Increasing Customer Loyalty: The Role of Social Media within the SVOD Industry

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Abstract

Scholarly attention and academic research on the exact role of social media within the subscription video on demand (SVOD) industry has been scarce, resulting in a clear research gap. Traditional social media strategies are not suitable for streaming services within the new SVOD field, which further exacerbates this research gap within the billion-dollar industry. Nevertheless, firms within the SVOD industry are increasingly using social media marketing over traditional marketing channels in order to become among the top three subscribed services. The aim of this thesis was to conduct a quantitative study into the role of social media within the SVOD field, and the role they play in increasing customer loyalty. Results of an online questionnaire investigating this relationship for the services Netflix and Disney+ highlight the importance of the role of social media within the subscription video on demand industry: there is a strong, positive, linear and significant correlation between social media marketing and customer loyalty. Concludingly, the more the respondents perceive, and the higher their extent to which they engage with social media marketing from streaming services, the higher the degree to which they are loyal and attached to the service. Subsequent analyses show that further hypotheses are also supported: social media marketing has a strong, positive, and significant relationship with all the dimensions of customer loyalty. The affective dimension seems to have the strongest correlation; the larger the extent of perceived social media marketing activities, the larger the extent to which the customer likes, is pleased by, prefers, is attached and is interested in the service. Conversely, the conative dimension seems to have the weakest correlation, albeit still positive and moderate in strength. Deeper investigation reveals that despite the fact that a respondent is engaging more with the social media marketing of the brand and is intending to keep subscribed, they have no intention of buying other products from the same brand. Finally, the relationship between social media marketing and customer loyalty seems to differ among streaming services: Netflix has a statistically significantly stronger

correlation with customer loyalty than Disney+. Respondents of Disney+ were recognized as loyal to a large extent, yet social media marketing just did not have as much influence on it as for Netflix.

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1. Introduction

The impact COVID-19 has had on small and large businesses has been undeniably great; mass layoffs and company closures already started just a few weeks after the pandemic started (Bartik et al. 2020). However, one industry that not only avoided the detrimental effects of this pandemic, but indirectly thrived because of it, is the subscription video on demand (SVOD) industry (Rajan, 2020).

The entertainment industry experienced a paradigm shift from traditional cable services to online paid subscriptions and direct-to-consumer channels to the subscription video on demand (SVOD) model (Pasirayi et al. 2021). In the relatively new SVOD industry, paid subscribers are allowed direct and full access to a huge library of streaming content such as movies and TV shows. With people being forced to live inside during the recent COVID 19 pandemic, and having limited forms of entertainment, streaming services within the industry gained a huge boost (Palotta, 2021).

Initially, traditional television and media firms were unwilling to adapt towards a new business model; the majority of these firms remained confident in the traditional broadcasting business model (Markets, 2019). However, consumer's distaste of traditional cable TV packages, bundles and offerings started rising, and streaming services with lower prices and original content became more appealing, resulting in enormous revenues for services within the subscription video on demand (SVOD) industry (Rataul et al. 2018). Subsequently, an increasing number of firms within the entertainment industry started servitizing their existing business models and developing their own streaming services (Bond, 2020).

Currently, the SVOD industry is still experiencing rapid growth, with billion-dollar firms The Walt Disney Company and Apple entering the streaming market (Adrey, 2020). However, the

availability of many streaming services reintroduces the whole problem which resulted in this growth in the first place: having a subscription to all available streaming platforms is simply too expensive for the majority of the consumers, as was the case with the traditional cable TV packages and bundles (Petronyte, 2020). Customers are getting increasingly frustrated at the number of offered subscriptions and do not seem to tolerate this, resulting in "subscription fatigue" (Spangler, 2019). Moreover, subscription streaming services seem to suffer from a lack of customer retention and loyalty to one brand (Variety, 2021). Finally, a consumer in the US is on average subscribed to three streaming services, resulting in firms within the SVOD industry extensively competing for a spot among those three (Fitzgerald, 2019).

Firms within the SVOD industry are increasingly using social media marketing over traditional marketing channels (Okazaki et al. 2015; Benes, 2020). Through social media marketing, firms within the SVOD industry are strengthening their brands by extensively advertising their services and encouraging social interactions between subscribers themselves, and between subscribers and the service (Martín-Quevedo et al. 2019). Conversations and interactions on social media significantly positively affect how a consumer values a brand, and impacts their subsequent purchasing decisions (Liu et al. 2016). What's more, these social media conversations and interactions are stressed as essential for media services: brand value and brand awareness are positively influenced, and word-of-mouth (WOM) is further encouraged (Nanda et al. 2018). Current scholarly literature around the usage of social media for traditional brands is in abundance (Ashley & Tuten, 2015; Petronyte, 2020; Goh et al. 2013). Nevertheless, the relationship between the utilization of social media to attract customers, retain current subscribers and, most importantly, increase customer loyalty has focused on traditional product industries, and not subscription-based industries, such as the SVOD field (Tatar et al. 2016).

The paradigm shift from traditional cable services to the subscription video on demand (SVOD) model did receive scholarly attention (Strand et al. 2019). However, research within the SVOD

field has focused on actors influencing the choice of individuals to prefer online video consumption over traditional TV, the effects of piracy, and changes in consumer behavior (Strand et al. 2019). Significant scholarly attention is shifting its focus focused towards the phenomenon of binge watching: the viewer is now consuming multiple amounts of video media in a row, as opposed to the traditional consumption of one piece of video media per week with cable television (Matrix, 2014; Schweidel et al. 2016; Strand et al. 2019; Jenner, 2016; Jenner, 2017).

Despite the fact that firms within the SVOD industry are increasingly using social media marketing over traditional marketing channels in order to become among the top three subscribed services (Okazaki et al. 2015; Benes, 2020; Fitzgerald, 2019), scholarly attention and academic research on the exact role of social media within the subscription video on demand (SVOD) industry has been scarce, resulting in a clear research gap (Strand et al. 2019; Petronyte, 2020; Dimitrova, 2019). Traditional social media strategies are not suitable for streaming services within the SVOD field, which further exacerbates this research gap within the billion-dollar industry (DeCarvalho & Fox, 2016).

What's more, existing studies exploring the role of social media within the SVOD field are scattered across different academic disciplines, ranging from computer science and innovation adoption to marketing research and customer loyalty, resulting in a lack of a comprehensive understanding of the current literature. To address the aforementioned research gaps, this study aims to empirically investigate the role of social media in increasing customer loyalty within the subscription video on demand (SVOD) industry. The following research question is formulated: **What is the role of social media marketing in increasing customer loyalty within the subscription video on demand (SVOD) industry?** The subsequent sub questions are also formulated: does social media marketing affect each loyalty dimension the same? Does

an increase in loyalty result in a decrease in service churn rates? Does the relationship between social media marketing and customer loyalty differ among streaming services?

This research is one of the first studies that attempts to connect the billion-dollar SVOD industry to the marketing literature through a quantitative research design and empirical evidence. Prominent scholars within the SVOD field, such as Fernandez-Gomez, Martin-Quevedo, and Jenner, have written many academic papers surrounding the topics of marketing within the SVOD field, yet all these papers followed a qualitative research design. Therefore, this study has many theoretical implications, as it one of the first studies that provides empirical evidence to back up qualitative research, and proposes areas and suggestions for future research, based on that evidence. In addition to this, the findings from this study, supported by empirical evidence, provide firms with actual knowledge as to how effective social media is in increasing customer loyalty within this billion-dollar industry, and which dimensions of loyalty it most affects, and has thus many practical implications as well.

Through a quantitative online questionnaire, based on researched academic scales adapted to fit the context of the research, this study aims to empirically measure both social media marketing and customer loyalty within the SVOD industry. The aim of the research is to provide a holistic understanding of the role of social media in increasing customer loyalty within the subscription video on demand field.

The following section within this paper presents an overview of the theoretical background and formally provides a definition for the subscription video on demand industry, social media marketing and customer loyalty. Next, a detailed description of the methodology used within this study is presented. The paper's results are then presented, examined and discussed, limitations are examined, and recommendations regarding future research are given.

2. Literature review

The aim of this study is to conduct research into the role of social media marketing within the subscription video on demand (SVOD) industry, and what influence it has on increasing customer loyalty. This section of the thesis starts off with a brief introduction into the subscription video on demand (SVOD) industry: the influence of social media and current challenges within the field, followed by a comprehensive review of the literature surrounding social media marketing and customer loyalty, in which contemporary ideas, concepts and relationships are highlighted and examined. Subsequently, based on the literature review, the main hypotheses of this study are formed. Finally, the literature review is concluded with a conceptual model which depicts the key concepts of this study: social media marketing and customer loyalty.

2.1 The Subscription Video on Demand (SVOD) industry

The way video media has been offered and consumed has evolved substantially since the 1950s, when the introduction of television allowed viewers to consume their favorite programs, but only at specific times and days (Petronyte, 2019). Further innovations and advancements in the industry led to the VCR around the 1980s, and DVD around the early 2000s; both mediums allowed for video playback whenever the consumer desired (Strangelove, 2015). A further advancement was made in the field with the introduction of YouTube, in which consumers switched from television screens to computer monitors and were thus no longer adhering to one specific device to consume video media, subsequently termed by academics as the Post Television Era (Leverette et al. 2008; Strangelove, 2015). A substantial advancement in the Post Television Era was made in 2007, with the introduction of the Netflix streaming service, which completely revolutionized the way as to how television is defined and paved the way for what is now called the subscription video on demand (SVOD) industry (McDonald et al. 2016).

Strangelove (2015) defines the subscription video on demand (SVOD) model as an "all you can eat buffet", which offers an enormous variety of video media in the form of movies and TV shows. Two of the biggest firms within the billion-dollar SVOD industry are Netflix and The Walt Disney Company (Ardrey, 2020). Founded in 1997 as a rental company which sent DVDs through the mail, Netflix has become the king of streaming, breaking even significant records as of this year (Cefai, 2021). Seeing its popularity surge, and then determining streaming as the future, The Walt Disney Company promptly introduced their own streaming service with Disney Plus in 2019, which hit 86 million paid subscribers just one year after launch (Alexander, 2020). Currently, Netflix accounts for 34% of the streaming market (within the US); Disney Plus accounts for 18% (Business Insider, 2021). However, forecasts based on current analyses show that Disney Plus could surpass Netflix as the most popular SVOD service worldwide by 2026 (Statista, 2021). Next to Netflix and Disney Plus, the subscription video on demand industry further encompasses these major firms: HBO Max, Amazon Prime Video, Apple TV Plus, Hulu, Paramount Plus, Peacock and Discovery Plus (Adalian, 2021).

2.1.1 Social media in the SVOD field

Social media are providing brands with platforms in which individual connections with customers can be formed and enduring relationships that shape an online community can be built (Bacik et al. 2018). The enduring relationships are primarily formed through various emotional factors which get activated due to social media content that is published by brands, and subsequent triggers as to how the consumer behaves based on these factors (Bacik et al. 2018). Consequently, how the consumer experiences their relationship with the brand, also influences how they perceive the brand's image in their subconscious (Bacik et al. 2018; Dimitrova, 2019).

Web 2.0 led to an increase in brands engaging with their consumers, has inspired the utilization of viral marketing, led to an expansion in the reach to a larger audience, allows customers to encounter the brand and its identity, and provides them with ways to share their experiences with others (Thackeray et al. 2008). Furthermore, the subsequent increase in customer power due to Web 2.0 caused firms to be confronted with the changing market reality: customers are no longer an enormous passive audience, but should be treated as sophisticated and creative individuals (Constantinides, 2014). This changing market reality is further corroborated by a study from Patrutiu-Baltes (2016), who found that brands are increasingly digitizing the way they communicate with their customers, and how a narrative and story play part in conveying a message in an increasingly dynamic manner, with a higher level of engagement from increasingly active customers.

Nanda et al. (2018) present in their study that the incorporation of a social media strategy is crucial for video media firms, and that this strategy not only starts prior and throughout the release of the media, but also continues after its release. As indicated earlier, social media conversations and interactions are stressed as essential for media services: brand value and brand awareness are positively influenced, and word-of-mouth (WOM) marketing is further encouraged (Nanda et al. 2018). Petronyte (2019) found that firms within the SVOD industry are increasingly using social media to improve their brand identity. When doing so, SVOD firms try to emphasize the superiority over traditional cable television in the way consumers experience the video media content (Wayne, 2018). The findings from Martín-Quevedo, et al. (2019) highlight an interesting observation: Netflix attracted a higher level of customers with their social media strategy, despite the fact that one of their major competitors, HBO, was significantly more active and published more posts compared to Netflix. Achieving high success rates through the usage of social media can thus be complicated within the SVOD field.

Firms within the subscription video on demand field face several challenges when it comes to developing a social media marketing strategy: i) how to increase the level of engagement and introduce a dynamic place which allows customers to share their experiences; ii) how to successfully attract more potential subscribers; and iii) how to retain existing customers and reduce increasing service churn rates (Sheehan and Morrison, 2009; Strand et al. 2019; Sellers, 2020). The last challenge, the increasing churn rates for streaming services, or user abandonment, has become a highlight of research as it is crucial to understand which elements influence viewers' intent to remain subscribed or adopt a new streaming service innovation (Martins, 2017). Addressing these challenges are essential for the successful utilization of social media within the field, and the success of the subscription video on demand industry itself.

2.2 Social media marketing

Further sections of the literature review will highlight the concept of customer loyalty and provide a comprehensive of the construct, while this section will focus the literature surrounding social media marketing.

Ever since its introduction, social media was embraced by marketers as an essential tool to promote products and services, and influence the behavior of the consumer (Khan and Jan, 2019). The successful utilization of social media is crucial to the future of any organization and firms should form appropriate strategies in order to achieve this (Patnaik, 2011). Despite the importance of social media, academic research remains scarce (Babac, 2011; Khan and Jan, 2019). The honeycomb model is a substantial framework that helps to understand social media platforms (Kietzmann et al. 2012). The model (Figure 1) depicts seven functional building blocks: identity, reputation, presence, sharing, conversations, groups, and relationships (Khan and Jan, 2019). The goal of the building blocks is to aid with the study of certain individual

elements of social media and what the effects could be on organizations (Khan and Jan, 2019). The seven building blocks are not mutually exclusive and do not necessarily all have to exist on the same social media platform (Kietzmann et al. 2011. Furthermore, Kietzmann et al. (2011) conclude that the building blocks allow for the different levels of social media to be distinguished. Finally, the model could be utilized to study various phenomena in social media research through the measurement of social media marketing and all its functional building blocks (Khan and Jan, 2019.
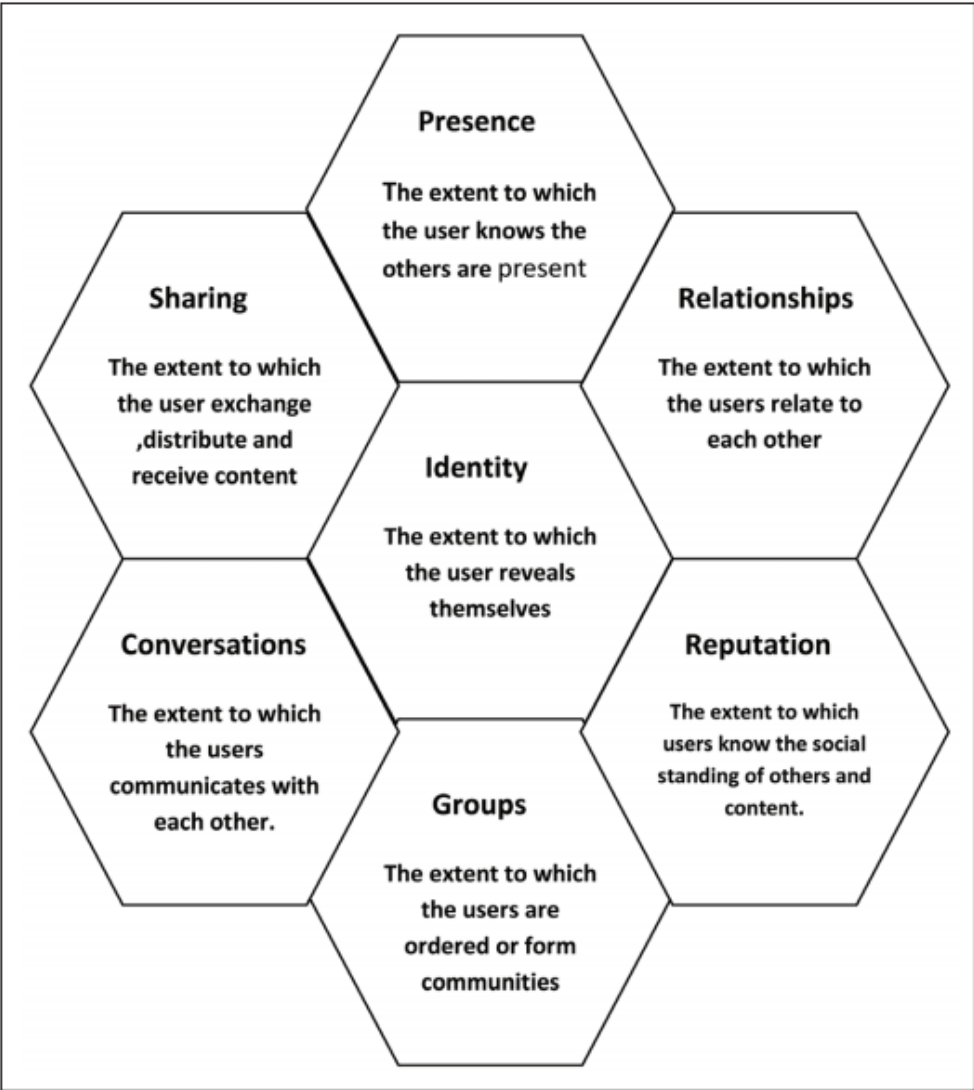
Figure 1: Honeycomb model. (Kietzmann et al. 2011)

2.2.1 Identity

The functional block "Identity" exhibits the extent to which a user has revealed their identity on an online social media platform (Kietzmann et al. 2011). These identities can be revealed through characteristics about the user, such as their name, age, gender, hobbies etc., and through more detailed information which represents the user more accurately (Kietzmann et al. 2011). Moreover, the user has the ability to further disclose their identity by consciously and subconsciously revealing information which is more subjective, like their thoughts, emotions, likes, upvotes, dislikes, and downvotes, which is all communicated on a social media platform (Kaplan & Haenlein, 2010). With regards to firms, the identity is the brand name. The identity functionality on social media helps firms to establish and further enhance their brand identity (Khan and Jan, 2019).

The identity functional block is substantially prevalent in the subscription video on demand field; in order to manage the entrants of many new competitors within the market, current streaming services are increasingly attempting to enhance and strengthen their brand identity through the usage of social media marketing (Petronyte, 2019). Not only does a strong brand attract more potential subscribers and improves upon the perceived quality of a service, but a more renowned brand reinforces trust and reliability (Budac & Baltador, 2013). Finally, streaming services try to emphasize through their identity that they are casual firms, and not faceless conglomerates (Petronyte, 2019.

2.2.2 Reputation

In contrast to the real world in which it is qualitative, the concept of reputation is measured quantitively on social media platforms (Khan and Jan, 2019). The number of likes, comments, and followers on Instagram and Facebook; the number of subscribers and views on YouTube; the number of retweets on Twitter (Khan and Jan, 2019). If a firm wants to achieve a higher

rank in reputation on social media, their social media strategies need to be improved accordingly (Kietzmann et al. 2011).

2.2.3 Presence

This building block represents the accessibility of other users; if they are available, as can be evidenced by them being online or through their status updates, or if they are offline and unavailable (Kietzmann et al. 2011). Despite the various ways in which social media show the availability of other users, the presence of a firm cannot be disclosed in a similar way (Khan and Jan, 2019). Instead, users can get made aware of these firms by the number of posts published on social media, the frequency in which they are shared, and the amount of interaction that takes place (Kietzmann et al. 2011). In order for firms to create a closer connection with their customers, it is essential for them to increase their presence on social media (Kietzmann et al. 2011; Khan and Jan, 2019).

2.2.4 Sharing

The sharing functionality block can be defined as the extent to which users are exchanging, receiving, creating, and distributing content on social media (Kietzmann et al. 2011). This shared content can range from thoughts and opinions to pictures and videos (Khan and Jan, 2019). For firms, a crucial implication exists with regards for the utilization of the sharing functionality on social media: the shared content needs to be authentic. Content is then subsequently shared on these social platforms, which can further improve the brand's reputation or be detrimental to it (Kietzmann et al. 2011).

2.2.5 Conversations

The conversations functionality block can be defined as the extent to which users are communicating with others on these social media platforms (Kietzmann et al. 2011). Platforms

such as Facebook allow for individuals to talk to each other, but also support the ability to communicate within groups (Khan and Jan, 2019). Within all social media, different forms of conversational functions exist. For firms, the desire to control the flow of conversations regarding their brand on social media is crucial (Kietzmann et al. 2011).

Firms within the SVOD field are increasingly more initiating and engaging in informal conversation on social media, to the extent that they are using in-depth and extensive transmedia communication (Rodríguez et al. 2020). During the COVID-19 lockdown in 2020, the Twitter account of Netflix Spain incorporated a higher number of audiovisual content and multimedia elements in their tweets, also including references to the lockdown and the pandemic (Rodríguez et al. 2020). This shift in communication strategy resulted in higher levels of engagement for that Twitter account, and the authors of the study thus conclude that transmedia strategies are a key element in any marketing strategy within the SVOD field (Rodríguez et al. 2020).

2.2.6 Groups

The groups functionality refers to the extent to which users are able to create communities (Kietzmann et al. 2011). These groups can be based on the individual users and their friends, or be based on a firm, brand or other entity. Facebook and Instagram allow users to create their own groups, with self-appointed moderators, and the ability to invite others (Khan and Jan, 2019). Customers who are looking to engage with other customers who are loyal to the same brand or firm, may look to form their own group on social media, to discuss this particular subject among themselves (Kietzmann et al. 2011).

Firms within the SVOD field are shown to be encouraging the formation of these groups, in order to convert passive users of social media, to more active ones with the goal of maintaining highly engaged customers (Wang et al. 2019).

2.2.7 Relationships

The relationships block refers to the extent to which a user can be related to another user (Kietzmann et al. 2011). Within the context of social media platforms, a relation represents a significant connection between users, and the ability to share content and information (Khan and Jan, 2019). Whereas platforms such as Facebook and Instagram allow for users to be considered as friends, these same relations do not matter to the same extent for the platforms YouTube and Twitter (Kietzmann et al. 2011). A firm with a more extensive and deeper relationships has the potential to be an influencer on these social media platforms (Kietzmann et al. 2011). Therefore, it is of utmost importance for any organization, to understand this functionality, as to achieve substantial relationships and maintaining control and influence over customers (Khan and Jan, 2019).

2.3 Customer loyalty

The relationship of focus within this study is the role social media plays in increasing customer loyalty within the subscription video on demand (SVOD) field. Within this section of the literature review, the construct customer loyalty is thoroughly examined, and all its dimensions are explained.

The concept of customer loyalty has gained importance in both marketing and academic disciplines, as the competitive environment for firms has become fiercer and more challenging, resulting in firms attempting to improve their customer retention through increasing loyalty (Arsal et al. 2014; McMullen, 2005). A common simplification of the concept defines customer loyalty as: "the situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category" (Ovidiu and Anh Vu, 2011).

Despite its significance, defining customer loyalty in all its complexity has been a strenuous task, and only a small number of studies have attempted to distinguish the convoluted dimensions that make up the concept (Javalgi et al. 1997). The problem within these studies is the lack of a consensus on an exact definition of loyalty. Definitions of customer loyalty range from "the biased behavioral response expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes" (Jacoby et al. 1978) to "loyalty is a product of repeat purchase, self-stated retention, price insensitivity, resistance to counter persuasion, and recommendation to others." (Ganesh et al. 2000). Although the different authors have not reached an agreement on the exact definition of customer loyalty, a central theme has emerged from the consolidated literature: the construct is considered three dimensional, with affective, conative and action loyalty as its outcomes (Jones et al. 2007).

2.3.1 The three-dimensional outcomes of loyalty

Affective loyalty dimension can be characterized by the underlying emotions when the customer evaluates the product or service of a brand (Evanschitzky and Wunderlich, 2006). Decisions within this dimension are based on the level of satisfaction, or the extent to which the customer likes the product of service and is actually attached to the brand (McMullen and Gilmore, 2002). Vulnerabilities within this dimension that could dissuade or test the loyalty of the customer are dissatisfaction, discouragement by others, and the trial of alternative brands (McMullen and Gilmore, 2002).

Conative loyalty dimension is defined as the extent to which the customer is committed to the brand, intents to buy products and services from the same brand in the future and is further characterized by the level of stability of the customer's beliefs surrounding the brand (Evanschitzky and Wunderlich, 2006; Bobâlcă et al. 2012). Vulnerabilities within this

dimension that could dissuade or test the loyalty of the customer are similar to the ones of the affective dimension: persuasion and trial of alternative brands (McMullen and Gilmore, 2002).

Action loyalty dimension can be seen as the extent to which the customer is positive about the brand to other people, recommends its services to other people, willingness to pay a premium for the brand, and expresses a clear preference for a firm over other firms (Bobâlcă et al. 2012). Trial of alternative brands still challenge the loyalty of the customer within this dimension (McMullen and Gilmore, 2002).

2.3.2 Churn rates and customer retention

Various studies found during a self-conducted systematic literature review (SLR) highlight the importance of increasing customer loyalty in order to reduce churn rates for firms within the subscription video on demand (SVOD) industry. Consequently, those studies were clustered together and emerged as a theme within the SLR. Within this section of the study, that theme "SVOD and customer loyalty" and those studies are explained, and their key findings are examined and highlighted.

Although the streaming service Netflix has focused their Twitter strategy on promoting original content, Fernández Gómez & Martín-Quevedo (2018) argue that the way in which cleverness, humor and wit are incorporated into the published posts, result in sustained engagement and loyalty to the service. Furthermore, the authors argue that their findings of their quantitative content analysis corroborate with findings from earlier studies: traditional social media strategies are not suitable for the SVOD industry (DeCarvalho & Fox, 2016). Finally, the authors showcase how Netflix is promoting new seasons of television shows, through a recurring joke on Twitter about binge watching and addictive consumption.

Subscribers and customers who engage in extended viewing sessions and regularly utilize the streaming service, are considered involved with the brand (Schweidel & Moe, 2016). To investigate the response of users to advertising and promotion, Schweidel & Moe (2016), applied their modelling framework to the streaming service Hulu. Results showed that users responded differently to advertisements, depending on whether they were categorized as "bingers" (more positively) or "non-bingers" (more negatively) and whether they were early in their viewing session. In order to stimulate user retention, implications from this study indicate that advertisements for other media content should preferably be shown early in the session, and to bingers.

Watching episodes of a television show in rapid succession - the act of binge watching - is steadily increasing in popularity on streaming platforms (Nanda & Banerjee, 2020). Within their study, Nanda & Banerjee (2020) applied the uses and gratifications (U&G) model to empirically examine this phenomenon. The authors found that parasocial interaction (imaginary relationship, often with a celebrity) and modality (video content available in various formats), significantly and positively affect gratification resulting from binge watching. In order to retain more viewers and bingers to their service, the authors argue that marketers should use PSI to their advantage by increasing their "beyond television" content and publishing this on social media, and advertising modality by having clips of video content on social media, containing multiple audio and language features. Finally, the authors highlight the possibility of users getting addicted to binge watching and its subsequent detrimental effects.

Streaming services are increasingly suffering from high churn rates: customers show a low rate of retention to one particular firm within the SVOD field (Sellers, 2020). Two randomized field experiments were conducted, in order to analyze the effects of binge watching within the SVOD field (Godinho de Matos & Ferreira, 2020). The results of this experiment showcase that users who engage in binge watching, are not likely to remain subscribed to a streaming service after

their free trial has expired, due the fact that content appealing to them has already been consumed. However, when these binge watchers are offered recommendations and reminders, especially through other means (e.g. Twitter, Instagram), the negative effects are reduced.

Rodríguez et al. (2020) examined the social audience of Netflix's Twitter when they released the fourth season of Money Heist during the lockdown in Spain. The authors concluded that the lockdown caused a significant shift in the communication strategy of Netflix Spain. Whereas prior year's social media strategy was focused on customer acquisition, the main objective during the lockdown was to retain as many followers as possible, through the use of in-depth and extensive transmedia communication. During the lockdown, Netflix Spain incorporated a higher number of audiovisual content and multimedia elements in their tweets, also including references to the lockdown and the pandemic. The authors conclude that transmedia strategies are a key element in any marketing strategy within the SVOD field.

Audiences are increasingly becoming more fragmented due to the rapid growth of the SVOD industry (Neira et al. 2021). In their study, Neira et al. (2021) examined the behavior of audiences within the evolving landscape of modern television. The results of their analysis show that streaming services are extensively relying more on programme popularity to attract subscribers and create loyalty to the brand. As churn rates are increasing, so does the streaming service's desire to develop more popular content for their new audience dimensions.

To conclude, the findings from the systematic literature review highlight that firms within the subscription video on demand (SVOD) industry are increasingly using social media marketing to improve their customer loyalty, which consequently should lead to improved customer retention and a decrease in service churn rates. The phenomenon of binge watching is repeatedly highlighted within these studies, and the way it is encouraged through social media has become a central theme for the SVOD industry.

2.4 Hypotheses

Based on the extensive literature review, of which a section is part of a systematic literature review, several hypotheses have been formulated, which are central to this study. In their studies, Erdoğmuş and Çicek (2012), Ismail (2016) and Sheela and Sneha (2017), already investigated the effects of social media marketing on customer loyalty. Despite the context and industries of the studies varying and being dissimilar to the SVOD industry, the findings from their research do indicate the direction of the relationship. Consequently, the following main hypothesis is formulated:

H1: Social media marketing has a positive effect on customer loyalty and all its dimensions.

This hypothesis includes every functional building block in the social media marketing construct: identity, reputation, presence, sharing, conversations, groups, and relationships; and encompasses all the subsequent dimensions of customer loyalty: affective, conative and action loyalty. The following three hypotheses are each focused on a different dimension of customer loyalty and are thus measured differently. The measurement of each individual dimension aids with a comparison between the dimensions, and allows for a clearer distinction as to which dimension of customer loyalty is most affected by social media marketing. Hence, the following hypotheses are formulated:

H2a: Social media marketing has a positive effect on the *affective* dimension of customer loyalty.

H2b: Social media marketing has a positive effect on the *conative* dimension of customer loyalty.

H2c: Social media marketing has a positive effect on the *action* dimension of customer loyalty.
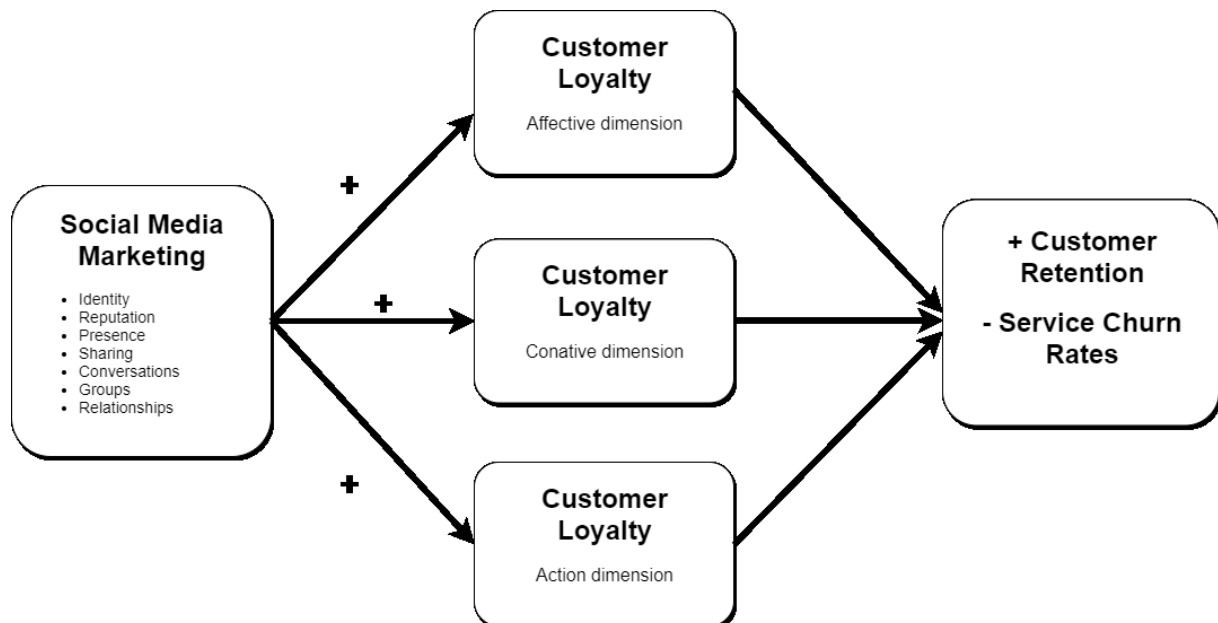
Figure 2: Conceptual model of the relationship between social media marketing and customer loyalty, and its outcomes, within the SVOD industry

3. Methodology

In the subsequent chapter of the study, the methodology is extensively described. Prior to starting this study, a systematic literature review was conducted to research current literature surrounding the role of social media within the subscription video on demand (SVOD) field. Within that review, a theme that was highlighted was the role of social media in increasing customer loyalty. To empirically investigate this relationship, an online survey was created. Within the first part of this section, the methodology of the systematic literature review will be summarized, since a substantial part of it was used for the regular literature review of this study. The second part of this section encompasses the methodology surrounding the main part of this study. The research design of the online questionnaire is thoroughly explained, the variables are operationalized and its measurements are further described. Finally, the process of the data collection and data sample is described.

3.1 Systematic literature review

To provide an overview of contemporary academic research on the role of social media within the subscription video on demand field, a systematic literature review was conducted. The systematic literature review (SLR) methodology was chosen as it provides an effective method to synthesize literature critically and in an accurate manner (Ferreira et al. 2021). Systematic literature reviews (SLRs) consist of numerous advantages compared to regular literature reviews, such as an increase in validity of the review process, due to ideas, concepts and assumptions becoming more defined and straightforward (Lyngdoh et al. 2020). Another difference with traditional reviews is the fact that SLRs are efficient, replicable, academic, and transparent (Tranfield et al. 2003).

In order to conduct a systematic literature review, several subsequent steps have to be followed (Linnenluecke et al. 2020). First, the identification of the included literature by forming a search

syntax through the use of keywords and the exploration of established academic databases using this syntax. The collected literature is then screened and duplicates are removed. The final step includes the thematic coding and subsequent synthesis, analysis and categorization of the literature.

Clarivate Analytics' Web of Science database was used to search for relevant literature. The following research string was used: "(("SVOD" OR "subscription video on demand" OR "video on demand" OR "Netflix" OR "Disney Plus" OR "HBO" OR "Amazon Prime" OR "Prime Video" OR "Hulu") AND ("social media marketing" OR "promot*" OR "advert*" OR "instagram" OR "facebook" OR "twitter" OR "tiktok" OR "snapchat" OR "youtube" or "loyal*" OR "engag*" OR "brand*")). The syntax is a result of the keywords "subscription video on demand" AND "social media marketing", and all the possible synonyms and sequences possible to find as much relevant literature within this new field of science. This initial search string resulted in (n = 1842) articles. Documents surrounding the SVOD field are scattered across various academic disciplines, ranging from computer science to marketing science. Since the focus of this SLR is on the marketing discipline, some Web of Science categories, which were not at all related to either SVOD or social media marketing, had to be excluded within this search. The following categories are used within this review: ("Computer Science Information Systems" or "Communication" or "Film Radio Television" or "Business" or "Management" or "Sociology" or "Social Sciences Interdisciplinary" or "Economics" or "Cultural Studies Refined"). This subsequent search yielded (n = 357) articles. Furthermore, 3 additional articles were identified through manual searches within the reference lists of prior identified articles, and forward citation using Microsoft Academic. The search within the Web of Science database was conducted in April 2021 and encompasses all research articles published prior to this date.

Utilization of these inclusion and exclusion criteria allows boundaries to be drawn in order to establish the specific group of research articles that focus on the main topics of the systematic

literature review (Kauppi et al. 2018). Based on the title, abstract, and keywords, 49 potential articles were identified. The next step involved reading the full text of the potential articles, in order to assure that each individual article was focused on the subscription video on demand field, and the role of social media within it. Consequently, 27 articles were excluded. Concludingly, the number of appropriate articles to be used within this review is 22, of which 18 are articles published in journals, 3 are dissertations and 1 is published in a conference proceeding. Table 1 provides a short summary of the collected documents.

Table 1: Summary of articles in SLR

Description	Results
Documents	22
Author Keywords	114
Period	2016-2021
Average # of citations/article	10.15
Authors	40

In order to present a brief overview of the academic research into the subscription video on demand field, a descriptive analysis of the 22 articles was conducted. The final step within the systematic literature review involves the thematic coding, synthesis and categorization of the relevant collected literature (Ferreira et al. 2021). To provide a comprehensive analysis for this paper, each individual article got coded to report their findings, method, theoretical framework, main topics and constructs. Coding of the articles within a SLR is especially useful in order to find potential common concepts, ideas and thought-processes among authors within the field (Ferreira et al. 2021; Lyngdoh et al. 2020). Following the categorization, various clusters can be formed, which represent the crucial and main themes within the SVOD and social media marketing literature (Ferreira et al. 2021; Linnenluecke et al., 2020).

One of the main clusters that emerged from the SLR, "SVOD and customer loyalty", was used within the literature review section of this study, and all the studies within this cluster (N = 6) were highlighted and examined once more within the context of this research.

3.2 Research design of the online questionnaire

The theoretical foundation on which the study was based was highlighted in the extensive literature review. Empirical evidence was required to test the formulated hypotheses regarding the role of social media on increasing customer loyalty within the subscription video on demand (SVOD) field. In order to acquire the necessary data, a quantitative method was devised for this study. Although many academics argue that a qualitative method would have been a better fit to research the SVOD industry, since these methods allow for a better interpretation of graphic social media messages (Petronyte, 2019), studies utilizing a qualitative method have been abound in this industry (Fernandez-Gomez and Martin-Quevedo, 2019). Therefore, this study is not only original within the field, but builds upon the works of Erdoğmuş and Çicek (2012) and Ismail (2016), who investigated the relationship between social media marketing and customer loyalty in other fields. Customers of the current most popular streaming services Netflix and Disney+ were asked to complete a survey about how they perceive and engage with the streaming services Netflix and/or Disney+ on social media and the extent to which they are attached and loyal to these services within the entertainment industry.

The online questionnaire consists mainly of two major parts. The first major part of the questionnaire concentrates on social media marketing and the extent to which the customer is engaged with a streaming service on social media. The second major part of the questionnaire focused on customer loyalty: to what extent the customer is attached to a streaming service within the industry, and which loyalty dimension plays a bigger role. Both parts involve statements with a Likert scale, ranging from strongly disagree (1) to strongly agree (5).

In order to investigate the formulated hypotheses of this research, an online questionnaire was utilized. The questionnaire begins with two simple, yet crucial questions: if the respondent ever perceived, engaged or observed social media posts from either Netflix or Disney+; and, if they have ever been, or are currently subscribed to, either streaming service. If the respondent answers "Netflix" or "Both", the survey continues with questions about Netflix. If the respondent answers "Disney+", the survey continues with questions about Disney+. If the respondent answers neither, the questionnaire ends. Consequently, the two questions serve as a filter before the actual questionnaire begins; for a respondent who has not perceived a single social media post from either streaming service, nor has ever been subscribed to either service, fails to be considered a participant within the context of this study, is therefore considered invalid, and the questionnaire ends.

First, participants of the questionnaire arrive at the official start of the survey, in which they are asked simple demographic and various miscellaneous questions. Control variables are formulated in order to establish a relationship between the independent and dependent variable, without any influence or moderation from other control variables. Within this research, control variables are considered as: gender, age, region of residence, approximate time spent on content consumption, number of subscribed services, most used social media, and follower status.

Subsequently, the participant arrives at the first major part of the questionnaire: social media marketing. The questions and statements within this part of the survey were created according to the research done by Khan and Jan (2019), in which they developed a way to measure social media marketing by developing appropriate scales. Within their research, Khan and Jan (2019), built upon the works of Smith (2007) and Kietzmann et al. (2011) in which the honey comb model was developed. Through the use of the honey comb model, Khan and Jan (2019) developed a way in which the seven individual functionalities of social media marketing (identity, reputation, presence, sharing, conversations, groups, and relationships) can be

measured on an appropriate scale. Within this part of the survey, social media marketing is measured by questioning the respondents about the extent to which they perceive and are engaged with the social media posts of the streaming services Netflix or Disney+. The scale of Khan and Jan (2019) is adapted to fit the context of this research, and appropriate statements are formed for each individual functional block. The answers of this part of the questionnaire reveals the degree to which a respondent is engaged with the social media posts of the streaming services, and could reveal which functional block has the most impact on said engagement.

Finally, the questionnaire continues to the last part: customer loyalty. All of the hypotheses involve the concept of customer loyalty, and the question whether social media marketing has a positive effect on it. In order to appropriately measure customer loyalty, the scales and research from Bobâlcă et al. (2012) and Srinivasan et al. (2002) were used, and further adapted to fit the context of this study. In their research, the authors investigated how to properly measure the construct customer loyalty and all its dimensions. First, respondents are asked about the extent to which they like the streaming service, and this measures the *affective* loyalty dimension. Second, respondents are then briefly asked about the degree to which they are committed to the service and whether they intend to buy future products from the brand, and this measures the *conative* loyalty dimension. Thirdly, respondents are confronted with statements which inquire about the extent to which they would recommend the service over other services and their willingness to pay a premium, and this measures the *action* loyalty dimension. The questionnaire then ends and the respondent is thanked for participating.

The survey can be found in *Appendix A*.

3.3 Empirical data collection and analysis

In order to create a quality questionnaire, the service Qualtrics was utilized. Social media users who are subscribed to either Netflix, Disney Plus or both, and are from Europe or North America were the intended research population of this study. These regions were specifically chosen due the fact that out of 203.67 million Netflix subscribers, 140.64 million are from these regions (Netflix, 2021). Furthermore, Disney Plus has only fully rolled out in these regions, and is not yet available in the rest of the world (Trenholm, 2020). Therefore, the questions and statements were written in English, making it accessible to most people within these regions. Generally, the completion time of the survey was around seven minutes.

The results of this study should be representable for a large population of respondents, and thus the ideal sample size was aimed at 385 participants, with a 95% confidence level and a margin of error of 5%, according to Qualtrics (2021).

There were various inclusion criteria regarding the participants of the online questionnaire. First, respondents should have at least perceived some kind of social media posts from the streaming services Netflix and/or Disney+; whether this may be teasers, trailers, announcements, images, interviews or memes. Second, respondents were required to at least be once subscribed to either streaming service, since measures regarding loyalty already assume that the service has been used or bought once. Third, respondents should at least reside in the regions were the streaming services are available, as was stated before. Gender, age, and occupation were of no concern for this study.

The online questionnaire got distributed through various different channels. The instant messaging and Voice over IP platform *Discord* was used, in which the survey got shared to different kind of groups, communities and contacts. Furthermore, threads were posted on the

social media platform *Reddit*, and the subreddits */r/Netflix* and */r/SampleSize*, in which users were able to find the survey, as well as discuss the statements with other respondents. Moreover, the survey got distributed to several personal and educational group chats on *WhatsApp*. Finally, personal contacts shared the questionnaire to their contacts on various social networks, who they know were subscribed to either service, and followed the streaming services on social media.

Due to time constraints, the timeline of the collection of the empirical data was substantially shortened. The original ideal sample size was aimed at 385 respondents, which would mean that a lower sample size would lead to lower representability. Be that as it may be, the study should at least be reliable to a certain degree, and therefore the utmost lowest threshold was set at 100 respondents (Bullen, 2021). The data collection timeline ended up being from June 14, 2021, till June 20, 2021.

The final step in the study involved the analysis of the collected empirical data. The statistical tool SPSS was utilized to investigate the relationship between the two main variables within this study. In order to properly understand the relationship between social media marketing and customer loyalty, the correlations between them were examined. Subsequently, the hypothesized relationships formed in chapter 2 of the study were tested through a regression analysis, as was similarly done in previous studies investigating the same relationship in different industries (Erdoğmuş and Çicek, 2012; Ismail, 2016; Sheela and Sneha, 2017; Tatar & Erdoğmuş, 2016).

The collection of the empirical data revealed a final data sample of 191 respondents, which were predominantly male (N = 112; 58.6%), between the ages of 22-30 (N = 120; 59.7%), from Europe (N = 161; 80.5%), and were subscribed to 3 streaming services (N = 79; 39.3%). Of the

final data simple, 24.39% are only subscribed to Netflix, 10.24% are only subscribed to Disney

Plus and 64.39% are subscribed to both.

4. Results

Within this section of the study, the results of the online questionnaire are presented and findings are highlighted. First, the descriptive statistics are discussed, subsequently followed by an examination of the correlation and regression analyses. Lastly, the influence of the control variables is addressed.

4.1 Descriptive statistics

The online questionnaire was published on June 14, 2021, and ran until the early morning of June 20, 2021. The data collection period of approximately a week resulted in 221 respondents. In order to increase validity, and ensure the respondent understood the context of the study, the first two questions of the survey were filter questions. First, if the respondent had never perceived any kind of social media post from either streaming service, the survey would end and they would be left out of the study. Consequently, 16 responses were deleted. Second, if the respondent had never been subscribed to either streaming service, the survey would end and they would be left out of the study. Accordingly, 2 more responses were deleted. Next, respondents who had not finished the majority of the survey, and whose responses were thus predominantly filled with missing or partial answers, were left out of the study. Subsequently, the final data sample consisted of 191 respondents.

The two main variables investigated in this study, social media marketing (SMM) and customer loyalty (CL) were measured on a Likert scale, which ranges from strongly disagree (1), to strongly agree (5). The results highlighted in Table 2 showcases some descriptive statistics of the main variables. On average, respondents perceive and engage with the social media marketing of both Netflix (NFLX) and Disney+ (DIS) to a large degree, with $\mu = 4.1824$ and $\mu = 4.0429$ respectively. Moreover, respondents are on average loyal and attached to both services, with $\mu = 4.3502$ and $\mu = 4.2801$ respectively.

Table 2: Descriptive statistics of the main variables SMM and CL

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Mean_SMM_NFLX	170	1,00	5,00	4,1824	,79687
Mean_SMM_DIS	21	3,00	4,75	4,0429	,51582
Mean_CL_NFLX	170	1,00	5,00	4,3502	,83038
Mean_CL_DIS	21	3,24	5,00	4,2801	,50290
Valid N (listwise)	0				

Of the data sample of 191 participants, 112 (58.6%) were male and 75 (39.2%) were female. Figure 3 highlights that males preferred Netflix if only one service was chosen, and conversely, females preferred Disney+. More males than females answered that they were subscribed to both, but the disparity in gender seems to be decreased.
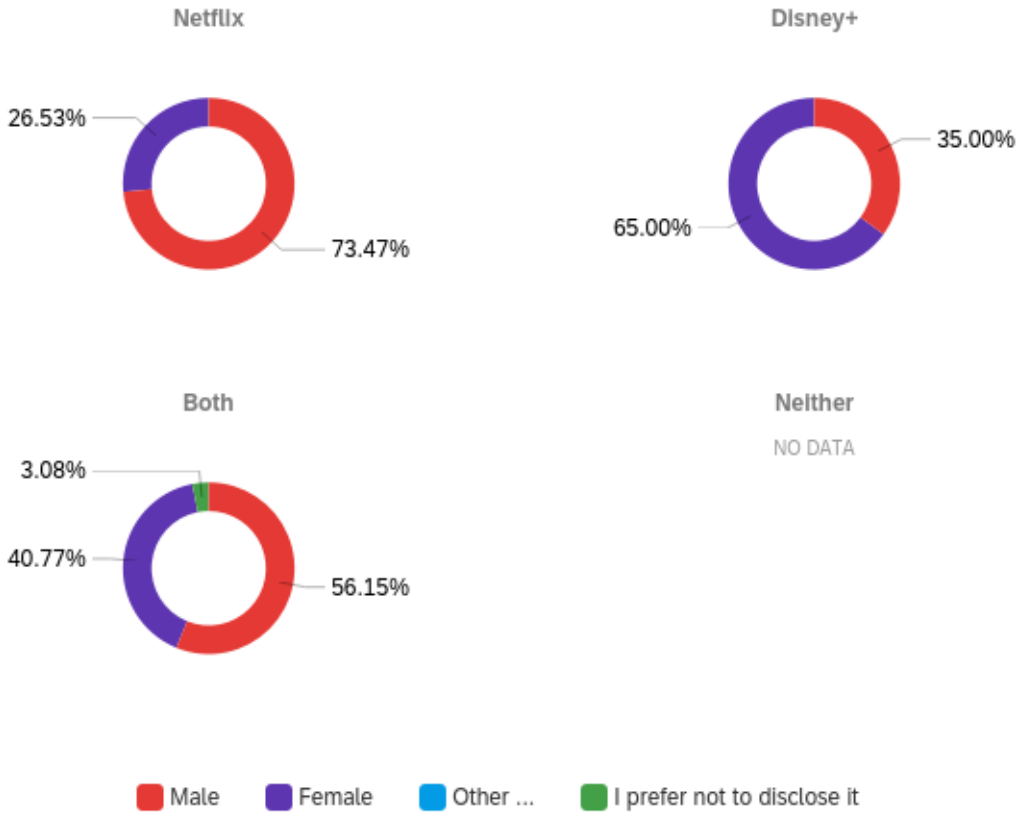
Figure 3: Choice of streaming service and gender

The majority of the respondents were between the ages of 22-30 (59.7%), followed by the ages between 16-21 (32.3%), older than 30 (14.9%) and younger than 16 (2.4%). Similar to gender, if only one streaming service was chosen, the older audience (>22) preferred either Netflix or both, while the younger audience (<21) preferred Disney+.
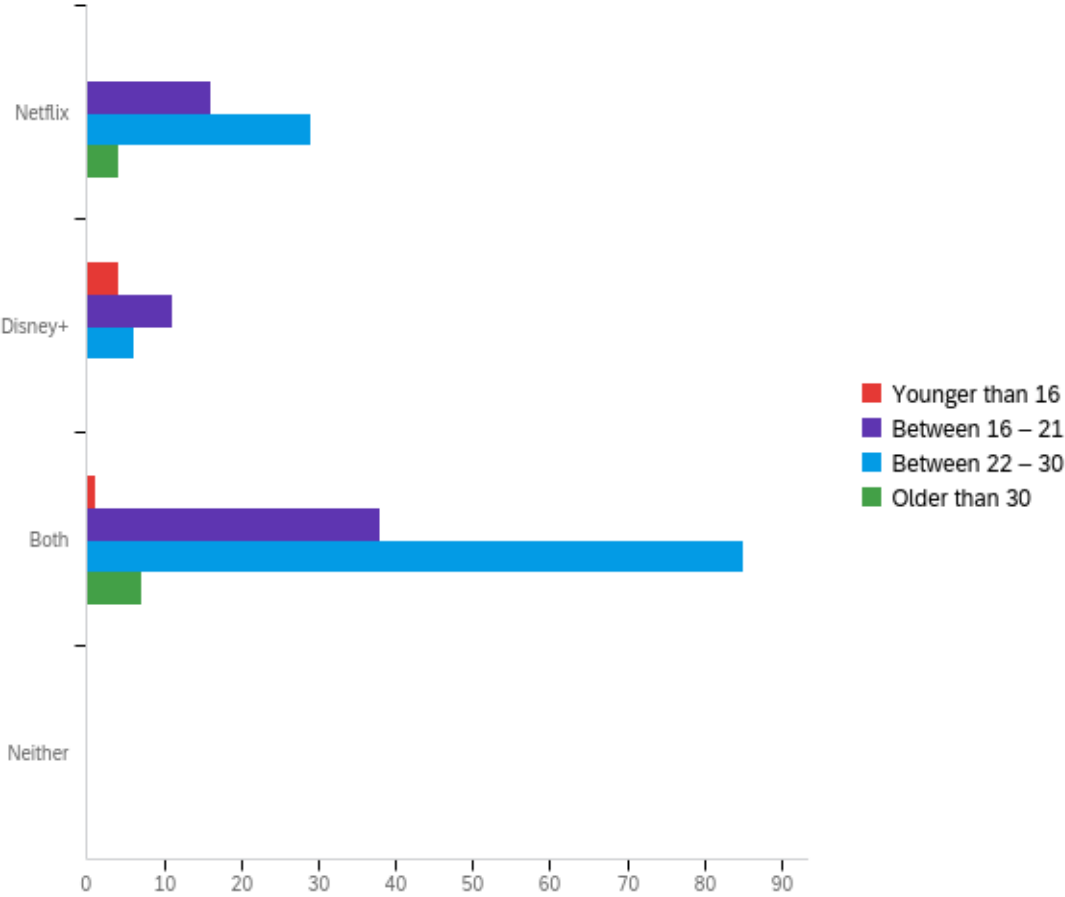
Figure 4: Choice of streaming service and age

Regarding the region of residence for the participants, results show that respondents were predominantly from Europe (80.5%), followed by North-America (16.5%), Asia (2%), and other regions (<1%). Accordingly, 97% of the respondents were from the research population that this study wanted to investigate, due to the fact that the majority of the subscribers of Netflix were from these regions, and Disney+ had only been available in these regions (Netflix, 2021; Trenholm, 2020). The remaining 3% were from regions outside the intended research

population. Nevertheless, data from these respondents is still considered valuable within the context of the study, as Netflix is available in these regions, and these respondents completed the Netflix part of the survey.

When they were asked how often they approximately watched streaming content in a week, results show that the majority of respondents were consuming content between 2 – 4 days a week (48.2%). Next, 32.3% of the respondents watched streaming content between 5 – 6 days a week, 10.4% watched every day, and 10.4% watched 1 day or less. Figure 5 highlights the fact that subscribers of only Disney+ watched substantially less than subscribers of only Netflix. Furthermore, the figure showcases that the respondent who is subscribed to both services, consumes more weekly.
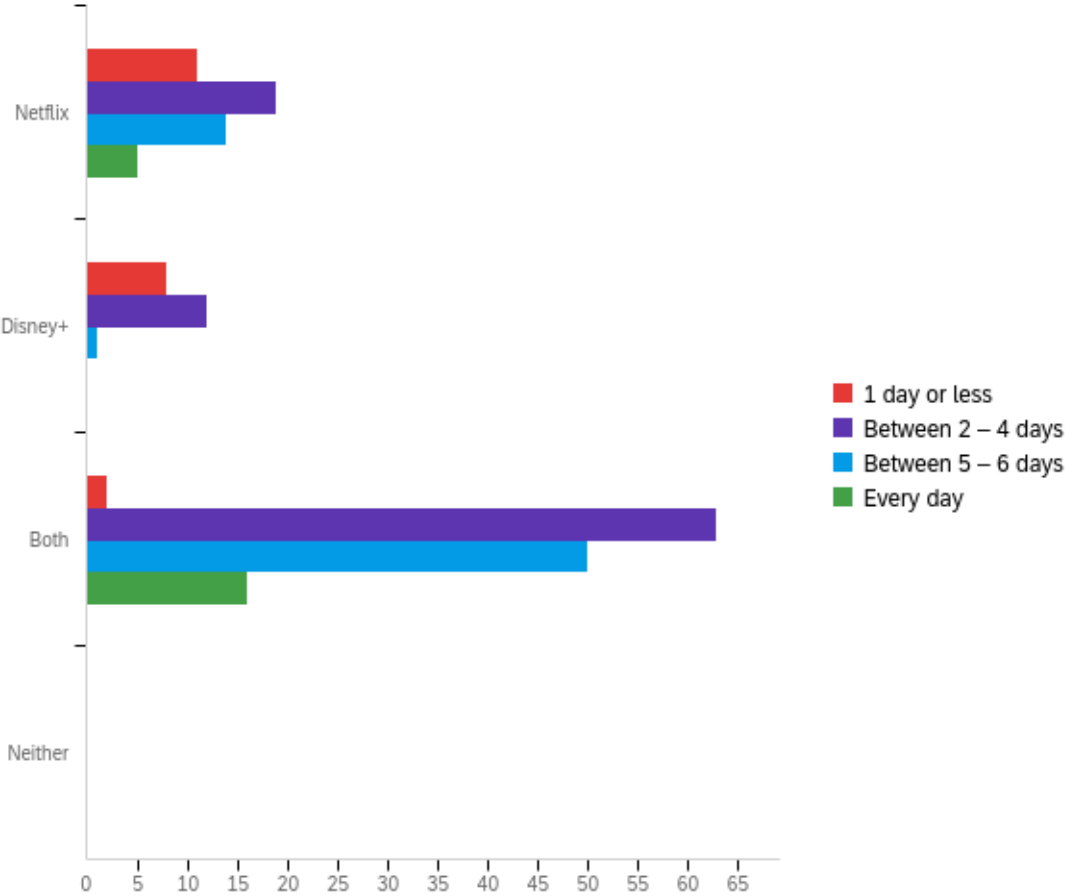
Figure 5: Choice of streaming service and approximate consumption

Of the respondents, only 28.3% were subscribed to 4 or more streaming services. Consequently, this means that 71.7% of the respondents were subscribed to 3 or less services, with the majority being subscribed to 3 services (39.3%). These findings corroborate with findings from earlier studies: a consumer in the US is on average subscribed to three streaming services, resulting in firms within the SVOD industry extensively competing for a spot among those three (Fitzgerald, 2019).

Next, respondents were predominantly using YouTube (30.8%) as their social media, followed by Instagram (25.3%), Reddit (21.7%) and then other (18.1%). Finally, when asked which streaming service they followed on social media, respondents answered that they followed both (49.5%), neither (25.5%), Netflix (17%), and Disney+ (8%).

4.2 Social media marketing and customer loyalty

To measure the main variables of this study, social media marketing (SMM) and customer loyalty (CL), scales created by established scholars (Khan and Jan, 2019; Bobâlcă et al. 2012; Srinivasan et al. 2002) within the marketing discipline were used. The statements pertaining to the main variables were summed up individually, and four new variables, with a total and mean score, were created. Subsequently, Spearman's rho was utilized to find any correlations, followed by a regression analysis.

4.2.1 Reliability statistics of the main variables

Before summing the statements of each main variable, the scales were tested for reliability, in order to ensure internal consistency between items on those scales (Statistics How To, 2021). In order to do so, Cronbach's alpha was used.

Table 3: Cronbach's alpha of SMM

Reliability Statistics

Cronbach's Alpha	N of Items
,972	21

The reliability statistics showcase an alpha of 0.972 for the main variable social media marketing. Alpha scores above 0.7 are acceptable, but above 0.9 are considered excellent (Statistics How To, 2021). This excellent alpha score is the result of utilizing existing researched scales by established academics Khan and Jan (2019). The SMM can thus be considered reliable.

Table 4: Cronbach's alpha of CL

Reliability Statistics

Cronbach's Alpha	N of Items
,974	17

The reliability statistics showcase an alpha of 0.974 for the other main variable customer loyalty. Similar to SMM, this alpha score is considered excellent, and the result of using existing scales by Bobâlcă et al. (2012) and Srinivasan et al. (2002), and properly adapting them to the context of the SVOD industry.

4.2.2 Correlation analysis between SMM and CL

In order to investigate the relationship between the main variables and any correlations that they have, a choice has to be made between several correlation coefficients, of which the Pearson's

correlation is the most commonly used (Aerd, 2021). However, when choosing to analyze the variables using Pearson's correlation, the data needs to pass the four assumptions, required by the correlation coefficient (Aerd, 2021). The first assumption is that the two variables are measured at a continuous level, and since the variables are Likert scales and thus ordinal, Pearson's correlation cannot be used. A frequently used correlation coefficient, which is used for ordinal variables or data that failed to pass the assumptions before using Pearson's correlation, is Spearman's correlation (Aerd, 2021).

The first assumption before using Spearman's correlation, is that the two main variables are measured on an ordinal scale (Aerd, 2021). As was concluded earlier, the variables are measured on a Likert scale, and thus considered ordinal. The assumption is met.

The second assumption is that the two main variables represent paired observations (Aerd, 2021). Since this study measures social media marketing and customer loyalty of the same participant, the assumption is met.

The third assumption is that there exists a monotonic relationship between the main variables (Aerd, 2021). Accordingly, when one variable increases, the other variable increases, decreases, or changes correspondingly. In order to test this assumption, a scatterplot (Figure 6) is created, which depicts the variables social media marketing and customer loyalty. The scatterplot indicates a monotonic relationship, as it depicts a positive and linear relationship between the two variables SMM and CL.
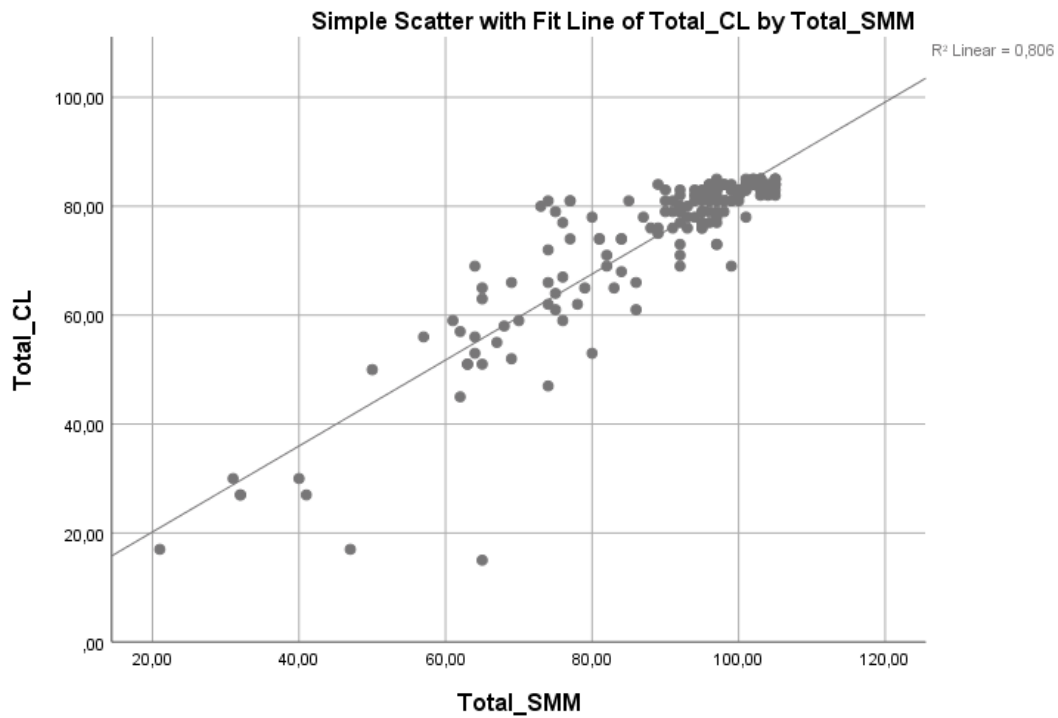
Figure 6: Scatterplot between SMM and CL

Now that the assumptions of Spearman's correlation have been met, the correlation analysis could be conducted (Table 5).

Table 5: Spearman's correlation between SMM and CL

Correlations

			Total_SMM	Total_CL
Spearman's rho	Total_SMM	Correlation Coefficient	1,000	,847[**]
		Sig. (2-tailed)	.	,000
		N	170	170
	Total_CL	Correlation Coefficient	,847[**]	1,000
		Sig. (2-tailed)	,000	.
		N	170	170

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5 provides an overview of the correlation between the two variables, social media marketing and the seven functional blocks, and customer loyalty, and its three dimensions.

There is a strong, positive linear correlation between social media marketing and customer loyalty, which is statistically significant ($r_s = .847$, $p < 0.001$).

4.2.3 Regression analysis between SMM and CL

To further investigate the relationship between social media marketing and customer loyalty, a regression analysis was used to explore to what extent social media marketing could predict the degree of customer loyalty. Before investigating the relationship using linear regression, several assumptions have to be met (Aerd, 2021).

The first assumption states that the two variables should be measured at a continuous level (Aerd, 2021). Since this study is working with Likert scales, which are ordinal, this assumption cannot be met. Nevertheless, the data can be used in a linear regression if the scores of the individuals are summed up (Aerd, 2021). Accordingly, after summing the scores for each main variable, the assumption is now met.

The second assumption states that there needs to be a linear relationship between the variables (Aerd, 2021). As was concluded from the correlation analysis, such a relationship exists. The third assumption is the independence of observations (Aerd, 2021). This can be checked using the Durbin-Watson statistic; the value should be between 1 and 3. The value of the Durbin-Watson statistic for these variables is 1.4 (Appendix B), meaning the assumption has been met.

The fourth assumption is that the data needs to show homoscedasticity (Aerd, 2021). Using a scatterplot (Appendix B), the data is not perfectly homoscedastic. However, since this is real empirical data, which is considered imperfect and often shows illustrations of heteroscedasticity (Aerd, 2021), this is considered acceptable.

The final assumption is that the residual errors of the regression are approximately normally distributed. Using a histogram (Figure 7), it can be concluded that the residuals errors are normally distributed and thus the assumption has been met.
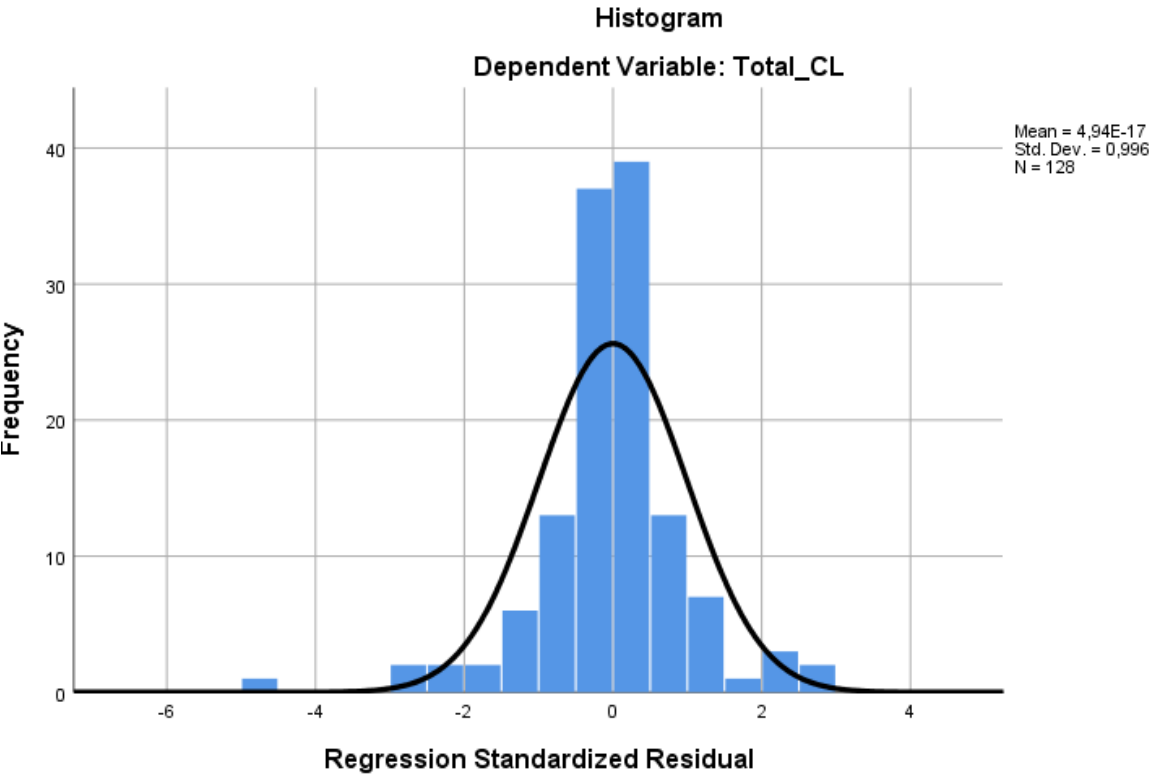
Figure 7: Histogram of residuals

Table 6: Summary of the simple regression analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,898[a]	,806	,804	6,51028	,806	695,978	1	168	,000	1,443

a. Predictors: (Constant), Total_SMM
b. Dependent Variable: Total_CL

Now that all the assumptions have been met, a simple regression could be conducted. Table 6 provides an overview of the simple regression. Subsequently, the r^2 is 0.804. Concludingly, 80.4% of the variance in customer loyalty can be explained by social media marketing, and this relationship is statistically significant ($p < 0.001$). Having CI = 95% (0.730; 0.849), each increase of one unit in social media marketing, results in an increase of around 0.730 to 0.849 points (Table 7).

Table 7: Confidence interval regression

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	95,0% Confidence Interval for B Lower Bound	Upper Bound
1	(Constant)	4,401	2,675		1,645	,102	-,881	9,682
	Total_SMM	,789	,030	,898	26,381	,000	,730	,849

a. Dependent Variable: Total_CL

4.3 The three dimensions of customer loyalty

Table 5 showed that there is a strong, positive linear correlation between social media marketing and customer loyalty, which is statistically significant ($r_s = .847$, $p < 0.001$). To further investigate the relationship, the correlation analysis was conducted again, with the variable customer loyalty split into three individual variables: the affective, conative and action dimension.

Prior to conducting the correlation analysis, the assumptions needed to be met. Since the three-dimensional variables are essentially form the customer loyalty variable, the assumptions are assumed to be met, similar to the first correlation analysis.

Table 8: Correlations between SMM and CL dimensions

Correlations

			Total_SMM	CL_Affective	CL_Conative	CL_Action
Spearman's rho	Total_SMM	Correlation Coefficient	1,000	,803**	,625**	,689**
		Sig. (2-tailed)	.	,000	,000	,000
		N	170	170	169	169
	CL_Affective	Correlation Coefficient	,803**	1,000	,479**	,661**
		Sig. (2-tailed)	,000	.	,000	,000
		N	170	170	169	169
	CL_Conative	Correlation Coefficient	,625**	,479**	1,000	,636**
		Sig. (2-tailed)	,000	,000	.	,000
		N	169	169	169	169
	CL_Action	Correlation Coefficient	,689**	,661**	,636**	1,000
		Sig. (2-tailed)	,000	,000	,000	.
		N	169	169	169	169

**. Correlation is significant at the 0.01 level (2-tailed).

Table 8 showcases the correlations between social media marketing and all the dimensional outcomes of customer loyalty. There is a strong, positive linear correlation between social media marketing and the affective (r_s = .803), conative (r_s = .625), and action (r_s = .689) loyalty dimensions, which are all statistically significant (p < 0.001). The results highlight that the affective dimension is most positively related, while the conative dimension is least positively related to social media marketing.

4.4 The seven building blocks of social media marketing

Within the literature review section of the study, it was thoroughly explained how the measure for social media marketing consisted of seven functional building blocks. Each building block was also measured individually within the research, in order to provide deeper insights into the relationship between social media marketing and customer loyalty. Consequently, table 9 shows the correlations between all the building blocks of social media marketing and the concept of customer loyalty.

Table 9: Correlations between SMM building blocks and CL

<table>
<tr><th colspan="3">Correlations</th><th>Total_CL</th><th>SMM_Identity</th><th>SMM_Conver sation</th><th>SMM_Sharing</th><th>SMM_Presen ce</th><th>SMM_Reputat ion</th><th>SMM_Relatio nships</th><th>SMM_Groups</th></tr>
<tr><td rowspan="24">Spearman's rho</td><td rowspan="3">Total_CL</td><td>Correlation Coefficient</td><td>1,000</td><td>,630**</td><td>,717**</td><td>,765**</td><td>,718**</td><td>,701**</td><td>,799**</td><td>,790**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>.</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td></tr>
<tr><td>N</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td></tr>
<tr><td rowspan="3">SMM_Identity</td><td>Correlation Coefficient</td><td>,630**</td><td>1,000</td><td>,676**</td><td>,635**</td><td>,580**</td><td>,669**</td><td>,637**</td><td>,636**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>,000</td><td>.</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td></tr>
<tr><td>N</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td></tr>
<tr><td rowspan="3">SMM_Conversation</td><td>Correlation Coefficient</td><td>,717**</td><td>,676**</td><td>1,000</td><td>,696**</td><td>,655**</td><td>,739**</td><td>,759**</td><td>,764**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>,000</td><td>,000</td><td>.</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td></tr>
<tr><td>N</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td></tr>
<tr><td rowspan="3">SMM_Sharing</td><td>Correlation Coefficient</td><td>,765**</td><td>,635**</td><td>,696**</td><td>1,000</td><td>,763**</td><td>,657**</td><td>,662**</td><td>,687**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>,000</td><td>,000</td><td>,000</td><td>.</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td></tr>
<tr><td>N</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td></tr>
<tr><td rowspan="3">SMM_Presence</td><td>Correlation Coefficient</td><td>,718**</td><td>,580**</td><td>,655**</td><td>,763**</td><td>1,000</td><td>,643**</td><td>,687**</td><td>,654**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>.</td><td>,000</td><td>,000</td><td>,000</td></tr>
<tr><td>N</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td></tr>
<tr><td rowspan="3">SMM_Reputation</td><td>Correlation Coefficient</td><td>,701**</td><td>,669**</td><td>,739**</td><td>,657**</td><td>,643**</td><td>1,000</td><td>,814**</td><td>,817**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>.</td><td>,000</td><td>,000</td></tr>
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<tr><td rowspan="3">SMM_Relationships</td><td>Correlation Coefficient</td><td>,799**</td><td>,637**</td><td>,759**</td><td>,662**</td><td>,687**</td><td>,814**</td><td>1,000</td><td>,896**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>.</td><td>,000</td></tr>
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<tr><td rowspan="3">SMM_Groups</td><td>Correlation Coefficient</td><td>,790**</td><td>,636**</td><td>,764**</td><td>,687**</td><td>,654**</td><td>,817**</td><td>,896**</td><td>1,000</td></tr>
<tr><td>Sig. (2-tailed)</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>,000</td><td>.</td></tr>
<tr><td>N</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td><td>170</td></tr>
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**. Correlation is significant at the 0.01 level (2-tailed).

The analysis indicates that all the functional building blocks have a strong, positive and linear correlation with customer loyalty, which are significant as well. Identity (r_s = .630), conversation (r_s = .717), sharing (r_s = .765), presence (r_s = .718), reputation (r_s = .701), relationships (r_s = .799), and groups (r_s = .790). Only the identity building block seems to be less correlated to customer loyalty than the other six blocks.

4.5 Social media marketing and customer loyalty for Disney+

Throughout the survey, the respondent was either met with statements about either Netflix or Disney+. As the great majority of the respondents answered the questionnaire about Netflix, this became the main variable. Nevertheless, 21 respondents still answered questions around Disney+. Therefore, investigating whether the same relationship between SMM and CL holds for another streaming service might provide some value as well. Similar to the first correlation analysis, Spearman's correlation is used, and all assumptions are assumed to be met.

Consequently, table 10 depicts the correlation between SMM and CL for Disney+. There is again a strong, positive linear correlation between social media marketing and customer loyalty, which is statistically significant ($r_s = .621$, $p < 0.003$).

Table 10: Spearman's correlation between SMM and CL (D+)

Correlations

			Total_SMM_DIS	Total_CL_DIS
Spearman's rho	Total_SMM_DIS	Correlation Coefficient	1,000	,621[**]
		Sig. (2-tailed)	.	,003
		N	21	21
	Total_CL_DIS	Correlation Coefficient	,621[**]	1,000
		Sig. (2-tailed)	,003	.
		N	21	21

[**]. Correlation is significant at the 0.01 level (2-tailed).

Subsequently, Netflix ($r_s = .847$, $p < 0.001$, N = 170) and Disney+ ($r_s = .621$, $p < 0.001$, N = 21) are compared. Concludingly, with a z-Score of 2.09 and a P-value of <0.05 (Table 11), the difference between the correlations is significant (Eid et al. 2011). The social media marketing of Netflix significantly better correlates with their customer loyalty than Disney+'s social media marketing correlates with their customer loyalty.

Table 11: Comparison of correlations calculator

	n	r
Correlation 1	170	0.847
Correlation 2	21	0.621
Test Statistic z	2.091	
Probability p	0.018	

(Calculation according to Eid, Gollwitzer & Schmidt, 2011, pp. 547; single sided test)

4.6 The influence of control variables

Finally, the influence of the control variables, measured at the start of the questionnaire, are estimated (Appendix B). First, gender seemed to have a weak, negative and nonsignificant correlation with both social media marketing and customer loyalty (r_s = -.026; -.013, $p > 0.05$), meaning it had no influence on both main variables. Second, age is similar to gender, and has a weak, negative and nonsignificant correlation with both SMM and CL (r_s = -.002; -.040, $p > 0.05$). Third, region of residence has a weak, but positive correlation with SMM, but negative and weak with CL (r_s = .011; -.031, $p > 0.05$). Fourth, approximate consumption of streaming content seemed to have a moderate, positive linear correlation with both SMM and CL (r_s = .329; .297, $p < 0.05$), which are both significant as well. Approximate consumption is thus clearly influential in both SMM and CL. Fifth, the number of subscriptions seemed to have a strong, positive and linear correlation with both SMM and CL (r_s = -.499; .448, $p < 0.05$), which are both significant. The number of subscriptions clearly has an influence on both SMM and CL. Choice of social media has a weak, negative and significant correlation with both SMM and CL (r_s = -.185; -.182, $p < 0.05$), meaning the choice of social media did have influence to a degree on both SMM and CL. Lastly, which service is followed on social media has a weak to moderate correlation with SMM and CL (r_s = -.293; -.315, $p < 0.05$), which is significant as well, meaning it had some influence.

5. Discussion and conclusion

The goal of the study was to investigate the role of social media marketing on increasing customer loyalty within the subscription video on demand (SVOD) industry. Subsequently, several hypotheses were formed, which theorized a positive relationship between social media marketing and customer loyalty, based on prior research and literature. This relationship was then tested through an online questionnaire, in which both variables were extensively measured. The following section of the study discusses the main research question, sub questions, and hypotheses, based on the results highlighted within the previous section.

5.1 Hypotheses

5.1.1 Hypothesis 1

H1: Social media marketing has a positive effect on customer loyalty and all its dimensions.

There is a strong, positive linear correlation between social media marketing and customer loyalty, which is statistically significant (r_s = .847, $p < 0.001$). Furthermore, simple regression analysis indicated that 80.4% of the variance in customer loyalty can be explained by social media marketing, and this relationship is statistically significant ($p < 0.001$).

Next, only two control variables were found to be significantly strongly influencing this relationship: the approximate consumption of streaming content and the number of subscriptions to streaming services. Regarding the approximate consumption, if one is engaging with the service more, it would make sense one would be exposed to more marketing, and be more loyal to the service. Regarding the number of subscriptions, if one is engaged to more streaming services, one might become more exposed to a larger degree of social media marketing of these services, and become more attached to their favorites. The relationship still stands and therefore H1 is considered to be accepted: the larger the degree of perceived or

engaged social media marketing activities, the larger the degree of loyalty and attachment to the service.

The relationship was investigated further, by looking at the seven individual building blocks of social media marketing and their correlations with customer loyalty: identity (r_s = .630), conversation (r_s = .717), sharing (r_s = .765), presence (r_s = .718), reputation (r_s = .701), relationships (r_s = .799), and groups (r_s = .790). The analysis indicates that all the functional building blocks have a strong, positive and linear correlation with customer loyalty, which are significant as well. Group seems to have the strongest positive correlation; the more respondents perceived and engaged with online brand communities of the services, the larger the extent of their loyalty. Conversely, identity seemed to have the weakest positive correlation; the extent of loyalty did not increase as much, the more the respondents perceived information and updates from streaming services on social media, compared to the "groups" correlation.

5.1.2 Hypothesis 2

H2a: Social media marketing has a positive effect on the *affective* dimension of customer loyalty.

Social media marketing has a strong, positive linear correlation with the affective dimension of customer loyalty (r_s = .803, $p < 0.001$), which is statistically significant. Concludingly, H2a is supported. The affective dimension of customer loyalty represents the underlying emotions of the customer when they evaluate the service (McMullen and Gilmore, 2002). Variables measured within this dimension are: liking the service, pleased by the service, preferring the service over other services, extent of attachment to the service over other service, and degree of interest in the service over other services (Bobâlcă et al. 2012). Social media marketing seems to be influencing this dimension of customer loyalty the most, compared to the other two dimensions. The larger the extent of perceived social media marketing activities, the larger the

extent to which the customer likes, is pleased by, prefers, is attached and is interested in the service.

H2b: Social media marketing has a positive effect on the *conative* dimension of customer loyalty.

Similar to H1 and H2a, social media marketing has a moderate to strong, positive linear correlation with the conative dimension of customer loyalty ($r_s = .625$, $p < 0.001$), which is statistically significant. The conative dimension of customer loyalty represents the extent to which the customer is committed to the brand (Evanschitzky and Wunderlich, 2006). Variables measured within this dimension are: the degree to which one is intending to keep subscribed in the future, and the extent to which one is intending to buy other products from the same brand. While social media marketing still has some positive influence on this dimension, the relationship is substantially weaker than the action dimension, and especially the affective dimension. The individual variables that form this dimension are investigated to find out the reasons behind this weaker relationship.

Table 12: Descriptive statistics of the variables of the conative dimension

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance
1	I intend to keep subscribed to Netflix in the future, too.	1.00	5.00	4.20	1.15	1.32
2	I intend to buy other products from this brand (e.g. merchandise from shows and movies).	1.00	5.00	2.87	1.28	1.63

Table 12 reveals that the second variable "the extent to which one is intending to buy other products from the same brand" has a substantially lower average (μ = 2.87) than the first variable (μ = 4.20). On a Likert scale, ranging from strongly disagree (1) to strongly agree (5), this means that, on average, respondents were less than neutral about their opinion towards other products in the future. Accordingly, these findings could indicate that despite the fact that a respondent is engaging more with the social media marketing of the brand and is intending to keep subscribed, they have no intention of buying other products from the same brand. Nevertheless, H2b is still supported, since the relationship between social media marketing and this dimension is still positive, but moderate in strength.

H2c: Social media marketing has a positive effect on the *action* dimension of customer loyalty.

Once again, social media marketing has a moderate to strong, positive linear correlation with the action dimension of customer loyalty (r_s = .689, p < 0.001), which is statistically significant. The action dimension of customer loyalty represents the extent to which a customer is positive about the brand to other people, recommends its services to other people, their willingness to pay a premium for the brand, and the degree to which they express a clear preference for a firm over other firms (Bobâlcă et al. 2012). This relationship seems to be stronger than the conative dimension, but substantially weaker than the affective dimension. The individual variables that form this dimension are investigated to find out the reasons behind this relationship.

Table 13: Descriptive statistics of the variables of the action dimension

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance
5	I consider Netflix to be my first choice when I want to subscribe to streaming services.	1.00	5.00	4.07	1.27	1.62
4	I say positive things about Netflix to other people.	1.00	5.00	3.82	1.25	1.57
3	I recommend Netflix to those who ask my advice.	1.00	5.00	3.84	1.13	1.29

Table 13 reveals that the second and third variables "I say positive things about Netflix to other people" and "I recommend Netflix to those who ask my advice" have a lower average (μ = 3.82) and (μ = 3.84) than the first variable (μ = 4.07). On a Likert scale, ranging from strongly disagree (1) to strongly agree (5), this means that, on average, respondents less than slightly agreed regarding their opinion about saying positive things about the service, and recommending it to others. Accordingly, these findings could indicate that social media marketing has less of a positive influence over the actions of their customers. Nevertheless, the relationship between social media marketing and this dimension is still moderate in strength, positive and significant, and therefore H2c is still supported.

Concludingly, the sub question "Does social media marketing affect each loyalty dimension the same?" is answered. The results highlight that the affective dimension is most positively related, while the conative dimension is least positively related to social media marketing.

5.2 Loyalty and churn rates

Prior to starting the empirical part of the study, the theoretical background of the subscription video on demand industry was thoroughly examined. As highlighted within the introduction and literature review sections of this thesis, firms within the SVOD industry face various challenges. For one, firms within the SVOD industry are increasingly using social media marketing over traditional marketing channels in order to become among the top three subscribed services (Okazaki et al. 2015; Benes, 2020; Fitzgerald, 2019), yet traditional social media strategies are not suitable for streaming services within the SVOD field (DeCarvalho & Fox, 2016).

One of the consequences of this paradox is the increasing service churn rates: users are becoming less loyal to brands within the industry and tend to cancel their subscription at a faster rate (Sheehan and Morrison, 2009; Strand et al. 2019; Sellers, 2020; Martins, 2017). Accordingly, one of the sub questions within this study was: "does an increase in loyalty result in a decrease in service churn rates?" In order to properly measure churn, respondents got asked several questions at the end of the survey about the extent to which they were intending to stay subscribed under different circumstances.

Table 14: Churn variable within the main variable customer loyalty

I rarely consider switching to another streaming service.

#	Field	Netflix		Both		Total
1	Strongly disagree	66.67%	4	33.33%	2	6
2	Somewhat disagree	66.67%	4	33.33%	2	6
3	Neither agree nor disagree	38.46%	5	61.54%	8	13
4	Somewhat agree	42.86%	9	57.14%	12	21
5	Strongly agree	18.70%	23	81.30%	100	123

Showing rows 1 - 5 of 5

Table 14 highlights that the majority of the respondents rarely consider to switch to another streaming service (Strongly agree, N = 123). When respondents were asked if they would not switch to another service if they were cheaper, the majority (N = 105) answered *strongly agree* (Appendix C). However, this number is lower and thus indicates that some respondents are not entirely confident they would not switch. Subsequently, when asked if they would remain subscribed to the service if the price increased, the majority of the respondents answered once again *strongly agree* (N = 109). Concludingly, the survey measured a decreased churn rate regarding the service Netflix: customers are more than happy to stay with the service, despite a price increase or a cheaper alternative.

5.3 A comparison between Netflix and Disney+

One of the sub questions asked: "does the relationship between social media marketing and customer loyalty differ among streaming services?" In the results part of this thesis, a correlation analysis was also performed on the relationship between social media marketing and customer loyalty for Disney+. The analysis showed that there was a strong, positive linear correlation between social media marketing and customer loyalty, which is statistically significant (r_s = .621, $p < 0.003$), for Disney+. However, this correlation was also deemed to be significantly weaker than the correlation of Netflix (r_s = .847, $p < 0.001$). Accordingly, the relationship does seem to differ among streaming services. In order to investigate the relationship further, the correlation analysis was conducted once again. However, this time between social media marketing and the individual dimensions of customer loyalty.

Table 14: Correlations between SMM and CL dimensions for Disney+

Correlations

			Total_SMM_DIS
Spearman's rho	Total_SMM_DIS	Correlation Coefficient	1,000
		Sig. (2-tailed)	.
		N	21
	CL_Affective_DIS	Correlation Coefficient	,550**
		Sig. (2-tailed)	,010
		N	21
	CL_Conative_DIS	Correlation Coefficient	,211
		Sig. (2-tailed)	,360
		N	21
	CL_Action_DIS	Correlation Coefficient	,475*
		Sig. (2-tailed)	,030
		N	21

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

There is a moderate to strong, positive linear correlation with the affective (r_s = .550), and action (r_s = .475) loyalty dimensions, which are both significant as well. However, the correlation between SMM and the conative dimension is weak, positive and nonsignificant. Similar to Netflix, the affective dimension has the most positive influence, and the conative dimension the least (r_s = .211). Concludingly, SMM had little to no influence on the extent to which one is intending to stay subscribed to Disney+, and willing to buy other products from the same brand in the future. Nevertheless, table 15 highlights the fact that on average, respondents were close to *strongly agree* with regards to both the intention to remain subscribed, and the intention to buy future products (μ = 4.86; μ = 4.52). Accordingly, while these averages are substantially higher than those of Netflix, SMM of Disney+ seems to not have caused it as they had little to no positive correlation with it.

Table 15: Conative dimension of Disney+

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance
1	I intend to keep subscribed to Disney+ in the future, too.	4.00	5.00	4.86	0.35	0.12
2	I intend to buy other products from this brand (e.g. merchandise from shows and movies).	1.00	5.00	4.52	0.96	0.92

Concludingly, while there remains a statistically significant difference in relationship strength between SMM and CL among the steaming services, it does not necessarily mean that the customers of Disney+ are less loyal or less attached; rather, SMM has less of a positive effect on it. There might be several explanations for this phenomenon. The Walt Disney Company is an established company, which has operated worldwide for decades, and thus already has an establish fan base, which is loyal to the brand regardless of any social media marketing (Statista, 2021). In addition to this, Disney+ seems to be one of the few services that is perfect for parents and families, and this audience will remain subscribed, regardless of any (social media) marketing (Hill, 2021).

5.4 Conclusion

Scholarly attention and academic research on the exact role of social media within the subscription video on demand (SVOD) industry has been scarce, resulting in a clear research gap. Traditional social media strategies are not suitable for streaming services within the new SVOD field, which further exacerbates this research gap within the billion-dollar industry. Nevertheless, firms within the SVOD industry are increasingly using social media marketing over traditional marketing channels in order to become among the top three subscribed services. The aim of this thesis was to conduct a quantitative study into the role of social media within the SVOD field, and the role they play in increasing customer loyalty. Results highlight the importance of the role of social media within the subscription video on demand industry: there

is a strong, positive, linear and significant correlation between social media marketing and customer loyalty. Concludingly, the more the respondents perceive, and the higher their extent to which they engage with social media marketing from streaming services, the higher the degree to which they are loyal and attached to the service.

Subsequent analyses show that further hypotheses are also supported: social media marketing has a strong, positive, and significant relationship with all the dimensions of customer loyalty. First, social media marketing seems to be influencing the affective dimension of customer loyalty the most, compared to the other two dimensions. The larger the extent of perceived social media marketing activities, the larger the extent to which the customer likes, is pleased by, prefers, is attached and is interested in the service.

Second, while social media marketing still has some positive influence on the conative dimension, the relationship is substantially weaker than the action dimension, and especially the affective dimension. Despite the fact that a respondent is engaging more with the social media marketing of the brand and is intending to keep subscribed, they have no intention of buying other products from the same brand.

Third, the relationship between social media marketing and the action dimension seems to be stronger than the conative dimension, but substantially weaker than the affective dimension. On average, respondents less than slightly agreed regarding their opinion about saying positive things about the service, and recommending it to others. Accordingly, these findings could indicate that social media marketing has relatively less of a positive influence over the actions of their customers. Nevertheless, social media marketing has a strong, positive correlation with all of its dimensions. Furthermore, the survey measured a decreased churn rate regarding the service Netflix: customers are more than happy to stay with the service, despite a price increase or a cheaper alternative.

The relationship between social media marketing and customer loyalty seems to differ among streaming services: Netflix has a statistically significantly stronger correlation with customer loyalty than Disney+. Respondents of Disney+ were recognized as loyal to a large extent, yet social media marketing just did not have as much influence on it as for Netflix.

This thesis is one of the first studies that attempts to connect the billion-dollar SVOD industry to the marketing literature through a quantitative research design and empirical evidence. Prominent scholars within the SVOD field, such as Fernandez-Gomez, Martin-Quevedo, and Jenner, have written many academic papers surrounding the topics of marketing within the SVOD field, yet all these papers followed a qualitative research design. Therefore, this study has many theoretical implications, as it one of the first studies that provides empirical evidence to back up qualitative research, and proposes areas and suggestions for future research, based on that evidence. In addition to this, the findings from this study, supported by empirical evidence, provide firms with actual knowledge as to how effective social media is in increasing customer loyalty within this billion-dollar industry, which individual building blocks are stronger related to loyalty, which dimensions of loyalty it most affects, its consequences in reducing churn rates, and the actual differences among streaming services, and has thus many practical implications as well. This study tries to fill the research gap between the marketing literature and the SVOD industry, and the results of the research should help firms within the field improve their social media strategies accordingly.

6. Limitations and future research

The study was faced with various limitations. First, the ideal sample size for the empirical part of this study was set at 385 respondents. Unfortunately, the initial data sample turned out to consist of 221 respondents. Although the utmost lower threshold of 100 respondents was met, the representability of the findings of this study may be limited. Furthermore, the findings may only be limited to Europe (N = 161). Therefore, future research that aims to investigate the same relationship could either aim for more respondents within the same region, or explore the relationship in another region.

Second, although the aim of the study was to measure both Netflix and Disney+, since they represent the current two biggest services within the field, Disney+ turned out to be underrepresented. Possible causes for this could be that the streaming service has just been spread out throughout all of Europe. Prior research within the SVOD field, such as academic studies by Fernandez-Gomez and Martin-Quevedo, faced the problem when investigating multiple services: Netflix was the most dominant and overshadowed the other services when analyzing data. Moreover, more streaming services are entering the market and could prove to be interesting case studies for future research (Business Insider, 2021). Therefore, it is recommended for future research within the field to either isolate Netflix or focus on other, big streaming services, such as Amazon Prime Video, HBO Max (when it comes to Europe) or Disney+, when it has been adopted by more people.

Third, prior to starting the online questionnaire, respondents were encouraged to contact me, should they have any questions or face any trouble. Several respondents actually did. They revealed that they had difficulties with answering the social media marketing part of the survey, since they either did not follow the accounts and/or had never interacted with them, beyond the occasional trailer. A similar comment was made by second supervisor Dr. Leszkiewicz. The

work by Khan and Jan (2019) is fairly recent and their scales are just a starting point of properly measuring the constantly evolving world of social media marketing, and this study is just more evidence as to how difficult it is to develop scales for such a complex construct. Future research should investigate ways in which social media marketing can be measured, without the requirement to be following the account, or having to be exposed to its social media posts. In addition to this, although the scales are applicable to multiple social media platforms, new social media, such as TikTok, should also receive some scholarly attention, as it requires substantially different measures.

Fourth, while the focus of this research was on the role of social media marketing, and the impact it has on increasing customer loyalty, future research could also investigate the relationship reversed. The "groups" block of social media had the strongest, positive correlation with customer loyalty. However, this correlation does not necessarily specify the direction of the relationship. A hypothesis could be that customer loyalty has a positive effect on groups and/or social media marketing. Studies could explore this relationship within the field and for different streaming services, for other subscription platforms, or even traditional industries.

Finally, in the systematic literature review that was conducted prior to starting this thesis, literature revealed four other roles of social media within the SVOD field, next to customer loyalty. The various roles of social media within the SVOD field are i) developing and enhancing the brand; ii) increasing customer loyalty, in order to increase retention and reduce churn rates; iii) acquiring more customers, through virality and reaching as many people as possible; iv) fostering customer engagement, through the use of cleverness, humor and wit; and v) developing online brand communities, an informal place for brands to interact with their customers. This study focused on the role of social media in increasing customer loyalty, yet investigating other roles empirically as well could be of interest for future research.

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8. Appendices

8.1 Appendix A: Online questionnaire

Dear participant,

I would like to thank you in advance for participating in this survey.

I am interested in **how you, the viewer, perceive and engage with the streaming services Netflix and/or Disney+ on social media* and the extent to which you are attached and loyal to these services within the entertainment industry.**

The survey will generally take no longer than **5 minutes.**

Your answers will greatly help with my Master Thesis.

*For research purposes, social media within this study include, but are not limited to: *Facebook, Instagram, Twitter, TikTok, Reddit, YouTube, and Instagram.*

This survey is conducted by E. D. at the University of Twente, supervised by Dr. E. Constantinides. Data collected through this survey will be treated confidentially and will not be shared to third parties. Your participation in this study is entirely voluntary and you can withdraw at any time. No obvious data breach risks are applicable. Feel free to contact me if you have any questions.

Q1: Have you ever perceived, engaged or observed social media posts from either Netflix or Disney+? Teasers, trailers, announcements, images, interviews, memes etc.

    A. Yes

    B. No

Q2: Which one of these services are you, or have you ever been, subscribed to?

    A. Netflix

    B. Disney+

    C. Both

    D. Neither

Demographic questions

Q7: What is your gender?

    A. Male

    B. Female

    C. Other…

    D. I prefer not to disclose it

Q6: What is your age?

    A. Younger than 16

    B. Between 16 – 21

    C. Between 22 – 30

    D. Older than 30

Q3: In which region do you currently reside?

    A. Western Europe

    B. North-America

    C. Asia

D. Other…

E. I prefer not to disclose it

Q4: How often do you approximately watch streaming content in a week?

A. 1 day or less

B. Between 2 – 4 days

C. Between 5 – 6 days

D. Every day

Q5: To how many streaming services are you currently subscribed?

A. 1

B. 2

C. 3

D. 4 or more

Q8: Which social media do you use the most?

A. Instagram

B. Reddit

C. YouTube

D. Twitch

E. Other…

Q9: Which streaming service do you follow on social media?

A. Netflix

B. Disney+

C. Both

D. Neither

LIKERT Scale, ranging from strongly disagree (1), to strongly agree (5).

The following questions will feature statements which are about the extent to which you perceive and engage with the streaming services Netflix and/or Disney+ on social media.

The answers to the statements range from strongly disagree to strongly agree.

There are no right or wrong answers, and your answers only represent your opinion.

Q10: The social media posts of Netflix …

Netflix reveals its company information through their profiles on social media.

Netflix's social media update the information about their shows, movies and other productions.

I can easily recognize Netflix by its profile picture on social media.

I often get answers to my questions from Netflix's social media pages.

Netflix replies to the comments of the fans on social media.

The social media pages of Netflix are interactive.

Q11: The social media posts of Netflix …

Netflix shares interesting pictures of their movies, shows and other products on social media.

Netflix shares interesting videos on social media.

Netflix shares important links on social media.

Whenever I log in on social media, I see content from Netflix.

I receive notifications from Netflix most often.

The frequency of updates from Netflix is very high.

Netflix has a large number of followers compared to other streaming services on social media.

Netflix receives positive comments on their shared content on social media.

Netflix receives lots of likes on its posts.

Q12: The social media posts of Netflix …

Those who comment on Netflix's social media posts are most often their loyal customers.

Customers often share posts from Netflix on their own social media profiles.

Customers often defend Netflix against negative comments posted.

The presence of Netflix's communities is very high on social media (e.g. fan accounts for different shows)

Netflix's followers are very active within these communities.

Netflix's communities and groups often provide a platform for healthy discussion.

Q13: Netflix I

The following questions will feature statements that are about the extent to which you are attached and loyal to the streaming services Netflix and/or Disney+.

The answers to the statements range from strongly disagree to strongly agree.

There are no right or wrong answers, and your answers only represent your opinion.

I subscribe to Netflix because I like the service.

I am pleased to subscribe to Netflix instead of other streaming services.

I like the brand of Netflix more than other brands.

I feel more attached to Netflix than other services.

I am more interested in Netflix than other services.

I intend to keep subscribed to Netflix in the future, too.

I intend to buy other products from this brand (e.g. merchandise from shows and movies).

I recommend Netflix to those who ask my advice.

I say positive things about Netflix to other people.

I consider Netflix to be my first choice when I want to subscribe to streaming services.

Q14: Netflix II

I rarely consider switching to another streaming service.

As long as Netflix keeps providing this service, I doubt that I would switch to another

streaming service.

When I want to watch a show or movie, Netflix is my first choice.

I like using Netflix.
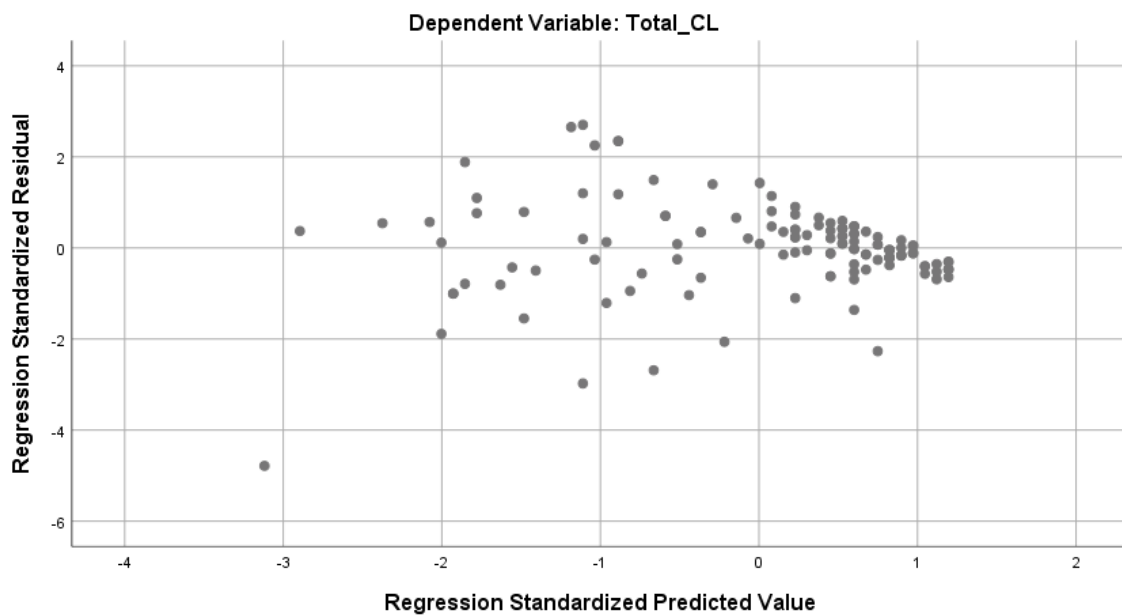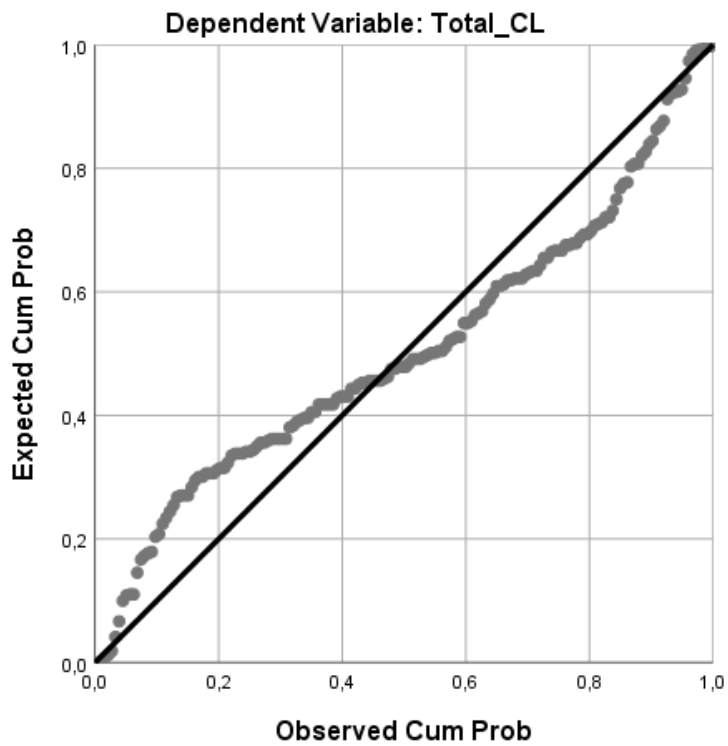
To me, Netflix is the best streaming service.

Would you switch to another streaming service if they were cheaper?

Would you remain subscribed to Netflix if the price slightly increased?

END OF SURVEY

8.2 Appendix B: SPSS outputs

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Total_CL

Dependent Variable: Total_CL

Nonparametric Correlations

Correlations

		Total_SMM	Total_CL	What is your gender?	What is your age?	In which region do you currently reside?	How often do you approximately watch streaming content in general in a week?	To how many streaming services are you currently subscribed?	Which social media do you use the most?	Which streaming service do you follow on social media?
Spearman's rho	Total_SMM									
	Correlation Coefficient	1,000	,847**	-,026	-,002	,011	,329**	,499**	-,185*	-,293**
	Sig. (2-tailed)	.	,000	,733	,981	,889	,000	,000	,016	,000
	N	170	170	170	170	170	170	170	170	170
	Total_CL									
	Correlation Coefficient	,847**	1,000	-,013	-,040	-,031	,297**	,448**	-,182*	-,315**
	Sig. (2-tailed)	,000	.	,871	,606	,688	,000	,000	,018	,000
	N	170	170	170	170	170	170	170	170	170
	What is your gender?									
	Correlation Coefficient	-,026	-,013	1,000	-,169*	,140*	-,036	-,028	-,013	,106
	Sig. (2-tailed)	,733	,871	.	,017	,049	,617	,699	,855	,140
	N	170	170	197	197	197	197	197	197	197
	What is your age?									
	Correlation Coefficient	-,002	-,040	-,169*	1,000	,161*	,197**	,153*	,147*	,052
	Sig. (2-tailed)	,981	,606	,017	.	,024	,005	,032	,039	,469
	N	170	170	197	197	197	197	197	197	197
	In which region do you currently reside?									
	Correlation Coefficient	,011	-,031	,140*	,161*	1,000	,138	,019	-,041	-,071
	Sig. (2-tailed)	,889	,688	,049	,024	.	,053	,790	,566	,324
	N	170	170	197	197	197	197	197	197	197
	How often do you approximately watch streaming content in general in a week?									
	Correlation Coefficient	,329**	,297**	-,036	,197**	,138	1,000	,427**	-,105	-,014
	Sig. (2-tailed)	,000	,000	,617	,005	,053	.	,000	,142	,840
	N	170	170	197	197	197	197	197	197	197
	To how many streaming services are you currently subscribed?									
	Correlation Coefficient	,499**	,448**	-,028	,153*	,019	,427**	1,000	,027	,105
	Sig. (2-tailed)	,000	,000	,699	,032	,790	,000	.	,703	,142
	N	170	170	197	197	197	197	197	197	197
	Which social media do you use the most?									
	Correlation Coefficient	-,185*	-,182*	-,013	,147*	-,041	-,105	,027	1,000	,182*
	Sig. (2-tailed)	,016	,018	,855	,039	,566	,142	,703	.	,010
	N	170	170	197	197	197	197	197	197	197
	Which streaming service do you follow on social media?									
	Correlation Coefficient	-,293**	-,315**	,106	,052	-,071	-,014	,105	,182*	1,000
	Sig. (2-tailed)	,000	,000	,140	,469	,324	,840	,142	,010	.
	N	170	170	197	197	197	197	197	197	197

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29498,143	1	29498,143	695,978	,000[b]
	Residual	7120,468	168	42,384		
	Total	36618,612	169			

a. Dependent Variable: Total_CL

b. Predictors: (Constant), Total_SMM

8.3 Appendix C: Qualtrics outputs

I would not switch to another streaming service if they were cheaper.

#	Field	Netflix		Both		Total
1	Strongly disagree	70.00%	7	30.00%	3	10
2	Somewhat disagree	33.33%	4	66.67%	8	12
3	Neither agree nor disagree	41.67%	5	58.33%	7	12
4	Somewhat agree	36.67%	11	63.33%	19	30
5	Strongly agree	17.14%	18	82.86%	87	105

Showing rows 1 - 5 of 5

I would remain subscribed to Netflix if the price increased.

#	Field	Netflix		Both		Total
1	Strongly disagree	50.00%	4	50.00%	4	8
2	Somewhat disagree	54.55%	6	45.45%	5	11
3	Neither agree nor disagree	50.00%	5	50.00%	5	10
4	Somewhat agree	38.71%	12	61.29%	19	31
5	Strongly agree	16.51%	18	83.49%	91	109

Showing rows 1 - 5 of 5