

"DECIPHERING CONSUMER TRENDS: EXPLORING THE MOTIVATIONS AND BEHAVIOUR DRIVING CORD-CUTTING AMONG GENERATION Z IN THE STREAMING ERA"**A STUDY BASED IN NAVI MUMBAI AREA****Shailu Singh* and Neha Khandare**

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ABSTRACT

The rise of streaming services has revolutionized the entertainment industry, providing consumers with unprecedented flexibility and choice in accessing content. Concurrently, there has been a significant trend of cord-cutting, where consumers opt to cancel traditional cable or satellite television subscriptions in favour of streaming alternatives. This exploratory study aims to delve into the consumer behavior and motivations underlying the phenomenon of cord-cutting. Utilizing qualitative research methods, using Questionnaire method, this study seeks to uncover the various factors influencing individuals' decisions to abandon traditional television services. Factors such as cost considerations, content preferences, technological advancements, and changing viewing habits are anticipated to play significant roles in driving cord-cutting behavior. By gaining insights into these motivations, this research aims to contribute to a deeper understanding of the evolving dynamics of media consumption in the digital age and provide valuable implications for both industry stakeholders and policymakers.

Keywords: Streaming services, cord-cutting, consumer behavior, motivations, digital age.

INTRODUCTION

The landscape of television and media consumption is undergoing a monumental transformation with the rise of cord cutting, a phenomenon characterized by the abandonment of traditional cable subscriptions in favor of alternative streaming services. This shift is particularly pronounced among Generation Z, who are reshaping the way entertainment is accessed and experienced.

The cord-cutting era marks a pivotal moment in the history of media consumption, driven by technological advancements, changing consumer preferences, and a desire for greater flexibility and choice. As streaming services proliferate and offer an ever-expanding array of content, traditional television models are being challenged like never before.

In this era of rapid change, understanding the motivations, behaviors, and implications of cord cutting among Generation Z is essential. This paper aims to explore the multifaceted dynamics of this phenomenon, examining its impact on traditional media companies, advertising strategies, and the broader cultural landscape.

By delving into the drivers behind cord cutting and its consequences for both consumers and industry stakeholders, we can gain valuable insights into the future of entertainment consumption. Join us as we navigate through the complexities of the cord-cutting era and uncover the forces shaping the media landscape of tomorrow.

Generation Z, often abbreviated as Gen Z, refers to the cohort of individuals born roughly between the mid-1990s to the mid-2010s, although exact definitions can vary. Generation Z follows Millennials (Generation Y) and is the first to come of age entirely in the 21st century. Gen Z is sometimes referred to as the "post-millennials." and "iGeneration"

Gen Z grew up in a world that is increasingly digital, connected, and globalized. They have never known a world without the internet or smartphones and are considered to be true digital natives. Technology is an integral part of their lives, shaping how they communicate, learn, and interact with the world around them.

Unlike Millennials, who experienced the rise of social media, Gen Z has grown up in a social media-dominated world, with platforms like Instagram, Snapchat, and TikTok playing a central role in their social lives and cultural experiences.

In terms of values and attitudes, Gen Z is known for its diversity, inclusivity, and progressive views. They are often described as socially and environmentally conscious, with a strong emphasis on issues such as climate change, social justice, and mental health awareness.

As consumers, Gen Z is highly influential and represents a significant market force. They have unique preferences and behaviours when it comes to shopping, entertainment, and brand engagement. Gen Z consumers are drawn to authenticity, personalized experiences, and brands that align with their values.

Overall, Generation Z is characterized by its digital fluency, diverse perspectives, and commitment to making a positive impact on the world. As they continue to come of age and enter the workforce, Gen Z is poised to shape the future of society, culture, and business in profound ways.

As of my last update in January 2022, television viewership has been undergoing significant changes, influenced by the rise of streaming services, changes in viewing habits, and shifts in media consumption patterns. Traditional television viewership, via cable or satellite, has been gradually declining, particularly among younger demographics such as Generation Y and Z.

Streaming services like Netflix, Amazon Prime Video, Hulu, Disney+, and others have become increasingly popular alternatives to traditional television. These platforms offer on-demand access to a vast library of content, including movies, TV shows, documentaries, and original programming. Additionally, the COVID-19 pandemic accelerated the adoption of streaming services as people spent more time at home and sought out entertainment options.

Live TV viewing still remains relevant for certain events such as sports, news, and live programming, but even these segments have seen shifts towards digital platforms. Many sports leagues, for example, have started offering streaming options or partnerships with streaming services to reach audiences who prefer to watch games online. Furthermore, the advent of connected TV devices, such as smart TVs, streaming sticks, and gaming consoles, has made it easier than ever for viewers to access both traditional and streaming content on their television screens. Overall, while traditional television viewership has been declining, the total number of viewers consuming content across various platforms continues to grow. This fragmentation of viewership has posed challenges for advertisers and content creators, but it also presents opportunities for innovative approaches to content delivery and audience engagement.

The term "cutting the cord" refers to abandoning video content provided by cable or satellite services in favor of internet streaming services (Techopedia, 2017). Cord-cutting typically occurs when consumers believe that online streaming services are more cost-effective, service-oriented, and/or technologically competitive than traditional content service technologies. Prior studies on cord-cutting have concentrated on customer segmentation and the risk that cord-cutting poses to established content delivery systems (Banerjee et al., 2013; Cohen, 2016; Crawford, 2016). Some studies have divided consumers into categories, ranging from those who still use corded media services to those who have never used them. In terms of cord-cutting behaviors, Banerjee et al. (2013) and Cohen (2016) proposed three categories: cord-loyalists, cord-couplers, and non-paying television customers. Two previous studies presented the characteristics of these segments based on demographic factors and media usage patterns. Later, Prince and Greenstein (2017) examined the environmental competition between corded and non-corded media by incorporating usage patterns such as technology purchases and a subsequent study addressed this gap by including perception factors in the model. Tefertiller (2018) identified the perception factors that influence consumer adoption of cord-cutting behaviors in one typical example. The independent variables in that study were perceived advantage, value, compatibility, substitutability, and technical activity. However, it only examined cable television users' cord-cutting intentions and not the perceptions of actual cord-cutters. It also did not ask whether respondents were currently using cable television and streaming video simultaneously. As a result, it is difficult to tell whether the respondents were cord-loyalists or cord-couplers. As a result, previous research has primarily focused on each group's individual demographic characteristics rather than consumer perceptions. preferences into previously collected demographic data. All three studies emphasized that demographic factors play an important role in each group. However, these studies were less concerned with consumer perceptions.

PERCEPTIONS AND CONSUMER CHARACTERISTICS

Relative benefit and perceived compatibility

To investigate perceptual differences between corded and streaming video services, we used traditional diffusion theory, specifically the diffusion of innovations, as well as the technology acceptance model (TAM; Davis, 1989). According to this conceptual tradition, relative advantage, compatibility, complexity, trialability, and observability are factors influencing innovation diffusion (Rogers 2003). Relative advantage and perceived compatibility (Cha, 2013; Tornatzky & Klein, 1982) have repeatedly been shown to influence innovation adoption.

Use and Gratification Theory

The uses and gratification theory has been used to understand different motivations for watching television. Furthermore, it states that these motivations not only influence media habits and behavior, but also form expectations about media content. As a result, "consumers actively shape the use and influence of technology."

Generation Z prioritizes peer recommendations and ratings when choosing content to watch on OTT platforms.

THEORETICAL FRAMEWORK

(a) Research Objectives:

- I. To examine the role of content preferences in driving consumers' adoption of streaming services and their willingness to abandon traditional television subscriptions.
- II. To assess the influence of technological advancements, such as streaming platform features and device accessibility, on consumers' perceptions of flexibility, choice, and convenience in the context of cord-cutting.
- III. To investigate how changing viewing habits, including the shift towards on-demand and personalized content consumption, contribute to the decision-making process of consumers regarding cord-cutting behavior.
- IV. To understand any potential demographic or psychographic differences in the motivations and behaviors related to cord-cutting, including variations across age groups and income levels.

(b) Research tools:

Research tool used for the study was scaled questionnaire which included the following types of scales and questions:

Likert Scale [Strongly Disagree/Disagree/Neutral/Agree/Strongly Agree]

Closed Ended Questions

(c) Sample and sampling technique: research purely based on Questionnaire method using Google forms. The data have been collected from 100 respondents. Sample was selected by Convenient non-probability sampling method from respondents in Navi Mumbai city.

(d) Sources of Data The primary data were collected through structured questionnaire and secondary data was collected through the secondary sources like Websites, report, and Newspaper.

Hypothesis:

Ho1: There is no significant relationship between the availability of diverse content on streaming platforms and the subscription of streaming services among cord cutters.

Ha1: There is a significant correlation between the availability of diverse content on streaming platforms and the subscription of streaming services among cord cutters

Ho2: There is no significant correlation between flexibility and the subscription of streaming services among cord cutters.

Ha2: There is a significant correlation between flexibility and the subscription of streaming services among cord cutters.

Hypothesis Testing:

HVPOTHESES-2

Paired Sample Statistics

	N	Mean	Std. Deviation	S.E. Mean
Pair 1 FLEXIBILITY	50	3.44	.99	.14
SUBSCRIPTION	50	4.00	.97	.14

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 FLEXIBILITY & SUBSCRIPTION	50	.191	.184

Paired Samples Test

	Paired Differences							t	df	Sig. (2-tailed)
	Mean	Std. Deviation	S.E. Mean	95% Confidence Interval of the Difference		Lower	Upper			
				Lower	Upper					
Pair 1 FLEXIBILITY - SUBSCRIPTION	-.56	1.25	.18	-.91	-.21	-3.17	49	.003		

The calculated t-value is -3.17.

The p-value associated with the test (Sig. 2-tailed) is 0.003.

Since the p-value (0.003) is less than the significance level of 0.05, we reject the null hypothesis. Therefore, there is a statistically significant difference between the means of "FLEXIBILITY" and "SUBSCRIPTION" at the 0.05 level of significance.

HYPOTHESIS-1

Paired Sample Statistics

	N	Mean	Std. Deviation	S.E. Mean
Pair 1 DIVERSECONTENT	50	3.38	.88	.12
SUBSCRIPTION	50	4.00	.97	.14

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 DIVERSECONTENT & SUBSCRIPTION	50	-.120	.407

Paired Samples Test

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	S.E. Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	DIVERSECONTENT - SUBSCRIPTION	-.62	1.38	.20	-1.01	-.23	-3.17	49	.003

The 95% confidence interval for the difference ranges from -1.01 to -0.23.

The calculated t-value is -3.17.

There are 49 degrees of freedom.

The p-value associated with the test (Sig. 2-tailed) is 0.003.

The p-value (0.003) is less than the typical significance level of 0.05. Therefore, we reject the null hypothesis and conclude that there is a statistically significant difference between the means of the "DIVERSECONTENT" and "SUBSCRIPTION" groups at the 0.05 level of significance.

FINDING AND CONCLUSION:

Cord-cutting among Generation Z represents a significant shift in consumer behavior, driven by a combination of motivations and behaviours unique to this demographic cohort. Through this exploration, several key conclusions emerge:

- **Preference for On-Demand Content:** Generation Z values convenience and flexibility in their entertainment consumption habits. The rise of streaming platforms offering on-demand access to a vast library of content aligns with their desire for control over what, when, and where they watch.
- **Cost Considerations:** Economic factors play a crucial role in the decision to cut the cord.
- **Embrace of Digital Platforms:** Growing up in the digital age, Generation Z exhibits a strong affinity for digital platforms and technology-driven solutions. Streaming services, with their user-friendly interfaces and personalized recommendations, resonate well with this digitally native demographic.
- **Diverse Content Preferences:** Generation Z values diversity and inclusivity in the content they consume. Streaming platforms, with their diverse offerings spanning various genres, languages, and cultures, appeal to the eclectic tastes of this generation.
- **Social and Environmental Consciousness:** Generation Z is socially and environmentally conscious, often prioritizing brands and companies that align with their values. Streaming services, which tend to have lower carbon footprints compared to traditional broadcasting methods, may be perceived as more environmentally friendly options.
- **The Role of Peer Influence:** Peer recommendations and social media influence play a significant role in shaping Generation Z's entertainment choices. Positive experiences and recommendations from friends, influencers, and online communities can drive the adoption of streaming services and encourage cord-cutting behavior.

In conclusion, cord-cutting among Generation Z is not merely a rejection of traditional television but rather a reflection of their evolving preferences, values, and behaviors in the digital era. Understanding these

motivations and behaviors is essential for content providers and marketers seeking to engage with this influential demographic segment effectively. As the media landscape continues to evolve, adapting to meet the needs and preferences of Generation Z will be critical for long-term success in the entertainment industry.