

Choice overload in TV and movie streaming services pushes consumer spending

In the age of subscriptions, the amount of TV and movie streaming services continues to grow. As the market fragments, people will have to choose where to spend their money and which shows they're willing to give up



Oprah Winfrey on stage at the launch of a new Apple product

On Monday, 25 March 2019, Apple announced a new focus on subscription services, clearly looking to diversify as iPhone sales growth slows. One of the new services they'll launch is the Apple TV+, a TV and movie streaming service akin to other streaming services such as Netflix, Hulu, and perhaps most closely, Amazon Prime.

This news follows Disney's recent release of more detailed information about their own upcoming streaming service, Disney+, during their quarterly earnings call. Their channel will hold video content from across their entire library, including their fabled Vault which holds all Disney movies ever created.

These two behemoths will join their streaming services competitors to vie for consumers' money, but how will we decide which to go for?

Consumers may have much to consider in deciding where to spend their money and their time, which shows to miss out on – or risk spending more than they might be able to afford.

Too much to process

As more streaming services enter the market, choice overload – meaning so much choice it becomes hard to make a decision – could become a problem. A [study on choice](#) published a while back in the Harvard Business Review, showed that an overwhelming amount of options could cause a “choice paralysis” where people take no action at all. And even those who did still make a choice ended up less satisfied with their decision than people who made a decision with fewer options. A possible explanation for this could be the lingering question: “What if one of the other options is better?” The more choice you have, the more risk of perhaps choosing the “wrong” one.

Choice overload could become a problem

It's possible that even with Apple TV+ and Disney+ added to the mix the amount of choices isn't large enough to count as choice overload, but [research](#) published in 2014 listed several key factors that contribute to the feeling of choice overload. Among these are the complexity of the set of choices available and how difficult the task is. In this case, the choice isn't simply between the brand or service you decide to subscribe to, but more so between the various shows on offer, including existing and future programmes. This adds a layer of complexity and difficulty to the task that can cause choice overload.

This rings especially true as each streaming platform claims and creates their own exclusive content to set themselves apart. If there is too much to consider, we might just either postpone the decision-making process until we have more mental bandwidth to deal with it (which in our often hectic world could mean indefinitely) or we might shrug our shoulders and forget all about it.

Big franchises and celebs might win over fans

Companies will try their best to tempt you to subscribe to their service. They can do this by creating exclusive content and getting some big names on their side, just to name a few. We can see this behaviour in both cases of Disney+ and Apple TV+. As new players in the field, they'll have to pull out all the stops to either shift people away from competitors like Netflix or Amazon Prime, or persuade them to spend an additional fee per month. Disney and Apple, while late to the game, do have the advantage of entering the market as well-renowned companies with very large fanbases. These fans might subscribe simply because they're loyal to the brands and therefore have a preference for them, or they know that they'll produce high-quality content.

This would definitely be true for Disney as they are already solidly embedded in the TV and movie entertainment industry. Their studios hold the rights to some of the biggest franchises around, including Star Wars, Marvel and Pixar on top of their own Disney content, all of which generally draw in huge crowds. By making these major franchises exclusive to their own streaming service, Disney is able to hold a much tighter grip on them, and drive fans to subscribe as they won't want

to miss out on these shows and movies.

Apple doesn't have the rich catalogue of content to pull people over, but they do have status and a lot of star power. During their event on 25 March, they announced they will be working with industry giants such as Steven Spielberg and Oprah.

It all adds up

In many cases, people used to pay one fee to watch TV and they'd have access to all their favourite shows (with some exclusive channels as the exception). This was before the proliferation of online video content. Many would now have to not only pay for their TV or cable license, but also for one, two or more streaming services to have access to the shows they want to see. Most people probably won't have trouble sticking to one or two services, depending on what they can afford and which shows are in which library. But there is a risk that some might have less self-control and subscribe to more than maybe they should.

A paper on the "[Tyranny of Choice](#)" argues this could be a consequence of mental fatigue brought on by choice overload. When we are tired, our self-control is weaker and we could give in to temptation more easily. This becomes problematic for people who might already be struggling to make ends meet. A 2015 [study](#) was able to draw a correlation between having limited initial assets (such as limited money or income) and limited self-control, which indicated that some people who face scarcity on a daily basis, which can cause a lot of mental fatigue, could be more likely to have a lower level of self-control. If they are tempted by multiple TV and movie streaming services, they could have a higher risk of subscribing to all of them.

Alternatively, people with plenty of money may also be tempted to subscribe to multiple streaming services. In this case, the possible abundance of money could mean that self-control is less necessary (or considered to be less necessary) and therefore also lower.

Familiarity and time invested are reasons to stick around

Even though there are plenty of reasons to switch to a different streaming service, there are also reasons to stick with the one you already have. You may, for instance, have become familiar with it at this point – you know how it works, where to find things, and the little app icon has sat on your TV's home screen for so long now, you'd miss it if it were gone. Not only that, but perhaps you've already invested your time in some of their exclusive content. Let's say you watched one or two (or more) seasons of an exclusive show, the idea of switching and not being able to continue that story could become a lot less appealing.

Moreover, the more you've watched on one platform, the better it will be able to recommend other shows that you may like. A different service won't have that wealth of knowledge just yet. This plays into the well-documented idea that we [value](#) the things we already own higher than things we don't, which obviously stands to reason. While streaming services aren't objects, the same theory can be applied.

Getting around choice overload, socially

If you don't want to miss out on TV shows and movies, but also don't want to suffer from the consequences of choice overload, there are ways around it.

For one, account sharing could become a popular option. Netflix already has a family account option which costs a bit more, but if you divide that price between everyone who uses it, it can become a lot more manageable. It could be a way forward for companies to offer these options to gain subscriptions from people who otherwise wouldn't have.

Perhaps we'll even see the rise of third-party companies who will try to sign deals with each streaming service to be able to offer subscription bundles at a slightly lower cost. Only the future can tell, but one thing is certain: people will most likely try to find the most cost-efficient way to view the TV shows and movies they love.