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Netflix Consumer Preference Analysis

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ABSTRACT

The increase in the number of internet users has led to the emergence of many innovations from service providers such as website-based buying and selling services (e-commerce), e-learning, social media, and platforms that offer streaming services like music videos. This research aims to find out how the preferences of NetFlix consumers and some of the existing attributes. The research method used is a survey method. The approach used in this research is quantitative. The data was collected using interviews using questionnaires. Total sample of 30 using a simple random sampling technique. Analysis of preference data with the conjoined method. In the overall statistics section, it is known that the perceived price attribute has the highest level of importance.

INTRODUCTION

The existence of internet users in Indonesia according to a survey from the Indonesian Internet Service Providers Association (APJII), which has announced penetration and behavior survey data in Indonesia throughout 2017, states that Indonesia's population of a total of 262 million people, as many as 143.26 million people are estimated to have used the internet, which previously in 2016 where internet penetration in Indonesia was 132.7 million people (APJII, 2017). The Internet plays an important role in all sectors (Cao, 2018; Hamdani & Rhamdani, 2019).

Advances in technology and society have resulted in innovations including in the field of media. Changes in VOD transmission also have a strategic role in the adoption of VOD (Garg, Kapoor, & Kumar, 2010). There are many new opportunities that VOD platforms can apply to develop content and attract audiences in Indonesia (Pradsmadji & Irwansyah, 2020). Netflix is a paid movie

streaming service that provides the latest movies and TV shows every day. The Netflix service originating from the United States is based in California which was originally a DVD rental shop, which later ventured into online businesses (Hallinan & Striphas, 2016). Figure 1 show the Netflix streaming subscribers in Indonesia 2017-2020.

Figure 1. Netflix Streaming Subscribers in Indonesia 2017-2020

But on the other hand, there is a phenomenon that shows that 250 thousand respondents in a survey result in February 2017

conducted in 30 countries in the world stated that internet users in Indonesia were ranked first for watching movies illegally (pirated downloads or streaming). From once a week, this certainly indicates that internet users in Indonesia still prefer content that is provided free or pirated rather than content that they should pay to enjoy (JakPat, 2016). Figure 2 show the Indonesian people who are not interested in using Netflix.
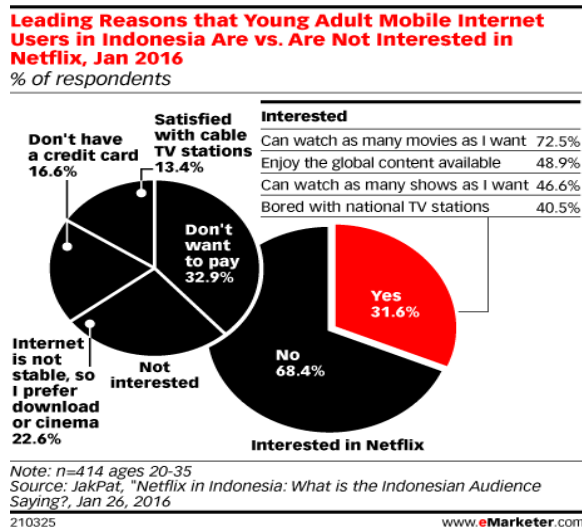

Figure 2. Indonesian People Who Are Not Interested in Using Netflix

The survey results indicate that internet user respondents in Indonesia are not interested in using Netflix because they still have unstable internet connections, do not have a credit card, and are satisfied with cable / conventional television. Hence, they are not interested in subscribing to Netflix.

Consumer preference (consumer preference) is a consumer attitude towards a choice of product brands formed through the evaluation of various types of brands in the multiple options available (Kotler & Keller, 2009; Cravens & Piercy, 2013). Preference is the process of ranking all things that can consume to obtain a choice for a product or

service. Consumer preferences appear in the alternative evaluation stage in the purchase decision process. At that stage, consumers faced a wide variety of product and service choices with various attributes (Kotler & Keller, 2012; Hamdani & Maulani, 2018).

Netflix has good consumer preferences when viewed from the data above, where Netflix is the choice for people to subscribe to online movie streaming. Several studies on VOD were conducted by several researchers, including illustrating that the content variable is the first or most important preference for consumers for paid video on demand products. The least important is the features offered (Prince & Greenstein, 2013). Other research explains that paramount importance is the identified attributes of Content_type, Payment_model, Content_nature, and Language as the necessary product attributes that influence VoD services (Davcik & Sharma, 2016).

Some previous research results also illustrate that the price variable is the first or most important preference for consumers for pay-TV products. The least important is the features offered (Srinanda & Mustikasari, 2018). The result derived from fitting the SEM on the sample indicated that Content Richness positively influences willingness to subscribe, Perceived Usefulness, perceived ease of use, but negatively affected by Free Alternatives and Perceived price (Hasan, 2017).

This research aims to find out how the preferences of NetFlix consumers and some of the existing attributes, which are the most preferred attributes and which attributes have interests that encourage people to subscribe to NetFlix

RESEARCH METHODS

The research method used is a survey method. This survey method is a type of research that collects a variety of information about the symptoms of existing problems using a questionnaire. The approach used in this research is quantitative. The data was collected using interviews using questionnaires. The data taken in this study are primary data and secondary data. This study's population was active NetFlix users in the Garut area with a total sample of 30 using a simple random sampling technique. Analysis of preference data with the conjoined method, the conjoint approach measures the usefulness value and the relative importance value of each attribute to determine preferences

RESULTS AND DISCUSSION

Table 1 show the utility that can determine the respondent's preference for a level of each attribute. The higher the utility estimate value, the higher the respondent's favorite level.

Table 1. Overall/Utilities

		Utility Estimate	Std. Error
Interactivity	Profiled	,017	,047
	My List	,013	,055
	Continue	-,029	,055
Contentrichness	Movies	,008	,035
	TV Shows	-,008	,035
Perceivedprice	Rp186.000	-,075	,061
	Rp153.000	,058	,061
	Rp120.000	,000	,061
	Rp54.000	,017	,061
(Constant)		**3,938**	**,037**

From Table 1, it can be seen that for the interactivity attribute, it is known that the utility estimate profile value is 0.017, my list is 0.013 and continues -0.029. Because the utilities estimate profiled value is the highest, overall respondents like the profiled feature. In

this case, the respondent chooses the profile partly because it can create different accounts. It will provide information to the Netflix party that the bill only wants to access children's shows or create a profile account according to consumer needs.

For the content richness attribute, it is known that the utility estimate movies value is 0.008, and tv shows -0.008. Because the utilities estimate of movies has the highest value, overall, respondents like content movies. Netflix has various genres, such as documentary films and films from around the world, with multiple genres such as action, comedy, drama, crime, horror. , musical, adventure, science fiction, epic, war, even NetFlix producing films made by themselves.

In the perceived price attribute, it is known that the utility estimate value at the price of Rp.186,000 is -0.075, Rp.153,000 0.058, Rp120,000 0,000 and Rp54,000 0.017. Because the utilities estimate the value at the cost of Rp153,0000 is the highest. Therefore the overall respondents tend to prefer Netflix for Rp153,000, which is a standard package of Rp153,000.00 because it has facilities, among others, available in HD, two screens. It can be watched simultaneously, can be viewed on laptop, TV, mobile phone and tablet, unlimited movies and TV shows, can be canceled at any time, free for the first month, which is considered affordable for consumers.

Several researchers expressed their views about Netflix. The Netflix effect that enables weekend long binges on Arrested Development is not just about convenience and customization but also about connection and community (Matrix, 2016). Netflix has indeed become a fun new alternative to switching from local television broadcasts that are arguably less quality. Interestingly, Netflix provides a free promo for the first month.

Netflix users in Indonesia tend to watch through more practical devices. It affects the lifestyle of watching Indonesians, especially respondents. There is research that explains. The Influence of Netflix on Taste, Politics and The Future of Television (Esack, 2017).

Table 2 Averaged Important Score

Importance Values	
Interactivity	34,079
Contentrichness	17,046
Perceivedprice	48,875
Averaged Importance Score	

Based on the Table 2, it can determined which attributes are most considered necessary by the respondents as a whole, which have been averaged. In the overall statistics section, it is known that the perceived price attribute has the highest level of importance. This concurs with several studies, including (Izzhati, Mastrisiswadi, Jazuli, & Talitha, 2018; Sharma & Kakkar, 2019). Namely with an importance value of 48.875. In general, respondents think the price is the most important aspect first, followed by interactivity and content richness. The findings indicate that (i) self-efficacy and knowledge is positively related to perceived ease of use (PEOU), (ii) knowledge and PEOU is positively associated with perceived usefulness (PU), (iii) PU predicts attitude, (iv) attitude predicts intention to use, and (v) technology anxiety attenuates the positive effect of PU on attitude (Cebeci, Ince, & Turkcan, 2019).

CONCLUSION

NetFlix consumers' preference from the estimated value shows that the utilities estimate profiled value is 0.017 and is the highest value. So overall respondents like the profile feature in average. In this case, the respondent takes the profile feature because the profile feature can create different accounts, which can be tailored to consumers' needs for each content to be broadcast.

Generally, Netflix consumer preference based on its importance value is the perceived price attribute, which has the highest level of importance, namely with an importance value of 48.875. In general, respondents consider price the most crucial aspect because Netflix's prices are very diverse and can adjusted according to consumer needs.

In further research, it is hoped that researchers can analyze and investigate several digital videos on-demand platforms entirely by using conjoint analysis or with other analysis methods by adding other attribute features.

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