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The evolution of the pay TV market and the profile of the subscribers

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Abstract
Introduction. The audiovisual landscape has extraordinarily transformed in recent years due to technological and market conditions. Digitalization has created new possibilities for new content providers and audiovisual consumption has changed. Based on theories of substitution goods and competition forces, our analysis will focus on the impact of those structural changes on the nature of subscription services for audiovisual content, and from there, on the socio-demographic profile of the subscriber. **Methodology.** Data comes from three different surveys made in 2008, 2012 and 2016 in Spain. **Results.** Findings show that consumer profiles of the new platforms are similar to those of the traditional television subscriber, but there are some changes in terms of age and education. **Conclusions.** Socio-demographic variables are still relevant for defining subscribers, although the big data defenders tend to highlight behavioural data or purchase data.

Keywords Pay-tv; Streaming; OTT; Audience; Audiovisual Consumption.

Contents

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1. Introduction

The audiovisual landscape has changed extraordinarily in recent years due to technological, legislative and market conditions. Telecommunication operators have entered the audiovisual arena, and digitalisation has created new possibilities for new content providers to offer different kinds of services to satisfy consumer needs. The boundaries between broadcasters, telecommunication operators, and over-the-top (OTT) services are extremely difficult to fix in the market that has emerged. Ultimately, the audio-visual market as a whole is less defined by the providers and technologies than by the users and the content they enjoy. From an audience perspective, the differences between industries are irrelevant, because they look for the best audio-visual content and how a service is provided in terms of price, usability and availability, among other things.

We should not forget that content is, of course, the core of the television service. Its management and the final offering is what differentiates one service from another. The aim of the much sought after relationship between audiovisual services and subscribers is, above all, the consumption of programming. Despite changes in the industry and in ways of consuming, an audiovisual subscription service is responsible for granting access to content to a specific audience, and presenting that content in a way that makes it possible for consumers to further choose what they prefer.

According to the National Commission for Markets and Competition (CNMC in Spanish), the traditional pay television market is understood to include the traditional pay television channels and telecommunication operators who provide television content under subscription, including IPTV providers, and excluding OTT players.

Some authors, such as Sonnac (2012), who has studied the impact of these structural changes on the quality and diversity of contents, suggests that the arrival of these new entrants has meant a structural change in the new economy of pay television, partly because what they offer is not only audiovisual content. Gimpel (2015) looks at those structural changes as a shift from the traditional value chain to the platform-based business models in the video industry, where telecommunication, media and entertainment industries converge.

Our review will focus on the impact of those structural changes on the nature of subscription services for audiovisual content, and from there, on the profile of the subscriber. If the market has altered the concept and nature of subscription services for audiovisual contents, we will study the extent to which there is also a change in the traditional profile of the subscriber.

We will provide an overview of how the pay television market has changed, looking especially at new entrants, in order to contextualise the results from the Spanish market.

A review of the literature and market analysis will allow us to formulate hypotheses that will be tested with empirical research, based on original data from surveys from 2008, 2012 and 2016. We will therefore be able to compare data from three different periods as regards the structural changes occurring in the market.

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2. Literature review

The structural changes in the industry have led to new players being defined as either competitors or substitutes (Weeds, 2016; Armstrong, 1999). Many studies on media displacement assume that when a new medium is introduced to the market, audiences will redistribute their time spent consuming media, and form new behaviour patterns (Lee & Lee, 2015; Nam & Barnett, 2010). As Chan and Chan-Olmsted(2012) argue, when a new medium is similar functionally to an old medium, but has functional advantages over the old media, the new will probably displace the old. Those functional advantages may result in higher levels of gratification and therefore in different media usage patterns.

Telecommunication operators started merging their services, such as fixed or wire telephony, internet and television, into single offers, called bundles. As Le Cadre, Bouhtou and Tuffin (2009) point out, it seems crucial to understand consumer preferences in order to define the most profitable bundles. Bundles comprise more than television content, and thus, functional advantages may be associated not with the media content itself, but with the added services. Fondevila (2009) studied the impact of television content within the triple play offer of cable operators in Spain, and concluded that the future of television content requires packaging with other services. This may result in increased gratification from the user's perspective, and so such functional advantages could lead to displacement. Telecommunication operators that include other services in their offer, may thus have a displacement effect on traditional terrestrial pay television channels.

Kim et al. (2016) studied the extent to which there is a significant overlap between OTT platforms and traditional pay TV platforms, based on the consumer's perception of gratification and the time spent using them. The way that subscribers of pay TV platforms, including cable and satellite, began switching to OTT services and others downgraded their pay services from premium to regular packages, has been extensively studied. Those phenomena are called cord-cutting and cord-shaving respectively (Lee & Lee, 2015; Lee & Lee, 2015).

Other authors, such as Cha (2013a), stress the coexistence of television and online video platforms, and suggest that treating television and the internet as separate video platforms fails to capture the dynamic interaction between them. Green (2008) suggests that new online television shouldn't be treated as a break from existing structures and understandings of television, but that continuities should be sought between these new models of distribution and prior constructions of the medium.

Following the idea of continuity and regarding news consumption, Yuan (2011) points out that news users integrate multiple media platforms to form personal news repertoires for their news gratification, and that user repertoires allow a more fluid and dynamic relationship than that indicated by the dichotomous distinction between substitutive and complementary relationships between individual media. Banerjee, Rappoport and Alleman (2014) assert that the large-scale pure substitution of streamed video for video content obtained through pay TV is probably several years away, and also support the theory of co-consumption, understanding the video content-experience as a mix of pay TV and OTT alternatives.

Other authors also studied the attributes of OTT services that affect the decision to pay for them, and identified three main elements: recommendation systems, resolution, and viewing options (Kim et al., 2017). There are also other online consumer behaviours that affect audiovisual consumption. Cha (2013b) suggested that the experience of flow favours an online user's involvement and engagement. These attributes suggest that there are other variables to take into account from the user perspectives, that were not previously present in terms of reasons to subscribe to a service within the pay television market. For instance, Tefertiller (2018) concluded that technical audience activity as well as media substitution had positive relationships with cord-cutting intentions.

Regardless of competition, substitution, complementarities or continuities, what seems clear is that gratifications associated with both added services and the new attributes of the online experience, have altered and enriched the traditional concept of subscribing to a television service.

If the concept of subscribing for television has changed, price has also been relevant. Price is determined by a number of factors, such as operational costs and content rights. It is not the aim of this research to review price strategies regarding the providers, but to briefly highlight considerations from the subscriber's perspective. Since our purpose is to study the impact on the subscriber profile according to socio-demographic variables, price matters.

Author 1 (2016) concluded that subscription to a television service is a consumer good and that, in general, it functions as any other product – susceptible to price, programming offers and acquisitive power. The intangible and emotional dimension of media products may help to increase the consideration of pay television as a hedonic good, however, since the emotional aspects are linked to popular programming such as sport events, which people are not eager to renounce, even in times of low family incomes (Alcolea-Díaz and García-Santamaría, 2019). In their study of variables in payment in 2008 and 2012, Author 1 (2016) concluded that gender and education had the most weight. As we have seen, telecommunication companies have relied on the practice of bundling, but this pricing strategy is challenged by the shift to internet streaming, since consumers respond to cheaper and increasing options for obtaining video content, and many abandon telecom operators and "cut" the cord (Chulkov & Nizovtsev, 2015).

Banerjee et al. (2014) describe three OTT use categories: co-consumption (a mix of pay TV and OTT); pure substitution (video cord-cutting) and first-timer behaviour (never tried pay TV before). OTT choices were found to be determined by household geo-demographic characteristics, device ownership and subscription history: "the leading edge of OTT substitution (specifically video cord-cutting) and OTT first-timer choice is formed by the combination of young householders in the lowest income segments" (Banerjee et al., 2014, p. 65). Cord cutters are those users who stopped using pay TV in favour of OTT services. These are predominantly younger, tech-savvy consumers (Banerjee et al., 2013, 2014). Because these consumers have lower incomes, but are tech savvy, the internet seems a perfectly viable cost-cutting option, so they cancel their cable subscriptions in favour of various OTT services (Fudurić, Malthouse & Viswanathan, 2018). It seems quite likely that subscription to audiovisual services involves a wider profile of subscribers, reaching younger people and those with lower incomes. As McCreery and Krugman (2015) shows young people are more apt to choose online platforms to watch videos than traditional television.

Taking into account data from 2008 and 2012 in Spain, XX (2016) concluded that men subscribe more than women to pay television channels, so as to avoid advertising (which men tend to like less than women), as well as to watch football and other sports. Younger viewers tend to pay for television content because of the greater choice offered, while older viewers tend to prefer more documentaries and sports other than football. Age and educational level were more significant variables in pay television in 2012 than in 2008.

According to a market report by Cocktail Analysis, Telefonica and Ymedia, there has been an evolution in the relationship between users and pay television services. The findings determined that users have different profiles regarding the use of different platforms. For instance, OTT subscribers are younger and more sensitive to price, and IPTV users value exclusive programming more highly, (especially football), regardless of the price.

3. Spanish market evolution

The Spanish pay TV market has changed extraordinarily in the last fifteen years (Ruas-Araujo, Puentes-Riverra & Medina, 2019). During thirty years, the television market was a monopoly dominated by the Spanish public television. In the nineties, three private channels were launched and the competition begun. Among them, there was a pay TV channel that was a success despite the lack of habit of paying to watch television. In Spain, both private and public channels were free-to-air financed by advertising. After some years, there were new pay TV offers and new free-to-air channels. The main distribution systems of pay TV were satellite and cable, and the main players were Digital+ (satellite), the cable operators (ONO, TeleCable, Euskaltel and Telecable), and the telecom companies (Telefonica, Jazztel and Orange). However, the dominant leader was Digital+. The catalogue of those companies included films and football matches, and the key to success came from the ownership of exclusive rights. The business model was based on bundling packages and price discrimination.

The analogue switch-off took place in 2010, and new digital television channels were launched, but the Digital Terrestrial Television (DTT) offer was not enough to satisfy audience desires to watch television. By that time the market was no longer an oligopoly with new entrants such as Wuaki, Rakutene, Netflix, HBO, Amazon video, whose business models were based on video on demand and a low flat fee, and were distributed by IPTV. The content in most demand was USA drama. Pay TV household penetration increased ten points from 2004 (23%) to 2016 (35%). Table 1 shows the evolution of the distribution systems.

Table 1. Number of subscribers

	2008	**2012**	**2016**
Satellite	2,034,865	1,719,919	897,888
Cable	1,459,915	1,366,665	1,578,846
IP TV	702,886	800,773	3,670,318
DTT	0	290,246	0
Total	4,197,666	4,177,603	6,147,052

Source: CNMC data

Mergers among operators and a business strategy based on bundling have been the key factors in an important increase in subscribers and incomes in Spain, over the past few years. The three leading operators in the telecommunications market (Movistar, Vodafone and Orange) have reoriented their strategy to include television services as an integral part of their services offering, and they have become leaders in the pay television market. Combining pay television with other telecommunication services as Internet and telephony in bundled products has therefore been decisive in the growth of subscribers.

In June 2014, *Telefónica* bought 56% of its competitor *Yomvi* (former Digital+) and became *Movistar+*, using satellite and broadband transmission systems. It became the leader in the pay TV and Video on Demand (VOD) sector. Its competitive advantage was based on content, the exclusive rights to sports and to football matches in particular. While the other OTT companies, such as Netflix, HBO, Sony, Wuaki and Amazon, offered drama series and films, and two of them, Filmin and Filmotech, were specialized on Spanish films. Among the big ones, Netflix was the first OTT company in Spain, in October 2015, followed a year later by HBO. Table 2 shows the number of subscribers according to operators.

Table 2. Number of subscribers by operator

	2008	**2012**	**2016**
Movistar (IPTV)	589,215	815,357	3,646,984
Digital + (satellite)	2,061,000	1,733,752	0
Vodafone (cable)		58,422	1,278,793
Ono (cable)	1,058,421	872,608	0
Orange (cable)	86,120	102,603	493,272
Euskaltel (cable)	43,608	136,186	269,708
R (cable)	66,697	103,333	0
Tele Cable (cable)	117,928	134,456	126,633
GolTV (DTT)	0	290,604	0
Rest (OTT)	8,298	120,082	331,662
Total	4,031,287	4,367,403	6,147,052

Source: CNMC data

Since 2015, Vodafone included ONO´s subscribers; Movistar merged with Digital + in 2014, and Euskaltel merged with the other local cable operator R. The DTT channel, GolTV, went out of business in 2015.

Data from OTT companies shows that in 2017, Netflix had 1.46 million household subscribers and HBO, 414,000 households, mainly thanks to their provision of drama. We do not have recent data because they are not included in the CNMC Spanish data because they are not Spanish companies. In 2019 Netflix is included in the *Movistar* + bundle. There is a big difference between companies in price. The total offerings of Movistar, including television, football, sports, films, Netflix, four telephone lines, and the internet is around €190 per month, and the monthly fee for Netflix in Spain is around €9. Movistar was not the only company to offer football. Other companies such as Vodafone, Orange and beINSports also offered it, and at more affordable prices (Muñoz, 2016).

4. Metodología e hipótesis

According to the literature review and our market analysis, the evolution of subscriptions suggests a different profile of subscribers following the structural changes in the market. Hence, the research hypothesis are the following:

Hypothesis 1. As in previous years, sex and education will be key variables in the profiles of subscribers.

Hypothesis 2. Changes in the market can affect variables such as age or the number of people at home, who acquire relevance in the subscriber profile.

Hypothesis 3. As we have seen in the overview of the Spanish market, the consumption of pay television has changed: the number of subscribers is higher, there is a greater supply of content and prices are cheaper. We assume that change in the market has affected the profile of the subscriber. The following sub-hypothesis are thus derived from the hypothesis 3:

> Hypothesis 3. a) By increasing the supply of drama and taking into account the evolution of the Spanish population, the percentage of women who pay to watch television will increase.
> Hypothesis 3. b) New online offerings will be more attractive for young people. Hence, pay TV subscribers will be younger.
>
> Hypothesis 3. c) As the consumption of premium content becomes cheaper, subscribers will increasingly include the population with less education.
>
> Hypothesis 3. d) Spanish families with children or adolescents will no longer be the main profile for TV subscribers because consumption will be less familial and more individual and personalised.
>
> Hypothesis 3. e) The new subscriber household will access content through devices other than a TV set, and so households with subscriptions will have fewer TV sets at home.

The data used comes from three different surveys made in 2008, 2012 and 2016. The sample represents audiovisual consumers. The data used in the empirical analyses was collected between April and May in 2008, 2012 and 2016. The target population consisted of all residents in Spain aged 14 or more (37,910,000 inhabitants). Sample selection was poliethapic, stratified by region (centre, south, north and east) and size of municipality (< 5,000 inhabitants, 5,000-50,000, over 50,000 and province capitals). The sample size was one thousand. For a confidence level of 95%, this mean a margin of error of 3.2%. Interviews were conducted by telephone assisted by Computer Assisted Telephone Interview (CATI). The selection of interviewees in each home was according to gender and age intervals. The market and opinion research company, CIES, which belongs to the Research Alliance, conducted the survey.

The results of the 2008, 2012 and 2016 surveys will be compared against each other and with the general population, taking data from audience research reports from the industry, to analyse whether the profile of the subscribers to pay television has changed. In all cases, the samples are divided into two groups: subscribers and non-subscribers. Each survey has at least 200 subscriber cases (see Table 3).

Table 3. Pay TV subscribers from own questionnaire

Surveys	**2008**	**2012**	**2016**
Total sample	1000	1000	1000
Valid cases	996	1000	1000
Paying for TV	219	238	352
% of people paying for TV over valid cases	22,0%	23,8%	35,2%

Source: own questionnaire

After dividing the samples of each survey into two groups, we compared the social profile of these people as well as their households, against ten specific variables (see Table 4). Chi-square tests will be applied to determine whether the differences between the groups are significant. This analysis must be used because the variables are either nominal or ordinal (the numeric variables were at intervals).

Table 4. Main variables used in the questionnaire

Personal profile	**Household profile**
Sex	Household members
Age	Number of TVs
Education	Habitat
Labour activity	Labour activity of main contributor
Civil status	
Nationality	

5. Results

In the three surveys, the profile of people with pay for TV was different from those of non-subscribers according to sex, age, educational level, employment and the number of television sets in their households. Other variables as civil status, number of household members, habitat and the job of the main financial contributor were only significant according to the Chi-square test in some years. This means that the profile of people with pay TV is only different, according to this data, in those years (see Table 5).

Table 5. Comparison of subscriber and non-subscriber profiles in the surveys

	2008		**2012**		**2016**	
	Chi-value	**Sig.**	**Chi-value**	**Sig.**	**Chi-value**	**Sig.**
Sex	4,675	0,031 **	6,384	0,012 **	18,403	0,000 ***
Age	26,309	0,000 ***	16,282	0,023 **	27,876	0,015 **
Education	10,802	0,029 **	20,718	0,001 ***	45,807	0,000 ***
Labour activity	27,973	0,014 **	29,962	0,008 ***	79,266	0,000 ***
Civil status	16,49	0,002 ***	8,759	0,119	13,790	0,183
Nationality	0,366	0,545	1,164	0,281	2,414	0,299
Household members	16,859	0,018 **	16,526	0,021 **	18,042	0,321
Number of TVs	41,886	0,000 ***	31,655	0,000 ***	27,208	0,002 ***
Habitat	3,608	0,307	5,389	0,145	11,091	0,086 *
Labour activity of main contributor	11,574	0,480	22,173	0,036 **	49,726	0,003 **

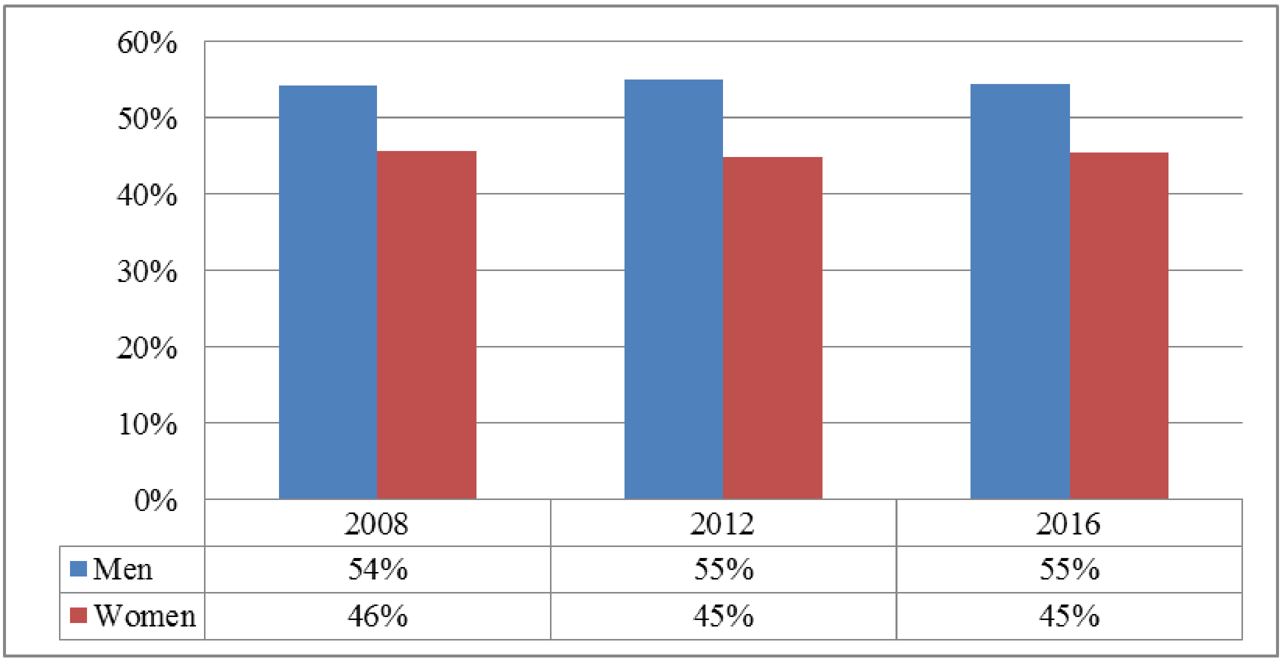
* Significant at a < 0,10
** Significant at a < 0,05
*** Significant at a < 0,01

In brief, all the profile variables, except civil status, nationality, household members, habitat and employement main contributor showed significant values for Chi-square in the three surveys. This means that there were significant differences between people who pay for TV versus the rest of the sample according to five of the ten variables considered: sex, age, education, employment and number of television sets (see Table 5).

We can stress that nationality was not relevant in any survey, so subscribers and non-subscribers of pay TV are similar in this aspect throughout the studied period.

As sex, age, educational level, labour activity and the number of television sets show significant differences across the three years, we looked in more depth at the profiles of subscribers as regards these variables.

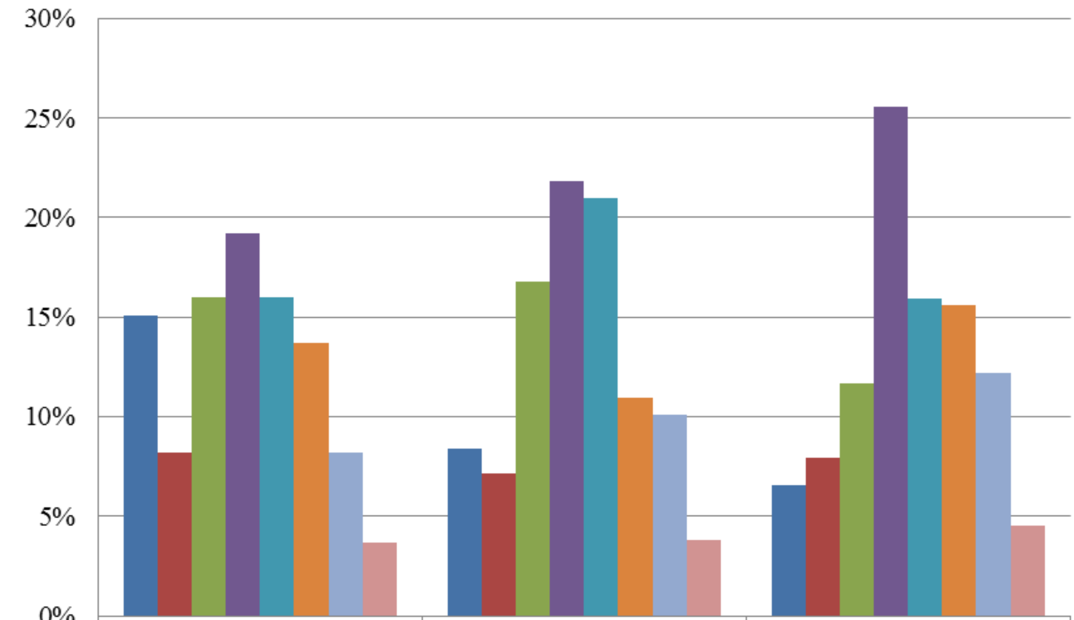
Figure 1. Pay TV subscribers by gender



In the three years analysed, there was a significantly higher percentage of male subscribers than female subscribers, although according to Association for Media Research (AIMC) data, women comprise 51% of the overall population in Spain (AIMC, 2019). So, the profile of people with pay TV is significantly different according to sex, with a higher proportion of men over women. As said before, football was a feature in greater demand by men, and since 2016, there have been more offers and greater price-diversity.

The distribution of subscribers by age is significantly different throughout the three years from the distribution of non-subscribers. The most common age of subscribers was always 35-44 years, but among both groups (subscribers and non-subscribers) the intervals with higher relative difference correspond to people from 14 to 24 years old in 2008, people from 45 to 54 years in 2012 and people from 25 to 34 years in 2016 (see Table 6). There has thus been a change in the profile of subscribers. The offers made in 2008 seemed to attract younger people. In 2012, older people became more relevant. In 2016, the entry of Netflix and similar platforms seem to have attracted younger people again, mostly living with another person (according to the survey in 2016, 40.5% of people from 25 to 34 years lived in households of two members).

Figure 2. Pay TV subscribers by age

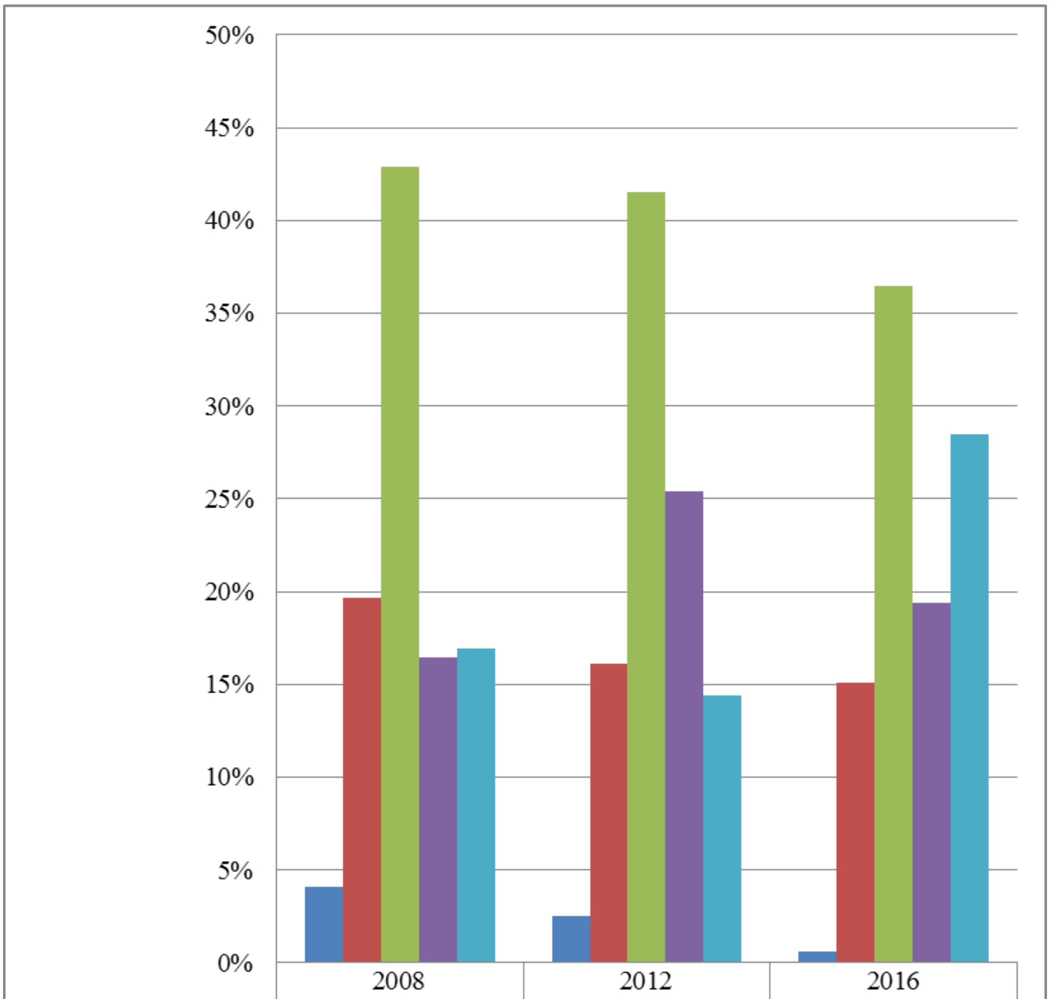


	2008	2012	2016
14-20	15%	8%	7%
21-24	8%	7%	8%
25-34	16%	17%	12%
35-44	19%	22%	26%
45-54	16%	21%	16%
55-64	14%	11%	16%
65-74	8%	10%	12%
>74	4%	4%	5%

Table 6. Comparison of subscribers and non-subscribers: groups by age with more relative differences in percentage each year

	2008	2012	2016
Horizontal percentages over total of…	14 to 24 years	45 to 54 years	25 to 34 years
Subscribers	23%	60%	12%
Non-subscribers	12%	51%	7%

Figure 3. Pay TV subscribers by education



	2008	2012	2016
Less than Primary	4%	3%	1%
Primary	20%	16%	15%
High school	43%	42%	36%
Diploma	16%	25%	19%
University	17%	14%	28%

Educational levels were also significantly different for subscribers, compared with non-subscribers, where those who pay for TV have a higher level of education. The study revealed that the percentage of people educated past high school has increased over time among subscribers: 33% in 2008, 40% in 2012 and 48% in 2016, always over the figures for non-subscriber (see Table 7). There is a major decrease in the percentage of people with high school education and the percentage of people with a university education soared in 2016. According to the Estudio General de Medios (EGM), Spanish people who have finished university comprised 13.6% of the population in 2016, and 28% among 2016 TV subscribers confirms that this characteristic is key.

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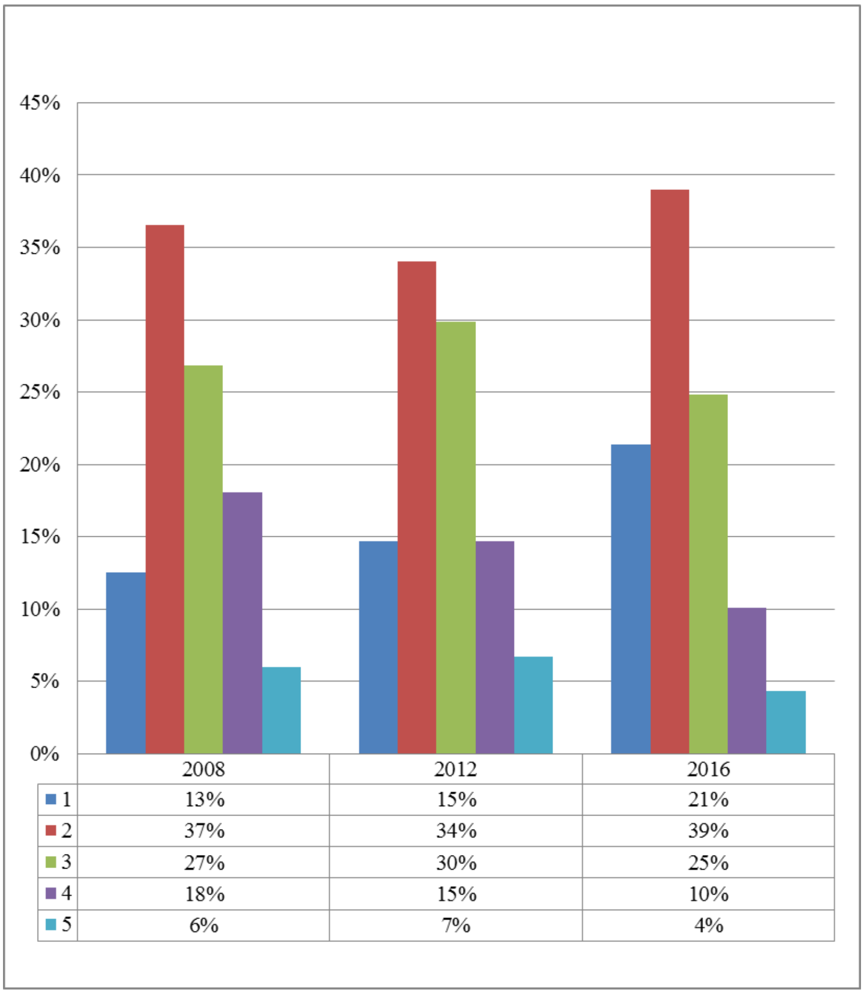
Table 7. Comparison of subscribers and non-subscribers by education level each year

Horizontal percentages of people with "More than High School" over total of…	2008	2012	2016
Subscribers	33%	40%	48%
Non-subscribers	27%	29%	33%

Figure 4. Pay TV subscribers by number of television sets



In 2008 and 2012, most of the half of interviewed respondents lived in household with three or more television sets. In 2016, only 39% of the participants had three or more television sets. This trend corresponds to the evolution of the number of television sets among Spanish households. According to the Estudio General de Medios, the number of households with two or more television sets is decreasing, from a 64.1% in 2006, to a 60.6% in 2012 and a 55.7% in 2016 (AIMC, 2019). The data from our surveys shows that the percentage of subscribers with only one television is always lower

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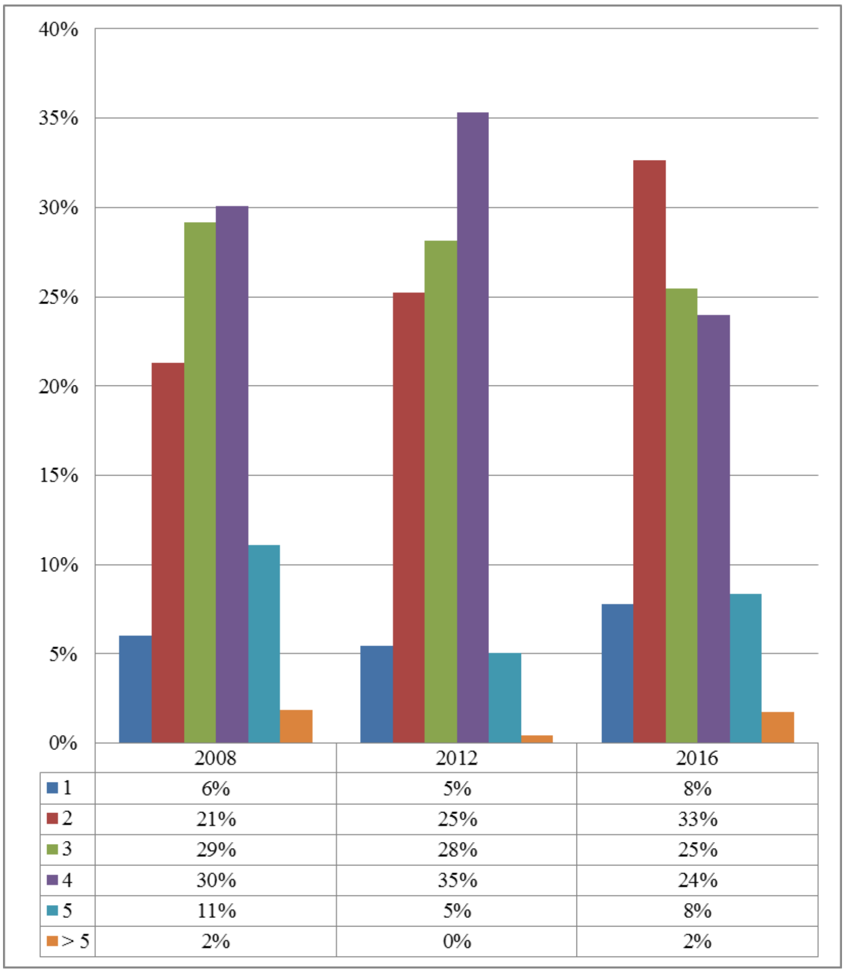
than the percentage of non-subscribers, as Table 8 shows. Subscribers thus maintain the characteristic of having more television sets than do non-subscribers in all the surveys analysed.

Table 8. Comparison of subscriber and non-subscriber households with one television set

1 TV set	2008	2012	2016
Subscribers	13%	15%	21%
Non-subscribers	25%	23%	28%

There were more than fifteen employment options possible among the interviewees, and the evolution of these options over time was not stable, so we decided not to include this variable in our study. The variable that was interesting according to our hypothesis, however, was household members.

Figure 5. Pay TV subscribers by household members



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In the three surveys, the pay TV subscribers were mainly from households with 3 to 5 members, although this characteristic is losing weight over time. In 2008, 70% of the households had 3, 4 or 5 members; in 2012, the percentage of households with 3 to 5 members decreased to 68% and in 2016, there were only 58% (see Table 8). Although this kind of household also decreases among non-subscribers, we observe that the increment of pay TV offer seems to reach more diverse households by size.

Table 9. Comparison of subscribers and non-subscribers by size of the household in each year

Horizontal percentages pf people in households with 3 to 5 members over total of…	2008	2012	2016
Subscribers	70%	68%	58%
Non-subscribers	57%	56%	50%

6. Discussion and conclusions

The consumption of paid content has grown in Spain: from 21% in 2008 to 35% of households in 2016 (16 million viewers). We wanted to analyse to what extent the consumer profile has evolved with the arrival of new subscribers and how this increase has affected the weight of the sociodemographic variables in the configuration of the subscriber profile. Our study confirms Hypothesis 1, that is to say that sex and education are still key variables in the subscriber profile.

In addition to sex and education, age, employment of the interviewee and the number of television sets in the home were different between subscribers and non-subscribers over time. Therefore, part of Hypothesis 2 is confirmed: changes in the market can affect variables such as age or the number of people at home. In a previous study (Author 1, 2016), the weight of each variable was analysed, but here we wanted to see if age and the number of people at home acquire relevance in the subscriber profile and we can affirm that they are relevant in every year.

We thought that consumer profiles would change over time as the market changed, but some characteristics are similar to those of the traditional pay TV subscriber. We could not prove Hypothesis 3a. There are still more male than female subscribers, because the options for consuming football at cheaper prices have increased. Hence, we have to recognize that men are still the most likely to pay for content.

Consumers aged between 14 and 24 years old are always a relevant group, but in 2012 the older group of 45 to 54 years was significant. Distribution by age changed in 2016, with a significant number of people from 25 to 34 years old. We can thus confirm that newer subscriber are younger than in 2012 and confirm Hypothesis 3b. Younger audiences could be the result of greater supply, increased access from different devices, and cheaper prices.

As opposed to our Hypothesis 3c, there was an increased in the percentage of subscribers with a high level of education. This might be connected with the new supply of cult series on OTT platforms, instead of reality TV and life TV offered on free-to-air traditional broadcasting channels. Such popular programs are still attractive to social classes with less education.

In 2008 Spanish families with children or adolescents seemed to be the main profile of TV subscribers. According to the general population data (INE), the Spanish homes have fewer inhabitants than ten years ago. In 2016, a third of households subscribing to pay TV had two members in the household, while in 2008 there were four members. If members in the household decrease, it may mean that there will be fewer children. In that sense, it can be said that payment for content is less conditioned by offerings for children, and perhaps the family is not the main marketing target for new video on demand offers, as assumed in Hypothesis 3d.

Subscribers maintain the characteristic of having more television sets than non-subscribers in all the surveys analysed, so we cannot demonstrate that premium content is watched on other screens, as asserted in Hypothesis 3e. However, we can confirm what other studies have said, in that a television set is still the most important screen on which to watch content at home (Author 2, 2015; Diego, Etayo & Guerrero, 2014).

In summary, changes in pay TV offers have not altered the percentage of men who are subscribers, our empirical research did not confirm a wider range of subscriber profiles associated with age. As we noted in our literature review, younger audiences may feel attracted by lower prices, but our data does not reflect that. We can assume that socio-demographic variables are still relevant for defining subscribers, although the big data defenders tend to highlight behavioural data or purchase data (Papí-Galvez, 2014).

7. Limitations and further research

A study of consumption over time allows us to better understand market trends and provide general conclusions for the industry, which can help operators to make strategic decisions. Knowing the relevance of the variables that define subscribers can help to establish more efficient marketing strategies to reach subscribers.

There are some limitations to the methodology, however. The survey was by fixed landline telephone, so it did not include the only mobile phone population. As Pasadas-del-Amo (2018) asserts telephone surveys conducted exclusively on landlines fail to take into account cell phone only population. These people have a different profile from those who have landlines. In Spain, they are younger, with a lower educational level, a more precarious employment or financial situations and prefer left political parties (Pasadas-del-Amo, 2018).

The penetration of new competitors was still low in 2016, however, as Netflix arrived in Spain in 2015, and HBO a year later.

Two questions emerge from this study, and can be posed to researchers. First, the concept of subscriber contracts to pay television has changed, wherein new subscribers do not maintain a loyalty contract with a company, but search for the content they like and pay for it, and may even be subscribed to several companies if costs allow it. And, secondly, we could not determine the impact of piracy on paying for content in our study, but certainly not all those who watch premium content pay to see it. Future research will have to continue exploring the profiles of the subscriber and devise tools to measure the impact of piracy on the results of audience research.

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