Multihoming and Consumer Demand for Video Streaming Platforms

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Abstract

Consumers face abundant and often overlapping assortments when subscribing to streaming video-on-demand (SVOD) platforms. In this study, we examine the adoption decisions of consumers to multiple platforms, a phenomenon called multihoming. In particular, we ask whether consumers consider the assortment they already have access to in their subscription decisions. To this extent, we analyze multihoming adoption using a binomial probit model with correlated preferences. Our results show that consumers do not deplete the value of a platform because of overlapping titles, particularly for high-quality titles. Though the access of a title across multiple platforms does not enhance consumption variety, high-quality overlapping content may signal a platform's commitment to distributing high-quality content.

Subject Areas: Entertainment Marketing, Marketing-Mix Effectiveness

Track: Methods, Modelling & Marketing Analytics