The determinant factors of the intention to spend more time binge-watching for Netflix Subscriber in Jakarta

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Abstract- *In the advancement of technology and entertainment industry, Video-on-Demand (VOD) allows viewers to watch anything, anytime, anywhere. These platforms stimulate the intention to Binge-Watch. By analyzing the pattern of binge-watching and the effect it brings to Netflix, this study aims to figure out if it has an effect on consumer loyalty. The purpose of the study is to explore the pre-binge intentions and outcomes that influence Jakarta millennials to spend more time binge-watching especially for Netflix subscriber. This study used a quantitative research method with online questionnaire. There are 3 criteria the respondents have to meet: 1) Millennials, 2) Live in Jakarta, 3) Active Netflix subscribers. The research method is convenience sampling by using online form, with 32 Questions and five-point Likert scale. For the data analysis, SPSS was used to test the reliability and validity of the data.*
The key findings are: (a) Majority of millennials that live in Jakarta are active Millennials subscribers, (b) The three factors that motivate millennials to binge-watch are; Escape, Social engagement, and Attractive price. The findings are quite different from the original study because Indonesian people tend to be more price sensitive. The limitations of current study suggestions for future researches are listed.

Keywords- *Binge-watching; Video-On-Demand; Millennials; Netflix; Jakarta*

1. INTRODUCTION

According to Chaudhary (2014)[2], it has been proved that the addictive behavior of binge-watching could damage the well-being of the viewer. Based on Panda and Pandey (2017)[13], a study by Nielsen has found out that 88% of Netflix users watch at least 3 episodes of the same TV series in 1 day. The study of Chaudhary binge-watching might cause seclusion and loneliness, which might lead to obesity and depression. On the other hand, a study by Rubin explained that binge-watching is a form of pleasure that creates positive gratifications for the viewers and it might give the feeling of enjoyment and build a more positive personality towards a person's life (Panda and Pandey, 2017)[13].

Throughout the years, media consumption has developed significantly. A study by Schweidel and Moe (2016) revealed that majority of viewers are more used to online video streaming compared to traditional broadcast channels. Back in the days, viewers are used to watching shows by following the schedule and sequence given by the broadcaster one series each week. Now, with the advancement of technology, online movie platform provides the viewers with more control because they are able to create their own schedule through Video-On-Demand (Littleton, 2014)[9]. Following the new trends, the patterns of media consumption have changed to fit the needs of consumers. Netflix as one of the subscriber-based

companies has been releasing several episodes at the same time and it increased the demand for VOD on an international scale. The key point of the binge-watching trend is to let the watchers have full control over the viewing behavior and it is led by the high number of millennials Netflix subscribers. No other study in Indonesia has examined the determinants of binge-watching. Therefore, this study aims to explore the pre-binge intentions and outcomes that influence Jakarta millennials to spend more time binge-watching on Netflix. This study is replicated from the "Binge watching and college students: Motivations and Outcomes", which was written by Swati Panda and Satyendra C. Pandey. However, the research questions, hypothesis, and unit analysis are different compared to the original journal.

2. LITERATURE REVIEW

2.1. Binge-Watching and Netflix

The definition of the Binge-Watching term often changes. Binge-Watching proposes a completely different experience than traditional TV can offer (Jenner, 2015)[8]. Netflix Inc. was founded 21 years ago in 1997 as an online-based DVD rental service, with the objective of providing Video Alternatives by delivering DVDs using mails with no late fees. Two decades later, it has grown into an online streaming platform that became a trendsetter. According to Wu (Dickinson, 2015)[4], Netflix

has successfully replaced the traditional TV medium with a platform that is built by considering the behaviors and values of the Internet generation. By adapting to the changing technologies and consumer behavior, Netflix successfully adapted and created a watching platform. There are other alternatives besides TV, such as: Cable TV and DVDs, but Netflix is distinguishable because there is no third-party role between the viewer and the product (Wu, 2013)[15]. Viewers have full control of watching the movie of their choice. Moreover, Netflix has been revolving into serialized drama producer. Other streaming services are mostly associated with television branding infrastructure and provide viewers with re-run shows, but Netflix was the first streaming service that offers the chance to watch its original (Netflix Original) contents for as long as one subscribes (Jenner, 2016).

2.2. User and Gratification

The User and Gratification theory focuses on the uses to which people put media and the gratifications they seek from those uses (Dickinson, 2015)[4]. The theory shows that consumers have different needs and objectives and they are continuously looking for a way to satisfy their needs through different media activities. Based on the theory, there are 3 assumptions: 1) Audiences are not passive, but they actively look up media to please their needs, 2) Audiences are aware of their desires to give honest report, and 3) Media challenges each other for sources of satisfaction (Panda and Pandey, 2017)[13]. The uses and gratification (U&G) framework is generally concentrated on the psychological origins of needs, which create expectations that result in needs gratifications and other things, which could be accidental. The framework explains that audiences often search for five gratifications: 1) To be educated, 2) To identify with characters in media environment, 3) To be entertained, 4) To increase social interactions, and 5) To relieve stress in real life (Panda and Pandey, 2017). As for the motivations of TV watching, there are 7 kinds of motivations: Companionship, habit, learning, escape, arousal, passing time, and relaxation (Dickinson, 2015)[4].

By highlighting the differences between gratifications sought and obtained. The Uses and Gratification framework has been altered to fit the internet context. The difference between the Gratification Sought (SO) and Gratification Obtained (GO) is that gratification sought is the expectation regarding the content created before the exposure, while Gratification Obtained is the satisfaction the user gets after the consumption. It is possible that user goes online for a certain gratification and end up with another gratification because new gratification could be provoked by the features a user experience during the process (Panda and Pandey, 2017)[13]. In consideration of the internet being the main platform for binge watching, the viewers are segmented into two types; Lone wolves and Social animals. The segmentation was built based on their Gratification Sought. The lone wolves binge-watch to deal with loneliness and feel the existence of companions,

while social animals do it to enjoy the shows with other people, in person or in the online media. No matter who they watch the program with, majority of people feel confident and positive about binge-watching (Panda and Pandey, 2017)[13]. As for some people, they binge-watch because it is considered as a reward that they look forward to after working for a week (Feeney. 2014).

2.3. Hypothesis & Model

Aligned with the objective of the study, the suggested hypotheses acquire the relationship between six socio-cognitive and three marketing related reasons that lead to the intention of binge-watching TV shows. In the framework of Panda and Pandey (2017)[13], the research explains about several gratifications that millennials want to achieve when they have the intention to binge-watch a certain TV show, whether they do it because they are addicted or they find it as a therapeutic experience. Based on a several studies binge-watching and marketing, there are 6 cognitive reasons that are classified as positive gratification and enhancement.

Figure 1. Research Model
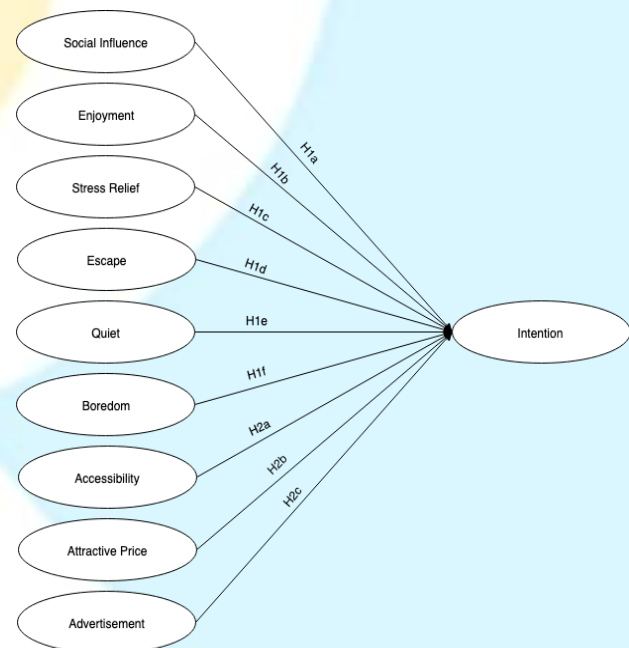
The positive gratifications support binge-watching as a therapeutic experience. As an example, some are motivated to binge-watch to create a strong presence in their social groups by engaging in other conversation, while some binge-watch to fulfill their entertainment needs and relieve their stress. Therefore, this study tests the following hypotheses:

H1: (a) social influence, (b) enjoyment (c) stress relief (d) escape from reality (e) quiet (f) boredom positively affects the intention to spend more time binge-watching.

Based on Panda and Pandey (2017)[13] the easy accessibility for their favorite TV shows it's making possible for millennials to binge watching. Their favorite TV shows can be accessed across different platforms such

as television, computers, laptops, tablets and mobile phones. The mobility of such devices makes it easier for millennials to watch TV content anywhere, without getting constrained by space. Therefore, the following hypotheses:
H2a: The accessibility of TV shows across multiple media platforms positively affects Millennial's intention to spend more time binge-watching

Based on a study by Panda and Pandey (2017)[13], marketing strategies by various TV streaming platforms including Netflix results in multiple expectations for the millennials. By giving a free trial, highlighting binge able TV shows in their platform, good ratings and recommendations by various sites, platform can trigger millennials to engage in binge watching of that particular TV show. However, advertisements promoting TV shows during the duration of binge watching will be resented by the viewer as it affects their TV viewing experience. Therefore, the following hypotheses will be tested:
H2: (b) The price charged by video streaming platforms negatively affects millennials intention to spend more time binge-watching, (c) The advertisements for specific TV shows positively affects millennials intention to spend more time binge-watching.

3. METHODOLOGY

In this research, the researcher will be conducting quantitative approach for a causal research with the purpose of exploring the pre-binge intentions and outcomes that influence Jakarta millennials to spend more time binge watching. Moreover, the data will be collected by using convenience sampling and the unit analysis of the research is individuals who are categorized as millennials and live in Indonesia. Most importantly, they have to be active subscribers of Netflix. In this study, the relationship between variables will be tested were between social influence, engagement, stress relief, escape, quiet, boredom, accessibility, attractive force, advertisement and intention.

The time horizon of this study is cross-sectional, which is a study where the subjects that contain different age ranges are compared at the same time (Cherry Kendra, 2018)[3]. In consideration of the purpose of the research, which is to explore the pre-binge intentions and outcomes that influence Millennials to spend more time binge watching, the researcher will focus on conducting the research in Indonesia. To collect the primary data, the researcher will be distributing online questionnaire by using Google Forms.

Primary data is collected by using a questionnaire that consists of several questions in order to gain insights from respondents (Malhotra and Peterson, 2006)[11]. In addition, it is possible that respondents might not be able to answer the questions. Researchers could help them by providing sufficient information related to the questions. Thus, before filling in the questionnaire, the researcher will ensure that the respondents are Netflix subscribers that live in Indonesia. Afterwards, the respondents will be

asked to rate several statements in the questionnaires. In this case, five-scale likert scale will be used. In this research, the questionnaire will be distributed online by using Google Forms and the minimum number of respondents is 165.

In this research, the population refers to Jakarta Millennials who are a subscriber of Netflix. A sampling frame is the representation of the elements of the target population (Malhotra and Peterson, 2006)[11]. In this study, the researchers put specific characteristics, such as: (1) Millennials (Male and Female); (2) Netflix Subscriber; (3) Live in Jakarta.

The sampling technique method that is used is convenience sampling. Convenience sampling is one of a non-probability sampling where members of target population that succeeds in meeting certain criteria's will be included (Dornyei, 2007).

According to Hair et al. (2010)[7], mentioned that the minimum number of the sample is 5 x research questions. In this research, 5 x 32 (number of research questions) = 160 respondents. With the minimum sample of 160. On the original journal, the sample was undergraduate students from one single university. As for this study, there are 3 criteria the respondents have to meet: 1) Millennials, 2) Live in Jakarta, 3) Active Netflix subscribers. The research design is descriptive, as the study aims to find out several factors that affect the intention to binge-watch.

The research method is convenience sampling by using Google form, with 32 Questions and five-point Likert scale. The first part refers to the respondents' profile to ensure that the criteria are met.

The reliability of the data is analyzed by using Confirmatory Factor Analysis and Reliability test. After ensuring that the data is reliable, the validity of the data is tested by using Alpha Cronbach method. A variable is considered as reliable if the Cronbach Alpha is above 0,6 (Golafshani, 2003)[5]. Afterward, a multiple regression analysis is conducted because there is more than one independent variable in the research model. The analysis is done to test the relationship between dependent and independent variables. Moreover, in order to foresee the results, we are using linear regression, which builds the relationship between the dependent and independent variable. The equation of linear regression is represented by $Y = a + b*X + e$. The equation could be used to predict the value of the target variable. After testing the validity and reliability of the results, the hypothesis result can be generated.

4. RESULTS

4.1. Respondents' Demographic Profile

Table 2. Demographic distribution of sample

Variables	Description	Frequency	Percentages
Gender	Male	60	36%
	Female	109	64%

Age	21-25	127	75%
	26-30	42	25%
Marital status	Married	29	17%
	Not married	140	83%
Gross Income per month	<Rp5.000.000	22	13%
	Rp 5.000.000-Rp10.000.000	90	53%
	>Rp 10.000.000	57	34%
	Undergraduate	143	85%
	Graduate	14	8%

4.2. Reliability Analysis

Reliability refers to a condition which the results of a study stays consistent over time and the representation of the population is accurate (Malhotra, 2010)[12]. If the results of a study could be duplicated with a similar methodology, the research instrument will be considered as reliable. One

of the most well-known methodology to measure the reliability is Alpha Cronbach method that uses SPSS software. A variable is considered as reliable if the Cronbach Alpha is above 0,6 (Golafshani, 2003)[5].

Table shows the Cronbach's Alpha for 9 dimensions of the research variables. The alpha values ranged from 0.65 to 0.91. Since all the variables are above the Cronbach's Alpha value, the overall instruments were considered as reliable for this study.

Table 2. Reliability Analysis

Dimension	Number of Items	Cronbach's Alpha
Social Influence	6	0.91
Enjoyment	4	0.80
Stress Relief	4	0.81
Escape	3	0.84
Quiet	2	0.91
Boredom	2	0.70
Accessibility	2	0.89
Attractive Price	3	0.74
Advertisement	3	0.65

4.3. Regression Analysis

Table 3. Regression Analysis – Intention to spend more time binge-watching

Model	Dependent Variable: Intention	Beta	Sig.	()
1	(Constant)		0.287	
H1a	Social Influence	0.493	0.000	1.575
H1b	Enjoyment	0.101	0.272	2.768
H1c	Stresss Relief	-0.120	0.210	3.027
H1d	Escape	0.185	0.023	2.151
H1e	Quiet	-0.120	0.062	1.345
H1f	Boredom	0.122	0.063	1.395
H2a	Accessibility	0.063	0.355	1.554
H2b	Attractive Price	0.141	0.043	1.589
H2c	Advertisement	0.055	0.346	1.104
N	169			
R sq	0.520			
Adj R sq	0.493			

Based on the results, the variables with p-value < 0.05 are: Social Influence (β = 0.493; 0.000), Escape (β = 0.185; 0.023), and Attractive Price (β = 0.141; 0.043), which the hypotheses accepted and based on the beta result the hypotheses; social influence and escape positively affects the intention to spend more time binge-watching and attractive price negatively affects millennials intention to spend more time binge-watching. The behavior of watching has changed because of the technology. Movie was an important factor during the DVD-by-mail era. However, users now prefer to actually watch part of the movie rather than watch the movie trailer or check the ratings. The algorithm is evolving and the behavior keeps changing. In 2017, Netflix stopped using the 1-5 stars rating and started to use a new rating system where users could rate the movies by simply clicking the thumbs up/thumbs down button (Amatriain and Basilico, 2012)[1].

The results of this study also showed that movie trailers and ratings do not postively affect their intention to binge-watch.

As for the enjoyment, the respondents were asked if they were happy and relaxed before they decided to binge-watch, and the results show that their feelings do not affect their intentions in binge-watching. On the other hand, the escape variable shows that they binge-watch because they want to forget about their problems and worries temporarily.

5. DISCUSSION

Previous Research Panda and Pandey (2017)[13] has shown that several factors will influence the intention to binge-watching for college student, such as: social influence, escape from reality, easy accessibility to TV and advertising influence. This study was conducted in Jakarta

by distributing questionnaire to millennials that are active Netflix subscribers. Findings of this test indicate that accessibility does not have strong influence on intention at the significance level of 0.05 (p=0.355). It also shows that Jakarta millennials are price- conscious, which is the main reason Attractive Price has a significance level of 0.05 (p=0.043). Compared to the original journal, the result is different because Indonesian people are affected by price.

Findings of this test indicate that the opportunities for social engagement, escape from reality and attractive price affects Jakarta millennials to spend more time binge watching. Also, Jakarta millennials binge-watch to engage in their social circles and avoid feeling 'excluded' or 'left out'. Another key factor that motivated college students to binge watch is an opportunity to escape from the reality, makes them wanted to escape to the different world by binge-watching, to let them escape for a while from the reality. The results of this study are different compared to the original journal, caused by multiple factors that slow down purchasing power in 2017 which led to more price sensitive to the Indonesia households (Putri & Sim, 2017)[14].

Another study by Nielsen shows that the majority of Indonesian continuously look and prefer free access content (Lubis. 2017)[10] and the factor of piracy in Indonesia doesn't have any strict regulation law that abiding it. In the US it's illegal to watch movies using torrent because it's copyright infrignment, and protected also by US Digitial Millenium Copyright Act.

Overall, the findings indicate Jakarta millennials tend to spend more time binge-watching because of escape from reality, social influence, and attractive price.

6. CONCLUSION

The patterns of media consumption have changed to fit the needs of customers. Video-on-Demand service became a trend because it allows people to watch anything, anywhere. The service encourages viewers to binge-watch shows. There are several Video-on-Demand platforms in Indonesia, such as: Iflix, Hooq, Netflix, etc. The purpose of this study is to explore the pre-binge intentions and outcomes that influence Jakarta millennials to spend more time binge-watching on Netflix.

This study is related to the User and Gratification theory, which is an approach that explores on what people do with media and what they do with it (Katz et al, 2015). Binge-watching is different compared to other types of watching because it gives the user the power to control their watching behavior. In this case, Netflix gives its users unlimited access to hundreds of episodes and programs. Netflix implemented gratifications from television and the Internet to provide its users with online media. The results show that the important determinants of Intention are: Escape from reality, Social influence, and Attractive Price.

However, this study focused on Millennials Netflix subscriber in Jakarta, and thus the results might not apply to other age ranges. Future study should not only be conducted in Jakarta, but also all over Indonesia with more proportional samples. In addition, future research should explore the positive connection between Intention and Attractive Price in Indonesia.

For the managerial implications. This study shows that advertisement does not significantly affect their intention to binge-watch, so Netflix should focus less on the advertisements, and approach Jakarta millennials by offering the service with an attractive price.

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