

The Determinants of Customer Satisfaction and Customer Retention in subscription based streaming services in Ireland

DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION AT DUBLIN BUSINESS SCHOOL

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DECLARATION

I hereby declare that the dissertation submitted is result of my own work and it contains no material published or written by other person except where otherwise stated, where it is clearly acknowledged by references.

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Abstract

The main aim of this dissertation is to determine what are the main factors that lead to an increase in customer satisfaction and customer retention in subscription based video steaming service. In order to achieve this purpose, primary data was collected by using quantitative research method. A survey was used and 93 participants respond to a questionnaire of 37 questions related to quality service, customer satisfaction and customer retention. A non-probability method was used in this study due to time and costs limitations. Moreover, the data analysis was done by using Cronbach's alpha to test internal consistency of the variables and multiple regression to assess the linear relationship between service quality, customer satisfaction and customer retention. The findings of this research indicate that quality service dimensions influence customer satisfaction and customer retention. Price, for example, is the factor that most satisfies users while system accessibility and user experience are the ones that most affect customer retention.

Keywords: Service Video on Demand (SVOD), Service Quality, Customer Satisfaction, Customer Retention.

1 INTRODUCTION

1.1 RESEARCH INTRODUCTION

Since the start of the Covid-19 pandemic, the entertainment industry has been facing major challenges. With theatres and cinemas closed as a result of Covid-19 restrictions, traditional television had to reinvent itself to maintain in this business. However, not the entire entertainment industry was negatively affected. This was the case in the video streaming or service video on demand (SVOD) sector which reached 1.1 billion subscriptions in 2020 (Pierce, 2021). Netflix, for example, topped 200 million users while live events lost \$30 billion worldwide. The success of this sector compared to traditional ones is due to the type of service offered. SVOD gives unlimited access to movies and series to its customers and they can watch content whenever and wherever they want. In this type of service which the subscriber is the one who decides his programming.

A number of factors led to the increase in the number of people subscribed to streaming services during the Covid-19 pandemic. For example, the cancellation of sporting events and the closing of cinemas and theatres made the video on demand service the best alternative for those who could not leave home. Another advantage of SVOD is the possibility that users have content available based on their preferences and the flexibility to play, pause and fast forward as they please.

The video streaming industry proved to be a promising market, Netflix and Hulu were the pioneer companies in this market. However, over the years the success of the two companies led others to follow the same business model. Consequently, the currently competitiveness in the video streaming industry has grown substantially (Financial Times, 2019). Consequently, the increase in competitiveness between companies made it more difficult to retain customers. According to Deloitte survey, in the beginning of the pandemic people had more free time and added, at least, one new streaming service. However, as consumers returned to their normal routines, they faced less time for entertainment (Deloitte, 2021).

The current scenario indicates that the SVOD industry needs to create strategies in order to keep customers satisfied and retain them. Customer retention is a complex ability of a company in maintain its costumers for a period of time and it is related to customer loyalty. Despite being a concept widely used in the literature, the definition is still unclear. The most common “assumption is that loyalty translates into a specified number of repeat purchases from the same supplier over a specified period” (Egan, 2011). The reason why focusing on customer satisfaction is a worthy strategy for saturated markets is because the majority of service organizations

face problems in gaining new customers (Alshurideh, et al., 2012). The cost of to attract new customers is 20% to 40% more than their retention.

Another main relationship marketing driver is customer satisfaction. It is believed that customer retention can be achieved by satisfying customer's wants (Berry, 1995). According to Yadav & Rai (2019), "customer satisfaction is the customer's fulfilment response which is an evaluation as well as emotion-based response to service". Studies show that customer satisfaction and customer retention are affected by the quality of service offered. Caruana (2010), for example, presents a mechanism which service quality effects consumer satisfaction and satisfaction influences consumer loyalty.

Regarding service quality "the customer's perceived quality is result of evaluation they make of what was expected and what was experienced, taking into account the influence of the organisation's image." (Caruana, 2002). Customer satisfaction is defined by this author as a brief emotional response of varying intensity, with a time-specific point of determination and limited duration, regarding aspects of product acquisition and/or consumption. (Caruana, 2002). The two drivers of the relationship marketing, as well as service quality prove to be crucial strategies that video streaming companies should adopt in actual's marketplace.

1.2 RESEARCH RATIONALE

Problems related to customer retention can negatively influence companies' profitability and it is widely agreed that the cost to attract a new customer is higher than to retain an existing one (Miller, 1993) (Ahmad & Buttle, 2002). In times when there is the possibility of great customer loss, it becomes even more important to focus on retention marketing. Customer retention or customer loyalty is a significant concept in the field of Relationship Marketing that explain the repeat purchasing behaviour of a customer from a service provider, and it consider using only this provider when a need for this service arises (Gremler & Brown, 1996). The current literature provide not enough theoretical framework regarding the factors leading customer loyalty (Gremler & Brown, 1996). Therefore, a study in this area helps to fill this gap in knowledge and provide a richer analysis of the challenges video streaming services might face in the future.

The study of customer loyalty in Relationship Marketing has gain especial attention for being an effective strategy in increasing the profitability of companies (DeSouza, 1992). For instance, according to Reichheld and Sasser (1990), reducing the customer turnover to 5%, companies can increase their profits up to 85%. Some studies show that customer loyalty is directly influenced by customer satisfaction (Heskett, et al., 1994) (Storbacka, et al., 1994) and customer satisfaction is related to service quality.

According to Zeithaml and Parasuraman (1998), deliver a service quality is crucial strategy to be taken in competitive environments and when companies have faced customer churn, in other words, loss of customers.

For example, the majority of complaints made by customers are related to problems the customer experienced while using the product or service. In this case, the probability of a customer considering a switch to another brand becomes high. In order to reduce this possibility, the study points out that the first step for the company should be to identify consumers who are dissatisfied with the quality of the service or product. Then persuade them to keep them loyal to the company (Fornell & Wernerfelt, 1987). This study does not show which factors influence customer loyalty. That is the reason that the analysis of the determinants of customer retention in the video streaming industry becomes important. Even more when streaming-video subscribers churn up 85% in 2021 (Bloom, 2021).

Since the beginning of this year the number of video streaming platforms has increased and consumers are signing up for a specific content they want to watch and cancelling after they finish watching. Therefore, examining which factors influence customer satisfaction and customer retention becomes a relevant tool that can be by video streaming service companies.

1.3 RESEARCH AIM AND OBJECTIVES

Previous research has been limited to the analysis of customer satisfaction and customer retention in the video streaming sector. Therefore, the main aim of this study is to explore the factors that make customers satisfied with video streaming services and how customer retention is created from it. Based on the previous literature review, it was identified that service quality is a crucial factor in both retaining customers and making them more satisfied. Therefore, the main research question of this study is:

“Which service quality attributes lead customer satisfaction and customer retention in subscription based video streaming service?”

Furthermore, for a more comprehensive research, these sub-questions will be addressed:

1. Is customer satisfaction a determinant of customer retention?
2. Is service quality a determinant of customer retention?
3. Is service quality a determinant of customer satisfaction?

In order to answer the proposed research questions, the following objectives are presented:

- Identify whether there is a relationship between customer satisfaction and customer retention.
- Identify the service quality attributes that most influence streaming video users to continue using the service in the future;
- Identify the service quality attributes which are more linked to customer satisfaction;

Therefore, with the findings obtained in this research, the researcher aims to contribute to the development of a rigorous study about the importance of service quality in subscription based video streaming service to increase customer retention and customer satisfaction rates. Moreover, this study might offer solutions to the problem of customer churn.

2 LITERATURE REVIEW

2.1 LITERATURE INTRODUCTION

This part explores the concept of customer retention and proceeds to distinguish between service quality and customer satisfaction. The main objective is to discuss previous studies that address service quality and customer satisfaction, and how these two concepts influence customer retention. Although several studies propose to explain what motivates customers to become retention to a company, this subject has not yet been fully explored in the video streaming service sector. Even though the current literature explores these themes in different contexts, this study will address the application of these concepts to customer loyalty on the video streaming industry to gain an in-depth understanding of the main factors of the conceptual model.

2.2 THE CONCEPT AND RELEVANCE OF CUSTOMER RETENTION

The concept of customer retention have been studied by many researchers (Verhoef, 2003) (Reinartz, et al., 2005) (Raab, et al., 2016). In this literature review an inordinate amount of effort has been dedicated to predict customer churn and improve the profitability of companies in the video streaming sector.

Customer retention is commonly studied in the field of customer relationship marketing (CRM) being located between customer satisfaction and customer value as seen in Figure 1. Besides it has become increasingly important especially in sectors where competition is fierce, such as video streaming service industry.

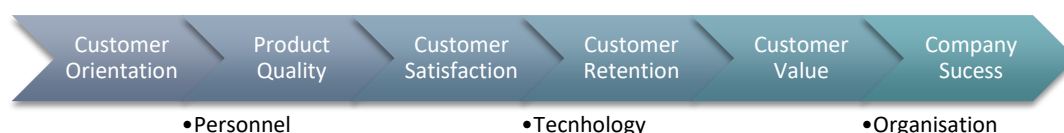


Figure 1 Concept and relevance of customer retention, author's elaboration. (Raab, et al., 2016)

The definition of customer retention relates to two dimensions: continuity and customer behaviour. The first dimension refers to the continuity of the relationship between customers and firm. Second, it is related to customer behaviour (Ascara, et al., 2018). Thus, this study proposes that customer retention is the customer's continuation of business relationship with a firm. For video streaming services providers, it is the continued use of the same provider (Keiningham, et al., 2007).

The definition of customer retention in this study goes beyond the idea of continuity of relationship and includes usage as another dimension that defines customer retention. In that regard, a customer might continue to pay

for the streaming video service even if they no longer uses it. Therefore, the level of commitment of this customer has decreased and this might influence consumer's decision of whether or not to renew their membership (Ascarza & Hardie, 2013). This sort of definition seems to be the most adequate when it comes to customer retention in the video streaming service sector once in online services "customers can either formally cancel the account or simply ignore the firm" (Ascara, et al., 2018) leading to the cessation of customer's continuation of business relationship with the firm.

The relevance of the study of customer retention is important for several reasons. First, it might determine the lifetime of the service offered by the firm (Berger & Nasr, 1998). Second, retention drives commercial success of the company. On this matter, some studies indicate that a 5% reduction in customer churn rates can increase profits by 25% to 125% depending on the industry or a 2% increase in customer retention is equivalent to 10% reduction in costs for companies (Murphy & Murphy, 2002) (Hennig-Thurau, et al., 2002). Therefore, customer retention offers significantly advantages for companies operating in a saturated market once costs related to acquiring new customers are higher comparing to retaining a customer (Nasir, 2015).

Customer retention is identified in many studies as a key factor of company profitability and most of these studies establish a relationship between customer satisfaction and retention (Reichheld, 1993) (Reichheld & Kenny, 1990), which can be summarized as follow: the more satisfied customers are, the greater their retention is to the firm (Anderson & Sullivan, 1993). Reviewing the existing literature, it was possible to find some studies that address this relationship. According to Table 1, most of the studies are done on the banking and tourism sector, with rare exceptions in relation to other industries. For this reason, this study aims to fulfil the gap in knowledge exploring the effects of perceived content quality, perceived system quality, perceived ease of use, perceived price level and customisation on customer satisfaction and, consequently on customer retention in the video streaming industry.

Related Studies			
Researcher	Title	Industry	Source
(Darzi & Bhat, 2018)	Personnel capability and customer satisfaction as predictors of customer retention in the banking sector: A mediated-moderation study	Banking Sector	Emerald Insight
(Parawansa & Anggraece, 2018)	Effect of commitment and customers' satisfaction on the relationship between service quality and customer retention in rural banks in Makassar, Indonesia	Banking Sector	Emerald Insight

(Trasorras, et al., 2009)	Value, satisfaction, loyalty and retention in professional services	Professional Services	Emerald Insight
(Barusman, et al., 2020)	Customer Satisfaction and Retention and its impact on Tourism in Hotel Industry.	Hotel Sector	EBSCO
(Han, et al., 2018)	How image congruity and satisfaction impact customer retention at luxury restaurants: A moderated mediation framework	Restaurant Sector	EBSCO
(Keiningham, et al., 2006)	Call centre satisfaction and customer retention in a co-branded service context	Call Centre	Emerald Insight

Table 1 Findings of the reviewed sources

2.3 CUSTOMER SATISFACTION

In order to achieve customer retention, a company must be able to satisfy the desires of their customers (Raab, et al., 2016). Customer satisfaction is defined as a “person’s feeling of pleasure or displeasure as a result of comparing this product published performance in relation to its expectations “ (Kotler, 2000). If the service does not meet the consumer's expectations, customer is more likely to complain and switch to a competitor. On the other hand, a satisfied customer is more likely to engage positive word of mouth and recommend the service to others (Dawi, et al., 2018). According to Blattberg (2001) stated that when a customer keeps buying the same product or service from the same company for a long period of time, customer retention has taken place (Blattberg, et al., 2001).

The concept of customer satisfaction is often referred to as a synonym for service quality. However, a number of distinctions are made regarding the two concepts. For example, customer satisfaction is a post-decision customer experience that compares perceived quality with experienced quality while service quality refers to customer evaluation of a firm’s delivery system (Sivadas & Baker-Prewitt, 2000). For the purpose of this study the definition of customer satisfaction is as follows: Customer satisfaction is defined as a brief emotional response of varying intensity, with a time-specific point of determination and limited duration, regarding aspects of product acquisition and/or consumption (Caruana, 2002).

Many studies establish a relationship between customer satisfaction and retention (Reichheld, 1993) (Reichheld & Kenny, 1990). According to the study of John Bowen and Shiang Chen (2001), when there is an increase related

to customer satisfaction, customer loyalty intensifies, and a slight change in satisfaction leads a substantial change in customer retention (Bowen & Chen, 2001). In addition, this study also points out that only satisfied customers is not enough to maintain a high level of customer retention. If the level of customer satisfaction declines from "very satisfied" to "satisfied", this leads to a 50% reduction in positive word of mouth for the company. According to Tu et al. (2013), customer satisfaction influences repurchasing intentions and behaviour

Subsequently, the following hypothesis is presumed:

H1: Customer satisfaction is a determinant of customer retention

2.4 SERVICE QUALITY

The relationship between quality service and customer satisfaction has been extensively explored in the literature in recent years (Sureshchandar & Anantharaman, 2002) (Caruana, 2002) (Gorondutse & Hilman, 2014). However, few studies point to explore this theme in the electronic context, such as video streaming service industry. Traditional service quality refers "to the quality of all non-Internet based customer interactions and experiences with companies" (Parasuraman, et al., 2005) and it is usually measured through a multiple-item instrument developed by Parasuraman, Zeithaml and Berry (1988) through five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Since this mechanism has been used to measure service quality in various sectors, this instrument had to be adapted to analyse service quality in the electronic context.

Mich and Founier (1995) pointed out in their study that in the electronic environment, achieving customer satisfaction through service quality involves a long and complex process. Consequently, the Electronic Service Quality (E-SERVQUAL), a multiple-item scale, was developed exclusively for websites (Parasuraman, et al., 2005). The scale consists of 22 items on four dimensions: efficiency, system availability, fulfilment and privacy. In addition, the E-SERVQUAL is considered one of the most used scales to measure service quality nowadays.

Some studies have shown the influence that service quality has on customer satisfaction and, consequently, on customer retention (Caruana, 2002) (Oh, 1999) (Sivadas & Baker-Prewitt, 2000). For example, Caruana points out that service quality influences the level of customer retention through customer satisfaction (Caruana, 2002). Therefore, customer satisfaction plays a mediating role between quality of service and customer retention. In the study of Fen & Lian (2007), service quality directly affects customer retention, because when the company provides a service quality that meets with customer's expectations, he or she is more likely to keep using the same provider again (Fen & Lian, 2007).

Subsequently, the following hypothesis is presumed:

H2: Service quality is a determinant of customer retention

H3: Service quality is a determinant customer satisfaction

2.5 CONCEPTUAL FRAMEWORK

According to the literature review, there is a strong relationship between quality service, customer satisfaction and customer retention. Most studies show customer satisfaction as a mediator between quality service and customer retention (Caruana, 2002) (Fen & Lian, 2007).

The conceptual framework of this study presents service quality as an independent variable and customer retention as a dependent variable. However, in order to better understand the effect of service quality on customer retention, a third variable is needed as a mediator, customer satisfaction. In this case, 3 equations are presented in this model. The first in which service quality positively affects customer satisfaction, the second in which customer satisfaction positively affects customer retention and, finally, service quality positively affect customer retention through customer satisfaction.

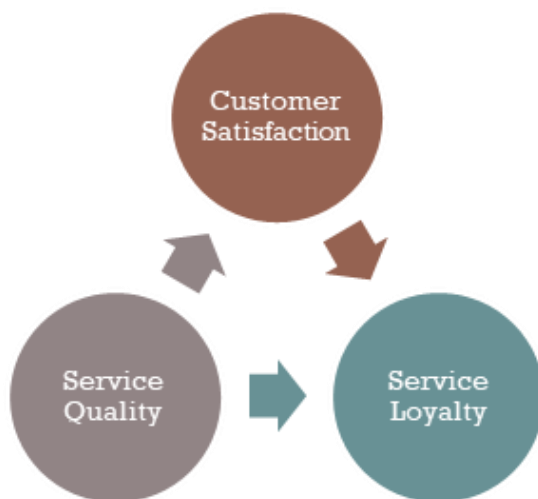


Figure 2 The Conceptual Framework of the Study
Source: (Caruana, 2002)

This conceptual model considers quality service as a multidimensional concept and assumes that such dimensions positively influence customer satisfaction and customer retention simultaneously. From the above mentioned model the following main hypothesis are developed:

H1: Customer satisfaction is a determinant of customer retention

H2: Service quality is a determinant of customer retention

H3: Service quality is a determinant of customer satisfaction

3 METHODOLOGY

3.1 METHODOLOGICAL OVERVIEW

The purpose of this research is to study of the determinants of customer satisfaction and customer retention in the video streaming service industry. Customer retention is one of the main goals of relationship marketing (Hennig-Thurau, et al., 2002). The concept of customer retention involves the idea of continuity of relationship between consumer and provider. Besides one of the reasons this concept is important is due to the strong relationship between customer loyalty and firm's profitability. Therefore, companies should always seek to keep their customer retention levels high.

The video streaming sector performed positively in the acquisition of new consumers in the beginning of 2020 (Deloitte, 2021). However, a survey by Deloitte from October 2020 indicates that 46% of subscribers reported income reduction due to the effects of the pandemic and had to cancel at least one video streaming service (Deloitte, 2021). Therefore, the main objective of this study is to understand the relationship between users and video streaming providers suggesting that customer retention is mainly achieved through the quality of service delivered and customer satisfaction.

In order to identify to achieve the primary aim of this study, the researcher conducted a quantitative research with people between 18-65 years old who live in Ireland and are currently subscribers to one or more streaming platforms. According to Statista (2021), the number of video streaming subscribers has reached 1.4 billion in 2021 worldwide. This study aims to reach a sample of 93 people who are currently subscribed to one or more video streaming platforms or who have subscribed to this service in the past and have cancelled.

3.2 OVERALL AIMS

Considering the current situation of the video streaming sector in the world of a possible loss in the number of subscribers due to the effects of the covid-19 pandemic, the overall aims of this thesis are to explore what quality service attributes make customers feel satisfied with streaming video services and how customer retention is created from that.

Based on the literature review and the main objective of this study, the following topics are explored:

1. Customer satisfaction in the video streaming service industry and how satisfied customers become loyal customers.

2. The main dimensions of service quality in the video streaming industry and how these dimensions relate to customer satisfaction and customer retention. The focus will be on electronic service quality since this sector involves internet based customer interactions and experiences with companies.

3.3 RESEARCH QUESTIONS

The main question of this study “Which service quality attributes lead customer satisfaction and customer retention in subscription based video streaming service?” led to the following sub-questions:

1. Is customer satisfaction a determinant of customer retention?
2. Is service quality a determinant of customer retention?
3. Is service quality a determinant of customer satisfaction?

3.4 KEY TERMS DEFINED

Since the purpose of this study is to determine service quality’s attributes that driver customer satisfaction and customer retention in subscription based video streaming services, it becomes vital to establish a way to measure these different terms. Considering that the video streaming industry is part of the electronic environment, the main dimensions of electronic service quality was based on the Electronic Service Quality Scale (E-S-QUAL) of Parasuraman, Zeithaman and Malhotra (Parasuraman, et al., 2005). The E-S-QUAL consists of four dimensions: efficiency, fulfilment, system availability and privacy and since this scale measures quality service specifically to websites an adaptation of this was used for the video streaming sector. Below are the adaptations made and the terms used in this study in relation to the dimensions of quality service.

3.4.1 Attributes of Service Quality

3.4.1.1 *User Experience*

According to E-S-QUAL scale, efficiency is related to the ease and speed with which customers access a website (Parasuraman, et al., 2005). In subscription based streaming services, this can be described as speed of loading movies and series on the streaming platform or how easy is it for the user to access the content at any time and on any device. For example, Netflix uses this dimension of quality service to offer different subscription plans.

In this study, the service quality dimension of the E-S-QUAL scale, efficiency, is referred to as user experience and encompasses the ease of users to access the contents of the video streaming platform, as well as the quality of available media and the number of bugs and crashes that can impair speed where users access the contents of the platform.

3.4.1.2 *Library Content*

The second dimension related to electronic quality service, according to Parasuraman and Zeithaml, is fulfilment defined as “The extent to which the site’s promises about order delivery and item availability are fulfilled.”

(Parasuraman, et al., 2005, p. 8). In this study, this dimension is called library of content and refers specifically to the amount of movies, series and documentaries available on the streaming video platform, as well as the variety of genres and the amount of exclusive content. By exclusive content we mean any cinematographic production that is created and/or commissioned by the video streaming company. For example, the so-called original Netflix content are movies and series produced by the company that are not allowed to appear on other companies' platforms (Netflix, 2021).

3.4.1.3 System Availability

The third dimension of electronic quality service refers to the system availability defined by Parasuraman and Zeithaml as "The correct technical functioning of the site." (Parasuraman, et al., 2005, p. 8). In service video on demand (SVOD) this refers to the ability of customers to reach the content of the platform wherever and whenever they desire. This dimension of electronic service quality includes the ability of users to stream content and share accounts or even group watching.

3.4.1.4 Recommendation System

The last dimension explored by the E-S-QUAL scale refers to privacy and how secure the site is and how users' data is protected (Parasuraman, et al., 2005). An adaptation of this dimension was made when preparing the questionnaire of this study. Believing that privacy dimension alone would not be a decisive factor to make users satisfied and loyal to a company, this study made an adaptation of this dimension based on the study of Hasan, et al. (2018) on the recommendation system that such companies use to suggest content to their users. By recommendation system, we refer to the mechanism of recommending relevant titles to each user based on their preferences. To achieve what the user will watch next, data is collected from users and tests are done trying to replicate user behaviour.

3.4.1.5 Pricing

Price was considered in this study as a dimension of quality service and a determining factor influencing customer satisfaction and customer retention. According to Kotler and Armstrong (2012), "Price is the amount of money charged for a product or a service; the sum of the values that customers exchange for the benefits of having or using a product or service ". Price is an important factor that influence customer satisfaction and retention in marketing. It is more than a number and describes information about a product or service and offers a deep meaning for the consumers (Kotler & Keller, 2016). Usually, customers tend to associate price with product level. Therefore, good quality services are linked to reasonable prices and if the company delivers this to the customer it leads to customer retention (Dastane & Fazlin, 2017).

Some studies indicate that price has a significant correlation with customer satisfaction (Malik, et al., 2012) (Qalati, et al., 2019). According to Senguo, Xixiang and Kilang (2017), customer satisfaction is directly influenced by price perceptions and indirectly through the perception of price fairness, especially in the

telecommunications sector. In this case, price fairness is defined as the consumer's assessment of whether the price established by the company is reasonable, fair or acceptable. In a study in the telecommunications sector in Turkey, Ulubaşoğlu, Şenel and Burnaz (2017) point out that price is a factor that influences customers to switch from one network to another. Additionally, Khan and Afsheen (2012) claim that price is the most influences customer satisfaction and Raab, et al., 2016 presents price as a tool to achieve customer retention. In this case, pricing through discounts and bonus systems are used to persuade the consumer to purchase again from the same company.

3.4.2 Additional Variables

3.4.2.1 *Customer Satisfaction*

As explored in the previous chapter, customer satisfaction is considered an important factor influencing customer retention. In general, customer satisfaction is measured after sales in relation to the service offered by the company. However, in the SVOD sector the measurement is made during the ongoing service delivery. According to Mukherjee (2003), there are three determinants of customer satisfaction: perceived company image, customer expectations and perceived quality and perceived value (Mukherjee, 2003). Besides that this variable is normally measured in terms of three questions that includes customer satisfaction in relation to the company in general, the degree the company fulfil customer's expectations and how close the company is to becoming ideal company for the company. In this study these three questions were adopted to measure customer satisfaction.

3.4.2.2 *Customer Retention*

Before moving on to the measurement of retention, it is necessary to address briefly the concept of loyalty. This concept was often addressed in the literature as the customer loyalty to tangible products. However, this term also extends to companies that provide somewhat intangible products as is the case with streaming video companies.

Customer loyalty is defined as a “deeply held commitment to re-buy or re-patronise a preferred product/service consistently in the future, thereby, causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour” (Oliver, 1999, p. 34). According to Jacoby and Chestnut (1978) customer loyalty should not be defined solely from the perspective of repetitive purchase patterns without further analysis.

Although customer loyalty and customer retention are often used as synonyms, the two terms focus on different aspects of the customer's relationship with the company. The two terms focus on different aspects of the customer's relationship with the company. While loyalty is measured by five behavioural items, customer retention focuses specifically on measuring the customer's likelihood to continue using the service in the future. According to E-S-QUAL items try to measure customer engagement in recommending the company's services

to friends and family as well as the customer's ability to consider the company as a first option in a future transaction (Parasuraman, et al., 2005). Customer retention is treated in this study as the probability of keeping your account active in the future as well as the probability of the user recommending the service to friends and family

3.5 RESEARCH DESIGN

The research design is the general plan of how to conduct the research in order to answer the research question. According to Burns, Veeck and Bush (2017), research design can be classified in three different categories: descriptive, exploratory and causal-comparative. The descriptive approach is used to provide an accurate profile of a population or phenomenon, as it exists in its current state (Williams, 2007) (Saunders, et al., 2007). This approach involves identification of characteristics of a specific phenomenon based on observational basis or the exploration of correlation between two or more phenomena (Williams, 2007).

Exploratory research attempts to understand the nature of an issue or phenomenon which is little explored or known. It is useful for research which the nature of the problem or phenomenon has not been identified. It is usually a research design in which the initial focus is broad and over time becomes progressively narrower (Saunders, et al., 2007). Lastly, causal-comparative or explanatory studies that attempts to establish a causal relationship between the variables. The main focus in this sort of study is “on studying a situation or a problem in order to explain the relationships between variables” (Saunders, et al., 2007, p. 134).

Based on the research question, this study was conducted through a quantitative descriptive approach. This method was undertaken to describe accurately the determinants of customer satisfaction and customer retention in subscription based video streaming services. Because the main aim of this study is not to establish a causal relationship in relation to the variables or to explore the nature of the problem, the adoption of descriptive research becomes the best choice among other options. The main goal with this approach is to gain knowledge to identify a problem for further, more sophisticated research.

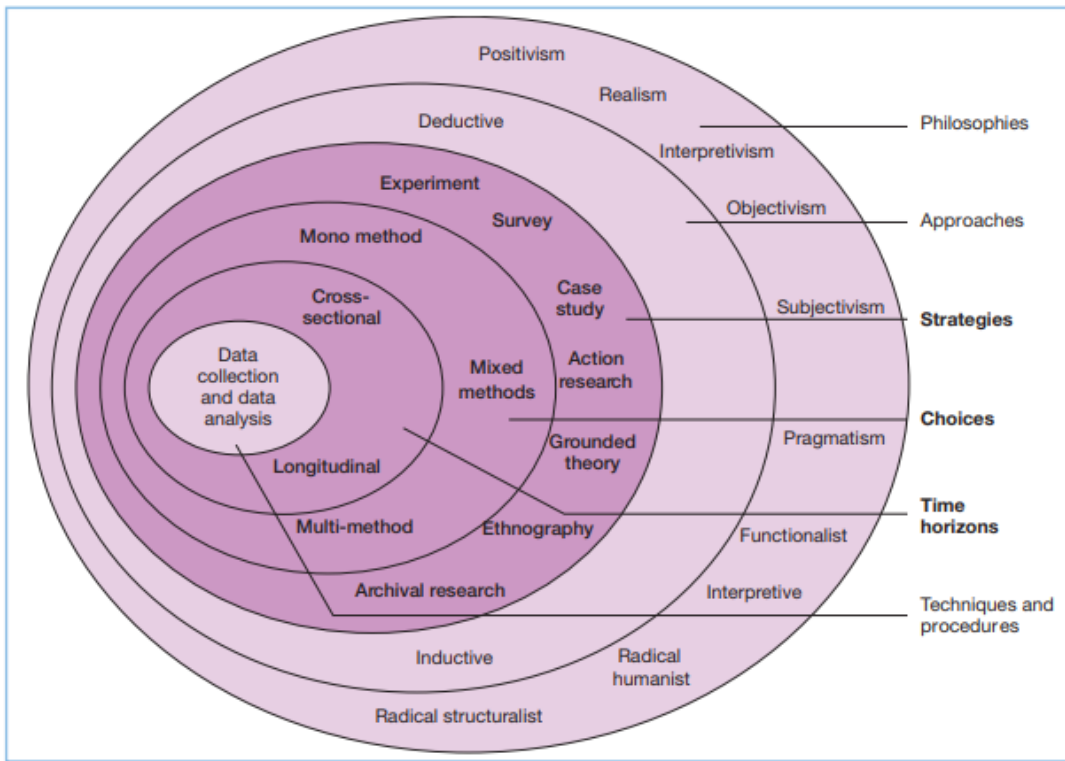
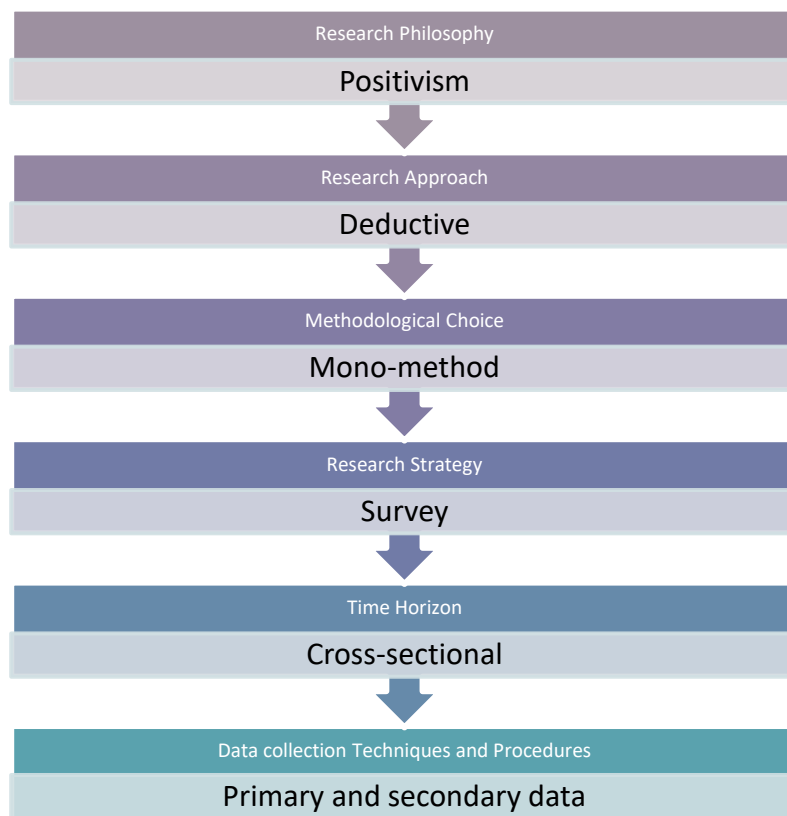


Figure 3 The Research Onion
 Source: (Saunders, et al., 2007, p. 132)

Developed by Saunders et al in 2007, The Research Onion describes six stages through which a researcher must pass when developing an effective methodology as reflected in figure 3. Based on the research onion, the research design of this study was developed as shown in figure 4.



*Figure 4 Research Design
Source: Designed by the researcher*

3.5.1 Research Philosophy

Research philosophy is the first layer of the research onion and it refers to the development of knowledge and the nature of that knowledge (Saunders, et al., 2007). The research philosophy reflects important assumptions about beliefs and the way the researcher understands the world (Zefeiti & Mohamad, 2015). Thusly, the researcher's beliefs determine the research plan and method that will be adopted in the research. There are various philosophies, according to Saunders, et al., but there are three main views of research philosophy: epistemology, ontology and axiology. Each view has different philosophies attached to it that influence the way in which the research interprets the research process (Zefeiti & Mohamad, 2015).

Based on the first layer of the research onion, the positivism philosophy was the most suitable view for this study, because this study uses existing theories to develop the hypotheses of this research. According to this philosophy, the phenomenon studied is not affected by the researcher and the researcher is not influenced by the phenomenon (Saunders, et al., 2007). In this case, quantifiable observations tend to be the best option in conducting this kind of research, because the focus of interest is general and the research attempts to reduce the phenomena to context-free generalisations (Ragab & Arisha, 2017).

3.5.2 Research Approach

The research approach is the second layer of the Research Onion. This involves the use of theory and it is divided into two approaches: deductive and inductive. The first approach focus on “using the literature to identify

theories and ideas that the researcher will test using data” (Zefeiti & Mohamad, 2015, p. 3). As opposed to deductive approach, inductive approach has another way of approaching research. In other words, the data is first collected and, from that, the theory is developed.

This study has a deductive orientation because focus on testing theory. According to Robson (2002), researchers using deductive approach must chase the following stages:

1. Deducting a hypothesis from the theory
2. Expressing the hypothesis in operational terms, proposing a relationship between the variables.
3. Testing the operational hypothesis
4. Examining the specific outcome of the inquiry
5. If necessary, modifying the theory

Deductive research approach search to explain causal relationships between variables and selects samples of sufficient size to generalise conclusions. In this respect, the collection of quantitative data is one of the best approaches adopted in order to test hypotheses. Quantitative method was therefore considered to be an appropriate technique to collect data in numerical form to investigate the main determinants of customer retention and customer satisfaction in subscription based video streaming services. This study aims to explore the determinants of customer satisfaction and customer retention from a top-down approach, in which theory was first adopted as the framework for developing and testing the hypotheses of this study. The way the deductive approach was done in this study involved the development of a conceptual model based on previous literature review that served as a framework for the development of the hypotheses of this study.

3.5.3 Justification of Approach

Quantitative design was adopted in this study in order to investigate the key factors that lead customer satisfaction and customer retention in subscription based video streaming services. The researcher aims to create a general understanding of how customer retention is achieved in the video streaming on demand (SVOD) sector, since there is a gap in knowledge in the current literature on this subject when it comes to this particular industry.

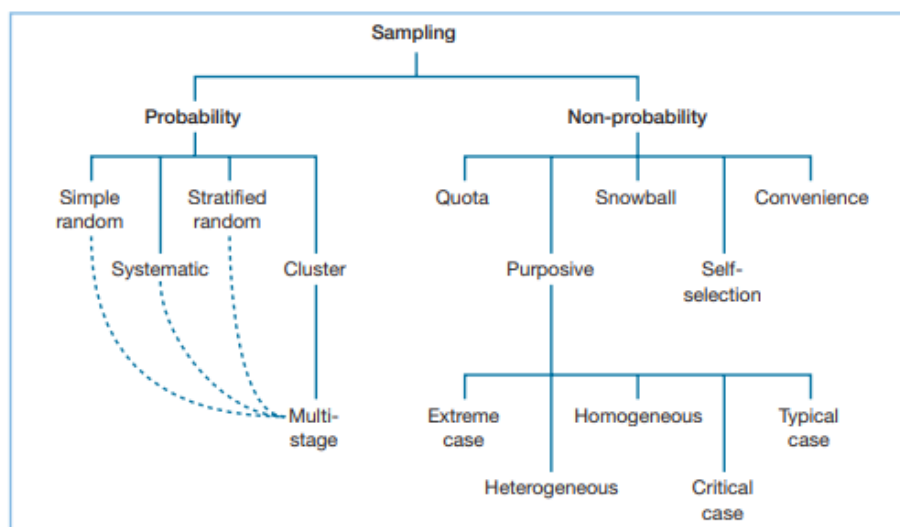
The reason why quantitative research was used in this research is due to the fact that quantitative research is an appropriate method used to test and validate previously constructed theories about customer satisfaction and customer retention. Therefore, based on the research question and the researcher’s objectives for this study, a mono-method was used in this study. In this case, a survey was the strategy used to answer the main research question, associated with qualitative analysis procedure.

Surveys are strategies commonly used in exploratory and descriptive research (Saunders, et al., 2007). This strategy allows the researcher to collect quantitative data and gives more control over the research process. The reason the survey was used in this study was to generate findings that can represent the whole population

at a lower cost. A cross-sectional sample survey was conducted in order to measure units from a representative sample of the population, only at one point in time (Burns, et al., 2017). To summarise, survey was the strategy adopted in this study with cross-sectional questionnaire to collect quantitative data. Finally, the memory of the participants may impact the validity of the research, since questions related to past experiences may not be so accurate.

3.6 POPULATION AND SAMPLING

Population is defined as the full set of cases which a sample is taken or the complete number of cases that are chosen to be measured as the sample of the study (Saunders, et al., 2007) (Zefeiti & Mohamad, 2015). Either



in qualitative or quantitative research, the analysis of a population as a whole it is often not feasible for demanding vast resources in order to study a phenomena in all places and with everyone. Therefore, population samples are generally used in research in order to represent a part of the population studied, especially when it becomes impossible to survey the total population. According to Gary Henry (1990), the use of sample can bring more accurate results if compared to census. The reason for this is due to the fact that a smaller number of cases to be analysed results in more free time for the researcher to refine his research in relation to design and data analysis. Also, a smaller sample allows the researcher to collect more information from the sample.

The choice of sample selection can be divided into two types: probability or non-probability sampling as shown in the figure 5. The first refers to a random selection of the sample, while the second involves non-random selection. In probability sampling all each member of the population has a chance to be chosen to participate in the survey, while in non-probability members are selected based on non-random criteria. According to Saunders, et al. (2007), in non-probability sampling “it is impossible to answer research questions or to address objectives that require you to make statistical inferences about the characteristics of the population”.

Non-probability sampling was used in this research because this technique is most associated with studies where it is unmanageable to draw random probability sampling due to time or cost considerations. The process of non-probability sampling in this study started with the researcher identifying a suitable sampling frame based on the research question. In this first stage, the researcher identified that the total population of video streaming users in the world is of 1.4 billion in 2021, according to Statista (2021).

In order to make data collection more feasible, the researcher decided to reduce the studied population to video streaming users in Ireland, where the researcher lives. In this case, few data were found regarding the size of the population of users in the country. However, through research it was identified that Netflix is the company that has the most streaming users in the country with about 500,000 subscribers, according to marketing consultancy Core Research (Core Research, 2020). Therefore, due to the lack of accurate data on the actual population of video streaming users, it has been estimated that the total population for this study is about 500,000 people.

Based on the definition of the population of streaming users in Ireland, the researcher sought to define the suitable sample size for this study. Defining the sample size is challenging and it is a settlement between what is expected in theory and what is feasible in practice (Burns, et al., 2017). Tabachnick and Fidell (2007) suggest a method based on 50 observations, plus 8 observations for each variable. According to this rule, this study would require at least 90 respondents since the measures of quality service consist of 5 dimensions, or independent variables. Therefore, in order to reach the minimum number of respondents required in this survey, the survey was sent to 150 people, both male and female, between 18-65 years old who live in Ireland and are currently subscribers to one or more streaming platforms. This study includes people of different ages in order to achieve a more accurate result in relation to the total population. Of the 150 questionnaires sent, 93 people provided complete responses, which translates to a response rate of 62%.

3.7 QUESTIONNAIRE DEVELOPMENT PROCESS

The quantitative method comprises four sections; Section 1 includes five items showing demographic data such as age, gender and nationality. Two questions related to the amount of video platforms users are subscribed to and which one is their favourite platform were added in order to better understand the profile of video streaming service users.

Section 2 consists of 25 Likert-scale-type questions that aims to collect information about service quality attributes. In this section a modified E-S-QUAL scale based on Parasuraman, et al., 2005 was used for the production of the questions related to quality service in the video streaming sector. This adaptation was made because the E-S-QUAL scale measures quality service specifically for websites. Therefore, some questions were adapted to the reality of streaming video services. For example, instead of "It quickly delivers what I order", the

statement was modified to “The speed with which new content is added to the platform”. Please see Appendix 7.1 for full breakdown of the questionnaire.

Service quality attributes were measured asking participants about their level of satisfaction with each attribute. In this case, a five-point ranging from “Extremely dissatisfied” to “Extremely satisfied” was used to better measure how satisfied users are with each dimension of quality service. Section 3 consists of two Likert-scale-type items and one multiple choice question related to customer satisfaction. This sections includes questions about the level of satisfaction in general about user’s favourite streaming service. The multiple choice question specifically asks which dimension of service quality related to SVOD that least meets users' expectations. This question was created by the researcher in order to better answer the main question of this research.

The last section of the questionnaire includes three behavioural items asking participants their intentions to continue using the video streaming service in the future and what dimension of quality service most influences users to become loyal to the video streaming company. To see more details about the organization of the questionnaire, consult appendix 7.2.

3.8 METHODOLOGICAL DIFFICULTIES

Although the results of this study contribute to the existing literature on customer satisfaction and customer retention in the video streaming sector, some limitations were identified by the researcher when producing this study. The first difficulty encountered by the researcher was in relation to the actual population of video streaming users in Ireland. The choice of the country was made to facilitate data collection as it would become impossible to select a sample of the world population and the researcher lives in Ireland. However, no reliable source was able to present the actual number of video streaming users in Ireland, so the researcher had to make some adjustments to achieve the ideal number for the sample.

Another important limitation of this research is concern the lack of previous studies regarding customer satisfaction and customer retention in subscription based video streaming services. Very little research was found on this topic and the research identify the need for more studies on this area of study. The third limitation found by the researcher when developing this study was related to how measure the variables in this research. For the reason that there are very little studies in this area of video streaming, the service quality measurement scales were carefully rephrased and some items were developed by the researcher in order to better meet your needs.

Lastly, the research was anxious about not being able to reach the ideal number of responses for this study, 150 people were invited to participate in the survey. Aware that some of them would ignore the invitation or not complete the questionnaire, the researcher considered sending the questionnaire to more people. As expected,

of the 150 questionnaires sent, only 93 were complete, representing a response rate of 62%. Besides that, participants should have been selected equally by age and gender.

For future research on this topic, a quality service measurement scale should be developed specifically for video streaming platforms as none have been created. Furthermore, future studies could explore whether the resources allocated by these companies to achieve customer satisfaction and customer retention are in line with the perceptions of users of users in relation to these two variables.

3.9 ETHICAL CONSIDERATIONS

The sample chosen in this study does not belong to a vulnerable group in society. All respondents belong to the group of people aged 18 to 65 who live in Ireland and have one or more accounts on streaming video sites. To exclude vulnerable groups, the first question of the survey requests the age of the participants. Data collected from people under 18 or over 65 was not considered in this study. The questionnaire was distributed at hospitals or prisons, thus other vulnerable groups did not have access to the questionnaire.

In relation to the voluntary contribution of the participants, the researcher designed a questionnaire which before participants answering the questionnaire items, they were required to read the consent form. Consult appendices 7.3 and 7.4 to see more details. Participation in the research was only possible after participants agreed to voluntarily participate in the research. Finally, the distribution of the questionnaire was made by using Google forms website and no identifiable data of the participants were collected, such as name, email, telephone number or address. The researcher ensures that no IP or URL tracker was used during data collection and all responses were considered fully confidentially and anonymous.

4 FINDINGS AND DATA ANALYSIS

In this section the data from a sample of 93 respondents is presented through two methods using SPSS. In order to analyse reliability, Cronbach's alpha was conducted to test internal consistency of the variables studied in this research. A multiple regression was used to assess the linear relationship between the variables. The chapter begins with a brief overview of the respondents demographics, followed by a subchapter in which the internal consistency of the variables are tested and the findings related to the hypotheses of this research. The chapter ends with a short conclusion about the main findings.

4.1 OVERVIEW OF THE RESPONDENTS

Table 2 shows the demographic profile of the 93 participants in this research. Based on the data collected, it can be interpreted that most respondents are between 25 and 34 years old (n=47) and are fairly distributed between male and female. The nationality that most prevailed in this study was Brazilian with 42 participants, followed by Irish with 22.

Demographics Characteristics	Frequency	Percentage
Age		
18-24 years old	17	18%
25- 34 years old	47	51%
35-44 years old	21	23%
45-54 years old	8	9%
Gender		
Male	43	46%
Female	47	51%
Prefer not to say	3	3%
Nationality		
Brazilian	42	45%
English	2	2%
Irish	22	24%
Italian	3	3%
Mexican	7	8%
New Zealander	1	1%
Polish	7	8%
Portuguese	5	5%
Spanish	4	4%

Table 2 Demographic Profile of the Respondents

Regarding the amount of video streaming service that respondents are currently subscribed to, most respondents have 2-3 accounts on major streaming video services. As shown in chart 1, 43% are subscribed to 3 different streaming video platforms. Only 2% of the analysed sample stated that they have more than 4 streaming platforms. When it comes to favourite streaming video, Netflix is the company that participants are the most fan of (n=55) followed by Disney+ (n=19) and Amazon Prime (n=14), as shown in the chart 2.

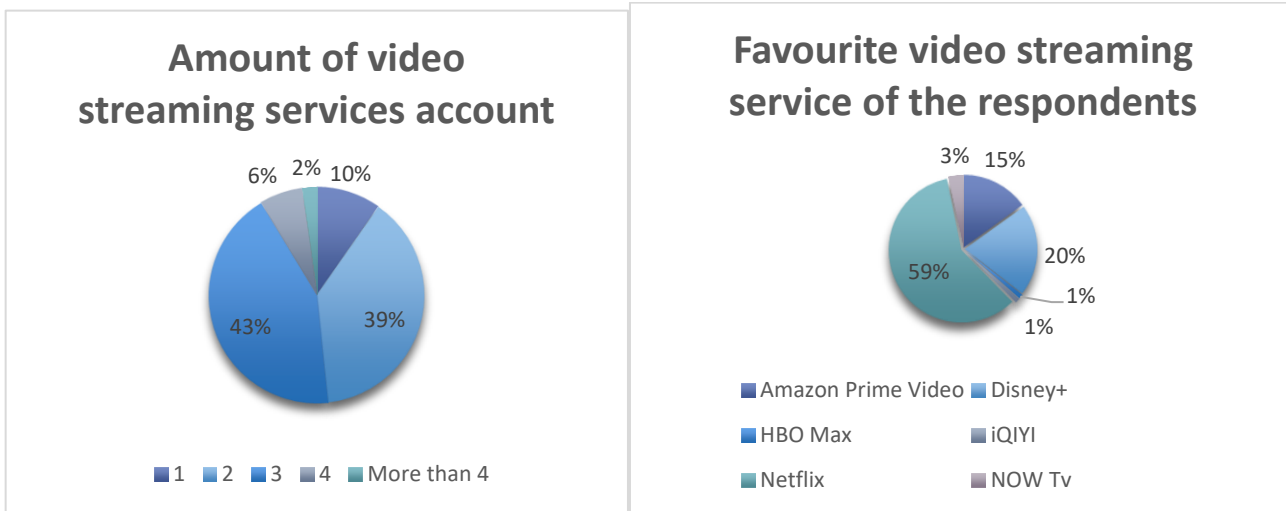


Chart 1 Favourite video streaming service of the respondents

Chart 2 Amount of video streaming per respondent

4.2 RELIABILITY & VALIDITY

The Cronbach Alpha was used in this used to measure the internal consistency of the items of the questionnaire. This scale of reliability is commonly used when the questionnaire presents multiple Likert questions and the researcher seeks to determine if the scale is reliable. Most of the items in the questionnaire of this research were summarized as a 5 point Likert scale, thus the researcher decided to use Cronbach's Alpha to examine whether the scale is reliable.

The resulting α coefficient of reliability ranges from 0 to 1 and if the result is 0, it means that the questionnaire items are totally independent from one another. On the other hand, if the items have high covariance, then α coefficient will be close to 1. The α coefficient was calculated in relation to 30 questions of the questionnaire involving 5 point Likert scale through SPSS. The result found was 0.853, as shown in table 3. Then, the 30 questions probably measure the same underlying concept.

Reliability Statistics	
Cronbach's Alpha	N of Items
.853	30

Table 3 Cronbach Alpha

4.3 FINDINGS

In order to analyse the dimensions of service quality, customer satisfaction and customer retention the calculation of mode and median was done through SPSS, in appendix 7.5 it is possible to see in detail the values of median and mode for each variable. All questions related to the quality service, customer satisfaction and customer retention dimensions were organized using the 5 Likert scale in relation to the level of satisfaction in

relation to each item. It was assumed that the number 1 would represent "Extremely dissatisfied" while 5 would represent "Extremely satisfied".

When comparing the levels of satisfaction in relation to the dimensions of quality service (price, Library of content, System accessibility, user experience and system recommendation), library of content was the dimension with the highest level of dissatisfaction. When it comes to the frequency that movies, series and documents are removed from the platform the most frequent observation was 2 with a median equal to 3. On the other hand, when analysing the highest levels of satisfaction of the participants, system accessibility, user experience and system recommendation are the dimensions of service quality that most please to the analysed streaming video users with mode equal to 5. Finally, with regard to customer satisfaction and customer retention, the mode for both was 4 translating general satisfaction to respondents' favourite streaming platform and they are likely to continue using the service in the future.

4.4 HYPOTHESIS TESTING

During the course of this study three hypotheses were presented. In order to examine them a linear regression analysis using SPSS statistics was conducted in this chapter.

4.4.1 Hypothesis 1

The first hypothesis presented in this study was:

H1: *Customer satisfaction is a determinant of customer retention*

In the regression model, customer retention was considered the dependent variable and customer satisfaction the independent variable. The regression mode provided the R equal to 0,309 and 9,6% of the total variation in the dependent variable can be explained by customer satisfaction, which is very small.

In relation to the significance of the regression model that was run, and it was found that $p < 0.05$, the alpha level. This indicates that customer satisfaction reliably predicts customer retention and it rejects null hypothesis. From the data generated, it is possible to state that an increase of customer satisfaction creates a small increase of customer retention. Although customer satisfaction is a determinant of customer retention, customer satisfaction is not a strong determining factor.

Independent Variable	Dependent Variable	R	R Square	Sig.	Standardized Coefficients Beta
Customer Satisfaction	Customer Retention	.309	.096	.003	.309

Table 4 Model Summary and Standardized Coefficient Beta in relation to Customer Satisfaction and Customer Retention

In order to examine whether there is a linear relationship between variables, Pearson correlation was used. In this case, the correlation coefficient was 0.380 translating moderate positive relationship between the two variables.

4.4.2 Hypothesis 2

The second hypothesis of this study was:

H2: Service quality is a determinant of customer retention

To examine this hypothesis a linear regression was conducted where the independent variable included the dimensions of service quality and customer retention was considered as dependent variable. The main results of the test are shown in table 5 and 6 below.

Independent Variable	Dependent Variable	R	R Square	Sig.
Dimensions of Service Quality	Customer Retention	.713	.508	.001

Table 5 Model Summary in relation to dimensions of service quality and customer retention

In the second regression model, all dimensions of quality service have been considered. The R value of .713 was obtained and 50,8% of the variation in customer retention can be explained by the second model, which shows that compared to the H1, quality service dimensions better explain customer retention variations.

Regarding to the significance of the regression model, a $p=0.001$ was found. The significance of the regression model was less than the alpha level ($p<.05$) indicating that service quality dimensions reliably predicts the dependent variable. Therefore, null hypothesis is rejected and the result is statistically significant. Comparing to H1, service quality dimensions determine more customer retention compared to the customer satisfaction variable.

	Standardized Coefficients Beta
Pricing Q.6	0.001
Pricing Q.7	0.225
Pricing Q.8	-0.046
Pricing Q.9	0.098
Library of Content Q.10	0.078

Library of Content Q.11	0.028
Library of Content Q.12	0.246
Library of Content Q.13	0.167
Library of Content Q.14	-0.130
Library of Content Q.15	0.096
System Accessibility Q.16	0.006
System Accessibility Q.17	0.327
System Accessibility Q.18	-0.247
System Accessibility Q.19	-0.173
User Experience Q.20	0.319
User Experience Q.21	0.181
User Experience Q.22	-0.089
User Experience Q.23	0.038
User Experience Q.24	0.021
User Experience Q.25	0.042
User Experience Q.26	-0.038
Recommendation System Q.27	-0.231
Recommendation System Q.28	0.144
Recommendation System Q.29	0.185
Recommendation System Q.30	-0.188
Recommendation System Q.31	-0.084

Table 6 Standardized Coefficients Beta in relation to service quality dimensions and customer retention

Finally, the standardized coefficient beta was conducted for each dimension of quality service, as shown in table 5. Of the 5 dimensions of service quality, system accessibility and user experience are the dimensions most positively related to customer retention. Items 17 and 20 of the questionnaire presented $\beta = 0.327$ and $\beta = 0.319$ respectively. Such items refer to the possibility to access content anywhere and the ease of finding titles on the platform. The third highest impact on customer retention was library of content with $\beta = 0.246$ followed by price with $\beta = 0.225$. Such dimensions refer to the ease of finding titles on the platform and the choice of different payments methods, respectively. For that reason it is possible to say that four of the five dimensions of service quality have a positive correlation with customer retention.

4.4.3 Hypothesis 3

The third hypothesis of this study is presented below.

H3: Service quality is a determinant of customer satisfaction

The evaluation of hypothesis 3 was conducted in the same way as the two previous ones. However, the dependent variable in this case, was customer satisfaction and the quality service dimensions were considered as independent variables.

As shown in table 7, a value of adjusted R²= 0.569 was obtained in this model meaning that 56,9% of the variation in overall customer satisfaction can be explained by the five dimensions of service quality. The multiple correlation coefficient is equal to 0.755 which refers to the linear correlation between the observed and model-predicted values of the dependent variable. In relation to p-value, a significance level of 0.000 was found demonstrating that the differences between some of the means are statistically significant. In this case, null hypothesis is rejected and not all of population means are equal.

Independent Variable	Dependent Variable	R	R Square	Sig.
Dimensions of Service Quality	Customer Satisfaction	.755	.569	.000

Table 7 Model Summary in relation to service quality dimensions and customer satisfaction

In relation to the standardized coefficient beta, price was the service quality dimension indicating the highest contribution to overall customer satisfaction with $\beta=0.515$, followed by user experience with $\beta=0.200$, as shown in the table 8. Such values refer to questions 9 and 26 of the questionnaire in which the price of the service and the possibility of binge-watching were evaluated by the respondents. Other dimensions such as library of content and recommendation system showed results of β above 0.150 and two items of system accessibility, user experience and recommendation system showed negative results. However, the measure was insignificant in most of them. Consequently, it cannot be concluded that this dimensions have a negative impact on overall customer satisfaction.

The results show that price and user experience are the dimensions that have most positively impact on customer satisfaction. Compared to the other hypotheses, these price and user experience are the dimensions of service quality that present the highest correlation values.

**Standardized
Coefficients
Beta**

Pricing Q.6	-0.043
Pricing Q.7	0.285
Pricing Q.8	-0.099
Pricing Q.9	0.515
Library of Content Q.10	0.103
Library of Content Q.11	0.014
Library of Content Q.12	0.064
Library of Content Q.13	0.197
Library of Content Q.14	-0.186
Library of Content Q.15	-0.060
System Accessibility Q.16	-0.018
System Accessibility Q.17	0.017
System Accessibility Q.18	0.104
System Accessibility Q.19	-0.148
User Experience Q.20	0.027
User Experience Q.21	0.031
User Experience Q.22	0.058
User Experience Q.23	0.054
User Experience Q.24	-0.015
User Experience Q.25	-0.033
User Experience Q.26	0.200
Recommendation System Q.27	-0.025
Recommendation System Q.28	0.056
Recommendation System Q.29	0.048
Recommendation System Q.30	0.158
Recommendation System Q.31	-0.111

Table 8 Standardized Coefficients Beta in relation to service quality dimensions and customer satisfaction

4.5 CONCLUSION OF FINDINGS

The results analysed in this chapter indicates that majority 51% of the participants of this research are people between 25-34 years old. The most common nationality among them was Brazilian, representing 45% of the total of 93 participants. Regarding the number of video streaming platforms that participants are subscribed to, most of them have 3 to 4 accounts on different platforms. Through data analysis, it was seen that the highest ratio presented was in relation to service quality and customer satisfaction, with R^2 equal to 0.569. Therefore, 56.9% of the variation of overall customer satisfaction is explain by the dimensions of service quality. Finally, with regard to customer retention, service quality is the variable that most determines the retention of video streaming users.

5 DISCUSSION

This final section presents the analyses of the findings compared with previous literature, as well as the limitations of the study that might have affected the results.

5.1 COMPLETION OF AIMS AND OBJECTIVES SET

Considering the current scenario in the Service Video On Demand (SVOD) sector in which there is a forecast of loss of users due to the covid-19 pandemic, the main aim of this study was to analyse which quality service attributes most determine customer retention and customer satisfaction in this industry. Based on the previous literature review, the researcher's objectives were, first to understand whether customer satisfaction influences customer retention. Second, how customer satisfaction and customer retention could be achieved through the offer of electronic quality service.

The results presented were intended to test the three hypotheses presented in this study. Regarding the first one, data analysis showed that customer satisfaction determines customer retention. However, it has little influence on users' intentions to continue using streaming services, if compared service quality. To examine if there was a linear correlation between these two variables, Pearson correlation method was conducted and a correlation coefficient of 0.380 was found, which means a moderate positive relationship between customer satisfaction and customer retention. Hence, the first hypothesis of this study was confirmed according to the previous literature review. The study of John Bowen and Shiang Chen (2001) shows a simple decline in the degree of customer satisfaction leads to a reduction in customer retention levels in relation to the company.

The second hypothesis of this study sought to understand if the quality of the video streaming service determined customer retention. In this regard, the scale that measures the quality of electronic services, E-S-QUAL scale, was used by the researcher in order to define the main attributes of quality service associated with electronic services. Adaptations of this scale were made by the researcher to better meet her objectives.

The relationship between quality service and customer retention was calculated using multiple regression. The results found showed that 50.8% of the variation in relation to customer retention was explained by quality service attributes. The highest standardized coefficient was system accessibility with $\beta=0.319$ indicating that this dimension is the one that has the most positive impact in relation to customer retention, followed by user experience. In other words, the correct technical functioning of the platform and the ease of accessing content are the factors that lead users to continue using streaming video services. The previous literature point out that service quality impacts the level of customer retention, especially because an excellent service quality meets customer's expectations and influence their intentions to continue using the service (Fen & Lian, 2007).

The quality service attributes were also related to customer satisfaction in order to test hypothesis 3 of this study. The tests conducted showed a multiple correlation coefficient equal to 0.755, the highest of all compared to the other tests in this study. This shows that service quality is a determinant of customer satisfaction. The main dimension that contributes to this result was price and user experience with standardized coefficient beta equal to 0.514 and 0.200, respectively. This shows that users are satisfied with the price charged by video streaming platforms and with the possibility of binge-watching content. This last factor is one of the main characteristics that differentiate SVOD from traditional TV. The strong relationship between service quality and customer satisfaction has been worked out in several studies in recent years, which helps to validate the results and hypotheses found in this study (Sureshchandar & Anantharaman, 2002) (Caruana, 2002) (Gorondutse & Hilman, 2014).

Finally, the question 34 of the questionnaire requested streaming video users about what factors were causing them dissatisfaction. Multiple answers were possible in this case. The result showed that 58% of the dissatisfaction with streaming video services is due to the delay in launching new title, followed by the amount of content available (41%). In terms of customer retention, 53.8% of respondents intend to continue using their favourite streaming video service in the future.

5.2 THEORETICAL IMPLICATIONS, AND LIMITATIONS OF RESEARCH

The E-S-QUAL is a multiple-item scale to measure electronic service quality. The absence of another scale to calculate the specific quality of service of streaming video services required the researcher to make some adaptations of this scale. Some quality service attributes were modified and others were ignored by the researcher to be more suitable for the research context. Privacy was the dimension which suffered the most changes. The name of this dimension was replaced by recommendation system and questions were created based on the degree of satisfaction of users in relation to the relevant suggestions of the system based on user's data.

Regarding the service quality scale, it would be important for the future framework developing a specific scale for streaming services since price and user experience were the dimensions that most impacted customer satisfaction and customer retention, respectively. However, the scale items must be refined since about 50% of the independent variables explain the dependent variable. Future studies should give importance to the following dimensions: price, user experience and system accessibility. For the reason that these are the three main elements of quality service that were associated in this study with customer satisfaction and customer retention.

The study showed that the highest degree of dissatisfaction of respondents is related to the "library of content" dimension with 58% of dissatisfaction. This shows that this element should be considered by SVOD companies as a point to be improved or used as a strategy in order to increase the general satisfaction of users. Of the five

elements of quality service, recommendation system was the one that least determined customer retention. Therefore, future studies exploring how to better develop the recommendation system of these platforms, tend to contribute positively to SVOD companies. It is interesting in the future to develop a system that recommends titles to users according to their mood of the day, or a system that better interprets users' tastes and preferences. Normally, the recommendation system considers movies watched as positive feedback, so the development of other ways to get feedback are extremely valuable

6 CONCLUSION

In summary, the main objective of this study was to identify the main factors related to service quality that lead to customer satisfaction and customer retention. This goal was successfully achieved by conducting a quantitative method of data collection. A survey was used in this case and with the results obtained, it was possible to state that any change in the price of the streaming service can affect the degree of user satisfaction. With regard to customer retention, the results obtained showed that system accessibility and user experience are factors that video streaming companies should consider when trying to reduce customer churn. The final part of the study indicated some aspects of potential interest that could not be addressed due to time and resources

7 APPENDICES

7.1 QUESTIONNAIRE

Customer Satisfaction and Customer Retention on video streaming services

Consent form *

- I voluntarily agree to take part in this research study

Q1. What is your age? *

- Under 18
- 18-24 years old
- 25- 34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- Over 65

Q2. How do you identify yourself? *

- Female
- Male
- Prefer not to say
- Other:

Q3. What is your nationality? *

Q4. How many streaming video platforms are you currently subscribed to? *

- I do not have access to any SVOD-service
- 1
- 2
- 3
- 4
- More than 4

Q5. Which of the following streaming video platforms is your favourite? *

- Netflix
- Amazon Prime Video
- Disney+
- Apple TV+
- NOW TV
- iQIYI
- HBO Max

Section 1: Service Quality

In this section you will be asked a couple of questions about your chosen video streaming service.

Please grade on a scale from "Extremely dissatisfied" to "Extremely satisfied" how happy are you with each of the following statements.

Pricing

06. Choice of different types of subscription plans *

Mark only one oval.

_____ 1 2 3 4 5 _____

Extremely dissatisfied Extremely satisfied

07. Choice of different payments methods *

Mark only one oval.

_____ 1 2 3 4 5 _____

Extremely dissatisfied Extremely satisfied

08. The cancellation policy and the terms and conditions *

Mark only one oval.

_____ 1 2 3 4 5 _____

Extremely dissatisfied Extremely satisfied

09. The price of the service in general *

Mark only one oval.

_____ 1 2 3 4 5 _____

Extremely dissatisfied Extremely satisfied

Library of content

Library of content refers to movies, series, documentaries or shows available on the platform

10. Amount of content available *

Mark only one oval.

_____ 1 2 3 4 5 _____

Extremely dissatisfied Extremely satisfied

11. Amount of original/exclusive content *

Mark only one oval.

_____ 1 2 3 4 5 _____

Extremely dissatisfied Extremely satisfied

12. Amount of new content available *

Mark only one oval.

_____ 1 2 3 4 5 _____

Extremely dissatisfied Extremely satisfied

13. The speed with which new content is added to the platform *

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

14. The frequency that content is removed from the platform *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

15. The variety of genres *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

System accessibility

System accessibility refers to how the user navigates and interacts with the system

16. The ability to stream content on multiple devices at the same time *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

16. The ability to share my account with my friends or family*

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

18. The possibility to access content whenever I want *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

19. The ability to group-watch content on the platform *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

User Experience

20. The ease of finding titles on the platform *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

21. Quality of the media (video, sound etc.) *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

22. The amount of bugs and crashes on the platform *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

23. The content loading time *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

24. The appearance of the platform's home screen *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

25. The variety of languages and the quality of subtitles *

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

26. The possibility of watching many or all episodes in rapid succession(binge- watching)

*

Mark only one oval.

	1	2	3	4	5	
Extremely dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely satisfied

Recommendation System

Recommendation system refers to the mechanism for recommending relevant titles for each user based on their preferences

27. The movies and series recommended by the system are in accordance with my preferences *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

28. I usually watch the content recommended by the system. *

Mark only one oval.

	1	2	3	4	5	
--	---	---	---	---	---	--

Strongly disagree Strongly agree

29. The recommendation system helps me save time when I'm looking for something to watch *

Mark only one oval.

1 2 3 4 5

Strongly disagree Strongly agree

30. I think the recommendation system is extremely useful for me *

Mark only one oval.

1 2 3 4 5

Strongly disagree Strongly agree

31. I am satisfied with the recommendation system *

Mark only one oval.

1 2 3 4 5

Strongly disagree Strongly agree

Section 2: Customer Satisfaction

In this section you will be asked about your level of satisfaction in general about your favourite streaming service.

32. In general how satisfied are you with your favourite video streaming service? *

Mark only one oval.

1 2 3 4 5

Extremely dissatisfied Extremely satisfied

33. Imagine an ideal streaming video service that meets all your needs. How far from this ideal do you find your specific service? *

Mark only one oval.

1 2 3 4 5

Very far Very near

34. Why does your favourite platform not meet all your needs? *

Check all that apply.

- The price of the service is too expensive
- The cancellation policy and the terms and conditions are tricky
- The amount of content available is poor
- The delay in launching new titles
- It is not practical to search for content on the platform
- The option of watch in group is not available
- The system has many glitches and bugs
- Not all titles have subtitles in my language
- The recommendation system does not match my preferences

Section 3: Customer Retention

35. How likely is it that you would keep using your favourite streaming video service in the future? *

Mark only one oval.

	1	2	3	4	5	
Very unlikely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very likely
<input type="radio"/>						

37. What is the main factor that determines you to continue using this streaming service?

*

Check all that apply.

- Price
- Library of content (amount and quality of movies and series)
- System accessibility (ease of finding titles, quality of the media etc)
- User experience (quality of video and audio, amount of bugs and crashes etc)
- Recommendation system

7.2 ORGANIZATION OF THE QUESTIONNAIRE

Operational Measurement Framework	Section	Dimensionality	Question Number
Service Quality	2	Pricing	Q.6-Q.9
		Library Content	Q.10-Q.15
		System Accessibility	Q.16-Q.19
		User Experience	Q.20-Q.26
		Recommendation System	Q.27-Q.31
Customer Satisfaction	3	Behavioural	Q.32-Q.34
Customer Retention	4	Behavioural	Q.35-Q.37

7.3 CONSENT FORM

Consent Form

I voluntarily agree to take part in this research study.

I understand that I am not obliged to take part in this study and that my participation in the study is entirely voluntary.

I understand that I am free to withdraw from the study at any time or refuse to answer any question without the need to provide reason and without fear of negative consequences.

I understand that my responses will be anonymous

I understand that in the case of completing an anonymous questionnaire, it will not be possible to subsequently withdraw my data due to the fact that there will be no personally identifying information attached to my responses.

I understand that I will not benefit directly from participating in this research.

I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

I understand that signed consent forms will be retained for some time until the exam board confirms the results of their dissertation.

I confirm that I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study with satisfactory answers provided.

I confirm that I have read and fully understood the information provided and statements above.

7.4 INFORMATION SHEET FOR PARTICIPANTS

Informed Consent Form

Research title

The determinants of customer satisfaction and customer retention in the subscription based streaming services in Ireland

Student Researcher: Francisca Thamires de Sousa, 10568698@mydbs.ie

Research Supervisor: Mr Owen O'Reilly

About the Project

My name is Francisca Sousa and I am currently conducting a thesis project under the direct supervision of Owen O'Reill on the subject of service quality, customer satisfaction and customer retention in the subscription based streaming services at Dublin Business School.

The purpose of this research

The aim of the project is to investigate how customer retention and customer satisfaction can be achieved through service quality on the video streaming industry. Results of this study will allow me to identify which quality service attributes generate customer satisfaction and enhances customer retention on video streaming services in Ireland.

Participation

I would like to invite you to take part in a survey. As a participant in the study, you would be asked to answer questions related to your preferences and expectations when using video streaming platforms. Please choose the option that best suits your preferences. This survey will take less than 5 minutes to complete.

Data Protection

The data you provide as part of this questionnaire will be fully anonymous. I will not gather any direct personally identifying information about you or anyone close to you. This questionnaire does not contain any personally identifiable information. You will be asked to provide optional demographic information of a broad nature about yourself. Your data will be collated into a larger dataset and analysed at the group rather than the individual level. Your data will only be used for academic purposes and will not be shared with anyone for commercial purposes.

Your Rights

As a voluntary participant, you have the right to opt out this questionnaire any time you feel not comfortable to answer the questions without any explanation. You also have the right to not answer any question that you do not feel able to answer. You are under no obligation to take part in this study or to provide a reason if you decide not to take part. The data will not be used by any member of the project team for commercial purposes.

What are the risks and benefits of taking part in this study?

In addition to providing much appreciated assistance to the student researcher, the main benefit of taking part in this study will be your contribution to academic research, which aims to expand knowledge and generate new insights. There will be no risks posed to you as a participant in this study, either physical or psychological, beyond that which is normally expected of day-to-day activities.

If you are interested in taking part...

Please review the information provided in the consent form and if you are happy to proceed with the study then please indicate your willingness to take part by ticking the appropriate box where appropriate.

7.5 MODE AND MEDIAN OF SERVICE QUALITY, CUSTOMER SATISFACTION AND CUSTOMER RETENTION

1. Dimensions of Service Quality	Mode	Median
1.1. Pricing	4	4.00
Choice of different types of subscription plans	4	4.00
Choice of different payments methods	4	4.00
The cancellation policy and the terms and conditions	3	3.00
The price of the service in general	4	4.00
1.2. Library of content	4	4.00
Amount of content available	4	4.00
Amount of original/exclusive content	4	4.00
Amount of new content available	4	4.00
The speed with which new content is added to the platform	4	3.00
The frequency that content is removed from the platform	2	3.00
The variety of genres	4	4.00
1.3. System accessibility	5	4.50
The ability to stream content on multiple devices at the same time	4	4.00
The ability to share my account with my friends or family	5	5.00
The possibility to access content whenever I want	5	5.00
The ability to group-watch content on the platform	3	3.00
1.4. User Experience	4	4.00
The ease of finding titles on the platform	4	4.00
Quality of the media (video, sound etc)	5	5.00
The amount of bugs and crashes on the platform	4	4.00
The content loading time	4	4.00
The appearance of the platform's home screen	5	5.00
The variety of languages and the quality of subtitles	4	4.00
The possibility of watching many or all episodes in rapid succession (binge-watching)	5	4.00
1.5. Recommendation System	4	4.00
The movies and series recommended by the system are in accordance with my preferences	4	4.00
I usually watch the content recommended by the system	4	4.00

The recommendation system helps me save time when I'm looking for something to watch	5	4.00
I think the recommendation system is extremely useful for me	4	4.00
I am satisfied with the recommendation system	4	4.00
Other measures used		
Satisfaction	4	4.00
Retention	4	4.00