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**TITLE: AN INVESTIGATION OF EFFECTS OF OVER-THE-TOP ON  
SUBSCRIPTION TELEVISION PROVIDERS IN SOUTH AFRICA.**

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## DECLARATION

I, Vuyani Lukhele, hereby declare that this dissertation represents my original work and has not been previously submitted, in whole or in part, for any degree at this or any other university.

  
V. Lukhele

17 February 2025

Date

## **DEDICATION**

This research is dedicated to the memory of my beloved mother, Sibongile Rose Hleza, who passed away on September 30, 2019. My mother was a constant source of support and inspiration throughout my life. While I deeply regret that she cannot witness this milestone, I know that she would be immensely proud. I cherish the unwavering love and countless sacrifices she made for me. May her memory forever be a source of strength and motivation.

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## **ABSTRACT**

This study examines the growing shift in consumer behavior from traditional television to Over-the-Top (OTT) streaming platforms in South Africa. With the rapid adoption of digital technologies, OTT services such as Netflix, Showmax, and DStv Stream have become increasingly popular, especially among younger, tech-savvy, and educated individuals. The study employed a quantitative approach using a Stratified Random Sampling method. Data were collected from 264 respondents out of 303 distributed surveys, achieving an 87.13% response rate. The survey explored factors influencing OTT adoption, including age, gender, educational level, and regional distribution.

The findings revealed that OTT platforms, particularly Netflix, are most favoured by individuals aged 25-44, with Netflix being the dominant service across all age groups. Additionally, education levels were positively correlated with OTT adoption, with higher education linked to increased usage of OTT platforms. DStv remained the most popular traditional TV service, but its appeal is waning in comparison to OTT services. This study further explored the motivations behind consumers' choices, including content relevance, pricing, and the perceived benefits of flexibility and convenience offered by OTT platforms. The findings provide valuable insights into consumer preferences in the South African media landscape and offer recommendations for businesses looking to capitalise on the growing OTT market.

The findings of this study indicate that OTT platforms are rapidly transforming the television industry, necessitating strategic adaptations from traditional TV providers. Based on these findings, the study recommends that to remain competitive, industry leaders must embrace digital transformation, invest in personalised content experiences, explore innovative monetisation models, and leverage social influence for customer acquisition and retention with an emphasis on digital literacy and regional expansion, particularly in Gauteng, where OTT services are most widely adopted.

**Keywords:** Over The Top (OTT), Traditional Television, Consumer Behavior, Digital Technologies, Marketing Strategies, South Africa.

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## **LIST OF ACRONYMS**

<b>AI</b>	Artificial Intelligence
<b>DE</b>	Digital Experience
<b>DSTV</b>	Digital Satellite Television
<b>EMS</b>	Economic and Management Sciences
<b>FWA</b>	Fixed Wireless Access
<b>ICASA</b>	Independent Communications Authority of South Africa
<b>IP</b>	Internet Protocol
<b>MCSA</b>	MultiChoice South Africa
<b>OTT</b>	Over-the-Top
<b>SABC</b>	South African Broadcasting Corporation
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>TV</b>	Television
<b>VOD</b>	Video-on-Demand
<b>PaaS</b>	Platform as a Service
<b>SaaS</b>	Software as a Service
<b>SMM</b>	Social Media Marketing
<b>SVOD</b>	Subscription Video On Demand
<b>TAM2</b>	Technology Acceptance Model 2

## **CHAPTER 1. INTRODUCTION AND BACKGROUND OF THE STUDY**

### **1.1 INTRODUCTION**

Chapter one presents and discusses the background of the study, outlining the problem statement and the rationale behind it. This chapter also details the research objectives, research questions, significance of the study, and its limitations and delimitations.

### **1.2 BACKGROUND OF THE STUDY**

OTT platform have become immensely popular among youth in South Africa, who spend significant amounts of time watching shows across various platforms that cater to their preferences. Platforms like Showmax, DSTV streaming, Netflix, Amazon Prime, and YouTube are highly watched among youth. An increasing number of television viewers are adopting over-the-top (OTT) TV services to stream television content online. These services disseminate online content via the Internet or other IP-based transmission pathways. In Africa, access to the internet and digital technologies is expanding, but it still lags behind the global average. Despite these challenges, the continent's digital economy shows immense potential and is projected to reach \$180 billion by 2030 (*Charter Project Africa, 2022*). This growth is driven by increasing mobile connectivity, innovative digital solutions, and a young, tech-savvy population eager to embrace new technologies. Investing in digital infrastructure, education, and policies that foster innovation will be crucial to realising this potential and bridging the digital divide (*Charter Project Africa, 2022*).

Due to enhanced accessibility, greater availability, and the increasingly affordable nature of broadband data, Generation Z is increasingly adopting online streaming platforms. This trend is driven by their desire for on-demand access to content tailored to their preferences and schedules. The latest technological improvements have also contributed to the growth of the video-on-demand market. Bower and Christensen (1995), describe the phrase "disruptive technology" as new technologies that differ from existing ones by targeting previously underserved market segments. This concept is readily observable in the paradigm shift towards on-demand content consumption models, where new technologies have transformed traditional viewing habits. In Africa most of the OTT providers are not able to grow the market due to

global players like Netflix. Furthermore, consumers who were previously subscribers of pay TV platforms such as cable and satellite have been transitioning to OTT services, selecting them as their primary video platform. Meanwhile, some subscribers opted to downgrade from premium to regular pay TV packages (Banerjee et al., 2014). In the Middle East STARZPLAY's one of the OTT provider, business strategy was tailored to cater to the diverse interests and payment choices of families in the region, which allowed it to increase its subscriber base quickly. The company's success continued even after well-funded domestic enterprises and global giants such as Netflix entered the market. Disney, Paramount, and HBO were among the big American studios in discussions with local operators about possible agreements at the time of the lawsuit (Elie, 2021).

Recognising South Africa's integration into global shifts in the television broadcasting sector, the Group CEO of MultiChoice voiced apprehensions over the perceived regulatory disparity favouring OTT TV service providers. This circumstance, highlighted in the same source, inhibits competition, prompting MCSA to urge the Independent Communications Authority of South Africa (ICASA) to enact industry regulations (Nokuphiwa and Robertson, 2020). There have been various claims that the number of subscribers to traditional pay-TV services and the adoption of over-the-top (OTT) TV services are connected.

The purpose of this study is to investigate the effects of Over-the-Top (OTT) on subscription television providers in Africa. Analyse the competition within the video platform market and to derive implications for both OTT service providers and traditional pay TV platform providers. Achieving this objective will offer valuable insights for practical applications and contribute to academic discourse, particularly through the analysis.

The history of OTT platforms dates back to the early days of the internet, when companies began experimenting with delivering video content online. In the 1990s, RealNetworks introduced RealPlayer, a streaming media player that enabled users to watch video content over the web (Bharat, 2023). According to Duhamel (2021), growth in the entertainment and media industries has resulted in the establishment of new organisations OTT services, which have the potential to significantly threaten the subscriber demographic of traditional television service providers. The average number of mobile devices per person globally has increased, these devices are the primary means of internet-based entertainment and communication. The evolving global media and entertainment landscape necessitates service providers to strategically reassess their positioning for sustained competitiveness. By prioritising subscriber

needs, enhancing digital strategies, and refining business models, providers can effectively retain and attract subscribers through emerging digital platforms (Bonnet & Westerman, 2021).

The majority of people in Africa have access to the internet, and as over-the-top (OTT) content continues to improve, this is altering the way people watch television material. According to Junghwan *et al.* (2016), "Mobile" and "Internet" are key components of the new media ecosystem. In February 2019, nearly 144 million people spent a total of 362 million hours on an OTT platform. Of this time, 87% was spent on smartphones and 13% on desktops (Suman *et al.*, 2019).

The rise of the Internet has significantly impacted traditional media, altering consumer media usage patterns. Additionally, the widespread adoption of mobile devices such as smartphones and tablets has enabled consumers to access unlimited content anytime and anywhere. Significant global shifts, including those in South Africa, have propelled OTT TV service providers such as Netflix, YouTube Premium, Amazon Prime, Black, and Showmax to prominence. These platforms are disrupting the television broadcasting industry, transforming how audiences consume content and expanding viewer options (Nokuphiwa & Robertson, 2020). Today, OTT platforms are an integral part of the entertainment industry, offering viewers a diverse range of on-demand content. The popularity of these platforms is expected to continue growing, with more companies launching streaming services and an increasing number of subscribers.

Content openness, cost, and lack of technological readiness are emerging as major barriers to the adoption of OTT services. People prefer to watch OTT videos on mobile phones rather than smart TVs, laptops, or tablets, as mobile phones offer higher personalisation Suman *et al.* (2021). This is one of the primary reasons viewers are switching from traditional television channels to OTT video platforms. A key driver for the increasing market share of OTT video platforms is the penetration of mobile computing devices.

China has emerged as one of the key drivers in technology and the growth in OTT platforms. America and China have shifted away from traditional television broadcasting services to OTT services. China OTT company Mongo television has increased its subscriber base to 62.6 million subscribers. With evolving trends of global media and entertainment market dynamics are driving the need for African vendors or operators like Multichoice to redefine their market positioning to drive growth and maintain competitiveness in South Africa's markets.

### **1.3 PROBLEM STATEMENT**

According to Eeden and Chow (2018), the media and entertainment industry in broadcasting is undergoing rapid transformation, fuelled by internet accessibility, new device adoption, big data analytics, and the emergence of platform-based businesses tailored to technology savvy subscribers. Traditional broadcasting, such as satellite organisations, struggle to predict customer behaviour, effectively market products to customers, and generate targeted content. Customers prefer subscribing to a limited number of channels, focusing on specific genres or viewing times, seeking maximum value for their money. There's a noticeable shift in the TV industry as subscribers increasingly opt for OTT platforms.

In Africa satellite subscription and free-to-air TV remain the predominant means for subscribers to access television content. Subscribers want to choose selected programs at their convenience, departing from traditional subscription services. According to Lai Lin (2023), as of June 2021, Mango TV's mobile app had garnered approximately 209 million monthly active users in China. Nearly 74% of the new users acquired by Mango TV that month were female. This Chinese subscription OTT service provider is renowned for its exclusive reality shows that have gained significant popularity among female TV audiences, such as "Sisters Who Make Waves" and "Your Face Sounds Familiar." As the population is growing in Africa there is significant growth of OTT platform and achieve the same customer base as Mango TV in China. With the evolving landscape of the global media and entertainment industry, South African service providers like MultiChoice must adapt their market positioning to drive growth and maintain competitiveness.

According to Broeck *et al* (2008), the evolving broadcasting model necessitates new business strategies that integrate telecom companies, content producers, content aggregators, and broadcasting firms to be able to stay competitive. Television content consumption has changed from traditional consumption to OTT subscription services. Given this background this study aims at investigating the clear effects of Over-the-Top on subscription television providers in South Africa.

### **1.4 AIM OF THE STUDY:**

This study aims to investigate the clear effects of Over-the-Top on subscription television providers in South Africa. This study focused on customer behaviour and switching from

traditional subscription TV services to OTT platform services. Currently in Africa there is no study that has been conducted to fully understand this customer behaviour.

### **1.5 RESEARCH OBJECTIVES:**

The problem statement as well as this primary objective were attained by:

- Examining the user friendliness and benefits of using OTT platforms to customers
- Investigating the usefulness of OTT services, in terms of content relevance and quality to customers.
- Examining the influence of social factors on the adoption of OTT services over traditional subscription television.

### **1.6 RESEARCH QUESTIONS**

The research objectives presented above were addressed by answering the following research questions:

- How do perceived ease of use and perceived benefits influence customer adoption of Over-the-Top (OTT) platforms?
- How do consumers perceive the usefulness of Over-the-Top (OTT) services in terms of content relevance and quality?
- What is the influence of social factors on the adoption of OTT services over traditional subscription television?

### **1.7 SIGNIFICANCE OF THE STUDY:**

Researching OTT platforms in South Africa is crucial for gaining insights into customer behaviour, market dynamics, economic impacts, regulatory challenges, technological advancements, cultural influences, industry growth, investment opportunities, consumer protection, and international benchmarks. This comprehensive understanding will provide significant benefits for stakeholders in the media and entertainment sectors by helping media companies refine their content strategies to align with consumer preferences, assisting businesses in identifying opportunities for growth and innovation, and informing policymakers on the development of balanced regulations that support industry expansion while ensuring consumer protection. Additionally, the study enhances strategies for customer acquisition, engagement, and retention, enabling service providers to build long-term relationships with their audiences. Furthermore, traditional broadcasters can leverage these insights to adapt their offerings and remain competitive in the evolving digital streaming landscape. By providing a

data-driven understanding of industry trends, this research supports informed decision-making, service optimisation, and sustainable growth in South Africa's media and entertainment sector.

This study will assist in answering the main research objective which is to investigate the clear effects of Over-the-Top on subscription television providers in South Africa and how these organisations can leverage OTT platform to remain competitive. Furthermore, this study will have an academic contribution regarding insights on how customer preferences and habits are changing towards television subscription in South Africa, hence allowing the policy makers to analyse the opportunities and regulatory obstacles that OTT and subscription TV face.

### **1.8 LIMITATIONS OF THE STUDY**

This study focused on a subset of customers and as such it introduced sampling biases, leading to results that are not representative of the entire population. This was addressed by ensuring that data collection methods were consistent across all sampled customers to avoid systematic errors or biases in data gathering. The study also catered for different segments or demographics such as age groups, gender and ethnic groups within South Africa this ensured that the sample included representative proportions from each stratum.

### **1.9 DELIMITATION OF THE STUDY**

The study was restricted to the South African market, it did not include data from other African or international regions. This focus made it possible to analyse customer behaviour, regulatory environments, and local market dynamics in great length. This study covered a period from August 2023 to February 2025 and it included recent development and trends.

### **1.10 CONCLUSION**

This chapter concludes with a comprehensive exploration of the background focusing on clear effects of Over-the-Top on subscription television providers in South Africa. The chapter provided foundations by summarising the study research objectives, research questions, and understanding the significance of this study.

## CHAPTER 2. LITERATURE REVIEW





### 2.1 INTRODUCTION

This chapter examines existing literature published by other authors to explore how subscribers access and engage with media from various services on a daily basis. This literature review investigate and analyse the discernible impacts of OTT platforms on subscription television providers specifically within South Africa. By synthesising existing research, empirical studies, and theoretical frameworks, the review seeks to uncover insights into how OTT services have reshaped the competitive landscape, influenced viewer preferences, and prompted strategic shifts among traditional television providers.

### 2.2 LITERATURE REVIEW SCOPE

The below literature review will identify gaps in existing research, contextualise global trends to the South African environment, and establish the theoretical and practical significance of the study. It will also help frame the research questions and methodology.

*Table 2-1: Literature review theoretical framework.*

 <b>Ease of use of OTT platforms</b>	 <b>Customers find OTT services</b>	 <b>Understanding how useful customers find OTT services</b>	 <b>Relationship between social influence and the behavioural intention</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Overview of OTT Platforms and Their Evolution.</li> <li><input type="checkbox"/> Ease of Use as a Key Factor.</li> <li><input type="checkbox"/> Consumer Perception of Benefits.</li> <li><input type="checkbox"/> Behavioural Drivers for Switching.</li> <li><input type="checkbox"/> Barriers to Switching.</li> <li><input type="checkbox"/> Impact of External Factors.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> OTT Market Overview in South Africa.</li> <li><input type="checkbox"/> Content Relevance.</li> <li><input type="checkbox"/> Content Quality.</li> <li><input type="checkbox"/> Consumer Perceptions of Usefulness.</li> <li><input type="checkbox"/> Impact of Internet Connectivity and Affordability.</li> <li><input type="checkbox"/> Comparison with Traditional TV in South Africa</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Overview of OTT Content Offerings in South Africa</li> <li><input type="checkbox"/> Consumer Expectations and Preference.</li> <li><input type="checkbox"/> Perception of Content Quality</li> <li><input type="checkbox"/> Accessibility and Affordability of Content</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Theoretical Frameworks.</li> <li><input type="checkbox"/> Social Influence and Consumer Perceptions.</li> <li><input type="checkbox"/> Comparative Analysis: OTT vs. Traditional Subscription Television.</li> <li><input type="checkbox"/> Role of Social Media and Digital Communities</li> </ul>

Source: Compiled by the Author, 2024

## **2.3 EASE OF USE OF OTT PLATFORMS**

### **2.3.1 Overview of OTT platforms and their evolution**

Technology is crucial for business success, playing a pivotal role in determining the outcomes of an organisation and its business-level strategy. According to Tanya and David (2014), the rapid advancement of technology is filled by innovation, driven by entrepreneurs who constantly push the boundaries of current limitations. As new frontiers are explored, older technologies become obsolete, and any competitive edge gained is short-lived. Technological breakthroughs can either lead to the decline of certain industries or pave the way for the emergence of new opportunities. The internet presents numerous vulnerabilities, making online transactions potentially unsafe due to the accessibility of a large number of users.

OTT platforms are internet-based services that deliver media content (video, audio, etc.) directly to consumers, circumventing traditional distribution methods like cable or satellite television. These platforms provide consumers with the flexibility to access content on-demand across a range of devices, including smartphones, tablets, smart TVs, and computers. According to Dhiman (2023), previous studies on Over-the-Top (OTT) platforms highlight their disruptive impact on the entertainment industry, offering a global platform for flexible viewing experiences and diverse content libraries. The growing popularity of OTT services, such as Netflix and Amazon Prime Video, is attributed to their cross-platform compatibility and inclusion of localised content. However, challenges such as content fragmentation and legal disputes over the use of profanity underscore the importance of balancing creative freedom with responsible content distribution. Li, X. (2023) argue that Netflix has transformed from a DVD rental service into a global streaming giant, with a market valuation exceeding \$200 billion. The company has significantly reshaped consumer behaviour and redefined how audiences engage with content worldwide.

According to Nokuphiwa and Robertson (2020), the global media landscape, including in South Africa, has undergone significant transformation with the rise of OTT TV service providers such as DStv streaming, Netflix, YouTube Premium, Amazon Prime, Black, and Showmax. These platforms are disrupting traditional television broadcasting, reshaping content consumption patterns, and offering viewers greater flexibility and choice. Staff (2023), argue that mobile operators can play a significant role in driving OTT services on the African continent. The paid OTT market in the region is experiencing robust growth. Subscriber

numbers for OTT services surged 22% between 2021 and 2022 and are projected to exhibit a 62% increase by 2028

A summary of OTT platform provider in South Africa as listed in Figure 2-1. As competition intensifies, platforms are likely to focus on enhancing user engagement, expanding into untapped markets, and balancing quality content with affordable pricing models.



Figure 2-1: OTT platform provider in South Africa

Source: Compiled by the Author, 2024

Evens (2018), explains that the entertainment industry is undergoing a rapid digital transformation, a key focus of numerous studies. The emergence of Over-the-Top (OTT) platforms has significantly disrupted traditional content distribution models, enabling viewers to access a vast array of content, including movies, TV shows, and documentaries, via the internet. This digital transformation has fundamentally reshaped consumer media consumption patterns.

### 2.3.2 Ease of use as a Key factor

According to Shaik and Viswanatha (2024), the digital revolution has profoundly reshaped media and entertainment consumption. Over-the-Top (OTT) platforms have emerged as a cornerstone of this transformation, providing a diverse content library encompassing movies, TV shows, user-generated videos, and live streaming, all delivered via the internet. Leveraging their inherent flexibility and convenience, OTT platforms have disrupted traditional cable and satellite television services, empowering users with the ability to personalise their viewing experience and access content on-demand. According to Suman *et al.* (2021), Fuelled by rapid technological advancements, the proliferation of smartphones, and the growing availability of affordable internet access, Over-the-Top (OTT) media services have witnessed a surge in popularity. OTT platforms empower users with the freedom to enjoy a vast library of TV series, movies, and other content on-demand, tailoring their viewing experience to their convenience.

In the study by Bhullar *et al.* (2020), Analysis revealed that content quality and user interface significantly influence OTT adoption rates. Amisha *et al* (2021), argue that OTT platforms empower viewers with the flexibility to enjoy a diverse content library, including shows, series, and movies, across various devices and locations. This on-demand accessibility fosters a convenient and personalised viewing experience. Consumers are increasingly willing to invest in premium subscriptions that grant them the privilege of accessing content anytime, anywhere, aligning with their evolving entertainment preferences. Ease of use plays a pivotal role in the success and adoption of Over-the-Top (OTT) platforms. Consumers are increasingly drawn to platforms that offer seamless, intuitive, and user-friendly experiences, as these aspects significantly enhance satisfaction and engagement.

### **2.3.3 Consumer Perception of Benefits**

According to Shilpa and Kumal (2021), a study titled 'A Study of Consumers of OTT Platforms in India' revealed that OTT platforms emerged as the preferred source of entertainment for viewers during the pandemic. The research investigated the impact of OTT on customer satisfaction and the factors driving user adoption. Notably, the study found a preference for OTT services among viewers under 30. The findings support the notion that OTT platforms provided a superior entertainment solution during the pandemic. This dominance can be attributed to factors like high-quality audio-visual content suitable for diverse audiences, including children, and the inherent convenience offered by OTT platforms. The research suggests that users have significantly increased their OTT consumption, exceeding five hours of viewing time.

According to Nielson (2014) and Lee (2020), the study found that over 70% of OTT subscribers demonstrate a propensity for binge watching. This consumer behaviour underscores the critical role of content diversity in driving user preference for these platforms. These findings indicate a shift in consumer behaviour. Unlike the passive consumption of content traditionally associated with broadcast media, viewers now exhibit a strong preference for actively selecting and engaging with content. This trend underscores the growing importance of user agency and personalised viewing experiences in the evolving media landscape (Lee and Jeon, 2020).

OTT platforms offer a high degree of personalisation, enabling consumers to tailor their viewing experience to individual preferences, lifestyles, and device usage. Personalisation, as defined by Wamba *et al.* (2017), refers to the extent to which consumers can customise OTT

services to their unique needs. This level of customisation empowers OTT users to access and enjoy desired content on-demand across a range of devices, as highlighted by Kim and Kim (2018). Consumers increasingly perceive OTT platforms as a transformative solution for media consumption. These perceptions are shaped by the tangible and intangible benefits offered by OTT services, which cater to evolving preferences for convenience, personalisation, and value.

The rapid advancement of big data technology is profoundly impacting the media industry. By leveraging big data analytics, businesses can gain a significant competitive advantage, streamline operations, and cultivate deeper customer relationships. This data-driven approach necessitates a fundamental shift in the media industry, prioritising customer needs and preferences over traditional television. (Amanpreet, 2022), Big data encompasses datasets of unprecedented scale and complexity, exceeding the capabilities of traditional data processing methods. Effective management necessitates robust infrastructure with scalable design, efficient storage, and advanced analytical capabilities. By analysing vast and diverse data sources, organisations can uncover hidden patterns, identify market trends, understand customer preferences, and gain valuable insights to inform strategic decision-making.

#### **2.3.4 Behavioural Drivers for Switching**

The competitive landscape of video content consumption has been reshaped by the rise of streaming giants such as Netflix, Hulu, and Amazon Prime, who have disrupted traditional cable providers by offering significantly larger content libraries (Lee and Lee, 2015). According to Po-Chien and Yu-Ping (2023), a key factor driving the shift in video consumption in Taiwan is audience perception. Viewers perceive traditional TV operators as offering limited content diversity, while recognising OTT platforms as providing a more flexible and diverse viewing experience. This shift in perception is evident across all user segments, including those utilising TV broadcast, IPTV, and other telecom services.

According to Blake (2021), Content quality remains paramount in consumer subscription decisions. Viewers are discerning, unwilling to pay for content they do not intend to watch. This is reflected in Netflix's significant investment in original content, exceeding \$13 billion in 2018, with approximately 85% allocated to original productions. This strategic focus on original programming has proven to be a key differentiator for the platform. Blake (2021), also argue that Netflix's online business model has facilitated the collection of extensive user data. Leveraging AI-powered algorithms, the platform delivers highly personalised

recommendations based on individual viewing history, preferences, ratings, and demographics. These recommendations are remarkably accurate, with Netflix reporting that 80% of user engagement originates from personalised suggestions. In an era of heightened customer expectations, Netflix serves as a benchmark for personalised experiences across all industries. Furthermore, Netflix demonstrates a strong commitment to continuous innovation.

Consumers are increasingly migrating from traditional broadcasting to OTT platforms, driven by several behavioural and contextual factors. These drivers reflect shifting preferences in how audiences access, consume, and value media content. OTT subscriptions are often seen as more affordable compared to traditional pay-tv packages, especially with no installation fees or equipment costs.

### **2.3.5 Barriers to Switching**

Despite initial success, the OTT market is now characterised by intense competition, primarily driven by the entry of numerous multinational players (Sharma and Lulandala, 2023). This market saturation has increased customer acquisition and retention costs, exacerbated by low switching costs between platforms. Furthermore, rising subscription prices are straining consumer loyalty. To remain competitive, OTT platforms are increasingly focusing on content differentiation and personalisation strategies to cater to diverse viewer needs (Palomba, 2022). According to Jan (2024), the competitive landscape between fibre and 5G fixed wireless access providers is rapidly intensifying. As key players in both technologies invest heavily in expanding their coverage, a fierce battle for customer acquisition is underway. The rapid rollout of 5G technology presents a formidable challenge to fibre providers. This challenge is compounded by the diversion of significant investment towards mitigating the severe impacts of load shedding, battery theft, and vandalism, hindering fibre network expansion and impacting the ability of fibre providers to effectively compete. In South Africa the focus has been most in lucrative suburbs, where operators deploy fibre in streets another operator has already passed.

Despite recent regulatory interventions aimed at reducing data prices, data costs in South Africa remain prohibitively high for many consumers. The State of ICT in South Africa report highlights that affordability remains a significant barrier to internet access, with data costs, lack of internet-enabled devices, and insufficient digital literacy cited as key factors. These

challenges are often intertwined with poverty, further exacerbating digital inequality (Tapiwa, 2020).

While Over-the-Top (OTT) platforms offer numerous advantages, certain barriers may prevent consumers from fully transitioning from traditional TV services to OTT. These barriers often stem from technical, economic, behavioural, and contextual factors. In South Africa regions with low internet penetration, accessing OTT platforms remains a challenge. Some users, especially older demographics, may find traditional TV setups simpler and more familiar.

### **2.3.6 Impact of External Factors**

According to Hanna (2018), governments worldwide face challenges in establishing appropriate policies that align with emerging digital applications. The Department of Communications and Digital Technologies (2023), published a draft white paper proposing Over-the-top (OTT) video services such as Netflix, Prime Video, and Disney+ may soon be subject to stricter regulations in South Africa, potentially requiring them to obtain a license to continue their operations in the country. Currently, services like Netflix, Prime Video, and Disney+, are not required to possess an operating license in South Africa, unlike traditional services such as the South African Broadcasting Corporation and DStv.

It is suggested that regulation is essential as it drives the development and implementation of informed policies, enabling governments to provide reliable ICT technologies to the public (Parcu and Silvestri, 2014). Regulation also aims to address challenges that may emerge in the ICT industry effectively. In Africa markets have different regulatory policies regulations have an impact on customer choice and market competitiveness.

The growth and adoption of OTT platforms in South Africa are influenced by various external factors. Despite progress, challenges like inconsistent connectivity in rural areas and the cost of data bundles remain barriers for many users. Economic disparities in South Africa influence the affordability of OTT subscriptions. Lower income households may prioritise basic needs over entertainment services.

## **2.4 CUSTOMERS FIND OTT SERVICES**

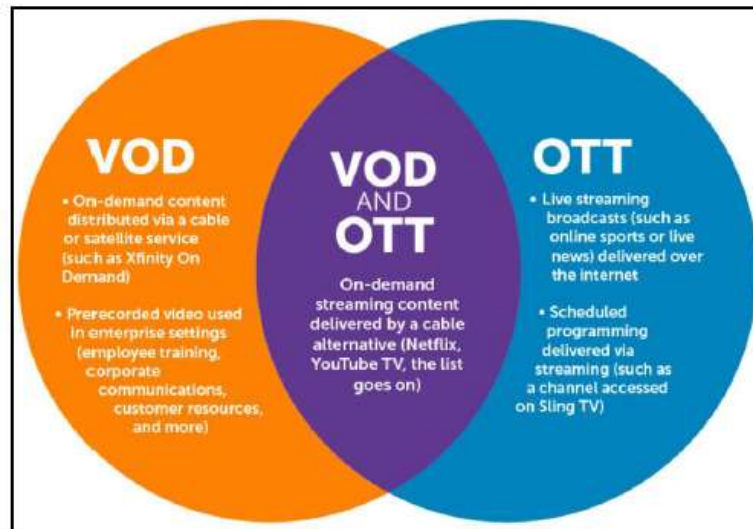
### **2.4.1 OTT Market Overview in South Africa**

According to Statista (2024), The Video-on-Demand market in South Africa is projected to generate US\$338.70 million in revenue by 2025. The market is anticipated to exhibit a robust compound annual growth rate (CAGR) of 7.24% from 2025 to 2027, resulting in a projected market volume of US\$389.50 million by 2027. Nokuphiwa and Robertson (2020), argue that consumer behaviour is undergoing a significant shift, with a growing trend towards cord-cutting – the abandonment of traditional pay-TV services in favour of OTT platforms. Furthermore, a substantial number of consumers are engaging in cord shaving, downgrading their premium pay-TV subscriptions to less expensive packages while concurrently subscribing to OTT services. Additionally, a segment of consumers, known as 'cord-nevers,' have never subscribed to traditional pay-TV and have directly adopted OTT services as their primary source of entertainment.

According to Chen (2017), Consumer preferences are increasingly shifting towards short-form video content, readily accessible on portable devices. This preference is driven by the desire for convenient consumption, enabling viewers to enjoy content anytime, anywhere, such as while commuting. This shift empowers consumers with greater control over their viewing experiences. Daniels (2017), argue that viewers aged 18-24 exhibit diverse content consumption habits, utilising a range of devices including television sets, laptops, tablets, and smartphones. In contrast, older age groups, including those aged 55 and above, predominantly consume television content via traditional television sets.

The OTT market has experienced exponential growth globally, driven by advancements in technology, shifting consumer behaviours, and a competitive landscape. The South African OTT market reflects global trends while presenting unique challenges and opportunities shaped by local dynamics. The South African OTT market is expanding due to increasing smartphone adoption, affordable internet packages, and localised content. Local players like Showmax and VIU have gained a competitive edge by offering regionally relevant programming.

As show in Figure 2-2. The next wave of technological innovation is poised to revolutionise the landscape of streaming and on-demand content consumption, providing viewers with more personalised and engaging experiences.



*Figure 2-2: Over-the-Top Streaming and Video-on-Demand*

*Source: Ruether (2021)*

## **2.4.2 Content Relevance**

According to Madhu and Abdul (2024), OTT platforms empower viewers with the flexibility to access a vast library of content on-demand across a range of internet-enabled devices, enabling anytime, anywhere viewing. This shift from scheduled programming to personalised, on-demand streaming has fundamentally transformed consumer entertainment habits, presenting both challenges and opportunities for consumers and industry stakeholders. Madhu and Abdul (2024), argue that the production of original and exclusive content has become a cornerstone strategy for OTT platforms. Platforms such as Netflix and Amazon Prime Video invest heavily in developing high quality, unique content to attract and retain subscribers. This strategic focus on original content has not only intensified competition within the OTT market but has also revolutionised the content creation industry.

According to Statista (2024), given South Africa's diverse population with multiple languages and cultures, OTT Video platforms are strategically adapting their content offerings to cater to this diversity. By providing content in various languages and genres, these platforms effectively attract a wider audience and cater to the specific preferences of South African viewers. Moreover, underlying macroeconomic factors play a crucial role in shaping the development of the South African OTT Video market.

Content relevance is a critical factor driving consumer engagement, retention, and satisfaction with OTT platforms. In the context of South Africa, where diverse cultural, linguistic, and

social preferences exist, the ability to provide meaningful and localised content determines the success of OTT platforms. Content that resonates with local customs, traditions, and values strengthens audience connection.

### **2.4.3 Content Quality**

OTT platforms have experienced remarkable global growth in recent years (Chang & Chang, 2020). According to Singh *et al.* (2021), this surge in popularity can be attributed to several key factors, including the ability of OTT platforms to offer exclusive, high-quality content that significantly exceeds the quality and diversity of traditional television viewing experiences. Furthermore, Sudhir & Rao (2021), argue that technological advancements and improvements in internet infrastructure have played a crucial role in driving this rapid growth. Nkosinathi (2024), argue that a significant drawback of the increasingly fragmented market is the viewer experience. Consumers often find themselves navigating a complex ecosystem of streaming platforms, facing the challenge of subscribing to multiple services to access all the content they desire.

Content quality is a critical factor that determines the success and consumer appeal of OTT platforms. It directly influences user satisfaction, subscription rates, and audience retention. In South Africa, where the OTT market is becoming increasingly competitive, platforms must prioritise high-quality content to meet diverse consumer expectations. High-quality content is a major driver of initial subscriptions, particularly for platforms offering exclusive or original programming.

### **2.4.4 Consumer Perceptions of Usefulness**

According to a study that was conducted by Mark and Loredana (2021), individuals' perceptions of usefulness and ease of use were strong predictors of their intentions to utilise online streaming services. Moreover, participants reported seeking emotional gratifications from these technologies, such as distraction and relaxation during leisure time. These findings highlight the importance of user experience and emotional gratification in driving the adoption of online streaming services.

The perceived usefulness of OTT platforms plays a significant role in driving adoption and continued usage. Consumers assess usefulness based on the platform's ability to meet their entertainment needs, provide value, and align with their preferences and lifestyles. In South

Africa, these perceptions are influenced by factors such as accessibility, content relevance, cost, and technological infrastructure. User-friendly interfaces and AI-driven recommendations simplify content discovery, increasing satisfaction.

#### **2.4.5 Impact of Internet Connectivity and Affordability**

According to Darrell (2015), numerous barriers impede internet access for a significant portion of the global population, particularly in developing countries. These barriers include poverty, high costs associated with devices, data, and telecommunications, infrastructure limitations, digital literacy challenges, and policy and operational constraints. Financial constraints, including limited disposable income, pose a significant obstacle to internet access. This limits the ability of individuals to acquire devices and afford digital services. A Deloitte study emphasises that income levels are a key determinant of internet penetration, with lower GDP per capita often correlating with lower internet access rates. Unless individuals can access free or low-cost digital services, they will be unable to fully participate in the benefits of the digital revolution.

Data charges remain a significant financial burden for many users. The escalating costs of data consumption, particularly driven by the increasing demand for video services, are likely to persist in the near future. According to Tapiwa (2020), research ICT Africa's Retail African Mobile Pricing (RAMP) Index reveals that South Africa ranks 33rd out of 46 African countries in terms of data affordability per gigabyte (GB) as of Q1 2020, indicating a relatively poor performance compared to other African nations. It's important to acknowledge that recent reductions in mobile tariffs were primarily driven by the Competition Commission's Data Services Market Inquiry, rather than a philanthropic response to the COVID-19 pandemic, as one would not expect altruistic behaviour from mobile network operators.

Darrell (2015), argue that in countries such as Mexico, South Africa, Bangladesh, Malaysia, and Brazil, taxes on mobile broadband services create a significant barrier to internet access. These "connectivity taxes" increase the cost of mobile services, particularly impacting underserved communities where affordability is a critical concern. High taxation hinders internet adoption by making it challenging for individuals to afford the necessary devices and services.

Internet connectivity and affordability are critical factors influencing the adoption, usage, and growth of OTT platforms. In South Africa and globally, these elements play a pivotal role in shaping consumer experiences and perceptions of OTT service. In South Africa urban areas have relatively better access to high-speed internet (fibre and LTE), enabling seamless OTT streaming while in rural areas face challenges due to limited broadband infrastructure, reducing the accessibility of OTT services.

In South Africa according to a study by Jan (2024), it revealed that the most notable growth in recent years has occurred in metro suburbs beyond primary cities, as well as in secondary cities and numerous smaller towns. As it shown on figure 2.4.

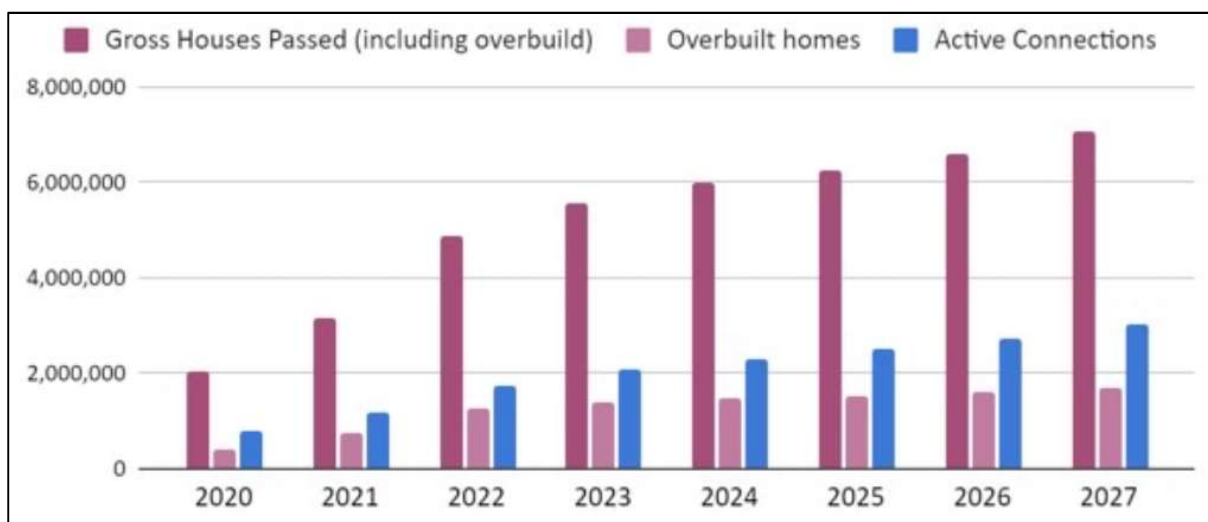


Figure 2-3: Gross Houses Passed

Source: MyBroadband (2024)

#### 2.4.6 Comparison with Traditional TV in South Africa

The television industry emerged as a dominant force in mass communication, succeeding the print media era. This was achieved through centralised broadcasting, enabling viewers to receive media content directly in their homes via television sets. According to Baccarne *et al.* (2013), for decades, the broadcasting process remained largely unchanged. Broadcasters acquired content from producers or developed their own content, packaging it for distribution on their branded channels or through third-party channels. This content was then transmitted to viewers via various technologies, including analogue and digital radio waves, satellite, and cable.

Conventional subscription-based TV providers must adhere to strict broadcasting regulations, which are governed by national policies and legislation. As outlined by ICASA (1999), the Broadcasting Act requires broadcasters to support industry advancement and societal progress by investing in content creation, ensuring the equitable and effective use of broadcasting resources, and fulfilling additional responsibilities. These regulatory obligations ultimately lead to operational expenses.

The media and entertainment sector occupies a central position in this period of rapid industry flux as it shown on Figure 2-4 Characterised by the dissolution of existing industry boundaries and the emergence of new, interconnected ecosystems.

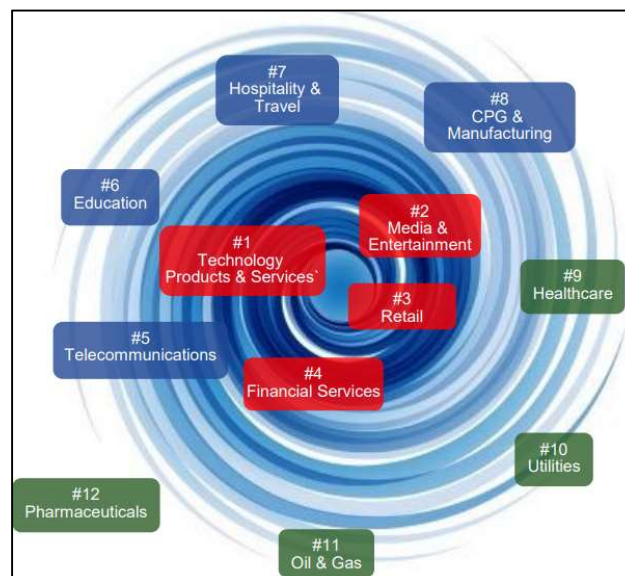


Figure 2-4: The Digital Vortex

Source: Global Centre for Digital Business Transformation (2016)

The perceived benefits of OTT services are driving a significant shift in consumer behaviour, with technologically savvy subscribers increasingly opting out of traditional TV subscriptions (Park & Kwon, 2019). This decision is often driven by financial considerations, as consumers evaluate the increasing cost of traditional TV subscriptions against the cost-effectiveness of OTT services. OTT services typically offer competitive pricing with minimal setup costs, leveraging existing consumer devices for content consumption (Kim et al., 2016).

According to Rubenking *et al.* (2018), traditional linear TV subscriptions are facing increasing subscriber dissatisfaction due to frequent advertisements, repetitive content, and limited

viewing options. Viewers are frustrated by the inability to easily access desired content, often requiring extensive channel surfing. In contrast, Video-on-Demand (VOD) services empower viewers with the ability to select content from a diverse range of genres and enjoy it across multiple devices via the internet.

The rise of OTT platforms has fundamentally altered the television landscape in South Africa, presenting both competition and alternatives to traditional TV services. While both forms of media delivery aim to provide entertainment, they differ significantly in terms of accessibility, content delivery, consumer preferences, and cost structures. Below is a comprehensive comparison of OTT platforms and traditional TV in the South African context.

## **2.5 UNDERSTANDING HOW USEFUL CUSTOMERS FIND OTT SERVICES**

### **2.5.1 Overview of OTT content offering in South Africa**

Thinus (2020), argue that the South African television viewing landscape has become significantly more complex in 2020. This complexity is further compounded by the anticipated local launches of HBO Max and The Walt Disney Company's Disney+ streaming services, both of which have yet to enter the South African market. Viewers are confronted with an increasingly fragmented media landscape, characterised by a proliferation of streaming services, each offering its own extensive content library. This complex environment is further compounded by the evolution of traditional pay-TV services, which are increasingly integrating SVOD offerings. This escalating complexity presents a significant challenge for consumers, who are increasingly overwhelmed by the sheer number of options, struggling to make informed decisions regarding content availability, subscription costs, and the overall value proposition of each service.

Ironically, after years of consumer criticism regarding MultiChoice's DStv as the dominant player in the pay-TV market, the industry has undergone a significant shift. MultiChoice previously served as a one-stop shop, acquiring a substantial portion of Hollywood studio content and offering it to viewers as a comprehensive bundled package. However, consumers now find themselves in a more fragmented market, where they must navigate a multitude of streaming services to access their desired content, effectively creating their own "bundles" at a potentially higher cost (Thinus, 2020), Park and Kwon (2019), identify several key advantages associated with OTT services.

These include reduced content distribution costs, enabling smaller producers to reach a wider audience. Furthermore, OTT platforms facilitate the collection of real-time viewer feedback, such as comments, reviews, and ratings, enabling service providers to proactively implement adjustments to enhance subscriber satisfaction. These advantages provide a significant competitive advantage over traditional subscription television (Park & Kwon, 2019). According to Vivek *et al* (2023), OTT enables content providers and streaming platform owners to collect precise information about their audience, including demographics such as age groups and interests. This data empowers them to customise their content offerings to appeal to diverse target audience effectively. South Africa’s OTT market has seen significant growth, with platforms catering to diverse audience preferences through a variety of content offerings. The landscape is shaped by a mix of international giants, regional players, and niche services focusing on localised content. Nkosinathi (2024), argue that streaming services generally offer a more cost-effective alternative to traditional satellite subscriptions. However, the fragmented nature of the streaming market presents a significant challenge for consumers. Viewers frequently encounter the dilemma of subscribing to multiple platforms to access their desired content, as no single platform offers a comprehensive content library, leading to increased overall entertainment expenses. Table 2-2 display all streaming services available and how much it can cost.

*Table 2-2: Streaming Prices*

Including DStv Stream	Price per month	Maximum quality
DStv Stream	R799	1080p
Netflix	R199	4K
Viu	R69	1080p
Disney+	R139	4K
Amazon Prime Video	R79	4K
Apple TV+	R125	4K
eVOD	R30	720p
YouTube Premium	R72	8K
<b>Total</b>	<b>R1 512</b>	

Source: We Build South Africa’s ultimate streaming package (2024)

### **2.5.2 Consumer expectations and preference**

According to Kailash *et al.* (2024), OTT services provide consumers with unprecedented flexibility, offering access to a massive library of content on-demand. This aligns perfectly with modern viewing behaviours, where consumers prioritise the freedom to choose when, where, and how they consume content, empowering them to take control of their viewing experience. Kailash *et al.* (2024), argue that a key differentiator in OTT streaming is the consumer demand for personalised experiences. Advanced data analytics and algorithmic analysis enable platforms to analyse user behaviour and preferences, facilitating the delivery of highly customised content recommendations. This focus on personalisation enhances the viewing experience, improving content discovery and ensuring a more enjoyable and engaging viewing experience for users.

Consumer decision-making regarding subscription services is characterised by a careful evaluation of the balance between price and the perceived value of the content offered. To effectively cater to the diverse financial interests of their user base, providers differentiate themselves through a range of subscription packages, competitive pricing strategies, and the inclusion of exclusive content to enhance the overall value proposition for subscribers (Kailash *et al.*, 2024). According to Choudury *et al.* (2020), the core value proposition of a subscription service centers on providing subscribers with exclusive benefits that are not readily attainable through alternative means, such as ongoing access to products and services and reduced time and effort expended on purchasing activities. Healy *et al.* (2017), argue that a customer-centric approach is essential for a successful business model. Companies must prioritise consumer perceptions and interactions at every touchpoint to ensure a positive and engaging customer experience.

The value proposition is a multifaceted concept encompassing various elements that deliver unique benefits and address specific consumer needs. Osterwalder & Pigneur (2010), argue that an effective way to deliver a value proposition is by providing an attractive pricing model. Understanding consumer expectations and preferences is essential for OTT platforms to attract and retain users. These insights drive platform strategies, from content creation to user experience optimisation.

### **2.5.3 Perception of content quality**

According to Joyeeta *et al.* (2024), customer satisfaction with OTT platforms is influenced by a range of factors, including available viewing space, usage time, content quality, and preferred device usage. Demographic factors, such as age group, occupation, city of residence, and income level, exert a significant influence on the utilisation of OTT platforms. The majority of OTT services operate on a subscription-based model, offering limited free content while requiring a monthly subscription fee for access to premium content.

Unlike non-OTT outlets like cable TV, content from OTT platforms can be accessed on the go. OTT videos and audio can be viewed not only on TVs but also on internet-connected devices such as PCs, laptops, and mobile devices. Additionally, some gaming consoles also support OTT streaming (Vivek *et al.*, 2023). Compared to traditional media, content on OTT platforms is perceived as more creative, unique, innovative, and accessible. Additionally, customers subscription is often cheaper to access a variety of content (Vivek *et al.*, 2023).

Content quality is a critical factor influencing customer satisfaction and loyalty to OTT platforms. Customers evaluate content quality based on various dimensions, which shape their perception and determine their preference for specific platforms. Unique and original content, such as Netflix Originals (*Blood & Water*) or Showmax exclusives (*The Wife*), is a major draw for customers. Consumers value exclusivity, which differentiates one platform from another.

### **2.5.4 Accessibility and Affordability of content**

Jose (2020), argue that the emergence of Over-the-Top (OTT) platforms has significantly intensified competition among content creators and technology firms. This heightened competitive environment has resulted in a decrease in the cost of content and services, making high-quality content more readily accessible to consumers. According to Gupta (2020), furthermore, increased competition within the streaming market has resulted in a substantial increase in the number of available services, providing users with a more diverse range of content options. Moreover, the intensified competition has spurred the development of more sophisticated technologies, leading to a significant enhancement of the user experience.

According to Vivek *et al.* (2023), in the Indian market, OTT content producers are actively exploring a range of monetisation strategies. While advertising currently serves as the primary revenue stream for many platforms, efforts are underway to develop compelling product and

service offerings with the aim of incentivising free users to upgrade to premium subscriptions. Vivek et al. (2023), argue that OTT platform content is frequently perceived as exhibiting greater creativity, uniqueness, and innovation compared to traditional media offerings. Furthermore, a significant portion of content available on OTT platforms can be accessed without a subscription, offering viewers greater flexibility and affordability compared to traditional subscription-based models.

Vivek et al. (2023), clarify that to effectively cater to the growing customer base on Over-the-Top (OTT) platforms, production companies and film studios are strategically developing content specifically for these platforms. This shift enables viewers to stream content that was previously exclusively available through traditional television channels, mirroring the successful model of platforms such as Disney+. Accessibility and affordability are pivotal in driving the adoption and sustained use of OTT platforms. These factors determine how easily users can access content and whether it aligns with their financial means, especially in cost-sensitive markets like South Africa.

## **2.6 RELATIONSHIP BETWEEN SOCIAL INFLUENCE AND THE BEHAVIOURAL INTENTION**

### **2.6.1 Theoretical Frameworks**

The Technology Acceptance Model 2 was Applying TAM2 to investigate the effects of Over-the-Top services on subscription television providers in South Africa will help to understand a broader range of factors influencing consumer adoption as seen below on Figure 2-5. The Technology Acceptance Model 2 (TAM2) offers a valuable framework for managers to understand user perceptions and acceptance of technology. This model, depicted in Figure 2-5 integrates perceived usefulness and functional goals with social influences and subjective structural processes to provide a comprehensive understanding of user behaviour.

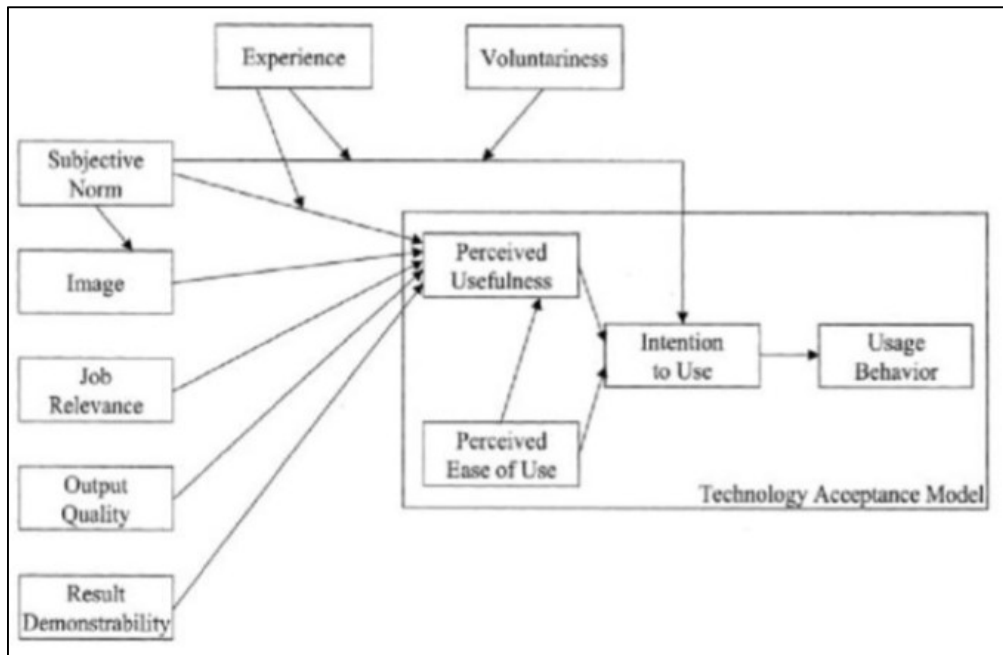


Figure 2-5: Technology Acceptance Model 2

Source: Venkatesh and Dacis (2000)

According to Mei-Ying *et al.* (2011), the Technology Acceptance Model 2 (TAM2) incorporates the influence of subjective norms, voluntariness, and image on user acceptance. The intricate interplay among these constructs constitutes a significant determinant of user acceptance or rejection of innovative systems. Furthermore Mei-Ying *et al.* (2011), explain that TAM 2 proposes that subjective norm, defined as an individual's perception of social pressure to perform or refrain from a specific behaviour, plays a crucial role in mediating social influence processes. This concept is consistent with the Theory of Planned Behaviour, which also acknowledges the significant impact of subjective norms on individual behaviour.

According to Seyed *et al.* (2011), the TAM2 model incorporates a range of factors, including subjective norms, image, voluntariness, and experience, as well as perceptual factors such as job relevance, output quality, and result demonstrability. Within this framework, subjective norm exerts a significant direct influence on perceived usefulness and an indirect influence on the intention to utilise the technology. The TAM2 represents an extension of the original Technology Acceptance Model (TAM), incorporating the crucial factor of social influence. This refinement allows for a more nuanced and comprehensive understanding of the factors influencing perceived usefulness and user acceptance (Seyed *et al.*, 2011).

The TAM2 extends the original TAM by incorporating additional factors such as social influence and cognitive instrumental processes to better understand technology adoption. Applying TAM2 to OTT platforms provides insights into the factors influencing consumer acceptance and use of these services. The TAM2 provides a robust framework for understanding and enhancing the adoption of OTT platforms. By focusing on perceived usefulness, ease of use, and social influences, while simultaneously addressing the unique challenges of the local market, OTT providers can optimise their strategies to effectively attract and retain a loyal user base in the competitive and dynamic OTT market.

### **2.6.2 Social influence and consumer perception**

According to Dzaa *et al.* (2022), Social influence has been recognised as a crucial factor within the diffusion of innovations literature. Support from significant others exerts a significant influence on potential adopters, as individuals tend to align their attitudes, behaviours, and beliefs with their social context. Innovation inherently involves a degree of uncertainty regarding its potential impact on potential adopters. This inherent uncertainty can create discomfort among potential users, prompting them to seek social validation by interacting with their social networks to discuss adoption decisions, influenced by social and normative factors (Dzaa *et al.*, 2022).

Stafford *et al.* (2004) highlighted the significant influence of close contacts and respected individuals on adoption decisions. Potential adopters are heavily influenced by the adoption experiences and opinions of those whose opinions they value. According to Geurin & Burch (2017), Studies have demonstrated that social media followers are not merely passive recipients of promotional messages. Rather, they actively participate in the creation of shared meaning around products through their interactions within the social network.

According to Ferreira (2020), OTT services, including Showmax, DSTV streaming and Netflix, remain competitive in attracting subscribers. Smaller streaming providers are also entering the market, aiming to expand their market share and influence the subscriber base of traditional subscription TV services. In South Africa OTT platform like Netflix have shown a significant growth and Multichoice 2023/2024 financial statement has displayed significant decrease in subscriber base as Customer retention strategies are crucial in traditional subscription TV to enhance revenue growth.

Social influence plays a pivotal role in shaping consumer perceptions and driving the adoption of Over-the-Top (OTT) platforms. User perceptions of value, trust, and relevance are significantly influenced by social interactions. By effectively leveraging word-of-mouth, social media, and influencer marketing, while proactively addressing challenges such as content overload and effectively managing consumer expectations, OTT providers can leverage the power of social influence to drive adoption and foster long-term customer loyalty.

### **2.6.3 Comparative analysis OTT vs Traditional television.**

Christenson (2017), outline that the emergence of Video-on-Demand (VOD) services, alongside the expansion of channel offerings within the traditional subscription TV market, has created a significantly more complex media landscape. This dynamic environment presents significant challenges in effectively meeting the evolving preferences and needs of subscribers. The introduction of Video-on-Demand (VOD) services in South Africa has raised significant questions regarding their impact on the future of traditional subscription television. Key considerations include the extent to which VOD will replace or complement existing services, as well as the identification of necessary investments and the implementation of process digitisation to enhance subscriber satisfaction and maintain a competitive advantage (Chen, 2017).

According to Gupta and Singharia (2021), The COVID-19 pandemic has significantly accelerated the migration of subscribers towards OTT services. In response, traditional subscription TV providers are implementing a range of retention strategies, including initiatives to enhance subscriber engagement and the introduction of innovative products and services to enhance the overall value proposition for existing subscribers and maintain their loyalty. According to Oracle (2021), Traditional television consumption in South Africa primarily involves linear television, where programming is broadcast according to pre-determined schedules established through contractual agreements between distributors and service providers. This includes free-to-air services, such as the public broadcaster, the South African Broadcasting Corporation (SABC), which requires an annual license fee of ZAR 265.00 from viewers.

Additionally, commercial broadcasters like ETV and Open View, owned by EMedia Holdings, operate within the free-to-air landscape. Furthermore, South Africa has a pay-TV market,

dominated by DSTv, a subsidiary of the MultiChoice Group, with over 20.1 million subscribers across the African region (MultiChoice Group, 2020). The introduction of television broadcasting in South Africa commenced in 1975 with the establishment of a single channel by the state-controlled South African Broadcasting Corporation (SABC). This initial service was not funded through a subscription model but rather relied on a television license fee imposed on households owning a television set. Subsequently, an advertising-based funding model was introduced to supplement revenue (SABC, 2021).

The South African subscription TV industry was inaugurated in 1985 by M-Net, a subsidiary of the Naspers group of companies. In 1995, Naspers established MultiChoice, launching DSTv as the first satellite subscription TV service in Africa. MultiChoice has since emerged as the dominant player in the African pay-TV market, boasting a subscriber base exceeding 8.9 million as of 2021 (MultiChoice Group, 2021b).

According to Nokuphiwa and Robertson (2020), they argue that while research conducted in other markets suggests a potential correlation between the adoption of OTT TV services and traditional pay-TV subscriptions, this relationship remains unclear within the South African context. This study aimed to conduct a rigorous investigation into the impact of OTT TV services on traditional pay-TV subscriptions in the South African market, providing valuable data to inform regulatory decision-making processes. A significant shift in consumer behaviour is evident, with a growing trend towards cord cutting, characterised by the abandonment of traditional pay-TV services in favour of OTT platforms. Furthermore, a substantial segment of consumers are engaging in cord-shaving, downgrading their premium pay-TV subscriptions to less expensive packages while concurrently subscribing to OTT services. Additionally, a notable segment of consumers, known as 'cord-nevers,' have never subscribed to traditional pay-TV services and have directly adopted OTT platforms as their primary source of entertainment, signifying a fundamental shift in consumer preferences (Nokuphiwa and Robertson, 2020).

Davis and Zboralska (2017), explain that Video-on-Demand (VOD) services utilise disruptive technologies, including big data analytics and artificial intelligence, to deliver a highly personalised viewing experience for each subscriber. These platforms enable users to create personalised playlists and profiles, while simultaneously ensuring user-friendly interfaces to optimise accessibility and enhance the overall user experience. The rise of OTT platforms has

transformed the media consumption landscape, challenging the dominance of traditional television. A comparative analysis highlights the differences and advantages of each format, focusing on content delivery, consumer preferences, technology, and market trends.

#### **2.6.4 Role of Social media and digital communities**

Chu (2021), argue that the advent of digital technology has facilitated the evolution of traditional word-of-mouth marketing, giving rise to electronic word-of-mouth (e-WOM). This digital phenomenon leverages social media platforms to facilitate the rapid and widespread dissemination of information. User-generated content (UGC), created and shared by online users, plays a crucial role in this process, effectively spreading information about products and services within online communities. The emergence of social media and electronic websites has facilitated the emergence of social commerce, enabling two-way communication between businesses and consumers. Rehmani and Khan (2011), conducted research in Pakistan, investigating the factors influencing consumer purchase intentions, with a particular focus on seller-created content, electronic word-of-mouth, perceived quality, and knowledge acquisition. Their findings demonstrated that social media exerts a significant influence on consumer purchase intentions, with platforms such as Facebook and Twitter effectively utilised to enhance purchase intent.

According to Kaplan and Haenlein (2010), the rise of social media platforms has precipitated a paradigm shift in audience engagement, transitioning from passive consumption to active participation. This emphasis on visual communication aligns seamlessly with the aesthetic focus of OTT platforms. The impact of Instagram extends beyond mere engagement, encompassing content discovery, brand promotion, and the fostering of vibrant digital communities (Krieger and System, 2012). According to Harry and Vijayakumar (2024), the convergence of transformative forces positions Instagram as a key catalyst for the growth and impact of Over-the-Top (OTT) media. The intertwined evolution of these platforms reflects a symbiotic relationship that is fundamentally reshaping media consumption patterns and redefining audience engagement.

Social media and digital communities have become critical drivers for the growth and success of OTT platforms. By creating opportunities for content discovery, user engagement, and brand advocacy, these platforms shape consumer behaviour and drive the popularity of OTT services.

## 2.7 CONCEPTUAL FRAMEWORK

Drawing upon a comprehensive review of relevant literature and established theoretical frameworks, this study constructed a conceptual framework to examine the influence of social factors on consumer intent to adopt Over-the-Top (OTT) services in lieu of traditional subscription television. This framework is presented in Figure 2-6.

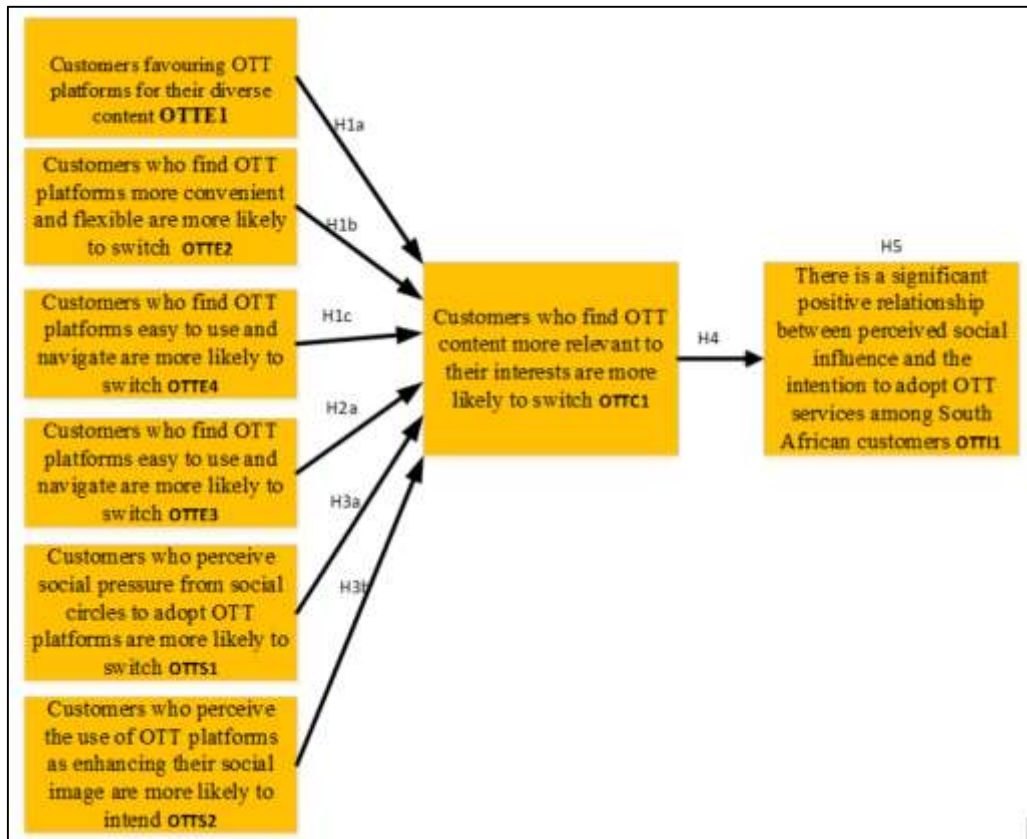


Figure 2-6: Hypothesis development

Source: Author

The following framework for hypothesis was developed as per Table 2-3: Hypothesis framework.

Table 2-3: Hypothesis framework

RO#	Research Objective	Hyp#	Relationship	Hypothesis
1	Examining how the ease of use of OTT platforms, coupled with the clear benefits of using them, influences consumer decisions to switch from traditional TV.	H1a	OTTE1	South African customers favouring OTT platforms for their diverse content are more likely to switch from traditional subscription TV.
		H1b	OTTE2	South African customers who see OTT platforms as more cost-effective are more likely to switch from traditional subscription TV.
		H1c	OTTE4	South African customers who find OTT platforms more convenient and flexible are more likely to switch from traditional subscription TV.
2	Understanding how useful customers find OTT services, in terms of content relevance and quality in South Africa.	H2a	OTTE3	South African customers who find OTT platforms easy to use and navigate are more likely to switch from traditional subscription TV.
3	Understanding how useful customers find OTT services, in terms of content relevance and quality in South Africa.	H3a	OTTS1	South African customers who perceive social pressure from friends, family, and social circles to adopt OTT platforms are more likely to intend to switch to OTT services.
		H3b	OTTS2	South African customers who perceive the use of OTT platforms as enhancing their social image are more likely to intend to switch to OTT services.
4	Explore the relationship between social influence, and the behavioural intention to adopt OTT services over traditional subscription television.	H4	OTTC1	South African customers who find OTT content more relevant to their interests are more likely to switch from traditional subscription TV.
4	Explore the relationship between social influence, and the behavioural intention to adopt OTT services over traditional subscription television.	H5	OTTI1	There is a significant positive relationship between perceived social influence and the intention to adopt OTT services among South African customers.

## **2.8 CONCLUSION**

This chapter thoroughly examined existing research on Over-The-Top (OTT) platform adoption and usability, focusing on what drives customer perceptions and their intentions to use these services. The study explored factors like ease of use, how customers view OTT services, their perceived value, and how social influence affects usage. It also created a conceptual framework, based on these findings, to provide a theoretical foundation for our study. This framework integrated key insights from the literature, offering a structured way to understand user adoption and behaviour within the OTT landscape.

## **CHAPTER 3. RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

This chapter presents the methodology which was applied to conduct this study which consisted of various stages namely; research design, research methodology, data collection, data analysis, the pilot of the study, validity and reliability and ethical consideration. The methods of the study will define sources of data, strategies used for sampling and instruments used to collect data.

### **3.2 RESEARCH DESIGN**

According to Saunders et al. (2009), the research design section provides a crucial overview of the chosen research methods and the rationale underlying their selection. Research design serves as a foundational framework for the effective conduct of research. As noted by Akhtar (2016), four primary research designs can be identified: explanatory, exploratory, experimental, and descriptive. Explanatory research, as defined by Saunders et al. (2009), aims to establish causal relationships between variables, exploring reasons, identifying causes, and providing evidence to support or refute predictions. Akhtar (2016) further characterises explanatory research as an exploration of uncharted territory, investigating phenomena that have not been previously studied.

According to Saunders et al. (2009), exploratory research constitutes a valuable means of gaining initial insights and understanding within a specific research domain. It involves investigating a phenomenon with varying levels of prior knowledge. Akhtar (2016) emphasises that exploratory research serves as the foundational stage of the research process, aiming to uncover novel insights and enhance understanding of a particular phenomenon.

According to Akhtar (2016), experimental research constitutes a research design specifically employed to investigate and establish causal relationships between variables under controlled conditions.

As defined by Kothari (2004), research design constitutes the framework for the collection and analysis of data, emphasising both relevance to the research objective and efficiency in the research process. This study employed a descriptive research design, utilising data collection techniques such as surveys, observations, and case studies. As defined by Nassahi (2015),

descriptive research aims to accurately describe and characterise existing phenomena. This approach contrasts with experimental research, which focuses on examining the impact of interventions. Effective research design necessitates meticulous data collection, rigorous data analysis, and a clear interpretation of the findings in relation to the research question.

A descriptive research design was employed for this study to investigate the effects of Over-the-Top (OTT) services on subscription television providers in South Africa. This research design allows for the comprehensive collection of data to address a broad range of research objectives. Data for this study was collected through a survey instrument, which was distributed to a target group via social media platforms.

### **3.3 RESEARCH APPROACH**

According to Creswell (2013), the three primary research methods are quantitative research, qualitative research, and mixed methods research. As defined by Pathak, Jena, and Kalra (2013), qualitative research emphasises a humanistic or idealistic perspective in understanding and addressing research questions.

#### **3.3.1 Qualitative research**

According to Dieter and Robert (2020), qualitative research encompasses data analysis procedures that involve the categorisation of non-numerical data. This approach encompasses various data collection techniques, including in-depth interviews. As noted by Ellie et al. (2016), qualitative research focuses on understanding the meaning and experiential dimensions within the human experience and social world. Data collection typically relies on spoken communication or open-ended questions.

#### **3.3.2 Quantitative research**

According to Dieter and Robert (2020), quantitative research encompasses data analysis procedures that generate or utilise numerical data, often represented graphically or statistically. This approach often involves data collection techniques such as questionnaires. As noted by Pathak, Jena, and Kalra (2013), the quantitative approach is considered more reliable due to its reliance on objective and replicable numerical methods. While qualitative research provides valuable insights into human beliefs, experiences, attitudes, and behaviours, quantitative

research enables the researcher to conduct a wide range of statistical analyses, from simple calculations to sophisticated statistical modelling, providing a more objective and quantifiable understanding of the research phenomenon.

### **3.3.3 Mixed-model research**

According to Dieter and Robert (2020), mixed-methods research constitutes an approach that integrates both qualitative and quantitative data collection and analysis techniques. This approach allows for the integration of these methodologies at various stages of the research process, including the formulation of research questions. Mixed-methods research provides a more comprehensive understanding of the research problem by integrating the strengths of both qualitative and quantitative approaches.

A quantitative research approach was employed for this study to investigate the effects of Over-the-Top (OTT) services on subscription television providers in South Africa. The primary objective of this research was to analyse data related to ease of use, customer perceptions of OTT services, perceived usefulness, and the influence of social factors on user behaviour. Data were collected from the established sample, allowing for the analysis of observable and measurable data within the South African context.

## **3.4 RESEARCH PHILOSOPHY**

According to Saunders et al. (2009), research philosophy constitutes a fundamental element of the research process, guiding the design and execution of the study. It encompasses a set of fundamental beliefs regarding the nature of knowledge and the process of knowledge generation. As noted by Mark et al. (2009), a researcher's philosophical assumptions play a crucial role in shaping the research strategy and the selection of appropriate research methodologies.

Figure 3-1 shows several types of research philosophy, which can be perceived in diverse ways. Research philosophy contains important distinctions that examine the various processes of research.

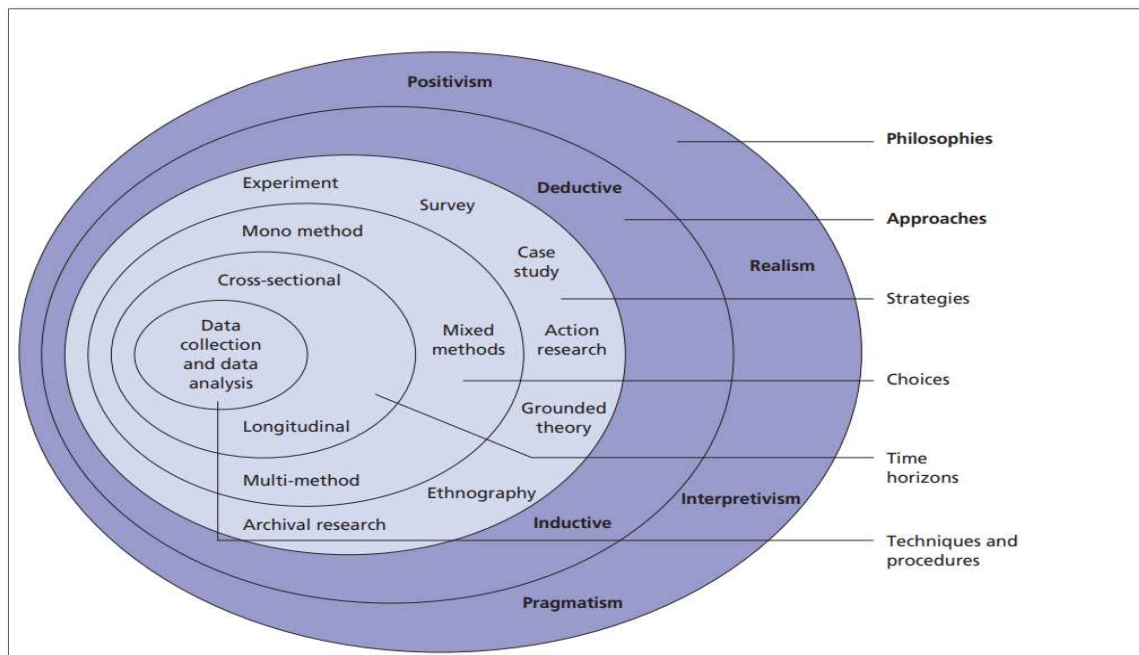


Figure 3-1: The research 'onion'.

Source: Saunders et al. (2009)

### 3.4.1 Epistemology

Research on epistemological beliefs has made significant contributions to the field of education. As defined by David and Andrew (2002), epistemology encompasses a category of informal knowledge that exerts a significant influence on student learning, reasoning, study strategies, and participation. According to Saunders et al. (2009), epistemology constitutes a set of fundamental beliefs regarding the nature of knowledge and the processes of knowledge acquisition. Researchers with a positivist epistemology, akin to natural scientists, prioritise objective data collection and analysis. Conversely, researchers with an Interpretivism epistemology prioritise subjective interpretations and value data based on their own understanding and background.

### 3.4.2 Interpretivism

According to Muhammad (2014), Interpretivism emphasises the socially constructed nature of human experience within social and cultural contexts. This approach posits that human understanding of reality is socially constructed, thus rejecting the applicability of methodologies derived from the natural sciences. Interpretivism advocates for an

understanding of human behaviour that acknowledges the unique characteristics and motivations of individuals as social actors, a concept emphasised by Mark et al. (2009). Interpretivism research involves the interpretation and analysis of events and actions within the context of prevailing social norms and beliefs.

### **3.4.3 Ontology**

As defined by Saunders et al. (2009), ontology deals with the fundamental nature of reality, encompassing a set of assumptions about how the world operates. Two distinct ontological perspectives are prevalent among management researchers. These perspectives guide research practices and contribute to the generation of practical knowledge. According to Luciano (2003), ontology, as a branch of philosophy, investigates the nature of existence, exploring the kinds, structures, and relationships of objects, properties, events, and processes within reality. An ontological perspective enables researchers to define their research objectives objectively and focus on the observable aspects of the world, facilitating a more objective and grounded research approach.

### **3.4.4 Positivism**

As defined by Park et al. (2020), positivism employs the hypothetico-deductive method to test pre-established hypotheses, often expressed quantitatively. This approach focuses on identifying causal relationships between independent and dependent variables. Mark et al. (2009) emphasise the alignment of positivism with the philosophical stance of natural scientists. This approach emphasises the study of observable social phenomena, aiming to derive law-like generalisations about social behaviour, focusing on measurable and observable data.

### **3.4.5 Axiology**

According to Saunders et al. (2009), axiology constitutes a branch of philosophy concerned with the study of values. While encompassing aesthetics and ethics, in the context of research, axiology focuses on the researcher's own values and their influence on the research process. As noted by Catharine and Kai (2015), axiology plays a crucial role in shaping research questions, guiding researchers towards specific areas of interest. Researchers adopting an axiological

perspective are mindful of their own values and their potential influence on the research process.

### **3.4.6 Realism**

According to Saunders et al. (2009), realism represents a distinct philosophical approach to scientific inquiry. Unlike idealism, which posits that reality is mind-dependent, realism asserts that reality exists independently of human perception. This perspective emphasises the importance of objective observation and the study of the world as it exists, aligning with the principles of scientific inquiry.

This research adopted a positivist philosophy, emphasising the importance of objective observation and data-driven analysis, as defined by Husam and Abraham (2020). Positivism prioritises empirical evidence, focusing on measurable phenomena, aligning with the philosophical stance that emphasises the importance of observation for the growth of knowledge, as outlined by Nick (2008). This approach allowed for a focused investigation, minimising the influence of subjective interpretations and ensuring a rigorous adherence to scientific principles. The research aimed to examine measurable and observable impacts of OTT platforms on traditional TV providers, emphasising clear, data-driven outcomes. This approach aligns with the positivist paradigm, which prioritises empirical evidence and observable phenomena.

Positivism seeks to minimise researcher bias and subjectivity. In line with this, the study employed an objective data collection and analysis approach, focusing on factors such as preferred OTT platforms, level of education, and gender distribution across both OTT and traditional TV audiences.

## **3.5 RESEARCH STRATEGY**

According to Saunders et al. (2009), each research strategy can be effectively applied to various research designs, including explanatory, exploratory, and descriptive research. A research strategy serves as a crucial roadmap, providing a clear direction and guidance throughout the research process. As defined by Bryman (2008), research strategy refers to the overall approach to conducting research. Common research strategies employed within the field of business and

management research include experiments, case studies, action research, grounded theory, ethnography, and surveys (Saunders et al., 2009).

According to Saunders et al. (2009), experiments, while originating within the natural sciences, are widely utilized within the field of social science research, particularly within the discipline of psychology. In an experimental design, researchers introduce a new factor into a controlled environment while holding other variables constant.

According to Kothari (2004), a case study constitutes a widely used qualitative research method that involves an in-depth investigation of a specific unit, such as an individual, family, institution, or community. Case studies are frequently employed within the context of market research, providing valuable insights into the complex behaviours and decision-making processes of consumers.

According to Saunders et al. (2009), action research constitutes a collaborative approach to addressing organisational issues, involving the active participation of those directly affected by the change process. This approach emphasises the importance of social contexts and aims to assist individuals in resolving everyday problems within their organisational settings.

As described by Saunders et al. (2009), grounded theory is often considered a prime example of inductive research, although this is a simplification. Grounded theory emphasises the development of theories directly from data through systematic collection and analysis.

According to Saunders et al. (2009), ethnography aims to understand and describe the social world from the perspective of its inhabitants. This approach utilises a diverse range of field methods, including recording, audiovisual documentation, observations, note-taking, and interviews, to gain an in-depth understanding of the social world from the perspective of its members, providing valuable insights into the social realities experienced by individuals within their respective social contexts.

According to Paul and Lard (2003), a survey involves the collection of data from a defined set of objects comprising a population. As stated by Kothari (2004), surveys are crucial for gathering scientifically sound information to serve as a foundation for research conclusions. This study adopted a positivist philosophy and employed a survey-based research strategy. All data was collected from a sample of participants across South Africa. The target population is of critical importance for ensuring the validity of the research findings and for defining the

appropriate sampling frame. The survey instrument included a series of questions which were designed to gather relevant data from a representative sample of individuals.

### **3.6 TARGET POPULATION AND SAMPLING**

According to Shanti and Shanti (2011), research methodology constitutes a systematic approach to conducting research, encompassing the scientific principles and procedures utilised to investigate research questions. This section focused on various sampling strategies employed within the research process. According to data from stats SA (2024), South Africa's mid-year population is estimated to have increased to 63,02 million in 2024, data were collected from 264 respondents out of 303 distributed surveys, achieving an 87.13% response rate

#### **3.6.1 Sampling strategy**

Sampling involves the selection of a representative subset of individuals from a larger population. As defined by Christof, Dominique, Tom, and Yang (2016), a sample constitutes a subset of the population selected for study. This study utilised a quantitative approach with Stratified Random Sampling. The target population was divided into strata based on factors such as age, income, geographic location, and OTT platform preference such as DStv Stream, Showmax, and Netflix. A Stratified Random sample was then selected from each stratum to ensure adequate representation across the diverse demographics within the target population. Yolanda and Zoyné (2007) define sampling as selecting a portion of material small enough in volume to be transported conveniently and managed in the laboratory while still accurately representing the part of the environment sampled.

#### **3.6.2 Kinds of Sampling**

Sampling methods can be broadly categorised into two primary types: namely Probability sampling and Non-probability sampling.

As defined by Creswell (2013), probability sampling involves the random selection of participants, ensuring that each member of the population has an equal probability of being included in the sample. Non-probability sampling, in contrast, lacks a defined probability of selection. Given the large number of South African population, this study opted for a non-

probability sampling method to ensure timely completion within the constraints of the research timeframe.

This study utilised a probability sampling technique, ensuring that each member of the population has a known and non-zero probability of being selected for inclusion in the sample. As defined by Saunders et al. (2009), probability sampling encompasses a range of techniques where the chance, or probability, of each case being selected from the population is known. The study employed a quantitative approach using a Stratified Random Sampling method.

Kothari (2004), explains that stratified sampling as population from which a sample is to be drawn does not constitute a homogeneous group, then stratified sampling technique is applied to obtain a representative sample. In stratified sampling population is divided into strata or (subgroups) who share a similar characteristic. The chosen approach is preferred to select relevant participants from the people. Stratified sampling was used as a sampling technique. This technique allowed each member of the selected population to have an equal chance of being selected. The target population was divided into strata based on factors such as age, income, geographic location, and OTT platform preference (e.g., DStv Stream, Showmax, and Netflix).

Heterogeneous Population: South Africa has a diverse population with significant variations in demographics, socioeconomic status, access to technology, and media consumption habits across different regions. Ensuring Representativeness: Stratified random sampling helped to ensure that the study sample accurately reflects the diversity of South Africa population

### **3.7 DATA COLLECTION**

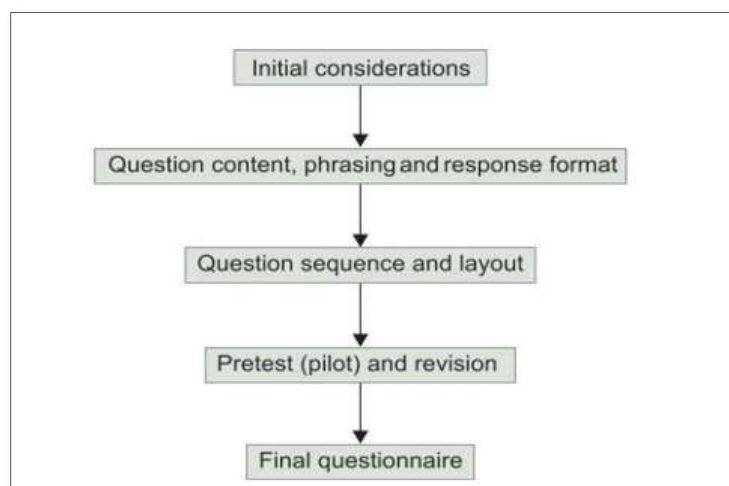
Hox and Boeije (2005) explain that data can be categorised into two types, namely: Primary Data and Secondary Data .

According to Joop and Hennie (2005), primary data are collected for the specific research problem at hand using procedures that best fit the research problem. This data collection collects data through questionnaires or surveys. Surveys were used in this study. According to Joop and Hennie (2005), secondary data sets contain quantitative data from studies of objects whose characteristics are coded in variables with a range of values. According to Roopa and Rani (2012), a questionnaire is the main source of primary quantitative data. A questionnaire

allows for the organization and standardisation of quantitative data, ensuring that the information is consistent and logical for analysis. It is essential that questionnaires are designed with a clear purpose aligned with the research goals, and the intended use of the results should be made explicit from the beginning.

Figure 3-2 explains the well-planned questionnaire process that was used for data collection. This study collected data from primary data and secondary data. Preliminary data were used to focus on the following:

- Shifts in Consumer Behaviour
- Content Preferences
- Technological Influences
- Pricing and Affordability



*Figure 3-2 Stages of planning a questionnaire*

Source: Roopa and Rani (2012)

This study utilised a self-administered survey, allowing participants to respond to all questions included in the survey instrument. The questionnaire was carefully designed to minimise bias. Secondary data were collected through the analysis of relevant previous reports. The survey instrument consisted of various sections, and participants were asked to respond to all sections of the questionnaire.

### **3.7.1 Construction of Questionnaire**

The questionnaire consisted of 10 sections:

- Section 1 collected data on respondent age, allowing for a subsequent analysis of age distribution across different gender groups.

- Section 2 collected data on respondent gender, allowing for a subsequent analysis of gender distribution within the sample.
- Section 3: Consisted of the qualification of the respondents, this data were used to analyse the education level of the participated between different gender.
- Section 4 collected data on the province of residence for each respondent, enabling a subsequent analysis of the geographic distribution of participants within the study.
- Section 5 collected data on the traditional television providers utilised by respondents.
- Section 6 collected data on respondents' perceptions of the OTT platform offering the best value for money.
- Section 7: Investigated the impact of ease of use and perceived benefits on consumer decisions to switch from traditional TV to OTT platforms.
- Section 8: Explored customer perceptions regarding the usefulness of OTT services, specifically focusing on content relevance and quality in the South African context.
- Section 9: Explores customer perceptions regarding the usefulness of OTT services, specifically focusing on content relevance and quality in the South African context.
- Section 10: Examines the relationship between social influence and the intention to adopt OTT services over traditional subscription television.

### **3.8 DATA ANALYSIS**

Sekaran and Bougie (2016) define data analysis as acquiring, processing, presenting, and interpreting data. Numerical data, were collected and analysed using data analysis tools IBM Statistical Package for the Social Sciences (SPSS). According to Saunders et al. (2009), numerical data, which are sometimes termed 'quantifiable', are those whose values are measured or counted numerically as quantities. In this study, descriptive statistics were utilised. According to Geoffrey et al. (2005), descriptive statistics allow the researcher to describe the data and examine relationships between variables. Descriptive statistics were employed to analyse the data. Descriptive statistics enabled the data to be presented meaningfully and allowed the interpretation of the data to be more straightforward. Descriptive statistics were

utilised to provide information about different variables and to highlight potential relationships as explained under data connection.

According to Judithe (2018), Judithe (2018), the process of preparing a dataset for analysis involves converting data from collection tools, such as questionnaires or log files, into a format compatible with data analysis software. Additionally, Judithe (2018) notes that datasets may occasionally include outliers, values that fall outside the expected range. These outliers could represent legitimate data points that reflect rare occurrences or erroneous values that may skew the analysis.

### **3.9 PILOT STUDY**

According to Abu-Hassan et al. (2006), a pilot study refers to a small study undertaken to develop sampling strategies, evaluate research protocols, and use data collection tools and other research techniques that will enable integration into a more extensive research study. A pilot test was conducted with ten participants using social media. Based on the outcome from these participants regarding the clarity of questions, the length of the instrument and the flow of questions, the instrument was then revised and administered.

#### **3.9.1 Feedback related to data**

- Four respondents requested a modification to the question, suggesting the replacement of 'Disagree' and 'Agree' with 'Slightly' and 'Completely' on the Likert scale to improve the clarity and granularity of responses.
- One respondent submitted a request for an addition to Section 2, suggesting the inclusion of options for 'Non-binary/Third Gender' and 'Prefer not to say' to ensure inclusivity in the gender category.

### **3.10 DATA VALIDITY**

According to Sekaran and Bougie (2016), data validity refers to the accuracy and completeness of the collected data. As defined by Saunders et al. (2009), validity addresses the extent to which the research measures what it intends to measure. This study ensured data validity through the employment of objective and straightforward questions. Saunders et al. (2009) identified three key types of validity: face validity, internal validity, and external validity.

External Validity was applied to the study. A large and diverse sample that was representative of the South African population was used. The study was distributed across multiple provinces in South Africa. To enhance the validity of findings from this study, validated questions from previous research were utilised, and randomisation techniques were employed to minimise bias in responses.

### **3.11 DATA RELIABILITY**

According to Sekaran and Bougie (2016), data reliability refers to the consistency and repeatability of measurements, ensuring the accuracy and precision of the measurement procedure. Saunders et al. (2009) identify three key approaches to assessing reliability: test-retest reliability, internal consistency, and alternative forms reliability.

According to Saunders et al. (2009), test-retest reliability assesses the consistency of results over time by correlating scores obtained from repeated administrations of the same questionnaire under similar conditions. Internal consistency, as defined by Osburn (2000), measures the consistency of responses across different items within a survey or test. Internal consistency constitutes a highly flexible and widely applicable method for assessing the reliability of measurement instruments.

According to Saunders et al. (2009), alternative forms reliability assesses the consistency of responses by comparing responses to different versions of the same questions or groups of questions. This study prioritised data reliability through careful research design, appropriate sampling methods, and the application of Cronbach's Alpha to assess internal consistency, ensuring the accuracy and reliability of the research findings.

### **3.12 ETHICAL CONSIDERATIONS**

Ethical considerations for the research and research sample were looked at during the study and are discussed. According to Keith (2000), errors in research can impact people, both those who are subjects and those affected by the research. It is the scholar's responsibility to ensure the participants' well-being, dignity, safety, and rights. According to Keith (2000), the quantitative research process must do the following:

- Consider the consequences of collecting and issuing several types of data and should guard against predictable misinterpretations or misuse.
- Not exaggerate the accuracy or explanatory power of their data.
- Alert potential data users to the limits of their reliability and applicability.

### **3.12.1 Consent from participants**

All respondents were given a formal authorisation, which clarified the purpose of the study and explained why this study is critical. The letter informed participants that this study was for academics, and all respondents signed the consent form.

According to Escobedo et al. (2007), participants must receive consent letters to ensure that their human rights, benefits, risks, and procedures are being communicated.

### **3.12.2 Ensuring confidentiality and anonymity**

Participants were informed that the researcher could only access personal data related to the research and that no names would be shared. Saunders et al. (2009) explain that when offering these, you must be sure that you can keep to your agreement. For confidentiality, anonymity is ensured by not collecting personal information such as the research respondents' names, addresses, and e-mail addresses. Participants were allowed to participate anonymously. The disclosure of sensitive or awkward information may cause respondents to suffer economically, socially, and psychologically, according to Dantzker et al. (2016).

### **3.12.3 Ensuring no harm comes to participants.**

According to Mark et al. (2009), you are required to maintain the utmost confidentiality and refrain from using personal information about people who have not given their consent to you (through client or personnel records) in any way that could harm them. There was no physical pain, and respondents responded in their own words, without persuasion or influence. All participants completed the survey in a secure virtual environment with anonymity and secrecy. Data collection from the questionnaire did not capture or collect all participants' information. The permission that was obtained from the organisation made it possible that no harm to the participants.

#### **3.12.4 Ensuring that permission is obtained.**

The Head of Service operation and the Human resource department granted permission for the research. The requirement was that the study would not use any private information. Mark et al. (2009) explains, while identifying people or organisations is probably the biggest concern, it's important to keep in mind that respondents may consent to data being directly linked to them. A signed copy of the authorisation letter is attached to the appendices.

### **3.13 CONCLUSION**

This chapter has described the research method used in this study. This includes the discussion of the research method that was undertaken for this study. The following chapter discusses the results, interpretation of the study findings and analysing the data collected from the study.

**CHAPTER 4. DATA ANALYSIS AND PRESENTATION OF RESULTS**  
**4.1 INTRODUCTION**

This chapter presents a comprehensive analysis of the data collected through a survey. The data underwent preliminary processing for ease of analysis and presentation. Data analysis focused on making sense from the data that were collected through the data instrument.

**4.2 DATA ANALYSIS AND FINDING**

**4.2.1 Respondents Characteristics**

A total of 303 questionnaires were distributed, and a total of 264 responses were obtained, yielding an 87, 12% response rate. This data forms the basis of the analysis presented in Table 4-1., of the total respondents, 39 individuals began the survey but did not submit their responses.

Table 4-1: Summary table of study

N	Valid	264	264	264	264	264	264
	Missing	0	0	0	0	0	0

**4.2.1.1 Age**

Table 4-2 presents the age distribution of the sample. The 25-34 age group made up the largest segment with 38.6% of respondents, followed by the 35-44 age group at 34.1%. The 18-24 age group accounted for 11.7% of respondents, followed by the 45-54 age group at 7.6% and the 55+ age group at 2.7%. A significant portion (5.3%) of respondents did not complete the study, and this data were s excluded from the analysis.

Table 4-2: Summary table of Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	14	5.3	5.3	5.3
18-24	31	11.7	11.7	17.0
25-34	102	38.6	38.6	55.7
35-44	90	34.1	34.1	89.8
45-54	20	7.6	7.6	97.3
55 and above	7	2.7	2.7	100.0
Total	264	100.0	100.0	

The dominance of the **25-34** and **35-44** age groups highlights that OTT platforms appeal primarily to tech-savvy, career-focused individuals who value flexibility, convenience, and

diverse content. This demographic is likely drawn to OTT due to digital literacy, internet access, and a preference for on-demand content over linear programming.

#### 4.2.1.2 Gender distribution

Table 4-3 presents the gender distribution of the sample, revealing a near-equal split between males (47.3%) and females (46.6%). A small percentage (0.8%) of respondents preferred not to disclose their gender. A significant portion (5.3%) of respondents did not complete the study, and this data was excluded from the analysis.

*Table 4-3: Summary table of Gender*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	14	5.3	5.3	5.3
Female	123	46.6	46.6	51.9
Male	125	47.3	47.3	99.2
Prefer not to say	2	.8	.8	100.0
Total	264	100.0	100.0	

The near-equal distribution suggests that OTT services are equally appealing to males and females, likely due to the diverse content offerings that cater to varied interests and preferences. This balance provides OTT platforms with the opportunity to design inclusive marketing campaigns and avoid gender-biased targeting.

#### 4.2.1.3 Level of education

Table 4-4 presents the educational attainment of respondents. Bachelor's degrees were the most prevalent (19.3%), followed by National Senior Certificates (15.5%). 10.1% of respondents had completed Certificates or Diplomas, 12.1% held National Diplomas, and 11.7% held Master's degrees. 2.7% held Advanced Certificates, 2.3% held Higher Certificates, and 0.4% held Doctorates. 1.5% of respondents did not specify their level of qualification. A significant portion (5.3%) of respondents did not complete the study, and this data was consequently excluded from the analysis.

Table 4-4: Summary table of Level of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	14	5.3	5.3	5.3
Advanced Certificate	7	2.7	2.7	8.0
Bachelor's Degree	51	19.3	19.3	27.3
Certificate or Diploma	33	12.5	12.5	39.8
Doctorate (PhD)	1	.4	.4	40.2
Higher Certificate	6	2.3	2.3	42.4
Master's Degree	31	11.7	11.7	54.2
National Diploma	32	12.1	12.1	66.3
National Senior Certificate (Matric)	41	15.5	15.5	81.8
Other (please specify)	4	1.5	1.5	83.3
Postgraduate Diploma or Honours Degree	44	16.7	16.7	100.0
Total	264	100.0	100.0	

The dominance of respondents with Bachelor’s degrees and other tertiary qualifications suggests that OTT adoption is closely linked to education levels. Individuals with higher education are more likely to have the digital literacy and financial means to adopt and engage with OTT services.

#### 4.2.1.4 Province distribution of the respondents

Table 4-5 presents the provincial distribution of respondents. Gauteng exhibited the highest representation, accounting for 54.9% of the sample. The North West followed with 10.6% representation. 8.0% of respondents were from the Eastern Cape, 5.7% from KwaZulu-Natal, and 4.9% from the Free State. 3.8% were from Mpumalanga and the Western Cape, 2.3% from Limpopo, and 0.8% from the Northern Cape. A significant portion (5.3%) of respondents did not complete the study,

and this data was consequently excluded from the analysis. These incomplete responses were excluded from the final analysis to maintain the integrity and reliability of the data.

*Table 4-5: Summary table of Province*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	14	5.3	5.3	5.3
Eastern Cape	21	8.0	8.0	13.3
Free State	13	4.9	4.9	18.2
Gauteng	145	54.9	54.9	73.1
KwaZulu-Natal	15	5.7	5.7	78.8
Limpopo	6	2.3	2.3	81.1
Mpumalanga	10	3.8	3.8	84.8
North West	28	10.6	10.6	95.5
Northern Cape	2	.8	.8	96.2
Western Cape	10	3.8	3.8	100.0
Total	264	100.0	100.0	

Gauteng’s dominance suggests that OTT providers have a strong foothold in the province, driven by urbanisation, higher income levels, and access to digital technology. This province is a critical market for OTT providers to focus on expanding and retaining user bases.

#### **4.2.1.5 Traditional Television**

The survey results show that DStv is the most popular traditional television provider, with nearly 7 out of 10 respondents (84.5%) reporting that they prefer it. SABC came in second with 8.3%, followed by E.tv at 0.4%. It's important to note that a significant portion (6.8%) of people who started the survey did not finish it, so their responses were not included in the final results.

*Table 4-6: Summary table of traditional television*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		18	6.8	6.8	6.8
	DStv	223	84.5	84.5	91.3
	e.tv	1	.4	.4	91.7
	SABC	22	8.3	8.3	100.0
	Total	264	100.0	100.0	

The strong preference for DStv highlights its ability to retain customers despite the rise of OTT platforms. Factors such as exclusive sports rights, local content, and bundling options (e.g., internet and TV) may contribute to its continued popularity.

#### 4.2.1.6 Preferred OTT Platform

Analysis of Table 4-7 reveals Netflix as the most popular Over-the-Top (OTT) platform among South African respondents, with 54.9% of participants indicating their preference. Showmax follows as the second most preferred platform, capturing 17.8% of the market share. DStv Stream garnered 14.4% of respondent preference. Other garnered 6.8% of respondent preference. It's important to note that 6.1% of respondents did not complete the study, and their data was therefore excluded from this analysis.

*Table 4-7: Summary table of preferred OTT platform*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		16	6.1	6.1	6.1
	DStv Stream	38	14.4	14.4	20.5
	Netflix	145	54.9	54.9	75.4
	Other	18	6.8	6.8	82.2
	Showmax	47	17.8	17.8	100.0
	Total	264	100.0	100.0	

Netflix's position as the most preferred OTT platform highlights its strong appeal across diverse demographics. Competitors must innovate in pricing, content diversity, and user experience to challenge Netflix's dominance. Figure 4-1 clearly indicates Netflix's position as the most preferred OTT platform highlights its strong appeal across all age group. Age 25-34

with high respond at 57, followed by age 35-44 at 55 responded. Age 18-24 with 19 responded, age 45-54 with 11 responded and 55 and above at 3 responded.

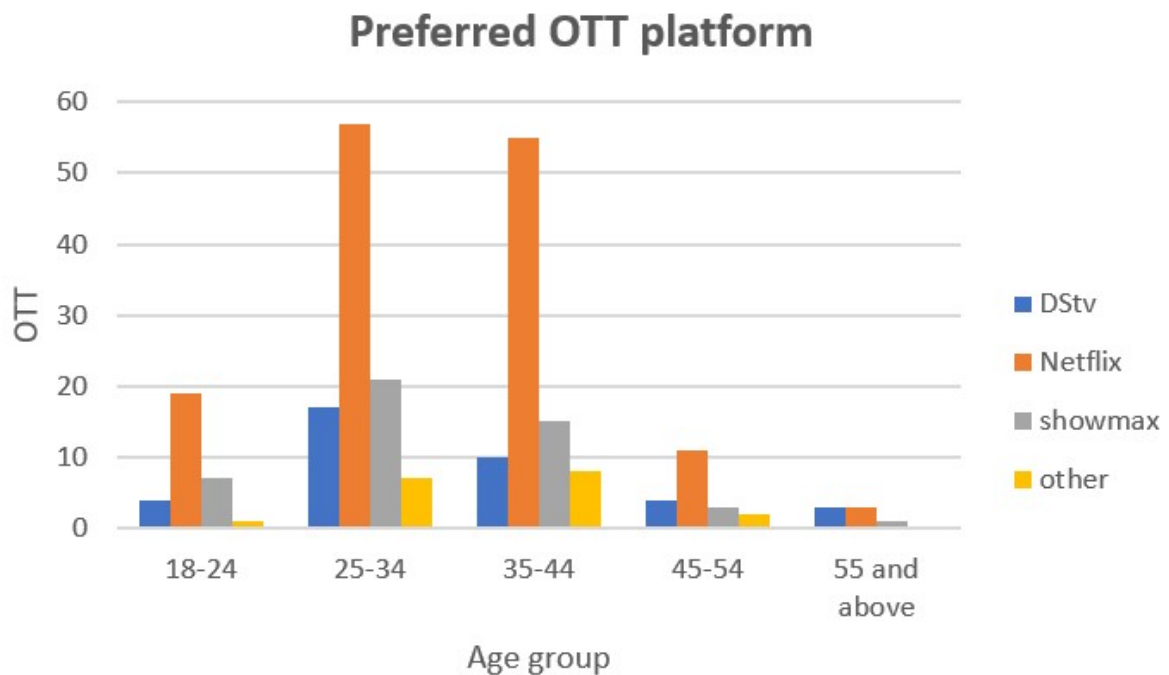


Figure 4-1: Summary table of preferred OTT platform

### 4.3 DESCRIPTIVE DATA

The questionnaire to the respondents consisted of a 5-point Likert scale ranging from 1 (No influence) to 5 (Very strong influence), or 1 (Not at all) to 5 (Completely), 1 (Not important) to 5 (Extremely important), 1 (Very unlikely) to 5 (Very likely), to evaluate the impact, ease of use and adaptability of OTT platform in comparison to traditional TV for the participated responded. Four constructs were developed to enable analysis of data. Items with < 5 % missing responses were treated by mean substitution for that item within each construct. Cases with > 20 % of items missing on any one construct were excluded listwise from that construct's analysis (resulting in N = 230 for OTTE, 216 for OTTS, 210 for OTTC, and 200 for OTTI).

Table 4-8: Definition of constructs

Code name	Description of construct
OTTE	OTT Ease of use compared to TV
OTTS	Social influence to adopting OTT
OTTC	Content quality comparison to traditional TV

*Source: Author (2025)*

#### 4.3.1 Descriptive Statistics for OTTE Construct

The descriptive statistics for OTTE (N = 230) presented an overall mean score of 3.806, showing respondents' positive perception of OTTE. OTTE1 garnered the lowest mean value proving that OTT users somewhat disagree with the statement. OTTE3 presented the highest mean value highlighting that OTT users mostly agree with the statement, this is shown in Table 4-9.

*Table 4-9: Descriptive statistics for OTTE*

Variables	Mean	Std. Deviation	N
OTTE1	3.50	1.189	230
OTTE2	3.69	1.116	230
OTTE3	4.14	1.024	230
OTTE4	3.98	.995	230
OTTE5	3.72	1.059	230

#### 4.3.2 Descriptive Statistics for OTTS Construct

The descriptive statistics for OTTS (N = 216) presented an overall mean score of 2.874 showing respondents' positive perception of OTTS. OTTS5 garnered the lowest mean value proving that OTT users somewhat disagree with the statement. OTTS3 presented the highest mean value highlighting that OTT users mostly agree with the statement, this is shown in Table 4 10.

*Table 4-10: Descriptive statistics for OTTS*

	Mean	Std. Deviation	N
OTTS1	2.89	1.300	216
OTTS2	2.75	1.308	216
OTTS3	3.25	1.150	216
OTTS4	2.86	1.129	216
OTTS5	2.62	1.288	216

### 4.3.3 Descriptive Statistics for OTTC Construct

The descriptive statistics for OTTC (N = 210) presented an overall mean score of 3.928 showing respondents' positive perception of OTTC. OTTC3 garnered the lowest mean value proving that OTT users somewhat disagree with the statement. OTTC4 presented the highest mean value highlighting that OTT users mostly agree with the statement, this is shown in Table 4 11.

*Table 4-11: Descriptive statistics for OTTC*

	Mean	Std. Deviation	N
OTTC1	3.87	.947	210
OTTC2	4.04	.753	210
OTTC3	3.86	.920	210
OTTC4	4.00	.878	210
OTTC5	3.87	1.141	210

### 4.3.4 Descriptive Statistics for OTTI Construct

The descriptive statistics for OTTI (N = 200) presented an overall mean score of 3.032 showing respondents' positive perception of OTTI. OTTI5 garnered the lowest mean value proving that OTT users somewhat disagree with the statement. OTTI2 presented the highest mean value highlighting that OTT users mostly agree with the statement, this is shown in Table 4 12.

*Table 4-12: Descriptive statistics for OTTI*

	Mean	Std. Deviation	N
OTTI1	2.96	1.155	200
OTTI2	3.42	1.077	200
OTTI3	3.12	1.191	200
OTTI4	2.89	1.138	200
OTTI5	2.77	1.303	200

#### 4.4 RELIABILITY OF RESULTS

The reliability of the study was assessed using Cronbach’s Alpha, a widely used measure of internal consistency in social science research (Tavakol & Dennick, 2011). Constructs were evaluated for reliability, with the results presented in Table 4-13. A Cronbach’s Alpha value of 0.70 or higher is generally considered acceptable for ensuring measurement reliability (Nunnally & Bernstein, 1994; Zikmund et al., 2010). To enhance internal consistency, certain scale items were removed based on their impact on overall reliability. The analysis revealed that Cronbach’s Alpha values ranged from 0.619 for the OTTC construct to 0.759 for the OTTE construct. Although the OTTS and OTTI construct yielded a Cronbach’s Alpha above 0.6, some scholars argue that values above 0.60 can still be considered acceptable in exploratory research (Hair et al., 2019; Field, 2013).

Table 4-13: Summary Reliability Analysis for Constructs

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item–Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TotalOTTE	49.1487	138.437	.426	.425	.759
TotalOTTS	53.9128	100.534	.652	.779	.637
TotalOTTC	48.6256	140.442	.477	.448	.737
TotalOTTI	53.0513	102.647	.678	.785	.619

Source: Primary Data

The next sections provide a comprehensive investigation of each construct to determine its dependability. Coherence between items in a construct is assessed using the "Corrected item-total Correlation"; if it is less than 0.3, an item must be removed to improve reliability (Field, 2013). To improve validity, "Cronbach's Alpha if Item Deleted" offers values that may be obtained if such elements are removed from the construct.

##### 4.4.1 OTT Ease of use compared to TV (OTTE Construct)

The Cronbach results of this constructs shows that the scale's items have a strong correlation with one another and consistently assess the same construct, indicating the scale's high reliability and internal consistency. All the Cronbach results are above 0.8 and high correlations as the corrected item total correlation is above 0.6.

Table 4-14: Reliability Analysis for OTTE Construct

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item–Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OTTE1	15.53	11.202	.679	.491	.809
OTTE2	15.34	11.946	.625	.400	.823
OTTE3	14.88	12.226	.662	.447	.813
OTTE4	15.05	12.596	.627	.444	.822
OTTE5	15.31	11.900	.684	.502	.807

Source: Primary Data

Table 4-15: Inter-Item Correlation Matrix

OTTE1	1.000	.556	.594	.445	.567
OTTE2	.556	1.000	.501	.481	.479
OTTE3	.594	.501	1.000	.496	.525
OTTE4	.445	.481	.496	1.000	.616
OTTE5	.567	.479	.525	.616	1.000

Source: Primary Data

#### 4.4.2 Social influence to adopting OTT (OTTS)

The Cronbach results of this constructs shows that the scale's items have a strong correlation with one another and consistently assess the same construct, indicating the scale's high reliability and internal consistency. All the Cronbach results are above 0.8 and a very high correlations as the corrected item total correlation is above 0.6.

Table 4-16: Reliability Analysis for OTTS Construct

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item–Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OTTS1	11.49	17.879	.735	.552	.888
OTTS2	11.62	17.688	.750	.585	.885
OTTS3	11.13	18.817	.752	.575	.884
OTTS4	11.51	18.856	.767	.605	.882
OTTS5	11.75	17.367	.803	.668	.873

Source: Primary Data

Table 4-17: Inter-Item Correlation Matrix (OTTS)

OTTS1	1.000	.616	.672	.633	.633
OTTS2	.616	1.000	.616	.626	.728
OTTS3	.672	.616	1.000	.657	.654
OTTS4	.633	.626	.657	1.000	.725
OTTS5	.633	.728	.654	.725	1.000

Source: Primary Data

#### 4.4.3 Content quality comparison to traditional TV (OTTC)

The Cronbach results of this constructs shows that the scale's items have a strong correlation with one another and consistently assess the same construct, indicating the scale's high reliability and internal consistency. All Cronbach results are above 0.8 and a corrected item total correlation above 0.6, this suggest that the evaluated correlation is too similar and could be streamlined, however it is still relevant.

Table 4-18: Reliability Analysis for OTTC Construct

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OTTC1	15.78	9.926	.598	.382	.865
OTTC2	15.60	10.518	.677	.485	.849
OTTC3	15.79	9.212	.776	.624	.821
OTTC4	15.64	9.398	.785	.658	.821
OTTC5	15.78	8.507	.688	.549	.850

Source: Primary Data

Table 4-19: Inter-Item Correlation Matrix (OTTC)

OTTC1	1.000	.537	.567	.501	.453
OTTC2	.537	1.000	.650	.586	.502
OTTC3	.567	.650	1.000	.718	.611
OTTC4	.501	.586	.718	1.000	.727
OTTC5	.453	.502	.611	.727	1.000

Source: Primary Data

#### 4.4.4 Social influence to switch from TV to OTT platforms (OTTI Construct)

The social influence OTTI Construct yielded the most reliable and coherent results. The Cronbach results of this construct shows that the scale's items have a strong correlation with one another and consistently assess the same construct, indicating the scale's high reliability and internal consistency. All the Cronbach results are above 0.8 to 0.9 and a corrected item total correlation above 0.7, this suggest that the evaluated correlation is too similar and could be streamlined, however it is still relevant.

Table 4-20: Reliability Analysis for OTTI Construct

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OTTI1	12.19	16.677	.834	.705	.888
OTTI2	11.73	18.138	.719	.542	.911
OTTI3	12.04	16.506	.823	.689	.890
OTTI4	12.26	17.610	.731	.567	.908
OTTI5	12.39	15.635	.830	.705	.889

Source: Primary Data

Table 4-21 :Inter-Item Correlation Matrix (OTTI)

OTTI1	1.000	.696	.774	.658	.758
OTTI2	.696	1.000	.683	.547	.629
OTTI3	.774	.683	1.000	.643	.752
OTTI4	.658	.547	.643	1.000	.732
OTTI5	.758	.629	.752	.732	1.000

Source: Primary Data

#### 4.5 FACTOR ANALYSIS

Factor analysis was employed to reduce the dimensionality of the data by identifying underlying latent factors that explain the observed inter-correlations among variables (Field, 2013). This technique aids in data interpretation by simplifying complex datasets into a smaller set of meaningful factors.

Before proceeding with the analysis, the suitability of the data for factor analysis was assessed. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy, as reported in Table 4-22, yielded a value of 0.918, exceeding the recommended threshold of 0.6 (Chan & Idris, 2017). This indicates that the sample is suitable for factor analysis. Furthermore, Bartlett's Test of Sphericity (Approx. Chi-Square = 2745.431, df = 190 and Sig. < 0.001) provided further support for the appropriateness of the factor analysis.

The number of factors to retain was determined using the eigenvalue-greater-than-one criterion. Two components with eigenvalues exceeding 1 were identified, accounting for 68.1% of the total variance explained (Table 4-23). The scree plot (Figure 4-2) visually supports the extraction of five components, as it shows a clear elbow or break after the fifth component. To enhance interpretability, varimax rotation was applied to the extracted factors.

-  
Table 4-22: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.918
Bartlett's Test of Sphericity	Approx. Chi-Square	2745.431
	df	190
	Sig.	<.001

Source: Primary Data

Table 4-23: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.165	40.823	40.823	8.165	40.823	40.823	6.888	34.441	34.441
2	4.153	20.764	61.587	4.153	20.764	61.587	3.573	17.866	52.307
3	1.321	6.604	68.191	1.321	6.604	68.191	3.177	15.884	68.191
4	.740	3.700	71.891						
5	.607	3.034	74.924						
6	.588	2.940	77.864						
7	.533	2.666	80.530						
8	.492	2.459	82.990						
9	.419	2.094	85.084						
10	.381	1.906	86.990						
11	.372	1.858	88.848						
12	.360	1.801	90.649						
13	.326	1.632	92.282						
14	.324	1.621	93.902						
15	.258	1.288	95.190						
16	.244	1.218	96.408						
17	.229	1.145	97.552						
18	.205	1.027	98.579						
19	.167	.836	99.415						
20	.117	.585	100.000						

Extraction Method: Principal Component Analysis.

Source: Primary Data

A graph of the eigenvalues versus each component is called a scree plot. To decide how many components to keep, the graph is helpful. The curve begins to flatten near the place of interest. The curve starts to flatten between factors two and three, as can be observed. Additionally, only three factors have been kept because other factors eigenvalue is smaller than 1.

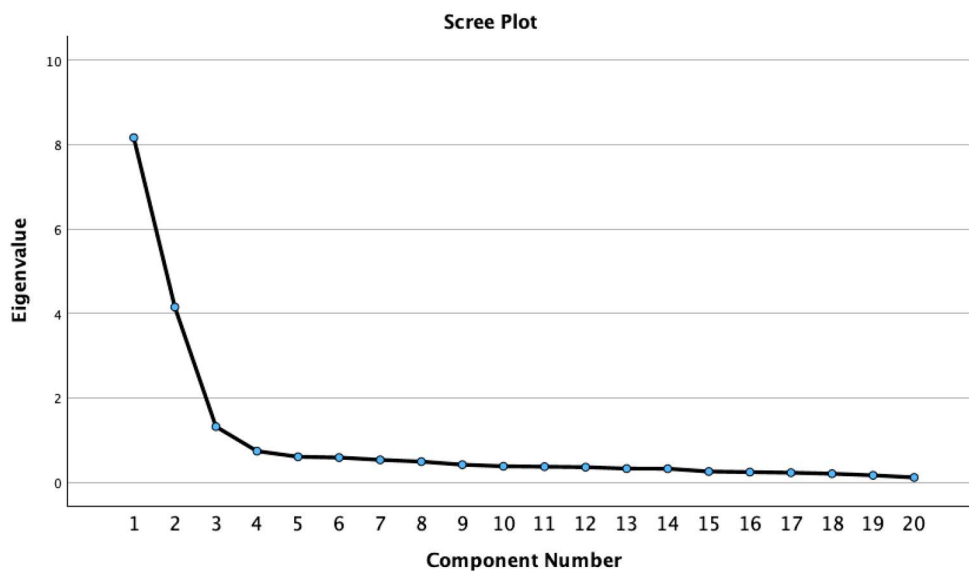


Figure 4-2: Scree Plot

Table 4-24: Rotated Component Matrix

**Rotated Component Matrix<sup>a</sup>**

	Component		
	1	2	3
	.189	.124	.800
	.076	.243	.732
	.089	.208	.759
	-.018	.365	.669
	.132	.445	.670
	.745	.036	.201
	.807	.045	.132
	.798	.112	.204
	.826	.010	.099
	.896	.079	-.010
	.177	.667	.250
	.139	.780	.163
	.168	.851	.170
	.034	.816	.297
	.094	.709	.397
	.870	.152	.104
	.731	.275	.170
	.858	.172	.084
	.785	.044	-.064
	.872	.158	-.062

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Source: Primary Data

Table 4-23 and Table 4-25 shows all the factors extractable from the analysis along with their eigenvalues, the percent of variance attributable to each factor, and the cumulative variance of the factor and the previous factors. The first component accounts for 40.823% of the variance, the second component for 20.764% and the third 6.064% and therefore 68.191% cumulative total variance percentage.

Table 4-25: Total variance analysis

Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
8.165	40.823	40.823	6.888	34.441	34.441
4.153	20.764	61.587	3.573	17.866	52.307
1.321	6.604	68.191	3.177	15.884	68.191

#### 4.5.1 Correlation and Regression Analysis

To test the hypotheses outlined in Chapter 2, the Pearson Correlation coefficient was used to assess the relationships between relevant variables. The strength and direction of these relationships are measured by Pearson's correlation coefficient ( $r$ ), which ranges from -1.00 to 1.00. A value of  $r = 1$  indicates a perfect positive correlation,  $r = 0$  signifies no correlation, and  $r = -1$  represents a perfect negative correlation. The interpretation of correlation magnitude and its corresponding strength follows the guidelines proposed by Evans (1996) and Mukaka (2012), as presented in Table 4-26.

TotalOTTE has a strong positive correlation with TotalOTTC (0.637), a moderate positive correlation with TotalOTTS (0.264), and a weak positive correlation with TotalOTTI (0.239). TotalOTTS has a very strong positive correlation with TotalOTTI (0.879), a moderate positive correlation with TotalOTTE (0.264), and a weak positive correlation with TotalOTTC (0.250). TotalOTTC has a strong positive correlation with TotalOTTE (0.637), a weak positive correlation with TotalOTTS (0.250), and a weak positive correlation with TotalOTTI (0.319). TotalOTTI has a very strong positive correlation with TotalOTTS (0.879), a weak positive correlation with TotalOTTE (0.239), and a weak positive correlation with TotalOTTC (0.319). There are strong positive correlations between TotalOTTE and TotalOTTC, and between TotalOTTS and TotalOTTI.

Table 4-26: Pearson Correlation

		TotalOTTE	TotalOTTS	TotalOTTC	TotalOTTI
TotalOTTE	Pearson Correlation	1	.264**	.637**	.239**
	Sig. (2-tailed)		<.001	<.001	<.001
	N	230	216	210	200
TotalOTTS	Pearson Correlation	.264**	1	.250**	.879**
	Sig. (2-tailed)	<.001		<.001	<.001
	N	216	216	207	198
TotalOTTC	Pearson Correlation	.637**	.250**	1	.319**
	Sig. (2-tailed)	<.001	<.001		<.001
	N	210	207	210	197
TotalOTTI	Pearson Correlation	.239**	.879**	.319**	1
	Sig. (2-tailed)	<.001	<.001	<.001	
	N	200	198	197	200

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

The correlation matrix and regression models produced from the sample data (N = 264) were used to evaluate the following study hypotheses.

- H1a: South African customers favouring OTT platforms for their diverse content are more likely to switch from traditional subscription TV.
- H1b: South African customers who see OTT platforms as more cost-effective are more likely to switch from traditional subscription TV.
- H1c: South African customers who find OTT platforms more convenient and flexible are more likely to switch from traditional subscription TV.

The model shows a moderate positive relationship between the independent variables and the dependent variable ( $R = 0.434$ ). However, the model only explains 18.8% of the variance in the dependent variable ( $R\text{-squared} = 0.188$ ), suggesting that other important factors are not included in the model. Despite the low  $R\text{-squared}$ , the overall model is statistically significant ( $p < .001$ ), meaning that at least one of the independent variables is a statistically significant predictor of the dependent variable.

Table 4-27: H1a, H1b, H1c Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.434 <sup>a</sup>	.188	.177	.859

a. Predictors: (Constant), , ,

Source: Primary Data

Table 4-28: H1a, H1b, H1c ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.607	3	11.869	16.091	<.001 <sup>b</sup>
	Residual	153.426	208	.738		
	Total	189.033	211			

a. Dependent Variable:

b. Predictors: (Constant), , ,

Source: Primary Data

Table 4-29: H1a, H1b, H1c Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.277	.261		8.737	<.001
		.243	.063	.305	3.833	<.001
		.030	.068	.035	.436	.663
		.157	.070	.167	2.239	.026

a. Dependent Variable:

The correlation matrix and regression models produced from the sample data (N = 264) were used to evaluate the following study hypothesis.

- H2a: South African customers who find OTT platforms easy to use and navigate are more likely to switch from traditional subscription TV.

There's a moderate positive correlation (0.346) between the independent and dependent variables. The model only explains 12% of the variance in the dependent variable. Despite the low R-squared, the model is statistically significant ( $p < .001$ ). This means the independent

variable does have a statistically significant relationship with the dependent variable, even though its explanatory power is limited.

Table 4-30: H2a Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.346 <sup>a</sup>	.120	.115	.890

a. Predictors: (Constant),

Source: Primary Data

Table 4-31: H2a ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.600	1	22.600	28.516	<.001 <sup>b</sup>
	Residual	166.433	210	.793		
	Total	189.033	211			

a. Dependent Variable:

b. Predictors: (Constant),

Source: Primary Data

Table 4-32: H2a Coefficients

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.563	.251		10.211	<.001
		.315	.059	.346	5.340	<.001

a. Dependent Variable:

The correlation matrix and regression models produced from the sample data (N = 264) were used to evaluate the following study hypothesis.

- H3a: South African customers who perceive social pressure from friends, family, and social circles to adopt OTT platforms are more likely to intend to switch to OTT services.
- H3b: South African customers who perceive the use of OTT platforms as enhancing their social image are more likely to intend to switch to OTT services.

This hypothesis showed a Sig. (p-value) of 0.032. This is the p-value associated with the F-statistic. It's 0.032, which is *less than* the conventional significance level of 0.05. This means the model *is* statistically significant at the 0.05 level. Even though the R-squared is very low, the model is still statistically significant, indicating that at least one of the independent variables has a statistically significant relationship with the dependent variable. The model has a very weak explanatory power (R-squared = 0.033). Despite the low R-squared, the overall model *is* statistically significant ( $p = 0.032 < 0.05$ ).

Table 4-33: H3a, H3b Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.180 <sup>a</sup>	.033	.023	.934

a. Predictors: (Constant), ,

Source: Primary Data

Table 4-34: H3a, H3b ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.104	2	3.052	3.495	.032 <sup>b</sup>
	Residual	181.630	208	.873		
	Total	187.735	210			

a. Dependent Variable:

b. Predictors: (Constant), ,

Source: Primary Data

Table 4-35: H3a, H3b Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.461	.167		20.760	<.001
		.048	.064	.067	.756	.451
		.094	.064	.130	1.474	.142

a. Dependent Variable:

Source: Primary Data

H4: There is a significant positive relationship between perceived social influence and the intention to adopt OTT services among South African customers.

There's a weak positive correlation (0.246) between the independent and dependent variables. The model only explains 6.1% of the variance in the dependent variable. Despite the low R-squared, the model *is* statistically significant ( $p < .001$ ). This means the independent variable has a statistically significant relationship with the dependent variable, even though it's not a strong predictor.

Table 4-36: H4 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.246 <sup>a</sup>	.061	.056	1.140

a. Predictors: (Constant),

Source: Primary Data

Table 4-37: H4 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.880	1	16.880	12.998	<.001 <sup>b</sup>
	Residual	261.041	201	1.299		
	Total	277.921	202			

a. Dependent Variable:

b. Predictors: (Constant),

Source: Primary Data

Table 4-38: H4 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.805	.336		5.374	<.001
		.304	.084	.246	3.605	<.001

a. Dependent Variable:

Source: Primary Data

## **4.6 CONCLUSION**

Chapter four has presented the systematic approach that was followed in analysing the data in order to address the research objectives of this study. The chapter has presented a step by step approach that was followed and how the data were treated and analysed. The following chapter presents the key findings from the study.

## **CHAPTER 5. KEY FINDINGS FROM THE STUDY**

### **5.1 INTRODUCTION**

This chapter serves to provide a summary of the study's findings and presents actionable recommendations based on these findings. Moreover, it offers insights, implications, and guidance for future work in the field. Provide specific actions that can be executed based on the study's outcomes.

### **5.2 KEY FINDINGS FROM THE STUDY**

The key findings from this study are presented in line with the research objectives that were developed and presented in chapter one section 1.5 aimed at addressing the primary objective as well as the problem statement of this study. The key findings from this study are discussed and presented as follows:

#### **5.2.1 User friendliness and benefits of using OTT platforms and its influence on consumer decisions to switch from traditional TV.**

The study found that user friendliness is a crucial factor driving the shift from traditional TV to OTT platforms. Respondents consistently highlighted the intuitive interfaces, ease of navigation, and overall convenience of OTT services as major benefits that enhance their viewing experience. These platforms, which offer on-demand content and personalised recommendations, provide significant advantages over traditional television by eliminating the constraints of fixed programming schedules and allowing consumers to access content anytime and anywhere. This enhanced usability and the associated benefits are in line with Field's (2013) and Hair et al.'s (2019) findings that a seamless digital interface is critical in increasing user satisfaction and encouraging adoption. As a result, the perceived ease of use has a direct and positive influence on consumer decisions to switch from traditional TV to OTT services, indicating that when consumers find digital platforms more accessible and better tailored to their lifestyle needs, they are more inclined to transition away from conventional broadcast methods.

#### **5.2.2 Usefulness of OTT services, in terms of content relevance and quality to customers.**

In terms of perceptions, respondents rated OTT platforms highly for the quality of content offered. Netflix, in particular, emerged as the preferred OTT service, emphasising that content

diversity is a crucial differentiator in an increasingly competitive market, a point supported by industry reports such as those from Nielsen (2018). The findings from this study revealed that the perceived usefulness of OTT services is strongly linked to the relevance and quality of the content offered. Respondents indicated that OTT platforms excel in delivering personalised, diverse, and high-quality content that resonates with their interests and viewing habits. This tailored content experience is seen as a significant advantage over traditional television, where programming schedules and limited genre diversity often restrict viewer choice. In line with Nielsen's (2018) reports and Field's (2013) findings, the ability of OTT platforms to curate content that is both timely and engaging plays a vital role in enhancing user satisfaction. Customers appreciate the flexibility to access a wide array of genres—from international films and series to niche local productions—which contributes to a more enriched viewing experience. This relevance and quality of content not only drive consumer engagement but also serve as a critical determinant in the decision to switch from traditional TV to OTT services, affirming that content usefulness is a key benefit in the evolving media landscape.

### **5.2.3 The relationship between social influence, and the behavioural intention to adopt OTT services over traditional subscription television.**

The findings from this study revealed that social influence plays a notable role in shaping consumers' behavioural intentions to adopt OTT services, albeit its impact is more subtle compared to intrinsic factors like user friendliness and content quality. Respondents indicated that recommendations from friends, family, and online social networks contribute to their interest in trying out OTT platforms. These external opinions help reduce uncertainty about switching from traditional television, reinforcing the decision when users perceive tangible benefits in content accessibility and personalisation.

However, while social influence is statistically significant, its effect is secondary to the inherent advantages of OTT services. This finding aligns with the research of Evans (1996) and Mukaka (2012), which suggest that while social cues can encourage initial interest, sustained adoption and switching behaviour are more directly driven by the platform's functional attributes. In other words, positive word-of-mouth and social endorsements provide an additional push, yet the ultimate decision to transition from traditional TV is primarily anchored in the intrinsic benefits offered by OTT platforms, such as convenience, diverse content, and on-demand access. Overall, the relationship between social influence and behavioural intention underscores the potential of leveraging social media and peer recommendations in marketing

strategies for OTT services. While social influence may not be the primary driver of adoption, it reinforces consumer confidence and helps build a supportive environment for users considering the shift from conventional subscription television to digital streaming services.

### **5.3 CONCLUSION**

This chapter provided an in-depth analysis of the study's key findings, which were structured in alignment with the research objectives outlined in Chapter 1. The study examined the impact of user-friendliness, content quality, and social influence on consumer decisions to switch from traditional TV to Over-The-Top (OTT) platforms. The results indicate that ease of use, content relevance, and perceived usefulness are significant determinants of consumer adoption of OTT services. Additionally, while social influence plays a role in the decision-making process, its impact is secondary to the functional benefits of OTT platforms. These findings offer valuable insights for industry stakeholders aiming to enhance OTT service adoption and user experience

## **CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 INTRODUCTION**

Chapter six presents conclusions and recommendations drawn from the key findings from the study.

### **6.2 KEY HIGHLIGHTS FROM THE STUDY**

#### **6.2.1 User-Friendliness as a key Driver of OTT**

The study concluded that user-friendliness is a key driver of OTT adoption over traditional television. Respondents consistently highlighted the ease of navigation, intuitive interfaces, and accessibility of OTT platforms as major advantages. The ability to watch content on multiple devices, anytime and anywhere, provides a significant convenience factor absent in traditional TV models. These findings align with prior research, such as Field (2013) and Hair et al. (2019), which emphasise that seamless digital interactions enhance user satisfaction and adoption rates. Therefore, when consumers perceive OTT platforms as more convenient and accessible, they are more inclined to transition away from conventional television.

#### **6.2.2 Usefulness of OTT services**

The study found that content relevance and quality play a crucial role in influencing consumer decisions to adopt OTT services. Respondents rated OTT platforms highly for their diverse, high-quality, and personalised content, with Netflix emerging as a preferred service. Unlike traditional TV, which follows rigid programming schedules, OTT platforms offer tailored recommendations, localised content, and a broader genre selection, which increases viewer engagement. These findings support previous research (Nielsen, 2018; Field, 2013) that content diversity and personalisation are strong determinants of OTT adoption. The study concludes that OTT services must continuously invest in content curation to maintain a competitive advantage.

#### **6.2.3 Relationship between social influence and Consumer adoption of OTT services**

The study concluded that social influence plays a supportive but secondary role in OTT adoption. While recommendations from friends, family, and social networks positively impact consumer interest in OTT services, the decision to switch is primarily driven by the platform's

intrinsic benefits, such as ease of use, content quality, and accessibility. This conclusion aligns with research by Evans (1996) and Mukaka (2012), which found that while social influence can drive awareness, long-term adoption depends on functional advantages. The study suggests that OTT providers should leverage social media, influencer marketing, and referral programs to strengthen consumer confidence and encourage word-of-mouth recommendations.

Based on these key findings the study reaffirms that OTT platforms are disrupting the traditional television industry by offering superior convenience, personalised content, and on-demand access. While social influence plays a role in shaping consumer interest, the core factors driving adoption are usability and content relevance. These findings underscore the need for traditional TV providers to rethink their business models and consider integrating OTT features to remain competitive in an evolving digital landscape.

### **6.3 RECOMMENDATIONS FROM THE STUDY**

Based on the key findings from this study presented above, the study proposes the following recommendations:

#### **6.3.1 Continuous Investment in User Interface**

To further capitalise on the high user-friendliness of OTT platforms, the study recommend that providers should invest in continuous improvement of their user interfaces. This includes regular updates that simplify navigation, reduce loading times, and improve overall accessibility on multiple devices. By prioritising ease of use, OTT services can better cater to consumers who value convenience and seamless interaction, thereby reinforcing their decision to switch from traditional TV. This recommendation aligns with the study's findings as well as prior research by Field (2013) and Hair et al. (2019), which underscore the importance of intuitive design in digital media adoption.

Given that content relevance and quality are paramount in attracting and retaining OTT users, service providers should prioritise the continuous expansion and diversification of their content libraries. This entails investing in both original programming and acquiring exclusive rights to high-demand content. By offering a balanced mix of international blockbusters, local productions, and niche genres, OTT platforms can cater to a wide range of viewer interests. This strategy not only differentiates these services from traditional TV, which often has fixed schedules and limited variety, but also builds a compelling value proposition that meets the dynamic preferences of today's consumers. This recommendation aligns with industry insights

such as those from Nielsen (2018) and Field (2013), emphasising that high-quality and diverse content is a critical determinant of user satisfaction and loyalty.

### **6.3.2 Leverage Advanced Data Analytics and Machine Learning Techniques**

Based on the findings, this study recommends that in order to enhance the perceived usefulness of their content offerings, OTT providers should leverage advanced data analytics and machine learning techniques to deliver highly personalised viewing experiences. By analysing user behaviour and preferences, platforms can tailor content recommendations to individual tastes, ensuring that each viewer encounters a curated selection of relevant and engaging content. This personalised approach not only improves user satisfaction by making it easier to discover new shows and films but also fosters a deeper connection between the user and the platform. The integration of sophisticated personalisation features is supported by recent studies (e.g., Field, 2013; Hair et al., 2019) which indicate that when content relevance is optimised, users are more likely to continue using the service and less likely to switch to alternative platforms.

OTT providers should integrate value-added features such as personalised content recommendations, multi-user profiles, and interactive viewing options such as live chats or community forums. These enhancements not only improve the user experience but also differentiate OTT services from traditional TV. Incorporating such features can increase customer engagement and satisfaction, further driving the shift towards digital streaming. Emphasising these benefits can serve as a competitive advantage in a market where user-friendly and beneficial features are key decision factors for consumers.

### **6.3.3 Develop Targeted Social Media Marketing Strategies**

Since social influence plays a supportive role in consumers' decisions to adopt OTT services, this study recommends that providers should develop targeted social media marketing strategies. This could involve collaborating with influencers, encouraging user-generated content, and implementing referral programs that incentivise current subscribers to share their positive experiences. As research by Evans (1996) and Mukaka (2012) suggests, social endorsements can enhance consumer confidence and complement the intrinsic benefits of OTT services. By creating a strong online community, providers can harness the power of word-of-mouth to attract new users.

In addition to social media marketing, OTT providers should consider launching community engagement programs such as online forums, exclusive subscriber events, or interactive content sessions. These initiatives can facilitate deeper social connections among users and create a sense of belonging that reinforces the decision to switch from traditional TV. By fostering an active community, providers not only leverage social influence but also generate continuous feedback that can be used to further enhance the service.

## **6.4 MANAGERIAL IMPLICATIONS**

The findings from this study provide significant implications for leaders and decision-makers in the television industry, particularly those overseeing both traditional subscription-based television and Over-the-Top (OTT) streaming services. As consumer preferences shift towards digital, on-demand content, industry stakeholders must adapt their strategies to remain competitive. Below are the key managerial implications derived from the study's findings.

### **6.4.1 Strategic Adaptation to Changing Consumer Preferences**

The study highlights a clear shift in consumer behaviour, where user-friendliness, content relevance, and social influence play a major role in the adoption of OTT services over traditional television. This shift necessitates that TV industry executives rethink their business models. Traditional TV providers must explore hybrid models that integrate OTT functionalities, such as video-on-demand (VOD) services and streaming platforms, to remain relevant. Companies like MultiChoice and Comcast have already started incorporating streaming solutions alongside their traditional broadcasting models to maintain customer retention.

### **6.4.2 Content Curation and Personalisation as Competitive Advantages**

With content quality and relevance being critical factors for user retention, managers in the OTT space must prioritise advanced content curation and personalisation strategies. Leveraging artificial intelligence (AI) and machine learning algorithms to analyse viewer preferences and deliver tailored recommendations can significantly improve customer engagement. Traditional TV providers should also consider upgrading their digital offerings by including AI-driven content discovery mechanisms to match the expectations set by leading streaming platforms like Netflix and Amazon Prime.

### **6.4.3 Rethinking Monetisation Strategies**

The findings suggest that OTT services provide consumers with more flexibility and cost-effectiveness compared to traditional television. This has implications for revenue generation strategies in the TV industry. Traditional pay-TV providers should explore alternative monetisation models such as freemium subscriptions, ad-supported streaming, and tiered pricing options. Additionally, partnerships between telecom operators and streaming platforms for bundled internet and OTT packages can be a sustainable strategy to retain subscribers.

### **6.4.4 Leveraging Social Influence and Community Engagement**

The study emphasises the role of social influence in shaping consumer decisions to adopt OTT platforms. Managers in the TV industry should focus on strategies that enhance social engagement, such as interactive content, user-generated content, and community-driven recommendations. Leveraging social media marketing and influencer partnerships can also be an effective way to attract and retain younger audiences who are highly influenced by peer recommendations.

### **6.4.5 Infrastructure and Technological Investment**

As more consumers migrate to OTT services, network reliability and streaming quality become critical factors. Traditional TV service providers should consider investing in cloud-based streaming infrastructure, 5G integration, and improved content delivery networks (CDNs) to enhance streaming speed and reduce latency. Likewise, partnerships with telecom providers to offer affordable data plans tailored for streaming can further drive consumer adoption.

## **6.5 AREAS FOR FUTURE STUDIES**

Given the evolving nature of the television and streaming industry, future research can explore several critical areas to build on the findings of this study.

### **6.5.1 The Long-Term Impact of OTT on Traditional Television Business Models**

While this study has examined consumer behaviour and preferences regarding OTT services, future research could investigate the long-term effects of OTT adoption on traditional TV networks. Specifically, studies could analyse whether traditional broadcasters will continue to lose market share or if hybrid models such as integrating streaming services within traditional TV packages can sustain their relevance.

### **6.5.2 The Role of Artificial Intelligence and Data Analytics in OTT Personalisation**

As content personalisation becomes a key differentiator in the OTT industry, future studies can explore the effectiveness of artificial intelligence (AI) and big data analytics in enhancing user experience. Research could assess how AI-driven recommendations influence viewing habits and subscription retention rates. Additionally, examining ethical concerns surrounding user data privacy in personalised streaming services would be a valuable contribution.

## **6.6 CONCLUSION**

The findings of this study indicate that OTT platforms are rapidly transforming the television industry, necessitating strategic adaptations from traditional TV providers. To remain competitive, industry leaders must embrace digital transformation, invest in personalised content experiences, explore innovative monetisation models, and leverage social influence for customer acquisition and retention. By addressing these implications, TV industry managers can navigate the evolving media landscape and sustain long-term growth

This chapter presented the key findings of the study, highlighting the influence of OTT platform user-friendliness, content relevance, and social influence on consumer adoption of streaming services over traditional TV. Based on these findings, recommendations were proposed for industry stakeholders, emphasising content curation, strategic adaptation, and leveraging social influence. Additionally, the managerial implications underscored the need for industry leaders to innovate, invest in technology, and explore new monetisation strategies. Lastly, areas for future research were suggested, focusing on the long-term impact of OTT on traditional TV and the role of AI in content personalisation. These insights contribute to the ongoing discourse on digital transformation in the television industry.

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## **APPENDIX A – PARTICIPANT INFORMATION SHEET**

**Title of the Study:** An investigation of effects of Over-the-Top on subscription Television Providers in South Africa

### **Introduction:**

You are invited to participate in a research study conducted by Vuyani Lukhele, a Master's Student Researcher at University of the Witwatersrand. This study aims to explore the impact of Over-the-Top (OTT) services, such as DStv stream, Netflix, Showmax, and YouTube, on traditional subscription television providers in South Africa. Your participation in this study is entirely voluntary, and it is important that you understand why the research is being conducted and what your participation will involve. Please take time to read the following information carefully.

### **Purpose of the Study:**

The purpose of this study is to investigate the effects of OTT services on subscription television providers in South Africa. We seek to explore how consumer preferences, technological innovations, and market trends are shaping the competitive landscape for traditional TV providers. Your responses will contribute to a better understanding of the current market dynamics and may help to inform future business strategies in the media industry.

### **What Will Participation Involve?**

If you agree to participate, you will take part in a survey that will cover topics such as:

- Your usage of OTT services and traditional TV services.
- Your perceptions of the quality, affordability, and accessibility of these services.
- Your opinion on the future of the TV industry in South Africa.

The survey will take approximately 15min to complete.

Participation is entirely voluntary, and you are under no obligation to take part. If you decide to participate, you are free to withdraw at any point without giving a reason and without any consequences. There are no significant risks involved in participating in this study. Your responses will be anonymous, and the data will be used solely for academic purposes. While

you may not benefit directly from participating in this research, your input could help provide valuable insights into the rapidly changing media industry in South Africa.

The results of this study will be used in an investigation of effects of Over-the-Top on subscription Television Providers in South Africa thesis and may be published in academic journals or presented at conferences. However, no individual participants will be identified in any publications or presentations.

If you have any questions or would like more information about this study, please feel free to contact Vuyani Lukhele at [0404667D@students.wits.ac.za](mailto:0404667D@students.wits.ac.za). You can also contact Prof Stewart Peter Kaupa at [stewkaupa@gmail.com](mailto:stewkaupa@gmail.com) if you have concerns about the conduct of this research.

Thank you for considering taking part in this study. Your input is invaluable and greatly appreciated.

## APPENDIX B – RESEARCH INSTRUMENT



Faculty of Commerce, Law and Management

Master of Management in Digital Business

Researcher: Vuyani Lukhele  
Contacts: E-mail: 0404667d@students.wits.ac.za  
Cell: +27795298769

Supervisor: Prof. Stewart Kaupa  
Contact: [stewkaupa@gmail.com](mailto:stewkaupa@gmail.com)

Dear Respondent,

I, Vuyani Lukhele am a Masters student in the faculty of Commerce, Law and Management, at the University of The Witwatersrand. You are invited to participate in a research project titled: **AN INVESTIGATION OF EFFECTS OF OVER-THE-TOP ON SUBSCRIPTION TELEVISION PROVIDERS IN SOUTH AFRICA.**

The aim of this study is to:

- Examining the user friendliness and benefits of using OTT platforms to customers
- Investigating the usefulness of OTT services, in terms of content relevance and quality to customers.
- Evaluating the impact of societal pressure and perceived status on the adoption of OTT in South Africa.
- Examining the influence of social factors on the adoption of OTT services over traditional subscription television.

Through your participation this study aims at understanding the impact of clear effects of over-the-top on subscription television providers in South Africa. This study aims to understand customer behaviour and factors driving these customers to switch from traditional subscription TV services to OTT platform services.

This study is undertaken with the aim of contributing to the field of management in the area of Digital Business. Your participation in this project is voluntary. You may withdraw from the project at any time. There will be no monetary gain from participating in this research project.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

It should take you about 1 Hour to complete this questionnaire. I hope you will take the time to complete this questionnaire.

Thanking you in advance for taking your time

Sincerely,

Vuyani Lukhele

Investigator's signature

Date. November 2024

**APPENDIX C – RESPONDENT CONSENT FORM**



Faculty of Commerce, Law and Management

Master of Management in Digital Business Research Project

Researcher: Vuyani Lukhele

Contacts: E-mail: 0404667d@students.wits.ac.za

Cell: +27795298769

Supervisor: Prof. Stewart Kaupa

Contact: [stewkaupa@gmail.com](mailto:stewkaupa@gmail.com)

**CONSENT**

I \_\_\_\_\_ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire to do so.

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

What is your age?

**What is your age?**

- 18-24
- 25-34
- 35-44
- 45-54
- 55 and above

**What is your gender?**

- Male
- Female
- Non-binary / third gender
- Prefer not to say

**What is your highest qualifications?**

- National Senior Certificate (Matric)
- Certificate or Diploma
- Higher Certificate
- Advanced Certificate
- National Diploma
- Bachelor's Degree
- Postgraduate Diploma or Honours Degree
- Master's Degree
- Doctorate (PhD)
- Other (please specify)

**Which province do you reside in?**

- Eastern Cape
- Free State
- Gauteng
- KwaZulu-Natal
- Limpopo
- Mpumalanga
- Northern Cape
- North West
- Western Cape

**Which traditional TV provider do you currently watch?**

- DSTV
- e.tv
- SABC

Which Over-the-Top service do you think offers the best value for money?

- DStv Stream
- Netflix
- Showmax
- Other

To what extent does the perceived ease of use of OTT platforms influence your decisions to switch from traditional TV?

- 1 = No influence
- 2 = Slight influence
- 3 = Moderate influence
- 4 = Strong influence
- 5 = Very strong influence

How significantly do the perceived benefits of OTT platforms (e.g., convenience, content variety, cost) affect your decisions to switch from traditional TV?

- 1 = Not important
- 2 = Slightly important
- 3 = Moderately important
- 4 = Very important
- 5 = Extremely important

How likely are you to switch from traditional TV to OTT platforms because of their ease of use?

- 1 = Very unlikely
- 2 = Unlikely
- 3 = Neutral
- 4 = Likely
- 5 = Very likely

How frequently do you switch from traditional TV to OTT services, considering factors like ease of use, cost savings, and content variety?

- 1 = Never
- 2 = Rarely
- 3 = Sometimes
- 4 = Often
- 5 = Always

How much does the ease of using OTT services impact your decision to switch from traditional TV in South Africa?

- 1 = Not at all
- 2 = Slightly
- 3 = Moderately
- 4 = Significantly
- 5 = Completely

To what extent does societal pressure influence your decision to adopt OTT services over traditional TV?

- 1 = No influence
- 2 = Slight influence
- 3 = Moderate influence
- 4 = Strong influence
- 5 = Very strong influence

How much does perceived status (e.g., being seen as modern or tech-savvy) impact your decision to adopt OTT services?

- 1 = Not important
- 2 = Slightly important
- 3 = Moderately important
- 4 = Very important
- 5 = Extremely important

What role does social influence (e.g., recommendations from friends, family, or social media) play in your decision to switch to OTT services?

- 1 = No role
- 2 = Minor role
- 3 = Moderate role
- 4 = Significant role
- 5 = Very significant role

How frequently do you feel societal pressure to adopt OTT services based on what others in your social circles are doing?

- 1 = Never
- 2 = Rarely
- 3 = Sometimes
- 4 = Often
- 5 = Very frequently

What percentage of your decision to adopt OTT services would you attribute to societal expectations or perceived social status?

- 0-20%
- 21-40%
- 41-60%
- 61-80%
- 81-100%

How relevant do you find the content offered by OTT services (e.g., Netflix, Showmax) compared to traditional TV providers (e.g., DSTV, SABC)?

- 1 = Much less relevant
- 2 = Less relevant
- 3 = Equally relevant
- 4 = More relevant
- 5 = Much more relevant

How satisfied are you with the variety of content available on OTT services compared to traditional subscription TV providers?

- 1 = Very dissatisfied
- 2 = Dissatisfied
- 3 = Neutral
- 4 = Satisfied
- 5 = Very satisfied

To what extent do you believe OTT services offer content that is more relevant to your interests than traditional TV providers?

- 1 = Not at all
- 2 = Slightly
- 3 = Moderately
- 4 = Significantly
- 5 = Completely

How often do you find yourself choosing OTT services over traditional TV because of the relevance of the content?

- 1 = Never
- 2 = Rarely
- 3 = Sometimes
- 4 = Often
- 5 = Always

What percentage of your viewing time is spent on OTT services compared to traditional subscription TV providers?

- 0-20%
- 21-40%
- 41-60%
- 61-80%
- 81-100%

To what extent does social influence (e.g., recommendations from friends, family, or social media) affect your intention to adopt OTT services over traditional TV?

- 1 = Not at All
- 2 = A Little
- 3 = Moderately
- 4 = Very Much
- 5 = Extremely

How likely are you to adopt OTT services if people in your social circle (friends, family, colleagues) are using them?

- 1 = Very Unlikely
- 2 = Unlikely
- 3 = Neutral
- 4 = Likely
- 5 = Very Likely

How much do social trends (e.g., popularity of OTT services on social media) influence your decision to switch from traditional TV to OTT services?

- 1 = No influence
- 2 = Slight influence
- 3 = Moderate influence
- 4 = Strong influence
- 5 = Very strong influence

How frequently does the behaviour of others (friends, family, social media influencers) impact your intention to continue using traditional TV services?

- 1 = Never
- 2 = Rarely
- 3 = Sometimes
- 4 = Often
- 5 = Always

What percentage of your decision to adopt OTT services would you attribute to social influence?

- 0-20%
- 21-40%
- 41-60%
- 61-80%
- 81-100%

## APPENDIX D – ETHICS CLEARANCE CERTIFICATE

Graduate School of Business Administration  
University of the Witwatersrand, Johannesburg



### Wits Business School Ethics Committee

Constituted under the University Human Research Ethics Committee (Non-Medical)

### Ethics Clearance Certificate

**Ethics protocol number:** WBS/DB0404667D/859

*This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).*

<b>Project title</b>	Investigating over-the-top effects on subscription television providers in South Africa
<b>Investigator / Researcher</b>	Mr Vuyani Lukhele
<b>Nature of Project</b>	MM (Digital Business)
<b>Decision of the Committee</b>	Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.
<b>Issue Date of Certificate</b>	12/09/2024
<b>Expiry date</b>	Date of submission of the project / research report
<b>Chairperson</b>	Dr Ayanda Magida ☎ +27 11 717 3953 ✉ <a href="mailto:ayanda.magida@wits.ac.za">ayanda.magida@wits.ac.za</a> 

### Declaration by Researcher

*One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.*

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

*Vlukhele*

Signature

15/09/2024

Date:

## APPENDIX E – PLAGIARISM DECLARATION



	
<b>THIS DECLARATION IS TO BE ATTACHED TO ALL ASSIGNMENTS</b>	
<b>Assignment details</b>	
Course Code: BUSA7480A	Course Name: Research Methodology
Research Report Project	Date: 17 February 2025
Assignment topic: AN INVESTIGATION OF EFFECTS OF OVER-THE-TOP ON SUBSCRIPTION TELEVISION PROVIDERS IN SOUTH AFRICA	
<b>Student Declaration</b>	
<p>I am aware that plagiarism (the use of someone else’s work without their permission and/or without adequately acknowledging the source) is wrong and is a violation of both the General Rules for Student Conduct and the Plagiarism Policy of the University of the Witwatersrand.</p> <p>I am aware that it is wrong and is a violation of both the General Rules for Student Conduct and the rules of the Wits Business School for a student to submit for a course, unit, or programme of study, without the written approval of the course instructor or the programme director, all or a substantial portion of any work for which credit has previously been obtained by the student or which has been or is being submitted by the student in another course, unit, or programme of study in the University or elsewhere.</p> <p>I confirm that this assignment is my own unaided work except where I have explicitly indicated otherwise.</p> <p>I confirm that this assignment has not been nor will be submitted in whole or in substantial part in another course, unit, or programme of study in the University or elsewhere without the written approval of the course or unit instructor or the programme coordinator.</p>	

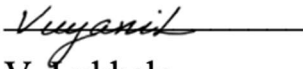
I confirm that I have followed the required conventions in referencing the words and ideas of others in this assignment.

I confirm that I understand that this assignment may at any time be submitted to an electronic plagiarism detection system and may be stored electronically for that purpose.

I confirm that I have received a copy of the University's Plagiarism Policy S2003/351B and a copy of the General Rules for Student Conduct and Code of Conduct C2010/27.

I confirm that I understand that any and all applicable policies, procedures, and rules of the University and of the School may be applied if there is a belief that this assignment is not my own new and unaided work, or that have failed to follow the required conventions in referencing the words and ideas of others, and I understand that application of the policies, procedures, and rules may lead to the University taking disciplinary action against me.

Note: The attachment of this statement on any electronically submitted assignments will be deemed to have the same authority as a signed statement.

Research Report Project	Date: 17 February 2025	
<b>Student details</b>		
<b>Student Number:</b>	<b>Student name:</b>	<b>Signature:</b>
0404667D	VUYANI LUKHELE	 V. Lukhele

## **APPENDIX F – EDITING LETTER CONFIRMATION**

### **LANGUAGE AND COPY-EDITING CERTIFICATE**

14 FEBRUARY 2025

**RE: LANGUAGE, COPYEDITING AND PROOF READING OF THE THESIS OF MR VUYANI LUKHELE, STUDENT NUMBER 0404667D. THESIS FOR THE MASTERS DEGREE IN MANAGEMENT-DIGITAL BUSINESS AT UNIVERSITY OF THE WITWATERSRAND.**

**THIS CERTIFICATE SERVES TO CONFIRM THAT I HAVE COPYEDITED AND PROOFREAD VUYANI LUKHELE’S THESIS FOR MASTER IN MANAGEMENT-DIGITAL BUSINESS TITLED: AN INVESTIGATION OF EFFECTS OF OVER-THE-TOP ON SUBSCRIPTION TELEVISION PROVIDERS IN SOUTH AFRICA.**

I declare that I have professionally copyedited and proofread the thesis and removed mistakes and errors in spelling, grammar, and punctuation. In some cases, I have improved sentence construction without changing the content provided by the student. I have also removed some typographical errors from the thesis and formatted the thesis so that it complies with **THE UNIVERSITY OF THE WITWATERSRAND’S** thesis guidelines.

I am a trained language and copy editor and have edited many post graduate Diplomas, Masters’ thesis, Dissertations, and Doctorial Dissertations for students across southern Africa higher learning institutions.

Your sincerely

Dr Richard J. Graham