THE INFLUENCE OF ELECTRONIC WORD OF MOUTH (E-WOM), PERCEIVED PRICE, AND E-SERVICE QUALITY ON THE DECISION TO SUBSCRIBE TO NETFLIX STREAMING SERVICES IN MEDAN CITY

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Article Info:	Abstract:
	This study aims to find out how the influence of electronic word of mouth (e-WOM), price perceptions, and electronic service quality on the decision to subscribe to Netflix streaming services in Medan City. The number of research samples is 100 respondents. Based on the research instrument test stated that all data is valid and reliable. Based on the classical assumption test, it is stated that the data is normally distributed and the multicollinearity test shows that the calculation of the Variance Inflation Factor (VIF) value is <10, which means that there is no multicollinearity in the data being tested. Based on the results of the t-test and the regression coefficients, it shows that electronic word of mouth (e-WOM), price perceptions, and electronic service quality partially have a positive and significant effect on the decision to subscribe to the Netflix streaming service. The coefficient of determination test shows that 65.7 percent of the subscription decision variable is explained by electronic word of mouth (e-WOM), price perception and electronic service quality.

INTRODUCTION

Since December 2019, the COVID-19 pandemic has spread to almost all countries, including Indonesia. The World Health Organization (WHO) declared

the Covid-19 virus a world pandemic in March 2020 as a result of the continued expansion of infections. Therefore, the government is tricking people into limiting their outdoor activities. Such as study activities, work, worship, and other activities at home as well as implementing social solutions or what can be known by social distancing to prevent the spread of the Covid-19 virus.

According to (Ammurabi, 2020) the activities of the Indonesian population in terms of enjoying online streaming services are growing rapidly by up to 49 percent. This situation has resulted in the growth of the entertainment industry in online sites increasingly promising. The increasing activity of the population when streaming online has made Video on Demand or video on demand one of the choices sought by the Indonesian people during the pandemic.

Tabel 1. Video on Demand Applications that are Frequently Used in Indonesia in 2020

No	Nama	Banyaknya Penggunaan	Paket Langganan	Harga Perbulan
1	Netflix	31%	Ponsel	Rp 54.000,00
			Dasar	Rp 120.000,00
			Standar	Rp 153.000,00
			Premium	Rp 186.000,00
2	Viu	17%	Beli 1, Dapat 2	Rp 15.000,00
			Beli 2, Dapat 3	Rp 20.000,00
3	Vidio.com	15%	Premium Gold	Rp 19.000,00
			Premium Platinum	Rp 29.000,00
4	IFlix	12%	Monthly Plan	Rp 39.000,00
5	Disney+	2%	1 Bulan	Rp 39.000,00
6	HBO Go	3%	Monthly	Rp 60.000,00

Source: Sikatabis.com (2022)

According to the data above, Netflix is by far the most popular streaming service application with a usage rate of 31%. This is because the films or series available on the Netflix streaming service have a variety of genres that can be enjoyed by all ages, and there are also more films offered than other streaming services. In disseminating information about the Netflix streaming service, word

of mouth (WOM) cannot be separated from it. In general word of mouth (WOM) is conveyed from consumers, to consumers, and to consumers, so that satisfied consumers can become intermediaries to convey information. With the development of social media, information about word of mouth (WOM) can spread widely in a relatively short time. Dissemination of information by way of word of mouth (WOM) through social media will then be explained by the term electronic word of mouth (EWOM).

The high number of Netflix enthusiasts in Indonesia is a trigger why Netflix often becomes the topic of conversation for most people. One of them is the talk on social media Instagram. In social media Instagram, there is a story feature. This feature can be used by users to upload videos, photos or writing as everyday stories. One of the stories that is often uploaded on Instagram Stories is a review or experience after watching a movie or series on the Netflix streaming application. Activities recommending broadcasts using social media can be included in electronic word of mouth (E-WOM) activities. Electronic word of mouth is a strategy for advertising a product or service. This electronic word of mouth strategy is often used by influencers in their product promotion methods (Kotler & Armstrong, 2016). Marketing through social media can be successful if it is supported by positive word of mouth because it can entice consumers to be willing to make purchases.

In addition to the Electronic Word of Mouth (E-WOM) factor, price perceptions are also a factor that influences people's buying decisions on the Netflix streaming service. Price perception concerns how price information is understood by consumers and made meaningful by them. The consumer's response to the price that will be offered, whether the price is acceptable or rejected, consumers can accept that the price is appropriate or not. Therefore, it is important for marketers to understand how consumers interpret the price of a product or service that has been set beforehand. Consumers in deciding to subscribe are influenced by the quality of service. All customer-oriented business industries, service quality is one of the determining factors in the success of a business, because if service quality is not considered, then the consequence is that customers can move to other similar industries or businesses that provide more satisfying service quality and provide feedback and good complaints for

consumers. In the digital era like today, people are more inclined to use electronic media. The new quality of service especially in the electronic world is the quality of web-based services. Online service quality (e-service quality) is the level at which the website can facilitate the purchase, sale and delivery of both products and services. The website can facilitate the purchase, sale and delivery of both products and services efficiently and effectively.

The customer service owned by the Netflix streaming service is also very fast in responding to public complaints when they are using the Netflix streaming service. So that the comfort level of the community is well conveyed. Furthermore, the Netflix streaming service offers movies or series according to consumer preferences. As we know that people have various film preferences. The Netflix streaming service immediately responds to what the public wants in watching movies.

The above shows that the Netflix streaming service uses electronic service quality in terms of conveying and influencing people's interest in deciding to subscribe. Based on the results of previous research from the journal Astawa (2022) with the title Lifestyle, Prices, and Purchase Decisions of Spotify Premium. Based on the results of this research, it explains that Lifestyle and price have a positive and significant effect on the decision to purchase Spotify's premium package during the COVID-19 pandemic. Lifestyle and price simultaneously have a positive and significant effect on the decision to purchase Spotify premium packages during the COVID-19 pandemic.

Based on this background, the authors are interested in researching with the title ***"The Influence of Electronic Word Of Mouth (e-WOM), Price Perceptions, and E-Service Quality on the Decision to Subscribe to Netflix Streaming Services in Medan City"***.

METHODS

This research uses a type of quantitative research. Quantitative method is a research methodology based on the philosophy of positivism, used to research on certain populations or samples and to test predetermined hypotheses. In this study using 4 variables, *Electronic Word Of Mouth (e-WOM)* variable as variable X^1, Price Perceptions variable as variable X^2, *E – Service Quality* variable as variable

X^3 and Decision to Subscribe variable as variable Y. This research uses a descriptive approach method. The descriptive approach is a descriptive approach method that is carried out to determine the existence of independent variables, either only in one or more variables (independent variables or independent variables) without making comparisons of the variables themselves and looking for relationships with other variables (Sugiyono, 2009). The measurements used in this study used the Likert Scale. The Likert scale is a scale that can be used to measure a person's attitudes, opinions and perceptions about a particular object or phenomenon (Imron, 2019). The population in this study are people in Medan City who subscribe to the Netflix streaming service as many as 100 people, and the sample used was 100 people. Sampling of this study using non probability sampling method. Data collection methods using interview techniques, literature studies, and questionnaire techniques. Data analysis using the SPSS program, and analysis in processing this research data using validity and reliability tests, classical assumption tests (normality tests, multicollinearity tests and heteroscedasticity tests), multiple regression analysis, R^2 coefficient of determination, and hypothesis testing.

RESULTS AND DISCUSSION

1. Validity Test Results

Table 2. Validity Test

Variabel	Pernyataan	T_{hitung}	T_{tabel}	Keterangan
Electronic Word Of Mouth (X1)	EW1	0,668	0,196	Valid
	EW2	0,758	0,196	Valid
	EW3	0,500	0,196	Valid
	EW4	0,604	0,196	Valid
	EW5	0,687	0,196	Valid
	EW6	0,712	0,196	Valid
	EW7	0,599	0,196	Valid
	EW8	0,587	0,196	Valid
Price Perception (X2)	PH1	0,849	0,196	Valid
	PH2	0,786	0,196	Valid
	PH3	0,609	0,196	Valid
	PH4	0,709	0,196	Valid
	PH5	0,786	0,196	Valid
	PH6	0,792	0,196	Valid
	PH7	0,765	0,196	Valid
	PH8	0,780	0,196	Valid
E - Service Quality (X3)	ES1	0,692	0,196	Valid
	ES2	0,662	0,196	Valid
	ES3	0,778	0,196	Valid

	ES4	0,709	0,196	Valid
	ES5	0,641	0,196	Valid
	ES6	0,690	0,196	Valid
	ES7	0,709	0,196	Valid
	ES8	0,608	0,196	Valid
	ES9	0,737	0,196	Valid
	ES10	0,705	0,196	Valid
Decision to Subscribe (Y)	KP1	0,644	0,196	Valid
	KP2	0,785	0,196	Valid
	KP3	0,752	0,196	Valid
	KP4	0,687	0,196	Valid
	KP5	0,785	0,196	Valid
	KP6	0,798	0,196	Valid
	KP7	0,793	0,196	Valid
	KP8	0,811	0,196	Valid
	KP9	0,700	0,196	Valid
	KP10	0,806	0,196	Valid

Source: Data Processed Using SPSS ver. 24

In table 2 it is found that all statement items have a rcount value > rtable (0.196), a positive value and a significant value <0.05. So it can be stated that all statement items are valid.

2. Reliability Test

Table3. Reliability Test

Variabel	**Cronbach Alpha**	**Koefisien Korelasi**	**Keterangan**
Electronic Word Of Mouth (X1)	0,788	0,70	Reliabel
Persepsi Harga (X2)	0,896	0,70	Reliabel
Electronic Service Quality (X3)	0,877	0,70	Reliabel
Decision to Subscribe (Y)	0,915	0,70	Reliabel

Source: Data Processed Using SPSS ver. 24

Based on the table above, it can be seen that the Cronbach's Alpha value at X1 is (0.788 > 0.70); X2 is (0.896 > 0.70); X3 is (0.877 > 0.70) and Y is (0.790 > 0.70). So it can be concluded that all statement items in this study are reliable and can be disseminated to respondents.

3. Classical Assumption Test
   a. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	2.92116722
Most Extreme Differences	Absolute	.133
	Positive	.133
	Negative	-.079
Kolmogorov-Smirnov Z		1.328
Asymp. Sig. (2-tailed)		.059

a. Test distribution is Normal; b. Calculated from data.
Source: Data Processed Using SPSS ver. 24

Table 4. Normality Test

In the normality test, using the Kolmogrov – Smirnov test value, it will be known that the data distribution is normally distributed or not, with the basic criterion that the Kolmogrov – Smirnov test result must be above Alpha 5% or 0.05. If you pay attention to the Kolmogrov – Smirnov table, a significance value of 0.059 is obtained so that it can be concluded that the data is normally distributed, in short it can be explained that 0.05 < 0.059.

   b. Multicollinearity Test

**Table 5. Multicollinearity Test**

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.221	3.440		.936	.351		
X1	.085	.074	.069	1.152	.252	.991	1.009
X2	.186	.082	.165	2.283	.025	.686	1.457
X3	.728	.075	.698	9.667	.000	.687	1.456

a. Dependent Variable: Y
Source: Data Processed Using SPSS ver. 24

Based on the results of testing on multicollinearity by taking into account the VIF and Tolerance values, it is then compared with the test criteria in measuring multicollinearity . To compare the VIF value of variable X, namely electronic word of mouth (e-WOM), price perception, e-service quality. So it is known that the test VIF value <10.00. So it can be seen that there is no violation of the multicollinearity value.

c. Heteroscedasticity test

Source: Data Processed Using SPSS ver. 24

Figure 1. Heteroscedasticity Test
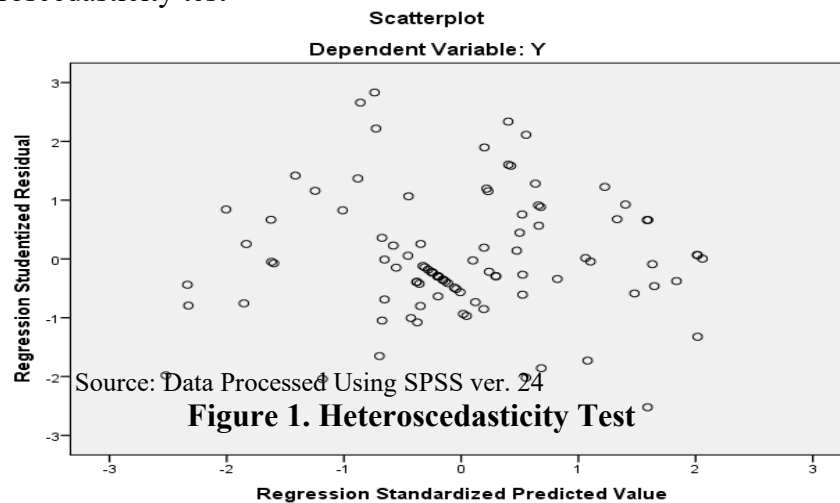
Based on the results of Figure 1, it can be seen that the data points spread in positive and negative directions, which means they form a certain pattern, so it can be concluded that this regression model does not have a heteroscedasticity problem.

4. Multiple Linear Regression Analysis Test

Tabel 6. Multiple Linear Regression Analysis Test

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
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X3	.728	.075	.698	9.667	.000	.687	1.456

a. Dependent Variable: Y

Source: Data Processed Using SPSS ver. 24

The regression equation above can be explained as follows:

a) a = value 3.221 This shows a constant level of value (+), which means it's getting better and increasing the decision to subscribe to the Netflix streaming service.

b) b_1 = value 0.085 indicates that it is positive (+) which means that the better the electronic word of mouth explanation, the higher the decision to subscribe to the Netflix streaming service.

c) b_2 = value 0.186 indicates that it is positive (+), which means that the better the price perception explanation, the higher the decision to subscribe to the Netflix streaming service.

d) b_3 = value 0.728 indicates that it is positive (+) which means that the better the electronic service quality explanation, the higher the decision to subscribe to the Netflix streaming service.

5. Coefficient of Determination (R^2)

Tabel 7. Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810[a]	.657	.646	2.96646

a. Predictors: (Constant), X3, X1, X2; b. Dependent Variable: Y

Source: Data Processed Using SPSS ver. 24

Based on the results of table 7 above, it shows that the coefficient of determination obtained by the number R2 (R Square) is 0.657. This means that electronic word of mouth (e-WOM), price perception, e-service quality variables on subscription decisions are 65.7%. While the remaining 34.3% is explained by other variables not examined.

6. T – Test

Table 8. Partial Test (T-Test)

Coefficients[a]

Model		T	Sig.
1	(Constant)	.936	.351
	X1	1.152	.252
	X2	2.283	.025
	X3	9.667	.000

b. Dependent Variable: Y

Source: Data Processed Using SPSS ver. 24

a) Electronic Word of Mouth (e-WOM) Hypothesis Testing on Subscription Decisions

Based on the calculation results in table 8 it can be seen that the value of tcount (1.152) > ttable (0.196), then Ho is rejected and H1 is accepted, meaning that electronic word of mouth (X1) has a positive and significant effect on subscription decisions.

b) Price Perception Hypothesis Testing on Subscription Decisions

Based on the calculation results in table 8 it can be seen that the value of tcount (2.283) > ttable (0.196), then Ho is rejected and H1 is accepted, meaning that price perception has a positive and significant effect on subscription decisions.

c) Testing the E - Service Quality Hypothesis on Subscription Decisions

Based on the calculation results in table 8 it can be seen that the value of tcount (9.667) > ttable (0.196), then Ho is rejected and H1 is accepted, meaning that *e - service quality* has a positive and significant effect on subscription decisions.

7. Simultan Test (F – Test)

Tabel 9. Simultan Test (F – Test)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1615.321	3	538.440	61.187	.000[b]
	Residual	844.789	96	8.800		
	Total	2460.110	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X1, X2

Source: Data Processed Using SPSS ver. 24

Based on table 9 it shows that the results of the simultaneous test (test –f) have a significance value of 0.000 <0.005, then Ho is rejected and H1 is accepted. This shows that the variables of electronic word of mouth (e-WOM), price perceptions, e-service quality together have a significant effect on subscription decisions.

a) The Effect of Electronic Word of Mouth on Subscription Decisions

The results showed that the electronic word of mouth variable had a positive and significant influence on the decision to subscribe to the Netflix streaming service in Medan City. This is evidenced from the results of the partial test with the t test, namely the Tcount value of 0.1152 with a Ttable value of 0.196 and a significant value of 0.252 > 0.05 where H0 is rejected and H1 is accepted, then the hypothesis is accepted. Meanwhile, electronic word of mouth simultaneously has a significant effect on subscription decisions of 0.000 > 0.05.

b) The Effect of Price Perceptions on Subscription Decisions

The results of the study show that the price perception variable has a positive and significant influence on the decision to subscribe to the Netflix streaming service in Medan City. This is evidenced from the results of the hypothesis test with the t test with a Tcount value of 2.283 and a Ttable value of 0.196 and a significant value of 0.025 > 0.05, where Ho is rejected and H1 is accepted, then the hypothesis is accepted. Meanwhile, simultaneously the price perception has a

significant effect on the subscription decision, which is equal to 0.000 > 0.05.

c) The Effect of E - Service Quality on Subscription Decisions

The results of the study show that the e-service quality variable has a positive and significant influence on the decision to subscribe to the Netflix streaming service in Medan City. This is evidenced from the results of the hypothesis test with the t test with a Tcount value of 9.667 and a Ttable value of 0.196 and a significant value of 0.000 <0.05, where Ho is rejected and H1 is accepted, then the hypothesis is accepted. Meanwhile, electronic service quality simultaneously has a significant effect on subscription decisions, namely 0.000 > 0.05.

d) The Effect of Electronic Word of Mouth, Perceived Price, and E-Service Quality on Subscription Decisions

Electronic Word of Mouth, Perceived Price, and E-Service Quality have an effect on the decision to subscribe to the Netflix streaming service in Medan City, this is evidenced by the results of hypothesis testing with the f test with an fcount value of 61.187 and a ftable value of 0.196 and a significant value of 0.000 < 0.05, where Ho is rejected and H1 is accepted, then the hypothesis is accepted. Meanwhile, electronic word of mouth, price perception, and e-service quality simultaneously have a significant effect on subscription decisions, namely 0.000 > 0.05.

CONCLUSION

Based on the research results, The purpose of this study was to identify and analyze the effect of electronic word of mouth (e-WOM), perceived price and e-service quality on the decision to subscribe to the Netflix streaming service in Medan City. The hypothesis in this study is that electronic word of mouth (e-WOM) has a positive and significant effect on subscription decisions, price perceptions have a positive and significant effect, e-service quality has a positive and significant effect on the decision to subscribe to Netflix streaming services and electronic word of mouth, perceptions price, and e-service quality have a significant effect on the decision to subscribe to the Netflix streaming service in

Medan City. The number of samples used in this study were 100 respondents who use the Netflix streaming service in Medan City and used the multiple linear regression analysis method. The results of his research, namely electronic word of mouth (e-WOM), price perceptions, and e-service quality have a significant effect on the decision to subscribe to the Netflix streaming service in Medan City.

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