

Chapter 5: Conclusion

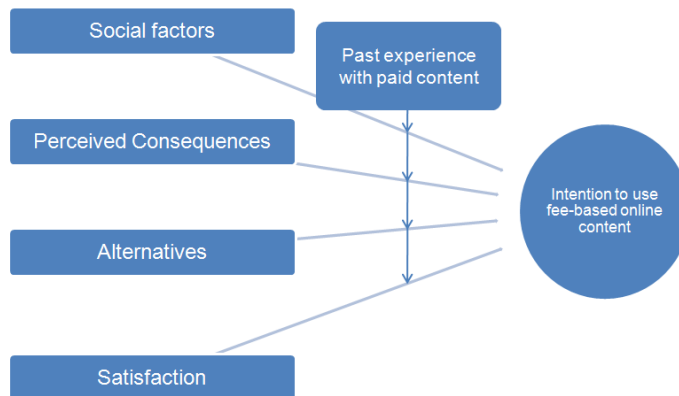
5.1 Results

As we have discussed already, the factors which affect a user’s intention to pay for content online are the perceived consequences as a result of accessing that online content service, the user’s normative beliefs or social factors, the value that the user places on the paid content service as compared to similar free alternatives, and for continued usage – how satisfied the user is with the online content service that they have paid to access. The perceived ease of use however, does not play a significant role in determining a user’s intention to pay for an online content service.

Further, by comparing groups, we have seen that even though the kind of content consumed does not affect their agreement on various constructs and the intention to pay, their past experience in dealing with an online content service does.

We can graphically represent our modified model as below:

Figure 5.1: Amended research model



5.2 Research Implications and contributions

Our hypotheses were based broadly on elements of the Theory of Reasoned Action and the Technology Acceptance Model. Our model can account for about 62% of variance in total intention as far as online paid is content is concerned, which is a pretty good result.

Our result about the perceived ease of use is quite the opposite of what Choi et al achieved in a previous study (Choi et al, 2009). One possible explanation could be that in the time that has passed, the general populace has grown ever more comfortable with the internet, even if they do not regularly consume content online. That combined with the fact that the survey was carried out mainly among an internet-savvy respondent base could explain why the perceived ease of use as a determinant did not sway opinion in either direction.

This result brings out some interesting points for thought about the concurrence and relevance of past research papers on similar or even identical research topics. It can be argued that technology and human interaction with technology is evolving so fast that even a project done a couple of years ago can start to lose relevance. In addition, the role of cultural differences should not be underestimated. These two factors lead to a loss of generalisability of these kinds of studies, and care should be taken when making decisions based on such results.

Also, as opposed to what Choi et al found, we find that social factors play a smaller but still notable role in determining a user's intention to pay for online content. Possible explanations could be differences in culture, a different time-frame or a combination of the two.

The last difference between Choi et al's study and ours is the difference in intention between various groups based on the kind of content they had previously consumed. Choi et al's study found that there were significant differences in measures of perceived consequences, satisfaction and social factors among the four groups (based on whether they had consumed entertainment or information content). For our study though, the difference was much less pronounced, and in fact, there were only differences found in two of the constructs – perceived consequences and satisfaction, and for both of these constructs, the differences were between those who had never paid for online content before, and those who had paid for both entertainment and information content before. This seems to imply that for our sample, the differentiating factor is not what kind of content they had consumed, but rather whether they had consumed content before at all or not.

5.3 Research limitations

This research project was conducted completely online using a small number of channels. One can assume quite safely that the individuals who have responded to this survey are quite open-minded about technology, and are obviously comfortable with using online forums and professional or social networking sites. However, how representative this is of the actual population is open to debate.

Due to time constraints, a pilot study was not carried out, which led to a lower reliability of the data captured. This problem could almost certainly have been eliminated if time allowed for a pilot survey to be carried out, and then the questionnaire modified for improved reliability.

Further, the respondents come from only two countries, and even without cited references, we can assume that the attitudes towards something like online paid content would differ in other markets, and it would not be advisable to generalise these results in order to make a judgment about some other market in another country without due field research.

5.4 Further research

We have already seen a couple of areas where further investigation is warranted above. Further research can be done in several directions, such as exploring whether there are any other factors apart from the ones researched in this paper that affect the take-up of paid content in a Business To Business context for example, where the end-user has less control over the action of paying for content – or even carrying out the same study using a different sampling mechanism in order to try and get a more accurate representation of the actual population.

With adequate resources, a qualitative study might help to get a more detailed understanding of what exactly the user is thinking when presented with the option of paying for an online content service, and also taking the time to explain exactly what is meant by an “online content service” – as a detailed explanation would be much better than a brief example in a quantitative survey questionnaire like ours.

It would also be interesting to see if demographic factors such as age, income, gender or profession have any effect on attitudes towards online paid content.

And lastly, there is always room to replicate the study in another market, to see if the same factors play the same role in say India or Hong Kong. Coupled with this, cultural elements could be interwoven to see if any peculiar cultural elements influence users' intentions in these markets.

5.5 Management implications

The results from this study shed light on user behaviour and attitude towards paid online content at a time when this is a very important topic of discussion in the publishing industry – more specifically for magazines and newspapers. 2009 saw the closure of several magazines and newspapers in the UK and the US, and a study and understanding of the factors that affect a user's decision to pay for content online would be very valuable for those involved in this industry. As mentioned earlier, there are many instances of successful, online paid content services, but for the periodical publishing industry, this seems to be an uphill task. The results of this research are very relevant to this situation – and in a way bring out what the critical success factors are that the affected players in the industry should focus on.

The results of this particular study suggest that in order to achieve success in the form of revenue obtained from online sources, providers of online content should focus their efforts on sending out clearly to their audience the message of what the benefits are of consuming their content; how would a user benefit as a direct result of consuming that content? But this is probably more apt for the acquisition of new customers.

In order for an online content service to be commercially viable though, returning customers are also important – and here, customer satisfaction and social factors come into play. Listening to customers in order to ensure that they are happy with the experience and the proposition presented to them has to be a continual process, and due effort must be put in to discover what “customer satisfaction” consists of.

Marketing exercises to build brand goodwill would go some way in convincing users to pay for their content. If a user gets a strong enough message from their peers or friends

or family about a content service, they are – going by the results of our research – more likely to pay for online content.

Though this needs further investigation, one can now argue that the technology and processes involved (generally speaking) in accessing a paid online content service have become simplified and standardised to the extent that users take it for granted that an online content service will be easy enough to use, and they thus no longer place much emphasis on this as a differentiating criterion. Marketers would do good to pay heed to this, and tread with caution when focusing on user-friendliness and great website navigation – because the effort might be all in vain. At the same time, the opposite is probably not true – and a system that is difficult to use will have a negative influence on intention.

Free alternatives also definitely pose a threat to online content services and influence a user's intention to pay. And in fact, the combination of perceived consequences and free alternatives make perfect sense. The user needs to be shown that the value they are getting out of consuming this paid content (in terms of the consequences – improvements to their life or work etc.) is far greater than what a free alternative could offer.

In terms of market research, an important lesson here is in the risk that is involved in not referring to research that is very up-to-date and tailored to one's target audience. The results can be irrelevant and misleading, and that can of course have serious consequences for the business in question.

In terms of marketing strategy, there are two lessons here – one is that segmenting customers will help the business to better target their audience and send messages that are valuable to that audience. The second is that the segmentation has to be right, or the effort will be in vain. As we have seen with our respondents, what differentiates them is not whether they have consumed a particular kind of content, but what their past experience has been with paying for online content. It seems that segmenting the customer base into those who have paid for content before, and those who have not would allow marketers to send out the right messages to the right people, based on their experience – rather than send out a generic marketing message to customers ignoring this split.

For product development or improvement as well, these results can be applied to see where a failing product is lacking – perhaps the benefits offered are not valuable enough to persuade the user, or perhaps bad reviews or a lack of awareness is creating issues, or maybe the satisfaction level of existing customers needs to be revisited in order to identify why a product is not successful.

A number of important determinants have been identified in this project, paving the way for further research academically, or for marketing or product development decisions based on these results.

For those who are in the business of providing content online, the hunt for the perfect revenue model will continue for a while. Along the way, some will find a solution, while others will not. Those who manage to understand the consumer and figure out what it is that they find valuable will (likely) flourish in the new world of content delivery where free and paid content providers fight over the same pool of users; those who do not will die trying and lose out to those who do. And with every piece of research done on this subject, we come one step closer to understanding what the factors that affect the user acceptance on fee-based online content really are.