Chapter 9
Proposition and Test of an Integrative Model for Media Use

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ABSTRACT

Digital technologies are changing media consumption in many markets. This study offers and tests a model to analyze the factors that influence electronic media usage in an emerging market; Brazil. Through a survey, a sample of 1.000 cases was collected, capturing consumers' perceptions about five media (Broadcast TV, Pay-TV, Internet, Mobile Phones, and Game Consoles). Using SEM, the study found that Attitude is influenced by Image, Entertainment and Content, followed by Communication and Habit. Also, Attitude is a strong predictor of Satisfaction, while Attention is explained by Entertainment and Satisfaction. The model explained 80% of Attitude and 90% of Satisfaction.

INTRODUCTION

After 50 years of leadership, broadcast TV hegemony is under threat for the first time. Emerging new media compete for people's attention and advertisers' budgets, creating an increasingly challenging environment. Furthermore, the television model based on a passive audience sitting in front of a TV screen is challenged by the advent and proliferation of broadband, anytime, anywhere, consumer-controlled

DOI: 10.4018/978-1-5225-2668-1.ch009

alternatives. More than 70% of US households have high-speed broadband access (U.S. Census Bureau, 2014) while 50% have DVR devices (Nielsen, 2016). Indeed, new information and communication technologies (ICTs) are reconfiguring the media landscape, shifting industry boundaries towards comprehensive ecosystems which integrate previously separated industries such as content, telecommunications, electronics, computers etc. (Adner, 2014; Iyer, Lee, & Venkatraman, 2006; Jenkins, 2006; Wirtz, 2001). Further, new ICTs can be considered emergent and disruptive technologies in the media ecosystem (Christensen, 1997) because of their huge impact on markets and business models.

The Brazilian media environment is unique in relation to both audience behavior and advertising expenditures. Broadcast TV is present in 98% of Brazilian households. On the other hand, paid TV, considering both cable and satellite, is present in 30% and rising steadily. Internet penetration is growing fast, especially in lower income classes. In 2014, only 18% of households had Internet access, rising to 50% in 2014 (CETIC.br, 2011; CETIC.br, 2015). As can be inferred, broadcast TV plays a dominant role. It is present in almost every single Brazilian household, regardless of social class or region, and it has a long-running leader: Globo Television Network. Created in 1925 as a newspaper, Globo Organization diversified into TV in 1965. Soon after it first aired, Globo took the audience leadership, a position that it has held on to this day. The model relies mainly on establishing an organized programming grid around primetime, beginning at 6pm with a soap opera ("telenovela") which is followed by local news, a second "telenovela", national news and a third "telenovela", ending around 11pm. This became a Brazilian family routine: five hours of TV entertainment and news at the end of every day (Sobrinho, 2011).

The impact of this model on audience behavior was astonishing. Globo set the standard, captured most of Brazilian audience and has kept it ever since. In 2014, Globo concentrated approximately 50% of medium audience (The Economist, 2014), an impressive number compared to worldwide figures. During 2010, the top five broadcasters combined for an audience of 55% in the UK, 65% in France and 66.2% in Italy (Lange, 2012). The top three US networks combined accounted for 32% of audience in 2005 (Hindman & Wiegand, 2008).

Dissemination of new media has direct impact on the way people entertain and inform themselves. Broadcast TV audience has steadily decreased over the last few years (IAB Brasil, 2014). Nevertheless, investment in broadcast TV still grows above market average. The Brazilian advertising market grew 17% from 2013 to 2015. In contrast, the local economy dove in one of its worst recessions. In 2014, Broadcast TV captured an outstanding 63% share and grew 13% YoY, even though audience levels fell. Meanwhile, Internet advertiser's expenditure shrank 25%, capturing only 4% of total share (Kantar Ibope Media, 2016a, 2016b).

The global landscape is very different. Worldwide advertising spending rose by 5% from 2013 to 2015, far less than in the Brazilian market (17%). Both North America and Europe showed worrying numbers: The North American market increased only 3% from 2013 to 2015; while Western Europe, ad spending grew only 2%.(eMarketer, 2016; McKinsey, 2016).

Brazil's ICT infrastructure clearly differs from that in the US and in the EU. Roughly a third of the population had broadband Internet access in 2014 (CETIC.br, 2015), compared with 67% in the US and 80% in the UK (ITU, 2015; OFCOM, 2015; Pew Research, 2015). The implication is quite straightforward - most of the so-called new media relies on the country's data infrastructure. This is a potential drag for new media adoption in Brazil. Brazil presents a strongly integrated telecommunications-media industry, in which some major telecom companies also operate as cable TV and Internet providers (Kubota et al., 2012).

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