

## Value Perception and Streaming Intentions: Exploring Social Identity Mediation in Indonesian OTT Users

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### ARTICLE INFO

*Keywords:* Perceived Value, Social Identity, Future Behavioral Intention, Over-The-Top Platform

*Received :* 15, March

*Revised :* 20, April

*Accepted:* 22, May

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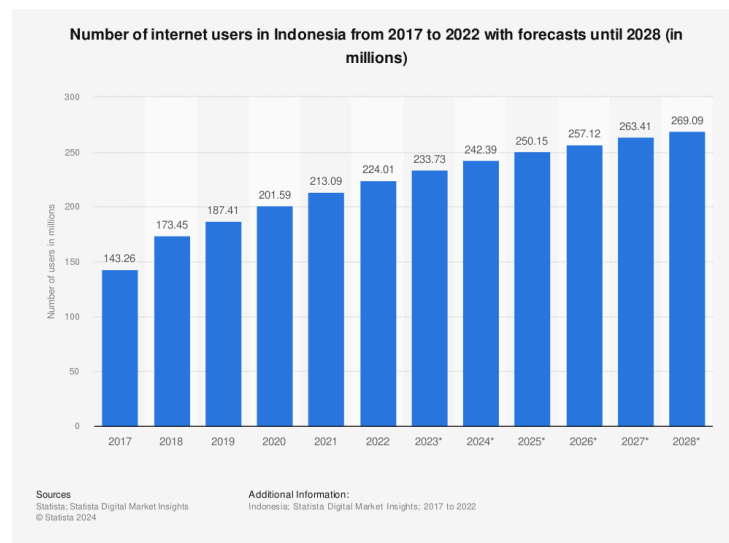
### ABSTRACT

In the era of digital technology development and the influence of the pandemic, there has been a shift in media consumption patterns among the public, successfully driving the rise of Over-The-Top (OTT) streaming service platforms. This phenomenon has opened up enormous opportunities for digital marketers seeking unique ways to approach their consumers. This study aims to validate the Perceived Value Theory and Social Identity Theory models in predicting public attitudes toward Future Behavioral Intention. The sampling technique used in this study is nonprobability sampling. The sampling method employed is purposive sampling. The sample in this study consists of consumers who have used Over-The-Top (OTT) streaming services in Indonesia. The analysis technique used is Partial Least Squares (PLS) with Structural Equation Modeling (SEM). SEM-PLS is a statistical analysis method used to validate structural equation models that include latent variables.

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## INTRODUCTION

In a fast-paced online world, people are increasingly reliant on internet usage. The internet has evolved significantly over more than 50 years. With the rise of consumer activity on the Internet, businesses and companies must actively monitor various consumer activities occurring on the Internet. This is mainly due to increased internet penetration and the increasing number of wireless internet users, which have led to changes in how consumers make purchases. Due to the development and dissemination through internet technology, media production, distribution, and transmission systems have become digital, particularly in Over-The-Top (OTT) services, which now enable simultaneous content consumption worldwide.



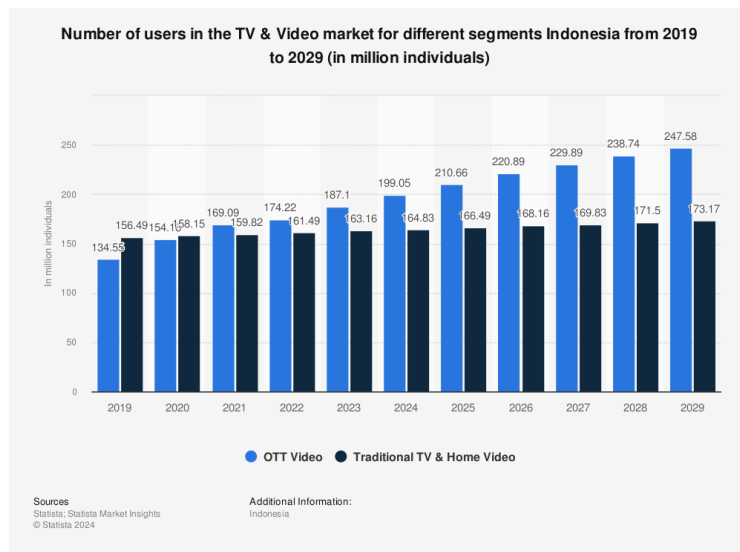
**Figure 1. Number of Internet users in Indonesia from 2017 to 2022 with forecasts until 2028 (in millions)**

Source: (Statista, 2022b)

According to Statista (2022), there are more than 204 million internet users, and Indonesia is one of the largest online markets in the world. As of July 2021, the online penetration rate in Indonesia has reached around 70%. Popular online activities include mobile ordering and social media. Mobile internet usage has experienced a growth rate and has now reached more than 64% of the population. The increase in internet users has resulted in many new innovations from website-based buying and selling service providers such as e-commerce, online news portals, e-learning, social media, messaging platforms, and platforms offering streaming services such as video and music (Sayoga, 2023). This proves that the increase in internet usage has led to an increase in public consumption of various digital media content.

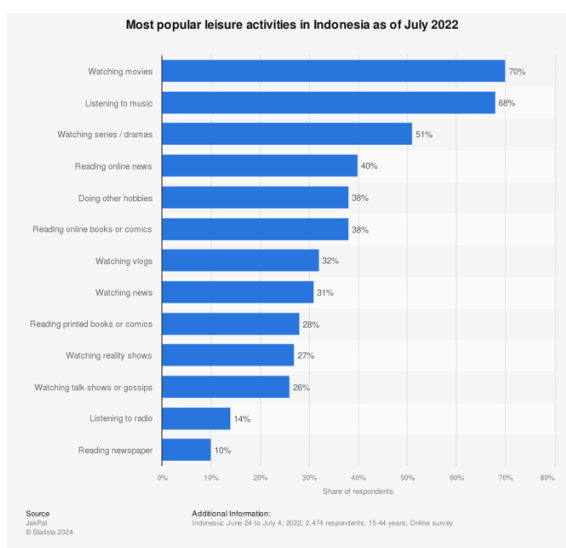
In the era of digital technology development and the influence of the pandemic, there has been a shift in media consumption patterns among the public, successfully driving the rise of over-the-top (OTT) platforms. This phenomenon has opened up enormous opportunities for digital marketers seeking unique ways to approach their consumers (Barlian, 2022). As the methods for playing audio and video content have advanced, from initially

being viewable only through cable TV, they can now be watched anytime and anywhere via the Internet (Tsai et al., 2023).



**Figure 2. Number of users in the TV & Video market for different segments Indonesia from 2019 to 2029 (in million individuals)**  
 Source : (Statista Market Insights, 2024)

According to data taken by the Statista Research Department in 2024, the number of users is expected to experience significant growth in all segments by 2029. The observed trend from 2019 to 2029 remains consistent throughout the forecast period. There is a sustained increase in the indicators across all segments. Specifically, the OTT Video segment reaches the highest value of 247.58 million users in 2029. In conclusion, the way people watch audio and video entertainment has changed significantly. The option to watch channels like Netflix, YouTube, or Disney+ through their phones, computers, or tablets has impacted the decline in cable television (Tsai et al., 2023).



**Figure 3. Most popular activities in Indonesia as of July 2022**  
 Source : (Statista, 2022)

The results of a survey conducted by Statista (2022a) on the most popular recreational activities in Indonesia show that around 70% of Indonesian respondents enjoy watching movies in their leisure time. The use of audio and video streaming services in Indonesia has increased significantly in recent years. As one of the countries with the largest population in the world and a relatively young population, Indonesia holds potential for digital market players such as international streaming services. Various global video streaming platforms are competing to gain a user base in Indonesia (Nurhayati-Wolff, 2023).

Misra & Beatty (1990) emphasize that perceived value is an essential component in influencing consumer affection towards a brand. This is relevant for OTT streaming services, where users evaluate the value of the content received compared to the service cost. In such a situation, the perceived value of the OTT service can influence users' decisions to subscribe and continue using it.

Tajfel & Turner (1979) emphasize how social identity influences individuals' perceptions and behavior, which can include users' identification with specific communities in the context of OTT streaming services. Users who feel emotionally connected or bonded with a particular group or community may be more likely to continue using the service.

Dhiman et al. (2020) found that perceived risks associated with using OTT streaming services can influence users' future behavioral intentions. In this case, user satisfaction with the service, influenced by perceived value and social identity, can play a crucial role in determining users' willingness to reuse the service in the future.

Looking at the results, it can be concluded that in the context of OTT streaming services, perceived value, social identity, and future behavioral intentions are interrelated. Positive user experiences, driven by high perceived value and a strong social identity with the user community, can encourage users to reuse the service in the future, reducing the perceived risks associated with using the service. Therefore, OTT streaming service providers should consider these aspects when designing more effective marketing strategies and better understanding consumer needs and preferences.

This research aims to provide valuable insights for practitioners in the OTT streaming service industry to design more effective marketing strategies and better understand consumer needs and preferences.

## **LITERATURE REVIEW**

### ***Perceived Value Theory***

In the context of live streaming, various elements of perceived value theory apply. First, streaming media services provide a personalized streaming experience, which includes unique, situational, and relative choices for each viewer through music or video content. Therefore, they should be considered "experiences" (Oyedele & Simpson, 2018). Perceived Value is defined as how customers or users perceive the specific functional value provided by a product or service, which can influence the level of success in adopting that product or service. Recent research has attempted to measure the influence of this value from the customer's perspective (Singh et al., 2021; Madanaguli et al., 2021).

Pura (2005) investigated how aspects of perceived value directly impact aspects of attitude and loyal behavior in mobile phone services. Pura (2005) defined six dimensions in this context: monetary, convenience, social, emotional, conditional, and epistemic.

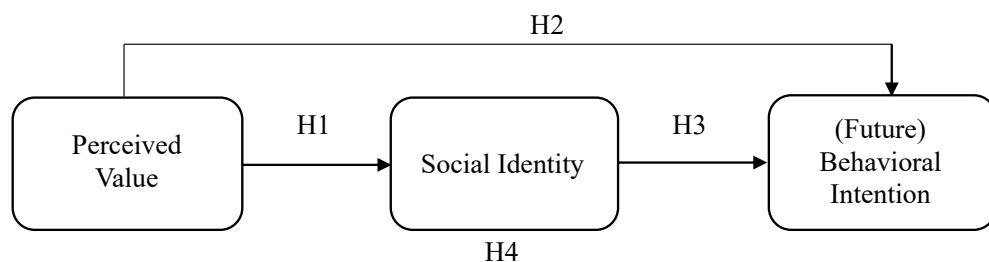
### *Social Identity Theory*

Social Identity Theory provides an adequate framework for explaining intergroup behavior and communication (Tajfel & Turner, 2004) based on the inherent value of human social group membership (Burnasheva et al., 2019). Social identity emerges from social identity theory, which helps us understand societal interactions in social networks (Gumparathi & Patra, 2020). Nasr (2019) suggests that social value refers to social agreement and the enrichment of one's image in society. As in research studied by Reed II (2004), consumers create a social identity about how they view themselves and then make consumer choices that align with that social identity, especially for more prominent identities. In consumer terms, the role of a salient self-identity will determine consumption based on social expectations about that specific identity.

### *Behavioral Intention*

The definition of Behavioral Intention also includes knowledge about new aspects, ways of using them, preferred qualities, and others' perspectives. These activities can also be seen as an understanding of new factors, their applications, preferred characteristics, and others' perceptions. It sets the requirements for a brand to have a loyal mindset, which ultimately benefits the user of those goods or services. An individual's intention to use information technology to achieve a desired goal is their behavioral intention (Owusu Kwateng et al., 2019). Behavioral intention can also be determined to engage in a behavior. Intention directly influences consumers to use a product or service they will choose because the current intention to use affects actual consumption (Hwang et al., 2019).

### *Theoretical Framework*



**Figure 4. Theoretical Framework**

## **METHODOLOGY**

This study employs three variables: perceived value, social identity, and future behavioral intention. As a quantitative study with a mediating variable, it attempts to ensure how one variable influence another, either directly or indirectly. The sampling technique used in this study is nonprobability

sampling. This technique is a sampling method where samples are chosen based on subjective judgment. The sampling method employed is purposive sampling. The sample in this study consists of consumers who have used over-the-top (OTT) streaming services in Indonesia. Data collection for this research was done using a questionnaire in the form of a Google form distributed through social media. The measurement scale used is the Likert scale. The analysis technique used is Partial Least Squares (PLS) with Structural Equation Modeling (SEM). SEM-PLS is a statistical analysis method used to validate structural equation models that include latent variables.

## **RESEARCH RESULT**

The analysis results affirm previous findings that highlight the importance of perceived value in the context of OTT streaming services, as supported by Misra & Beatty (1990). The findings indicate that the higher the perceived value of the service, the stronger the users' social identity with a particular community or group using that service, in line with the concept proposed by Tajfel & Turner (1979). In this context, the research also shows that social identity positively influences future behavioral intention, consistent with the findings of Dhiman et al. (2020), which suggest that a strong social identity with the user community can increase users' intention to reuse the OTT service in the future.

## **CONCLUSIONS AND RECOMMENDATIONS**

Thus, this study concludes that perceived value and social identity play significant roles in shaping the future behavioral intention of OTT streaming service users in Indonesia. This research also demonstrates that Social Identity Theory functions as a mediator in the relationship between perceived value and future behavioral intention. The practical implication of these findings is that OTT streaming service providers should focus on enhancing the perceived value of their services and building a strong user community to increase user retention and users' intention to reuse the service in the future.

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