

- **Max (former HBO Max)**

Max, formerly known as HBO Portugal, entered the Portuguese market in 2019 (De La Fuente 2019). In 2022, it was announced the launch of its new, rebranded version HBO Max (Comunidade Cultura e Arte 2022), which expanded its content offering. By May 2024 the platform switched its designation to just Max (Max 2024b). This latest rebranding stemmed from a strategic move to broaden and consolidate its content portfolio. By bringing together HBO's premium content, Discovery+'s real-life entertainment and Eurosport's sport coverage, Max aimed to establish itself as a more diverse platform (Max 2024b).

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The platform offers an extensive range of content, including original series such as *Game of Thrones*, *The Last of Us*, *The White Lotus*, and *Euphoria* (Max 2024a). Max also includes documentaries and a broad selection of movies, from recent releases like *Barbie* and the *Lost Kingdom* to classics such as *Harry Potter* movies or *The Dark Knight* (Max 2024c). The platform also offers children programming provided by Looney Tunes, Warner Bros, Cartoon Network, among others, and international content (Max 2024c).

Furthermore, Max also offers the possibility of having a Sports Add-On package that provides live sports coverage, such as tennis, cycling, golf and many more (Max 2024d).

From this description, it is evident that Max delivers a comprehensive array of content that spans across various genres.

- **Netflix**

Netflix is the longest-established video streaming platform in the Portuguese streaming market, having entered in 2015 (Pereira 2015). At its debut, a news article highlighted its disruptive model, predicting that it would likely heighten competition in the world of Portuguese telecommunications, especially significant, given that in 2014, approximately 77% of Portuguese households subscribed to bundled cable TV packages that included channels, internet, and other services (Pereira 2015).

By 2024, Netflix has become one of the leading platforms in the Portuguese market, leveraging the success of multiple original series in its catalogue throughout the years. The platform also features a monthly top 10 most watched series and movies, to promote the most popular content that could possibly appeal to other users as well. Netflix offers a diverse library of content, with a catalogue that encompasses a broad range of recent and classic movies across genres such as action, comedy, drama, as well as anime titles, documentaries and multiple series (Netflix 2024). Viewers can access Netflix original series such as *Stranger Things*, *The Crown*, *La Casa de Papel* or *Bridgerton*, alongside other popular international series (Netflix 2024). On top of

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that, the platform features a section dedicated to children-appropriate series and movies. In summary, much like Max, Netflix also offers a vast array of content covering multiple genres.

- **Prime Video**

Prime Video began operating in the Portuguese market in 2016 (Margarido 2016). The platform offers original series, movies like Hollywood blockbusters, licensed content and children content as well. In addition to these offerings, Prime Video includes popular originals such as *the Marvelous Mrs. Maisel*, *Jack Ryan* and *Good Omens*, alongside documentaries and other entertainment programming (Timeout 2023).

Moreover, it is important to note that the platform has been actively working to provide localized content, from which one can highlight the already mentioned series *Morangos com Açúcar*, produced in partnership with a Portuguese TV station, TVI, which shows an eagerness to adapt its content to the Portuguese market, by reviving a series that was once very popular (Salvado 2023).

Moreover, the platform includes a TVOD feature in Portugal, which allows users to rent or buy movies and series. This feature is available for both subscribers and non-subscribers, with rented titles remaining available for 30 days and a 48-hour to finish watching, after playback starts (Amazon 2024).

- **SkyShowtime**

SkyShowtime reached the Portuguese market in 2022 (Salvador 2022). The platform provides a range of entertainment options from some of most prominent studios, such as DreamWorks, Sky Studios, Peacock, Nickelodeon, Showtime, Paramount+, and Paramount Pictures (SkyShowtime 2024). Its catalogue features a mix of content from recent blockbuster movies across genres like action, comedy, drama and horror, as well as original series and films, and children's content from Nickelodeon. Some notable titles available on the platform include

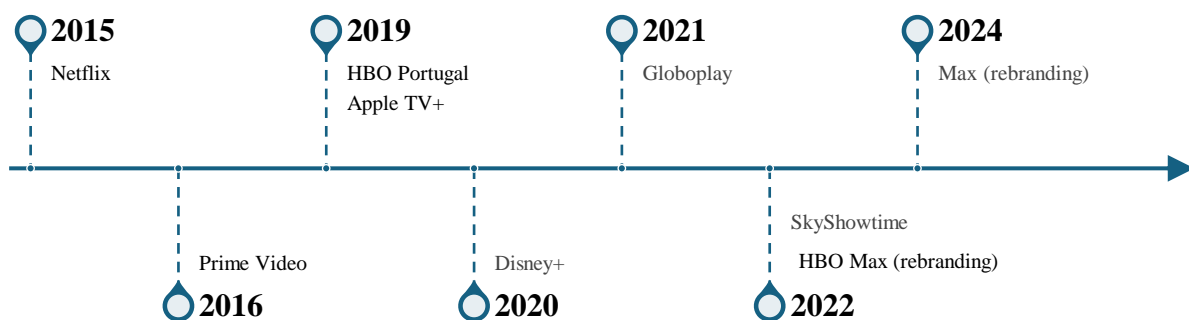
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series like *Yellowstone* and movies from the *Fast & Furious* franchise for instance (SkyShowtime 2024).

### 3.3. Comprehensive Platform Summary

From these descriptions, the Portuguese Market reflects a diverse range of platforms, which can appeal to different consumer preferences. Netflix and Max offer very broad catalogues that can be appealing to a wide audience, Apple TV+ focuses primarily on original content and Prime Video has some localized content. Moreover, Globoplay caters to consumers that enjoy Brazilian content (telenovelas, reality shows, series, etc.) and Disney+ gathers household collections of content. SkyShowtime, being the most recent platforms in the Portuguese market, has also been trying to cement its position by providing the content previously described. Collectively, these platforms provide the Portuguese market with a vast array of choices, from more local to more global content, creating a dynamic and competitive market.

Nevertheless, market share alone does not reveal what attributes consumers value most in these platforms, nor their perception of those, underscoring the importance of this thesis' research. The analysis in subsequent sections will address these topics and provide more insights on these platforms.



**Figure 3:** Timeline of entry and rebranding dates of the studied SVOD platforms in the Portuguese market (Source: own elaboration with the above-mentioned references)

## **4. Preliminary Interviews**

### 4.1. Methodology

Interviews are an important method of qualitative research, through establishing communication between the researcher and the participants. Interviews as a research method are particularly advantageous as participants can freely express their point without being limited to specific frameworks such as in multiple choice surveys (Hamed Taherdoost 2022).

In total eight exploratory Preliminary Interviews were conducted, consisting of consumer interviews and industry expert interviews. The interviews were carried out via video conferencing platforms, in person and through LinkedIn, lasting between 10 to 30 minutes. All interviews were conducted in English or in Portuguese. To ensure all information collected was relevant to the Portuguese SVOD market and to this thesis all consumers interviewed currently live in Portugal and thus use Portuguese SVOD accounts. Both industry experts work for a SVOD platform currently present in Portugal, and from the selected set used for the analysis of this thesis. The first industry expert is based in Portugal while the second expert is based in London, however as the nature of his work is to be in contact with the Spain and Portugal division, his insights were relevant to the research.

The consumer interviews were divided into two categories. The first set of interviews were conducted with individuals that are not currently subscribed to any SVOD platform, to understand their behaviours, preferences, and needs, and to identify factors deterring them from subscribing. The second set of interviews were conducted with current subscribers. Three separate scripts were created, one for the industry experts (Table 3, Appendix 3), one for active subscribers of video streaming platforms (Table 4, Appendix 3) and one for individuals who do not subscribe to any video streaming platform (Table 5, Appendix 3), who will be referred to as non-users. The consumer interviews scripts are composed of three main parts including, starting questions, consumer perceptions, needs and preferences and demographic questions.

## Group Part

The industry expert interviews were also divided into three main parts including, starting questions about the Portuguese SVOD market, questions on consumer behaviour and preferences, although this part was limited as the experts did not want to answer some questions about consumers due to confidentiality, and some questions on challenges and opportunities SVOD platforms face.

Two industry experts were interviewed, one of them working for Max and the second for Prime Video. Given the lack of up-to-date studies on the Portuguese SVOD market dynamics, the industry expert interviews played a vital role in validating consumer insights, challenges the Portuguese SVOD market currently faces and emerging trends likely to have significant impacts subscriber attraction. Additionally, the industry expert interviews ensured that our research and analysis are aligned with the realities of the current Portuguese SVOD landscape. Six consumer interviews were conducted, two user interviews and four non-user interviews. The focus of the interviews was on non-users of SVOD platforms as the scope of this thesis is focused on attracting new subscribers. However, it is also crucial to consider retention and therefore, current users were also interviewed to gain more insights into their satisfaction or dissatisfaction with SVOD platforms and identify areas for improvement in retention to ensure a longer lifetime value of the consumer.

When selecting participants for the consumer interviews, diversity was prioritized in terms of age, occupations and gender, to gain a better understanding of the different user and non-user personas. The consumer interviews were key in identifying consumer behaviour, perceptions and attributes influencing consumer decisions, which served as a foundation to guide the perceptual analysis and Additional Research section. Similarly to the industry expert interviews, the consumer interviews ensured that the research and analysis align with the realities of the consumers' needs and preferences in the Portuguese SVOD landscape.

#### 4.2. Expert Insights

The first interview was conducted with an expert from Max Portugal and the second interview was conducted with an expert from Prime Video. The Max expert opted to answer a limited number of questions from the script, due to her confidentiality agreement with Max. While the Prime Video expert also faced some constraints, specifically on questions regarding consumer behaviour, he was able to answer majority of the prepared questions. Therefore, more comprehensive insights were gathered from the second interview.

During the interview, the Prime Video expert identified several key drivers of subscriber growth for the platform. These included strategic bundling, such as their bundling offer with Vodafone, as well as enhancements in content selection and creative advancements in the production of original content. The expert further emphasized the importance of localized content, stating that sourcing local content or producing in collaboration with local broadcasters or investors is a crucial strategy for subscriber acquisition. A notable example of this strategy in Portugal is the partnership between TVI and Prime Video to produce new seasons of the popular series *Morangos com Açúcar*.

The Max expert highlighted that the Portuguese market is highly competitive and emphasized that Max differentiates itself through the diversity and quality of its content portfolio. Max offers an extensive content portfolio including the most awarded series, classic films, major blockbusters, documentaries, reality shows and, more recently, a wide range of sports content. This year, Max achieved a historic milestone by securing the rights to stream the Paris 2024 Olympic Games live, attracting a new demographic of subscribers, sports enthusiasts.

In contrast, the Prime Video expert stated that the platform has a unique positioning in the SVOD industry, outlining three main differentiating factors. First, Prime Video is integrated in the ecosystem, which offers a subscription package including SVOD services, eBooks, music, retail, expedited shipping and exclusive promotions. This ecosystem provides various benefits

in a single subscription, enhancing its perceived value. Secondly, Prime Video operates as a hub, providing both SVOD and Transactional Video on Demand (TVOD). Through TVOD, subscribers can access content that Prime Video has not purchased the license to stream, allowing the platform to provide a vast content library and minimizing subscribers' need to switch to competing platforms. Finally, Prime Video offers various channel add-ons, allowing subscribers to integrate subscriptions to other SVOD services, directly into the Prime Video platform. This reduces consumers' billing processes with SVOD services and positions Prime Video as a centralized hub for accessing various platforms, further enhancing its convenience and appeal.

When exploring crucial factors influencing consumers' decisions when subscribing to a video streaming platform, the Prime Video expert identified price, content selection and user experience to be the most critical during the decision-making process.

Given the growing presence of advertisements in SVOD platforms has been a popular topic of discussion in the industry, the Prime Video expert was asked whether the implementation of ads has impacted subscriber growth in the platform. He firstly highlighted the importance of ads as a monetization strategy, noting that relying solely in subscription revenue is no longer a sustainable business model due to industry saturation. The additional revenue generated from ads allows Prime Video to improve their customers experience, particularly by producing higher-quality original content. From a churn perspective, the expert noted that the churn observed during the introduction of ads in the platform was lower than expected. This may suggest the presence of advertisements is not the deciding factor for cancelling a subscription. Both experts identified several challenges the SVOD market faces when attracting new subscribers. The Max expert highlighted that the abundance of SVOD services available, has introduced more complexity for consumers when making subscription decisions, becoming more critical and selective in the decision-making process. The expert emphasized that time is

a scarce resource for consumers, and choice is heavily dependent on access to desired content. Additionally, the decision is further influenced by the willingness to pay for a particular combination of video streaming services. Moreover, due to the high penetration of pay TV in Portugal, consumers have access to a broad range of content included in their package, thus diminishing the need for multiple SVOD services.

The Prime Video expert highlighted a recurring challenge that SVOD platforms face is the unpredictability of content success due to the creative nature of the industry. This unpredictability can make investments in original productions uncertain and risky. He further noted that market saturation has made it increasingly more difficult to attract new subscribers, as consumers are overwhelmed with the number of platforms. Macro-economic factors further influence acquisition and retention as consumers reduce their budget on non-essential services, including streaming platforms. This shrinking budget can drive consumers towards piracy to access free content, posing an additional challenge for SVOD platforms. Another issue discussed was “passenger behaviour”, where subscribers join a platform to binge-watch a specific movie or series only to cancel shortly after. Moreover, the expert emphasized that attracting and retaining young subscribers, generation Z (Gen Z) in particular, presents some challenges. Gen Z consumers often prefer short-form content and because of the exposure to large amounts of content through social media, it is increasingly challenging to capture and retain their attention. As a result, SVOD platforms are now having to compete with social media platforms for Gen Z’s engagement.

Finally, both experts highlighted several trends that could influence future subscriber growth in the SVOD industry. Both experts highlighted the introduction of agreements between platforms in Portugal as a driver for subscriber acquisition. Such agreements would involve offering bundle packages, including two or more SVOD platforms, at attractive price points. These bundles could help address the rise in “subscription fatigue”, where consumers feel

overwhelmed by the number of services they subscribe to, and appeal to households that are harder to reach. For non-users, bundles help simplify and decrease the complexity of the decision, potentially converting them to consumers.

Additionally, the Prime Video expert also expected to see a rise in mobile viewing for SVOD platforms in the coming years, and an increased investment in original content that reflects each platform's unique production style, to drive subscriber growth. Furthermore, the expert also noted a trend of increased integration of other services within SVOD platforms to increase engagement. An example is Netflix's introduction of gaming on its platform. Finally, the expert stated that more platforms will begin adopting advertisement models, offering a larger range of tiers, such as ad-support and ad-free tiers.

#### 4.3. Non-Users of SVOD Platforms Interviews Results

When exploring reasons why participants choose not to subscribe to SVOD platforms, all four non-user participants provided specific reasons for not subscribing. The first participant, a 55-year-old male, expressed a preference for traditional cable TV, finding no compelling features or content on SVOD platforms that would encourage him to subscribe to a streaming service. He further indicated that promotional offers do not encourage him to switch.

The second participant, 22-year-old male, demonstrated a preference for free platforms that allow him to watch foreign content, and thus has not contemplated subscribing to a SVOD platform, even with promotional offers available. This highlights a preference for more foreign content and cost-free access to content.

The third participant, a 23-year-old female student, shared that she preferred to use cable TV, as it is readily accessible to her through family and with no additional cost to her. Additionally, she uses piracy websites due to the free access to a large content variety. Given the limited time she spends consuming series and movies, it led her to conclude that it would thus not be worth subscribing to a SVOD platform. This supports the idea that expected future use plays a role in

moderating the effect of satisfaction (Lemon, White, and Winer 2002, 6), which in this case decreases the perceived value of subscribing to a platform due to the expected limited usage.

The convenience of having cable TV included in packages, such as along with the Wi-Fi, and the benefit of having national news, a type of content that is not available in SVOD platforms, further reinforced her choice for not subscribing to SVOD platforms. The participant momentarily considered subscribing to Netflix due to its popularity, however, the use of piracy websites, with ad-blockers and an anti-virus software satisfies her content needs, by being able to access a large content variety. This further emphasizes the challenge SVOD platforms have in attracting subscribers who use piracy platforms, previously mentioned in the Literature Review (Godinho de Matos, Ferreira, and Smith 2018), and expert interviews. Additionally, the 23-year-old female would only consider a subscription if a significant promotion were offered, particularly if it offered an increase in content variety or a bundled offering, with a combination of various platforms at a lower price. This preference emphasizes the appeal of bundle agreements between platforms, as the Max expert mentioned, to meet content variety needs of consumers.

The fourth participant, 55-year-old female, indicated to having limited time to consume content, and a lack of interest in series or movies advertised in SVOD platforms as the main reasons for not subscribing. However, she showed willingness to consider a subscription if more true crime and historical documentaries were accessible, and if promotional offers were available. Both female participants showed more willingness to subscribe than the male participants, this pattern aligns with a study previously mentioned in the Literature Review, highlighting that younger users and women show a higher willingness to pay for online content (Punj 2015, 184). When asked about potential features or content that could encourage participants to subscribe, both female participants and the 22-year-old male, emphasized a broader content library to include the content of their preference. This highlights the importance of a large content variety

when attracting subscribers, as mentioned in the Literature Review (Lasaleta and Redden 2018,446). The 23-year-old female further emphasized a preference for no advertisement at the basic tier. She also further noted that she has observed her peers having multiple SVOD platforms, implying that having one single SVOD platform cannot satisfy consumers' needs and thus the need for multiple. To her this signals that one subscription to a SVOD platform is not enough and the participant is not willing to invest in multiple, thus she prefers to use piracy websites.

All participants revealed having vague perceptions of differences between platforms. Disney+ was generally perceived more family-friendly oriented, while Max, Prime Video and Apple TV+ were perceived as having more mature content. Most participants had more perceptions of Netflix, in comparison to the other platforms: the 55-year-old female perceived it as generic; the 22-year-old male viewed it as being very oriented for western culture, and the 23-year-old female believed Netflix has lost quality in its original content and offered limited exclusive content.

The consumption of content varied by age. The two younger participants indicated a preference to short-form content such as YouTube, Instagram and TikTok, while the older participants preferred cable TV finding the content more enjoyable and for its familiarity. The 23-year-old female further justified her preference for social media platforms to consume content due to the gratuity aspect and the unlimited amount of content available. This preference of short form content and consuming content on social media platforms by Gen Z, further validate the Prime Video expert's view of this being a challenge when attracting and retaining Gen Z subscribers, and how social media has become a competitor for SVOD platforms.

All participants stated that original and exclusive content is crucial for a platform to have, perceiving Prime Video and Netflix as having more exclusive and original content than other platforms. This insight further validates that exclusivity is at the core of subscriber attraction,

and one of the first attributes consumers look for in SVOD platforms (Greenwood Kim David, Kennard Kate, and Mowry Chris 2022). However, exclusivity alone may not be enough of an incentive for consumers to subscribe, given that the participants are not subscribed even though they perceived Netflix and Prime Video as having exclusive content, and that the quantity as mentioned by some participants is also very important.

The attitudes towards advertisement on SVOD platforms were very mixed. The 55-year-old female and 22-year-old male stated they would consider ads on SVOD annoying, as they are already paying for the platform. While the 55-year-old male and 23-year-old female both weren't too bothered with the idea of ads on SVOD platforms, however, the female participant criticized platforms wanting to implement advertisement as being greedy.

All participants acknowledged the importance of an intuitive and easy-to-use interface; however, the older participants indicated a preference for cable TV, due to the simplicity in navigating it and the familiarity. Furthermore, offline viewing was not a feature with priority for three of the participants, except for the 22-year-old male, who considered it important. Content variety was noted to be crucial for all participants, supporting a study by Lasaleta and Redden (2018,446) that noted content variety is crucial to foster high levels of satisfaction. Finally, simultaneous streams were also of high importance for users, as all lived in households with several users, to avoid conflict or inconvenience.

#### 4.4. Users of SVOD Platforms Interview Results

When exploring factors influencing the participants' decisions to subscribe to the SVOD platforms they currently use, the 57-year-old female participant who subscribed to three SVOD platforms (Netflix, Disney+ and Prime Video), referred to frequency of content releases, content variety, recommendation from friends, and the bonus of an affordable pricing plan at the time, as her motivations when subscribing to Netflix. She further emphasized that due to the large content library and frequent content releases, Netflix is her preferred choice of SVOD

platform. For Disney+, the participant highlighted the family-friendly content that was suited for her family and the appeal of the exclusive content. With Prime Video, the participant was attracted to the offering *unlimited one-day delivery* included with Prime Video all in one subscription, considering it good value for money. Despite her preference for Netflix, she feels unsatisfied with the recent changes in account sharing policy, a feature that is of high importance to her. She also feels dissatisfied with Netflix's limited range of subscription plans, that do not meet her exact needs and thus must opt for more expensive subscription plan. Regarding Disney+, she expressed her dissatisfaction with the lack of exclusive content and was considering cancelling her subscription. This insight emphasizes again that exclusivity is at the core of not only in subscriber attraction, but also in subscriber retention and the importance of content management for long-term customer engagement.

The second participant, 22-year-old male who currently subscribes to four SVOD platforms (Netflix, Disney+, Max and Prime Video), referred to exclusive content as the main factor influencing his decisions when subscribing to a new platform. Particularly, he recently decided to subscribe to Max due to the platforms' streaming of the Olympic Games 2024. Like the 57-year-old female participant, Netflix is his preferred platform due to its large content variety. However, he expressed dissatisfaction with Netflix's introduction of a new policy that restricts usage of the platform when away from the home network for a certain amount of time. Additionally, he further expressed frustration with slow-release schedule of new seasons of older series some platforms have. This highlights the importance of upgrading the content on platforms, to maintain its relevancy.

Both participants underscored the significance of simultaneous streams and account sharing when sharing factors that influence their subscription of the platform. Additionally, price and content available for download were not as significant factors for either participant, however still a bonus. The female participant indicated that an intuitive user interface is somewhat

important and noted that certain platforms' interfaces are not organized, making it difficult to find new content. The male participant, on the other hand, found all interfaces of the platforms he currently uses to be very intuitive. Finally, both participants stated that a large content variety is crucial, as they share accounts with family and thus need content that is catered to everyone's diverse preferences. This preference further validates that consumers seek variety in content and that it fosters higher levels of satisfaction, as mentioned in the Literature Review Lasaleta and Redden (2018,446).

When exploring their thoughts on the introduction of advertisements on SVOD platforms, their answers diverged. The female participant stated that although she would not be satisfied, it would not be the decisive factor leading her to cancel her subscriptions. However, the male participant opposed to the introduction of advertisements, arguing that he is already paying for a subscription and thus believes it should be ad-free.

Regarding original and exclusive content, the male participant, perceived Max to have the highest quality original and exclusive content and expressed dissatisfaction with the original content from Netflix. In contrast, the female participant enjoyed the original content from Netflix the most, perceiving it to be superior to other platforms she has subscribed to. The complete opposite opinions these two participants have on Netflix's original content highlights the risks that come with the uncertainty of creativity in production of content for SVOD platforms, as mentioned by Prime Video expert.

The female participant further stated that although original and exclusive content are very significant factors, having a large variety of both is equally important. She recalls her experience when subscribing to Max to watch an exclusive series offered by the platform, only to find that, after finishing the series, she did not enjoy the platform's content library as it did not match her interests.

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Finally, when exploring the participants willingness to try a new streaming service that offers a free trial or promotion, the female participant stated she would likely try it but would only consider keeping the subscription if it offered high-quality original and exclusive content with a large content variety. While the male participant would only consider taking advantage of a promotion rate if the platform offered specific exclusive content he was interested in and could not access it elsewhere and would only keep the subscription if the platform offered a variety of exclusive content. These results may further support the study by Datta, Foubert, and Van Heerde (2015) and Scoot (1976) that free trials and promotions although compel consumers to try out a new platform, it does not directly translate into long-term commitment, as the consumers look for specific characteristics to assess the value in keeping the subscription.

## **5. Consumer perceptions – SPSS Analysis**

### 5.1. Methodology

In the context of writing a thesis on consumer behaviour toward video streaming platforms, perceptual maps are a powerful tool for analysing how consumers perceive different SVOD platforms within the Portuguese market.

A perceptual map is a two-dimensional diagram that illustrates how consumers perceive brands or products in relation to each other. It plots brands or products based on key attributes or characteristics, helping marketers understand how consumers distinguish and position them in their minds (Kotler and Lane Keller 2016).

Perceptual maps play a crucial role in strategic decision-making by highlighting a brand's strengths and weaknesses. Brands can assess their competitive position in the market and identify areas where they excel or struggle. These insights help brands capitalize on their strengths and address competitive threats from other players who might be outperforming them on certain attributes.

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Perceptual maps are also relevant to help brands identify opportunities and gaps in the market. By analysing where competitors are positioned in relation to consumer perceptions, brands can uncover areas of unmet demand. This type of analysis is essential for brands seeking to differentiate themselves and gain a competitive advantage in a crowded market, such as the video streaming industry.

Additionally, Kotler and Keller emphasize that perceptual maps serve as a tool for monitoring changes in consumer perceptions over time (Kotler and Lane Keller 2016). By periodically updating the map, brands can track the impact of their marketing campaigns, service or product changes, or new competitors entering the market. This enables them to measure the effectiveness of their marketing strategies and make data-driven adjustments as needed.

In conclusion, perceptual maps offer a comprehensive view of the competitive landscape in the specific market, in this case in the video streaming market in Portugal, making them an essential tool for understanding consumer behaviour and perceptions, identifying market opportunities, and refining brand positioning strategies. By leveraging this tool, brands can gain valuable insights into how they are perceived relative to competitors and use that information to guide their future marketing initiatives.

### *5.1.1. Survey*

To construct the perceptual map, it was first necessary to gather relevant data, which was done by designing and launching a survey using Microsoft Forms. The survey consisted of twenty-two questions in total (Table 6, Appendix 4). However, for the purpose of developing the perceptual map, question 18 should be excluded, as it is related to the Additional Research topic discussed in this thesis.

The first question asked respondents whether they currently live in Portugal or if their video streaming subscription is based in Portugal (Table 6 – Part I, Appendix 4). For the respondents who answered "no" the survey would automatically close, as the primary aim of this thesis is

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to explore how SVOD platforms can grow the number of subscribers in the Portuguese market. Therefore, only responses from individuals living in Portugal or those with a subscription based in Portugal, such as students temporarily residing abroad, were considered.

The next section of the survey, consisting of sixteen questions, required respondents to evaluate various attributes associated with the seven different video streaming platforms under analysis and mentioned above (Table 6 – Part II, Appendix 4). Using a scale ranging from 1 to 5, participants rated the platforms based on the following attributes: *Innovative*, *Traditional*, *Boring*, *Entertaining*, *Original*, *Exclusive*, *Relevant*, *Outdated*, *Affordable*, *Expensive*, *Personalized*, *Generic*, *Local*, *Global*, *High-quality* and *Low-quality*.

The final section consisted of four demographic questions, which covered the respondents' age, gender, current employment status and whether they currently subscribe to a video streaming platform (Table 6 – Part IV, Appendix 4). These questions were included because we aimed to capture insights from various demographic groups.

### 5.1.2. Choice of Attributes

In order to design the survey that serves as a basis to the perceptual map, it was necessary to include specific characteristics so respondents could express their perceptions of the various SVOD platforms present in the Portuguese market and under analysis. Based on prior research and Preliminary Interviews with users, non-users and industry experts in this field, the following attributes were included:

- ***Innovative & Traditional***: Consumers tend to view platforms that frequently update their offerings or provide unique features as innovative, as platforms that focus on more traditional content and employ a conservative approach to streaming may be perceived as traditional. Innovative features contribute to a more engaging and user-friendly experience and, in a competitive market, they are essential for platforms looking to set themselves apart from competitors. Including the attributes *Innovative* and *Traditional* in the survey

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is important, as these characteristics play a crucial role in shaping consumer perceptions, influencing brand reputation and driving consumer choice.

- ***Boring & Entertaining:*** When assessing whether a platform is perceived as *boring* or *entertaining*, we consider not just its content but also the overall user experience it offers, making it essential to evaluate these two characteristics. Engaging content is crucial for capturing and maintaining viewers' attention, especially in today's generation, which tends to have shorter attention spans, as pointed out by the experts interviewed and by research in this field (McKinsey & Company 2022). Therefore, platforms must take this factor into account when developing their offerings and content strategies, as it is an attribute highly valued by consumers.
- ***Original content:*** Video streaming platforms that produce or commission their own content (series, films, documentaries, etc.) distinguish themselves from competitors. Having original content is essential in attracting subscribers, as well as it can foster loyalty to the platform, ensuring consumers also continue to subscribe to the platform (consumer retention) – given this context, it is relevant to assess consumer perceptions based on the platform's original content. Additionally, a recent survey by Deloitte revealed that 57% of U.S. current streaming consumers subscribed to video streaming services primarily to access original content (Deloitte 2023). Users of SVOD platforms interviewed for this thesis emphasized the significance of original content when subscribing to one of these platforms, indicating that it is indeed a crucial attribute.
- ***Exclusive content:*** *Exclusive content* refers to streaming platforms acquiring licensing rights to distribute content from other creators, ensuring that it is only available on their platform for a limited period. Content exclusivity is key to drive consumer attraction and retention, as it helps platforms differentiate themselves from others, ensuring they offer unique value propositions that can significantly influence a consumer's choice and loyalty, as also pointed out by the two interviewed users of SVOD platforms and by research conducted

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by PwC Australia, as mentioned in the Literature section (PwC 2024). Research proven that “exclusive shows, films, and original series increase the streaming service’s perceived value by enticing users”, as providing exclusive content is explained to increase consumer’s likelihood of subscribing to a specific platform (Tong Wun et al. 2024).

- ***Relevant & Outdated:*** SVOD platforms, as many other types of platforms, should consider current trends, user preferences and cultural shifts when deciding on their offerings, to remain relevant, especially in this fast-paced industry. On the other hand, a platform perceived as *outdated* lags in technology, content, or user experience. Such platforms may find it challenging to retain users who are looking for innovative and engaging experiences. Understanding if consumers perceive a certain SVOD platform as *Relevant* or *Outdated* is relevant because these attributes directly impact user engagement, satisfaction and long-term loyalty.
- ***Affordable & Expensive:*** Pricing plays a pivotal role in shaping consumer purchasing decisions, as it not only affects the perceived value of a product or service but also is important in determining consumer behaviour and brand preference. A platform that is perceived as *affordable* tends to attract price-sensitive users, while a platform viewed as *expensive* may not always carry a negative connotation. In some cases, a higher price can lead consumers to expect premium content or enhanced features that justify the increased cost. The non-users of SVOD platforms interviewed for this thesis indicated that price is a key factor in their decision-making process when considering a subscription to a platform. Both industry experts interviewed also highlighted that pricing plays a crucial role for consumers.
- ***Personalized & Generic:*** Personalization demonstrates a platform's capacity to provide tailored recommendations, curated suggestions and individualized user interfaces. A strong level of personalization enhances user satisfaction by making content discovery

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easier and more enjoyable. In contrast, a generic platform suggests that its offerings are broad and undifferentiated, and these platforms may struggle to address specific user needs and preferences effectively. By asking respondents to rate the platforms personalization we aim to understand how well a SVOD platform meets individual user needs and preferences.

- ***Local & Global:*** A platform that tailors its offerings to regional preferences and delivers content that aligns with local culture may be seen as *local*. In contrast, platforms that provide a global selection of content with broad appeal distinguish themselves from competitors, suggesting that its content is diverse and suitable for an international audience, expanding its user base. The expert from Prime Video explained, in the interview, that localized content is becoming more and more important for fostering subscriber acquisition.
- ***High-quality & Low-quality:*** These two attributes are closely tied to how users perceive the overall quality of the content and the streaming platform itself. This makes it essential to understand how consumers perceive different platforms, as these attributes have a direct impact on user satisfaction, brand perception and the overall viewing experience. A platform seen as *low-quality* can deter users or narrow its appeal to certain audiences. Research shows that high-quality, well-crafted content enhances the immersive experience and gives users a sense of satisfaction, reinforcing that their subscription is delivering value (Tong Wun et al. 2024). Moreover, a platform perceived as *high-quality* fosters trust among consumers, making it a key factor in shaping their overall impression of the service.

### 5.1.3. Data Collection

The survey was launched on October 3<sup>rd</sup>, 2024, and was shared across various platforms, as well as between friends, family and colleagues to reach a diverse range of demographic groups,

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considering different age groups, gender and current employment status. This approach was intended to ensure the collection of accurate and representative data for the construction of the perceptual map. In total, the survey received 111 responses over a period of 19 days, and it was closed on October 22<sup>nd</sup> 2024.

### 5.2.Survey Results

#### *5.2.1. General Overview of the Data*

The survey received a total of 111 responses. However, since our primary focus is the Portuguese market, we will only consider the answers from respondents who currently live in Portugal or use SVOD platforms based in Portugal, which represent 78% of the total answers to the survey (87 responses). The remaining 24 respondents, who either do not live in Portugal or do not use SVOD platforms based in Portugal, account for 22% of the total (Figure 9, Appendix 5). Therefore, the analysis is based on a sample of 87 responses.

#### *5.2.2. Characteristics of the Sample*

Demographic questions were included at the end of the survey, covering age, gender, current employment status and use of SVOD platforms (Table 6 – Part IV, Appendix 4).

The survey included a question about the respondents' age group (Table 6 – Part IV, Appendix 4). The largest age group represented is the 18-24-year-olds, making up 57% of the sample, followed by those aged above 55 years old, who constitute 26%. Together, these two groups account for 83% of the total sample. In comparison, the 25-34 age group comprises only 9%, while those aged 45-54 represent 3%, the under-18 group makes up just 2%, and the 35-44 group only 1% (Figure 10, Appendix 5).

This distribution suggests that the survey primarily appealed to younger adults (18 to 34 years old), as those represent 66% of all respondents, indicating a strong skew toward these two demographic groups. In 2021, 47.5% of SVOD platforms users in Portugal belonged to these

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two ages groups (18.8% belonged to the 18-24 years old group and 28.7% belonged to the 25-34 years old group), as mentioned in the Market Overview section (Figure 2) (Statista 2024e). SVOD usage often varies significantly by age, as explained in the Literature Review, considering that younger users demonstrate a higher willingness to pay for these services (Punj 2015, 184). This imbalance could result in an overestimation of how engaged young people are with SVOD platforms, while potentially missing important insights from older age groups, which have different viewing habits and preferences, as well as technological familiarity.

In terms of gender, it's relevant to mention that women make up the majority of respondents (63% of the total number of answers), as male participants represent only 37% of the sample (Figure 11, Appendix 5). None of the respondents selected "Non-binary" or "Prefer not to say". As previously mentioned in the Market Overview, more than half (54.6%) of the users of SVOD platforms are women, which indicates that our sample is representative of the SVOD market in Portugal (Statista 2024k).

These results indicate that female participants comprise nearly two-thirds of the total, which may indicate that this topic was more appealing to this gender segment. The gender imbalance could lead to biased insights – for instance, females tend to have a higher willingness to pay (Punj 2015, 184). Taking this into consideration, the analysis may fail to capture the perceptions of male consumers, considering that gender can influence preferences for types of content and platform features.

Regarding the current employment status of the respondents (Figure 12, Appendix 5), the majority are either students (43%) or employed full-time (36%), with working students also representing a notable portion (16%). Together, these three groups account for 96% of the responses. Additionally, 3% of respondents are unemployed, while 1% are retired and 1% are employed part-time. This distribution aligns with the age profile of the sample, as two-thirds of

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the respondents are young adults, who are more likely to be categorized as students or working students.

The lack of representation from part-time workers, unemployed and retirees should be taken into consideration carefully. Employment status can impact a person's ability to afford and prioritize subscription services, as well as their viewing habits.

Lastly, since we aim to assess how SVOD platforms can grow the number of subscribers in the Portuguese market, it is crucial to go beyond the perceptions of current users. The final question of the survey asked participants to indicate whether they are currently using an SVOD platform (Table 6 – Part IV, Appendix 4). The survey results revealed that 87% of respondents are current users of these platforms, while the remaining 13% are non-users (Figure 13, Appendix 5). This data provides valuable insights into both the current user base and the potential for growth among non-users in the market.

It is important to highlight that subscription rates vary based on age, gender and employment status, as outlined in the Market Overview section of this thesis.

In this sample, respondents under 18, those aged 25 to 34 and 45 to 54 years old are all subscribed to SVOD platforms. However, all the individuals in the 35–44 age group are not subscribed. Among respondents aged 18 to 24 years old, 88% currently have a subscription, while 12% do not, a trend similar to those aged 55 and older, where 83% are subscribed to a SVOD platform and 17% are not (Figure 14, Appendix 5).

Regarding the gender distribution of the sample, 87% of female respondents are currently subscribing to at least one SVOD platform, while the remaining (13%) are not. Similarly, 88% of male respondents are subscribers, with 12% of male respondents being non-users (Figure 15, Appendix 5).

Employment status, a significant factor influencing willingness to pay and overall consumer behaviour, plays a key role in SVOD platform subscription rates. All part-time workers

## Group Part

surveyed currently subscribe to at least one SVOD platform, while all retired participants are non-users. Following part-time workers, students represent the largest group of users, with 92% subscribing and 8% not. Full-time workers follow closely, with 90% being users and 10% non-users. Among working students, 79% are subscribers, while 21% are non-users. Similarly, 67% of unemployed respondents are users, leaving 33% as non-users (Figure 16, Appendix 5).

## **6. Consumer Preferences – Conjoint Analysis**

### 6.1. Methodology

In the sphere of market research within the Portuguese video streaming sector, conjoint analysis emerges as a crucial method for capturing and understanding consumer preferences and the trade-offs they make among various service attributes (Sylvia J.T. Jansen 2011). This statistical technique is adept at dissecting how individual product characteristics influence consumer choice, thereby offering invaluable insights into consumer decision-making processes evaluating consumer behaviour.

The conjoint method typically involves the presentation of a set of product profiles to respondents, where each profile differs based on the levels of certain predefined attributes; these profiles may be evaluated through rating tasks, where respondents express their preferences on a scale, or through choice tasks, where they select their most preferred option from a set of alternatives. The results from these tasks are then analysed to model the utility that each attribute level provides to the respondent, allowing researchers to estimate the willingness to pay for specific product characteristics.

Historically, conjoint analysis has been applied extensively across various domains, including residential choice models where it is used to estimate the utility derived from different housing characteristics (Sylvia J.T. Jansen 2011). This method's versatility extends to other fields such as transportation, healthcare, and consumer goods, reflecting its broad applicability and effectiveness in extracting consumer preferences (M P G Schellekens and H.J.P.Timmermans

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1997) (Eric J.E. Molin, Harmen Oppewal, and Harry J.P. Timmermans 2001) (Eric J.E. Molin, Harmen Oppewal, and Harry J.P. Timmermans 2002).

The utility model derived from conjoint analysis not only quantifies the significance of each attribute but also elucidates the complex trade-offs consumers make among competing attributes. This model is typically operationalized through statistical techniques such as regression or multinomial logit models, depending on whether the data involves ratings or choices. These models produce parameters that indicate the extent to which each attribute level contributes to the overall utility derived from a product or service.

Furthermore, conjoint analysis is instrumental in predicting market behaviour; by simulating the decision-making process in realistic scenarios, it allows firms to forecast how changes in product attributes might influence consumer choices, thereby aiding in strategic product design and marketing. This predictive capability is particularly valuable in highly competitive markets where understanding subtle nuances in consumer preferences can lead to significant strategic advantages.

In conclusion, conjoint analysis not only offers a robust framework for understanding consumer preferences by dissecting the complex matrix of consumer decisions, but also provides actionable insights that can drive product innovation and marketing strategy. Its application across various sectors underscores its relevance and versatility, making it an indispensable tool in the arsenal of market researchers aiming to capture the market dynamics.

### *6.1.1. Survey*

In the Methodology section above, we employed the Brand-Specific Conjoint Analysis (technically known as a choice-based alternative-specific or labelled conjoint design) using the Conjointly platform, specifically recommended for comprehensive market analyses such as the exploration of video streaming platforms in Portugal. This approach, commonly employed in industries like FMCG, telecom, and tech, is particularly adept at uncovering consumer

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preferences where product characteristics significantly vary across brands, stock keeping units (SKUS), or price tiers; therefore, it is pivotal in understanding the diverse consumer preferences across different brands, where each service offers unique attributes that potentially influence subscriber choices. (Conjointly, 2024).

In setting up the basic configurations for the survey, we identified our product type to align with regular subscription services typical of the streaming industry; this classification supports the structure of our conjoint analysis by mirroring the routine decision-making process of consumers when choosing between competing streaming services.

The survey template was meticulously designed to enhance clarity and reduce potential confusion, integrating instructions and context directly relevant to the streaming services under study, this careful construction ensures that respondents fully understand the scenarios presented, leading to more reliable data.

We opted for the 'Bring your own respondents' method to target a demographic representative of the Portuguese video streaming market; this choice guarantees that the feedback and insights collected are pertinent and directly applicable to our study's focus area. Moreover, responses to the survey that were received incomplete or for which the server repeatedly indicated the need to go back and answer more slowly were excluded to prevent them from affecting the quality and relevance of the data collected; this is reflected in a strong R-squared index equal to 72.6% (Figure 25, Appendix 7).

To maintain realism in the survey scenarios and avoid presenting respondents with unrealistic or non-existent market offerings, we applied advanced settings that prohibited certain pairs of levels. For example, this setup prevented combinations such as high-end features like 4K video quality appearing alongside low-cost subscription plans.

To further our analysis, we included demographic questions in the survey regarding age, gender, employment status, and current usage of streaming platforms. An open-ended question was also

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added to capture any additional insights, which could reveal potential limitations or additional perceptions from the respondents (Table 6 – Part IV, Appendix 4).

We consciously decided against including questions about average screen time, recognizing the potential unreliability of such data due to the increasing tendency to use TV and streaming services as background activity; this decision was supported by considerations of the "rabbit hole effect" (Woolley and Sharif 2022) which suggests that viewers are likely to continue watching similar content types in sequence, potentially leading to skewed screen time figures. The justification for employing a brand-specific conjoint analysis lies in its numerous advantages for this research context. Firstly, this methodology enhances the survey's relevance and realism by closely simulating real-life decision-making processes tailoring attributes and levels to specific brands; it allows indeed for a detailed examination of each brand's unique attributes which are crucial for understanding consumer preferences. Furthermore, focusing on individual brands reduces cognitive overload for participants, leading to more considered and accurate responses. It also enables precise market segmentation, allowing us to identify distinct preferences and behaviours within consumer groups to target customer segments more effectively with tailored marketing strategies. Finally, the outputs of brand-specific analysis include preference share simulations, revenue projections, and elasticity of demand studies that allow businesses to perform "what-if" scenarios, estimating how changes in product features or pricing strategies might affect consumer behaviour and market share.

### *6.1.2. Choice of Attributes*

In this section, we elucidate the rationale behind the selection of attributes and levels employed in the brand-specific approach to our conjoint analysis. This examination focuses on how various attributes influence consumer choices across different streaming platforms, crucial for understanding the consumer decision-making process in the video streaming industry. The attributes selected – monthly fee, advertisements, free trial period, video resolution, original

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content, and number of supported devices—are fundamental, each reflecting a critical aspect of the service offering that can significantly impact subscriber attraction.

- **Monthly Fee:** Directly influencing consumer affordability and perceived value, this attribute is a primary factor in subscription decisions. The pricing strategy is aligned with market trends where platforms like Disney+ and Netflix adjust their subscription fees to address competitive pressures and consumer expectations in various markets, including Portugal, which shows a growing SVOD penetration (Statista 2024j).
- **Advertisements:** The presence or absence of ads significantly affects the user experience, with many consumers preferring ad-free environments. This preference impacts their willingness to pay and choice of service, especially as some SVOD services in Portugal, like Disney+, introduce ad-supported tiers to balance lower subscription costs against ad exposure (Dan Gallagher 2024; PwC 2024).
- **Free Trial Period:** A crucial marketing tool for attracting new users, allowing them to experience the service without a financial commitment. Platforms like Netflix have historically leveraged high-quality free trials to effectively convert trial users into paying subscribers (Li, Jain, and Kannan 2019). In Portugal, the potential for premium tiers and free trials is significant, considering the lower penetration rates and the high growth potential of the SVOD market (European Audiovisual Observatory 2021).
- **Video Resolution:** With the increasing availability of high-definition and 4K content, the quality of video playback remains a significant factor enhancing viewer satisfaction. This is particularly relevant as high-quality streaming becomes a standard expectation among the tech-savvy, younger demographics in Portugal (Statista 2024e).
- **Original Content:** Access to unique, platform-specific content can be a decisive factor in the competitive streaming market. The importance of original content is highlighted by the presence and success of platforms like Netflix and Apple TV+ in the Portuguese

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market, which attract subscribers by offering exclusive, often locally resonant content (European Audiovisual Observatory 2021). We differentiated this attribute in “few original contents” and “many original contents” based on the information of each platform’s help centre.

- **Number of Supported Devices:** The flexibility to use multiple devices simultaneously caters to households with multiple viewers, impacting the practical value of the service. This attribute reflects the evolving consumption patterns where users expect to access content across various devices seamlessly and it will be pivotal to the analysis of different segments of users.

The levels assigned to each attribute were carefully chosen to represent realistic market variations and to reflect the competitive positioning of different brands. For example, video resolution levels range from Full HD to 4K, covering the spectrum of current market offerings, and pricing levels are set to mirror the actual price ranges consumers encounter, from standard to premium plans.

This detailed configuration of attributes and levels allows the conjoint analysis to simulate real-world decision-making environments accurately. It enables the assessment of how variations in these attributes influence consumer preferences and their trade-offs, such as how much more consumers are willing to pay for a service without advertisements or for higher video quality. Furthermore, the brand-specific nature of the study means that each attribute level can be tailored to reflect the unique characteristics and strategic focuses of individual streaming services. This approach not only increases the relevance of the findings but also enhances their applicability in formulating targeted marketing strategies for each brand, addressing the diverse needs and preferences highlighted by recent market studies and consumer behaviour research.

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### *6.1.3. Data Collection*

The experiment was launched on the 6<sup>th</sup> of October 2024 and subsequently closed on the 11<sup>th</sup> of November 2024, after collecting 312 responses, exceeding the 300 responses minimum recommended by the platform.

Data were collected by distributing the survey via a link, QR code, and through word-of-mouth to university colleagues, friends and families, reaching a diverse sample differentiated by gender, age and professional background. This multifaceted approach aimed to capture a wide range of perspectives and ensure the robustness of the results; the use of digital links, QR codes, and personal referrals facilitated accessibility and convenience for respondents, encouraging participation across various demographic segments. This method enabled a broader demographic representation, essential for the validity and generalizability of findings within the context of video streaming preferences in Portugal.

## **7. Additional Research – Piracy Implications**

### 7.3. Methodology

In order to deepen the analysis on how consumers perceive digital piracy, it was decided to include in the perceptual map survey an additional question named question 18 which can be seen in Appendix 4 (Table 6 – Part III, Appendix 4). In this question, respondents were meant to indicate to which level they identify with the sentence given. The rationale for opting to use a survey methodology arose from the need for direct data on attitudes and behaviours that are otherwise difficult to measure accurately due to the sensitive nature of piracy.

The study aimed specifically at gathering participants in Portugal, once the focus of the analysis is related to the Portuguese Market. As it was previously mentioned in the Perceptual Map Methodology section, the total sample size collected comprehended 111 respondents. However, if the respondent was not from Portugal, the survey closed, this condition resulted on a total of

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87 answers. While limited, the sample size was structured to capture a diverse cross-section of demographics including age, gender and socioeconomic factors, ensuring a fair representation of the Portuguese population.

The question in analysis (question 18) was design to analyse users' attitudes, motivations and behaviours concerning both legitimate streaming services and piracy websites, providing essential data on several critical dimensions of the issue. The question was broken down into several sub-questions, where respondents were asked to indicate the degree to which they agreed or identified with each statement provided.

- *I have stopped subscribing to streaming platforms in favour of using piracy websites.*

With this question, one can directly examine the migration from legitimate streaming services to piracy, as such, highlighting how competitive piracy may become against paid streaming platforms. Additionally, it concerns the core topic of this thesis - subscriber attraction. Through the responses, one will be able to measure the efficacy of the current business models, covered in the Literature Review section, performed by the streaming platforms when it comes to attract and also retaining costumers.

- *Despite the associated risks, I consider piracy websites to offer a satisfactory experience*

It focuses on evaluating the extent to which users perceive piracy platforms as fulfilling despite the inherent risks involved. By analysing responses to this question, it is possible to assess whether individuals continue to view piracy as a favourable option, even when faced with potential consequences such as legal issues, malware, or privacy concerns. This question is particularly valuable for understanding the trade-offs consumers are willing to make, being capable of revealing the dissatisfaction with legitimate streaming services. If users find piracy options preferable despite the risks, it reflects significant gaps in the strategies adopted by the different streaming platforms. Furthermore, it highlights areas where streaming services might

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need to innovate such as improving user experience or content diversity in order to retain users and dissuade them from seeking illicit options.

- *I use piracy websites when I feel that the price of official platforms is not reasonable*

This sub question highlights a crucial and often nuanced aspect of consumer behaviour – price sensitivity and its role in motivating piracy. It emphasizes a critical component of consumer behaviour, price sensitivity, and its significance in driving piracy. This topic is particularly intriguing since it explores not only the financial thresholds at which consumers opt for illegal solutions but also reveals the value differentiation between legal and illegal streaming services. In other words, it investigates whether consumers perceive the value provided by legal platforms to sufficiently outweigh the appeal of free, yet illegal access.

- *I believe access to films and series is a form of entertainment that should be available to everyone, even if it involves using piracy.*

It delves into the ethical and moral dimensions of piracy, exploring whether consumers perceive illegal streaming as a justifiable means of ensuring universal access to entertainment. This question taps into broader cultural and ethical debates around the accessibility of digital content, intellectual property rights, and the perceived fairness of the entertainment industry's pricing strategies. From a theoretical point of view, this inquiry relies on concepts of social justice and fair access, which often guide consumers' decisions in environments where financial and geographical barriers to content access play a crucial role.

- *I feel that streaming platforms have not done enough to add value to their subscriptions, which motivates me to seek out piracy.*

This question aims to investigate consumer perceptions of paid streaming services, exploring whether the current state of streaming platforms influence the trade off to piracy. This question directly links consumer satisfaction with subscription retention. If users feel that the value of a

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streaming service is insufficient, they may be more inclined to seek out alternative, illegal sources.

In this sense, each sub question composing the survey was designed to explore the different aspects related to the piracy issue. This analysis will be capable of offering a multifaceted view of consumer behaviour, motivations, ethical considerations and satisfaction levels. When carefully examining these dimensions, one can better understand why users might choose piracy over legitimate streaming services. Furthermore, by taking into account the different perspectives from the results, one can identify potential areas for improving, helping streaming platforms to better fulfil the needs of each segment of individuals.

## **8. Conclusion**

### 8.1. Discussion

This thesis provided valuable insights into consumer preferences and perceptions, identifying key attributes or factors that impact subscriber attraction. This section of the thesis will provide a summary and conclusion of the key findings based on both quantitative and qualitative findings, aiming to answer the central research question: *“Video streaming platforms: How SVOD platforms can attract new subscribers in the Portuguese market”*.

The Portuguese SVOD market, similarly to other saturated markets in Europe and the U.S., is witnessing a decrease in growth rate. It has become increasingly more challenging to capture consumer attention and drive subscriber acquisition in an environment where consumers often feel overwhelmed with the number of platform options. As the Max expert noted in the interview, this abundance has made the decision-making process more complex, pushing consumers to become increasingly critical and selective in their choices. Despite the slowing growth rate of the market, the penetration rate of SVOD services is still relatively low, highlighting significant untapped potential. This raises the question of how SVOD platforms can attract new subscribers in the Portuguese market.

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The Market Overview section identified that an estimated 67.9% of consumers aged 16 to 24 already subscribe to SVOD services, indicating limited potential for growth in this segment. However, older age groups such as 35 to 44 (48.8%), 45 to 54 (39.2%) and 55 to 64 (21.6%) (Figure 2), show a significantly lower proportion of SVOD subscribers, indicating substantial growth potential in these later age groups. Thus, SVOD platforms in Portugal, could broaden their focus beyond the young consumers and implement targeted strategies to attract the older consumers.

Throughout this thesis, exclusive and original content emerged as a crucial factor for consumers. The Preliminary Interviews revealed that all participants – both users and non-users – consistently identified exclusive and original content as one of the most important attributes both in the decision-making process and in maintaining a subscription after a trial or promotional period. Similarly, the perceptual analysis indicated consumers highly value the attribute of exclusivity, with platforms perceived as high-quality being strongly associated with having exclusive content and less likely to be perceived as outdated, boring and low-quality. This emphasizes the critical role of exclusivity in shaping positive consumer perceptions of a platform, enhancing its overall appeal. Moreover, the quantitative analysis conducted on the conjoint data yielded supporting insights, confirming that the success of platforms such as Netflix and Disney+ can be attributed significantly to their extensive and exclusive content libraries that allow for the satisfaction of a broader user base, as highlighted in the violin plot. Thus, it can be concluded that exclusivity is a key attribute and at the core of subscriber attraction and acquisition (Greenwood Kim David, Kennard Kate, and Mowry Chris 2022).

Another attribute that emerged throughout this thesis is the importance of local content. The perceptual analysis identified a general consumer perception that SVOD platforms did not offer sufficient local content. As emphasized by the Prime Video expert, sourcing local content and production with local broadcasters or media companies is a crucial strategy in subscriber

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attraction (Alejandra Fran 2024). The success of this strategy is highlighted by the platform's performance in the conjoint analysis, in which Prime Video appears as one of the most preferred platforms in terms of preference score. While leading platforms such as Netflix and Prime Video heavily invest in local content, the perceptual analysis suggests these efforts are insufficient and inadequate in addressing Portuguese consumer expectations. While local content is important to consumers, platforms perceived as global were also perceived positively, being associated with high-quality, relevance and entertaining offerings. Therefore, SVOD platforms, must invest in the production of local content to effectively attract new subscribers, however, balance it out with a wide selection of global content.

Price was concluded to play a crucial role in decision-making for consumers. However, its weight differs in the decision-making process depending on the platform. For well-established platforms such as Netflix and Disney+, consumers exhibited greater willingness to pay higher prices, likely because these platforms are perceived as having a higher quality, as evidenced in the perceptual analysis. Conversely, for newer entrants such as SkyShowtime, consumers' willingness to pay is lower, likely because its reputations and visibility is less established.

Price sensitivity is particularly evident when analysing the different segments created on Conjointly, from which it emerges that students, working students and unemployed consumers, as expected, prioritize affordability and are willing to compromise other features for significant savings. Notably, the student segment is more inclined to turn to piracy websites, as they prioritize affordability over risks associated with accessing illegal content. As SVOD platforms were generally perceived as slightly expensive by consumers, this emphasizes the importance for platforms to carefully price subscription tiers, as this segment may turn to piracy websites due to high costs of SVOD services.

For part-time, full-time and retired consumers, although price is still important, this segment is willing to pay a higher price for premium features, such as the number of simultaneous screens

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available. From the analysis conducted in the section 6.2, a price point of €10.99, is the ideal compromise between consumer willingness to pay across platforms while offering valuable features and maintaining competitiveness.

Simultaneous streams were concluded to be a highly valued feature and of high importance, perceived as a key benefit that enhances the overall value of the platform, with a clear majority of consumers across platforms favouring plans that allow three or more concurrent streams. This feature is also crucial and highly valued by family households as evidenced by insights from both the Preliminary Interviews and from the segmentation considering younger users and older users.

The perceptual analysis revealed that some participants perceived the platforms as generic and lacking in customization. Similarly, the non-user interviews highlighted that majority of participants struggled to identify clear differences between platforms, only identifying a few differences in content between well-established platforms, such as Netflix and Disney+. This perception is also evident in the outputs and percentages of the conjoint analysis in which some platforms, particularly Globoplay, were considered marginally. The Prime Video expert noted, the industry's increase in investment in original content should be accompanied with efforts to ensure the original content reflects the platform's unique production style, setting it apart in the market. This perception of platforms being generic and the difficulty in differentiating between platforms further adds complexity to the consumer decision journey. In competitive landscapes, content differentiation is what sets platforms apart (Jiang, Tian, and Zhou 2019, 1076), thus increasing investment in exclusive productions is crucial to attract subscribers and build brand loyalty (Alejandra Fran 2024; Afilipoaie, Iordache, and Raats 2021). This underscores the need for SVOD platforms to establish clear distinctive positionings and identities, and reinforces the importance of exclusive content.

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Furthermore, the perceptual analysis demonstrated mixed perceptions in how well platforms cater to individual preferences. Kantar (2024) reported only 8% of SVOD subscribers are satisfied with tailored recommendations provided by the platform. This highlights the importance of enhancing the customization of the platform to ensure that consumers find content that aligns with their interests, encouraging retention and avoiding passenger behaviour. This is further supported by the interviews, where a particular participant struggled to find content of interest in Max and thus unsubscribed. Additionally, the perceptual analysis revealed that platforms with personalized features are perceived as innovative and associated with relevance and entertainment. By integrating personalization features, platforms can strengthen their overall appeal to consumers.

Regarding advertisement and its role in subscriber attraction, interestingly, the conjoint analysis revealed that the presence of advertisement does not significantly discourage consumers from subscribing to a SVOD platform. Analysing the consumers' preferences for all the platforms, consumers clearly place greater value on other attributes such as price, quality of the video and simultaneous screens. While consumers tolerate the presence of advertisements, this tolerance is dependent on the perceived value of the platform and its pricing. Furthermore, Kantar (2024) reported consumer acceptance of ads is rising, with 49% of households globally willing to compromise on ad-supported plans if accompanied with a price reduction. This suggests that the presence of advertisement is sustainable for subscriber attraction if it is carefully balanced out with competitive pricing and strong offerings of other key attributes, such as simultaneous streams. The Preliminary Interviews with non-users revealed mixed attitudes, with some participants advertisements tolerable, while others would consider it annoying. Currently less than 25% of consumers find advertisement on SVOD platforms relevant to their interests and one in three would prefer more tailored advertisements (Kantar 2024). This highlights that personalization of ads could improve the experience of the presence of ads further in a platform.

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However, the Prime Video expert, noted that the recent introduction of advertisement in the platform resulted in lower churn rates than expected, indicating its presence is not a decisive factor for subscription cancellation for a significant number of consumers. Additionally, the conjoint analysis identified that for younger generations, the importance of advertisement is significantly low, and for older generations, the importance is even lower, suggesting that overall, the presence of advertisements is unlikely to be a significant factor for subscriber attraction.

Regarding free trials, the only insights retrieved were from the Preliminary Interviews, as the conjoint analysis did not yield conclusive results for this attribute. The user interviews revealed that free trials may encourage consumers to try a platform, however, it does not translate into long-term commitment. The participants emphasized that specific characteristics, such as a large content library and exclusive content, are crucial to assess the value in keeping the subscription after a free trial period. The male non-users indicated that promotions would not encourage them to try SVOD services, whereas the female participants admitted they would likely try a platform if it offered a significant promotion and a large content library. This suggests that female non-users may be easier to acquire than male non-users, as they are more willing to try SVOD platforms and pay for a subscription (Punj 2015, 184).

The conjoint analysis indicated that video resolution was not of significant importance for consumers. While 4K resolution was slightly more desirable, this is an attribute consumers are willing to compromise on, particularly price-sensitive consumers. Additionally, content available for download was found not to be a factor of high importance.

Finally, some attributes were found to be of particular importance for older consumers. Findings suggest that older generations prioritize simplicity and value, potentially focusing on straightforward subscription options and quality content. The consumer interviews further support this, as older non-user participants emphasized the need for simplicity in user interface,

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as this is a quality they value in traditional pay TV. Additionally, Netflix was the preferred platform particularly among older consumers; this could be due to Netflix being the first SVOD platform to enter the Portuguese market and thus having some familiarity to it, highlighting the importance of an established reputation and perceived reliability for older consumers. Furthermore, older generations, assumed being either retired or working full-time, are less price sensitive than younger generations, with a greater willingness to pay for premium features.

In summary, the findings from the Preliminary Interviews, perceptual and conjoint analysis provide insights into the key attributes to drive subscriber growth in the Portuguese market, as well as some attributes that consumers are willing to compromise on. Key attributes identified throughout the analysis include original and exclusive content, competitive pricing, simultaneous streams, and local content. While other attributes such as the presence of ads although tolerated by consumers, must be balanced with competitive pricing and attributes consumers consider of high value. Finally, personalization of the platforms such as recommendations of content and content differentiation are crucial for platforms to satisfy consumer needs and stand out in a highly competitive market.

### 8.2. Managerial Implications

In the previous section, when taking into account consumers perceptions and preferences, it was identified key attributes for consumers, but also relevant weaknesses in streaming platforms' strategies. This section aims at exploring potential solutions and determine how these platforms can better capture user attention and meet their expectations.

In this sense, to remain competitive, streaming platforms must prioritize a flawless and fully personalized user experience. As mentioned in the Discussion section, only 8% of SVOD subscribers are satisfied with the platform's tailored recommendations (Kantar 2024), emphasizing the need for improved customization, in that regard, onboarding processes should be intuitive to minimize barriers for new users, while customer support should be responsive,

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addressing the different user needs effectively. According to a study conducted by the consulting firm EY, 56% of respondents chose “user experience” as one of the top three criteria for selecting a streaming service. Taken from the study, personalization goes far beyond tailoring the content. True personalization involves optimizing the entire customer journey, starting with a smooth onboarding process and extending it to responsive customer care that effectively addresses individual needs. It also includes adapting communication to each user’s preferred frequency, timing, and method. When combined, these enhancements not only increase user satisfaction but also contribute significantly to higher view rate and effective customer retention (Douin, 2023).

The emerging trend of cloud gaming represents a significant opportunity for diversification and growth. By leveraging cloud gaming, streaming platforms can attract new user segments, particularly gaming enthusiasts. Developing a consistent gaming ecosystem, as exemplified by Netflix’s recent experiments with cloud gaming, is a promising strategy (Drenik 2024). In this case, Netflix offers interactive gaming linked to its IPs like *Stranger Things*, a Netflix Originals. Through it, fans are able to engage with familiar characters and storylines outside of just watching the show. Amazon Luna is also another example of this innovative strategy. Other streaming platforms can also consider integrating gaming services into subscription bundles, for example, offering premium tiers that include access to exclusive games.

Additionally, the increasing consumer demand for live sports provides a strategic opportunity for streaming platforms to attract and retain subscribers. Research shows that 64% of consumers consider the availability of live sports a critical factor in choosing a provider (Drenik 2024). This demonstrates the importance of securing exclusive sports agreements, such as Netflix’s WWE partnership, to capture a growing audience segment. Platforms should also consider bundling live sports with supplementary offerings like behind-the-scenes content or related documentaries in order to increase customer value. Expanding partnerships with international

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sports leagues can further appeal to diverse audiences and elevate platforms' position from competitors. To attract subscribers, platforms might explore innovative pricing models tailored to sports enthusiasts, such as pay-per-view options or even seasonal subscriptions (Drenik 2024).

Furthermore, another key driver for subscriber attraction can be the usage of audience data. According to a report from EY, combining first-party data (information collected directly from a company's own users' data) and second party data (obtained through partnerships with other companies that share their audience insights) enables platforms to create a more precise understanding of their audience. With these data, it can be revealed which advertising efforts are most effective in converting potential subscribers into paying customer, or even, identifying what types of programming attract and retain viewers. Analysing audience data enables streaming platforms to identify and focus on users that are more likely to subscribe, stay longer, or be engaged more actively. Through this, platforms can tailor their content to meet the specific interests of the diverse groups. When it comes to the feasibility, it has been shown that consumers are open to sharing personal data with brands if it results in a better and more personalized experience, such as customized recommendations, personalized content, or special features. As such, this willingness provides streaming companies an opportunity to enhance personalization while building trust through transparent data usage (Vincent Douin 2023).

To sustain this point, the report even provides case studies that exemplify how effective this solution can be. It comprises two scenarios, a Sports Streaming Service Launch and a US Consumer Cable Provider. The first scenario encompasses a media company that launched a new sports streaming platform using a personalized, data-driven advertising strategy that focused on driving subscriptions and re-engagement. By optimizing the campaign targeting and attribution, the platform attracted approximately 400,000 paying subscribers within a year. These subscribers were highly engaged, averaging 6 hours of weekly viewing and following 4

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to 5 sports monthly. In the second scenario A U.S. cable, internet, and wireless provider was capable of growing a \$100 million business unit. By collaborating with EY to implement more targeted acquisition campaigns, the company achieved a record 15% increase in sales while maintaining the same marketing budget. Both the scenarios illustrate how data-driven strategies can optimize marketing efficiency and ultimately increase subscriptions.

The previously presented information offers general recommendations that can be applicable to all streaming platforms in general, supported by examples from Netflix, the Portuguese market leader. In the following part of the section, specific recommendations for each platform will be provided, based on the results obtained from both perceptual map and conjoint analysis summarized in the Discussion section.

Taken the insights derived from the perceptual map and conjoint analysis, three tiers could be found, Netflix and Disney+ occupying the top positions; Prime Video, Max and Apple TV+ representing the middle tier; and lastly SkyShowtime and Globoplay occupying the last positions.

As it was previously acknowledged, Netflix stands out as the market leader, being recognized for high-quality content and strong alignment with mainstream preferences. Its ability to cater to a broad audience base has been a key factor for its success. To maintain its leadership position, Netflix should prioritize subscriber retention by continuously innovating its content library, investing in personalized recommendations and enhancing user experience. Additionally, as stated in the Discussion section, Netflix is recognized for heavily investing in local content, however results suggest these efforts are being insufficient in the Portuguese market. A possible solution to consolidate its market share is to expand localized content in order to meet regional preferences while complementing its offerings with a wide selection of global content.

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Following the leader, Disney+, perceived as offering high-quality content with moderate alignment to mainstream preferences, is on a favourable growth position. In that regard, while maintaining its well-known family-oriented identity, Disney+ can increase even further its portfolio investing in genres like thrillers or adult-oriented dramas, such as diversifying its offerings to reach broader audiences. Furthermore, to tackle the previously mentioned issue of personalization, Disney+ may implement greater personalization of subscription plans aligned with diverse consumer preferences, ultimately improving the overall satisfaction and preference rates.

From the Discussion section, it is acknowledged that the presence of advertisement is sustainable for subscriber attraction if it is carefully balanced out with competitive pricing and strong offerings of other key attributes, as such, it could be interesting for both Disney+ and Netflix to take advantage of their positioning and incorporate advertisement in their subscription tiers. Through it, they may enhance accessibility without compromising brand equity. The revenue generated could fund the investment in local and exclusive content production to increase the value proposition of their offerings thus attracting new subscribers.

Focusing on the second tier, Prime Video, Apple TV+ and Max each occupy unique positions in the streaming market, with opportunities for growth through tailored strategies. Prime Video offers moderate quality and mainstream alignment, taking advantage of its broader ecosystem for competitive advantage. To broaden its appeal, it could invest in content targeting underrepresented genres such as regional dramas, documentaries, and niche genres such as Docudrama (Dramatized accounts of real-life events with historical or social commentary), Anthology Series (Presents self-contained stories in each episode or season, often within a theme) or even Folk Horror (which centres around rural settings, folklore, and supernatural themes). Similarly to Netflix, this platform invests heavily in local content; however, these efforts remain insufficient in meeting Portuguese consumer expectations. As such, a more

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targeted approach prioritizing both content diversity and accessibility is necessary to better align with audience expectations.

Additionally, when it comes to Apple TV+ it struggles with a limited library, in this sense, expanding its portfolio, similarly to Amazon's approach, and leveraging its ecosystem through bundled services could attract a broader audience and enhance its overall market presence.

Regarding the streaming platform Max, it excels in high-quality content however only serves a niche audience. To broaden its appeal, it should balance premium programming with accessible genres like reality TV or family-friendly series. Additionally, investing in free trials with device purchases, similar to Apple's approach within its ecosystem, could differentiate Max from its competitors while enhancing quality.

To finalize, in the last tier, Globoplay aligns with the mainstream preferences but presents the lowest quality perception among its competitors in analysis. To address this issue, it could prioritize high-quality originals and acquire more diverse content to improve its reputation in the Portuguese market. SkyShowtime, on the other hand, has an opportunity to focus on a specific niche, such as classic films or regional content. Tailoring offerings to local tastes can strengthen its market appeal and help establishing a unique identity, in fact, with offerings that are specific to regional preferences SkyShowtime can create a distinctive brand and increase its market attractiveness. Taken into account the findings from both analyses, the main common result is that the platform must focus on building awareness and emphasizing its unique value propositions to increase popularity in this competitive landscape.

While the above recommendations address platform-specific opportunities, piracy remains a critical universal challenge that affects all streaming services regardless of their positioning

Taking it into consideration, looking at the results from section 8.4, while 54% of users still value legitimate services, platforms must reinforce their upper value through ad-free experiences, specifically relevant for Netflix and Disney+ as previously mentioned, exclusive

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releases or behind-the-scenes content, once piracy is not able compete with the user's quality of experience such as offline downloads, superior streaming quality or users' interfaces. Additionally, when aiming at attracting new subscribers, streaming platforms could attract price-sensitive customers, as it was concluded in the Discussion section to play a crucial role in decision-making for consumers. However, one should not forget that its weight differs in the decision-making process depending on the platform. Offerings such as temporary discounts or student pricing options, as it can be seen in music platforms such as Spotify, are able to make piracy less attractive for users. Based on the findings from both the conjoint analysis and piracy results, younger segments, whether students or young professionals, prioritize affordability and seem to be willing to trade off other features for significant cost savings. Therefore, implementing strategies that focus on affordability is an effective and coherent strategy for streaming platforms. Not only does this attract younger audiences, but it also discourages them from the usage of piracy sources, creating a solution that addresses both subscriber acquisition and piracy prevention.

Driving to the ethical and legality of piracy, streaming platforms should emphasize their role in supporting the creative industry, aligning with consumers who value intellectual property rights. This messaging will be particularly interesting for ethically driven users, especially older demographics. Additionally, for the younger generations that prioritize accessibility over legality, platforms should publicly address and focus on the personal consequences such as data theft or malware that piracy options undertake, dissuading its use.

Many users turn to piracy for broader access but often experience dissatisfaction (37.9%) due to pop-ups, ads and security risks. Platforms should highlight their strengths, for example, no interruptions, better resolution, and safe payment systems while offering direct comparisons to show how streaming platforms address common piracy frustrations, such as buffering issues or unreliable subtitles.

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When addressing the frustrations derived from the Geoblocking phenomenon, platforms should emphasize their role in supporting the creative industry, aligning with consumers who value intellectual property rights. Additionally, it is also interesting for streaming platforms to use region-specific marketing to highlight content designed for specific markets, emphasizing legitimate access without requiring VPNs or the usage of piracy websites.

Another solution that addresses both piracy concerns and subscriber attraction lies in enhancing the tailored customer experience, as previously mentioned in this section. Streaming platforms could introduce collaborative features, such as allowing subscribers to vote or invest in the types of films or series they want to see produced. This approach encourages user loyalty by increasing engagement and involvement while offering exclusive content that reduces the appeal of pirated alternatives. Additionally, platforms can further enhance their personalization strategies by incorporating real-time customization based on user mood or activity. For example, allowing users to indicate their current feelings could allow algorithms to tailor content to match users emotional state. This personalization not only improves user satisfaction but also creates a more immersive experience that discourages audiences from seeking illegal alternatives.

Concluding the managerial implications, streaming platforms must not only optimize their existing strategies but also implement new approaches in accordance with customer preferences and brand perceptions. This involves strengthening their value proposition through features such as ad-free experiences, exclusive releases, and behind-the-scenes content to retain subscribers and enhance brand loyalty. At the same time, streaming platforms should not disregard the challenge posed by digital piracy. By understanding its influence and consequences, they are able to implement strategies that highlight the advantages of legitimate services, for example, reliability, quality, and exclusive content. Through this, platforms can position themselves as a higher-value and legitimate option for consumers.

### 8.3. Limitations and Implications for Future Research

The identified limitations in this thesis lay the foundations for possible suggestions for future research.

As evidenced by Literature Review and to the best of current knowledge, there are not many country-specific studies on SVOD platforms, particularly when it comes to the Portuguese market. This gap presents an opportunity for further exploration of the Portuguese SVOD market as further studies could lead to a more cohesive body of literature, establish a more solid foundation for understanding the dynamics of this market, and develop more tailored insights to the unique characteristics of the Portuguese context (Snyder 2019, 333).

Another intriguing avenue for future exploration is the impact of ad-subscription tiers of SVOD platforms on subscriber attraction, a topic briefly introduced in the Literature Review section. This is particularly relevant in the Portuguese context, where this is a relatively recent development. As more platforms introduce these features, studying consumer reaction and price sensitivity can also potentially become increasingly important.

During the Preliminary Interviews, several limitations were encountered, particularly those conducted with industry experts. When contacted, many industry experts were reluctant or unable to participate, thus affecting the number of industry expert interviews conducted. Several were constrained by confidentiality agreements with the SVOD platforms they represented thus restricting them from sharing information on consumer behaviour or the platform. As a result, the interview script for the industry experts was cut shorter to accommodate these restrictions. Furthermore, often the industry expert had a time constraint, thus limiting the depth of their responses.

Additionally, the Max industry expert's inability to be interviewed through a video conferencing platform or in person resulted in further limitations. According to a study conducted by Heiselberg and Stępińska (2023) the main limitation from telephone interviews

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is the absence of visual cues which significantly affect the quality of the insights retrieved in the interview due to the loss in contextual information and nonverbal communication, potentially leading to a misinterpretation (Heiselberg and Stępińska 2023a).

These limitations highlight the challenges in gathering comprehensive and representative insights from the SVOD industry. Future research, particularly in the context of the Portuguese SVOD market, could aim to address these limitations by interviewing more industry experts through video conferencing platforms, taking into account it is a lengthy process. Furthermore, strategies such as anonymized data collection or collaboration with third-party research organizations may help gather more information, without breaching confidentiality agreements. Additionally, having more in-depth interviews or of longer duration could further reinforce the quality and preciseness of the information being shared. Such an approach combined with consumer insights, may uncover gaps and opportunities for SVOD platforms to strengthen their positioning within the Portuguese market.

Regarding the perceptual analysis, two limitations were also identified. Firstly, the number of responses received in the survey could be highlighted as a limitation. While the survey gathered a total of 111 responses, the sample size consists of 87 participants who indicated that they either lived or used SVOD platforms based in Portugal. Research suggests that selecting an appropriate sample size to the specific topic in analysis is crucial for obtaining accurate and meaningful conclusions, while also highlighting that there isn't a universal rule for an ideal sample size, as it depends significantly on the industry, topic and research objectives (Mumtaz Ali Memon 2020).

Future research should aim to include a larger and more diverse sample size. This larger pool of respondents would increase the statistical reliability of the findings and provide a more comprehensive and realistic understanding of consumer perceptions in the Portuguese SVOD market.

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Furthermore, another relevant issue was the lack of familiarity among some respondents with specific SVOD platforms, which can skew results. The majority of the SVOD platforms mentioned in the survey are well known platforms that have been in the Portuguese market for quite some time, but some have entered the market more recently, namely Globoplay which entered the market in 2021 (Salvador 2021) and SkyShowtime, which was launched in the Portuguese market in 2022 (Salvador 2022). For instance, a respondent might label SkyShowtime as an expensive service without knowing that it offers plans starting at €4.99 (SkyShowtime 2024), since it is not familiar with the platform. This extends beyond just the *Affordable* or *Expensive* attribute under analysis, impacting the evaluation of all attributes assessed in the perceptual map survey and mentioned in the designated section of the thesis.

As a result, the survey may yield misleading insights into consumer preferences, as decisions are based on incomplete or inaccurate information. Studies regarding consumer behaviour and perceptions indicate that familiarity with the product or service in analysis significantly impacts the results of the research, shaping consumer perceptions and influencing decision-making processes (Magnus Söderlund 2002). When consumers are not informed about a certain product or survey their evaluations are more likely to be based on assumptions rather than informed insights. To obtain accurate results, it is essential that survey participants are familiar with the platforms under evaluation.

Therefore, future research should delve deeper into the role of platform familiarity. Moreover, subsequent research could provide pre-survey materials or brief fact sheets on platform features, reducing skewed perceptions caused by lack of awareness. Longitudinal perceptual research, i.e., across time, would also be valuable to track how consumer perceptions evolve and change as platforms establish themselves in the market.

For the conjoint analysis, the use of the Conjointly platform to run the experiment is subject to specific design and data limitations.

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Firstly, annual subscription options were excluded to avoid overcomplicating the experiment potentially limiting the range of consumer preferences captured; with the attributes and levels specified the experiment required a minimum of 300 responses to ensure statistical validity, which posed a challenge for data collection in short time. Future experiments could consider a broader range of subscription options, such as annual plans, even if this addition would add complexity and probably would require a higher number of responses, therefore a more extended period of collection of those. The inclusion of annual subscription in the design of the experiment can help capture a more comprehensive range of consumer preferences towards subscription options and even test whether adding complexity affects respondent engagement. In addition, a practical limitation that emerged during the survey involves the platform's adaptability to mobile devices: feedback from participants suggested that the Conjointly survey interface might not be optimally designed for mobile users and considering the increasing prevalence of mobile internet access, this limitation could affect the quality of responses, as respondents who find the survey challenging to navigate on their phones might not complete it or may provide less thoughtful answers. Future research on the area could consider exploring alternative data collection methods, ensuring better compatibility and understanding for mobile users. Additionally, these questionnaires could be conducted in specific designated spaces, such as Nova Behavioural Lab (Nova SBE's dedicated space for marketing research), that ensures access to the survey through the computer, although acknowledging potential sample bias. Moreover, another limitation of the experimental design lies in the restricted insights provided for platforms with fixed subscription plans or a limited range of variable attributes. Specifically, for platforms such as Prime Video, Apple TV+, and Globoplay, which lack variability in attributes, the conjoint analysis conducted via Conjointly yielded fewer comprehensive results; this limitation stems from the platform's inability to evaluate user preferences effectively when the attributes in question offer little or no variation. Consequently, the survey responses

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provided limited data on how these platforms are perceived in comparison to those with more flexible or diverse subscription options. This challenge highlights the inherent difficulty of applying conjoint analysis to services that operate under rigid structural models, thereby limiting the scope of actionable insights that can be drawn for such platforms. For future analysis, researchers may consider addressing this limitation by conducting conjoint studies that focus on hypothetical scenarios that simulate potential changes to those fixed platforms, such as introduction of new price tiers, exclusive content options among others. Furthermore, for further conjoint analysis conducted to SVOD platforms in Portugal, it might be the case that researchers may want to explore consumer preferences towards other attributes that emerge as more detrimental in the future.

Lastly, conjointly generated a notification regarding the pricing levels, specifically indicating: “Please note that some pricing analytics might not be available because of the price levels specified: The chosen price levels should have approximately equal gaps between them.”. This alert highlights the platform's sensitivity to uniformity in price intervals for accurate pricing analytics. For future research purposes, one could incorporate hypothetical price levels not currently present in the Portuguese market into the design of the experiment to fill the gaps, or the experiment to perform a preference analysis could be implemented on other platforms.

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## 10. Appendix




### Appendix 1 – SVOD services in Portugal

SVOD platforms operating in Portugal	
Amazon Prime Video	NOS Play
Apple TV+	SkyShowtime
Disney+	Globoplay
Max	AXN Now
Netflix	Crunchyroll
RTP Play	Film Twist
TVI Player	Meo Filmes e Series
Opto SIC	Nick+
Mubi	Panda+
Filmin	Rakuten TV

*Table 1: SVOD platforms operating in Portugal*

### Appendix 2 – SVOD Platforms Under Study

Service Provider	Original content	Monthly fee	Free trial period	Advertisement	Supported devices simultaneously	Video resolution
	Few original content	€4.99 (Standard plan)	Yes (30 days)	No	3 devices	Full HD
	Many original content	€9.99	Yes (7 days)	No	5 devices	HD or 4K
	Many original content	€10.99 (Standard plan); €14.99 (Premium Plan)	Yes	No	2 devices (Standard plan); 4 devices (Premium plan) * Download content on up to 10 devices in both plans	Full HD (Standard plan); 4K + UHD & HDR (Premium plan)
	Many original content	€5.99	No	No	4 devices	4K

	Many original content	€7.99 (Standard plan); €11.99 (Premium plan)	No	No	2 devices (Standard plan); 4 devices (Premium plan) * 30 downloads (Standard plan); 100 downloads (Premium plan)	Full HD (Standard plan); 4K (Premium plan)
	Many original content	€7.99 (Standard with ads plan); €11.99 (Standard plan); €15.99 (Premium plan)	No	Yes (Standard with ads plan); No (Standard and Premium plans)	2 devices (Standard with ads and Standard plans); 4 devices (Premium plan) * 2 devices for download (Standard with ads and Standard plans); 6 devices for downloads (Premium plan)	Full HD (Standard with ads and Standard plans); 4k + HDR (Premium plan)
	Few original content	€4.99 (Standard Ad plan); €6.99 (Standard Plus plan)	No	Yes (Standard Ad plan); No (Standard Plus plan)	1 device (Standard Ad plan); 2 devices (Standard Plus plan)	Full HD
						

**Table 2:** Brief Description of the SVOD Platforms Under Analysis (Source: own elaboration with data from the platform's websites)

Disclaimer:

The SVOD market is highly competitive and subject to constant change, leading to updates in platform offerings during the period this thesis was being written. The table above outlines the main characteristics of each platform on the launch of the conjoint analysis survey (6<sup>th</sup> of October 2024), and as of November 24<sup>th</sup>, 2024, Disney+, Netflix and SkyShowtime updated their subscription plans, according to the platform's websites.

Disney+ revised its strategy by introducing three tiers: Standard with Ads, Standard, and Premium. The Standard with Ads plan, €5.99 per month, allows users to stream on two devices

simultaneously in Full HD resolution but does not include ad-free viewing or the option to download content. The Standard plan, at €9.99 per month, builds on the previous tier by offering ad-free streaming and the ability to download content. The Premium plan, priced at €13.99 per month, provides streaming on four devices simultaneously in 4K UHD & HDR resolution, is ad-free and includes the option to download content.

Netflix retained its three-tier structure but made changes to its first-tier plan, the now named “Base Plan”. Subscribers in this tier can now stream on only one device at a time, download content on a single device and are limited to HD resolution.

SkyShowtime also revised its offerings and now provides three plans. The Standard with Ads plan remained unchanged. The Standard plan, priced at €6.99 per month, offers ad-free content in Full HD resolution, allows streaming on two devices simultaneously and up to 30 downloads. A new Premium plan, introduced at €10.99 per month, provides ad-free streaming in 4K UHD resolution, supports streaming on five devices simultaneously, and allows up to 100 downloads. Some platforms, such as Prime Video and Max, also offer annual plans, though these were not included in this analysis, since not all platforms provide annual plans. Additionally, promotions and deals were excluded from the comparison of subscription plans, for the same reason.

Appendix 3 – Preliminary Interviews Script

<b>Starting question</b>	What have been the key drivers of subscriber growth the platform you work for in the recent years in Portugal?
<b>Relevant information to help build analysis</b>	The on-demand video streaming market is very competitive, how do you think the platform you work for differentiates from other platforms?
	Which characteristics do you consider are crucial for customer decisions when subscribing to a video streaming platform?
	How do you think the implementation of advertisement has and will continue to impact subscriber growth?
<b>Challenges and opportunities</b>	Do you think streaming platforms are now facing more challenges to gauge more subscribers? If yes, can you identify the top challenges?
	How does the platform you work for aims to minimize the impact of these challenges?

	What industry trends do you believe could impact the future growth of subscribers in the streaming industry?
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**Table 3: Script for Industry Expert Interviews**

<b>Starting questions</b>	Which video streaming platforms do you currently subscribe to?
	How many hours per week do you spend on these platforms?
	What factors influenced your decision to subscribe to the platform(s) you currently use?
<b>Consumer needs, preferences and perceptions</b>	What aspects of the current streaming platforms are you unsatisfied with?
	Which platform do you prefer the most?
	Would ads affect your decision to continue subscribing to a streaming platform?
	How likely are you to try a new streaming service if it offers a free trial or promotional rate? What influences you to continue with a paid subscription after the trial period ends?
	How important are features like pricing, account sharing, simultaneous streams* and content available for download when you choose a streaming service? Which platforms do you think offers the best deal relative to these characteristics?  <i>*Definition of "simultaneous streams": The ability to watch content on multiple devices at once, all from a single account</i>
	How do you perceive the original content* across different streaming platforms?  <i>*Definition of "original content": are films, series or specials produced or commissioned by the platform itself</i>
	How important is having access to a wide range of content when choosing what to watch? Which platforms do you think offers the biggest range?
	How do you perceive the quality and exclusivity of content across different streaming platforms?  <i>*Definition of "exclusive content": when some streaming platforms acquire licensing rights to distribute content from other creators, thus having content other platforms will not have, for a certain period of time</i>
<b>Demographic questions</b>	Age
	Gender
	Occupation

**Table 4: Script for User Interviews**

<b>Starting questions</b>	What are the primary reasons you don't currently subscribe to any video streaming platform?
	Have you considered subscribing to any streaming platform? If so, which?
<b>Consumer needs, preferences and perceptions</b>	Would a promotional offer make you more likely to try a streaming platform? Which platform do you believe has the most attractive promotional offers?
	Can you identify differences between the different platforms available?

	Do you use any other entertainment options (e.g., cable TV, YouTube) in place of a streaming service? What makes you prefer these alternatives?
	Have you ever cancelled a subscription to a streaming platform? Why?
	How important is it for a streaming platform to have exclusive* or original content** and which platforms do you perceive to have the most original and exclusive content?  <i>*Definition of “exclusive content”: when some streaming platforms acquire licensing rights to distribute content from other creators, thus having content other platforms will not have, for a certain period</i>  <i>**Definition of “original content”: are films, series or specials produced or commissioned by the platform itself</i>
	How do you feel about ads on streaming platforms?
	How important is an easy-to-use and intuitive interface when choosing where to watch content? Do you find that traditional TV setups or other options are better suited for you in this regard?
	How important is it for you when you're offline, to be able to watch your movies or series?
	How important is having access to a wide range of content, and how do you satisfy that need?
	How important is it for multiple people in your household to watch different content at the same time?
<b>Demographic questions</b>	Age
	Gender
	Occupation

**Table 5: Script for Non-User Interviews**

#### Appendix 4 – Perceptual Map Survey

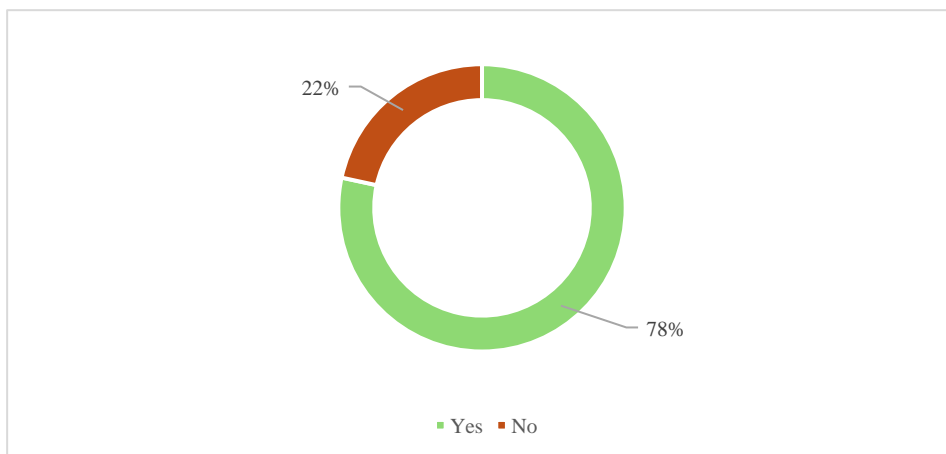
<b>Introduction</b>	<p>Hi! We are a group of students from Nova SBE, currently writing our thesis about how on-demand video streaming platforms, such as Netflix and Disney+, can continue to grow and attract new subscribers.</p> <p>This survey will take a maximum of 10 minutes to complete, and all answers will remain anonymous. There are no wrong or right answers! Your participation is greatly appreciated, even if you are not a user of video streaming platforms!</p> <p>If you have any doubts, you can contact US at <a href="mailto:58885@novasbe.pt">58885@novasbe.pt</a></p>
<b>Part I – General question</b>	<p>1. Do you currently live in Portugal and/or use a video streaming service based in Portugal?</p> <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
<b>Part II – Analysing consumer perceptions</b>	<p>2. Please rank the following platforms by how innovative you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not innovative / 3 = Neutral / 5 = Innovative</li> </ul>
	<p>3. Please rank the following platforms by how traditional you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not traditional / 3 = Neutral / 5 = Traditional</li> </ul>
	<p>4. Please rank the following platforms by how boring you perceive them to be.</p>

	<ul style="list-style-type: none"> <li>• 1 = Not boring / 3 = Neutral / 5 = Boring</li> </ul>
	<p>5. Please rank the following platforms by how entertaining you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not entertaining / 3 = Neutral / 5 = Entertaining</li> </ul>
	<p>6. Please rank the following platforms by how original you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not original / 3 = Neutral / 5 = Original</li> </ul>
	<p>7. Please rank the following platforms by how exclusive you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not exclusive / 3 = Neutral / 5 = Exclusive</li> </ul>
	<p>8. Please rank the following platforms by how relevant you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not relevant / 3 = Neutral / 5 = Relevant</li> </ul>
	<p>9. Please rank the following platforms by how outdated you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not outdated / 3 = Neutral / 5 = Outdated</li> </ul>
	<p>10. Please rank the following platforms by how affordable you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not affordable / 3 = Neutral / 5 = Affordable</li> </ul>
	<p>11. Please rank the following platforms by how expensive you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not expensive / 3 = Neutral / 5 = Expensive</li> </ul>
	<p>12. Please rank the following platforms by how personalized you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not personalized / 3 = Neutral / 5 = Personalized</li> </ul>
	<p>13. Please rank the following platforms by how generic you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not generic / 3 = Neutral / 5 = Generic</li> </ul>
	<p>14. Please rank the following platforms by how local you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not local / 3 = Neutral / 5 = Local</li> </ul>
	<p>15. Please rank the following platforms by how global you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not global / 3 = Neutral / 5 = Global</li> </ul>
	<p>16. Please rank the following platforms by how high-quality you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not high-quality / 3 = Neutral / 5 = High-quality</li> </ul>
	<p>17. Please rank the following platforms by how low-quality you perceive them to be.</p> <ul style="list-style-type: none"> <li>• 1 = Not low-quality / 3 = Neutral / 5 = Low-quality</li> </ul>
<p><b>Part III – Additional Research part questions</b></p>	<p>18. Please refer how do you identify with these sentences. (From “Do not identify with the sentence”, “Neutral” or “Identify with the sentence”).</p> <ul style="list-style-type: none"> <li>• I have stopped subscribing to streaming platforms in favour of using piracy websites.</li> <li>• Despite the associated risks, I consider piracy websites to offer a satisfactory experience.</li> <li>• I use piracy websites when I feel that the price of official platforms is not reasonable.</li> <li>• I believe access to films and series is a form of entertainment that should be available to everyone, even if it involves using piracy.</li> <li>• I feel that streaming platforms have not done enough to add value to their subscriptions, which motivates me to seek out piracy alternatives.</li> </ul>

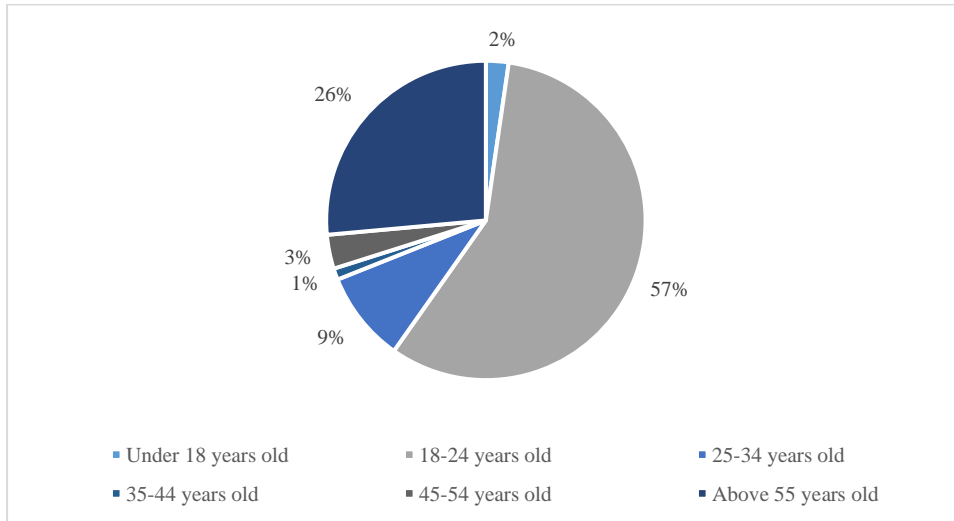
<b>Part IV – Demographic questions</b>	<p>19. How old are you?</p> <ul style="list-style-type: none"> <li>• Under 18 years old</li> <li>• 18-24 years old</li> <li>• 25-34 years old</li> <li>• 35-44 years old</li> <li>• 45-54 years old</li> <li>• Above 55 years old</li> </ul>
	<p>20. What is your gender?</p> <ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> <li>• Non-binary</li> <li>• Prefer not to say</li> </ul>
	<p>21. What is your current employment status?</p> <ul style="list-style-type: none"> <li>• Student</li> <li>• Working student</li> <li>• Employed part-time</li> <li>• Employed full-time</li> <li>• Unemployed</li> <li>• Retired</li> </ul>
	<p>22. Do you currently use a video streaming platform?</p> <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>

**Table 6: Perceptual Map Survey Questions**

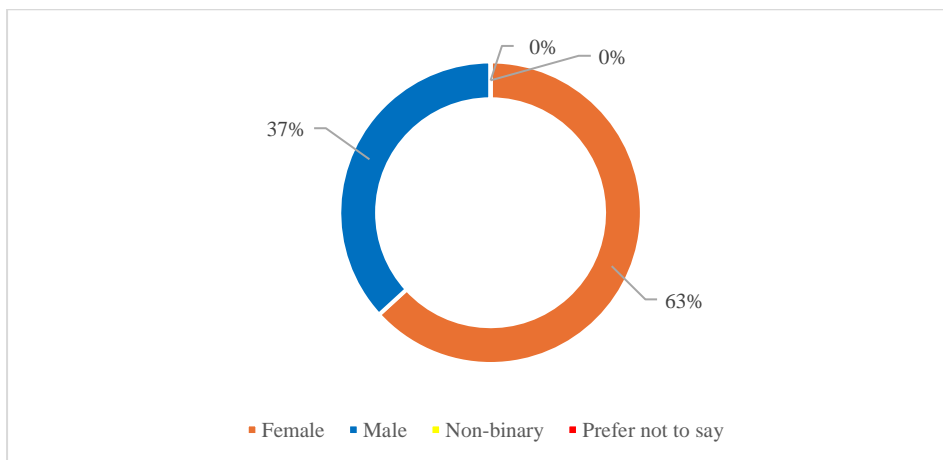
**Appendix 5 – Perceptual Map Survey Results**



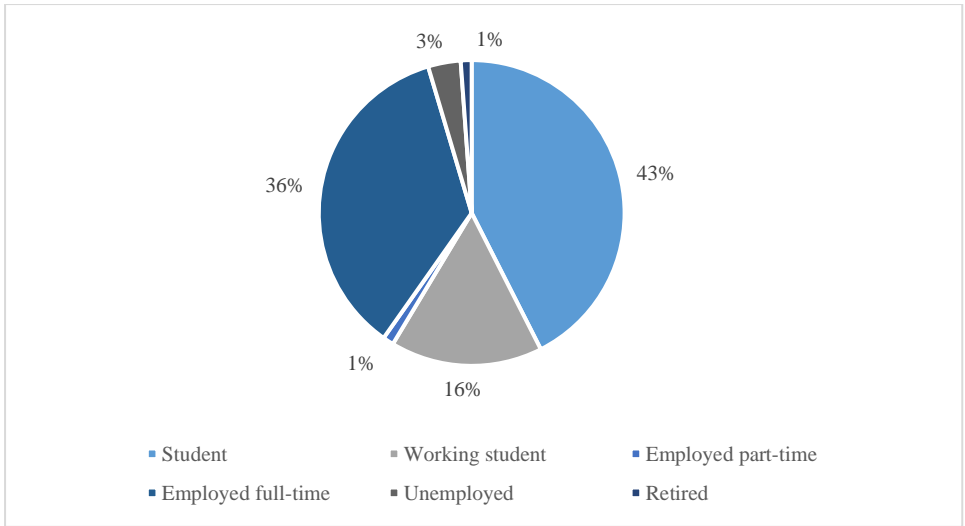
**Figure 9:** Answers to question 1 (1. Do you currently live in Portugal and/or use a video streaming service based in Portugal?)



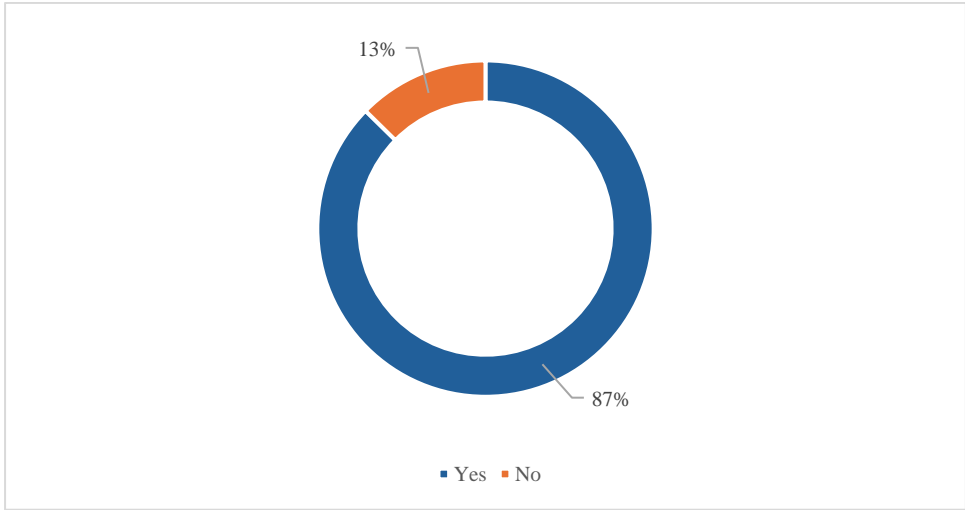
**Figure 10:** Answers to question 19 (19. How old are you?)



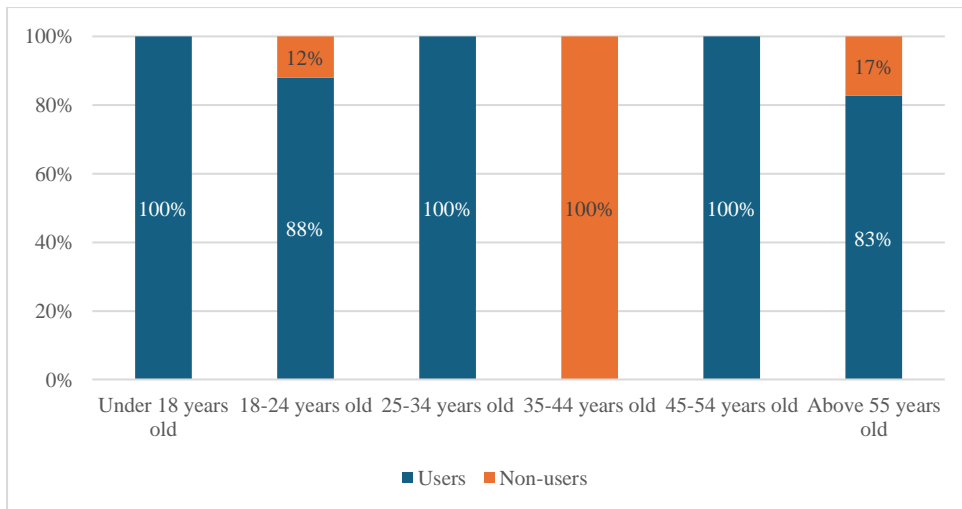
**Figure 11:** Answers to question 20 (20. What is your gender?)



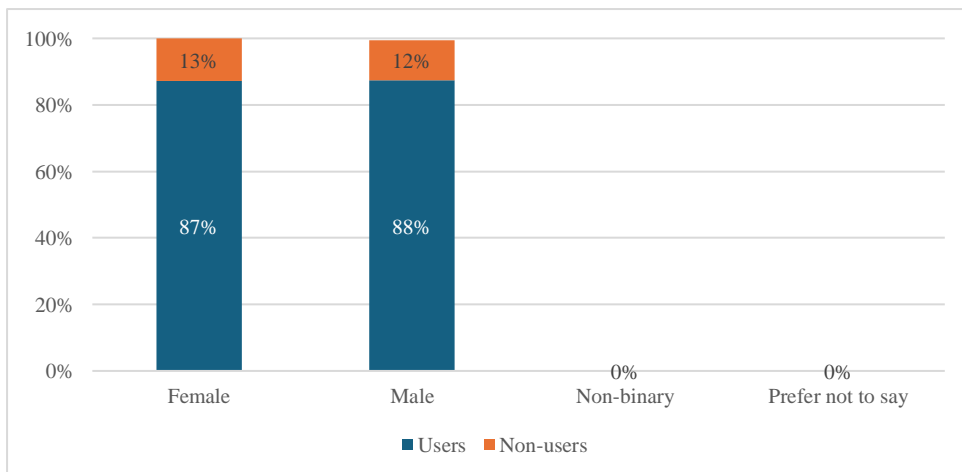
**Figure 12:** Answers to question 21 (21. What is your current employment status?)



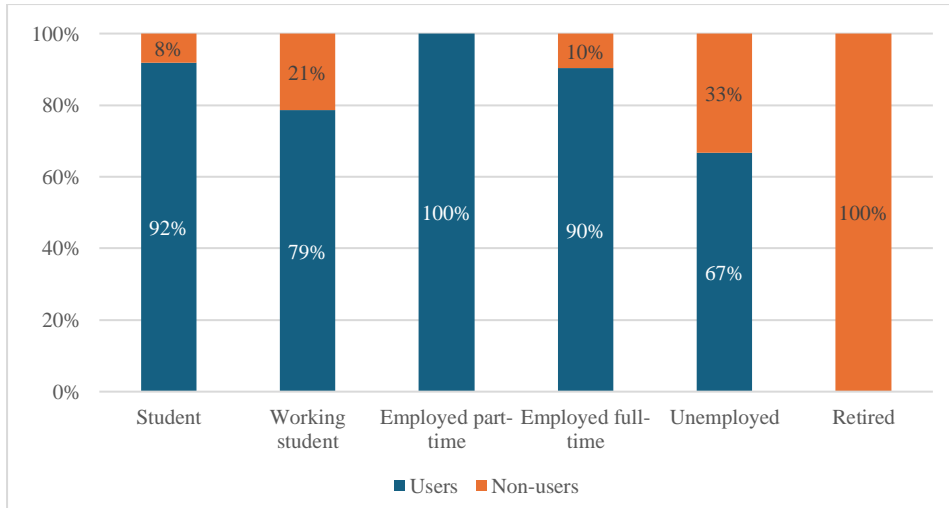
**Figure 13:** Answers to question 22 (22. Do you currently use a video streaming platform?)



**Figure 14:** Users and non-users of SVOD platforms by age group



**Figure 15:** Users and Non-Users of SVOD platforms by gender



**Figure 16:** Users and Non-Users of SVOD platforms by current employment status

**Appendix 6 – SPSS Analysis**

Descriptive Statistics			
	Mean	Std. Deviation	Analysis N
Innovative	3.5971	.39731	7
Traditional	3.3500	.11225	7
Boring	2.6100	.53482	7
Entertaining	3.5743	.60407	7
Original_Content	3.3400	.47378	7
Exclusive_Content	3.2814	.28818	7
Relevant	3.3986	.73106	7
Outdated	2.4600	.46483	7
Affordable	2.9671	.18446	7
Expensive	3.2343	.24785	7
Personalized	3.2943	.44143	7
Generic	3.0529	.12216	7
Local	2.4914	.29323	7
Global	3.9500	.67654	7
High_Quality	3.6086	.55056	7
Low_Quality	2.1929	.53234	7

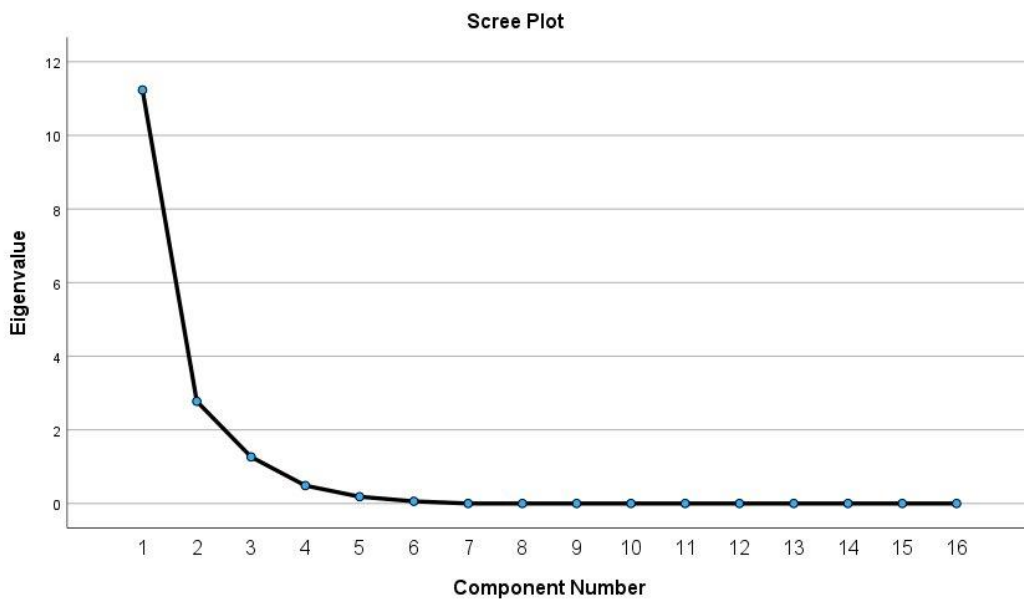
**Figure 17:** Descriptive statistics retrieved from SPSS

**Correlation Matrix<sup>a</sup>**

Correlation	Innovative	Traditional	Boring	Entertaining	Original_Content	Exclusive_Content	Relevant	Outdated	Affordable	Expensive	Personalized	Generic	Local	Global	High_Quality	Low_Quality
Innovative	1.000	.065	-.971	.888	.932	.667	.937	-.835	-.326	.769	.941	.025	-.251	.737	.844	-.813
Traditional	.065	1.000	.114	-.136	-.116	-.413	-.136	.327	-.219	.034	-.124	.757	.786	-.424	-.323	.316
Boring	-.971	.114	1.000	-.957	-.983	-.774	-.983	.907	.258	-.768	-.965	.077	.435	-.855	-.924	.899
Entertaining	.888	-.136	-.957	1.000	.982	.803	.988	-.945	-.099	.686	.940	-.064	-.540	.931	.950	-.947
Original_Content	.932	-.116	-.983	.982	1.000	.845	.988	-.916	-.274	.794	.956	-.017	-.517	.902	.956	-.943
Exclusive_Content	.667	-.413	-.774	.803	.845	1.000	.803	-.808	-.412	.783	.771	-.112	-.823	.887	.925	-.927
Relevant	.937	-.136	-.983	.988	.988	.803	1.000	-.951	-.165	.736	.978	-.061	-.507	.920	.956	-.945
Outdated	-.835	.327	.907	-.945	-.916	-.808	-.951	1.000	-.027	-.564	-.911	.298	.664	-.953	-.966	.965
Affordable	-.326	-.219	.258	-.099	-.274	-.412	-.165	-.027	1.000	-.757	-.229	-.484	-.011	-.033	-.198	.167
Expensive	.769	.034	-.768	.686	.794	.783	.736	-.564	-.757	1.000	.789	.374	-.330	.633	.723	-.704
Personalized	.941	-.124	-.965	.940	.956	.771	.978	-.911	-.229	.789	1.000	.015	-.448	.889	.919	-.906
Generic	.025	.757	.077	-.064	-.017	-.112	-.061	.298	-.484	.374	.015	1.000	.488	-.201	-.186	.163
Local	-.251	.786	.435	-.540	-.517	-.823	-.507	.664	-.011	-.330	-.448	.488	1.000	-.777	-.718	.737
Global	.737	-.424	-.855	.931	.902	.887	.920	-.953	-.033	.633	.889	-.201	-.777	1.000	.965	-.974
High_Quality	.844	-.323	-.924	.950	.956	.925	.956	-.966	-.198	.723	.919	-.186	-.718	.965	1.000	-.997
Low_Quality	-.813	.316	.899	-.947	-.943	-.927	-.945	.965	.167	-.704	-.906	.163	.737	-.974	-.997	1.000

a. This matrix is not positive definite.

**Figure 18:** Correlation Matrix retrieved from SPSS



**Figure 19:** Scree Plot retrieved from SPSS

### Component Matrix<sup>a</sup>

	Component	
	1	2
High_Quality	.992	-.084
Low_Quality	-.983	.096
Original_Content	.980	.139
Relevant	.978	.084
Entertaining	.965	.041
Boring	-.958	-.142
Global	.955	-.207
Personalized	.955	.155
Outdated	-.954	.191
Exclusive_Content	.906	-.078
Innovative	.887	.302
Expensive	.776	.499
Local	-.652	.603
Generic	-.119	.878
Traditional	-.273	.839
Affordable	-.243	-.650

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

*Figure 20: Component Matrix retrieved from SPSS*

### Communalities

	Extraction
Innovative	.878
Traditional	.778
Boring	.937
Entertaining	.933
Original_Content	.979
Exclusive_Content	.828
Relevant	.963
Outdated	.946
Affordable	.481
Expensive	.851
Personalized	.936
Generic	.785
Local	.789
Global	.956
High_Quality	.991
Low_Quality	.976

Extraction Method: Principal Component Analysis.

*Figure 21: Communalities retrieved from SPSS*

**Total Variance Explained**

Component	Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	11.232	70.201	70.201
2	2.774	17.340	87.540

Extraction Method: Principal Component Analysis.

*Figure 22: Total Variance Explained retrieved from SPSS*

**Component Score Coefficient Matrix**

	Component	
	1	2
Innovative	.079	.109
Traditional	-.024	.302
Boring	-.085	-.051
Entertaining	.086	.015
Original_Content	.087	.050
Exclusive_Content	.081	-.028
Relevant	.087	.030
Outdated	-.085	.069
Affordable	-.022	-.234
Expensive	.069	.180
Personalized	.085	.056
Generic	-.011	.317
Local	-.058	.217
Global	.085	-.075
High_Quality	.088	-.030
Low_Quality	-.088	.035

Extraction Method: Principal Component Analysis.

Component Scores.

*Figure 23: Component Score Coefficient Matrix retrieved from SPSS*

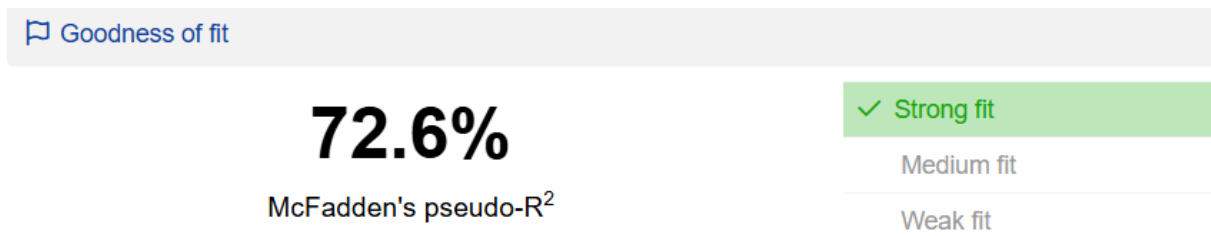
**Component Score  
Covariance Matrix**

Component	1	2
1	1.000	.000
2	.000	1.000

Extraction Method: Principal  
Component Analysis.  
Component Scores.

*Figure 24: Component Score Covariance Matrix retrieved from SPSS*

Appendix 7 – Conjoint Analysis



*Figure 25: Goodness of fit for the brand-specific conjoint analysis experiment*