

Piotr Ziarkowski, Ph.D.

The School of Banking and Management in Krakow

piziarko@wszib.edu.pl

ORCID: 0000-0002-6787-4461

Jolanta Merklinger

The School of Banking and Management in Krakow

ms.kwasik@gmail.com

VALUE FOR CUSTOMER OF STREAMING PLATFORMS

Introduction

The increasing development of digitization in business and of private lives results in a dynamic change in the product and service offer of companies both in the area of basic products and services (the sale of food and clothes, healthcare) and the entertainment sector, including streaming platforms which offer a wide range of films, games, music and audiobooks. The COVID-19 pandemic contributed to a significantly faster development of digital services. The research that was conducted by the experts of the Deloitte company¹ in December 2019 and May 2020 among American consumers who used digital services proved that an increase in the amount of leisure resulted in the interest in the use of streaming services. This fact presents a challenge to organizations that offer this category of services and involves a necessity to develop a product offer that meets individual needs and expectations both of potential and current customers, which may result in an increase in companies' share in their customers portfolios and, finally, in the increase of profits generated by streaming companies.

A study of the literature on the subject of value for customer and streaming platforms showed a research gap. The literature on the subject lacks thorough theoretical and, first of all, empirical investigations regarding the value for customer of streaming platforms. The research gap was the reason why the authors chose the concept of value for customer as the theoretical basis for the starting point of their empirical research. The aim of the article is to find the answer to the following research question: What attributes of streaming services make the customer choose a particular streaming platform? The research was conducted on the basis of a review of literature in the fields of value for customer and digital services as well as on a survey research conducted by the authors. The first part of the article discusses on the basis of literature research the concept of value for customer and the basic issues concerning streaming platforms.

¹ Deloitte Insights, *Digital media trends survey, 14th edition, 2020.*

The second part includes the results of surveys that were conducted among the users of streaming platforms. The final part presents a model of value for customer of streaming platforms.

1. Value for customer – a definition approach

For many years, the concept of value for customer has been subject to thorough theoretical and empirical research by researchers representing the sciences of management and quality. So far, the studies on this concept have been conducted in the areas of marketing², strategic management³, operational management⁴ and managerial accounting⁵. The research resulted in the development of numerous definitions and approaches to the measurement of value for customer. The concept of value for customer was introduced to management science in 1954 by P. Drucker. According to him, the value is constituted by such qualities of a product and its producer as durability, reliability, price, reputation and cleanliness⁶.

Western literature on the subject most frequently uses the Ph. Kotler's approach to the definition of value for customer according to which the value provided to customer is the difference between the total value of the product for the customer and the cost that the customer has to pay to gain the product. The total value for customer is the sum of benefits that the customer expects to receive from a given product or service⁷. V. Zeitham provides a different definition and indicates that *value for customer is the consumer's overall assessment of the utility of the product based on the perceptions of what is received and what is given*⁸, while R.

² B. Dobiegała-Korona, A.K. Krzepicka, *Wartość dla klienta a społecznie odpowiedzialny marketing*, „Zeszyty Naukowe Uniwersytetu Szczecińskiego, Finanse, Rynki Finansowe, Ubezpieczenia” 2012, No. 55; A. Poh Ai Ling, M. Nasir Saludin, M. Mukaidono, *Deriving consensus rankings via multicriteria decision making methodology*, „Business Strategy Series” 2012, Vol. 13, Issue 1, pp. 3-12.

³ A. Kozarkiewicz, *Zarządzanie portfelem projektów*, Wydawnictwo Profesjonalne PWN, Warszawa 2012; M. Łada, P. Ziarkowski, *Analiza przydatności modeli wartości dla klienta w zarządzaniu usługami finansowo-księgowymi*, „Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach” 2017, No. 341; P. Ziarkowski, *Od warsztatu do fabryki – usługi finansowo-księgowe*, CeDeWu, Warszawa 2019; M.E. Porter, *Competitive Advantage. Creating and Sustaining Superior Performance*, The Free Press, New York, 1985.

⁴ A. Kozarkiewicz, *Zarządzanie portfelem projektów*, Wydawnictwo Profesjonalne PWN, Warszawa 2012; M. Łada, P. Ziarkowski, *Analiza przydatności modeli wartości dla klienta w zarządzaniu usługami finansowo-księgowymi*, „Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach” 2017, No. 341; P. Ziarkowski, *Od warsztatu do fabryki – usługi finansowo-księgowe*, CeDeWu, Warszawa 2019; M.E. Porter, *Competitive Advantage. Creating and Sustaining Superior Performance*, The Free Press, New York, 1985.

⁵ R. Kaplan, D. Notron, *Strategiczna karta wyników. Jak przełożyć strategię na działanie*, PWN, Warszawa 2001; M. Łada, P. Ziarkowski, *Portfelowy model wartości dla klienta*, „Studia Ekonomiczne. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach” 2018, No. 369, pp. 115-123.

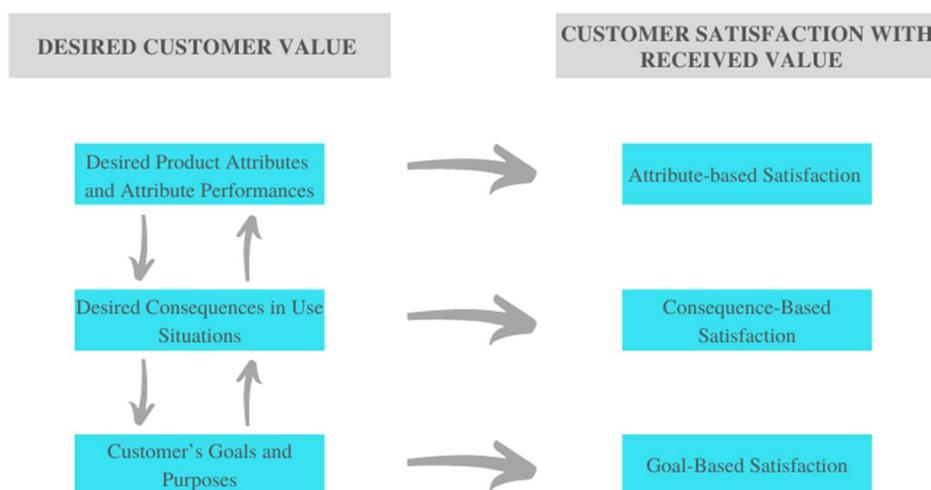
⁶ P. Drucker, *Praktyka zarządzania*, Akademia Ekonomiczna w Krakowie, Kraków 1994.

⁷ Ph. Kotler, *Marketing*, Rebis, Warszawa 2005, p. 60.

⁸ V. Zeithaml, *Consumer Perceptions of Price Quality and Value: A Means-End Model and Synthesis of Evidence*, „Journal of Marketing” 1988, Vol. 52, No. 3, p. 14.

Woodruff argues that value for customer is *a customer's perceived preference for an evaluation of those product attributes, attribute performances and consequences arising from the use that facilitate (or block) achieving the customer's goals and purposes in use situations*⁹. This definition refers to the hierarchical model of value for customer according to which the measurement of the value is conducted on three levels, i.e. product attributes, attributes of customer use scenario and customer goals. What is more, this approach - which is presented in Figure 1- shows the relation between value for customer and the satisfaction gained in the process of using the product.

Figure 1. Value for customer hierarchy model



Source: based on R. Woodruff, *Customer Value: The Next Source of Competitive Advantage*, „Journal of the Academy of Marketing Science” 1997, Vol. 25, No. 2.

Also in the Polish literature on the subject, the concept of value for customer was discussed by several researchers. According to B. Dobiegała-Korona, value for customer includes seven product usability attributes: goal value, form value, time value, place value, possession value, communication value and brand experiential value while M. Szymura-Tyc sees value for customer as a surplus of *subjectively perceived by the customer benefits over the subjectively perceived costs associated with the purchase and use of a given product* ¹⁰.

The analysis of the above value for customer definitions shows that there are two approaches to the concept, i.e. a gross and a net one. The first approach recognizes value for

⁹ R. Woodruff, *Customer Value: The Next Source of Competitive Advantage*, „Journal of the Academy of Marketing Science” 1997, Vol. 25, No. 2.

¹⁰ M. Szymura-Tyc, *Marketing we współczesnych procesach tworzenia wartości dla klienta i przedsiębiorstwa*, Wydawnictwo Akademii Ekonomicznej w Katowicach, Wyd. 2, Katowice 2005, p. 74.

customer an equivalent offered to buyers for the price of product/service, while the latter approach considers value for customer as a surplus of benefits obtained with the purchase of a specific product/service over the cost that the customer had to incur when purchasing it.

2. Characteristics of streaming platforms – a literature research

According to Cambridge Dictionary, a streaming platform is *a service that sends video, music, etc., over the internet so that people can watch or listen to it immediately rather than having to download it, or rather than having to watch or listen at a particular time when something is broadcast*¹¹. The users of streaming platforms are given access to a vast library of series, films and music for a monthly fee, the so called subscription, established by the service provider. Such services have a number of characteristics; for example mobility, which makes it possible for the users to have access to the offer from any location and mobile device that has access to the Internet and a wide offer of programs, films, series, music and games that suit individual consumer needs and preferences.

In recent years, a dynamic development of the streaming services market has been noticed. One of the main factors determining this trend is the growing importance of new and mobile technologies that allow users to access the content on the Internet from anywhere in the world. Social changes are not without significance as they result in the growth of the users' expectations as regards an uninterrupted and free access to the purchased service or product.

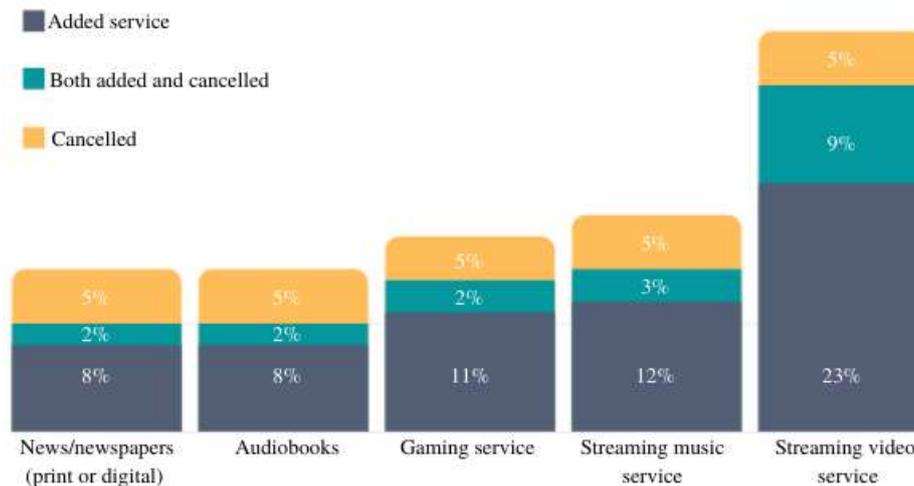
The Covid-19 pandemic, which started at the end of 2019 and reached a global peak in 2020, had a significant impact on the increase in the interest in the offer of streaming platform services. The survey¹² of Deloitte that was conducted among American consumers of streaming services at the turn of 2019 shows a dynamic increase in the number of subscriptions and modifications of the current service offer (cf. Fig. 2). 37% users modified their video streaming package and 23% consumers added at least one more service; 9% cancelled at least one service and 5% made a bigger number of changes as regards the size of their packages. It is worth noting that the COVID-19 pandemic influenced significantly (15% customers) the book, magazine and newspaper markets. Due to a significant number of job losses, an increase in the so called migration between platforms can be observed. Driven by the desire to spend less, the

¹¹ <https://dictionary.cambridge.org/pl/dictionary/english/streaming-service> (accessed: 20.12.2020).

¹² Deloitte Insights, *Digital media trends survey, 14th edition, 2020*.

users take advantage of trial periods that are offered by streaming periods and then transfer to other platforms.

Figure 2. Changes made to paid subscription since the COVID pandemic began



Source: Deloitte Insights, *Digital media trends survey, 14th edition. COVID-19 accelerates subscription and cancellations as consumer search for value*, 2020, p. 6.

3. Description of the research method

The main goal of the empirical research was to find the answer to the question of what attribute of streaming services determine the choice of a particular streaming platform by clients. The study was qualitative in character and a deductive approach was applied. In order to meet the goal, the method of survey research was used. The application of a survey in the qualitative research made it possible for the authors to reach a vast number of streaming platform users and to get to know and explain the process of making decisions by customers about specific products offered by entities providing streaming services. The survey questionnaire consisted of 10 questions; 8 closed questions and 2 open ones.

The survey was conducted among streaming platform users. The questionnaire, which was developed with the use of a Google form, was accessible on the authors' private profiles and in the *Seralomaniak – Kochamy serialne* social group on Facebook. The group *Seralomaniak – Kochamy serialne* brings together the fans of Polish and foreign series and its main purpose is to exchange opinions on specific productions, streaming platform offers as well as to conduct promotional activities of streaming services.

209 survey questionnaires were collected in total. After an initial analysis of the correctness of the collected questionnaires, 202 of them were qualified for the research.

The research included an analysis of the collected empirical material, which was followed by dividing the responses into three groups: the product, user's autonomy, and mobility. The results of the research show what attributes of the streaming constitute a value that has an impact on the users' choice of a specific streaming platform.

4. Characteristics of the investigated population

The research was conducted among active users of streaming platforms. In total, 202 respondents were qualified, of which 68.83% were women and 33.17% men.

Table 1 presents the division of respondents by gender and age.

Table 1 Classification of respondents by gender and age

Gender	Age range				Total
	14-23	24-37	38-54	55-73	
Females	75	50	9	1	135
Males	37	21	6	3	67
Total	112	71	15	4	202

Source: Based on the results of the authors' research.

The research showed that the most numerous group consists of respondents in the age range of 14 – 23 years (75 females and 37 males), while the least numerous group is formed by people in the age range of 55-73 years. After generalization of the results presented in table 1, it can be assumed that streaming platforms are used most often by people up to the age of 37 and the interest in the product offer of the platforms decreases with age.

The most numerous group of respondents included inhabitants of towns (109 respondents): women - 68.81%, men 31.19%. The distribution of respondents from villages is similar (64.52% and 35.48%, respectively), Thus, it may be concluded that the place of residence is not related to the gender of the buyers of streaming products.

Table 2 presents the frequency of use of streaming platforms by respondents.

Table 2. Frequency of use of streaming platforms by respondents

Characteristics	Number of indications	Number of indications [%]
Every day	78	38,61
3- 5 times a week	83	41,09
Once a week	21	10,40
Less than once a week	20	9,90
Total	202	100

Source: Based on the results of the authors' research.

38.61% respondents use streaming platforms every day, 41.09% do it 3-5 times a week and only 9.9% do it less frequently than once a week.

5. Investigation results

5.1. Product characteristics

The empirical research indicated several features of streaming services that are decisive in the customer's decision-making process on the selection of a specific offer. This is given in table 3.

Table 3. Features describing streaming services

No.	Feature	Number of indications
1	No advertising	134
2	Wide range of series and films	74
3	Possibility to share the account	64
4	Personalized offer (the application of algorithms)	19
5	Price	8
6	Production quality (e.g. the quality of picture, sound and acting)	6
7	Lack of political content and bias	3
8	Films in foreign languages	1
9	Access to the production of a specific streaming platform	1
10	Downloadable films and series	1

Source: Based on the results of the authors' research.

It can be concluded from table 3 that, when analyzing the offer of streaming services, users of streaming platforms, value most such factors as the lack of advertising that interrupts films or series (134 responses), a wide range of series and films (74), the possibility to share the account with families or friends (64), and the possibility to personalize the service package to suit individual interests (19). In the purchase decision process, some respondents take into consideration such factors as price (8), production quality (6) as regards the sound, picture and acting which is frequently much better when compared to acting in series on traditional TV, the lack of political content and bias (3) which influences the program offer of traditional TV. It should be pointed out that it is also important for the respondents that they can watch foreign productions in original version (1), have access to series and films that are produced and available only on a streaming platform (1) and can download a film and watch it later in the conditions where the access to the Internet is difficult or impossible (1).

5.2. Characteristics of user autonomy

The analysis of the research results made it possible to assign particular features of streaming services to a set of user autonomy attributes. The concept of user autonomy should be understood as the possibility for the user to decide independently on the time of watching series or films, to choose the range of programs or, in the case of a production consisting of several seasons/ parts, to decide on the number of parts to be watched at a given moment.

Table 4 presents the number of indications for particular feature categories concerning the autonomy of streaming platform users

Table 4. Autonomy features of streaming platform users

No.	Feature	Number of indications
1	Possibility to watch films and series at any time	180
2	Possibility to rewind films and series	130
3	Possibility to take a break in watching	129
4	Binge watching	76
5	Individual decision what to watch	9
6	Possibility to return to the moment where watching was stopped	1

Source: Based on the results of the authors' research.

The analysis of data presented in table 4 leads to the conclusion that for the majority of respondents (180) the possibility to watch series and films at any time and consequently to adapt this activity to daily routines is the most significant value of a streaming service as regards user autonomy. A significant group of respondents (130) indicated the possibility to rewind freely films and series as one of the crucial features of streaming services. Their decision to choose a streaming platform was also influenced by the possibility to stop and play the programs at any time (129), and to play several episodes of series in rapid succession (the so called binge watching) (79). It should be emphasized that the choice of a streaming offer is also influenced by such factors as the possibility to make one's own decision on the repertoire, which is impossible in traditional TV where the program cannot be modified and adapted to the preferences of individual viewers and finally, the possibility to rewind and return to moments where watching a film or series was stopped.

5.3. Characteristics of mobility and convenience

Another feature that is important to the users of streaming platforms and should be considered as a separate group of attributes is the service mobility. Mobility (105 responses) and convenience (6 responses) in using streamline platforms were indicated by 111 respondents.

Table 5 presents devices that are most frequently used by respondents for watching films and series offered by streaming platforms.

Table 5. Device used for watching film productions

Device	Number of indications
TV	135
Laptop	122
Telephone	110
Stationary computer	30
Tablet	23

Source: Based on the results of the authors' research.

The indication of mobility as a crucial factor determining the choice of a streaming offer should be confronted with the responses concerning devices that are used by the respondents. Most frequently, the respondents watch films and series on TV (235 indications), laptops (122) and telephones (110) . Some respondents (23) value the access to the service in tablets. The presented results confirm that for buyers of streaming services the mobility of the service, understood as the ability to have access to programs and films on a mobile device in any place convenient for them, is of significant importance.

In the authors' opinion, the significance of mobility of the streaming offer for consumers is determined by the age structure of the users. They are young, under 37 years of age, have high abilities to use new technologies and travel a lot. Thus, the freedom to choose a device to use a product or service is a crucial factor.

Conclusions

The empirical research and its results made it possible to identify the streaming service attributes that constitute value for customer, and to develop an attribute model of value for customer for users of streaming platforms that consists of three attributes: product (no

advertising, wide range of series and films, possibility to share accounts, personalized offer, price, production quality, no political content and bias, productions in foreign languages, access to streaming platform productions, possibility to download films or series), user autonomy (possibility to watch films and series at any time, rewind films and series and take a break in watching, binge watching, freedom of choice what to watch, possibility to return to moments where watching was stopped), and mobility and convenience (possibilities to use TV, stationary computers and such mobile devices as laptops, mobile phones and tablets). The customer's choice on a particular product offer, which results in the creation of value for customer, is determined by adequate combination of the attributes of the streaming service offer.

- Research method. The method of a free interview would have allowed for the consideration of individual preferences of streaming platform users, which is difficult in a survey research.
- Low number of respondents.

The presented research results may constitute a basis for further research on the value for customer of streaming services with regard, for example, to :

- Verification of the presented model and its extension by other attributes that create value for customer,
- the impact of the streaming platform brand on the decision of a potential customer to pay for access to its offer.

The research results are of great epistemological and practical significance as they provide the possibility to develop a product offer with the consideration of service attributes that create value for customer, which may lead to the optimization of the provision costs of streaming services.

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Abstract

The aim of the article is to identify attributes of streaming services that are of value for customers. Part one presents literature research on the concept of value for customer and provides the characteristics of streaming platforms. Part two – on the basis of the research results – identifies the features of streaming services that are of value for customers, and presents an attribute model of value for customers of streaming services that consists of three attribute groups: product, user autonomy, mobility and convenience.

Key words

Value for customer, value for customer model, streaming services, digital services management.