

The Analysis of User Intention to Subscribe Netflix Using UTAUT Framework

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Abstract

In addition to assessing the degree of satisfaction with the services offered by the streaming application to its customers, this study seeks to identify the elements that motivate streaming application users in Indonesia to renew their subscriptions in the coming months. The research model employed in this study is the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2), which also includes variables for content, ethics, and morality in addition to the variables for the expectation-confirmation model (ECM), specifically satisfaction and intention to continue. This study uses a quantitative method with data analysis using the PLS-SEM method with the help of SmartPLS. According to the study's findings, a number of factors influence how likely users of streaming applications are to renew their subscriptions in the months to come, including content, performance expectations, facilitating conditions, hedonic incentive, price value, habit, morals, and ethics. The findings of this study are anticipated to be taken into account when streaming applications decide whether or not to expand in Indonesia.

Keywords: streaming application, technology, UTAUT, loyalty.

INTRODUCTION

Along with the development of technology, almost everyone in the world already has access to the internet and uses it every day. In Indonesia alone, until mid-2018, there were 143.26 million people who had used the internet out of a total population of 262 million. This figure indicates that around 54.68% of the majority of the population in Indonesia is connected to the internet. Internet users in Indonesia are generally dominated by the millennial generation (age range 19-34 years) at 49.52%, and internet usage for downloading and watching movies occupies the third highest position in internet utilization in the lifestyle sector, namely as much as 70.23%, followed by downloading and watching activities. listening to music (71.10%) and social media (87.13%). Its use was also dominated by smartphone devices by as much as 44.16% (Indonesian Internet Service Providers Association, 2018).

Many services available on the internet allow users to be able to complete various tasks or needs, one of which is education, also known as e-learning (Delone & McLean, 2004). The objectives of using the internet in education, as stated by previous researcher, include: expanding student networks (student base); increasing institutional image (brand image); increasing learning and teaching; increasing student satisfaction; reducing operating costs;

and developing new products and services. In addition, the internet is also used in the field of government, also known as e-government (Alavi & Gallupe, 2003). The use of the internet and other information and communication technologies by the government to better process and provide information and services to residents, employees, business partners, and other government agencies is known as e-government. By using it, the government may share details about its initiatives and plans while also serving as a conduit for community ambitions (Andry et al., 2020).

Business activities can also be carried out using the internet with the term e-commerce, such as to facilitate, implement, and process business transactions involving buyers and sellers and the exchange of goods or services for money. Buyers can easily search and find goods according to their wishes, while sellers can easily display their wares and sell at competitive prices (Gunawan et al., 2019). Activities in the field of entertainment, such as watching movies, can also be done with the help of the internet. A subscription video on demand service, commonly referred to as subscription video on demand (SVOD), is one sort of online movie streaming service (Andry et al., 2020). When using a video-on-demand subscription service, customers pay a price (often per month) in exchange for the freedom to select and watch content that is given by the SVOD service provider whenever and whenever they are connected to the internet, on their own timetable. a certain broadcast (Tannady et al., 2020).

The streaming service is a provider of video-on-demand subscription services that was established in the United States in 1997 and has more than 151 million paying subscribers in more than 190 countries. It offers television series, documentaries, and feature films in a variety of genres and languages. On any screen linked to the Internet, users are free to watch whatever they want, whenever they want (Hendy et al., 2020). Users of streaming apps can also play, pause, and resume without interruptions or obligations. A previous researcher's poll found that, in their own nation, millennials prefer streaming services over traditional or cable television and YouTube as their preferred medium for watching video material (movies, TV shows, etc.).

With many internet users in Indonesia using the internet to download or watch movies, the streaming application opened its expansion path to Indonesia in 2016. In October 2018, the streaming application officially launched an Indonesian-language interface on its application, complete with Indonesian subtitles. The streaming application also collaborates with local operators such as XL Axiata, Bolt, Hutchinson 3 Indonesia, and Smartfren, which provide data packages for video streaming. Streaming application users in Indonesia have experienced a significant increase from year to year. Streaming application users in Indonesia in 2017 recorded around 94 thousand users, and in 2018 it reached around 237 thousand users. It is predicted that in 2019, streaming application users in Indonesia will reach around 481 thousand users, and in 2020, it is predicted to reach around 906 thousand users.

METHOD

This study uses a quantitative approach. Hypothesis testing is carried out by experimental research, in which the test is carried out by finding out which independent variables affect a dependent variable, which is the subject of discussion in that research. Based on the explanation regarding the research approach, the researcher uses methods, techniques, and tools that are in accordance with the quantitative approach so that research can be carried out properly. Data collection was carried out using an instrument in the form of a questionnaire, which was distributed to users of the streaming application SVOD service. Furthermore, statistical data analysis uses several tools, such as Microsoft Word 2016 for writing reports, Microsoft Excel for classifying questionnaire data, SmartPLS for processing

data resulting from distributing questionnaires, Draw.io for making images that support research reports, and Mendeley Desktop for writing theses and references used by researchers as a reference in writing reports. Therefore, the population in this study was set at 426,200 users. By using the Slovin formula to calculate the required number of samples, the required number of samples in this study was as many as 500, which would later be taken randomly from members of the population. Methods of data collection in this study used literature, surveys, and questionnaires. Researchers decided to use the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) model as the main model in this study because UTAUT2 is a concise model and is proven to have stronger explanatory power in predicting consumer use intentions towards a technology than the previous model. Then, the researchers modified the UTAUT2 model by changing behavioral intention and use behavior to satisfaction and continuation intention, taken from the Expectation-Confirmation Model (ECM).

RESULT AND DISCUSSION

The results of the structural model analysis (inner model) show that the relationship between the content (CO) variable and the performance expectancy (PE) variable has a path coefficient value of 0.646, so the influence on this relationship can be said to be significant, while the T-statistic value of 19.484 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that content (CO) has a positive effect on performance expectancy (PE). On the other hand, the influence of the content (CO) variable and the performance expectancy (PE) variable has a relative impact value (q^2) of 0.339 and an effect size (f^2) of 0.716, so the influence on this relationship can be said to be large. The results of the structural model analysis (inner model) show that the relationship between the content (CO) variable and the facilitating conditions (FC) variable has a path coefficient value of 0.444, so the influence on this relationship can be said to be significant, while the T-statistic value of 7.196 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that content (CO) has a positive effect on facilitating conditions (FC). On the other hand, the influence of the content (CO) variable on the facilitating conditions (FC) variable has a relative impact value (q^2) of 0.137 and an effect size (f^2) of 0.245, so the influence on the relationship can be said to be moderate.

The relationship between the content (CO) variable and hedonic motivation (HM) variable has a path coefficient value of 0.574, so the influence on this relationship can be said to be significant, while the T-statistic value of 14.205 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that content (CO) has a positive effect on hedonic motivation (HM). On the other hand, the influence of the content (CO) variable on the hedonic motivation (HM) variable has a relative impact value (q^2) of 0.283 and an effect size (f^2) of 0.492, so the influence on this relationship can be said to be large. The content (CO) variable on the price value (PV) variable has a path coefficient value of 0.442, so the influence on this relationship can be said to be significant, while the T-statistic value of 8.971 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that content (CO) has a positive effect on price value (PV). On the other hand, the effect of the content (CO) variable on the price value (PV) variable has a relative impact value (q^2) of 0.187 and an effect size (f^2) of 0.243, so the influence on this relationship can be said to be moderate.

The relationship between the content variable (CO) and the habit variable (HT) has a path coefficient value of 0.434, so the influence on this relationship can be said to be significant, while the T-statistic value of 9.060 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that content (CO) has a positive effect on habit (HT). On the other hand, the effect of the content (CO) variable on the habit (HT) variable has a

relative impact value (q^2) of 0.147 and an effect size (f^2) of 0.232, so the influence on this relationship can be said to be moderate. The content variable (CO) on the satisfaction variable (SAT) has a path coefficient value of 0.099, so the influence on this relationship can be said to be significant, while the T-statistic value of 2.206 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that content (CO) has a positive effect on satisfaction (SAT).

The relationship between the performance expectation (PE) variable and the satisfaction (SAT) variable has a path coefficient value of 0.095, so the influence on this relationship can be said to be significant, while the T-statistic value of 1.955 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that performance expectation (PE) has a positive effect on satisfaction (SAT). The relationship between the Facilitating Conditions (FC) variable and the Continuance Intention (CI) variable has a path coefficient value of 0.162, so the influence on this relationship can be said to be significant, while the T-statistic value of 3.609 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that facilitating conditions (FC) has a positive effect on continuity intention (CI). The relationship between the hedonic motivation (HM) variable and satisfaction (SAT) variable has a path coefficient value of 0.377, so the influence on this relationship can be said to be significant, while the T-statistic value of 7.372 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that hedonic motivation (HM) has a positive effect on satisfaction (SAT).

The relationship between the price value (PV) variable and the satisfaction (SAT) variable has a path coefficient value of 0.220, so the influence on this relationship can be said to be significant, while the T-statistic value of 5.512 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that price value (PV) has a positive effect on satisfaction (SAT). The relationship between the habit variable (HT) and satisfaction variable (SAT) has a path coefficient value of 0.221, so the influence on this relationship can be said to be significant, while the T-statistic value of 4.936 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that habit (HT) has a positive effect on satisfaction (SAT). The results of the structural model analysis (inner model) show that the relationship between the Habit (HT) variable and Continuance Intention (CI) variable has a path coefficient value of 0.168, so the influence on this relationship can be said to be significant, while the T-statistic value of 2.804 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that habit (HT) has a positive effect on continuity intention (CI).

The relationship between the Morals and Ethics (ME) variable and the Satisfaction (SAT) variable has a path coefficient value of 0.065, so the influence on this relationship can be said to be significant, while the T-statistic value of 2.139 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that morals and ethics (ME) have a positive effect on satisfaction (SAT). The relationship between the Morals and Ethics (ME) variable and the Continuance Intention (CI) variable has a path coefficient value of 0.193, so the influence on this relationship can be said to be significant, while the T-statistic value of 5.619 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that morals and ethics (ME) have a positive effect on continuity intention (CI). The relationship between the satisfaction (SAT) variable and continuity intention (CI) variable has a path coefficient value of 0.488, so the influence on this relationship can be said to be significant, while the T-statistic value of 7.346 indicates that the hypothesis of this relationship can be said to be accepted. Therefore, it can be said that satisfaction (SAT) has a positive effect on continuity intention (CI). On the other hand, the effect of the satisfaction (SAT) variable on the continuation intention (CI) variable has a relative impact value (q^2) of 0.134 and an effect

size (f^2) of 0.290, so the influence on this relationship can be said to be moderate.

CONCLUSION

All the relationships between variables used in this study proved to be statistically positive and significant in measuring the loyalty level of streaming application users to continue using and continuing to subscribe to streaming applications in the following months. The factor that has the strongest influence on satisfaction is hedonic motivation, followed by habit and price value, while the factors that have the strongest influence on continuance intention are satisfaction, followed by habit, and morals and ethics. The hypothesis with the greatest influence on this research is content on performance expectancy, followed by content on hedonic motivation and satisfaction on continuance intention. From all the hypotheses that are accepted and have a positive and significant effect, it can be concluded that the streaming application meets the criteria of its users by providing services that increase their productivity in watching movies and series smoothly, accompanied by an experience using the streaming application that keeps users entertained, at a commensurate price, and with interesting and varied content. Compared to satisfaction, content has a greater impact on price value, habit, hedonic motivation, facilitating conditions, and performance expectancy. This is possible because content frequently has an indirect impact on satisfaction through performance expectations, enabling circumstances, hedonic motivation, price value, and habit. The rise of film piracy in Indonesia does not make streaming application users stop their subscriptions. This is based on the awareness that exists among streaming application users that watching movies through illegal alternatives is an unethical act, so they try to keep watching movies legally, namely by continuing to use and continuing their streaming application subscription packages.

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