

**Streaming Platforms and the Performance of Pay Tv Industry in Nigeria**

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***Abstract***

*The emergence of streaming platforms has significantly transformed the global entertainment landscape, raising concerns about their impact on traditional Pay TV services. In Nigeria, the growing adoption of streaming platforms like Netflix has introduced competitive pressure on Pay TV providers such as Star Times, prompting debates on consumer preferences and market sustainability. The study examined impact of streaming platforms (Netflix subscription growth) on the performance of Pay TV in Nigeria. The study adopted quantitative method approach, and using a cross sectional survey design. The population of the study was 24.9 million which comprises of about 10million star times subscribers and 14.9 million DSTV users, with a sample size of 400 determine using Taro Yamane. Simple random sampling technique was applied in the administration of the questionnaire; Data was collected using surveys questionnaire. The study employed a linear regression analysis and SPSS to analyze the data. The findings revealed that Netflix subscriptions growth have positive and significant impact on the starTimes decoder sales of Pay TV in Nigeria. Hypotheses two also indicate that Netflix subscription growth have positive significant impact on the monthly subscription of pay TV in Nigeria. The study concludes that Streaming platforms (Netflix subscription growth) have positive and significant impact on starTimes decoder sales of Pay TV in Nigeria, and Netflix subscription growth rate have positively impacted pay TV(starTimes) monthly subscription in Nigeria. The study recommends that Management of StarTimes should invest heavily through integrating hybrid streaming option in their services to compete with Netflix and other streaming platform to increase the sales of it decoders, and remain competitive. Pay TV providers should invest in exclusive content (local programs and live sport) to increase subscribers' retention.*

**Keywords:** Streaming Platforms, Pay TV, Netflix, StarTimes.

**1.0 INTRODUCTION**

The global entertainment industry has witnessed a significant transformation due to the rise of Over-the-Top (OTT) streaming platforms such as Netflix, Hulu, and Amazon Prime Video. These platforms leverage internet connectivity to deliver on-demand content, bypassing traditional cable and satellite-based Pay TV services (Lobato, 2019). In Nigeria, this shift has been marked by increased adoption of streaming services, facilitated by higher smartphone penetration, affordable internet plans, and the growing preference for flexible viewing options (Aderibigbe & Afolayan, 2021). Nigeria's Pay TV industry has historically been dominated by providers such as StarTimes, DSTv (owned by MultiChoice), and GOtv, which offer subscription-based broadcasting through decoders. However, streaming platforms like Netflix have introduced competitive pressure by providing

viewers with content accessibility without the need for decoders (Obikeze, 2022).

Despite the increasing presence of streaming services, Pay TV remains a dominant force in Nigeria's entertainment sector, largely due to factors such as live sports broadcasting, affordability, and local content offerings (Eze, 2020). However, declining subscription rates and reduced decoder sales have raised concerns about the sustainability of Pay TV businesses in the face of digital disruption (Onyeji, 2021).

This study, therefore, sought to assess the impact of streaming platforms on the performance of Pay TV services in Nigeria, with a focus on Netflix and StarTimes as representative case studies.

**Statement of the Problem**

The Pay TV industry in Nigeria is facing stiff competition from streaming platforms that offer viewers greater control over content consumption.

With the increasing adoption of high-speed internet, flexible subscription plans, and mobile streaming options, many consumers are opting for streaming platforms over traditional Pay TV subscriptions (Ibrahim & Bello, 2021).

Recent reports suggest that decoder sales and subscription renewals in Nigeria's Pay TV industry have experienced a decline (MultiChoice Nigeria, 2022). While some scholars argue that economic factors and affordability play a significant role in this trend, others point to changing consumer preferences, technological advancements, and content accessibility on streaming platforms as primary disruptors (Nwankwo, 2020).

Despite these trends, there remains a gap in empirical research assessing the extent to which streaming platforms are influencing Pay TV performance metrics such as subscriptions and decoder purchases in Nigeria. This study, therefore, aims to fill this gap by examining the relationship between Netflix subscriptions and Star times' performance indicators, providing data-driven insights into the evolving Nigerian entertainment landscape.

### Objectives of the Study

The primary objective of this study is to analyze the impact of streaming platforms on the performance of Pay TV in Nigeria. Specifically, the study aims to:

1. Examine the impact of Netflix subscriptions on Star Times' decoder sales in Nigeria.
2. Assess the impact of Netflix subscriptions on Pay TV (Star times) monthly subscriptions.

### Statement of the Hypotheses.

H<sub>01</sub>: Netflix subscriptions do not have positive significant impact on star times decoder sales in Nigeria.

H<sub>02</sub>: Netflix subscription do not have positive significant impact on pay TV (star times) monthly subscription.

## 2.0 LITERATUREREVIEW

### Conceptual Review

#### Streaming Platforms

Streaming platforms are digital media services that deliver on-demand video content via the internet, eliminating the need for satellite or cable infrastructure (Smith, 2019). Unlike traditional Pay TV, streaming services offer users greater

flexibility, allowing them to watch content anytime, anywhere, and on multiple devices.

Netflix, a leading subscription-based streaming platform, provides a diverse content library, including Hollywood films, Nollywood productions, TV series, and documentaries (Obikeze, 2022). Its personalized recommendations, multiple pricing tiers, and user-friendly interface have made it increasingly attractive to Nigerian audiences.

The rise of streaming platforms in Nigeria has been driven by improved internet penetration, affordable mobile data plans, and changing consumer preferences (Aderibigbe & Afolayan, 2021). However, challenges such as high data costs, limited internet access, and competition from Pay TV services like Star times continue to shape the market.

### Pay TV Services

Pay TV services refer to subscription-based television broadcasting that delivers content through satellite, cable, or digital terrestrial transmission (Eze, 2020). Unlike free-to-air television, Pay TV requires users to purchase a decoder and pay monthly or annual subscription fees to access premium channels. In Nigeria, Star Times, DStv, and GOTV dominate the Pay TV industry, offering a variety of local and international content, including news, sports, movies, and entertainment (Ibrahim & Bello, 2021). A major advantage of Pay TV is live broadcasting, particularly for sports and real-time news coverage, making it appealing to a broad audience. However, with the rise of streaming platforms offering on-demand content, Pay TV faces increasing competition. Factors such as subscription costs, decoder affordability, and internet access influence consumer choices (Obikeze, 2022).

### Theoretical Framework

This study is anchored on the *Disruptive Innovation Theory*, developed by Clayton Christensen (1997), explains how new technologies disrupt existing industries by offering more accessible, affordable, and convenient alternatives to traditional products and services. Christensen argues that disruptive innovations initially target low-end or unserved markets before improving over time to challenge established market leaders. This theory is highly relevant to this study, as streaming platforms (e.g., Netflix) represent a disruptive innovation that is

transforming the traditional Pay TV industry. Initially, streaming services were limited by poor internet infrastructure and high data costs, making Pay TV the dominant choice. However, with the rise of affordable smartphones, improved broadband access, and changing viewer preferences, streaming platforms have attracted a growing segment of the Nigerian market (Ibrahim & Bello, 2021; Salawudeen and Shuaibu, 2025). This study applies the Disruptive Innovation Theory to assess how Netflix is impacting decoder sales and subscriptions of StarTimes, highlighting the extent of Pay TV's vulnerability to digital disruption.

### Empirical Review

Several studies have explored the impact of streaming platforms on Pay TV performance, providing valuable insights into consumer behavior, industry shifts, and competitive dynamics.

Ibrahim and Bello (2021), in their study themed Streaming Services and the Decline of Pay TV Subscriptions in Nigeria, employed a survey-based approach and found that 65% of respondents had reduced their Pay TV subscriptions due to Netflix and other streaming services. Similarly, Nwankwo (2020) in a study titled The Digital Shift: How Streaming is Reshaping Pay TV in Nigeria, used secondary data analysis and observed a 30% decline in decoder sales over five years, attributing this trend to digital disruption.

Obikeze (2022) examined Consumer Preferences in the Age of Streaming, using interviews and online polls, and found that while streaming is gaining traction, live sports and affordability keep Pay TV relevant. In contrast, Eze (2020) in "Pay TV's Competitive Edge: The Role of Exclusive Content, used market trend analysis and concluded that exclusive content remains a major factor preventing total migration to streaming.

Other studies, such as Smith (2019), Lobato (2019), and Onyeji (2021), corroborate these findings, emphasizing internet affordability and content exclusivity as key determinants of

streaming adoption. While these studies highlight Pay TV's struggles, none have quantitatively examined the direct impact of Netflix subscriptions on StarTimes' performance, a gap this study seeks to fill.

## 3.0 METHODOLOGY

### Research Design

The study adopted quantitative research and using a cross-sectional survey design.

Primary Data was collected using surveys questionnaire on Netflix and StarTimes users to understand consumer preferences. The population of the study was 24.9 million which comprises of about 10million starTimes subscribers and 14.9 million DSTV users as at 2024, with a sample size of 400 determine using Taro Yamane. Simple random sampling technique was applied in the administration of the questionnaire. Structured questionnaire and used for data collection. The instrument was tested for validity and reliability using Cranach Alpha for internal consistency of the instrument, and the result revealed an alpha value of 0.76 which is adequate according to Sekran (2001) as cited by Abdullahi and Lawal, (2023). The study employed a linear regression model and SPSS to analyze the data. To examine the impact of streaming platforms on the performance of Pay TV in Nigeria. The model assesses the relationship between Netflix subscriptions (independent variable) and Pay TV performance indicators (dependent variables: Star Times decoder sales and subscription rates). The regression model is specified as:

$$P_{TV} = \beta_0 + \beta_1 NSG + \beta_2 IPR + \varepsilon$$

$P_{TV}$  = Pay TV Performance (measured by decoder sales and subscription rates)

$\beta_0$  = Constant (intercept)

$\beta_1, \beta_2$  = Coefficients of regression

NSG = Netflix Subscription Growth

IPR = Internet Penetration Rate

$\varepsilon$  = Error term (random disturbance)

## 4.0 RESULT AND DISCUSSION

The researcher administered a total of 440 questionnaires to the respondent. 10% was added to the sample size to ensure the right sample size

was return. Out of the 440 questionnaire administered, 400 were return and used in the study representing 91% return rate.

### 4.2. Test of Hypotheses.

$H_{01}$ : Netflix subscriptions do not have positive significant impact on star times decoder sales in Nigeria.

### Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.869 <sup>a</sup>	.755	.75		1.28404

a. Predictors: (Constant), Netflix subscriptions,

### ANOVA<sup>a</sup>

Model		Sum Squares	Df	Mean Square	F	Sig.
1	Regression	4.421	1	4.421	2.682	.000 <sup>b</sup>
	Residual	578.712	311	1.649		
	Total	583.133	352			

a. Dependent Variable: Star time decoder sales

b. Predictors: (Constant), Netflix subscriptions

### Coefficients<sup>a</sup>

			Standardized Coefficients			
Model		Unstandardized Coefficients		Beta	T	Sig.
1	(Constant)	2.939	.278		10.582	.000
	Netflix subscriptions	.111	.068	.087	1.638	.000

a. Dependent Variable: Star times decoder sales

This model shows the functional relationship between the dependent variable (Star times decoder sales) and independent variable (Netflix subscriptions growth rate) With correlation ( $R=0.87$ ) showing a strong positive correlation between the dependent and independent variables. Furthermore, the coefficient of determination ( $R\text{-square}=0.757$ ) shows that the independent variable (Netflix subscriptions growth) explains about 76% of the total variation in the dependent variable (Star times decoder sales) while 24% was attributable to other factors not explain in the model. The

individual parameter of the model ( $\beta = 0.111$ ) is significant with p-value 0.002 less than 0.05. Furthermore, the overall parameter of the model ( $F = 2.682$ ) is significant with p-value  $0.002 < 0.05$  therefore; we reject the null hypothesis and conclude that Netflix subscriptions growth rate has positive and significant impact on the star times decoder sales of Pay TV in Nigeria . The findings implies that affordability and flexibility of streaming platform(Netflix subscription growth rate) have significantly impacted or reduced the sales of pay TV decoder by new customers.

$H_{02}$ : Netflix subscription do not have positive significant impact on pay TV(startimes) monthly subscription.

### Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.947 <sup>a</sup>	.897	.0897		.979

a. Predictors: (Constant), Netflix subscription

### ANOVA<sup>a</sup>

Model		Sum Squares	Df	Mean Square	F	Sig.
1	Regression	26.245	1	26.245	27.401	.000 <sup>b</sup>
	Residual	333.323	348	.958		
	Total	359.569	349			

- a. Dependent Variable: pay TV(startimes) monthly subscription.  
b. Predictors: (Constant), Netflix subscription

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.064	.213		14.366	.000
	Netflix subscription	.273	.052	.270	5.235	.000

- a. Dependent Variable: pay TV(startimes) monthly subscription.

The Table shows the regression analysis between the explanatory variables: Netflix subscription growth rate and the unexplained pay TV (startimes) monthly subscription in Nigeria. The result revealed a strong positive correlation of (R, 0.947) between Netflix subscription growth and TV(startimes) monthly subscription for existing users in Nigeria. The result also shows the Unstandardized coefficient of Netflix subscription to be 0.273 ( $t = 5.235$ ,  $p = 0.000$ ) meaning that Netflix subscription growth rate has statistically significant impact on the monthly subscription of pay TV in Nigeria. The unstandardized coefficient further indicates that a unit increase in Netflix subscription growth rate leads to a decrease of pay TV(startimes) monthly subscription by 0.273. The findings further affirm that Netflix subscription growth rate positively impact on pay TV(startimes) monthly subscription in Nigeria with F-statistics of (27.401) and p-value of 0.000 which is less than the significance level of 0.05 adopted for this study. Furthermore, the model summary indicates a coefficient of determination of 89.7%, which implies that Netflix subscription growth rate is influence pay TV(startimes) monthly subscription by 89.7% as observed from the R-square value. As a result of these findings, the null hypothesis ( $H_0$ ) is rejected. Thus, the study concludes that Netflix subscription growth rate has positive significant impact on pay TV(startimes) monthly subscription. This findings implies that Internet Penetration Rate, have further increase the use of streaming platforms among Nigerian due to it accessibility, flexibility through the use of mobile phones and other means has reduce the subscription rate for traditional Pay TV(Startimes) monthly subscription.

**Discussion of findings.**

This study examined the impact of streaming platforms on the performance of Pay TV (Netflix subscription growth) in Nigeria, focusing on two key performance indicators: decoder sales and subscription rates of star times. The findings revealed that Netflix subscriptions growth rate has positive and significant impact on the star times decoder sales of Pay TV in Nigeria. This implies that affordability and flexibility of streaming platform(Netflix subscription growth rate) have significantly impacted or reduced the sales of pay TV decoders by new customers in Nigeria. the findings further affirm that streaming platform (Netflix subscription growth rate) influence the sales of pay TV decoders by 76% as noted in the model summary, while 24% which was not noted in the model is attributed to other factors. Hypotheses two also revealed that Netflix subscription growth rate positively impact on pay TV(star times) monthly subscription in Nigeria. This further indicate that Netflix subscription growth rate influence pay TV(star times) monthly subscription by 89.7% as observed from the R-square value result. It further shows that subscription for star times pay TV have decline over the year due to flexibility, and affordability of streaming platform(Netflix subscription growth rate). The findings agree with the work of Ibrahim and Bello (2021), in their study themed Streaming Services and the Decline of Pay TV Subscriptions in Nigeria, Obikeze (2022) who examined Consumer Preferences in the Age of Streaming, using interviews and online polls and Smith (2019), Lobato (2019), and Onyeji (2021).



## 5.0 CONCLUSION AND RECOMMENDATIONS

### Conclusion.

The study examined impact of Streaming platforms (Netflix subscription growth) on the performance of Pay TV in Nigeria, focusing on two key objectives to determine the impact of Netflix subscription growth rate on pay TV decoder sales and subscription rates of star times. The study concludes that Streaming platforms (Netflix subscription growth) have positive and significant impact on star times decoder sales of Pay TV in Nigeria, and Netflix subscription growth rate have positively impacted pay TV (star times) monthly subscription in Nigeria.

### Recommendation.

- i. Management of Star times should invest heavily through integrating hybrid streaming option in their services to compete with Netflix and other streaming platform to increase the sales of it decoders, and remain competitive.
- ii. Pay TV providers should invest in exclusive content (local programs and live sport) to retain subscribers.

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