

Analysis of Digital Marketing and Customers Purchase Intention toward Purchasing Decision on Netflix Account During Covid 19 Pandemic in Bandung

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Abstract. During Covid 19 many businesses bankrupt, only less of them can survive, one of them is Netflix. However, during pandemic Netflix users increase significantly because of activity restriction so many people spend a lot of time at home and killing their time by watching Netflix. Beside that, the digital marketing that applied by Netflix also has significant effect towards the increasing numbers of users. This research aims to find the influence of digital marketing and customer intention towards purchasing decision on Netflix account during covid 19 pandemic both partially and simultaneously. Descriptive and quantitative method used in this research. There are 100 Netflix users in Bandung as respondents. The questionnaires are spread using google form. Multiple regression is applied in this research to find the correlation between variables. The result of the research showed there is positive and significant correlation between Digital Marketing towards purchasing decision. As well as customers intention towards purchasing decision also has positive and significant correlation towards purchasing decision. While simultaneously digital marketing and customers intension also has positive and significant correlation towards purchasing decision on Netflix account during covid 19 pandemic (71.4%) While the rest (29.6%) is influenced by other factors which is not examined by researchers.

1. Introduction

Covid 19 makes such a big change to the world. Many countries affected by it. Many people lost their families, friends and colleagues, also many companies got bankrupt because of this pandemic. However, many people struggle to face this pandemic, only few of company can be survive. In the other hand, when some companies got bankrupt, there is a business field that successes during this pandemic, one of them is Netflix. How Netflix can survive during pandemic, moreover the Netflix user increase significantly during pandemic? How do people have an intension and make a decision becoming a subscriber of Netflix? This study tried to analyse it briefly.

When many areas locked down to prevent the wide spread of covid 19, people spend a lot of time at home. Of course, they need entertainment for killing their time, one of them by watching some movies at home since the cinemas are closed during pandemic. People need entertainment while stayed at home all day along one of them by watching some movies on Netflix. Netflix inc. is the world's internet television network with more than 36 million subscribers spread over 40 countries around the world. It was founded in 1997 by American entrepreneurs Reed Hastings and Marc Randolph. [1]

Netflix is categorized Video on Demand (VOD). It is a technology for delivering video content, such as movies and television shows, dire by ctly to individual customers for immediate viewing. [2] in this new normal era many people got interested and subscribed it. Subscribers choose Netflix because they need an entertainment during pandemic while Cinema still closed, so they can watch movie at home whenever they have time as long as they have internet connection. They willing to spend money

becoming a subscriber of Netflix. In terms of promotion, Netflix use digital marketing. Netflix will advertise the upcoming new shows through social media, such as Facebook and Twitter advertising and promotion on social media. And users can use Netflix on web browsers, Windows 10, Android and iOS supported devices, streaming media players, smart TVs, and even game consoles. [3] Pavlou (2003) defined online purchase intention as “the consumers’ willingness to be involved in an online transaction.” Purchase intention can be seen as “the probability that the consumer will purchase the product” (Sam et al, 2009). [4]

2. Method

Quantitative method is used in this research used approach by measuring variables, testing the hypothesis and analysing the data using statistical calculations. While Collecting data method in this research used survey, literature studies and questionnaire. This research is conducted to 100 Netflix subscribers in Bandung. The questionnaires are spread through google form to respondents. The Data measurement of this research using 5 points of Likert scale. The sample is determined by using Non-Probability Sampling, this technique is used because the numbers of population unknown for sure. The sample selection technique uses a purposive technique. Notoatmodjo stated that purposive sampling based on a consideration, for example population characteristic and the characteristics that already known previously. [7]

3. Result and Discussion

Nowadays, internet is really important for people around the world. However, internet connecting people around the world in blink eyes. In this corona virus 19 pandemic era when people restrict to go out for preventing the wide spread of virus internet is a need in every aspect such as economic and business, education, politic, and communication. In economic and business internet has main role for example in digital marketing and online business. Actually, digital marketing already replaced traditional marketing because it can reach many consumers around the world, not only in one area. In this pandemic, people also need entertainment for killing their time because the restrict activities or locked down, since theatre or cinemas are closed during pandemic, many people start to become subscribers of Netflix. The reason they becoming a subscriber because they ever saw the promotion of Netflix on their social media, YouTube, etc. so they attract and has any intention to purchase an account and become a subscriber.

Netflix uses SVOD, which offers "three tiers" of prices for users to choose from in terms of the payment model. As of August 2021, Netflix will offer three monthly rates for \$8.99, \$13.99, and \$17.99, depending on the number of devices and the quality of the picture [5] Figure 1 shows that Netflix has always been the leader in the paid membership model

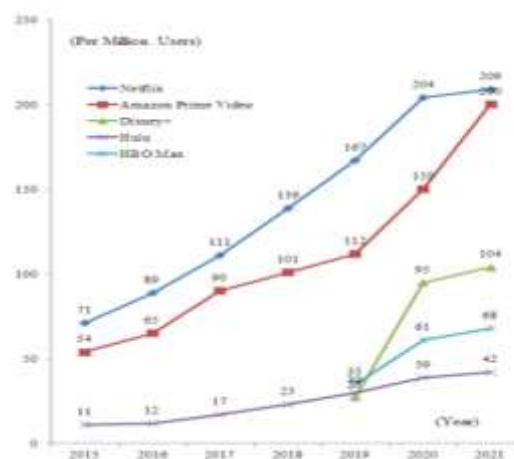


Figure 1. Netflix global paid membership size [5]

Figure 1 above showed that Netflix user from 2015 until 2021 always became the first global paid membership or in the other word Netflix users is increasingly in numbers. In the second place is amazon prime video, Disney, HBO Max and Hulu.

Digital Marketing

Digital Marketing was first known in the early 1990s and in 2014 began becoming the main strategies that are widely applied in business world. Digital marketing is the embodiment of application, use or utilization of technology In the marketing process through Some of the following stages (Ryan, 2014:4) [8]:

- New technologies emerge and start Used by people
- Technology is beginning to be known and prioritized in the world of marketing
- Innovative marketers do exploration and breakthrough to be able to increase the function or usefulness of technology in achieving the target range marketing
- Technology becomes the main strategy and deposited as a standard of marketing practice

Purchase intention

Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah et al., 2012) [9]

Purchase Decision

The consumer decision-making process can be described as the phases that consumers go through in making a final purchase decision. The task of a marketer is to focus on the whole purchasing process instead of emphasizing solely on a purchase decision, because consumers experience different phases before reaching a conclusion (Basil et al., 2013) [8]

Schiffman and Kanuk (2007) stated that consumers normally search for information relevant about a specified consumption-related need from their past experiences before looking for external sources of information. [9]

Purchase decisions

Purchase decisions have been influenced by previous stages of the decision-making process, but marketers still have the opportunity to affect consumers who are already at the purchasing stage (Iblasi et al., 2016). [6]

Table 1. The Correlation between Digital Marketing towards Purchasing Decision

Correlations		Digital Marketing	Purchasing Decision
Digital Marketing	Pearson Correlation	1	.805**
	Sig. (2-tailed)		.000
	N	100	100
Purchasing Decision	Pearson Correlation	.805**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Based on the table 2 above can be seen that Digital Marketing has strong and has positive correlation towards Purchasing Decision. It means if the variable digital Marketing increase, the variable of purchasing decision also will be increased too.

Table 2. The Correlation between Purchase Intention towards Purchasing Decision

		Purchase Intension	Purchasing Decision
Purchase Intention	Pearson Correlation	1	.687**
	Sig. (2-tailed)		.000
	N	100	100
Purchasing Decision	Pearson Correlation	.687**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3 above showed that is positive correlation between purchase intention towards purchasing decision 0.687, it means strong correlation between both variables. If variable of purchase intention increase, variable of purchasing decision will be increased too. Meanwhile, to find the amount of the contribution of the influence simultaneously between the independent variables on the dependent variable, the following test is conducted:

Table 4. The amount of Determination Coefficient simultaneously

Model Summary ^b				
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.828 ^a	.714	.683	3.72862
a. Predictors: (Constant), Digital Marketing, Purchasing Intention				
b. Dependent Variable: Purchase Decision				

Table 4 above showed that R-square value or coefficient of determination is 0.714. It means that the R-square value ranges from 0 to 1, the R-square value which is close to 1 indicates that the model formulated to explain that Purchasing Decision in Good categorize. The table above also showed that the effect of Digital Marketing (X1) and Purchase Intention (X2) on Purchasing Decision (Y) is 71.4%. While the rest, which is $100\% - 71.4\% = 29.6\%$ is influenced by other factors which not examined by researchers.

4. Conclusion

Based on the explanation above can be drawn conclusion that is nowadays digital marketing replaces traditional marketing. There is positive and strong correlation between Digital Marketing towards Purchasing Decision. While Purchase Intention also has positive and strong correlation towards Purchasing Decision. Whereas, Digital Marketing and Purchase Intention Simultaneously have correlations towards Purchasing Decision.

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