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SUBSCRIPTION LOYALTY IN VIDEO STREAMING SERVICES

TIIVISTELMÄ

Markkinoilla on useita maksullisia streamauspalveluita jotka keskenään kilpailevat asiakkaista. Uusilla palveluilla voi olla haastavaa saada käyttäjä vaihtamaan palvelua ja murtaa käyttäjien lojaalisuutta vanhempia palveluita kohtaan. Vaihtokäyttäytymistä ja lojaalisuutta on tutkittu useita vuosikymmeniä, erilaisista tuotteista, erilaisiin palveluihin, viineistä puhelinliittymiin. Internetin muutettua kaupankäyntiä ja palvelujen muotoa, ovat myös tutkimukset päivittäneet itseään tilanteeseen jossa vanhoja käsityksiä ja mittaustapoja on ruvettu vahvasti kritisoimaan. Lojaalisuus rakentuu vaiheittain ajan ja tuotteen tai palvelun käytön myötä, se on usein vahvasti sidoksissa tyytyväisyyteen. Erilaiset muurit kuten mahdolliset kulut, saatavuus ja kuluva aika ja vaiva, voivat vaikeuttaa tai estää palvelun vaihtamisen. Lojaalisuuteen vaikuttaa myös palveluiden markkina-asema, käyttäjän sosiaaliset verkostot ja mahdollisuus käyttää useita palveluita samaan aikaan. Tutkimus jakoi lojaalisuuden asenne- ja käytöspohjaisuuteen. Lojaalisuuden ominaisuuksina käsiteltiin myös verkostovaikutusta ja monen palvelun samanta käyttöä. Asenne- ja käytöslojaalisuuksien välillä todettiin ylemmällä tasolla yhteys. Usean palvelun samanaikainen käyttö on yleistä ja usein hinta ei ole sille esteenä. Tyytyväisimmät käyttäjät ovat usein aktiivisempia sosiaalisessa verkostossa.

Asiasanat: vaihtokäyttäytyminen, lojaalisuus, tyytyväisyys, streamauspalvelut

ABSTRACT

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There exist multiple subscription based streaming services which compete with each other. It can be challenging for a newcomer to make a user switch service and break loyalty towards older service. Switching behavior and loyalty have been studied for decades including different products and services from wine to mobile phone service providers. As the internet has changed trading and the shape of the services, studies have also updated themselves to the point where old perceptions and ways of measurements have been strongly criticized. Loyalty is built in phases with time and use of a product or a service, it also strongly connects to satisfaction. Different barriers like possible costs, availability and used time and effort can complicate or prevent switching. Market position, users' social network and possibility to multi-home can have an effect on loyalty. This research divided loyalty to attention and behavior loyalty. Network effect and multi-homing was also used as a features for loyalty. Research found a higher level connection between attention and behavioral loyalty. Multi-homing is a common practice and most of the time price is not a barrier for it. Satisfied users are often active in social networks.

Keywords: switching behavior, loyalty, satisfaction, streaming services

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1 INTRODUCTION

The Internet has become a major distributor of anything that is digital (Varadarajan, Yadav & Shankar, 2008) and the rapid growth of the entertainment industry in recent decades has been stimulated by increased leisure time and technological improvements in the productions and product provisions (Anand & Shachar, 2004). Online entertainment is delivered via streaming technology, it being music, movies or video game footage. From these media formats, this thesis will focus on video platforms that offer movies or TV-shows for monthly or yearly fee. Many available online video streaming services offer a very similar basic service and the fight for consumers using values like exclusivity. This is sometimes preferred as the streaming wars (Szczepanik, 2020).

Satisfaction of traditional subscription TV has fallen as satisfaction for streaming services like Netflix, Twitch and Amazon Prime Video, and network channel subscription like CBS All Access, have scored higher in The American Customer Satisfaction Index (2018). According to Deloitte's (2019) Digital media trends survey, exclusive content is the reason why 71% of 22-35 years old pay for streaming services. In a survey by DecisionData (2019) 37% out of 1 349 respondents said that they were either very likely or somewhat likely to cancel their HBO subscription after the last episode of a popular exclusive TV show, Game of Thrones, airs. The strongest cancellation intention, 40%, was in the age group of 18 to 35. Only confirming information if this intention ever realized, reached to 16% from a limited pool of data (Roettgers, 2019).

This topic is timely and important because while I was writing this thesis three new streaming services were launched or rebranded. One of these services failed to acquire customers and was shut down just after six months (Gartenberg, 2020), while another broke subscriber records (Nunan, 2020). I find the topic interesting because by its nature it denies traditional delivery concepts. From a customer's perspective, streaming has a low entry barrier, services

being available on practically every smart device, including gaming consoles, TVs and tablets, it has relatively low price range leading to low risk investments and services offer unlimited monthly use. I want to study behavior and factors that define how customers use these services, how loyal they really are to these kinds of services.

In this thesis loyalty behavior is based on service loyalty which is usually connected to satisfaction. In this context, loyalty is studied as e-loyalty but is defined semantics in mind, as loyalty and brand affection literature is rich and well studied, but heavily rooted in the pre-online era. This thesis does not directly study retention and is more customer centric, focusing on churn (discontinuation) and switching behaviors.

To have a more complete image of subscription behavior, I take into account that the use of the service might be affected by costs and barriers that prevent churning or switching to another service. One interesting factor in subscription based streaming is that all of them are relatively cheap and in the same price range. Availability of the services and the selection that service offers might geographically differ. Without understanding the forced reason for one to use or stay in a specific service our conclusion is most likely to be skewed.

Most popular streaming services are not just popular, they are massively popular (Nunan, 2020). Network effect may help to explain this popularity, behavior patterns and overall cultural impact of the offered content.

Before paid video streaming services landed to Finland, many TV-channels had launched their own online streaming services that offered live television and, usually for limited time, televised shows and some movies. In 2008 Spotify (2020), a platform that offers unlimited music streaming with a monthly fee, was launched in five countries, including Finland. When Netflix launched in Finland, 2012, people were already familiar with the concept that it offered, but the value was different. Netflix was originally launched in 2007 in the USA and had a rippling effect. In following years similar services were locally built or regionally expanded to challenge it. Era of streaming service competition was born. According to Alexa (2020) Netflix is 37th, and according to Similarweb (2020) 34rd popular website in Finland. Of streaming based sites, only YouTube and Twitch are more popular but in the context of this thesis they offer a different kind of service, free one. This is the reason why I am interested in looking into First Mover Advance (FMA) as I want to see if the age of the services give them any advance against newer ones.

Lastly I look into single- and multi-homing factors as it would be expected for a person to maximize their benefits and use multiple services at the same time. In loyalty literature mobile phone- and internet type of services are well covered. In these services a customer can choose the most fitting plan for them.

In the streaming field most services only offer one product, and unlike with previously mentioned services, these are less substitutes for each other.

Thesis will only focus on video streaming services that are behind a paywall, without a free version which are usually advertisement supported or limit the streaming quality. As thesis focus on a more permanent aspect of loyalty, free trial is also ignored with an event and a seasonal based streaming like sports and streaming packages that include sports. Including free services would change the price barrier threshold and widen the scope for three different categories, truly free, freemium and paid services. Including free and freemium services would also include their business models that differ from paid services, and so they are beyond the scope of this thesis.

Questionnaire study was conducted in a university environment using tools provided by university and using information technology students as the population. Sample was obtained using the university's IT-student mail listing and tools provided by Webropol online survey platform.

This thesis is organized in the traditional thesis way. First it looks into relevant literature and how it has handled the topic overall; how literature conflicts and how it coincides within itself. To form a solid base for the rest of the thesis loyalty is defined, and its aspects are looked into. Special focus is directed towards satisfaction, loyalty building and the end of use, or as it is usually called, churn. Next, the thesis takes a dive into switching costs and barriers to explore forced loyalty, when switching is constrained. Finally, for other aspects of loyalty, the thesis takes a look into the first mover advance, network effect, and single- and multi-homing. The literature about the topic is quite fragmented on the models, terms and methods. This fragmentation and differentiation needs to be acknowledged before we can form research methods of our own. After the research method section, results are analyzed. Research questions are answered in the discussion section with the thesis's contributions to literature and practice. The thesis ends with a sum up conclusion that reflects about the meaning of the findings and the limits of the research.

I want to know when a potential new service is launched, how it is expected to perform against more established competition. To succeed, a newcomer would need to fight for the audience that are already invested in other services. The strength of this loyalty however could be shattered, if it was even there in the first place. To understand streaming loyalty we need to understand factors that form and influence it. In the past many studies have focused only on one service or a product and how it is used, or one phenomenon. This thesis tries to expand current knowledge by including the perspective of the use of multiple competing platforms at the same time and figure out how strong loyalty bonds are for this type of service.

Research questions for this thesis are set as: How does price range affect streaming loyalty? What kind of role exclusive content has in the video stream-

ing market? As multiple competitive services are available, how does the possibility of multi-homing services occur? Are more established services in advance when compared to newer ones? How much of the loyalty is based on attitude? What kind of role social interactions play in streaming service subscription?

In this thesis I want to find factors that influence streaming loyalty behavior in video streaming services, especially factors that form loyalty. I also want to know what kind of loyalty behavior, if any, can be found in this environment.

2   LITERATURE REVIEW

Brand loyalty has been studied actively for a long time. Oldest study in this paper is from the 1970s and the newest from 2020. Loyalty research literature is rich and has covered products from toothpaste (East, Gendall, Hammond & Lomax, 2005) to wine (Rundle-Thiele, 2005), to services like banking (e.g. Quan, 2010; Colgate & Lang, 2001) and from online shopping (e.g Cheng-Min & Yu-Kai, 2006; Wang & Xu, 2008) to social media sites (Ruiz-Mafe, Martí-Parreño & Sanz-Blas, 2014).

A lot of studies have been made using behavior, primary on switching, but they have mainly focused on more permanent products or services like mobile platform (e.g. Nykänen, 2019) or service providers (e.g. Lee, Lee, Feick, 2001; Kim, Park & Jeong, 2004). In these, the user only needs one unit of chosen entity and having two may not offer practical advances or multi homing benefits. Many churn focused studies are from the point of view of a company. This is understandable because churn predictions help companies to engage with potential leaving customers and prevent revenue loss (Vadakattu, Panda, Narayan & Godhia, 2015; Borbora & Srivastava, 2012).

Relevant loyalty topics have a rich history. There exists a lot of literature related to network effect, although empirical literature is lacking (Cheng & Liu, 2007) and the first mover advance has been studied since the 1950s (Wang, Cavusoglu & Deng, 2016). Early 2000s saw a change in the field. Not just coming of online presence of retail but also studies became to question their past more actively. Older, more simple models where replaced case by case models that were specific to certain areas of interest and with multiple dimensions of focused entity. Nonetheless, especially studies that focus on loyalty have relevantly narrow roots; Oliver's 1999 and Dick's and Basu's 1994 papers are constantly preferences in later studies. There exist multiple popular and researcher unique models to frame loyalty and the use of technology, like Technology Acceptance Model (TAM) and Unified theory of acceptance and use of technology (UTAUT). However, more recent literature has pointed out how scattered the

definition of loyalty is between researchers and how generalization should be switched (Bandyopadhyay & Martell, 2007) for a more market and situation fitting concept of loyalty (Rundle-Thiele & Russell-Bennett, 2001). Studies that have focused on the internet as a marketplace are limited in terms, results vary and include competing points of view (Varadarajan, Yadav & Shankar, 2008).

Literature also suffers from non-united semantics, for example use of attitudinal loyalty, intentional loyalty and relative attitude; and behavioral loyalty and behavioral intention; and general loyalty and churn, can be synonymous or separate concepts. When studies' main focus is on online business terms e-retail, etaile and e-commerce are used. Some studies try to be more defining by specifying their environmental terms as e-loyalty, e-satisfaction, e-economics and e-market, but still base their research on non-internet based markets.

Video streaming services and -platforms, and relative phenomenons, like binge watching, are relatively new forms of culture and it is not a surprise that they are currently a popular topic to study. (e.g. Nuutinen, 2016; Rubenking, Bracken, Sandoval & Rister, 2018; Godinho de Matos & Ferreira, 2020; Szczepanik, 2020).

Next sections dives into meaning and aspects of loyalty and satisfaction, how literature has defined different aspects of them and how they connect to each other. Literature uses plain term loyalty and more specific term brand loyalty coincidentally. In the context of this work brand loyalty is also preferred as loyalty as there's a little difference between the meanings on the grand scale. Repurchase and repatronage are also used synonymously. Loyalty is first defines on higher level and then using Oliver's (1999) phases analyzed more precisely, including thoughts about if true loyalty is even possible. The role of satisfaction is strongly connected to loyalty and customer retention, and trust and brand image to loyalty building. Churn, discontinue of use, is the other side of the loyalty coin. Where loyalty is seen as a link between a customer and a company, churn is viewed as unlinking that connection.

2.1   Construction of loyalty

In many research papers, like Chaudhuri's and Holbrook's (2001) and Ruiz-Mafe's, Martí-Parreño's and Sanz-Blas's (2014), Oliver's (1999) definition of loyalty is mainly quoted as the definite. Oliver (1999) states that loyalty is a commitment to rebuy or repatronize a preferred product or a service repeatedly in the future, and so causes continuous purchasing under the same brand, despite potential causes for switching behavior like situational influences and marketing efforts. Other researchers like Liu, Hu, Yi, Liu and Zuo (2017) focused more on action and attitude as they defined loyalty as a long-term

commitment to repurchase involving repeated support and favorable attitude. Dick and Basu (1994) describe it as the strength of the relationship between an individual's relative attitude and repeat patronage. Jakoby and Kyner (1973) based loyalty on driven and randomless behavioral responses made consciously over time from the same group of brands. E-loyalty has some unique features when compared to traditional loyalty. It's more about customer support, delivery, product presentation, convenience, shipping costs and trust. (Gommans, Krishman & Scheffold, 2001). In the context of online fan pages Ruiz-Mafe, Martí-Parreño and Sanz-Blas (2014) used intention and recommendations for defining loyalty.

It is commonly agreed between researchers that loyalty should be divided into behavior and attitude. *Behavioral loyalty* usually means repeated purchases of the brand and *attitudinal loyalty* include a degree of dispositional commitment when some unique value is associated with the brand (Chaudhuri & Holbrook, 2001). It can also be a driving factor for reasoning behavior loyalty (Russell-Bennett, 2002; Bandyopadhyay & Martell, 2007). According to Mittal and Kamakura (2001) behavior intent is an intermediary between attitude and behavior. While in the purchasing decision process, it represents the intention to act and can appear as a predisposition to the first time brand purchase or repurchase commitment (Gommans, Krishman & Scheffold, 2001). In this study's definition of loyalty, the bare intention of a purchase cannot be called loyalty by itself as it does not contain the act of even the first time purchase that is needed for loyalty to surface.

Behavior loyalty is usually used in the context of purchase loyalty (Chaudhuri & Holbrook, 2001), also called repeat patronage (Dick & Basu, 1994; East, Gendall, Hammond & Lomax, 2005), where it is based on repetition but it can also be expressed in different ways. In marketing perspective behavioral loyalty can be viewed as retention of the brand (East, Gendall, Hammond & Lomax, 2005). In behavioral loyalty, customers have rational expectations that are predictors of quality, value, satisfaction (Fornell, Johnson, Anderson, Cha & Bryant, 1996) and switching cost (Cheng-Min & Yu-Kai, 2006). It can also manifest itself as a favorable action for the brand like recommendations (Ruiz-Mafe's, Martí-Parreño's & Sanz-Blas, 2014). Behavior loyalty is more complex and harder to achieve on the internet as the internet enables information gathering to validate buying decisions. (Gommans, Krishman & Scheffold, 2001).

2.1.1 Phases of loyalty

Oliver (1999) divides general loyalty into cognitive, affected, conative and action phases based on the customer's behavior towards the brand. Dick and Basu (1994) used a similar dividing to form a loyalty relationship framework, that's more based on attitudinal loyalty. In the traditional mind attitudinal loyalty includes dimensions of cognitive, affective and conative loyalty. (Gommans, Krishman & Scheffold, 2001).

In cognitive loyalty, one brand is shallowly preferred to another based on performance aspects like information and beliefs for example price and features. This includes routines like performance that have a low level of satisfaction. (Oliver, 1999). Habit might come from the existence of the switching barrier (Kim & Krishnan, 2019). Information and beliefs here presents a change in attitude. It includes accessibility that guides the act, confidence to act and centrality of the attitude which indicates customer's level of value and reached attitude clearness when alternative attitudes toward the product or service exist. Shortly, clarity of purchase when options are available. (Dick & Basu, 1994). In the past brand loyalty development has been built on brand image building via mass media communication, but in modern e-economics, technology enables to put more weight in the cognitive dimension by offering information that is customized (Gommans, Krishman & Scheffold, 2001).

Affected loyalty forms when satisfaction is cumulative and has begun to develop as a person shows an affection towards the brand that they like. This however is subject to switching and deeper loyalty is desired as it is based on customers "just liking" the product they are getting. (Oliver, 1999). Customers may form emotional attachment to external factors like people or places related to the product or the service. Less intense than emotions, mood is related to accessibility and facilitated inductions through environmental design. In primary affection, presence of the object or the service may lead to a primary response. Affected phase implies satisfaction that leads to repeating purchases. (Dick & Basu, 1994). In this phase the focus of e-loyalty is on trust, privacy and security (Gommans, Krishman & Scheffold, 2001). Park and Kim (2000) defined affective loyalty to be formed when it affects persons identification with an activity and commitment, traits that according to Oliver (1999) would belong to conative phase.

In conative loyalty, state is built on repeated intervals of positive affection towards the brand; it contains more deeply held commitment. Although conative level commitment is based on motivation, loyalty desire can be an anticipated but unrealized action. (Oliver, 1999). Customers may experience more obstacles that tie them to the product or a service, like switching costs, which are a common strategy to increase loyalty, or sunken costs. In this phase, future ex-

pectations reflect the current and expected match between offering and needs. (Dick & Basu, 1994).

In action loyalty, customer's commitment to repurchase or repatronize a product or a service in the future is deeply held and cannot be waived by momentual influence or advertising. In this and conative state, action is a mandatory result of engagement. If action is repeated, it develops action inertia and will facilitate the repurchase. (Oliver, 1999). Consumer needs to be willing and overcome considerable obstacles for the value offerings (Blut, Evanschitzky & Vogel, 2007).

Multiple different indexes have been used to measure cognitive cause factors like confidence and centrality. Affectiveness has been measured using checklists and mood indexes. Conative causes have not been studied greatly. Social norms could be used as a moderator to measure reasons of action. (Dick & Basu, 1994). Customers can be loyal to a multi-productional company even if a competitive company offers better preference for a certain product (Dick & Basu, 1994; Anand & Shachar, 2004). Study by Blut, Evanschitzky, Vogel, and Ahlert (2007) found moderation factors like social benefits, between Oliver's (1999) cognitive and affective states and switching costs between conative and action states.

2.1.2   True Loyalty

Depending on the item or a service, some acts and factors may prevent or swing loyalty. Oliver (1999) explains that his cognitive phase can be challenged by real or imagined competitive features or price, and the affective phase is more about dissatisfaction, associations of the other brand. Both phases are very vulnerable to variety seeking and voluntary trials. Even in conative phase, customers can be persuaded with counter-arguments from competition and if competition wants to be aggressive they can claim, buy, an exclusivity of the product for themselves that can affect even customers who have achieved the action phase. In every phase, loyalty is tested if the performance of the brand is deteriorating. Mothersbaugh and Beatty (2002) found performance loss being the strongest reason against repurchasing intentions.

Other reasons for change in loyalty can be the end of habit via lifestyle changes, ageing, competitioner's ability to fulfill changed needs (Oliver 1999), emotional factors, or change in expectation as decision criteria changes (Dick & Basu, 1994).

True loyalty can be an unreasonable expectation (Oliver, 1999) and some studies suggest that not every intention to act leads to action (Blut, Evanschitzky & Vogel, 2007). If customer's loyalty is based on a lack of options, it would be wrong to call this loyalty to true loyalty as it does not show noticeable

voluntary biased behavior and the customer may use the first opportunity to abandon the brand if there's a situational change (Amine, 1998).

Ruiz-Mafe, Martí-Parreño and Sanz-Blas (2014) define true loyalty as the consumer's relative attitude towards the product or the service, that is favorable and includes behavior with a nature of repeated commitment. This shows a limitation and difference in potential reachable loyalty. Depending on a product or a service there might be no way to express certain higher levels of loyalty due restriction in product, service or user's abilities like finances. Market share of available options might also be limited. (Amine, 1998; Chaudhuri & Holbrook, 2001), which could easily lead to wrong conclusions about loyalty level.

From above definitions we can combine that a level of loyalty is formed 1) in different phases 2) when customer continuously purchases 3) same type of products or services, 4) over longer period of time, 5) gains strong unwavered attitudinal led behavior pattern 6) which becomes resistant to outside influences and obstacles. Although it is argued, that true defining loyalty is impossible as there are no universal agreement of what loyalty means (Bandyopadhyay & Martell, 2007) and it cannot consistently predict all possible outcomes, so general concept should be forgotten (East, Gendall, Hammond & Lomax, 2005).

2.2   Satisfaction

According to Oliver (1999) satisfaction is a pleasurable fulfillment, where a standard pleasure's outcomes the displeasure. Dick and Basu (1994) specifies that satisfaction is consumer's response to expectation and perceived performance in post-purchase state, in other words, post-purchase evaluation (Fornall, 1992). For Gerpott, Rams and Schindler (2001) it is a customer made assessment that is experience based on fulfilling of services individual characteristics or functionality. According to Mittal and Kamakura (2001) satisfaction is based on customer's characteristics like threshold, response bias and nonlinear link between satisfaction rating and repurchase behavior. Satisfaction can be divided into service satisfaction and product satisfaction, but it is usually defined on the grand scale. Both of them have a positive effect on customer overall satisfaction. (Zhai & Ye, 2009).

So satisfaction is 1) after state fulfillment 2) of perceived performance after expectation 3), it can be divided into product and service based satisfactions 4) and it's based on customers' different characteristics.

Satisfaction is an important factor while determining customer retention (Jones, Mothersbaugh & Beatty, 2000), which has a strong effect on profitability (Fornell, 1992; Chang, Hu & Yan, 2009), because of its positive relationship to

loyalty (Chen & Wang, 2006). Customer satisfaction includes expectations of goods and services, but in the online experience, the process of interaction is valued more than the product itself. So service satisfaction has a greater effect on customer satisfaction and loyalty, unlike product satisfaction which does not offer a significant boost on loyalty. (Zhai & Ye, 2009).

It is much easier to obtain a purchase from an old customer than a new one (Vadakattu, Panda, Narayan & Godhia, 2015; Liu, Hu, Yi, Liu & Zuo, 2017; Uner, Guven & Cavusgil, 2020) and attracting new customers costs more than keeping the old ones (Mittal & Kamakura, 2001; Emami, Lavejevardi & Fakharmanesh, 2013;). According to Gerpott, Rams and Schindler (2000) continuing the contractual relationship with current customers is more important in access based business structure than with transactions in purchase goods, as the longer the relationship lasts, marginal income increases. Satisfied customers tend to be more loyal over time than a customer whose purchase was caused by other reasons like time restrictions or lack of information (Gommans, Krishman & Scheffold, 2001).

High satisfaction should lead to increased loyalty for current customers (Mittal & Kamakura, 2001). According to Anderson, Fornell and Lehmann (1994) other benefits of high satisfaction are lower price elasticity, securing current customers from competitors, future transactions' lower cost, reduced failure cost, lower cost to attract new customers and a greater reputation of the firm. However, a study by Zhai and Ye (2009) found that the connection between high satisfaction and high loyalty is more unique to the traditional market than an online environment, although low satisfaction will lead to low loyalty.

2.3 Loyalty Building

In loyalty building, service quality, recognized value and customer satisfaction should be considered at the same time (Quan, 2010). Service quality being one of the keys to satisfaction and can lead to repeat patronage (Dick & Basu, 1994; Chen & Wang, 2006) and nine dimensions of service quality could explain about 50% of the variations of satisfaction which seem to be essential requirement to reach loyalty (Wen & Hilmi, 2011). Many studies have recognized churn being influenced by service quality, demographic, satisfaction and economic value (Lee, Kim & Lee, 2017), dissatisfaction being a major reason for churning. (Keramati & Ardabili, 2011; Dechant, Spann & Becker, 2019).

Connection between satisfaction and loyalty depends on factors like market regulations, switching costs, brand equity and existence of loyalty programs (Lee, Lee, & Feick, 2001). Consumers are likely to have low loyalty when they

are less familiar with the product category (Amine, 1998). For satisfaction to have an effect on loyalty, it needs to be frequent or cumulative so satisfaction intervals become grouped or mixed. Even then it cannot be said for certainty that loyalty is formed (Oliver, 1999).

If a customer's attitude towards a brand is positive they tend to have higher loyalty to the brand. Favorable attitude towards the brand also highly helps to convert a switching buyer into a loyal buyer. (Gommans, Krishman & Scheffold, 2001). Highly recognized value, in system quality, service quality and information quality, have a strong positive effect on customer satisfaction and loyalty (Quan, 2010), but online markets with an aggressive pricing competition can lead to switching behavior even with high loyalty states and high satisfaction online customers can look out to enhance their shopping experience with coupons (Kim & Krishnan, 2019). Advertising however needs to be backed with sufficient quality, otherwise the market share may not increase (Zeithaml, 2000). Loyalty may be affected by a discounted price (Bandyopadhyay & Martell, 2007) as instead of a specific price, buyers have a price range in mind (Quan, 2010). In the long run, constantly discounted prices may lower consumer's referenced price point (Godinho de Matos & Ferreira, 2020). Offer resistance is based on customers' price sensitivity (Rundle-Thiele, 2005). There's a chance that price loyalty might overcome brand loyalty if promoted (Chrysochou, Casteran & Meyer-Waarden, 2014). Price promotion however only has effects on somewhat loyal customers and does not change the attitude of customers who are already loyal (Kim & Krishnan, 2019). If the cost of activity increases, the likelihood of customer engagement should decrease (Jones, Mothersbaugh & Beatty, 2000), but satisfied customers are more likely to be tolerant of increased price (Anderson, Fornell & Lehmann, 1994). Switching cost is the most likely factor to influence customer's price level sensitivity and thus loyalty (Aydin, Özer & Arasil, 2005).

Trust is in the key role in augmenting both behavioral and attitudinal loyalty. It has an effect on factors that affect marketing outcome like market shares and elasticity of the price (Gommans, Krishman & Scheffold, 2001), creating and developing of positive quality (Aydin, Özer & Arasil, 2005) and long-term reinforcing and orienting of relationships (Ruiz-Mafe, Martí-Parreño & Sanz-Blas, 2014). Distribution enables higher loyalty for a brand with a high market share but buyer segment can show high loyalty for even niche brands (Chrysochou, Casteran & Meyer-Waarden, 2014).

Willingness of the average customer to rely on the ability of the brand to perform its stated function is called the *brand trust*. Affect that a brand has on the customer is defined as a brand's potential to bring out a positive emotional response as a result of its use in the average consumer. Brand trust and *brand affect* combine to determine behavioral and attitudinal loyalty. (Chaudhuri & Holbrook, 2001).

According to Aydin, Özer and Arasil (2005) trust has greater importance than satisfaction in loyalty engagement. Chaudhuri & Holbrook (2001) state that trust is an involving process that includes brands ability to continue to meet its obligations, balancing ability to estimate the costs and rewards of staying in the relationship and interference to act in favor of the customer instead of the company based on shared values. Generally the main aspects that shape the trust are honesty, benevolence and competence. In online service trust influences repeating purchases and loyalty at an attitudinal level. (Ruiz-Mafe, Martí-Parreño & Sanz-Blas, 2014). It needs to be noted that trust is only relevant in the situation which includes uncertainty between greater and lesser differences between brands. Uncertainty is reduced by trust when a consumer feels vulnerable and they know that they can rely on the brand that is trusted. (Chaudhuri & Holbrook, 2001).

Major areas in the brand building activities are brand image building and frequency programs. Favorable brand image building means balanced short term promotional tools and long term product development to shape the brand image. The Internet enables long-term marketing activities like various customized products. (Gommans, Krishman & Scheffold, 2001). Even online, store image has a positive effect on loyalty and satisfaction. Online store image can be divided into two factor groups: functional factors like product, user interface and information quality; and emotional factors like logistics, security and post-purchase actions. (Liu, Hu, Yi, Liu & Zuo, 2017). Positive image should lead to higher loyalty (Amine, 1998). Online brand image has a great connection to behavioral intentions and companies can use their brand to gain a first mover advantage (Varadarajan, Yadav & Shankar, 2008).

One key to high customer satisfaction and loyalty is to offer high quality service (Quan, 2010). Loyalty implies satisfaction but satisfaction does not always lead to loyalty (Fornell, 1992) as they are in asymmetric relationships. This leads dissatisfied customers to have a greater choice between services. (Gommans, Krishman & Scheffold, 2001). Dissatisfaction may manifest itself as behavioral consequences on customer complaints, product repurchase, and brand switching (Johnson & Fornell, 1991). In multiple different service industries from physical to online, intention to switch is often linked to dissatisfaction (Fei & Bo, 2014). Rate of complaints should decrease when satisfaction increases, but complain handling can change customers' loyalty depending on if the relationship is positive or negative (Fornell, Johnson, Anderson, Cha & Bryant, 1996). At the first encounter, customer support helps to counter dissatisfaction (Kim, Park & Jeong, 2004).

Service recovery is the service's ability to solve problems related for example to customer dissatisfaction and service failure and it can be a component for building a switching barrier to prevent switching (Kim, Park & Jeong, 2004). One way to strategically increase behavior loyalty is to increase satisfaction to

keep customers in and increase a switching barrier to prevent them from leaving (Balabanis, Reynolds & Simintiras, 2006; Lee, Lee & Feick, 2001). Enhancing satisfaction to raise retention may only have limited effect, but could potentially impact recommendations which can be predicted only by using relative attitude loyalty (East, Gendall, Hammond & Lomax, 2005). Satisfaction and retention relationship varies based on the strength of the switching barriers of the context of the service (Jones, Mothersbaugh & Beatty, 2000).

2.4 Churn

There's a great variability in literature considering the definition of churn (Uner, Guven & Cavusgil, 2020). Studies by Uner, Guver and Cavusgil (2020) and Ahn, Han and Lee (2006) defined churn and loyalty almost synonymously. Generally churn is related to a form of discontinuation like service switching (Uner, Guven & Cavusgil, 2020) or if a customer closes all their accounts in a specific service (Van den Poel & Lariviere (2004). In addition it can even include people moving in from other services (Lee, Kim & Lee, 2017). Churn is usually defined and measured in time it takes to customer to become a non-customer; churn-rate, ending the using period of a product or a service measured in a certain time period (Qian, Jiang & Tsui, 2006; Jahanzed & Jabeen, 2007). Churn is more common when it is customer originating than when it is company originated (Jahanzed & Jabeen, 2007) and in a user group where the use of a product is lesser (Keramati & Ardabili, 2011). Geography and service type also affect churn (Jahanzed & Jabeen, 2007).

Churn can be divided into external- (voluntary and involuntary) and internal reasoning. In voluntary churn, customers decide to switch to another product (Jahanzed & Jabeen, 2007). This might be caused among many reasons: low satisfaction, high price level, low loyalty rewards or service mistrust (Lazarov & Capota, 2007). Companies can also discontinue the offer, leading to non-voluntary churn (Lazarov & Capota, 2007; Jahanzed & Jabeen, 2007). Customers can also quit the use without switching to alternatives because something prevents them from renewing the contract. This might be caused by customers' financial situation, or change in location of operations. (Lazarov & Capota, 2007). Internal churn happens when a customer switches a product within the same company (Jahanzed & Jabeen, 2007). Churning can further be divided to total *cancellation*, *hidden*, when customer is absent for a long time, and *partial*, when customer is only using a certain part of a service and is mainly using alternatives (Lazarov & Capota, 2007).

Churn can also be divided into a single service and a service type. For example customer's may switch between different car manufacturers as long as

they have a need for a car and are capable of driving it and have authority over car related decisions. After that they more or less churn permanently. Churn is, at the end, inevitable (Lazarov & Capota, 2007).

Dechant, Spann and Becker (2019) introduce a concept of positive churn.

> "Positive churn is customer's termination of a service (i) when a pre-defined objective is achieved, (ii) leaving the customer satisfied, and (iii) the service obsolete."

These customers can spread a positive message about the company and are also potentially returning customers (Dechant, Spann & Becker, 2019). This implies that these customers are, at some level, loyal even if they are not actively using a product or a service.

Companies use wide selection of methods for trying to predict churn (Keramati & Ardabili, 2011) which can be challenging as time periods, which can be relatively short, can be affected by current trends, technological shift and product substitutions (Qian, Jiang & Tsui, 2006). Depending on the setting, churn prediction models should be rebuilt with important variables, instead of just updating it between measuring periods (Risselada, Verhoef & Bijmolt, 2010). Answering the question "who" is easier than "why", as it demands continuous work and proposed techniques need to combine for the best result (Lazarov & Capota, 2007).

3   SWITCHING COSTS AND BARRIERS

Switching itself is a process that can be defined as a movement from one entity to another, from starting-point to the end-point (Nykänen, 2019; Bansal, Taylor & James, 2005). Jones, Mothersbaugh and Beatty (2000) define switching costs as any related factor that makes it more difficult or costly for consumers to change the product or the service. It includes financial cost, psychological effect, time, and effort (Patterson & Smith, 2003). Cost can come from termination of the current service as well as joining a new one (Colgate & Lang, 2001).

Switching costs are customer specific (Aydin, Özer & Arasil, 2005) and impact of the switching barriers vary across or within service types (Patterson & Smith, 2003). The relationship between customer loyalty and satisfaction are under the effect of switching cost based on influences in market structure. If the market has one major brand, switching cost effect on loyalty and satisfaction will be low. Thus dissatisfied customers may continue to use that brand while switching cost is high (Lee, Lee, & Feick, 2001). Switching is more likely to occur when a customer feels dissatisfaction, cost for switching is low and an alternative service or product exists. (Aydin, Özer & Arasil, 2005).

Switching costs can nullify investments and familiarity of the service when the customer terminates the relationship and reflect the dependency between the customer and the vendor, if customers need the relationship to achieve certain goals. (Lam, Shankar, Erramilli & Murthy 2004). They can discourage adoption of the new but absence of these factors may also not encourage adaption (Park &, Ryoo, 2013). Culture may impact switching in the levels of individualism and collectivism, uncertainty avoidance, power distance and masculinity and femininity. The clearest difference between cultures happens in more found individualism heavy western and collectivism heavy eastern cultures (Patterson & Smith, 2003).

Shortly, switching cost is 1) an obstacle between different services or products, 2) that's related to finance, psychology and needed actions. 3) It varies

from person to person and 4) service to service, 5) culture to culture, 6) and is based on market structure.

Burnham, Freis and Mahajan (2003) divided switching costs to three categories: Procedural costs, including economic risk, evaluation, setup and learning costs; financial costs like benefit loss and monetary loss; and relationship costs including personal relationship loss and brand relations loss. Wenhua, Chen, Xiaowen, Lingshu and Tingjie (2014) added social ties and its dimensions to previous factors. Some most common switching barriers are formed by attractiveness of alternative, sunken costs, interpersonal relationships, and characteristics of the service.

Attractiveness of alternative is an estimate of the measure of satisfaction available from an alternative relationship. Existence of an alternative defines the dependence. (Patterson & Smith, 2003). Switching might be limited by the attractiveness of alternative products or services available in the marketplace. Lower the attractiveness of competing services, higher the intentions to repurchase especially by dissatisfied customers. (Jones, Mothersbaugh & Beatty, 2000). When a customer feels that they are in a locked relationship with unreasonable terms or they know alternatives that attract them, their intention to switch grows (Chuang & Liu, 2017). If loyalty is based on lack of awareness of alternatives, the business has a high risk of customer leaving (Balabanis, Reynolds & Simintiras, 2006). Service providers may not even be aware of low loyalty until a customer switches the service (Rundle-Thiele & Russell-Bennett, 2001).

Sunken costs are investments that form over a long period of time. This includes emotional, economic and missing opportunities of alternative sampling. It represents the discomfort of terminating a current personal relationship and is more powerful in contact services. (Patterson & Smith, 2003).

In switching the customer may experience loss of special treatment benefits that have usually formed with familiarity of employees or the business (Patterson & Smith, 2003). This kind of relationship is called interpersonal relationships by Jones, Mothersbaugh and Beatty (2000) and social benefits by Blut, Evanschitzky and Ahlert (2007). A customer gets social and psychological benefits from this relationship that are independent from satisfaction that the product or the service provides. Even if core-service satisfaction decreases, social benefits can form a switching barrier that keeps the customer in. (Jones, Mothersbaugh & Beatty, 2000). Longer repetition in interactions between customer and employee leads to an increase in the necessity of social aspect development. This can build trust, which leads customers to not seeking variety in case of change in quality. (Blut, Evanschitzky & Ahlert, 2007) but according to Amine (1998) even with high satisfaction, consumers may seek variety.

Intangibility and inseparability characteristics of the service form search costs of effort, time, money (Patterson & Smith, 2003), geological location re-

strictions, learning curve (Jones, Mothersbaugh & Beatty, 2000) and a possible teaching curve (Patterson & Smith, 2003). Information search is low when experience, learning, satisfaction and repeat patronage are high (Dick & Basu, 1994). Consistent buying habit might be explained by tendency to minimize or evade search efforts (Amine, 1998). In an equal state, a customer is motivated to stay in the current relationship as a new relationship represents those characteristics (Lam, Shankar, Erramilli & Murthy, 2004). Study by Colgate and Lang (2001) found that the attractiveness of alternatives, time, effort together and psychological and financial consequences formed the biggest switching barrier. Unlike previous studies have suggested, formed relationships may not be that important, but that might be industry related. Patterson and Smith (2003) found barrier differences between different services. In an online environment information is rich, search cost low and asymmetric information weak. (Varadarajan, Yadav & Shankar, 2008).

According to economic models, while making the decision, the customer weighs the costs and the benefits of the switching based on the amount of the costs and dissatisfaction. (Jones, Mothersbaugh & Beatty, 2000). The customer cannot know the quality of the other available service and may risk losing the current one for the worse one, even if an alternative one could offer more satisfaction; the risk perception can form a switching barrier. This however might be misconception in certain markets as an alternative can be technically competent to meet the needs thus invalidating the risk. (Patterson & Smith, 2003). Imperfect information about alternative product quality may make a customer remain loyal to the first brand that satisfies them. First time market customers try to economize their information search and evaluation costs, till example picking the leading brand, one that is usually being on the market longest. (Varadarajan, Yadav & Shankar, 2008).

Switching barriers are only emerging when satisfaction falls below a certain threshold (Jones, Mothersbaugh & Beatty, 2000). Identifying the threshold level can be hard and constantly change as unexpected positive features may become mandatory features in the future. When satisfaction is low, the importance of the switching barriers is not greater than satisfaction. Satisfaction does not contribute to explaining differences in online loyalty with moderate or high satisfaction levels in which switching barriers can offer an explanation. (Balabanis, Reynolds & Simintiras, 2006). Importance of switching barriers became more important with lower satisfaction of the core-service as customers reacted to under-expected performance (Jones, Mothersbaugh & Beatty, 2000).

According to Ranaweera and Prabhu (2003) switching barriers affect positively on customer retention. Even with existing satisfied customers companies should build switching barriers that can work as an insurance against possible failure in the business. This however is not recommended if dissatisfaction is a more permanent ongoing process and the nature of the barrier makes cus-

tomers feel trapped in the service. Barriers should be more positive by nature to not create the feeling of being trapped. (Jones, Mothersbaugh & Beatty, 2000). With high perceived switching costs, correlations of loyalty are satisfaction, trust and perceived switching costs, but with a low perceived switching costs, it has no effect on loyalty. Increasing switching cost has an opposite effect on satisfaction and perceived switching cost has a negative affect on the relationship between trust and loyalty. (Aydin, Özer & Arasil, 2005)

In the fear of the effect of high switching cost, a reward program can be implemented to increase membership benefits (Lee, Lee, & Feick, 2001). Frequency programs are used to retain a customer as they prevent brand switching. Database technology makes it easy to implement these programs to e-markets, but as they are easy to copy from competition they offer no significant advance and count more toward defensive tactics to prevent switching. (Gommans, Krishman & Scheffold, 2001). Online consumers are well educated and usually long time users, which might explain the lower effect that switching barriers have on them (Yang & Peterson, 2014).

4 INFLUENCES AND MARKET FACTORS

This section focuses on external topics that affect customer loyalty. First business to enter the market or early innovator forms a base for the service type that will attract competition, if proven to be successful. Especially in today's world, information and recommendations spread through the buzzy grapevine and gain network effect benefits. Competition for the audience is heated as pretty much every service uses exclusive content to attract customers. If a customer wants to gain access to everything at the same time they would need to actively buy or subscribe to all wanted services, they would need to multi-home.

4.1 First Mover Advance

First mover advances are based on three primary sources: 1) Technological leadership advantages are established on the learning and experience curve and success in the patent or research and development race. 2) Advance is offered to whoever is the first to gain access to limited assets, location or product space, including foreseeing investment in plant and equipment. 3) Late comers may face challenges if the first mover has managed to already build switching costs. (Lieberman & Montgomery, 1988).

However late movers may benefit from intentional free riding, resolution of technology and market uncertainty. Other benefits are technological discontinuities that provide access for new entries and various challenges that make it difficult to adapt to environmental change. First mover may also enjoy temporal monopoly. (Lieberman & Montgomery, 1988). First mover advance offers better understanding of changing needs and customer preferences to be used in product development (Varadarajan, Yadav & Shankar, 2008).

Fixed costs with low entry and low responsibility can only build a mid tier loyalty. A second mover might arise because entry cannot be prevented and an

up comer may financially overtake the first mover. (Chen & Xie, 2007). This however is very rare as 50-65% of the late comers who enter the market exist within five years (Markides & Sosa, 2013). According to Varadarajan, Yadav and Shakar (2008) first mover advance is achieved only if the mover gains positive revenue which usually leads to bigger market share. It is common for newcomers to imitate the market lead but usually they cannot overcome them, unless they can gain a significant edge over established first comers. One example of this kind of edge is an innovative business model, in which something may lead a company to become first to do so, and gaining first mover advance themselves. Innovative business models are important in every evolutionary state of the industry and responding to newcomers. First mover advance may fade over time if industry has reached its maturity and then newcomers may not need innovative business models to gain attraction as they can use other advances to compete. (Markides & Sosa, 2013). It needs to be noted that first in the market and the first to pioneer the market are not always the same (Varadarajan, Yadav & Shankar, 2008). First mover advance however can give the company a greater potential to tap into network effect and gain a large user base before competitors enter the market (Varadarajan, Yadav & Shankar, 2008).

4.2 Network effect

Streaming habits can also be explained by network effect (Cheng & Liu, 2007). Network effect, also called network externalities, happens when a new member joins a network and so the utility of members increases (Madden, Coble-Neal & Dalzell, 2004; Varadarajan, Yadav & Shankar, 2008). Sanchez-Cartas and Leon (2019) represented it as the net utility on side A raises with a number of members in side B. This leads to self propelling and whole network growth. It is based on the suggestion that the new member is positively influenced by the previous ones (Madden, Coble-Neal & Dalzell, 2004). Network effect can enable or inhibit customer's participation and effect can be positive or negative (Nykänen, 2019). Network effect to be able to happen, there needs to be sufficient amount of customers already using the service or the product, which means that to the new service to succeed its users must form the critical mass (Madden, Coble-Neal & Dalzell, 2004). Size of the platform is a key factor to platform value, but it can also be affected by the structure of the network, conduct and member quality (Nykänen, 2019). Network effect also causes readiness in users to pay more to access a bigger network and so margins can improve as the user base grows (Tuunainen & Tuunanen, 2011).

Network effect can be divided into direct- and indirect effects, also known as same-side and cross-side network. The product exhibits direct network effect

when the utility of the product to each user in a network depends on the number of users. It also prefers peer influence that connects it to social influence. Social influence can include friends, coworkers and family members but also a person in an authority position, like an employer (Nykänen, 2019), or an authorial decision maker in the family (Jacoby & Kyner, 1973). In a wider concept it can even include sales persons (Nykänen, 2019). Indirect network effect refers to the influence that platform stakeholder groups have over each other (Nykänen, 2019). Complementary products can increase the indirect network effect of the main product (Varadarajan, Yadav & Shankar, 2008).

One form of the network effect is the bandwagon effect, in which consuming the same commodity increases the demand of the commodity in the social perspective (Cheng & Liu, 2007). Social influence plays a major role in switching which is also context dependent (Nykänen, 2019). It might be boosted by the fact that regular customers recommend organizations constantly to the others (Emami, Lavejevardi & Fakharmanesh, 2013). Satisfied customers can influence others via word of mouth, that can attract new customers, lead to higher market share (Zeithaml, 2000) and binge watching, content consume marathoning (Susanno, Phedraand & Murwani, 2019). Word to mouth has been used as a dimension for attitudinal loyalty and behavioral loyalty (Rundle-Thiele, 2005). Studies by Susanno, Phedraand and Murwani (2019) and Rubenking, Bracken, Sandoval and Rister (2018), found a connection between social aspects and binge-watching. Binge watching as a phenomena have changed how companies provide and distribute content (Godinho de Matos & Ferreira, 2020). For example Netflix is consciously building for this kind of behavior as better content, ecologic situation and digital development lead to binge watching (Nuutinen, 2016). In the short run, even with a great catalog, consumers may wait for a new content before reactivating their subscription, as they have already binged through everything that they find interesting (Godinho de Matos & Ferreira, 2020).

4.3   Single- and multi-homing

Existence of loyalty and barriers does not mean that consumers cannot participate in multiple platforms to achieve greater network benefits. This kind of behavior is called multi-homing (Choi, 2010) in contrast to single homing, where the consumer is only involved in one platform at the time. Multi-homing offers a unique exception in switching. The customer usually has a need for only one product or a service, like mobile phone providers and having another one does not yield greater practical benefits but in entertainment multi-homing offers access to a greater catalog of content. Consumers only multi-home when

the price is low as the homing decision is price dependable. If one side is homogeneously multi-homing, platforms don't directly compete for a multi-homing audience. (Sanchez-Cartas & Leon, 2019). Users for primary single-home are motivated by trust where multi-homers rely on commitment (Goode, 2020). Platforms can have a target demography in mind. Ideally this should lead to decreased multi-homing, which can cause better profit as price can go up (Szczepanik, 2020). Platforms have monopoly-like power over users that only use a single platform (Sanchez-Cartas & Leon, 2019).

5 MEASURING DILEMMA

A Large number of loyalty studies through its long history have not been able to generalize their results (Bandyopadhyay & Martell, 2007). Researchers have not agreed how loyalty should be measured (Russell-Bennet, 2002; Rundle-Thiele, 2005). Amine (1998) talks about how some older studies have defined brand loyalty mainly by behavioral measures. This approach has been criticized by many, and it's much agreed (eg. Jakoby & Kyner (1973), Ruiz-Mafe, Martí-Parreño & Sanz-Blas, 2014), that attitudinal measures are also needed to measure loyalty. Wider perspective of customer loyalty can be considered a multidimensional concept (Dick & Basu, 1994) and a single dimension is not enough for measuring it (Jakoby & Kyner (1973).

East, Gendall, Hammond and Lomax (2005) question many loyalty approaches including Dick and Basu's (1994) and Oliver's (1999), as according to them, researchers did not provide evidence for their claims that loyalty can be predicted better by combining behavior and attitude to one measure. Rundle-Thiele (2015) questioned states based loyalty forming, similar to what Oliver (1999) described. In their research East, Gendall, Hammond and Lomax (2005) found that measuring attitudinal and behavioral loyalty share very little to none common ground. Combination of the two may sometimes predict loyalty behavior, but it is not to be relied on. Bandyopadhyay and Martell (2007) also criticized Dick and Basu's (1994) research. There are no generic form of loyalty to predict a variety of different outcomes (Rundle-Thiele & Russell-Bennett, 2001; East, Gendall, Hammond & Lomax, 2005). The concept of loyalty should be fitted for market type and situation. (Rundle-Thiele & Russell-Bennett, 2001).

Instead of loyalty itself, East, Gendall, Hammond and Lomax (2005) courage to focus on loyalty outcomes like recommendation, retention and how those are produced to form new measurable variables. According to Gerpott, Rams and Schindler (2001) retention is a continuous variable which over time can take different values, as loyalty is a future based factor. Retention can only be predicted by behavioral loyalty (East, Gendall, Hammond & Lomax, 2005).

Rundle-Thiele (2005) suggests that measures of loyalty should include behavioral and attitudinal loyalty, recommending behavior, complaints to external agencies, inner circle and directly to sellers, propensity and resistance for alternatives.

According to Mittal and Kamakura (2001) satisfaction is also often linked to loyalty with little evidence to connect them. However, according to Burnham, Freis and Mahajan (2003), complexity of the relationship between loyalty and satisfaction have been recognized. The measures of satisfaction can be distorted if customers have differences in characteristics, like different satisfaction threshold or tolerance, response bias in surveys and non-linearity for linking satisfaction rating and repurchase behavior. Also age, genre and education may distort results if they are not calculated right. (Mittal & Kamakura, 2001).

Satisfaction rating to intention to repurchase and satisfaction rating to repurchase behavior differ. The relationship between intentions and behavior can easily be broken as it can be nonlinear, the intention scale can be sensitive and based on measuring intervals. If satisfaction and repurchase intention are measured in the same survey they are usually highly correlated, but correlation can disappear with time. (Mittal & Kamakura, 2001). Individually trust has a stronger effect on satisfaction than retention, but trust and satisfaction together greatly affect retention (Ranaweera & Prabhu, 2003).

Switching costs have been added to loyalty models, but its approach and measurements have not been constant between studies so it also lacks clarity (Jones, Mothersbaugh & Beatty, 2002). To get accurate results, switching cost is good to be measured as a multidimensional construct. (Fei & Bo, 2014). Online switching barrier studies are also lacking as with perceived ease customers can switch between online stores and information search costs are almost non existing thanks to bot assistance searches. Some users are price sensitive, but others show loyalty towards branded stores. Cognitive switching barriers can still exist online, but if compared, online shoppers tend to switch suppliers less than traditional brick and mortar stores. (Balabanis, Reynolds & Simintiras, 2006).

According to Rundle-Thiele and Russell-Bennett (2001) the loyalty classification system should be based on market type. This is further encouraged by researches of Jones, Mothersbaugh and Beatty (2002), who found a difference in switching costs between different industries, and Patterson and Smith (2003) who worked out that the impact of the switching barriers vary across or within service types. Wang, Cavusoglu and Deng (2016) found an industrial difference in early mover advances. Expansiveness of sources and amount of first mover advance need to be reassessed to better fit to the internet market and digital products (Varadarajan, Yadav & Shankar, 2008). In the e-marketplace conceptual and measurement issues are complex and sophisticated, and factors like purchaseless visits, window shopping, and time spent at the website have to be considered (Gommans, Krishman & Scheffold, 2001).

6   RESEARCH METHOD

This section explains the research process. It begins by using literature and the thesis's topic to form hypotheses and the Subscription loyalty model. Survey building is looked into and survey questions are reasoned based on cases of use and literature. Research in this thesis is carried out as quantitative measures and executed as a questionnaire. These two suits together to achieve synergy. Quantitative measures offer more controlled connection between entities when measured in a larger population. Population for this research are IT-students in Jyväskylä's University as they are most likely already familiar with the streaming technology and services. Sampling was done by contacting students via the university's IT-graduates email list. Survey was made in Webropol survey service, which also provided analytic tools for regression analysis.

6.1   Hypotheses

Person's gender and age are asked for moderation. It is not only that loyalty can be divided to behavior and attitude (e.g. Oliver, 1999; Chaudhuri & Hol-brook, 2001), but it should not be measured using only one dimension (Jakoby & Kyner, 1973; Ruiz-Mafe,Martí-Parreño & Sanz-Blas, 2014) and measures should be fitted to market type (Rundle-Thiele and Russell-Bennett (2001). These two forms of loyalty can share dimensions like trust (Gommans, Krishman & Scheffold, 2001), brand trust and brand affect (Chaudhuri & Hol-brook, 2001) that together form loyalty. High attitude should mark high and stable loyalty (Gommans, Krishman & Scheffold, 2001). Effect that dimension has on overall loyalty depends on the environment. For example in online environment trust can affect attitude more than behavior (Ruiz-Mafe, Martí-Parreño & Sanz-Blas, 2014). This thesis applies behavioral and attitudinal loyalty concepts to streaming plat-

forms, forming Subscription Loyalty, in this case loyalty in subscription based video streaming services.

H1: High attitudinal loyalty raises overall Subscription Loyalty
H2: High Behavioral loyalty raises overall Subscription Loyalty

Concept of single- and multi-homing is included to offer extra dimension and to separate loyalty from being too much based on single use switching behavior. It also allows multiple loyalties to exist at the same time. Single-homing shows a stronger level of loyalty as service providers have more power over them (Sanchez-Cartas & Leon, 2019) and they are more trust oriented (Goobe, 2020). which decreases uncertainty of the brand (Chaudhuri &Holbrook, 2001).

H3: Multi-homing is a noteworthy form of Subscription Loyalty

TABLE 1: Comparison of Available Streaming Services

Name	Price*	Launch Year**	Notes
Elisa Viihde Viaplay	12.99€/m	2007	Viasat OnDemand/ Viaplay to 2020
Mubi	9,99 € /m 71,88 € /y	2007	The Auteurs to 2010
Netflix	7,99€ - 15,99€ /m	2007 / 2012	Tiered features
HBO Nordic	10,95 € /m	2010 / 2012	Not to be confused to HBO Go or HBO Max
Amazon Prime Video	5,99 € /m	2011 / 2016	
C More	12,95 € /m	2013	Filmnet to 2015
Disney +	6,99€/m 69,99 € /y	2019 / 2020	

*In Finland, retrieved 7.12.2020 from service's websites.
** First / Finland or both

In Table1 we can see that the price in these services vary between 5.99 euro to 15.99 euro a month. All of them are at a relatively low price point and exist as an alternative to each other. According to Aydin, Özer and Arasil (2005) in this setting if satisfaction is low, there's a high chance for a customer to switch a service, this also applies if price increases (Jones, Mothersbaugh & Beatty, 2000). Oliver (1999) connected competing prices and variety seeking be-

havior to the low level loyalty switching triggers. Availability might limit attraction. (Jones, Mothersbaugh & Beatty, 2000).

H4: Low price affects negatively to behavioral loyalty
H5: High attraction of alternatives corresponds to low behavioral loyalty

Major first mover advances in internet space include network effect, non-contractual switching costs, leading technology and innovation. (Varadarajan, Yadav & Shankar, 2008). Streaming market has multiple competing services that create attractive alternatives. It could be argued that video streaming service format has matured and homogenized from the first wave of services, both priced and freemium, and all compared services offer very similar experience, nobody having a leading technology or unique innovations. The biggest difference comes in the form of the exclusive content, which according to Oliver (1999) can be the driving force behind service switching. As exclusive content, by its nature, does not offer direct alternatives, there's lack of discretionary, which may lead customers to churn when they don't need the service anymore (Amine, 1998).

H6: First mover advantage raises attitudinal loyalty.
H7: Exclusivity raises behavioral loyalty
H8: Exclusivity raises multi-homing

Higher loyalty customers recommend more than less loyal ones (Emami, Lavejevardi & Fakharmanesh, 2013), these customers also should have high satisfaction (Mittal & Kamakura, 2001) and favorable attitude (Gommans, Krishman & Scheffold, 2001). Unless affected by a restriction, longer loyalty time should be a mark of satisfaction (Gommans, Krishman & Scheffold, 2001) and performance loss should lead to straying attitudinal loyalty (Mothersbaugh and Beatty (2002).

H9: Satisfaction raises the effect on attitudinal loyalty.

Recommendations are one of the potential behaviors driven by loyalty (East, Gendall, Hammond & Lomax, 2005; Rundle-Thiele, 2005; Emami, Lavejevardi & Fakharmanesh, 2013, Ruiz-Mafe's, Martí-Parreño's & Sanz-Blas, 2014).

H10: High behavioral loyalty leads to high network effect.
H11: High attitudinal loyalty leads to high network effect.

States of loyalty could change based on social benefits (Blut, Evanschitzky, Vogel & Ahlert, 2007) and reasons to act could be measured using social norms

(Dick & Basu, 1994). Bandwagon effect (Cheng & Liu, 2007) and peer influence (Nykänen, 2019) are forms of social affection. This could potentially lead to actions like binge watching (Rubenking, Bracken, Sandoval & Rister, 2018; Susanno, Phedraand & Murwani, 2019). Depending on the loyalty subject matter, intention and recommendations can be used to define loyalty through social interactions (Ruiz-Mafe, Martí-Parreñoand & Sanz-Blas, 2014), even when the person is not currently consuming the product. (Dechant, Spann & Becker, 2019).

H12: Network effect positively affects overall subscription loyalty.

There are differences in multi-homing behavior. For example some users may only activate their subscription to binge watch (Godinho de Matos & Ferreira, 2020). However this does not disregard loyalty for services which may enjoy longer continuous subscription time while the user binges other services. Although it could be argued that currently (2021) internet businesses have moved to offer service based platforms with longer contractual times. This does not mean that customers must exclusively use the platform but the subscription contract by nature might last a year or years which can form a bounding switching cost. Fei and Bo (2014) anticipate that online, if switching has low effort threshold and the user's old account is not affected, it may explain why performance loss and setup cost do not have a great impact on switching intention. Multi-homing is price dependable and usually connected to a low price (Sanchez-Cartas & Leon, 2019).

H13: Low price leads to higher chance of multi-homing.
H14: Attractiveness of alternative leads to higher chance of multi-homing.

According to Gommans, Krishman, Scheffold (2001), Russell-Bennett (2002), Bandyopadhyay and Martell, (2007) attitudinal loyalty may lead to behavioral loyalty. Mittal and Kamakura (2001) call this connection behavioral intent. This can also be a form of positive churn.

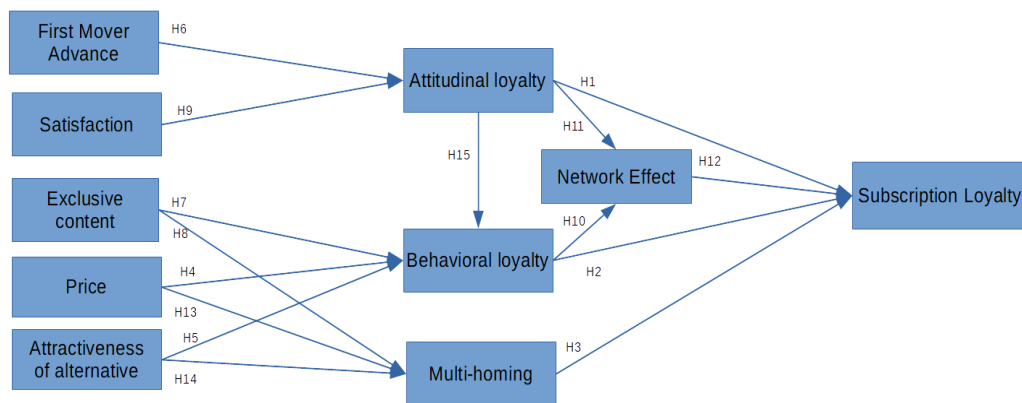H15: Low attitudinal loyalty leads to lower behavioral loyalty

FIGURE 1: Subscription Loyalty Model

6.2 Questionnaire

Questionnaire is a way to measure constructs in an operative standardized way, so that responses are comparable with each other. Order and wording of the questions is important, as even a slightest modification can change the response. Terminology should offer as little as possible interpretation as respondents may define the meaning of the words their own way. Complexity of the questions with multiple factors affect negatively for question understanding. This may lead to variable or partial interpretations and misinterpretations of the question. (Martin, 2006).

Questions may have an assumption that frames the question like "How strong do you drink your coffee?" assumes that the person drinks coffee. This may lead to unintentionally falseful answers. Same with the questions where answers are forced like "Do you like Dogs or Cats?" does not offer a way to say either or equal. This kind of presupposition can be avoided if the question is split into parts like "Do you drink coffee?" If the answer is yes, then follow up questions can be about the strength of the coffee. It should be asked separately if the respondent likes dogs and if they like cats. Respondent's attitude for the subject may affect given answers, this is most likely when there's an expectation that the question should be answered. If the respondent needs to form a judgment to answer, based on previous questions and answers they may also form a standard that is used in evaluation. This may lead to context effects. If an extreme case is presented it may affect other options by lowering or raising them. This is why to reduce contextual influences, scales should be anchored to balance the value range. (Martin, 2006).

Questionnaires can be designed to be open or closed. Open questions may give unexpected answers that the designer did not count on and can be a plentiful source of data. As open questions don't want to lead respondents for normative answers there's a chance to obtain complete reports of socially undesirable data. Open questions cannot usually answer the research question because answers are general or very vague. Closed questions, questions with selectable answers, offer results that are more easily coded, analyzed and compared. (Martin, 2006).

Different closed-response types are Agree-Disagree (Yes/No), Forced Choice (Cats or Dogs) and Ordered Response Categories or Scales (1-5, Mostly Agree - Mostly Disagree). Open-ended response categories form a frame of reference that can lead for normatively perspective answers. To ensure discrimination, groups and labels of categories are required. Scale category recommendation is 7 with a margin of 2 to either side. (Martin, 2006).

Martin (2006) advises against using "I don't know"-options as it can result in data loss and usually people who pick "I don't know" are able to provide valid answers, they just want an easy way out. Framing the time period for events can lead to better accuracy. Questionnaires can be tested with a test group to find problems and iterate questions before the main research population. (Martin, 2006).

Surveys are subject to four kinds of errors: Coverage Error, limited sample selection technique, Sampling Error, result does to present the whole population, Measurement Error, failed question forming, interview or respondent behavior, or Nonresponse Error, missing representative data in the sample. (Dillman & Bowker, 2001).

6.3   Survey forming

This section presents hypotheses from the previous section and pairs them with survey questions. Order of the questions in the final survey differs to offer a better contextual awareness. As for independent variables, age, and sex, are asked.

Question and statements are mainly subject fittingly modified using combined question suggestions and patterns from the works of Hallowell (1996), Bloemer, De Ruyter and Wetzels (1999), Pritchard, Havitz and Howard (1999), Foster and Cadogan (2000), Butcher, Sparks and O'Callaghan (2001), Chaudhuri & Holbrook (2001), Baloglu (2002), Sirdeshmukh, Singh and Sabol (2002), Wong and Sohal (2003), Wong (2004), McMullan (2005), Noble, Griffith and Adjei (2006), Thuy and Hau (2010), Mosavi and Ghaedi (2012), Lacap, Cham and Lim (2021). Rundle-Thiele (2005) and Dehghan and Shahin (2011) build their own

question patterns by combining questions from the loyalty literature. See Table 2 for all questions.

First survey will frame the subject, giving a few examples of services in question and examples of services that are excluded from the topic, free ones. This is to get the respondent to not have a misconception about the topic. As time is a common theme in general loyalty studies, a person is asked to think of a subscription based video streaming service that they have used most in the past 12 months. Survey mainly uses a scale of five.

TABLE 2: Questions to test hypothesis

Constructs corresponding questions	Hypothesis	Used in a Survey by	Literature driven
Attitudinal loyalty			
Negative news about the service will make me stop my subscription.	H15	Rundle-Thiele (2005)	
It is likely that I will renew my subscription or keep it going to this service.	H15	Foster & Cadogan (2000), Rundle-Thiele (2005), Dehghan & Shahin (2011), Mosavi & Ghaedi (2012), Lacapet al. (2021)	
I consider myself to be loyal to this service.	H1	Pritchard et al. (1999), Foster & Cadogan (2000), Chaudhuri & Holbrook (2001), McMullan (2005), Rundle-Thiele (2005), Dehghan & Shahin (2011), Mosavi & Ghaedi (2012), Lacapet al. (2021)	
I need to be sure that the subscription is worth it.	H1		Dick & Basu (1994), Chaudhuri & Holbrook (2001), Quan (2010)
Behavioral loyalty			
What is the longest time you have had a continuous subscription to this service?	H2	Hallowell (1996), Pritchard et al. (1999), Foster & Cadogan (2000), Rundle-Thiele (2005)	
This service is a habit for me.	H2	Rundle-Thiele (2005)	Cheng & Liu, 2007
Satisfaction			
Overall how satisfied you are/were with this service?	H9	Hallowell (1996), Butcher, et al. (2001), Sirdeshmukh et al.(2002), Mosavi & Ghaedi (2012), Lacapet al. (2021)	

I would still subscript even if I was dissatisfied with the service	H9		Gommans et al. (2001)
Attractiveness of alternative			
When I see a new interesting streaming service, somewhat different from my current one, I will try it.	H14	Foster & Cadogan (2000), McMullan (2005)	
The service is different from competing streaming services.	H14	Foster & Cadogan (2000), Dehghan & Shahin (2011)	
There are many streaming services for me to consider.	H5		Amine (1998), Jones, Mothersbaugh & Beatty (2000)
I often change the subscription service that I use	H5		Aydin et al. (2005)
Price			
I would subscribe to the service even if its price increased slightly.	H4	Pritchard et al. (1999), Foster & Cadogan (2000), Rundle-Thiele (2005), Lacapet al. (2021)	Anderson et al. (1994), Chrysochou et al. (2014)
I look for the best price for me.	H4	Bloemer et al. (1999), Foster & Cadogan (2000), Wong & Sohal (2003), McMullan (2005), Noble et al. (2006)	
Price does not matter to me.	H4	Rundle-Thiele (2005)	Anderson et al. (1994), Chrysochou et al. (2014)
All similar streaming services cost pretty much the same	H13		Rundle-Thiele (2005)
Multi-homing			
I have / had multiple subscriptions at the same time.	H3		Choi (2010)
I don't restrict myself to one service at the time.	H3		Choi (2010)
Price of services is too high for me to subscribe more than one service at the time.	H13		Quan (2010)

First mover advantage			
Older streaming services are better than new ones.	H6		Markides & Sosa (2013)
Do you consider this service to be your primary streaming service?	H6	Hallowell (1996), Bloemer et al. (1999), Foster & Cadogan (2000), Wong & Sohal (2003), Wong (2004)	
I will rather stick to well-known subscription services.	H6	Rundle-Thiele (2005)	Lieberman & Montgomery (1988)
Exclusivity			
I am driven by exclusive content.	H7		Oliver (1999), Amine (1998)
I am ready to subscribe to multiple services to get the all of exclusive content I want.	H8		Oliver (1999), Amine (1998)
I am ready to subscribe to multiple services at the same time to get the all of exclusive content I want.	H8		Oliver (1999), Amine (1998)
Network effect			
I will recommend this service to others who seek my advice	H10	Bloemer et al. (1999), Foster & Cadogan (2000), Butcher, et al. (2001), Baloglu (2002), Sirdeshmukh et al. (2002), Wong (2004), Rundle-Thiele (2005), Thuy & Hau (2010), Dehghan & Shahin (2011), Mosavi & Ghaedi (2012), Lacapet al. (2021)	
I have recommended the service or it's content to friends and relatives.	H11	McMullan (2005),	
I would wait for others to try a new service rather than trying it myself	H10	Rundle-Thiele (2005),	
I tell other people positive things about this service or its content.	H11	Bloemer et al. (1999), Foster & Cadogan (2000), Baloglu (2002), Wong (2004), Dehghan & Shahin (2011)	

I often complain about services or it's content to friends and family	H11		Rundle-Thiele (2005)
I enjoy discussing about the content I have watched.	H10	Noble et al. (2012)	
I don't make subscription related decisions in my household	H14	Pritchard et al. (1999)	
I want to see what everybody are talking about.	H12		Cheng & Liu (2007)
I subscribed because the service or its content was recommended to me.	H12		Rundle-Thiele (2005)

7   RESULTS

This section analyzes the questionnaire results. First there's an overall look into sample demographic, gender and age distribution, and how these differ from within each others. Then based on questionnaire results, hypotheses are either accepted or rejected. Some hypotheses are looked together but concluded separately. In this thesis result to be declared as statistical significance, it needs to have statistical probability near 0.05 or lower (p < .05). Significance is determined case by case basis. In the end results are summed in the Table 3.

7.1   Overall analysis

Questionnaire was answered by 52 respondents, 33 women (63%), 18 men (34%) and 1 (2%) who chose others as their gender. This one respondent is excluded from gender moderation because of low respondents rate, but not from overall results. Even though more women answered the questionnaire, gender distribution follows age distribution almost evenly, on average 62% women, 38%men in every age group. None of the respondents were under 18 years old.

On average, women show slightly higher results in every category includ-ing overall satisfaction, feeling of loyalty, habit, price resistance, multi-homing and network effect activities. Men on the other hand are more price sensitive and wary while picking the service. Relatively small sample size, especially in men, might explain this, and these results should not be generalized.

For overall examination, ages are divided into three equal groups, 18-25 (36%), 25-30 (29%) and 31+ (35%), the last one combining 31-35, 36-40 and 40+ into one group. The Older group is less satisfied and churns more easily if dis-satisfied, they also are slightly less interested about talking or hearing from their network. 25-30 year olds are more price oriented and show stronger like-

ness to multi-home. Youngest group does not show any specially differentiating traits.

Two spikes can be detected in the question about the continuous time spent in one service. Six months and up (79%), and three months and under (21%). When these two groups are compared, longer time shows slightly higher mode and median in overall satisfaction and consideration of loyalty, also clear indication of higher habit, subscription renewal and multi-homing. People in shorter group are slightly more influenced by news, recommendations and network, price and exclusive content. They also more easily churn, in general and if dissatisfied.

In moderation examination, ages are not grouped and are examined on hypothesis basis. For clarity's sake, attitudinal loyalty is preferred as a feeling or consideration of loyalty, while talking about the question "I consider myself to be loyal to this service".

7.2   Hypothesis resolve

H1: High attitudinal loyalty raises overall Subscription Loyalty.
H2: High behavioral loyalty raises overall Subscription Loyalty.

There's a strong correlation between considering oneself loyal to renewing subscription ($p < .001$), resisting dissatisfaction ($p < .02$), a small price hike ($p < .012$) and price in general ($p < .031$), not changing the service often ($p < .044$), habitual behavior ($p < .001$), and a time spend in the service ($p < .004$). Majority of the respondents, 69%, answer that their longest continuous time in a one service is over nine months long. A long time spent in a one service indicated a habit ($p = .0$), subscription renewal ($p < .001$) and price resistance ($p < .049$, $p = .026$). Habitual behavior also taps into plans for renewal ($p < .001$) and price resistance ($p < .01$).

The feeling of loyalty is stronger in women, and gender does not have a clear effect on behavioral loyalty. Age shows differences in satisfaction but not in other attitudinal loyalty areas so it cannot be accepted as overall moderator. Attitudinal loyalty and behavioral loyalty attributes are clearly connected to each other as part of subscription loyalty. Hypothesis 1 with gender moderation and Hypothesis 2 can be both accepted.

H3: Multi-homing is a noteworthy form of Subscription Loyalty.

73% of respondents say that they either have or have had multiple subscriptions at the same time. 57,7%, strongly or somewhat, don't restrict

themselves to one service at the time. Latter also claims that there are many considerable services from which to choose (p < .053). Long time in a one service (p < .001), habitual behavior (p < .007) and even feeling of loyalty (p < .026) corresponds to multi-homing behavior. The price of multiple services at the same time might explain a lack of multi-homing behavior (p < .033). Women consider there being more choices and are more likely to try different services than men. Especially between 26-30 years old, multi-homing showed stronger presence (93%) than in other groups, but it cannot be declared as a moderator because the connection between age and restricting oneself to one service at the time does not indicate strong enough statistical significance, (p < .058). This needs to be confirmed with a bigger sample size. Hypothesis can be accepted, and it's moderated by gender.

H4: Low price affects negatively to behavioral loyalty.

Among the respondents, all services seem to have a similar price level (73.1%) but there's a strong connection between readiness to multi-home and not being able because of high rise point (p < .001). For most respondents (78,8%), at some level, price does matter and they look for the best price (p < .001). Price sensitivity goes down when a continuous time in service goes up (p < .027). Time (p < .049) and habit (p < .01) builds resistance for a slight price hike. Gender does not show to moderate price aspect of loyalty. Younger people are more likely to resist price increases. Although price seems to be an important factor in subscription loyalty, withing these questions, it would be wrong to say that specially low price affects loyalty, unlike higher price. For these reasons the hypothesis is rejected.

H5: High attraction of alternatives corresponds to low behavioral loyalty.

76,9% of respondents strongly or somewhat agree that there exist multiple potential streaming services in the market with similar prices, 73.1%, and these people are interested to try out new services (p < .012), but also keep their current one (p < .019). Stronger the habit, stronger the intention to multi-home (p < .002), price not being an issue (p < 0.08). Not restricting subscription to one service at the time corresponds to availability of the services (p < .054). 79% of respondents have had a subscription period of six months or longer. This does not exclude readiness to multi-home (p < .003). With a lot of variety and little competition in price, the streaming service market offers an ideal environment for high change switching, which should be a mark of low loyalty (Oliver, 1999). However it seems that likeness of renewal can simultaneously coexist with new subscriptions. Gender nor age does show any moderation. Hypothesis is rejected.

H6: First mover advantage raises attitudinal loyalty.

They who consider themselves loyal to the specific service, most likely also use it as their primary one (p < .003). Primarity of the service might connect to the age of the service, but this cannot be fully confirmed with acquired data (R = .263, p > .057). Feelings towards the age of the service and the name brand are connected (p < .001) and prudence to try newer services imply that older services should have an advance towards newer ones (p < .001). Business models can mean less in matured industry and attraction can be built using other methods. This is a mark of faded first move advantage. (Markides & Sosa, 2013). 50% of respondents think strongly or somewhat that older services are not better. In this case gender nor age does not show any significant moderation. Within the parameters of this thesis, the hypothesis can be accepted as is, but it should not be put too much weight on.

H7: Exclusivity raises behavioral loyalty.

With a median of 4 and average of 3.4, exclusivity seems to have a meaning. It can be a reason to switch a service (Oliver, 1999), but does not alone show to be a meaningful factor in behavioral loyalty. Exclusive content does not show a clear connection to habit nor continuous subscription time, but can drive a person to act themselves instead of waiting for others (p < .046) and price sensitivity (p < .051) . Gender nor age does not show any relevancy. In its current form, the hypothesis can not accepted.

H8: Exclusivity raises multi-homing.

Even though readiness to subscribe to multiple services at the same time strongly connects to exclusive content (R < .739, p = .0) and interest (p < .037), based on the data, it would be wrong to say that exclusive content is a driven force, (R 0.24 p < .084). Gender nor age does not seem to effect the outcome. For now the hypothesis is rejected for being inconclusive, but with a bigger sample size, probability could change to be statistically significant.

H9: Satisfaction raises effect on attitudinal loyalty.

76,9% of respondents agree that they are strongly or somewhat satisfied with their most used service. Even though the average of respondent's feelings for loyalty is only 2.7, satisfaction and attitudinal loyalty are connected, (R = .407, p < .003). Partial dissatisfaction correlates with attitudinal loyalty (p < .016). Women show to be more satisfied with their service of choice. Age contributes

to dissatisfaction (p < .028), but not to overall satisfaction. Hypothesis can be accepted and it's moderated by gender and age.

H10: High behavioral loyalty leads to high network effect.
H11: High attitudinal loyalty leads to high network effect.

People with higher feelings of loyalty (p < .055) and higher satisfaction (p < .006) toward the service are not just more likely to recommend the service but more willing (p = .0). This matches claim that loyalty can manifest itself as recommendations (East, Gendall, Hammond & Lomax, 2005; Rundle-Thiele, 2005; Emami, Lavejevardi & Fakharmanesh, 2013, Ruiz-Mafe's, Martí-Parreño's & Sanz-Blas, 2014). Satisfied people rarely complain (p < .001). Worthiness of the service can be proven by waiting for others to test it (p < .017), but 57.7% of respondents are strongly or somewhat ready to jump in right away. However these people do not show any significant connections to network effect factors like recommendations or complaints. 55.7% of respondents aren't interested to hear from other users, strongly or somewhat. Recommendations can make people keep their ongoing subscription (p < .019, p < .037) and resist price (p < .039). Women have recommended and are more likely to recommend the service than men (p < .001, p < .001), age does not show any significant relevance. Aspects of attitudinal loyalty, like satisfaction and feeling of loyalty can be clearly connected to social aspects of streaming services, so hypothesis 11 can be accepted and it's moderated by gender. Despite this, data does not show that behavioral loyalty could lead to social interactions, and it's more likely that social aspects have an effect on behavioral loyalty. Based on this, hypothesis 10 is rejected.

H12: Network effect positively affects overall subscription loyalty.

People who want to see what everybody is talking about are likely to subscribe based on recommendations (p < .014). Overall all measured network effect aspects share similar results, meaning that those who participate in social interactions are more likely to be affected by it. Network effect is needed by newer services to sway those who prefer older (p < .002) and more well known (p = .0) services. Like Hypotheses 10 and hypothesis 11, social influence on overall loyalty is skewed towards attitudinal loyalty but it can lead to behavioral loyalty more than behavioral loyalty can lead to it. Women show stronger affect in network effect than men. Within this data, it cannot be said that age has any effect on the outcome. Hypothesis can be accepted and it's moderated by gender.

H13: Low price leads to higher chance of multi-homing.

Like stated in Hypothesis 4, 73.1% of respondents strongly or somewhat agree that all streaming services are at the similar price level. Readiness to multi-home corresponds to resisting of cumulative price of multiple subscriptions ($p < .001$). To whom price is not a barrier, multi-home more easily ($p < .001$) and those to whom price is too high wait others to test the service first ($p < .001$). Multi-homing occurs only when price is low (Sanchez-Cartas & Leon, 2019). Gender nor age does not contribute to results. Hypothesis can be accepted.

H14: Attractiveness of alternative leads to higher chance of multi-homing.

55.2% feel strongly that they make subscription relative decisions in their household, implying that with the rest 44.8% at some level are influenced by something or someone. 25% only somewhat disagree. These numbers correspond to preferring older ($p < .001$), more well-known services ($p < .049$) and recommendations ($p < .044$). Those who are ready to try different services don't care how old ($p < .002$) or well known ($p < .021$) the service is. They often change the used service ($p < .009$) from multiple possible choices ($p < .012$). Exclusivity being the differentiating element that drives people in ($p < .024$), these people are also ready to multi-home based on exclusive content ($P < .037$). Women are more likely to try new interesting services than men. Age does not show any clear significance. Hypothesis can be accepted and it's moderated by gender.

H15: Low attitudinal loyalty leads to lower behavioral loyalty.

Those who consider their most used service as their primary one, are satisfied ($p < .023$) and likely renew their subscription ($p < .018$). Feeling of loyalty corresponds positively to the length of the subscription ($p < .004$) and likeness to renewal ($p < .001$), but even those who consider themselves loyal, will try new interesting services ($p < .009$). 52% of respondents are not affected, strongly or somewhat, by negative news about the service so much that they would stop the subscription. Surprisingly subscription renewal corresponds positively to exclusive based multi-homing ($p < .014$) and multi-homing in general ($p < .004$). Habitual behavior and dissatisfaction also strongly connects to multi-homing ($p < .007$, $p < .004$). 57,7% do not change their service often or somewhat often. Those who do, also complain often ($p < .001$) and have lower feelings of loyalty ($p < .044$). Gender nor age does not show any effect between these loyalty types. Hypothesis is accepted.

TABLE 3: Hypothesis result summary

Hypothesis	Accepted?	Moderated by (Gender, Age)	p-values
H1: High attitudinal loyalty raises overall Subscription Loyalty.	Yes	G	< 0.001, < 0.02, < 0.012, < 0.031, < 0.044
H2: High behavioral loyalty raises overall Subscription Loyalty.	Yes	-	< 0.001, < 0.004, 0, < 0.001, < 0.049, < 0.026, <0.001
H3: Multi-homing is a noteworthy form of Subscription Loyalty.	Yes	G	< 0.053, < 0.001, < 0.007, < 0.026, < 0.033
H4: Low price affects negatively to behavioral loyalty.	No	-	< 0.001, < 0.001, < 0.027, < 0.049, < 0.01
H5: High attraction of alternatives corresponds to low behavioral loyalty.	No	-	< 0.012, < 0.019, < 0.002, < 0.054, < 0.003
H6: First mover advantage raises attitudinal loyalty.	Yes	-	< 0.058, < 0.001, < 0.001
H7: Exclusivity raises behavioral loyalty.	No	-	< 0.046, < 0.051
H8: Exclusivity raises multi-homing.	No	-	0, < 0.037, < 0.084
H9: Satisfaction raises effect on attitudinal loyalty.	Yes	G, A	< 0.003, <0.016
H10: High behavioral loyalty leads to high network effect.	No	-	> 0.103, > 0.533 > 0.32, > 0.57 > 0.30, > 0.75
H11: High attitudinal loyalty leads to high network effect.	Yes	G	< 0.055, < 0.006, 0, < 0.001, < 0.017,
H12: Network effect positively affects overall subscription loyalty.	Yes	G	< 0.014, < 0.002, 0
H13: Low price leads to higher chance of multi-homing.	Yes	-	< 0.001, <0.001, < 0.001
H14: Attractiveness of alternative leads to higher chance of multi-homing.	Yes	G	< 0.002, < 0.031, < 0.009, < 0.012, < 0.024, < .037
H15: Low attitudinal loyalty leads to lower behavioral loyalty.	Yes	-	<.004, <.001, <.001, <.044

8 DISCUSSION

On average, the respondents most used service's scores for overall feeling of loyalty, satisfaction and likelihood of subscription renewal were high. It can be argued that many respondents have reached at least Oliver's (1999) affected loyalty level where satisfaction lead actions or conative level where loyalty can be unrealized, low feeling of loyalty but high satisfaction and higher resubscription rate. Loyalty phases can also be affected by social interest (Blut, Evanschitzky, Vogel & Ahlert, 2007) . These phases however are not exclusive to one service at the time, and it's hard to say for now what can be considered to be relevant maximum loyalty level in this type of services, that could be reached before churn. Measuring loyalty in a phases can be a bit old fashioned as some researchers (eg. Rundle-Thiele & Russell-Bennett, 2001; Rams & Schindler, 2001; East, Gendall, Hammond & Lomax, 2005) prefer outcomes and continuous variables.

Prices of the streaming services are compared in the Table1 and research results show that, within the sample, they are comparable. Price resistance rises with the time spent in the service (p < .049), especially with satisfied customers (p < .043). This follows similar claims made by Anderson, Fornell and Lehmann (1994). A new service would need to set their price point in a competition range, this could limit their ability to operate and gain the critical mass for succession. However, price is only one part of the competition.

Exclusivity makes services different from each other, but does not offer any barriers between services and it's more likely that customers use many services simultaneously. Even in Oliver's (1999) action phase, exclusivity is named as an aggressive force to gain competitive advantage. If we see exclusivity as an extension to variety seeking, variety seeking penetrates all loyalty phases. Results of the questionnaire show that exclusive content alone does not build loyalty. Not measured in this study, but according to Blut, Evanschitzky and Ahlert (2007) trust to service to perform should be linked to low variety seeking. Variety seeking has a chance to appear even with high satisfaction (Amine,

1998), this is important to note as the relationship between high satisfaction and high loyalty is more common in older market types and differs from online markets (Zhai & Ye, 2009). It is unsure how variety seeking should be handled in streaming market measurements. Maybe there's a chance for it to exist as a parallel possibility or a temporal state. With a clear measurable definition, it could be used as a moderator for multi-homing variables.

Multi-homing exists with other loyalty types and market type enables it. Price works as a barrier for multi-homing, but it does not offer much resistance for those who are willing to overcome it (p < .033), because low price enables multi-homing (Sanchez-Cartas & Leon, 2019). This might explain why multi-homing is popular and favor the overall low price range. Surprisingly stronger behavioral loyalty, time and habit, in one service leads to likeness to multi-home. Multi-homing should be considered as a loyalty type of its own, that's only possible in certain types of markets. Results show connection to familiarity of the market and hedonistic by nature, there's no reason to limit oneself to only one.

Older services enjoy their build brand name and rarely anyone wants to be the guinea pig for the new ones. Although there exist people who are willing to be that test person and they care more about exclusive content than age or how well known the service is. Chen and Xie (2007) talked about second movers, who could take the lead by force. Netflix might have been the first of its kind and made a way for others, but now it has real competition that might potentially even overtake its market share. It could be said that the faded first mover advance that Markides and Sosa (2013) mentioned has happened and the market has entered a mature state.

Results of this thesis show that attitudinal loyalty correlates to subscription intention and reported time. As a measure attitude is very customer sided and based on self reporting. Attitudinal measurements are easier to collect and monitor but according to Mittal and Kamakura (2011) companies are interested about behavior, not intentions. Questionnaire data is not as accurate as data that could be gained from billing information, which represents customer behavior better (Ahn, Han & Lee, 2006). Attitudinal loyalty should be measured before and after churn, as non-customers can still favor the service and consider it as a potential future option. As Dechant, Spann and Becker (2019) said, customers can spread a good message about the service after churn. These are some of the reasons why attitudinal loyalty and behavioral loyalty should be separated and work better as each others outcome rather than one measure.

Highly satisfied people are more likely to spray positive messages and recommendations about the service. Loyalty implies strong word of mouth (Emami, Lavejevardi & Fakharmanesh, 2013) and network effect can guide subscription loyalty by affecting attitudinal loyalty. Positive attitude has the potential to build a form of loyalty after churn (Dechant, Spann & Becker, 2019). It

would be ignorant to discard social aspects nowadays, especially when band-wagon effect and binge watching are real possibilities.

Results of this thesis show that the way previous research has defined attitudinal and behavioral loyalty are connected in practice and both should be measured in a loyalty study, but measurements should be independent from each other. Results reforge many results of previous literature, like high satisfaction being connected to repurchase intention, price sensitivity and recommendations being an outcome of high loyalty. Results show that gender plays a role in attitudinal loyalty and network effect. The most important finding of this thesis is how common multi-homing is even among those who should be considered loyal, and the power social interaction in the form of recommendations can lead to actions. Thesis does not offer anything groundbreaking but shows that there's a potential to expand loyalty studies in this market type to include and further study these topics.

This thesis found that current studies about loyalty are plenty but lacking in direction. It is a part of a newer point of view in loyalty where a mature online market does not reliably fit into old views of product based loyalty. It does not follow a clear set of models as loyalty should be built based on market type (Rundle-Thiele & Russell-Bennett, 2001). Like many other studies before, this also suffers from a theoretical background that's based on product centrist views and non well-defined attributes. It brings in a less studied option of multiple simultaneous services, and shows the importance within the sample group. Multi-homing gives loyalty a multi-dimension. Thesis tries to build a more complete picture by including social aspects as in network effect, with multi-homing and first mover advance, including brand affection. In the future both of these could work as a moderator for other variables. Network effect could be split into person to person activities, and internet and social media aspects.

Long time periods are needed to study switching patterns (Rundle-Thiele & Russell-Bennett, 2001), also measuring satisfaction on longer time scale is challenging (Mittal & Kamakura, 2001), same goes for predicting behavioral loyalty (East, Gendall, Hammond & Lomax, 2005). Habit, or end of it, can affect the use of the service as people change, their needs and criteria may change too (Oliver, 1999; Dick & Basu, 1994). Habit might also be caused by an outside force (Kim & Krishnan, 2019) or lack of will to search for an alternative (Amine, 1998).

9   CONCLUSION

This thesis was based on the idea that a new subscription video streaming service enters the market space and needs to compete against older and more well known services and how that service would perform. The goal was to measure the strength of loyalty to the older service and how easily customers are ready to make a switch. The strength was measured using subscription price of the service, exclusive content, simultaneous use of multiple platforms, age of the service, and differences between attitude based and behavioral based loyalty, and network effect using social interactions.

Based on literature research 15 hypotheses were formed with an online questionnaire, to collect quantitative data from university level IT-students. Questions were either adapted from already existing and research used questionnaires or based on the literature, if specific characteristics were not available. At the same time 15 hypotheses meant that there would be at least 30 questions in the questionnaire, which would lower the answering percent, but it also would cover the topic only partially. Topic could be expanded to cover certain aspects better, like how now first move advance also covers age and familiarity. Based on 52 respondents' answers, hypotheses were either accepted or rejected.

Attitude loyalty connects strongly to behavioral loyalty, this presents itself when one considers themself loyal and have high satisfaction towards the service, they have a high chance to keep their subscription on going. Satisfaction has a greater effect than dissatisfaction. Based on the literature this was an expected result(Gommans, Krishman & Scheffold, 2001).

Among the sample, familiarity with multi-homing is high. It is only restricted by the cumulative price of subscribing to multiple services at once. Those who are not restricted by the price, multi-home more easily. Literature supports these low price based claims (Sanchez-Cartas & Leon, 2019).

Respondents with overall high attitudinal loyalty have a high chance to recommend and be recommended services and their content, they are more socially active. According to literature loyalty should lead to recommendations (Emami, Lavejevardi & Fakharmanesh, 2013) but results show that only attitudinal loyalty does it. Behavioral loyalty does not directly add to network effect but it seems that recommendations can affect positively to ongoing subscription and price hike.

9.1   Limitations

This thesis was mainly worked in 2020, the year when COVID-19, coronavirus, forced people to spend more time at home. This had a massive effect for streaming services and led Netflix and YouTube to take action to reduce bandwidth usage by lowering the streaming quality (Taylor, 2020). Survey of this thesis had a measure period of 12 months and measuring was done in June of 2021. This makes results relevant to extraordinary time period and thus they might not show results that reflect situations in the past or the future. Sample size was also very small (52) so results suffer and are not as accurate as they could be, because of this results should not be generalized.

For convenient and feedback reasons, some overly similar questions were removed from the survey to make it shorter, this also left some topics short. Thesis also covers specially picked loyalty topics for the survey and is not using the whole loyalty spectrum of components, as it is not in the scope of the thesis.

9.2   Future studies

Data related to independent variables can be obtained with the sample unit, filling the same survey at different points in time, but even then researchers should be careful with generalization (Van den Poel & Lariviere, 2004). Switching studies are long time studies (Rundle-Thiele & Russell-Bennett, 2001). Behavior might be based on childhood experience, (Jacoby, Kyner, 1973) but as streaming services as a concept are not that old and are constantly launching and evolving, so this factor should only be included in loyalty studies in the future where it can be tested with a suitable population. Knowledge about the brands through age may explain loyalty, as younger customers are still comparing options (Mittal & Kamakura, 2001). Thesis study could be repeated using only free services to compare behavior between free and paid ones. For future research the topic could be expanded to include online piracy as a factor for alternative to streaming services. There are several examples from

HBO's Game of Thrones (Gartenberg, 2019) to Mandalorian (Murdock, 2019) where a lack of service or service availability in momentarily culturally high shows can lead people to adopt illegal channels for access.

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