

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Subscription video-on-demand (SVOD) is one of the means of entertainment that people can choose to enjoy anytime and anywhere, and currently, the SVOD industry has been really growing and showing its significant impact in Indonesia. Quoting from the Statista.com page, before the pandemic in 2018, there were 46.7 million SVOD users in Indonesia. Furthermore, in 2020, it is predicted to increase to 59.8 million people. In fact, Statista predicts that by 2024, SVOD subscribers will increase to 77.1 million people.

Video on demand subscription service is a service where users are charged a subscription fee, usually per month, to be able to choose and enjoy content freely provided by the service provider anywhere and anytime as long as the user is connected to the internet, without any certain broadcast schedule (Wayne, 2018, p.302). According to the data shown in the Video Streaming (SVOD) report from Statista, revenue from Indonesia's video on demand subscriptions have reached USD 223 million in 2021 is expected to increase overtime, with the USD 281 million estimated revenue in Indonesia.

The SVOD services that are currently popular amongst Indonesian viewers and that are currently competing with each other, namely Netflix, Disney+ Hotstar, Viu, YouTube Premium, and Iflix (Statista, 2021). Amongst the providers, JustWatch conducted a survey in 2022 which indicated that Netflix and Disney+ Hotstar had the highest market share development throughout the year, surpassing other competitors in the SVOD industry.

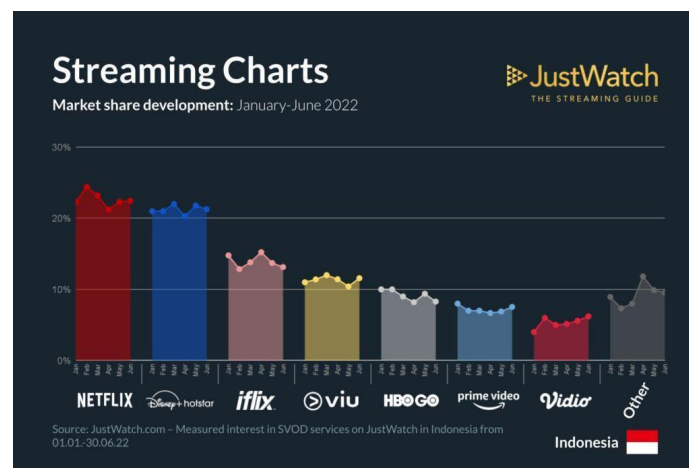
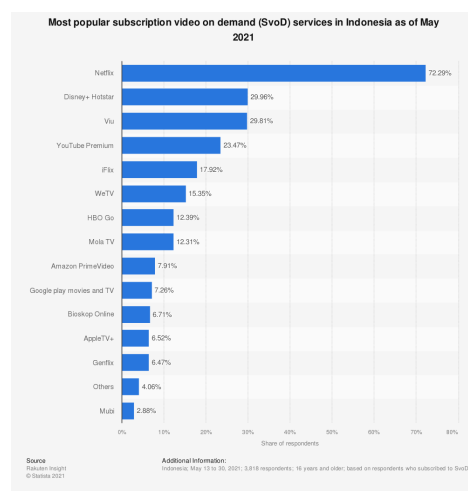


Figure 1. 1 Market Share Development of SVOD Providers in Indonesia  
Source: JustWatch (2022)

Netflix which officially set foot in Indonesia since 2016, along with 129 other countries, marked as the first SVOD provider to be available in Indonesia (CNN, 2016). Netflix offered packages in Indonesia at that time for IDR 109-169 thousand per month, with the first one month promotion possible for free. Netflix's entrance to Indonesia was followed by other streaming services such as the Sweden streaming music service Spotify in March 2016, followed by Iflix and Hooq followed suit to Indonesia which made their debut in April 2016 after previously operating in a number of countries in Asia.



**Figure 1. 2 Names of the Most Popular SVOD Services in Indonesia 2021**

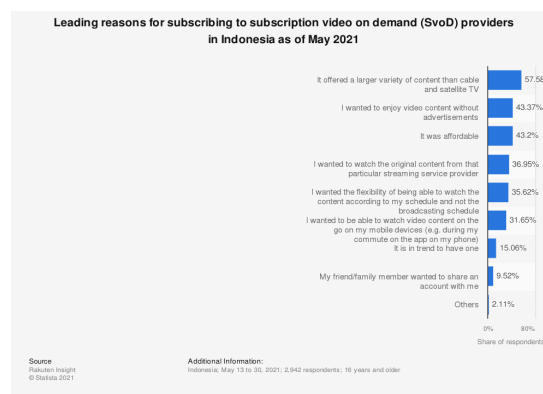
Source: Statista (2021)

Disney+ Hotstar can be named as one of the SVOD services that are currently competing with its competitors in Indonesia. Launched on September 5th 2020 in Indonesia, Disney+ Hotstar made their debut by partnering with Telkomsel for promotional purposes. Using a bundling strategy for cheaper subscription rates, Telkomsel targets Telkomsel users to subscribe to Disney+ Hotstar (Telkomsel, 2020). A 3GB internet data quota will be received for every purchase of Disney+ Hotstar subscription promo for 1 month, for only Rp20.000. This offer is considered enticing because the price that has to be paid is relatively cheaper than if you register and pay directly through the Disney+ Hotstar website itself using credit cards and other payment methods.

Disney+ Hotstar offers distinctive unique product features compared to other providers, by providing and highlighting Disney-produced movies which consumers could enjoy. Aside from that, Disney+ Hotstar also offers movies and series from other production houses, Indonesian local films, and also original series that are produced by Disney+ Hotstar

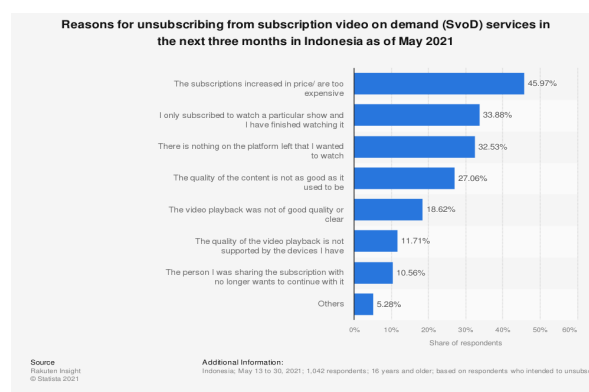
which are only available exclusively on the platform. These said original contents vary, ranging from fan-favorite Marvel Studios-produced series, well-loved cartoons from Disney, the famous fiction Star Wars, and et cetera.

The marketing strategy plays a crucial role in enabling and coordinating marketing activities. There are two levels of operation: strategic and tactical. In the strategic marketing plan, and value proposition of the company as well as the target market are identified based on an analysis of the most promising and attractive market prospects. The marketing plan includes product features, promotions, merchandising, pricing, sales channels, and service. (Kotler & Keller, 2016, p.44). In order to succeed in the market, SVOD providers then need to develop a marketing plan that suits consumer needs.



**Figure 1. 3 Reasons to Subscribe to SVOD Providers in Indonesia per 2021**

Source: Statista (2021)



**Figure 1. 4 Reasons to Unsubscribe to SVOD Providers in Indonesia per 2021**

Source: Statista (2021)

The market data inform insights on consumers’ subscriptions and unsubscribing decisions behavior to a certain SVOD provider which are influenced by several factors

(Statista, 2021). The viewers' insights from the data provided by Rakuten in collaboration with Statista (2021) shows that consumers' subscription for the SVOD service is predominantly affected because of its perceived ease of use when using, price factors, and content attractiveness. SVOD services offer larger content variations rather than cable TV, prices that are affordable and worth the value to them, and SVOD platforms are free from advertisements that might interfere with consumers when using the service.

According to previous research, consumers' perceptions of service play a huge role in their decision-making process when deciding to adopt a service, in this case, SVOD services. Solomon (2019, p.117) describes perception as the method of choosing, arranging, and interpreting sensations; it is the rapid response of our sensory receptors (eyes, ears, noses, mouths, fingers, skin) to basic stimuli. The purpose of perception research is to determine how we give meaning to these unprocessed sensations.

Among the factors that affect a consumer's subscription intention is their perception of ease of use when using a product, in this case, an SVOD service provider. In terms of ease of use, it is the level of ease where someone does not feel the need to exert a great deal of effort when using a service (Davis et al., 1989, p.15). A person's perception of ease of use may affect their intention to use a system. In order for users to feel comfortable using technology, it must be simple to use. An earlier study by Zeplin et al. (2021, p.13) also demonstrated that perceived ease of use had a significant influence on people's intention to watch online movies.

The perceived price value is an important factor in consumer subscriptions and subscription reasons (Statista 2021), which indicates that consumers will cancel their purchase if a subscription fee increases or is perceived as excessive, when the content provided no longer interests consumers, and when the SVOD service's quality and performance decreases. According to a previous study, consumers' perception of a product's price value can influence their decision to subscribe to a service or purchase a product. A perceived price value refers to the consumer's perception of the amount of money they must spend and the benefits and the value that they will get in order to acquire a product or service (Zeithaml, 1988, p.5). Individual perceptions of appropriate prices or better value of money compared with existing alternatives can also be analyzed using the perceived price value (Cheong & Park, 2005, p.130). Based on a study conducted by Lee et al. (2007, p.87) and Yim (2013, p.221), price value is the most vital aspect that could influence consumers' willingness to subscribe to a SVOD service. It is clear that the key to the success of a brand is by offering high-quality products at a reasonable price (Hawkins, 2020, p.203). In other

words, not only that price is an important factor to consumers, the value of the service is also considered vital to them.

An SVOD provider's unique selling points, such as original content, affect consumers' decision to subscribe to that provider (Statista 2021). The release of original content is one of the strategies SVOD services use to gain market share. Offering original content can be one of the ways for streaming services to distinguish themselves among other competitors (Prince & Greenstein, 2013, p.20). According to data collected by Rakuten Insights based on Statista in the first quarter of 2021, SVOD subscribers are influenced by a large variety of content, especially original content provided by providers. Song (2021, p.43) also did a comparative study between Netflix and Amazon Prime Video, by looking at their innovation as the main observable factor. The result indicated that when it comes to TV series, Netflix won over Amazon Prime Video because Netflix's original series have been on trend and very popular the past decade, showing that consumers' preference for original content plays a crucial role in choosing their streaming platform.

## **1.2 Research Problem**

The Indonesian market for the subscription video-on-demand service is recently fast developing, where Netflix and Viu hold the biggest share market until the third quartile of 2021 (AMPD, 2021). To compete in this SVOD market, brands can employ diverse marketing communication strategies to influence consumers' intention to subscribe. The market data from Statista (2021) reported that the advantages of SVOD service, the price value and the attractiveness towards original contents are significant factors that lead to consumers' subscription and unsubscribing. Previous studies described that the intention of SVOD consumers to purchase a subscription to a certain SVOD provider in India were driven by several factors, such as the availability of original contents, price that are offered, and the quality of the service itself (Nagaraj, 2021, p.8). However, there has not been much academic research addressing such significance in the Indonesian SVOD market context.

Disney+ Hotstar is a SVOD service that recently entered the market competition in Indonesia by performing several marketing communication strategies, by releasing original contents which consumers could enjoy only on Disney+ Hotstar, collaborating with a local internet provider for pricing strategies purposes, and simple user interface and performance so that consumers can use the platforms with ease. How consumers respond to such strategies

are still hardly understood. The market data showed that Disney+ Hotstar still only ranked second, just behind Netflix, among their SVOD competitors in the market share. Thus, this study is conducted to question whether the preceding factors such as consumer's perceptions of ease of use, price value of bundling promotion that are offered, and the attractiveness of promotional strategy in the form of original contents of Disney+ Hotstar, influences their intention to purchase a Disney+ Hotstar subscription.

### **1.3 Research Objective**

The aim of this research is to evaluate the influence of consumers' perceived ease of use, perceived price value, and perceived content attractiveness on consumer's intention to purchase Disney+ Hotstar service subscription.

### **1.4. Research Significance**

The significances that can be taken from this research are as follows:

#### **1.4.1 Practical Significance**

This research provides empirical data on the influence of consumer's perceptions towards their intention to use a SVOD service. In this case, the writer wants to study the consumers' intention to purchase a Disney+ Hotstar subscription which are affected by the perceived ease of use, price value, and promotional attractiveness, as a result of Disney+ Hotstar marketing communication strategies, so that they could improvise on their selling strategy.

#### **1.4.2 Social Significance**

This study provides empirical data in regard to consumer response toward marketing communication strategies of SVOD service, which is considered as an emerging market in Indonesia. This study provides reference on how the SVOD subscriptions' intention is influenced by how the brand uses bundling promotion and communicates competitive price and attractive contents.

### 1.4.3 Academic Significance

This study expands the literature on the effectiveness of marketing communication strategies of promotions in terms of the offered price value, original contents as a product positioning in the market, and the convenience of the user interface and performance. Thus, this study describes evidence from Indonesian context on how such marketing communication strategies influence consumer intentions to subscribe for a SVOD service.

## 1.5 **Theoretical Framework**

### 1.5.1 State of the Art

- a. “Consumer Purchase Intention for Subscription Video-on-Demand Service in Thailand” is a research that was conducted by Tuangporn Leowarin and Kandapa Thanasuta from Mahidol University International College, Nakhon Pathom, Thailand, in June 2021. The aim of the research was to determine the factors influencing Thai consumers’ intention in purchasing SVOD subscription, with perceived usefulness, perceived ease of use, subjective norms, perceived enjoyment, and perceived price as the variables of the research. They spread out 450 questionnaires, and results of the questionnaire are tested with multiple linear regression. The result shows that perceived ease of use has a positive effect on purchase intention variable, while perceived price showed a negative relationship.
- b. “Factors affecting consumers’ willingness to subscribe to over-the-top (OTT) video streaming services in India” is a research that was conducted by Samala Nagaraj and Venkat Reddy Yasa from Woxsen University in India, and Soumya Singh from University of Hyderabad in India, in March 2021. The research purpose was to identify the reasons, alongside with the factors that are influencing Indian consumers on subscribing to an OTT or SVOD service, and also the resistance on why they decide not to subscribe. Around 168 responses were retrieved with snowball sampling technique. The research

resulted in findings that factors such as both local and original contents that are provided by the service, convenience when using, features that are available, offered price, and quality of the contents and service, all underlie consumers' decision when subscribing to an SVOD service. Meanwhile, resisting factors such as expensive price, presence of cable TV, lack of original contents provided by the SVOD service, and internet connection issues are the criterias that made them not want to subscribe to a SVOD service.

- c. "Willingness to pay for over-the-top services in China and Korea" is a research that was conducted by Min Sung Kim, Eun Kim, ShinYoung Hwang, and Seongcheol Kim from Korea University in South Korea, and Junghwan Kim from NAVER Internet Research Team in South Korea, in December 2016. The research was aimed to determine and examine the attributes consumer's willingness to pay for SVOD service, namely the recommendation system for popular and personalized contents, the resolutions of the movies, viewing options, and, lastly, price. The online survey was collected both in Korea and China, with 614 responses collected in Korea, and 509 responses from China. For Chinese respondents, resolutions of the contents were indicated to be the most vital factor for an SVOD service, along with recommendation system and viewing options. For Korean respondents, respondents chose the recommendation system the most, along with viewing options and content resolution. Price attribute resulted in negative results in the research. In short, perceived ease of use, such as recommendation systems and viewing options, plays a significant role in consumers' willingness to pay for OTT service.
- d. "Factors Affecting Online Streaming Subscriptions" is a research that was conducted by C. Christopher Lee, Pankaj Nagpal, Sinéad G. Ruane, and Hyoun Sook Lim from Central Connecticut State University, USA, in October 2018. The study's goal was to investigate various aspects that consumers take into account when selecting cable television and SVOD service, including usability, price, availability, customer service, media options, social trends, and technological advancements. The sample size was 131, collected through



questionnaire and tested with multiple regression analysis. Researchers discovered that the decision to use cable TV providers and internet streaming is influenced by elements like ease of use, additional purchases, media selections, and social trends. This analysis makes it very evident that there is a correlation between price and options for online streaming.

- e. “Product Differentiation, Customer Equity, and Purchase Intention: An Empirical Study of Original Content on Video Streaming Service” is a research that was conducted by Tsan-Wen Sheng from National Sun Yat-Sen University in China, in July 2020. The researcher wanted to see the effect of original content on consumers’ intention to purchase an SVOD subscription, which assumed that original content is a part of product differentiation marketing method, through the mediation of consumer’s equity. Approximately 326 responses were retrieved through questionnaire, and later on tested with both Confirmatory Factor Analysis and Regression Modelling Analysis. The result of the research shows that original contents provided by the SVOD service attracts the audience of a streaming service, which will directly enhance the consumer equity, and then increase the willingness to subscribe to the service.

From the aforementioned research, many of them don’t consider using any theory to support nor test their hypotheses. Their research also tends to be more broad and ordinary, with only examining the SVOD industry as a whole, instead of one particular service. This research then will likely differ with previous stated researches to fill in the mentioned gaps, by conducting a research particularly only focusing on Disney+ Hoster as one of the SVOD services in the industry and the factors that arise people’s intention to subscribe, and also considering to use a theory to further assist the researcher to find out the effect of identified variables with each other.

### 1.5.2 Paradigm

Based on a positivistic paradigm, the purpose of this study is to verify quantitative hypotheses through the development of functional relationships between causal and explanatory factors (independent variables) and outcomes (dependent variables) (Pontoretto, 2005, p.126). Researchers employ empirical tests and methodologies under the positivist paradigm to be able to clearly examine the observed objects. In this way, positivist researchers' findings and results are highly valid and reliable (Cohen, 2007, p.67), as well as applicable to a wide segment of the population (Johnson & Onwuegbuzie, 2004, p.25).

### 1.5.3 Perceived Ease of Use

According to Davis et al. (1989, p.25), perceived ease of use can be defined as the degree to which a user feels they are not required to exert more effort when using technology. Additionally, they stated that consumers will likely prefer and accept technologies that are easier to use over those that are more complex. According to Martin & Quan-Haase (2013, p.10), perceived ease of use is a reflection of the ease when using a particular system; a system with straightforward functions and benefits is more likely to be adopted.

The online market framework allows consumers to shop, seek for prices, select your shipping options, pay, and finish the purchase online. A consumer's feeling of ease during a transaction, as well as their ability to use the system, are considered crucial precursors to their use of the system and their purchasing behavior (McCloskey, 2006, p.49). Consequently, it can be concluded that the system's user-friendliness is crucial in terms of marketing, generating, and stimulating consumers to make purchases.

According to Venkatesh and Davis (2000, p17), perceived ease of use has its dimensions; *clear and understandable, does not require a lot of mental effort, is easy to use, and easy to get the system to do what the user wants to do.*

#### 1.5.4 Perceived Price Value

An important aspect of the marketing process of SVOD services is the price. Lee et al. (2007, p.97) and Lim (2013, p.23) confirmed that price plays an important role in determining whether consumers will use SVOD services. According to Nagaraj et al. (2021), price factors also affect consumers' willingness to make a subscription purchase for an SVOD service.

Hence, in order to boost sales and communicate the business' intended value positioning for its brand, they typically adopt a price strategy (Kotler & Keller, 2016, p.56). Sales promotion is one method of marketing communication that communicates this strategy of price competitiveness. Consumers may perceive certain values in regard to the price offered in relation to other offerings as a result of the process of communicating price competitiveness.

Accordingly, perceived price value can be defined as consumers' evaluation of a certain cost they have to incur in order to use a product and obtain a certain benefit (Chiang & Jang, 2007, p.49). As they continued to assert, perceived price is one of the factors taken into account by consumers in the decision-making process, in which they evaluate a product's value against its price before making a purchase decision. Certain products and services are more likely to be purchased by consumers if the price is reasonable. Furthermore, the higher the price of the subscription, the less likely for a user to purchase (Wang, Lin, & Wang, Shih, & Wang, 2018, p.25). According to Burton et al. (1998, p.103) consumer price perception construct includes *price consciousness*, *value consciousness*, and *price-quality perception*. Among multiple product choices, price consciousness is the level to which buyers only focus on affordable and lowest prices. Value consciousness is the awareness of the perceived value that comes from the comparison between the expected benefits of a product and the price paid by the consumer, meanwhile, price-quality perception is related to the consumer's belief that price is a strong indicator of quality.

### 1.5.5 Perceived Content Attractiveness

Product attractiveness corresponds to the degree in which the consumer perceives the attractiveness of a product in the form of content, and a product's fine appearance and unique functionality are important sources of product attractiveness (Shahshahani, 2019, p.34). When it comes to consumer perception and evaluation of a brand, content attractiveness plays a significant role. The study's findings suggest that beautiful content is crucial for grabbing consumers' attention and enhancing product identification, which in turn enhances consumer preferences and greatly influences consumers' intention to buy (Sokolova & Kevi, 2019, p.98). As well as the perceived attractiveness of a brand, its products and contents tend to influence the value of the relationship between consumers and brands (Hayes, Alford, Silver, & York, 2006, p.187).

A consumer's perception of a product is influenced by sensation, which refers to the immediate response of the consumer's sensory receptors. According to their marketing strategy, companies recognize that consumers' senses determine which products appeal to them and which stand out from a host of similar products available on the market (Solomon, 2020, p. 37). Accordingly, attractiveness is determined by a brand's product differentiation, in the form of original content, which represents the source of attraction (Ohanian, 1991, p.26). The attractiveness of original content as a product depends on two vectors, namely *Design and Quality*. Therefore, the attractiveness of original content can be measured by *consumers' attraction of content design, consumers' importance of content design, consumers' attraction of content quality, and consumers' importance of content quality* (Chan et.al., 2009, p.144).

### 1.5.6 Purchasing Intention

According to Dodds et al. (1991, p.130), consumer purchasing intention refers to the possibility that a consumer will buy a product. Customers' purchasing intentions are influenced by their motives and preferences regarding a brand and its products.

Generally, consumers form an attitude towards the execution of marketing communication strategies by a brand based on their experiences and perceptions. Brand recognition, brand preference, and purchase intentions are all positively associated with a favorable emotional response to appreciating a marketing communication method, according to Goldsmith and Lafferty (2002, p.319). With that being said, brands then integrated marketing communication strategies to stimulate potential consumers' purchasing intentions (Fill & Chris, 2013, p.43).

According to Limbu et.al. (2012, p67), purchase intention refers to the intention to purchase goods or services in the future. Therefore, consumers' purchasing intentions can be measured by whether they intend to make a purchase in the future or not.

Several researches have been conducted in the past to particularly examine SVOD consumers' purchasing intention behavior. One example is the research conducted by Leowarin and Thanasuta in 2021 that indicates that there are indeed consumer intentions to purchase SVOD subscriptions, which are influenced by factors such as perceived usefulness, perceived ease of use, subjective norms, perceived enjoyment, and perceived fee.

#### 1.5.7 Influence of Perceived Ease of Use, Price Value, and Content Attractiveness on Purchasing Intention

The influences of perceived ease of use, perceived price and content attractiveness on consumer's purchasing intention can be explained by the *Extended Unified Theory of Acceptance and Use of Technology (UTAUT2)*. Since SVOD services are vary and competitive. This theory explain how consumers consider several aspects of services before making a decision on subscribing into the SVOD services.

The aforementioned theory is a developed theory of technology acceptance, which was first derived from Technology Acceptance Model (TAM) that argued that two determinants, perceived usefulness and ease of use, affects someone's intention to adopt and use a technology. However, in 2003, Venkatesh et.al. developed the theory to Unified Theory of Acceptance and Use of Technology (UTAUT), in which two factors were added, namely

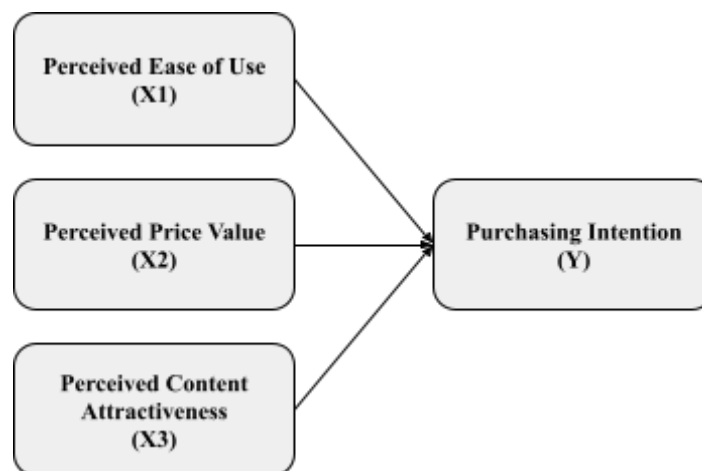
*Social Influence* and *Facilitating Conditions*, alongside with *Performance Expectancy* and *Effort Expectancy*. In this theory, they look at the term *Perceived Usefulness* as *Performance Expectancy*, and *Perceived Ease of Use* as *Effort Expectancy*, though both terms still stand by the same definitions. *Facilitating Condition* can be defined as the extent to which a person perceives that a system's technological and organizational infrastructure is in place (Venkatesh et. al., 2003, p.20), while *Social Influence* is the level to which consumer behavior to use a technology is directly affected by a significant group of people, such as friends and family (Venkatesh et. al., 2012, p.14). According to UTAUT, behavioral intention and facilitating factors govern technology usage, whereas behavioral intention and effort expectancy are thought to impact behavioral intention to utilize a technology.

In 2012, Venkatesh et.al. then further extended the theory, from UTAUT to UTAUT2, to add *Hedonic Motivations* alongside *Price Value* and *Habit*. *Hedonic Motivations* can be seen as the fun or pleasure derived from using a technology. For *Price Value*, it can be defined as the perception of both perceived benefits and monetary cost that a consumer has to sacrifice when using a technology, while *Habit* is the degree to which a person feels that behavior is spontaneous (Venkatesh et. al., 2012, p.15).

According to Kim-Prieto et. al. (2005, p.28) and Kaczmarek (2017, p.34), the ultimate purpose of hedonism is pleasure, pleasant affect, or positive emotion. The majority of hedonically motivated individuals spend the majority of their time engaging in activities that they would rather continue than cease (Kahneman, 1999, p.43). Therefore, consumers' attractiveness toward technology can be seen as a hedonistic action since it brings positive feelings to them.

The extension of the theory was provoked because of the critics towards the UTAUT model, which saw the influencing factors of behavioral intention merely from the perspective of an organization. Contradically, UTAUT2 approached it from the consumer perspective (Venkatesh et.al., 2012, p.17). It can be inferred from the UTAUT2 model's additional factors, which are *Hedonic Motivations*, *Price Value*, and *Habit*, that are essential in a consumer use setting, unlike the organizational use setting in which employees within an organization don't consider these factors when using a technology.

Previous research by Ashraf Elsafty in 2022 has been done using the UTAUT2 model, which resulted in the preceding factors influencing SVOD consumer's subscription intention in Egypt. In this context of research, we will then eliminate some of the factors and focus only on the factors that align with this research, which are Effort Expectancy (Ease of Use), Price Value, and Hedonic Motivation (Content Attractiveness), which all allegedly influence consumer's intention to subscribe to Disney+ Hotstar's service.



**Chart 2. 1 Theoretical Framework**

## **1.6 Hypothesis**

Based on the description above, the following hypothesis can be formulated:

Hypothesis: There's an influence of consumers' perception of ease of use when using Disney+ Hotstar, the offered pricing and bundling promotion by Disney+ Hotstar with Telkomsel, and original content attractiveness of Disney+ Hotstar, on the intention to purchase Disney+ Hotstar's subscription.

## **1.7 Conceptual and Operational Definitions**

### 1.7.1 Conceptual Definition

#### 1.7.1.1 Perceived Ease of Use

Perceived ease of use can be seen as the extent to which a consumer feels the convenience of a system because they do not have to put a lot of effort when using a technology. Consumers will likely

subscribe to Disney+ Hotstar if they feel like the service is user-friendly and easy to use.

#### 1.7.1.2 Perceived Price Value

Perceived price value refers to the perceptions and evaluations that have been stored in a consumers' mind about a price of product and the benefits that they will get when they are about to make a purchase. If prices that are offered by Disney+ Hotstar and Telkomsel are considered as reasonable and meet a consumer's certain value evaluation, they will likely subscribe to Disney+ Hotstar.

#### 1.7.1.3 Perceived Content Attractiveness

Perceived content attractiveness is related to the consumer attraction towards a product's differentiations, in this case in the form of originally produced content, that can stimulate behavioral intention to purchase to a product. Disney+ Hotstar's original content is said to influence consumers' intention to subscribe to Disney+ Hotstar.

#### 1.7.1.4 Purchase Intention

Purchase intention can be described as a consumer's attitude towards Disney+ Hotstar that resulted in the intention to make a subscription purchase.

### 1.7.2 Operational Definition

#### 1.7.2.1 Perceived Ease of Use

1. Respondents can understand the functions of each features that are provided by Disney+ Hotstar easily.
2. Respondents feel that using Disney+ Hotstar doesn't overwhelm them.
3. Respondents feel that Disney+ Hotstar is easy to operate.



4. Respondents can use Disney+ Hotstar to do activities they desire.

#### 1.7.2.2 Perceived Price Value

1. Respondents have a tendency to pick on the bundling product with the lowest price offered between the two options, namely Disney+ Hotstar with Netflix as an alternative product for Telkomsel bundling.
2. Respondents feel that the price offered by the bundling promotion of Disney+ Hotstar with Telkomsel is proportional to the benefits earned.
3. Respondents feel that price points that are offered by the bundling promotion of Disney+ Hotstar with Telkomsel reflect the quality of the service.

#### 1.7.2.3 Perceived Content Attractiveness

1. Respondents feel attracted to the visual appearance of the original contents offered by Disney+ Hotstar.
2. Respondents feel that the visual appearance of the original contents offered by Disney+ Hotstar is important to them.
3. Respondents feel attracted to the quality of the original contents offered by Disney+ Hotstar.
4. Respondents feel that the quality of the original contents offered by Disney+ Hotstar is important to them.

#### 1.7.2.4 Purchase Intention

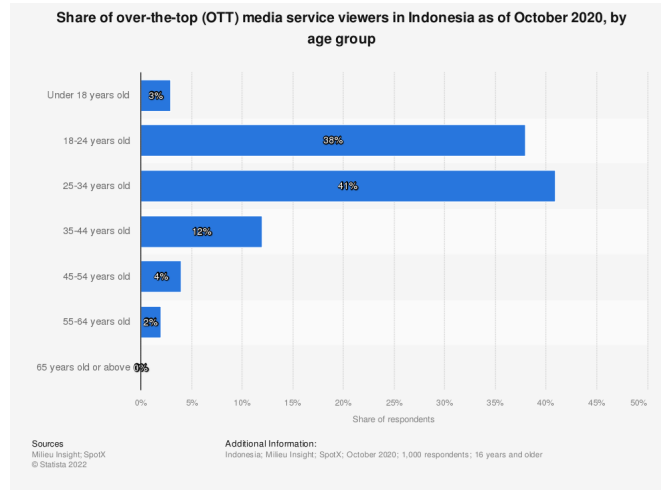
1. Respondents have a plan to purchase Disney+ Hotstar subscription.

## **1.8 Research Methodology**

### **1.8.1 Population**

According to Baxter and Babbie (2003, p.139), population can be defined as the aggregation of the elements of a selected sample. Data from the survey that was conducted by Mileu Insights in 2020 stated that the SVOD service users are dominated by users that are aged 18 to 34 years old. Therefore, the

population of this research is SVOD users around 18 to 34 years old who are also using Telkomsel service, that haven't subscribed to Disney+ Hotstar yet, from all around Indonesia.



**Figure 2. 1 Age Demographics of SVOD Viewers**

Source: Statista (2020)

### 1.8.2 Sample

The sampling technique that is used in this study, is to use non probability (Baxter and Babbie, 2003, p.134), because the exact amount of active populations that are accessing Disney+ Hotstar, and is affected by the mentioned variables, is still unknown to the researcher. The nonprobability sampling technique that is used is a purposive sampling, where individuals or groups of people who are particularly informed or skilled regarding a topic of interest, and met the needs of the study, will be identified and selected (Cresswell & Plano Clark, 2011, p.150). In order to identify the appropriate sample size for this research, a sample size formula was used.

$$n = \frac{Z^2}{4 (Moe)^2}$$

**Figure 2. 2 Sample Size Formula**

Source: Widiyanto (2008)

n = Sample size

Z = Score at a certain level of significance (confidence level is determined at 99%) with  $Z = 2.5$

Moe = Margin of Error, with a maximum error rate of 10%

Based on the preceding calculations, the sample size that is used is 100 people.

### 1.8.3 Data Type and Sources

This research uses primary data, in which the data is being retrieved from the respondents through answers from questionnaires that have already been distributed and been filled out.

### 1.8.4 Data Collection Tools and Techniques

#### 1.8.4.1 Data Collection Tool

The tool used to collect data in this interview is a questionnaire which is a set of questions related to each variable arranged systematically to be filled out by the targeted respondents.

#### 1.8.4.2 Data Collection Techniques

The technique used to collect data in this interview is a self-administer questionnaire, which means giving questionnaires to respondents and asking them to fill in.

### 1.8.5 Data Processing Techniques

#### 1.8.5.1 Editing

Checking the data that has been obtained, which aims to evaluate the availability of data to prevent errors or lack of data from the questionnaire questions.

#### 1.8.5.2 Coding

Giving specific numbers for each answer to classify each answer to make it easier to classify.

#### 1.8.5.3 Tabulation

Organizing the data that has been obtained, then organizing the data into specific groups, then presenting it in tabular form.

### 1.8.6 Data Analysis

The formula that is used to analyze this data is Multiple Linear Regression. This method is used to determine and test the influence of two or more independent variables to a dependent variable (Sujarweni, 2015, p.144). This test refers to the study results to determine whether there is an influence of perceived ease of use (X1), perceived price value (X2), perceived content attractiveness (X3) on people's intention to purchase a Disney+ Hotstar subscription (Y).