



The Impact of E-Service Quality and User Experience on Customer Satisfaction on the Video-on-Demand Platform

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Abstract. This study aims to explore the correlation between e-service quality and customer experience and provide valuable insights into its impact on overall customer satisfaction on the video-on-demand platform of Netflix. Furthermore, this study also aims to assess the factors that have the most influence on customer satisfaction by using privacy policy as one of the dimensions of e-service quality variables. A quantitative approach was employed, and data were collected from 100 Netflix users with a minimum subscription period of 3 months. Smart-PLS 3 software was used for data processing and analysis. The hypothesis testing results showed that e-service quality had no significant impact on customer satisfaction, while customer experience had a significant and positive impact on customer satisfaction. Security policies also affected customer satisfaction, which had an impact on increasing company profits.

Keywords: Customer Satisfaction, *User Experience*, *E-Service Quality*, PrivacyPolicy.

1 Introduction

Big data is a key strategy for on-demand content distribution services such as Netflix, aiding information provision and decision-making [1]. Netflix's investment in data collection, IT systems, and advanced analytics plays a critical role in its strategy and success, utilizing customer data for a superior customer experience and developing an e-commerce media platform [2]. Streaming services like Netflix have increasingly realized the importance of safeguarding their data. This is mainly because streaming services like Netflix collect and process large amounts of user data to provide content, which is then customized to customer demands. Marketing for the Netflix brand thrives in the new media environment through innovation, accessibility, and diversity, while balancing user engagement and advertising and maintaining transparency in data privacy practice [3]. Netflix's account sharing ban policy in Indonesia has attracted increasing attention because account sharing not only jeopardizes the financial interests

of service providers but also disrupts the performance of the recommendation system and impacts the quality of service provided to users [4].

Digital services face unique challenges in assessing market power, coordinating regulatory obligations, and ensuring data protection in data-driven business models [5]. Previous research results suggest that Netflix's multinational presence is characterized by its ability to cater to diverse tastes and sensibilities, programming content that appeals to niche markets in different countries [6]. Furthermore, the platform provides a seamless user experience, allowing users to enjoy, select, save, and download content at any time on any device [7]. This dual role has helped it maintain a competitive edge and attract a large customer base. The production of original content has been a key factor in its popularity and distinguishes it from other SVOD services [8]. Previous research also reviewed Netflix's SVOD. Netflix's SVOD business strategy in Bangladesh is successful due to its content customization and smooth user experience. However, it has weaknesses in pricing and targeting the right market [7]. According to various studies, account sharing is common among video streaming service subscribers. This leads to a huge revenue loss for service providers. While they have a strong financial interest in addressing this issue, service providers face many challenges when trying to identify shared accounts [9].

The results of previous studies showed that e-service quality and brand image had significant impacts on customer satisfaction and loyalty to Netflix, with customer satisfaction having the greatest influence on customer loyalty [10]. Other studies also showed that price fairness and e-service quality had a positive and significant effect on customer satisfaction and loyalty among Indonesian Netflix users aged 15 to 40 [11]. The results of the study showed that there was a significant influence between user experience and service quality on customer satisfaction, but it had little effect on the loyalty of visitors to video streaming sites on the LLV site [12]. This study aims to find out customer perceptions about the business processes of video-on-demand platform (VODP) services on Netflix, especially after the implementation of a policy prohibiting account sharing for those who are not in the same house. This research aims to identify the effect of e-service quality and user experience on customer satisfaction, where there is a privacy dimension in the provisions of Netflix's privacy policy in Indonesia.

2 Methods

This research used a quantitative approach to understand the business process of Video-on-Demand Platform (VODP) services on Netflix by analyzing the influence of perceived user experience and e-service quality on user satisfaction. The quantitative approach was chosen because it allows researchers to measure the factors that affect user satisfaction through several hypothesis tests. Primary data was obtained through the distribution of an online questionnaire. The questionnaire was designed to collect information from users who subscribe to Netflix, focusing on their perceptions of user experience dimensions and e-service quality dimensions in using Netflix services. The use of questionnaires allows researchers to collect large amounts of data efficiently and from various geographical locations. The population of this study were users who

subscribe to Netflix. The sample was taken using purposive sampling technique, where respondents were selected based on certain criteria, namely those who have actively used Netflix services.

The data collected was analyzed using statistical software such as SmartPLS. The stages of analysis used descriptive statistics by analyzing the demographic distribution of respondents and their responses to each question in the questionnaire. The answers were tested with validity and reliability tests using Cronbach's Alpha.

2.1 User Experience (UX)

User experience (UX) is the perception and response of a person when using a product, system, or service. UX determines how satisfied and comfortable a person is with a product, system, or service [13]. There are 5 sub-dimensions of UX, namely: attractiveness, perspicuity, dependability, stimulation, novelty [13].

Research on e-service quality from a user experience (UX) perspective found that e-service quality, customer satisfaction, and customer loyalty were positively correlated [13]. The researchers assessed the quality of e-services in the telecommunications industry using a scale related to user experience (UX), and there was a close relationship between user experience and e-service quality [13,14]. User experience affected user satisfaction, thereby creating a tendency to buy [14]. The hypotheses in this research are H1: User experience affects e-service quality, H2: User experience affects customer satisfaction.

2.2 E-Service Quality (ESQ)

The extent to which an application enables efficient and effective shopping, purchasing, and delivery is considered to be the definition of e-service quality. There are 4 sub-dimensions in e-service quality, namely: efficiency, fulfillment, system availability and privacy. E-commerce service quality significantly affected customer satisfaction [13]. The hypothesis in this study is H3: E-Service quality affects customer satisfaction.

2.3 Customer Satisfaction

In marketing, customer satisfaction is the key to generating customer loyalty. If customers get what they need and fulfil their expectations, they will feel satisfied and more likely to buy other goods. Higher levels of customer satisfaction will result in greater loyalty [15]. E-service quality plays a mediating role between user experience and customer satisfaction in digital business [13].

3 Results And Discussion

The validity of each indicator is measured based on the loading factor value. If the loading factor value is greater than or equal to 0.5 (≥ 0.5), then the indicator in question

is valid [16]. This means that the indicator is significant in measuring a construct as show in Fig.1.

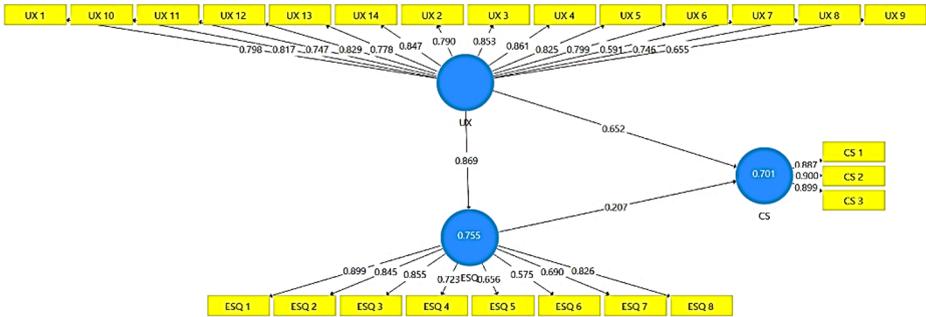


Fig. 1. Outer Model (Processed Data, SmartPLS)

As seen in table 1, the Cronbach's Alpha or Composite Reliability value is greater than 0.7, which means the variable has good reliability. The AVE Value to measure convergent validity is established when it is greater than 0.5, indicating that the variable demonstrates good convergent validity.

Table 1. Reliability and Validity (Processed Data, SmartPLS)

	Cronbach's Alpha	AI-rho A	Composite Reliability	Average Variance Extracted (AVE)
CS	0.877	0.882	0.924	0.802
ESQ	0.896	0.914	0.918	0.587
UX	0.951	0.955	0.957	0.616

As seen in table 2, the R-squared value is used to see the relationship between variables, which is a goodness-of-fit model test [17]. There are three categories of grouping on the R-squared value, namely the strong category, the moderate category, and the weak category [18]. The R square value of 0.75 is included in the strong category, the R-squared value of 0.50 is in the moderate category, and the R-squared value of 0.25 is in the weak category [18].

Table 2. R-Square Value (Processed Data, SmartPLS)

	R Square	R Square Adjusted
CS	0.701	0.695
ESQ	0.755	0.752

As show in table 3, hypothesis testing is considered significant when the T-statistic value is greater than 1.96, whereas if the T-statistic value is less than 1.96, then it is considered insignificant [19].

Table 3. Hypothesis testing of Path Coefficient (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)
ESQ -> CS	0.207	0.202	0.114	1.816
UX -> CS	0.652	0.657	0.115	5.687
UX -> ESQ	0.869	0.872	0.038	23.060

Based on the table above, it can be concluded that ESQ (E-Service Quality) has an insignificant effect, but with a positive original sample (O), it has a positive effect on the CS (Customer Satisfaction) variable. The UX (User Experience) variable has a significant and positive effect on CS (Customer Satisfaction). The UX (User Experience) variable has a significant and positive effect on ESQ (E-Service Quality).

Relationship between E-Service Quality and Customer Satisfaction

The test results show insignificant values between the E-Service Quality (ESQ) and Customer Satisfaction (CS) with a T-statistic value < 1.96 , which is 1.816. The original sample value is positive, which is 0.207. This result shows that E-Service Quality (ESQ) has a significant and positive effect on Customer Satisfaction (Y). Hypothesis 3 (H3) is accepted because service quality has a positive effect on customer satisfaction, even though it is not significant. Improving service quality will increase customer satisfaction because it is positively correlated. Thus, this is slightly different from research conducted by Mamakou et al. [13] where the research states that electronic service quality has a significant effect on customer satisfaction.

Relationship between User Experience and Customer Satisfaction

The test results show that there is a significant value between User Experience (UX) and Customer Satisfaction (CS) with a T-statistic value of 5.687 greater than 1.96. The original sample value is positive, which is 0.652. This result shows that user experience has a significant and positive effect on customer satisfaction (CS), and this means that Hypothesis 2 (H2) is accepted. This is in line with the research conducted by Mamakou et al., [13], which shows that user experience affects user satisfaction, thereby creating a tendency to buy or subscribe. The hypothesis is accepted, and it might be caused by the Netflix user experience that enhances perceived ease of use. This convenience is likely to contribute to an increase in the number of customers.

Relationship between User Experience and E-Service Quality

The test results show that there is a significant value between User Experience (UX) with E-Service Quality with a T-statistic value of 23.060 greater than 1.96. The original sample value is positive, which is 0.869. These results indicate that user experience has a significant and positive effect on electronic service quality, so Hypothesis 1 (H1) is accepted. This is in line with research conducted by Martins & Riyanto [14], where there was a close relationship between user experience and electronic service quality.

4 Conclusion

The research findings showed that there was a positive and significant relationship between User Experience (UX) and Customer Satisfaction (CS) with a significant value. There was also a positive and significant relationship between User Experience (UX) and E-Service Quality. The test results showed that there was a positive and insignificant relationship between E-Service Quality (ESQ) and Customer Satisfaction (CS). This study only examines three variables that affect customer satisfaction, focusing on the relationship between user experience and e-service quality to customer satisfaction. It was found that there was a positive relationship between the three variables.

The findings of this study can be recommended for several policy implications according to the priorities that can be given as input for Netflix or other SVOD platforms. Based on the results of the study, it showed that the service quality did not have a significant effect, but user experience plays an important role in the SVOD platform. This should give more consideration to companies to optimize the user experience on their platform. Future research is suggested to focus on other variables, for example, user experience on customer loyalty.

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