

Literature of Review The Influence of Service Quality, Price, and Influencer Marketing on Netflix Users' Purchasing Decisions in Bekasi City

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ARTICLE INFO

Keywords: service quality, price, and influencer marketing ,purchasing decisions, netflix

Received : 05,Dec

Revised : 13,Dec

Accepted: 19,Dec

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ABSTRACT

This research is research with a literature review that examines the influence of service quality, price, and influencer marketing on purchasing decisions. This research focuses on users of the Netflix pay TV service. This research was conducted in Bekasi City, which is an area with quite a lot of Netflix users. This research will use a quantitative approach with the user population in Bekasi City.

INTRODUCTION

The development of the marketing industry in Indonesia, the use of the internet and social media is growing rapidly. Marketing strategy is a strategy used in marketing activities to market products based on the company's objectives. One effective marketing strategy is to use influencer marketing. Influencer marketing is a form of marketing where brands collaborate with individuals or figures who have a large influence on social media to promote their products or services. These influencers have a wide reach and loyal followers, so they can influence audience perceptions and attitudes towards brands and products

Social media can be used as an effective marketing tool due to the high number of users and the amount of time they spend on social media in Indonesia. This is also achieved by marketers who mainly carry out their marketing activities on social media. The growth of social media users in society means that consumers can easily obtain information about the existence of a product. This situation requires companies to provide clear information about their product brands so that consumers on social networks can provide positive responses and indirectly influence their behavior.

Streaming video services have become an important part of people's daily lives, especially during the COVID-19 pandemic which forces people to limit outdoor activities. Netflix as a global streaming service platform has become the main choice for many users in Indonesia and the world. In this context, it is

important to understand the factors that influence Netflix users' purchasing decisions.

The increasing popularity of the use of influencer marketing plays an important role in promotions. The use of influencer marketing is effective in encouraging consumers to immediately buy products. According to Sudha & Sheena (2017), 49% of consumers rely on influencer advice to make purchasing decisions

Several factors have been identified as potentially influencing Netflix users' purchasing decisions, including service quality, price, and influencer marketing. Prasetio's (2012) research shows that service quality and price influence customer satisfaction. In addition, research by Dimas Gaddafi and Rizky Dermawan (2023) shows that the quality and price of electronic services together have a positive and significant influence on Netflix customer satisfaction. These results are in accordance with previous research which shows that electronic service quality and price have a positive and significant influence on customer satisfaction.

This research aims to examine the simultaneous influence of service quality, price, and influencer marketing on Netflix users' purchasing decisions. By using multiple linear regression analysis methods, this research will determine the influence of these factors on Netflix users' purchasing decisions. The subjects of this research were Netflix users who purchased premium packages. Therefore, this research is expected to make a significant contribution to understanding the factors that influence Netflix users' purchasing decisions.

THEORETICAL REVIEW

Purchase Decision

The definition of a purchasing decision is a consumer's decision to determine which brand they want to use Kotler and Armstrong (2018: 153). According to Kotler and Keller (2016: 194), purchasing decisions are part of consumer behavior, namely how individuals, groups and organizations choose, buy, use and how products and services are used. It is the study of how to satisfy needs and wants.

According to Tjiptono (2020:22), purchasing decisions are part of consumer behavior in the form of actions that are directly related to efforts to achieve determining products and services, including the decision-making process that occurs before and after the action. According to Schiffman and Kanuk (2015: 487), a purchasing decision is a choice between two or more alternative options.

According to Buchari Alma (2013:96), purchasing decisions involve financial economics, technology, politics, culture, products, prices, places, promotions, physical evidence, people and processes that shape consumer attitudes. It is consumers' decisions that are affected, they all process information and draw conclusions from it in the form of answers about which product to buy.

Service Quality

The definition of quality is that a product or service that is free from defects is considered quality (Kurtz et al., 2019, p. 271). According to Kotler & Keller (2016, p. 156) salespeople always provide quality to customers when a product or service meets or exceeds customer expectations. According to Kotler & Armstrong (2018, p. 239) high-quality services can be differentiated by consistently providing higher quality than competitors, and service providers will need to decide what you expect from your quality goals. Customer perceptions of service quality are determined by their perceptions of actual service performance compared to their expectations of service performance.

Price

The definition of price is money or other compensation, including products and other services, which is exchanged for the ownership or use of a product or service (Kerin & Hartley, 2017, p. 350), while price according to Lamb et al. (2018, p. 254), namely everything that is given in exchange for goods or services, and if the exchange involves money, then what is meant by price is the value of money in the context of that exchange. From a consumer's perspective, price is often used as an indicator of value when linked to the perceived usefulness of a good or service (Ramdhani et al., 2020, p. 36). If customers feel that the price of a product outweighs the disadvantages, they will not buy the product (Kotler & Armstrong, 2018, p. 285).

Influencer Marketing

Influencer marketing is a marketing method that involves influencers to promote a company's products or services. An influencer is someone who has the ability to influence others, often through having a large following on social media.

According to Carter (2016), Influencer Marketing is a rapidly growing industry, aimed at promoting a company's products or services. In this case, influencers are considered trustworthy and brands use them to spread awareness about their products and brands and are followed by a large number of users on online social networks.

Meanwhile, according to Hariyanti & Wirapraja (2018), an influencer is a person or social media figure who has many followers. Influencer marketing is an effective advertising method because consumers nowadays pay more attention to social media and like to see interesting content from people or influencers they follow.

Conceptual Framework

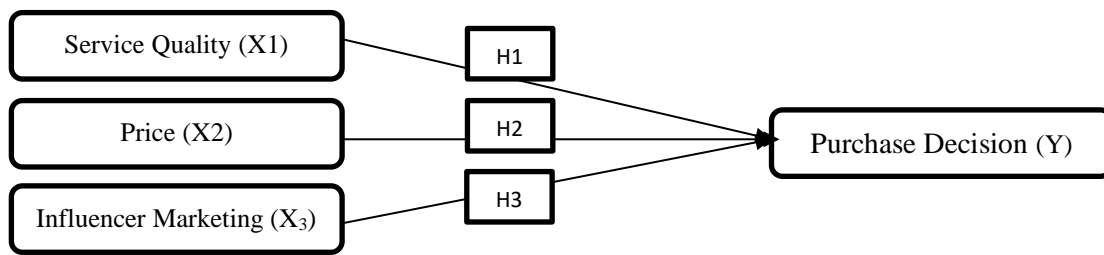


Figure 1. Conceptual Framework

A theory is a questionable goal because it must be tested for reality or it could also be called a temporary response to a problem being considered. Speculation can also be considered a brief hypothesis used by scientists as a temporary aid to the direction of critical thinking. This hypothesis or short speculation comes from a hypothetical resolution which is then established as a theory.

This speculation is worth trying to ensure its validity through various exploratory evidence (information). If the information gathered further shows that the speculation is correct, then the speculation turns into a postulation (ultimately a judgment obtained from the place of experimental perception through certain work cycles and procedures).

Based on the problem formulation in this research, the author determines the research hypothesis as follows:

H1. Service quality variables influence purchasing decisions

H2. Price variables influence on purchasing decisions

H3. Influencer Marketing variables influence on purchasing decisions

METHODOLOGY

In this research the author used quantitative methods. Cresweel (2010, p.24) states that "quantitative approaches involve measuring objective quantitative and statistical data through scientific calculations taken from samples of people or populations that require responses to several survey questions to determine their frequency and the percentage of their responses".

Apart from that, quantitative research according to Sugiyono (2012, p. 11) is as follows: Quantitative methods can be understood as research methods based on the philosophy of positivism. This method is used for research in certain populations or samples, data collection using research tools, quantitative/statistical data analysis, with the aim of testing predetermined and regulated hypotheses.

Based on the explanation above, it can be concluded that the quantitative approach is an approach in research to test hypotheses using accurate statistical data tests. Based on the background and problem formulation that has been mentioned, this research uses a quantitative approach to measure

the influence of service quality, price and influencer marketing on Netflix users' purchasing decisions in Bekasi City.

According to Margono (2004) population is the totality of information which then becomes the fundamental subject or main focus of a scientist. The focal point of these considerations must be at a level that has not yet been fully established by scientists. Population itself is closely related to information, if the information is provided by just one person, then the size of the population will ultimately be equal to the number of people. Thus, this research will focus on Netflix service users in Bekasi City as a population.

A sample is basically characterized as a part of the population that is a real source of information in a review. Overall, the sample is a portion of the population aimed at the entire population.

This research sample can be taken from Netflix service users in Bekasi City who are active, have paid subscriptions, and have experience in using the service. The sampling method can be carried out randomly or based on certain criteria that are relevant to the research objectives.

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