CATALYSTS OF VIDEO-ON-DEMAND SERVICE PURCHASE DECISIONS: EVALUATING THE IMPACT OF E-SERVICE QUALITY AND USER EXPERIENCE AMONG NETFLIX USERS IN EAST JAKARTA

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Abstract

This research investigates the impact of E-Service Quality and User Experience on Purchase Decisions of Video On-Demand Services among Netflix Users in East Jakarta. Data quality testing in this study employed validity and reliability tests. Data were analyzed using multiple regression analysis. The research findings indicate that e-service quality (X1) with a significance value of 0.000 < 0.05 rejects the null hypothesis (H0) and accepts the alternative hypothesis (H1), suggesting that e-service quality (X1) partially has a positive and significant influence on Purchase Decision. User Experience (X2) with a significance value of 0.000 < 0.05 also rejects H0 and accepts H1, indicating that User Experience (X2) partially has a significant influence on Purchase Decision. The F-value of 65.919 surpasses the critical value of 3.09 at a significance level of 0.05, indicating that both independent variables, e-service quality (X1) and user experience (X2), have a simultaneous effect on the dependent variable, Purchase Decision (Y).

Kata Kunci: *E-Service Quality, User Experience, Purchase Decision*

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BACKGROUND

The daily activities performed by humans continue to change. Various objects are created to ensure smoothness and comfort to assist humans in their daily activities. Technology is one aspect continually utilized to alleviate human tasks and activities (Lillasari & Arifin, 2020). Consequently, technology experiences rapid and extensive growth and development over time. Indonesia is one of the countries experiencing rapid technological advancement each year. The government also provides facilities and infrastructure to ensure the continuous development of technology in Indonesia.

The 5.0 industrial revolution brings various innovations to businesses in Indonesia. Each company strives to attract consumer attention by providing products as creatively as possible to build their business. Companies will create the best and most marketable products to remain competitive and excel in business (Lestari et al., 2021). This competitive environment creates selective consumer behavior; when making purchases, consumers conduct surveys to compare products that meet their expectations and needs. Consumers find it easier to make comparisons because many platforms support this process. These platforms can become competitors because customers may decide to switch to a platform that better meets their current needs.

This revolution has had a significant impact on the film service industry. Before the Industrial Revolution, films were only shown in cinemas; customers had to come directly to the cinema, queue, buy tickets, and then enjoy the film in a room with dozens of other viewers. For some people, this method was considered impractical because customers who wanted to watch a film had to adjust their schedule to the film's screening time. However, this has now become Video On Demand (VoD) services, which provide films online officially (Hamidi et al., 2018). With VoD sites, film enthusiasts no longer need to go to the cinema; simply by activating viewership, they can enjoy their favorite films at home, according to their desired time, without being bound by predetermined cinema screening times.

The high potential of digital business opportunities in video-on-demand services is due to the increasing internet penetration in Indonesia. According to We Are Social data, the number of internet users in Indonesia reached 205 million in January 2022. This means that 73.7% of the population has used the internet. This is 1% higher than the same period the previous year. In January 2021, the number of internet users in Indonesia was only 39.6 million. On average, Indonesians use the internet for 8 hours and 36 minutes each day. Moreover, 94.1% of internet users in Indonesia use mobile phones. In terms of gender, the percentage and contribution of internet usage are almost the same. This means that internet needs have become widespread among many people. Furthermore, another factor contributing to the increase in video-on-demand service business is the increasing number of internet users in Indonesia.
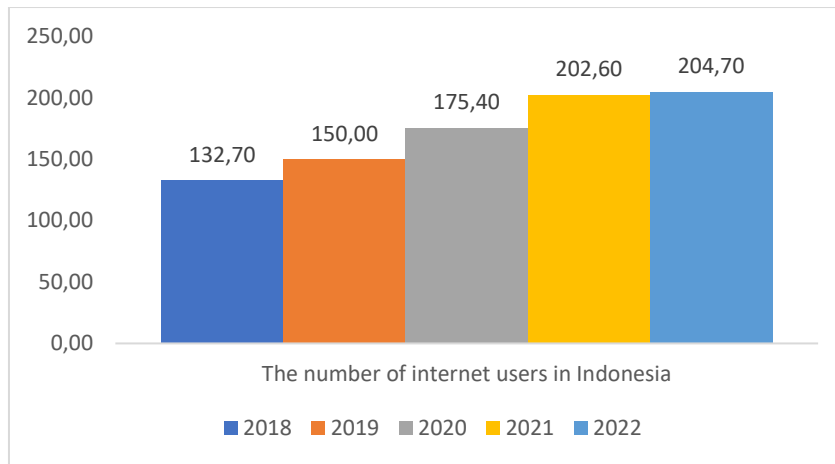
Image 1. The number of internet users in Indonesia

The video on-demand service business continues to show positive trends in Indonesia. This presents an opportunity for entrepreneurs in this field. The high potential available leads to increased competition in the video-on-demand service business.

One of the platforms providing these services is Netflix. According to Kompas.com, Netflix is a subscription-based film rental service provider, offering television programs and some programs created by Netflix itself. Netflix's subscription program allows users to watch their favorite services anywhere, anytime, using any medium (gadgets, smart TVs, computers, and laptops). Netflix is like a DVD rental store offering digital films in the virtual world, without ads and predetermined broadcasting schedules like cable TV.
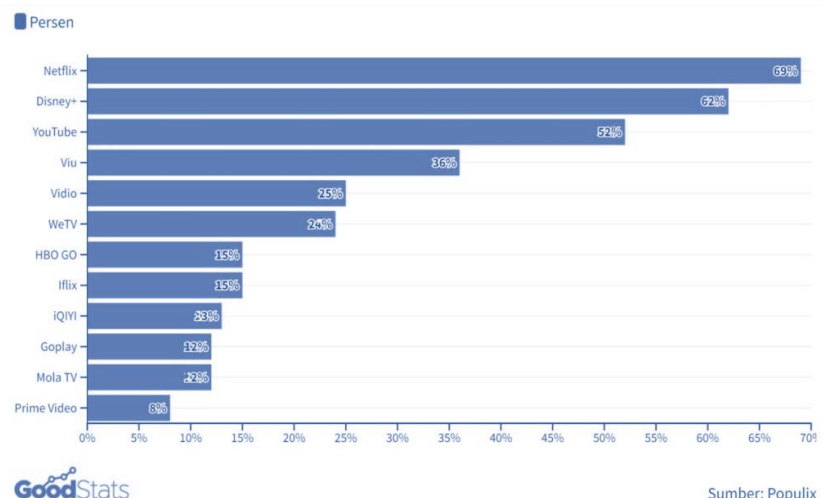

Image 2. Market Share of Video Streaming Applications in Indonesia

Based on Figure 1, it can be seen that the video streaming application with the largest market share is dominated by Netflix with a total market share of 69%, followed by Disney+ Hotstar in second position with a total of 62%. In third position is YouTube with a total of 52%, followed by Viu in fourth position with a total of 36%, and Vidio in fifth position with a total of 25%. Additionally, there are other

applications included in the list such as WeTV, HBO GO, Iflix, iQIYI, Goplay, Mola TV, and Prime Video.

Beliefs, impressions, and ideas that an individual holds have a significant influence on attitudes, behaviors, and responses that may be undertaken. With quality service in place, it is hoped that customers will feel satisfied with the performance of the products and services provided. This satisfaction significantly increases the likelihood of customers making repeat purchases in the future (Firmansyah, 2018).

In measuring service quality, there are differences between electronic service quality (e-service quality) and direct service quality. These differences are based on the dimensions used to measure service quality. Therefore, companies need to pay attention to the quality of service to be measured. To measure service, it can be done through two perspectives: the difference between direct service quality and electronic service quality. Two perspectives that can be used in e-service quality are from the customer's side and the company's side. From the company's perspective, the dimensions of e-service quality that must be considered include ease of use, system availability, website design, reliability, security and privacy, responsiveness, and empathy. Whereas from the customer's perspective, the dimensions of e-service quality that must be considered are user experience on the website and customer trust in fast and informative service (Halim et al., 2021).

On one website, which serves as an open review platform for the public, www.truspilot.com, more than 4,000 reviewers gave their opinions. Among them, 1.3% rated it as "poor" and a significant 49% rated it as "bad," totaling 2.1 overall, which does not depict a positive value for Netflix. These reviews indicated that the service quality of Netflix is still poor because the customer service does not provide optimal service, resulting in a bad experience for consumers interested in subscribing to Netflix.

Negative reviews about the Netflix user experience can also be found in the Google Play Store review section. It can be seen that there are still users dissatisfied with Netflix due to frequent crashes during watching or the account sign-up process. One reviewer even stated that other VOD platforms, such as Disney+ Hoststar, are easier to operate. With the continuous occurrence of negative reviews regarding e-service quality and user experience on Netflix, it is feared to bring new impacts on purchasing decisions. The formation of purchasing decisions is crucial to address the current and future challenges faced by Netflix. Purchasing decisions are formed when e-service quality and user experience are positive, indicating that both variables are essential in the research area (Zhou et al., 2019:477). In a study conducted by Rifky and Wibisono (2019), it was stated that experience was considered the most influential factor in purchasing decisions. This is because experience can provide direct feedback from users while using a website or application.

Netflix itself has several features aimed at enhancing user experience, such as a minimalist user interface for easier operation, detailed system algorithms for providing personalized recommendations, access from various devices, audio settings, and translations into multiple languages, a "filter" feature to show content recommendations based on each customer's preferences, and their latest feature, Netflix Games, allowing users to play games within the Netflix app.

According to Anita et al., (2023), consumers learn about new brands and products by gathering detailed information and searching through social media for other consumers' opinions about the brand before making a purchasing decision. On the internet, consumers can upload their opinions and product reviews based on their experiences through weblogs, discussion forums, review websites, and social networking sites. Recommendations or reviews provided by consumers using the product will strengthen consumer decisions to purchase a product.

Purchasing decisions involve the process by which consumers decide to use products or services from a company and which brand to choose. The process encompasses from before consumers decide to use the available product or service options to after consumers ultimately decide to use and select products or services from the available options. Kotler & Keller, (2019) explain that there are five stages in the purchasing decision process, namely: recognizing needs, searching for information, evaluating alternatives, making a purchasing decision, and post-purchase behavior. After consumers' needs and desires are fulfilled by the company, consumers can evaluate whether the company's performance has met their expectations or not. Then, consumers will give their final judgment based on the evaluation results, whether they are satisfied or dissatisfied with their choice. From these statements, it can be concluded that consumers' purchasing decisions will affect consumer satisfaction.

Based on research conducted by Sudjatmika, (2017), ease of use has a positive effect on purchasing decisions. This result indicates that the easier consumers feel while using a system, the higher their purchasing decisions will be. The results of a study conducted by Eddia & Rosalina, (2021) show that service quality has a positive effect on purchasing decisions. This result indicates that attractive and good information on social media can persuade consumers to make purchases.

OBJECTIVE

This study apart from previous research is that although research on service quality and ease of use has been conducted extensively, they have rarely been done simultaneously. Additionally, the difference from previous research lies in the objects and theories used in this study.

METHODS

The research method used is the quantitative method. The research method is a scientific approach to collecting data for specific purposes. According to (Sugiyono, 2018), this research method is based on the characteristics of scholarship, namely rational, empirical, and systematic. Rationality indicates that research is conducted logically, and accessible to human reasoning. Empirical nature emphasizes that the methods used can be observed by human senses and, thus verifiable by others. Meanwhile, the systematic nature emphasizes that the research process follows predetermined logical steps.

In this study, a quantitative approach is used with associative data analysis, where data is presented in numerical form and the results of the analysis are explained in narrative form. The data analysis technique used is multiple linear regression analysis.

RESULT

Menurut Antonio (2001), jenis pembiayaan menurut sifat penggunaannya dapat dibagi menjadi 2 yaitu: pembiayaan produktif dan pembiayaan konsumsif. Sedangkan jenis pem-biayaan menurut keperluannya, pembiayaan produktif dapat dibagi menjadi 2 hal yaitu: pembiayan modal kerja dan pembiyaan investasi.

Validity Test
The validity test aims to assess the suitability of items in a questionnaire (construct) in defining a variable. Each item can be evaluated based on its corrected item-total correlation value. The following is the result of the questionnaire data for the validity test that has been processed:

Table 1. *Validity Test*

Item	Corrected Item-Total Correlation	R tabel	Result
X1.1	0.592	0.196	Valid
X1.2	0.621		Valid
X1.3	0.563		Valid
X1.4	0.547		Valid
X1.5	0.753		Valid
X1.6	0.634		Valid
X1.7	0.709		Valid
X1.8	0.687		Valid
X1.9	0.612		Valid
X1.10	0.557		Valid
X1.11	0.602		Valid
X1.12	0.642		Valid
X1.13	0.621		Valid
X1.14	0.687		Valid
X1.15	0.705		Valid
X2.1	0.568	0.196	Valid
X2.2	0.685		Valid
X2.3	0.598		Valid
X2.4	0.732		Valid
X2.5	0.737		Valid
X2.6	0.496		Valid

Item	Corrected Item-Total Correlation	R tabel	Result
X2.7	0.612		Valid
X2.8	0.653		Valid
X2.9	0.688		Valid
X2.10	0.690		Valid
X2.11	0.696		Valid
X2.12	0.534		Valid
X2.13	0.756		Valid
X2.14	0.712		Valid
X2.15	0.632		Valid
Y.1	0.560	0.196	Valid
Y.2	0.588		Valid
Y.3	0.538		Valid
Y.4	0.674		Valid
Y.5	0.615		Valid
Y.6	0.734		Valid
Y.7	0.571		Valid
Y.8	0.558		Valid
Y.9	0.649		Valid
Y.10	0.647		Valid
Y.11	0.793		Valid
Y.12	0.714		Valid
Y.13	0.694		Valid
Y.14	0.689		Valid
Y.15	0.683		Valid
Y.16	0.703		Valid
Y.17	0.582		Valid
Y.18	0.544		Valid

The table shows the corrected item-total correlation values for each item in the questionnaire, along with the critical value (Rtabel) and the result of the validity test. All items have a corrected item-total correlation greater than the critical value, indicating their validity for the questionnaire.

Reliability Test
Table 2. *Reliability Test*

Reliability Test	Cronbach's Alpha	N of Items
E-Service Quality	0.921	15
User Experience	0.926	15
Purchase Desition	0.913	18

The reliability tests conducted for E-Service Quality, User Experience, and Purchase Decision yielded high Cronbach's Alpha values, with E-Service Quality scoring 0.921, User Experience 0.926, and Purchase Decision 0.913. These results signify strong internal consistency among the items within each construct. Such high reliability indicates that the measurement instruments are dependable and consistent in assessing their respective constructs. Therefore, researchers can have confidence in the accuracy and stability of the data collected through these instruments for further analysis and interpretation in their study.
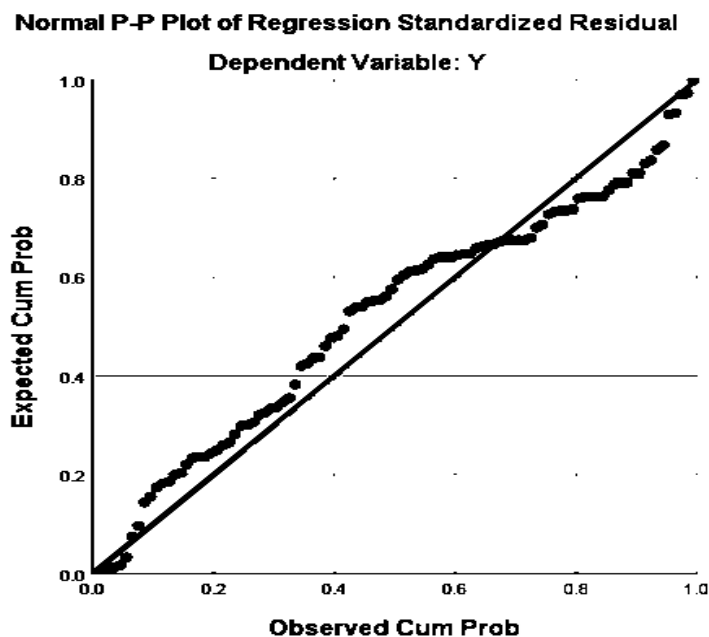
Normality Test

Image 2. Normality Test

Based on the above figure, it is evident that the normal plot displays scattered points that follow the diagonal line, indicating a normal distribution of data. This suggests that the regression model sufficiently meets the assumption of normality.

Multicollinearity Test

Table 3. *Multicollinearity Test*

	Coefficientsª						
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF

1	(Constant)	7.541	5.397			1.397	.166		
	E-Service Quality	0.519	0.127	0.414		4.076	0.000	0.424	2.357
	User Experience	0.510	0.131	0.396		3.900	0.000	0.424	2.357

a. Dependent Variable: Y

In the output above, it can be observed that the variance inflation factor (VIF) for variables E-Service Quality and User Experience is obtained as 2.357, with an assessment level of 2.357 < 10.000. Therefore, it can be concluded that there are no multicollinearity issues in this regression model.
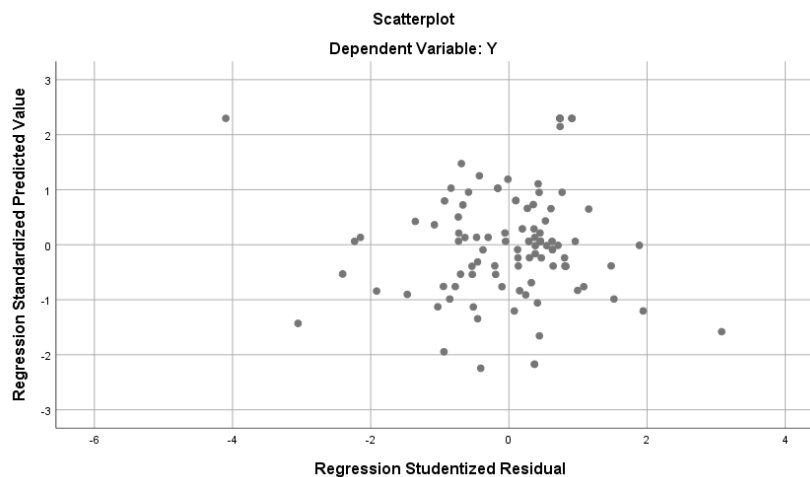
Heteroskedasticity Test

Image 3. Heteroskedasticity Test

Based on the scatterplot display in the heteroskedasticity assumption test, it is evident that the scattered plots above and below zero do not form any distinct patterns along the Regression Standardized Residual axis. Therefore, based on the heteroskedasticity test using graphical analysis of the formed regression model, it is concluded that there is no heteroskedasticity phenomenon occurring.

Autocorrelation Test

Table 4. *Autocorrelation Test*

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	**Durbin-Watson**
1	.759[a]	0.576	0.567	5.986	0.576	65.919	2	97	0.000	**2.119**

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

With an α value of 5% for 100 data points and 3 variables, the lower bound of the Durbin-Watson statistic is 1.6131 and the upper bound is 1.7364. The Durbin-Watson statistic value in Table 4.52 is 2.119, indicating that at a significance level of 5%, the value of dU < dW < 4 - dU, which is 1.6131 < 2.119 < 2.253. Therefore, it is accepted and concluded that the sample data does not contain autocorrelation.

Multiple Linear Regression Test

Multiple linear regression analysis is utilized to determine the extent of the influence of e-service quality (X1) and user experience (X2) on the purchasing decision of Netflix's video-on-demand service. Based on this, the multiple linear regression equation can be formulated as follows:

Table 5. *Multiple Linear Regression Test*

	Coefficients[a]						
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	7.541	5.397		1.397	.166		
E-Service Quality	0.519	0.127	.414	4.076	.000	0.424	2.357
User Experience	0.510	0.131	0.396	3.900	.000	0.424	2.357

a. Dependent Variable: Y

Based on the table, in column B, the constant value (a) is 7.541. For the variable e-service quality (X1), it is 0.519, and for the user experience variable (X2), it is 0.510. Therefore, the multiple linear regression equation is as follows:

Purchase Decision = 7.541 + 0.519_E-Service Quality_X1 + 0.510_User Experience_X2 + e

1. The constant value (a) obtained from the multiple linear regression equation is 7.541. This coefficient indicates a positive influence on both independent variables. When both independent variables change, the dependent variable also changes accordingly.
2. E-service quality (X1) has a positive value of 0.519. This suggests that an increase in E-service quality (X1) will lead to an increase in Purchase Decision (Y).
3. User Experience (X2) has a positive value of 0.510. This implies that an increase in User Experience (X2) will increase Purchase Decision (Y).

The Coefficient of Determination (R²)

Table 6. The Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
					Change Statistics					
1	.759[a]	0.576	0.567	5.986	0.576	65.919	2	97	0.000	**2.119**

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Based on the table above, the obtained R Square value is 0.576. This means that approximately 57.6% of the variability can be explained by the independent variables, namely e-service quality and user experience, regarding the purchasing decision of Netflix services. The remaining 42.4% with a value of 0.424 is explained by other factors outside the scope of this research model.

F-Test

Table 7. F-Test

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4724.189	2	2362.095	65.919	0.000[b]
Residual	3475.851	97	35.834		
Total	8200.040	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Based on the table above, the obtained result shows that the calculated F value is 65.919 and the critical F value is 3.09 at a significance level of 0.05. Since 65.919 > 3.09, the calculated F value is greater than the critical F value. Therefore, it can be concluded that collectively (simultaneously), the independent variables e-service quality (X1) and user experience (X2) significantly influence the dependent variable, purchase decision (Y).

t-Test

Table 8. *t-Test*

Coefficients[a]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1 (Constant)	7.541	5.397		1.397	.166		
E-Service Quality	0.519	0.127	.414	4.076	.000	0.424	2.357
User Experience	0.510	0.131	.396	3.900	.000	0.424	2.357

a. Dependent Variable: Y

1. Decision-Making for Hypothesis Testing Based on Significance Level:
    a. If the significance probability > 0.05, then H0 is accepted, meaning that e-service quality does not partially influence purchase decisions.
    b. If the significance probability < 0.05, then H0 is rejected, meaning that e-service quality partially influences purchase decisions.

Looking at table 8 above, the Sig. value for the e-service quality variable (X1) is 0.000 with a significance level of 0.05. Therefore, the calculation is 0.000 < 0.05, thus H0 is rejected, and H1 is accepted, indicating that the e-service quality variable (X1) significantly influences purchase decisions. Thus, fluctuations in the e-service quality variable will affect purchase decisions.

As known, the primary goal of any business is to fulfill its customers' needs, and customer satisfaction can only be achieved through excellent service delivery. Hence, service quality has a significant correlation with customer satisfaction. Furthermore, high-quality service encourages customers to establish strong relationships with Netflix. In the long term, these relationships allow for a thorough understanding of customers' desires, expectations, and needs (Nadia, 2021). By knowing these aspects, Netflix can enhance customer satisfaction and ultimately foster customer loyalty. However, to improve service quality, attention must be given to various dimensions such as system efficiency, order fulfillment, responsiveness, and contact. By considering these dimensions, it is expected that consumer purchase intent will increase, leading to customer loyalty (Schmidt, 2020).

2. Results of t-test for e-service quality on purchase decisions:
    a. Decision Making for Hypothesis Testing Based on Significance Level:
    b. If the significance probability > 0.05, then H0 is accepted, meaning that user experience does not partially influence purchase decisions.
    c. If the significance probability < 0.05, then H0 is rejected, meaning that user experience partially influences purchase decisions.

Also observed in table 4.59 above is that the Sig. value for the User Experience variable is 0.000 with a significance level of 0.05. Therefore, the calculation is 0.000 < 0.05, thus H0 is rejected, and H1 is accepted, indicating that the User Experience variable (X2) significantly influences purchase decisions. Thus, fluctuations in the user experience variable will affect purchase decisions.

The experiences perceived by consumers ultimately influence their purchasing decisions. Positive experiences strengthen customer responses, particularly when they encounter satisfying interactions. This positive impact is reflected in their product purchases. User experience can also be gauged through the ease of using the application and through reviews shared by consumers who have already made purchasing decisions. These factors significantly influence subsequent purchasing decisions (Chan et al., 2017).

CONCLUSION

Based on the testing and discussion conducted on the Influence of Electronic Service Quality and User Experience on Purchase Decisions of Netflix Video On-Demand Services Users in East Jakarta, the following conclusions can be drawn:

1. The variables of e-service quality (X1) and user experience (X2) have a positive and significant influence on the purchase decision variable (Y). This influence is evidenced by the F-value of 65.919, which is greater than the critical value of 3.09, with an impact size of 57.6%.
2. The e-service quality variable (X1) has a positive and significant impact on Purchase Decisions (Y). This influence is evidenced by the Sig value of 0.000, which is less than 0.05, with an impact size of 51%.
3. The User Experience variable (X2) has a significant impact on Purchase Decisions (Y). This influence is evidenced by the Sig value of 0.000, which is less than 0.05, with an impact size of 50.4%.

In conclusion, it is recommended that future academic research expand beyond e-service quality and user experience to explore other influential variables. This expansion should be accompanied by broadening the scope of the study beyond East Jakarta to enhance the depth and reliability of the findings. For practitioners, Netflix Indonesia should prioritize maintaining high service quality standards to effectively influence the purchase decisions of new users, thereby ensuring continued growth and success in the market.

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