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Introduction

This study proposes that consumers with passions and interests within the field of animation (Insiders)¹ will

demonstrate a higher engagement with, and thus a subsequent higher willingness to pay (WTP) for animated short films than consumers with less passion and interest (Outsiders). Creators of these short films may, therefore, find success in generating revenue from their works by employing a variable Pay-What-You-Want (PWYW) pricing strategy. This strategy would allow creators to answer what has previously been described as a “Fame vs. Fortune” dilemma (Shirky 2003).

Short films provide filmmakers a means of expression and a platform to prove talents for future funding or new commercial projects. They are often low or no budget affairs funded by grants, sponsors, or in-house funds, and typically produced without commercial or money-making intention. However, access to funding grants has become tougher owing to cuts to arts spending (BBC 2012, Pulver 2013), and greater competition due to more affordable means of production and self-distribution (Harrison and Barthel 2009; Jenkins et al. 2013). Greater competition, combined with the lack of financial return, means the production of short films can often be prolonged as commercial projects that fulfil financial and other pressures take precedence (Powell and Ennis 2007).

This, alongside the changing nature of online environments, which have made online delivery more open and accessible, has led to a rise in alternate financing for creative ideas. For example, crowdfunding, a form of monetisation that harnesses online networks to solicit an open call for financial contributions, has seen a recent rise to prominence through sites such as Kickstarter. The crowdfunding model demonstrates the potential success of direct to fan financing and a consumer WTP for content that aligns with their passions and interests (Gerber, Hui, and Kuo 2012). However, crowdfunding, like more traditional funding sources, occurs prior to production and often little is done to generate revenue after the film’s release. A reason for this lack of post-production revenue seeking may be the perception that consumers are unwilling to pay for content, especially online, combined with the desire to reach a wide-ranging audience. Shirky (2003) calls this a Fame vs. Fortune dilemma that faces creative’s, arguing content can either be released for free to provide a competitive advantage that increases attention, or attempts can be made to derive fortune, but risk losing a large portion of the potential audience.

However, the success of crowdfunding, as suggested, demonstrates a consumer WTP. There are also examples of creators generating revenue despite consumers being able to obtain the content for free. In 2007, English rock band Radiohead released the album ‘In Rainbows’ as a PWYW digital download (Gibson 2007). Five years later the move was praised for showing that: “the idea of setting a single, one-size-fits-all price for an album was long overdue a rethink. Not just because a lot of people wanted to pay less or nothing, but because plenty of fans wanted to pay more” (NME 2012).

Thus, while many consumers display no WTP, others may value content to such an extent that their WTP is above typical market value. Radiohead, for example, had some fans pay \$99.99 for ‘In Rainbows’ (Walker 2008). Therefore PWYW models may help solve the Fame vs. Fortune dilemma by capturing the differences within audiences; targeting fame by leaving the transaction open for consumers to pay nothing and fortune by allowing other consumers with a WTP to contribute what they see fit.

The remainder of this study is structured as follows; I begin with a discussion of the theoretical background that this study builds from, focusing on engagement, value, and issues with pricing. Next, a methodological overview is presented. This is followed by the presentation and discussion of results, before ending with concluding arguments, study limitations and areas for future research.

Theoretical Background

Engagement

I start by discussing the relationship between engagement and value, and recognising the individual nature of both. This is important because it identifies how certain individuals are more likely to gain greater value from consumption than others. Throughout I relate this discussion to the differences between animation Insiders and Outsiders and how this may be best captured by PWYW monetisation.

Engagement is a cyclical process motivated by the consumer’s desire to gain value from consumption. Turner (2010, p63) argues that we engage with “something because it is fun, pleasurable, interesting, rewarding ... we disengage when this experience becomes negative, dull and no longer fun”. As long as the consumer is receiving value they are likely to remain engaged and continue to interact in the future. It is this desire to obtain value that initiates the process of engagement, beginning with involvement.

Involvement has been defined as “the perceived value of a ‘goal object’ that manifests as interest in that goal object” (Mittal and Lee 1989, p365). Levels of involvement are thus based on the personal relevance and importance the object provides to the consumers goals (Muncy and Hunt 1984; Kapferer and Laurent 1993). In the present context

¹ Insiders were identified as individuals who either worked in animation, created animation as a hobby, or rated the consumption of animation as important to their daily lives.

it is argued that Insiders will place higher importance on the goal object (animation) due to its greater relevance and interest, and as such they will be involved to a higher degree than Outsiders. In the process of engagement levels of involvement can influence subsequent behavioural action (Bloch and Richins 1983; Mollen and Wilson 2010). This behavioural action may be mere consumption, or more active behaviours such as engaging in word-of-mouth activity, or increased WTP. The greater the involvement the greater the subsequent behavioural action is likely to be.

Seldom does engagement occur from a consumer's first encounter with a producer, but as a process that evolves through multiple experiences (Bowden 2009; Hollebeek 2011). In singular encounters consumers familiarise themselves, yet over time a more elaborated knowledge and frame of reference is developed (Bowden 2008). It is expected that Insiders will have greater experience with the medium of animation, thus altering their frame of reference. This may then lead them to be better suited to decipher value from the goal object, leading to a subsequent WTP.

Engagement is linked to value, as continued engagement relies on the value received to meet that sought by the consumer. Vargo and Lusch (2004; 2007) argue that the consumer is always a co-creator of value, as until an object is consumed no value can be derived. The consumer as co-creator means value determinations differ between consumers; what is valuable to some consumers may not be to others, and different consumers may place different value(s) on the same object (Zeithaml 1988; Vargo and Lusch 2007). Value determination is also subject to change as engagement evolves or the context of consumption changes (Zeithaml 1988). With these variations in mind, PWYW strategies may be most suitable in order to account for the individual differences among consumers.

Uses and Gratification

The Uses and Gratifications (U&G) perspective provides a framework to examine the values sought from engagement and the individual differences between consumers. U&G research focuses on individual uses of media (Katz and Foulkes 1962). Like engagement and value, the perspective argues individuals have different reasons for consuming the same media. Therefore, the same media offers different meanings and consequences to individual consumers (Blumler 1979; Yee 2006; Nojima 2007).

Central to the U&G perspective is the idea that the audience is active and purposeful in their selection of media. Like variations in engagement, this audience activity is conceptualised as a dynamic and is influenced by social and psychological variables, meaning levels of activity differ not just in the consumption process, but also between consumers (Blumler 1979; Ruggiero 2000).

As argued by Levy & Windahl (1984, p74) "more active individuals not only receive higher amounts of gratification from their media use, but also that they are more affected by such active and gratifying exposure". Based on this perspective it is proposed that Insiders will be more active in their consumption of animation due to a higher interest and a wider range of motives for its use. This will subsequently lead Insiders to be more affected by the mediums use, leading to greater behavioural actions such as WTP.

U&G of media are often grouped into typologies that describe different aspects of the medium's use. Four categories that are often used to group media usage within the literature are ones originally identified by McQuail, Blumler and Brown (1972 cited in Katz et al. 1973) and consist of (1) diversion (e.g. escape from reality, emotional release), (2) personal relationships (e.g. companionship, social utility), (3) personal identity (e.g. establishing values) and (4) surveillance (e.g. information seeking). Gratifications have also been categorised into instrumental and ritualised use (Conway and Rubin 1991). In instrumental use the audience is more purposeful and goal-directed, with media use seen as information gathering (e.g. surveillance and convenience). Conversely, ritualised use is less deliberate and reflects a more habitual use of media (e.g. pass time and entertainment). In the context of this study, it is expected that Insiders will have a greater breadth of motives and display a combination of instrumental and ritualised use. Outsiders, on the other hand, are expected to demonstrate a ritualised, less deliberate use. It is this combination of uses from the Insiders that is expected to see them place more value on the consumption of animation and, therefore, display a greater WTP.

Pricing Issues

Next the discussion turns to issues relating to pricing and WTP, with links drawn to the previous section on engagement. Getting consumers to pay for content online has consistently proved challenging, with a proliferation of free content providing alternate sources of gratification (Dou 2004; Priest 2008). The introduction of price creates what Szabo (1996) calls a "mental accounting barrier" and adds to the perceived risk of consumption. To overcome risk consumers undertake reduction strategies including: seeking additional information (Dowling and Staelin 1994), becoming receptive to word-of-mouth (Sheth and Parvatlyar 1995), or relying on existing engagement (Sheth and Parvatlyar 1995; Szmigin, Canning, and Reppel 2005).

Content creators with an established audience and content precedence (evidence of an existing portfolio of work, goods, or content) can overcome this risk through existing consumer relationships and reputation based on existing content. This can subsequently enable these creators to command a premium price (Ancarani 2002; Nojima 2007). However, some content creators may have little content precedence available and still be in the midst of developing relationships. For these creators, the free approach becomes attractive as it is seen as an effective way to attract eyeballs, initiate relationships and build trust (Priest 2008; Kozinets 1999).

However, a free approach creates a paradox where content is required to initiate consumer relationships, but in order to create content finance is required. Yet, without an existing relationship or content precedence, consumers display an unwillingness to pay. This can leave those new to the market, or smaller in size, falling behind established entities and larger enterprises due to resource poverty and lack of content precedence (Boyles 2011). The lack of content precedence combined with resource poverty means new to market, or smaller enterprises may struggle to meet the demands of online environments. For these entities creating and sustaining a content stimulus online can be difficult in

light of the proliferation of choice and consistent demands for content. Thus, indicating towards an increased need for skills that enable content producers to effectively build and manage audiences, as well as to produce engaging content.

Issues with pricing combined with the individual differences of consumers suggest that the pricing of some media items, like animation, may be better suited to a variable pricing strategy (Nojima 2007). Botti (2000) proposes that artistic products have distinct characteristics including abstractness, subjectivity, and uniqueness. Unlike more tangible products whose value may be determined by a specifications sheet and utilitarian properties (functional), the consumer seeks out hedonic properties (pleasure, emotion) to determine value (Holbrook and Hirschman 1982; Botti 2000). These hedonic properties are entirely subjective, making art products difficult to evaluate without prior consumption and can lead to quality uncertainty (Botti 2000; Lopes and Galletta 2006).

Quality uncertainty adds to perceived risk and requires the consumer to consider the risk reduction strategies outlined earlier. If the consumer encounters the consumption opportunity with no additional information, recommendation, or prior experience, it can be difficult to overcome uncertainty, thus reducing WTP. As stated earlier, the simplest solution may be to offer the product for free and allow the creator to build relationships with the audience.

Yet, an alternate solution may be a PWYW strategy. PWYW is a form of participative pricing that gives the consumer maximum control over the price they pay (Kim et al. 2009). Like a free approach, PWYW attracts attention by removing the payment obstacle (Chen et al. 2010). The difference being, the consumer then has the option to reciprocate value derived through consumption. PWYW models are also argued to increase purchase intent by increasing feelings of fairness (Chandan and Morwitz 2005; Kim et al. 2009). With PWYW consumers also have the option to pay during a future encounter, as whilst the consumer may initially have no WTP they may see the object differently on future interactions (Botti 2000).

The danger of the PWYW approach is that consumers can exploit the situation by paying nothing or less than market value, although, existing research indicates consumers do act fairly and pay significantly more than zero (Kim et al. 2009; Jang et al. 2012). However, these extant studies are carried out in 'real-world' situations (e.g. cinema, restaurants), where the personal interaction between the consumer and producer becomes a factor in PWYW intentions (Kim et al. 2009, Mak et al. 2010).

The anonymity of the Internet may reduce consumers WTP in a PWYW situation, as was the case with Radiohead's 'In Rainbows', where many consumers paid nothing or pirated the album from illegitimate sources. Yet, as already discussed other consumers paid significantly more than zero and the album made more in digital sales than the band's previous album 'Hail to the Thief' (Music Ally 2008). Thus, the PWYW approach retains an element of risk, with no guarantee the consumer will pay or act fairly, which can however, arguably be said of other payment methods. The ability of PWYW to allow the consumer to consume (fame) and then make value determinations (fortune) makes it of interest here.

Raju and Zhang (2010) argue successful PWYW implementations are characterised by the following: a production with low marginal costs, a fair-minded consumer, a product that can be sold credibly at a range of prices, a strong producer-consumer relationship and a competitive marketplace. Such characteristics are arguably present in short-form animation online being discussed here.

In particular, the fair-minded consumer characteristic is one that relates to the animation Insiders considered in this study; "The only ones to really appreciate champagne for itself are connoisseurs or those who are somewhat interested in wines, champagnes and good food" (Kapferer and Laurent 1993). In the context of current discussion the preceding notion may be translated to; "The only ones to really appreciate animation for itself are connoisseurs or those who are somewhat interested in film, animation and the creative arts". In the present study, Insiders are the connoisseurs, who are expected to display a higher engagement with the animation medium and greater appreciation of the work involved in its creation. This higher engagement means they are likely to place greater value on its consumption, leading to a higher WTP.

Thus, in summary, this study proposes that due to individual differences, consumers will display different motives for the consumption of animation and subsequently differing WTP. Therefore to answer the Fame vs. Fortune dilemma creatives may find success in employing a variable PWYW monetisation strategy. This strategy can cater for the consumer's individual differences; enabling those with little prior experience to begin their process of engagement, while those with greater engagement have the ability to reciprocate value at the level they deem appropriate.

Methodology

This study explores the consumption motives and WTP of both animation Insiders and Outsiders through the use of an online survey. A focus on short-form animation as a creative medium is adopted as this study forms part of a larger research project by the author into the animation industry and consumption of animation in digital environments. Despite this focus, findings have potential relevance to other creative fields (e.g. film, music, longer-form content). Yet it is acknowledged that this focus does also bear limitations in terms of full applicability to other creative fields, as discussed in the concluding discussion.

Surveys were used as they are the predominant U&G methodology and have been validated by previous studies (Conway and Rubin 1991). U&G research also assumes that humans are sufficiently self-aware to be able to report their interests and motives (Katz, Blumler, and Gurevitch 1973). Surveys also offer benefits in terms of time and flexibility, and allowing for a wide reach of respondents to be targeted.

Despite these benefits, there are limitations to surveys including the representativeness of the sample, response rates and technical limitations (Kaye and Johnson 1999; Fricker and Schonlau 2002; Ganello and Wheaton 2004). To address these limitations, an introductory page provided a clear background to the research, description of short-form animation content, and an indication of survey length. A further limitation is the danger of respondents' answering in a manner which they perceive presents an idealised version of behaviour (Sherry et al. 2003). Thus, it should be

considered that responses might not reflect how the respondent would behave in reality. For this reason, survey items include questions relating to past behaviour, as well as items concerning perceived behaviour.

Respondents were targeted via online networks and a series of reminders were offered to prompt respondents but no incentives were offered. An initial pilot study was carried out with a group of 8 respondents (4 insiders and 4 outsiders) to eliminate any unrelated or ambiguous items. Following the pilot study a number of the U&G items were removed and some questions were improved for clarity.

The online survey was divided into three sections. The first section sought to gather information about the respondents' consumption of short-form animation content. This initial section also determined the respondents' position as an Insider or Outsider, asking whether they worked within the animation field or created animation as a hobby. To further clarify their positioning respondents' were asked to rate the statement '*The Consumption of short-form animation content forms and important part of my daily life*'².

The second section looked at the respondents' motives for consuming short animation online and asked respondents' to rate a series of 30 gratification items divided into Social, Information, Recognition, Entertainment, Pass Time, Convenience and Diversion. These gratification items were adapted from previous U&G studies, specifically studies on Internet (Papacharissi and Rubin 2000; Ko, Cho, and Roberts 2005; Sundar and Limperos 2013), YouTube (Harrison & Haridakis 2008), Music (Lonsdale and North 2011), Video Games (Sherry et al. 2003), and Television use (Palmgreen and Rayburn 1979; Barton 2009). These items have been validated in these studies and were deemed suitable here due to the similar online context of consumption and similar visual and creative media as the subject of consumption.

The final survey section sought to determine payment perceptions and willingness to pay for short form animation content, with questions adapted from Dou's (2004) study on WTP for online content and Ye et al. (2004) study of WTP for fee-based online services.

Results

The online survey garnered 160 responses. 52 were removed due to incomplete data leaving 108 usable responses (48 Insiders, 60 Outsiders). The following section provides a presentation of results and is followed by a discussion of the findings.

Consumption Habits

Details of the respondents' consumption habits including hours spent watching animation online per week, their primary source of consumption and whether they would typically avoid a certain length of film are presented in Table 1.

Consumption Motives

Tables 2-4 show descriptive statistics, T-Tests for significance, and correlation tests from responses towards the gratification items. Factor analysis was used to test the gratification item loadings on the initial six factors (Appendix 1). Items that displayed similarity or failed to load to a value greater than 0.5 were removed from the final analysis. This resulted in a final set of 26 gratification items placed on 5 factors with Diversion merged with Pass Time.

Willingness To Pay

Descriptive statistics relating to the respondents' WTP are shown in tables 5-12. Firstly, whether respondents' had previously paid to consume animation online (Table 5) and how often they felt inclined to pay (Table 6). This is followed by reasons for payment (Table 7) and non-payment (Table 8), measured in agreement with a series of statements (1 = strongly disagree / 5 = strongly agree). Next, respondents' were asked about their likely WTP in the presence of a simple payment method (Table 9), and how much they felt they would be willing to pay (Table 10). Finally perceptions (Table 11) and preference towards different payment methods are presented (Table 12).

Linking Engagement and Willingness to Pay

In order to identify links between engagement and WTP, correlation tests were used to discover which motives best correlated with items relating to the respondent's WTP. Items that correlated with the three items relating previous payment, intention to pay and amount inclined to pay are shown in Table 13.

² All rating statements were measured by a 5 point likert scale: 1 = strongly disagree / 5 = strongly agree

Table 1: Consumption Habits

How many hours a week (on average) would you say you spent watching short form animation content online?			
	<i>Overall</i>	<i>Insiders</i>	<i>Outsiders</i>
<i>Median</i>	1.87	3.01	0.96
<i>Mean</i>	1	2	0.5
<i>Mode</i>	1	0	1
<i>SD</i>	3.02	3.15	2.59
<i>rs (with insiders)</i>	$r(108) = .593, p < .05$		
<i>t</i>	$t(108) = 3.748, p < 0.001$		
Which of the following is your primary source for consuming short form animation content online?			
	<i>Overall %</i>	<i>Insiders %</i>	<i>Outsiders %</i>
<i>YouTube</i>	57.3	34.7	75.4
<i>Vimeo</i>	30.9	63.3	8.2
<i>Other</i>	11.8	6.1	16.4
<i>rs (with insiders)</i>	$r(108) = .601, p < .05$		
<i>t</i>	$t(108) = 6.193, p < 0.001$		
What length of short animation would you typically avoid when viewing online?			
	<i>Overall %</i>	<i>Insiders %</i>	<i>Outsiders %</i>
<i>2-5 minutes</i>	6.4	8.7	4.9
<i>5+ minutes</i>	14.5	6.1	21.3
<i>10+ minutes</i>	24.5	30.6	19.7
<i>15+ minutes</i>	20.9	26.5	16.4
<i>Length not a deterrent</i>	33.6	28.6	37.7
<i>rs (with insiders)</i>	$r(108) = -.030, p > .05$		
<i>t</i>	$t(108) = -0.169, p > 0.1$		

Table 2: Descriptive Statistics for Consumption Motives

<i>Items</i>	Insiders		Outsiders	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>
<i>Social Items</i>				
To Have Something to talk about with others	2.39	0.98	2.51	1.5
To belong to a group with the same interests as mine	2.57	1.26	1.82	1.12
As a means to connect with interest people	2.51	1.23	2.02	1.26
Because My friends Watch Them	2.04	1.12	2.39	1.48
Because a friend shared a link	3.06	1.2	3.39	1.31
<i>Information Items</i>				
To keep up-to-date with the animation scene	4.27	0.97	1.66	0.98
To advance my animation knowledge and skills	4.02	1.14	1.72	1.17
To gain inspiration for my own work	4.13	1.1	1.95	1.35
Because it is helpful for my career/ education	3.84	1.21	1.62	1.11
To see what's out there	4.35	0.86	2.9	1.36
<i>Recognition Items</i>				
As a means to express my interest	2.88	1.38	1.84	1.28
To portray a particular image of myself to others	2	1.17	1.49	0.96
To gain respect & support from my peers	1.96	1.13	1.41	0.9
To build up my confidence	2.1	1.19	1.34	0.87
To promote or publicise my expertise of short form animation content	2.57	1.41	1.47	0.96
<i>Entertainment Items</i>				
Because it entertains me	4.33	0.85	4.31	1.06
Because it is enjoyable	4.29	0.89	4.16	1.05
To enjoy escaping into a different world	3.85	1.41	3.26	1.44
To forget about work/study	3.11	1.4	3.1	1.26
<i>Pass Items</i>				
When I have nothing better to do	2.96	1.37	3.36	1.32
When I am bored	2.82	1.36	3.26	1.32
Because its just a habit	2.49	1.36	1.82	1.08
I watch short form animation content when I have other things to do	3	1.32	2.21	1.27
<i>Convenience Items</i>				
To Access content for free	3.49	1.42	3.21	1.46

Because its easier to find new animation content		3.35	1.25	2.43	1.45
I can see short form animation content without having to go to film festivals		3.76	1.28	2.83	1.56

Table 3: Gratification item T-Tests

	Insiders	Outsiders	t
<i>Items</i>	<i>M</i>	<i>M</i>	
<i>Social Items</i>			
To belong to a group with the same interests as mine	2.57	1.82	$t(108) = 3.314, p < 0.001$
As a means to connect with interest people	2.51	2.02	$t(108) = 2.069, p < 0.05$
<i>Information Items</i>			
To keep up-to-date with the animation scene	4.27	1.66	$t(108) = 13.908, p < 0.001$
To advance my animation knowledge and skills	4.02	1.72	$t(108) = 10.301, p < 0.001$
To gain inspiration for my own work	4.13	1.95	$t(108) = 9.044, p < 0.001$
Because it is helpful for my career/ education	3.84	1.62	$t(108) = 9.959, p < 0.001$
To see what's out there	4.35	2.9	$t(108) = 6.786, p < 0.001$
<i>Recognition Items</i>			
As a means to express my interest	2.88	1.84	$t(108) = 4.097, p < 0.001$
To portray a particular image of myself to others	2	1.49	$t(108) = 2.500, p < 0.001$
To gain respect & support from my peers	1.96	1.41	$t(108) = 2.821, p < 0.001$
To build up my confidence	2.1	1.34	$t(108) = 3.714, p < 0.001$
To promote or publicise my expertise of short form animation content	2.57	1.47	$t(108) = 4.655, p < 0.001$
<i>Entertainment Items</i>			
To enjoy escaping into a different world	3.85	3.26	$t(108) = 2.150, p < 0.05$
<i>Pass Time Items</i>			
Because its just a habit	2.49	1.82	$t(108) = 2.884, p < 0.01$
I watch short form animation content when I have other things to do	3	2.21	$t(108) = 3.175, p < 0.01$
<i>Convenience Items</i>			

Because its easier to find new animation content	3.35	2.43	$t(108) = 3.519, p < 0.005$
I can see short form animation content without having to go to film festivals	3.76	2.83	$t(108) = 3.313, p < 0.005$

Table 4: Positive correlations between gratification items and insiders

	<i>rs</i>
<i>Items</i>	
<i>Social Items</i>	
To belong to a group with the same interests as mine	r(108) = .321, p < .05
As a means to connect with interest people	r(108) = .219, p < .05
<i>Information Items</i>	
To keep up-to-date with the animation scene	r(108) = .794, p < .05
To advance my animation knowledge and skills	r(108) = .696, p < .05
To gain inspiration for my own work	r(108) = .654, p < .05
Because it is helpful for my career/education	r(108) = .689, p < .05
To see what's out there	r(108) = .536, p < .05
<i>Recognition Items</i>	
As a means to express my interest	r(108) = .371, p < .05
To portray a particular image of myself to others	r(108) = .266, p < .05
To gain respect & support from my peers	r(108) = .311, p < .05
To build up my confidence	r(108) = .390, p < .05
To promote or publicise my expertise of short form animation content	r(108) = .433, p < .05
<i>Entertainment Items</i>	
To enjoy escaping into a different world	r(108) = .215, p < .05
<i>Pass Time Items</i>	
Because its just a habit	r(108) = .255, p < .05
I watch short form animation content when I have other things to do	r(108) = .297, p < .05
<i>Convenience Items</i>	
Because its easier to find new animation content	r(108) = .320, p < .05
I can see short form animation content without having to go to film festivals	r(108) = .292, p < .05

Table 5: Previous payment for animation content online

<i>Have you ever paid to consume short form animation content online?</i>	<i>Overall %</i>	<i>Insiders %</i>	<i>Outsiders %</i>
<i>Yes</i>	14.5	26.5	4.9
<i>No</i>	85.5	73.5	95.1
<i>rs (with insiders)</i>	$r(108) = .305, p < .05$		
<i>t</i>	$t(108) = 3.107, p < 0.005$		

Table 6: Inclination to Pay

<i>How often do you feel inclined to pay for animated short form content?</i>	<i>Overall %</i>	<i>Insiders %</i>	<i>Outsiders %</i>
<i>Never</i>	30.9	20.4	39.3
<i>Rarely</i>	22.7	26.5	19.7
<i>Sometimes</i>	14.5	20.4	4.9
<i>Often</i>	0.9	0	1.6
<i>All of the time</i>	0	0	0
<i>Never been given the option</i>	33.6	32.7	34.4
<i>rs (with insiders)</i>	$r(108) = .105, p > .05$		
<i>t</i>	$t(108) = .510, p > 0.1$		

Table 7: Reasons for payment

What makes you feel inclined to pay	Insiders				Outsiders				<i>t</i>	<i>Rs (correlations with insiders)</i>
	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>		
<i>I personally know the director(s)</i>	2.92	3	1	1.46	2.72	3	1	1.60		
<i>I've been interested in the director(s) work for sometime</i>	3.27	4	4	1.4	2.26	2	1	1.39	<i>t</i> (108) = 3.755, <i>p</i> < 0.001	<i>r</i> (108) = .344, <i>p</i> < .05
<i>I've seen previous work from the director(s)</i>	3.04	3	4	1.35	2.36	2	1	1.34	<i>t</i> (108) = 2.632, <i>p</i> < 0.05	<i>r</i> (108) = .252, <i>p</i> < .05
<i>I value short form animated content and want to aid its continued production</i>	3.12	3	4	1.20	2.16	2	1	1.28	<i>t</i> (108) = 4.011, <i>p</i> < 0.001	<i>r</i> (108) = .370, <i>p</i> < .05
<i>I feel personally moved by the content</i>	3.14	3	4	1.35	2.43	2	1	1.47	<i>t</i> (108) = 2.636, <i>p</i> < 0.05	<i>r</i> (108) = .248, <i>p</i> < .05
<i>I feel obliged to give something back</i>	2.94	3	4	1.41	2.08	2	1	1.24	<i>t</i> (108) = 3.391, <i>p</i> < 0.005	<i>r</i> (108) = .308, <i>p</i> < .05
<i>I feel it's the right thing to do (you pay for the things you get)</i>	2.61	3	3	1.11	2.20	2	1	1.25		
<i>It fulfilled my desired gratifications</i>	3.22	3	4	1.23	2.46	3	1	1.30	<i>t</i> (108) = 3.147, <i>p</i> < 0.005	<i>r</i> (108) = .291, <i>p</i> < .05

Table 8: Reasons for non-payment

What makes you not feel inclined to pay	Insiders				Outsiders				<i>t</i>	<i>rs (correlations with insiders)</i>
	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>		
<i>Free alternative available</i>	3.61	4	4	1.30	4.07	4	5	1.18	<i>t</i> (108) = -1.910, <i>p</i> < 0.05	<i>r</i> (108) = -.204, <i>p</i> < .05
<i>Content not worth paying for</i>	3.51	4	5	1.46	3.70	4	5	1.22		
<i>No payment method available</i>	3.69	4	5	1.53	3.25	4	5	1.65		
<i>Overwhelmed by choice</i>	2.73	3	3	1.32	2.54	2	1	1.40		
<i>Content online should be free</i>	2.79	3	3	1.25	2.48	2	1	1.40		
<i>It failed to fulfill my desired gratifications</i>	3.33	4	4	1.51	3.00	3	3	1.43		
<i>Don't like giving payment details out online</i>	2.71	3	1	1.49	2.77	3	1	1.49		
<i>Do not have expendable cash</i>	3.41	4	5	1.51	3.38	4	4	1.31		

Table 9: Willingness to pay

If there were a simple payment method available how likely would you be to pay for animated short form content that you enjoyed?			
	<i>Overall %</i>	<i>Insiders %</i>	<i>Outsiders %</i>
<i>Not at all likely</i>	20.9	6.1	32.8
<i>Unlikely</i>	20.9	22.4	19.7
<i>Maybe</i>	46	53.1	41
<i>Likely</i>	11.8	18.4	6.6
<i>Very Likely</i>	0	0	0
<i>rs (with insiders)</i>	r(108) = .313, p < .05		
<i>t</i>	t(108) = 3.583, p < 0.005		

Table 10: Payment amount

How much would you pay for animated short form content which you felt inclined to pay for?			
	<i>Overall £</i>	<i>Insiders £</i>	<i>Outsiders £</i>
<i>M</i>	1.81	2.78	1.16
<i>Mdn</i>	1.5	2	0.6
<i>Mo</i>	0	2	0
<i>SD</i>	2	2.34	1.44
<i>rs</i>	r(108) = .365, p < .05		
<i>t</i>	t(108) = 2.828, p < 0.01		

Table 11: Perceptions towards payment models

	Insiders				Outsiders			
	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>
<i>Online content should be free so I would never pay for content</i>	2.67	3	3	1.14	2.52	3	3	1.25
<i>Creators of short form content should ask their audience to pay for content</i>	2.67	3	3	1.05	2.69	3	3	1.05
<i>Creators of animated short form content should be entitled to ask their audience for financial contributions (voluntary) towards their content.</i>	3.84	4	5	1.12	3.93	4	5	1.09
<i>Advertising should fund online content</i>	3.15	3	3	1.14	3.07	3	4	1.21

Table 12: Preferred payment model

If you were to pay for animated short form content, what form of payment would you prefer?			
	<i>Overall %</i>	<i>Insiders %</i>	<i>Outsiders %</i>
<i>Advertising</i>	21.8	18.8	24.6
<i>Premium</i>	13.6	8.3	18.3
<i>PWYW (Prior Consumption)</i>	14.5	18.8	11.5
<i>PWYW (Post Consumption)</i>	50	54.2	45.9

Table 13: Willingness to pay correlations, $r(108)$, $p < .05$

	Have you ever paid to consume short form animation content online?	If there were a simple payment method available, how likely would you be to pay for animated short form content that you enjoyed?	How much would you pay for animated short form content which you felt inclined to pay for.
Consumption Habits			
<i>How many hours a week would you say you spent watching short form animation content online</i>	0.219	0.305	0.339
<i>The consumption of short form animation content forms an important part of my daily life</i>	0.366	0.260	0.276
Information Items			
<i>To keep up-to-date with the animation scene</i>	0.274	0.378	0.372
<i>To advance my animation knowledge and skills</i>	0.195	0.435	0.359
<i>To see what's out there</i>	0.212	0.396	0.341
Payment Motives			
<i>I've been interested in the directors work for some time</i>	0.275	0.410	0.412
<i>I've seen previous work from the director(s)</i>	0.231	0.387	0.377
<i>I value short form animated content and want to aid its continued production</i>	0.320	0.595	0.443

Discussion

The results presented here show how different audience segments can be more highly engaged with a medium due to a differing frame of reference and broader motives for consumption. This arguably leads them to gain greater value from consumption and display a higher WTP. The following discussion elaborates on these findings with reference made to how they show support for PWYW.

Consumption Habits

Results on consumption habits (Table 1) show Insiders spend longer consuming animation, indicating a greater interest and interaction with the medium. More time spent consuming also indicates their greater experience with the medium, thus, creating a different frame of reference.

Respondents primary source of consumption also offered interesting differences; Insiders were predominantly Vimeo users, whilst Outsiders were YouTube users. The Vimeo platform differentiates itself as a niche community of like-minded, highly engaged filmmaking professionals, with a clean interface that ensures the film takes center stage (Larson 2013; Filmshortage 2013). Therefore, this difference may allow us to suggest that Insiders are the most discerning viewer.

Consumption Motives

Insiders showed greater agreement across a wider range of gratification items than Outsiders. In particular, Insiders indicated strong agreement with the information, entertainment and convenience items. In comparison, Outsider only indicated strong agreement with the entertainment items.

The strong agreement with information and convenience items shows how the Insiders are more purposeful and goal orientated. This, combined with an agreement towards entertainment items shows how instrumental use is combined with ritualised use. Outsiders, however, with strong agreement limited to entertainment items, show how their use is ritualised only.

Interestingly, the convenience item *'to access content for free'* found consensus for both Insiders and Outsiders, which may indicate towards the perception of online content being free and consumers choose online consumption for this reason. Therefore, greater engagement may not always lead to WTP and may simply lead to consumption on a platform where an abundance of free content can fulfil their needs. Despite this finding there is evidence of WTP as discussed in the following section.

Willingness to Pay

An existing WTP for animation online is shown with just over a quarter of Insiders and a small minority of Outsiders indicating they had paid on a previous occasion. However, responses indicate that payment was not common (14.5% overall). This is echoed in subsequent questions asking how often respondents felt inclined to pay and their likelihood of paying if a payment method was available. The findings show that those with WTP are a small minority, thus, WTP is constantly competing with unwillingness from the majority of consumers. However, this may be answered by the PWYW model, which can account for both sides while still allowing consumption so creators can reach wide audiences.

Differences in WTP are also matched by differences in the amounts individuals are willing to pay. Insiders indicated a WTP almost double ($M = £2.31$) that of the Outsiders ($M = £1.21$). Thus showing the Insiders greater engagement and frame of reference in determining value. These differences are again supportive of the PWYW model, as each consumer can give based on their own value assessment. This may generate payments above what a creator may expect, and also reduce adverse risks such as consumer dissatisfaction if, for example, the consumer were to perceive less value than their cost sacrifice in a premium payment situation (Bowden 2009).

However, the overall average amount (£1.81) indicates a PWYW model is unlikely to fully compensate a filmmaker's expenditure. Thus, a PWYW model may be best employed alongside other means of revenue generation (e.g. crowdfunding pre-production and PWYW post-production). If we cautiously suggest that 1% of consumers may be active and pay in a PWYW situation, approximately 280,000 views would be needed to cover a £5,000 short film budget. Yet, this still assumes best-case scenario, and considering the consumer differences discussed here the percentage of those with a WTP may be much lower.

Payment Motives

Insiders showed greater agreement with statements relating to reasons for payment, especially motives linked to previous engagement (*'I've been interested in the director(s) work for sometime / I've seen previous work from the director'*). Prior experience with a creators work can help the consumer reduce feelings of uncertainty, as they trust the work will be of good quality based on their previous experience. There was also agreement with the statement *'I value short form animation content and want to aid its continued production'*, which continues to emphasise their position as an Insider and the higher value placed on animation.

Reasons for non-payment found consensus from both the Insiders and Outsiders, aside from the statement *'Free alternative available'*. Here, there was higher agreement from Outsiders, although, agreement was still shown by Insiders, thus, highlighting the difficulty of online monetisation when faced with a multitude of free alternatives. Consensus across the other non-payment items indicates that consumers are seeking value from consumption and will

not pay if their expectations are not met. Agreement with *'Do not have expendable cash'* and *'No payment method available'* may also indicate potential WTP if they had more disposable income, or if payment methods were available.

Lack of payment options were also indicated by one-third of respondents, who when asked how often they felt inclined to pay answered: *'Never been given the option'*. This may be caused by few online video services offering payment options, or creators not wanting to charge in their desire for a large audience. Yet, this can be seen as a missed opportunity to recoup their investment if some consumers show a WTP.

Other reasons for payment or non-payment gathered from open-ended responses indicated wanting to show support for independent animation and creativity: "Mainly to support the production of quality independent animation. To support the artists. I would never pay to watch large studio produced short form online". This is indicative of the community camaraderie of fellow creative's who want to support independent creative production.

Support for Pay What You Want

Support for PWYW was found through responses towards a series of statements linked to payment methods (Table 11) and an indication of preferred payment methods (Table 12). Overall 64.5% indicated PWYW as a preferred payment method while there was also agreement that content creators should be entitled to ask for voluntary contributions towards their content. Backing for the PWYW methods shows that content creators need not be afraid to ask for audience support when it comes to seeking revenue. Those who chose to elaborate on PWYW preference reported that it would allow the contents worth to be determined by consumption, therefore reducing risk and uncertainty: "I would not pay prior to consumption unless I knew the creator. If something was recommended to me I would not pay to watch it, but if I could watch it first and then make a donation I might be willing to pay a lot if I had especially enjoyed it."

Some even indicated that PWYW allows them want to pay more than they would have before: "Short form animations can sometimes be nothing special for me, and I wouldn't want to support them. But then there are some masterpieces I'd be willing to pay a full cinema ticket for! This can only be judged post-consumption"

However, these responses also show an indication that WTP may not be a frequent occurrence; "*might* be willing to pay", "*some* masterpieces". The responses show the subjectivity and variability of consumer WTP, which makes the particular aspects of what motivates WTP difficult to define. Therefore, although respondents' indicated a preference for PWYW, this does not indicate a subsequent WTP, or clarify for what types of content. Respondents' may have chosen this option as it provides a method to access content for free and they have little intention of paying. As stated earlier there is a danger that respondents' may be answering in an idealised manner, and their response may not indicate how they would react in reality.

Linking Engagement and Willingness to Pay

While Insiders have shown greater engagement and WTP towards animation, this will not be the case in all encounters with the medium. As argued by Palmgreen and Rayburn (1979, p160) "just because we enjoy reading newspapers does not mean that we must necessarily be satisfied with a particular paper". Only those encounters that raise engagement to a higher degree and provide sufficient value will elicit a WTP. Thus, correlation tests were used to draw links between engagement and WTP and understand what may be most influential in motivating WTP.

Firstly, there were positive relationships with spending more time-consuming animation content and that its consumption forms an important part of the consumer's daily lives. This indicates the greater frame of reference as argued by Bowden (2008), where due to greater experience the consumer has a more elaborated knowledge to decipher value. This greater frame of reference may make the consumer a more discerning, like the connoisseur analogy presented in the introduction, and allow them to be a better judge of quality to avoid content deemed "nothing special" that can reduce WTP.

Secondly, three of the information items correlated with each of the WTP items. As already stated the information items show a more goal-directed instrumental use of animation. This indicates that those with a WTP are consuming for more than just mere entertainment and are consuming for reasons that can aid aspects of self-development. Entertainment motives can often be satisfied by the abundance of free alternatives, thus not creating WTP. In opposition, the information motives may require higher quality content due to higher instrumental value, which is often harder to find, thus, eliciting WTP.

Finally, the initial set of payment motives showed a positive correlation. The first two are concerned with previous experience with the director that emphasises again how establishing audience relationships are important to elicit WTP (Bowden 2009; Vivek, Beatty, and Morgan 2012). Creators who have not yet taken the time to sufficiently build a rapport with their audience may struggle to generate revenue (Lopes and Galletta 2006). Thus engagement becomes key in the ability to monetise creative endeavours, with audience rapport making consumers more trusting and receptive to new work: "The only way I feel moved to pay money is if an independent animator has built a connection with their followers and deserves the support for work well done".

As argued in the introduction, the increasing openness and connectivity involved in online environments means it is important to not only produce content, but also have the skills and expertise to distribute that effectively and manage audience relationships. Those able to do so are likely to generate a consumer WTP with greater ease than those who ignore the management of the consumer relationships or do not have the resources to effectively do so. This strengthens the notion put forward earlier, where those new to market or poorer in terms of resources, risk falling behind established entities in the market. Thus, making it increasingly difficult to generate attention, engagement and subsequently a WTP among consumers and the paradox presented earlier comes into action. In this paradox those wishing to build relationships and trust required to generate a WTP are likely to struggle due to their limited resources and lack of pre-

existing content or audience relationships. Thus, subsequently making it difficult to derive the revenue required produce content efficiently; creating a vicious cycle that prohibits their ability to engage consumers.

The final payment motive that shows positive (and the strongest) correlation was *'I value short form animated content and want to aid its continued production'*. The statement offers an explicit declaration that the value provided by the animation medium elicits a WTP to support its future development. This indicates the reciprocal behaviour that motivates WTP and a desire to give back for the value received. This may be linked back to the communal aspect of consumption discussed in relation to Vimeo users earlier, where it is like-minded individuals who understand the value and effort of the medium and appreciate it for what it is (connoisseurs), who develop a WTP.

Conclusions

The present study has explored the differences between animation Insiders and Outsiders to show how certain consumers may be more likely to gain greater value from animation than others. The results indicate individual differences between consumers' and show that Insiders display a greater engagement, greater WTP, and WTP pay a higher amount for animation content. Based on these findings it is posited that a PWYW model may be best suited to cater for audience differences. This would allow creatives to answer both sides of Shirky's Fame vs. Fortune dilemma as encapsulated by the following response in the online survey: "If paying before, it may put people off but if they want to contribute afterwards, they have the option and the artist gets the exposure". This is similar to the notion put forward in the introduction, that animated short films are often more an expression of creativity, passion and means of exposure than profit making mechanisms. The PWYW model enables this by providing free access, whilst simultaneously offering a revenue method that may go some way in reducing the burden of resource limitations. The PWYW model also captures the uniqueness of creative media content, which is surrounded by quality uncertainty and where value is best determined through use.

Support for the PWYW model does not come without caution, creators must be aware that those with a WTP will be in the minority and the effectiveness of PWYW is improved in connection with the strength of existing relationships and engagement with audiences. Therefore, it becomes increasingly important to build audience relationships and integrate oneself in the community of likeminded individuals. Creators with an established identity are likely to find success with such models easier to come by and those that take a 'build-and-they-will-come' approach risk falling behind.

This study is not without limitations. As previously acknowledged there is a danger that some survey respondents could be responding in an idealised manner. Thus, additional research would be beneficial to measure the effectiveness of PWYW in practice. This research should compare PWYW to other methods of payment, as well as different variations of the PWYW model (e.g. pre-consumption, post-consumption and fixed minimum price). Also, whilst this study indicates a WTP for animated short-form content it does not indicate for which types of content. Animated short form content is highly variable, with numerous genres, lengths and styles to consider. Thus, future research may wish to consider such factors in order to further clarify this issue.

While the focus of this study has been on short-form animation, findings are potentially applicable to other creative fields. For instance, greater experience with a medium and being a more discerning consumer is evident in related artistry, with divisions between popular culture and niche independent content. Pre-existing engagement with a particular artist is also likely to be a factor in other creative fields, whether it is a relationship with a director, music artist, author or game developer. The constant competition against free culture is also something that affects all creative mediums, with piracy a constant issue for the film and music industry.

However, it is acknowledged that there may also be differences in terms of other creative mediums. For example, longer-form media may produce greater immersion or greater value perceptions due to its longer length. Mediums such as music and games also offer a greater use cycle with higher frequency of use. Such factors are worth exploring in future research to understand the role they may play in consumers WTP and subsequent perceptions that influence PWYW decisions.

Despite these limitations, the hope is that the present study demonstrates that despite a perception that consumers want everything for free there is a WTP for content online. Thus, content creators should not shy away from presenting the consumer with the option to reciprocate the value they receive.

Appendix 1: U&G Motive Factor Loadings

<i>Items</i>		<i>Factor Loading</i>	<i>Chronbach's α</i>	<i>Eigenvalue</i>
<i>Social</i>			0.792	2.207
To Have Something to talk about with others		0.557		
To belong to a group with the same interests as mine		0.752		
As a means to connect with interest people		0.753		
Because My friends Watch Them		0.675		
Because a friend shared a ink		0.554		
<i>Information</i>			0.936	3.741
To keep up-to-date with the animation scene		0.85		
To advance my animation knowledge and skills		0.929		
To gain inspiration for my own work		0.909		
Because it is helpful for my career/ education		0.869		
To see what's out there		0.758		
<i>Recognition</i>			0.909	3.351
As a means to express my interest		0.737		
To portray a particular image of myself to others		0.831		
To gain respect & support from my peers		0.865		
To build up my confidence		0.796		
To promote or publicise my expertise of short form animation content		0.796		
<i>Entertainment</i>			0.844	2.422
Because it entertains me		0.923		
Because it is enjoyable		0.892		
To enjoy escaping into a different world		0.708		
To forget about work/study		0.523		
<i>Pass Time</i>			0.736	1.976
When I have nothing better to do		0.885		
When I am bored		0.758		
Because its just a habit		0.552		
I watch short form animation content when I have other things to do		0.556		
<i>Convenience</i>			0.856	2.02
To Access content for free		0.722		

Because its easier to find new animation content		0.834		
I can see short form animation content without having to go to film festivals		0.896		

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