The Influence of Price Perceptions and Product Quality on Netflix Customer Satisfaction in Surabaya City

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ARTICLE INFO

Keywords: Price Perceptions, Product Quality, Customer Satisfaction

Received: 05, June
Revised: 21, July
Accepted: 18, August

ABSTRACT

Entertainment in the present has become an unavoidable need for society. One of the things that must be considered in creating an entertainment platform is, of course, paying attention to several factors so that it can run smoothly. This research itself analyzes the Netflix platform, which is a well-known Video-on-demand platform and one of the market leaders in the streaming platform industry. This study aims to examine the effect of Perceived Price and Product Quality on Netflix Consumer Satisfaction in the City of Surabaya. In collecting the data, the researcher distributed questionnaires via Google Form with 100 respondents, namely consumers who had bought Viva Cosmetics Lipstick in Blitar City. A purposeful sampling method was used in this study. The analysis was carried out using Partial Least squares (PLS). The results of this study showed that Perceived Price and Product Quality had a significant positive effect on Netflix Consumer Satisfaction in the City of Surabaya.
INTRODUCTION
In the era of technology that is developing very rapidly as it is now, people's desires and desires to fulfill their satisfaction can be obtained from anywhere. One of the things that you may often do to get entertainment is watching movies or series. To meet entertainment needs in times like today, many companies are competing to launch a platform where consumers can choose what type of content they like. The diversity of existing content allows consumers to watch whatever they want in all kinds of conditions. It's not like watching movies conventionally, where you have to wait for the schedule if the film or show will be played later. An interactive system that allows viewers to choose video content to enjoy is also often referred to as video-on-demand (Apriana Yusuf, 2019). Generally, this video-on-demand service allows viewers to watch or download it directly through the platform. There are various types of payment systems in the video-on-demand platform. In Indonesia, payments can be made via credit cards or products from financial technology, internet and cable TV bundling packages, the credit cut method, or operator package bundling.

The content presented on the video-on-demand platform also varies across countries. Just like the United States, which is famous for its Hollywood film industry, it often spawns big-budget, well-known films that have already shown in theaters and will then be available on video-on-demand platforms after their screenings have dropped. Not all Video-on-demand platforms depend on the content they obtain by purchasing licenses from major studios. Some even make their own original films or series that are not available on any platform which of course makes the level of exclusivity of the video-on-demand platform even more increasing and also increases the competitiveness of one platform to another because they have created their original content itself (Auditya, 2021)

In Indonesia, video-on-demand services have many varieties and types. Starting from services that only provide users to pay for each content they want to watch, such as Google Play Movies, iTunes. Video-on-demand content that can be accessed free of charge to users, such as Youtube, Vimeo, Twitch. Video-on-demand services that are included in satellite networks and also cable TV such as Telkom Indihome and Firstmedia services. And also over-the-top services that require viewers to subscribe to enjoy a variety of content such as Hooq, Viu, Iflix, and Netflix. (Dailysocial.id, 2018)

LITERATURE REVIEW
In a research arrangement. The existence of a basic reference or theory from research that has been done before is a vital part to support the research process. The support used in carrying out research activities is using previous research that is still relevant using the same issue.

Research by Siska Lorenza Br Hutauruk and David Humala Sitorus (Hutauruk & Sitorus, 2022) with the title "The Effect of Perceived Price, Product Quality and Service Quality on Indihome Customer Satisfaction in Batam City". This study used 200 Indihome user respondents in Batam City as the sample in this study. This research is a quantitative research. The results of the study
show that simultaneously price perceptions have a positive and significant effect on customer satisfaction.

Ahmad Burhanuddin Syah's research, Apriatni Endang Prihatini, Robetmi Jumpakita Pinem (Syah et al., 2022) with the title "The Influence of Brand Image and Product Quality on Consumer Loyalty through Consumer Satisfaction in Viu's Digital Streaming Video Service". The data used are primary and secondary data, namely questionnaires, the results of calculations with the SPSS application. This research is explanatory research, with sampling using non-probability sampling approach and purposive sampling technique. Data collection using the google form online questionnaire. The results of the path analysis test stated that product quality has a significant positive effect on customer satisfaction.

David Reynaldi Gunawan Palelu's research, Willem J.F.A Tumbuan, Rotinsulu Jopie Jorie (Palelu et al., 2022) with the title "The Effect of Perceived Price and Service Quality on Kamsia Boba Consumer Satisfaction in Lawang City". This research using 100 respondents gave the result that Price Perception has a positive effect on Consumer Satisfaction.

Arief Budiyanto's research (Budiyanto, 2018) with the title "The Effect of Perceived Price, Service Quality, and Brand Image on the Level of Consumer Satisfaction at PT. Yerry Primatama Hosindo" This research method uses a quantitative purposive sampling method. Collecting data using a sample of 65 respondents with 20 questions. The results of this study indicate that the variables Perceived Price, Service Quality, and Brand Image have an effect on Consumer Satisfaction.

Research by Ine Febrian R, Rusdi Hidayat Nugroho (R & Nugroho, 2022) entitled "The Influence of Brand Image, Price, Product Quality and Consumer Satisfaction on Customer Loyalty in Garnier Facial Cleansing Soap Products (Study on Consumers in Surabaya City)" This research method using quantitative methods. The research sample used 100 people taken from the consumer population of Garnier Facial Cleansing Soap in the Surabaya City Region. This was drawn using a purposive sampling method. Based on this research it can be concluded that the variables of Product Quality, Brand Image, Price and also Consumer Satisfaction have a significant influence on Consumer Satisfaction.

Definition of Marketing

Overall, marketing is the business of delivering and delivering the right product to the right people, at the right place, at the right time, at the right price, with the right promotion and communication. From some of these explanations, it can be concluded that marketing is a decision-making activity, such as prices, which must be reliable or meet the requirements of the intended consumers. Marketing is also an activity that guarantees the flow of goods or services from producers to consumers in order to achieve excellence and meet consumer needs.
Marketing Management

Management is a process that uses the resources of an organization to achieve certain goals through various functions. For example, planning, organizing, directing and supervising planning to create the desires of a person or group. (R & Nugroho, 2022).

Marketing Concept

According to Kurniawan in (Renatha Indraswari et al., n.d.) the marketing concept is the key to achieving the goal of creating, delivering and providing added value for customers to the selected target market. To achieve the company's goals need to go through the marketing concept to complete the process of meeting the needs of consumers.

Marketing Mix

As part of a business, a marketing strategy is needed to plan a business strategy. The existence of a marketing strategy or marketing mix aims to support success by achieving business goals. In the marketing mix there are several marketing elements called 4P, namely product, price, location (location or sales channel), and advertising. Therefore, the marketing mix variables defined by Kotler and Keller (2014) in (Rizki & Prabowo, 2022) are as follows:

1. Products. A product is anything that can be offered to a market for attention, access, use and consumption. All activities in this marketing complex start with the product to be produced.
2. Price. Price is the amount that must be paid or exchanged by consumers to get the desired product. Companies must determine the correct base price for goods or services.
3. Location. Location or location are various actions taken by a company in the form of goods or services so that their products are available on the market target. Understanding and understanding the components of a sale, which include plumbing, location, inventory and transportation, is essential.
4. Promotion. Promotion is all company activities that aim to promote their products to the target market. Advertisements can convey information by talking, persuading or reminding you about the final product. It can be concluded that the marketing mix is a marketing strategy that aims to attract customers or consumers to buy the company's products.

Price Perception

According to Kotler and Armstrong through (Parhusip et al., 2021) Price is the value determined by buyers and sellers for a product or service, which is determined through bargaining or the same price for all buyers. The price factor greatly influences consumer purchasing decisions, if the profit earned is equal to or greater than the amount of money spent on the product, then the consumer will buy the product.

Freddy Rangkuti (2008: 103), states that the perception of price is the relative cost that consumers must spend to obtain the product or service they want. Lee and Lawson-Body (2011: 532) also argue that price perception is a
consumer's judgment and the associated emotional form of whether the price offered by the seller and the price compared to other parties is reasonable, acceptable or justifiable.

In this study, the price perception indicator used is in accordance with the research, namely the price indicator cited by Kotler and Phillip through (Parhusip et al., 2021). These indicators are as follows:

a. Price Affordability. Consumers in making a decision to make a purchase is to look at the price first. Prices that are more affordable will be more attractive to consumers than prices that are too high.

b. Price conformity with product quality. The price of goods or services must be in accordance with the quality of the product. If the price is higher than the quality of the product, consumers will not buy or use the product or service. Because consumers prefer goods or services that are relatively cheap but have good product quality as well. That way the price and quality of the product will be comparable.

c. Price Competitiveness. The price set by the company must have characteristics to differentiate it from competitors in order to compete.

d. Price Compatibility with Benefits. Prices and benefits must match. Because consumers are more concerned with the benefits derived from these products. So that the price issued must be proportional to the benefits received by consumers.

Product Quality

According to Kotler and Keller (Syah et al., 2022) Product quality is the ability of a product to provide the results or performance expected by consumers, even exceeding their expectations. One of the main values that consumers expect from producers is good quality products and services. Companies are required to always try to satisfy their consumers by offering quality products.

In this study, product quality indicators were used in accordance with research, namely product quality indicators cited by Kotler and Keller via (Syah et al., 2022). These indicators are as follows:

1. Performance, which means the operating characteristics and core products purchased. Such as speed, ease, and comfort in its use. In some cases, performance can also be used to measure whether a product is able to function according to its uses and benefits.

2. Feature, secondary or complementary characteristics of the core product. This speciality is also the hallmark of a product to differentiate it from competing products. In service products, these features are also a number of driving factors why a product is preferred over competing products that have similar uses and functions.

3. Conformance with specifications (Conformance to Specification), the extent to which the design characteristics meet the standards of the specifications that have been set. In addition, it is also able to measure the suitability between something that has been promised by the product or company, whether it is appropriate when given to the customer.
4. Appearance of product packaging (Aesthetics) Subjective characteristics related to various aesthetic values with personal considerations and personal tastes. This aesthetic value itself is also one of the determining factors whether customers want to see the appearance of a service for quite a long time.

Consumer Satisfaction

According to Tjiptono (2017) through (Aleron & Nurhadi, 2022) Consumer satisfaction is a person's perceptual process when evaluating the results of a product or service in relation to their expectations and needs. Danang Sunyoto (2015: 140) also explains that consumer satisfaction is one of the main factors that encourage consumers to choose to buy products somewhere. When consumers are satisfied with the product they have purchased, they tend to buy the product again and recommend it to others because they believe in the quality of the product.

According to Tjiptono (2017) through (Aleron & Nurhadi, 2022) indicators forming consumer satisfaction:

a. Conformity of Expectations. Is the level of compatibility between service performance expected by consumers with what is felt.

b. Interest in Returning. Is the willingness of consumers to revisit or reuse related services.

c. Willingness to Recommend. Is the willingness of consumers to recommend services that have been felt to friends and family.

Effect of Product Quality on Consumer Satisfaction

According to Philip Kotler and Keller (2012) in a study conducted by (Shah et al., 2022). Product quality is the capability of a product to display results or performance that meet consumer expectations, or even exceed their expectations. In that study, there was a significant influence between product quality and consumer satisfaction.

According to Kelvin (2015) in (R & Nugroho, 2022) suggests that product quality involves several aspects contained in an object or product, both physical and non-physical, which affect the product in accordance with the expected goals. The results of the tests conducted also indicate that product quality has a positive influence on consumer satisfaction. In other words, a company that creates products with good quality will produce a number of satisfactions for consumers who have used these products.
METHODOLOGY

According to Sugiyono through (Rizki & Prabowo, 2022), population is a generalized area, which consists of objects/entities with certain characteristics and characteristics. So, the population is not only people, but also other objects and natural objects. This research involves consumers who buy and use Netflix services in the Surabaya City area. The sampling technique used is based on sample measurement guidelines according to (Ghozali, 2016), including: note the scale for constructs designed with reflective indicators can be ignored, the number of indicators multiplied by the research parameters (5–10). The number of indicators in this study is 11 and the parameters of this study are 9. So the number of samples used is 9 x 11 = 99, so the sample used is 100 respondents with (rounded off) those who have repurchased or used the Netflix service in Surabaya.

The type of data that the researcher used in this study was primary data, namely data obtained directly from the object under study through distributing questionnaires with the aim that certain information can be obtained and later used to support the success of the research implementation. The data source in this study was obtained from consumers who use the Netflix service based on the answers mentioned by the respondents in the questionnaire. The purpose of collecting data in this study is to obtain information that can help the success of the research. Researchers used a questionnaire as a technique to collect research data. The questionnaire was interpreted as a technique that functioned to obtain data and was realized in the form of a list of questions given to respondents to answer.

Validity & Reliability Test

Through Priyatno (2018) in (R & Nugroho, 2022) The validity test is used to ensure the validity of a questionnaire. A questionnaire is said to be valid if the statements contained in it can reveal what the questionnaire will measure. Therefore, the effectiveness in measuring whether the questions asked in the questionnaire can actually measure what should be measured can be seen by looking at the calculated r value. When \( r \text{ count sig.} \leq 0.05 \) = valid and \( r \text{ count sig.} > 0.05 \) = invalid means invalid (Ghozali, 2016). Analysis can be done by
correlating the item score with the total score. Where, the coefficient of significance value is less than 5% which indicates that the item can be said to be correct as an indicator builder.

According to Priyatno (2018) through (R & Nugroho, 2022) Reliability is a term that refers to the relative consistency of a measurement result if the measurement is relatively consistent if the measurement is repeated two or more times. Therefore, reliability is an indicator of the reliability of a questionnaire or other measuring instrument in a study. The reliability test is used to determine the consistency or consistency of a measuring instrument which usually uses a questionnaire. Reliability below 0.6 is not good, while 0.7 is acceptable and above 0.8 is good.

RESULT AND DISCUSSION
The Effect of Perceived Price on Consumer Satisfaction

The results of the study show that price perceptions greatly influence Netflix consumer satisfaction in the city of Surabaya. That is, the greater the user's perception that Netflix's price is affordable, the higher their satisfaction with the service. The results of this study also show that these findings have a large influence statistically, which means they are reliable and relevant.

The biggest factor loading results lie in the price affordability indicator. The more Netflix provides affordable and accessible prices, the more satisfied consumers are with what they get from the Netflix video-on-demand service itself. With affordable prices, consumers will feel more satisfied because the money or value they have spent is commensurate with what they have received in the Netflix product itself. So if the price that consumers think is in accordance with what they spend, they will of course feel satisfied because they have got something that is in accordance with what they want. That is a quality series/film from Netflix itself.

The results of this study are in accordance with research conducted by (Hutauruk & Sitorus, 2022) that Price Perception has a positive influence on Consumer Satisfaction. Research conducted by (Palelu et al., 2022) also shows that there is an influence between Price Perceptions and in a positive and significant way.

Effect of Product Quality on Consumer Satisfaction

The results of the study show that product quality greatly influences the satisfaction of Netflix users in the city of Surabaya. This means that the better the quality of the product provided by Netflix, the higher the level of user satisfaction with the service. The results of this study also show that these findings have a statistically significant effect. That is, the findings are reliable and relevant in the research context.

The biggest factor loading result lies in the Features indicator where the characteristics of a product is a separate factor that makes consumers satisfied with what they get by using the Netflix platform as an entertainment center for original movies/series. Netflix's original films/series which are one of Netflix's superior features can give the impression that the platform has a high quality in order to be able to present their flagship product to consumers. These features
and uniqueness are also one of the factors favored by video-on-demand platform companies. Of course, these features and uniqueness will directly affect the satisfaction received by customers.

The results of this study are in accordance with research conducted by (Syah et al., 2022) that product quality has a positive influence on consumer satisfaction. Research conducted by (R & Nugroho, 2022) also shows that there is an influence between Price Perceptions and in a positive and significant way. This is also in accordance with the theory stated which shows that the results are in accordance with the theory according to Kotler and Armstrong (2015) who argue that product quality refers to how a product can satisfy consumers both physically and psychologically and has the inherent uniqueness of the goods produced.

CONCLUSIONS AND RECOMMENDATIONS

Based on the test results using PLS analysis to test the Effect of Perceived Price and Product Quality on Netflix Consumer Satisfaction in the City of Surabaya, it can be concluded as follows:

1. Perception of price has a strong and important influence on the level of satisfaction of Netflix consumers in the city of Surabaya. The better the price perception, the higher the level of consumer satisfaction. This shows that price perceptions make a major contribution to consumer satisfaction.

2. Product quality has a strong and important influence on the level of satisfaction of Netflix consumers in the city of Surabaya. The higher the product quality, the higher the level of consumer satisfaction. This shows that product quality makes a major contribution to consumer satisfaction.

Based on the results of the research and conclusions, there are several suggestions that the author can give to be used as material for consideration or can be used as material in making decisions, including the following:

1. Companies are expected to consider and set product prices according to potential customers and consumers who are already using the product so that it can be reached and used easily by many people. Pricing must be based on careful measurements and pay attention to various aspects that may affect the perceptions of potential customers and consumers of the product. By setting the right price, it can increase the perception of potential customers and consumers of product quality and increase consumer satisfaction.

2. The company is expected to be able to improve the quality of high quality original film/series production so that it becomes the hallmark of the company itself. The uniqueness and features of a video-on-demand platform depend on the quality of the products that the platform has. Therefore, providing good product quality is very important to increase consumer satisfaction in consuming these products.
ADVANCED RESEARCH
For future researchers, these findings can be used as additional references in conducting further research. In addition, it is hoped that the researcher can add other variables that have not been included in this study.

REFERENCES


