The Influence of Perceived Value on Behavioral Intention Through Social Identity Among Netflix Users in Jakarta: The Moderating Role of Age

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Abstract

The emergence of app-based Over-The-Top (OTT) services has revolutionized Jakarta's entertainment scene in Indonesia. Netflix has changed the game when it comes to watching movies and TV shows. With their unlimited streaming service, viewers have a lot more control over their viewing experience and can tailor it to their liking. People are increasingly gravitating towards OTT platforms to watch movies because of how convenient they are. With age serving as a moderator, this study aims to investigate how perceived value via social identity affects behavioral intention. A total of 250 participants filled out online surveys that were disseminated through social media as part of the study's descriptive and quantitative methodology. G-power makes it easy to use a non-probability sampling method. The data was analyzed using software known as SmartPLS version 3. Perceived value significantly and positively affects social identity, according to the results. There is a robust and positive relationship between perceived value and behavioral intention. Additionally, social identity strongly and positively affects behavioral intention. Perceived value has a strong and positive effect on behavioral intention via social identity. Age acts as a moderator in the relationships between social identity and behavioral intention and between perceived value and behavioral intention.

Keywords: Perceived Value, Social Identity, Behavioral Intention, Age

1. Introduction

In response to changing media consumption habits brought about by the pandemic and the proliferation of digital technology, over-the-top (OTT) platforms have flourished. For digital marketers on the lookout for fresh approaches to customer engagement, this change has opened up enormous possibilities (Barlian, 2022). What was formerly available only through cable TV is now available 24/7/365 via the internet, thanks to the advancements in audio and video conten (Tsai et al., 2023).

Figure 1: OTT Revenue in Indonesia
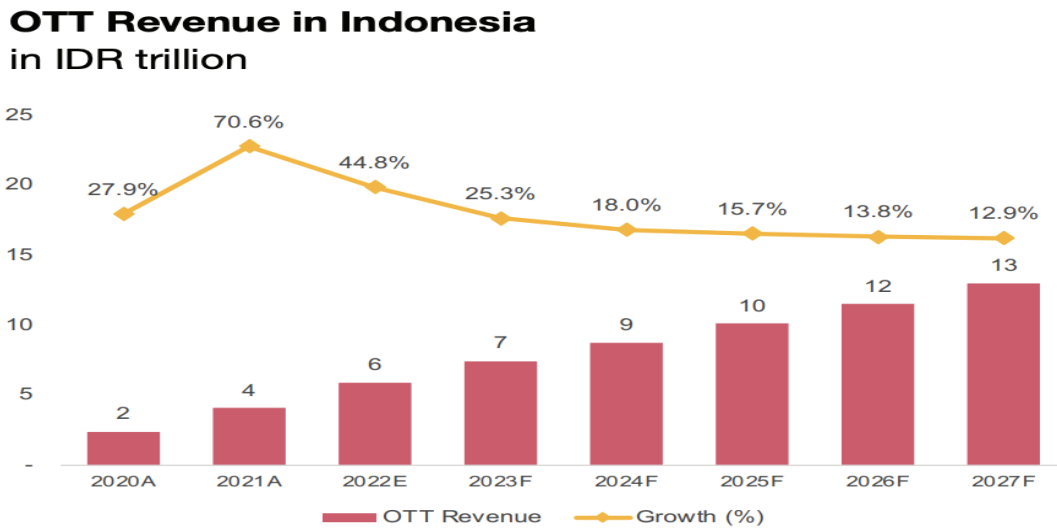
The research firm PwC predicts that between 2022 and 2027, income from over-the-top (OTT) platforms in Indonesia will increase at a CAGR (Compound Annual Growth Rate) of 17.1%. The exponential growth in over-the-top (OTT) demand and the increasing popularity of subscription-based on-demand platforms are the main factors propelling this expansion. With more people using media each week than the average Southeast Asian, Indonesia is leading the Asia-Pacific region in OTT platform subscriber growth (PwC, 2023).

**Figure 2: Most Used Streaming Platforms Among Users in Indonesia**
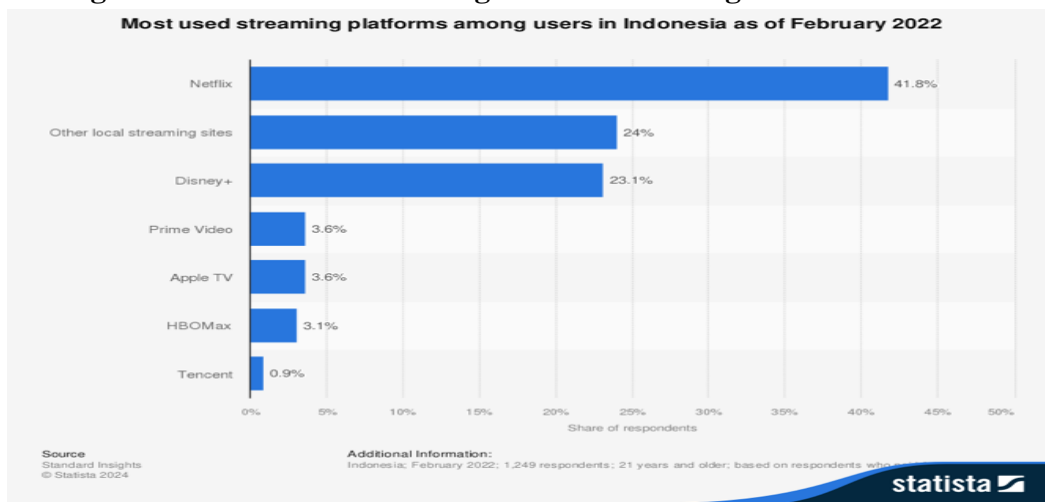
Statista found that among Indonesians, 41.8% use Netflix, making it the most popular streaming platform in the country. Next, about a quarter of people who took the survey use local streaming sites (Standard Insights, 2022). In this era of rapid technological advancement, the online entertainment sector has grown substantially. With Netflix at the forefront, the online entertainment industry has experienced tremendous growth in the digital era. Movies and TV shows abound on Netflix, which has millions of subscribers all over the globe, including in Indonesia. This has led to a sea change in how people enjoy their favorite shows and movies online, as services like Disney+, YouTube, and Netflix have made cable TV less necessary (Tsai et al., 2023).

Figure 3: Multiple ways for Indonesia's citizens to get films
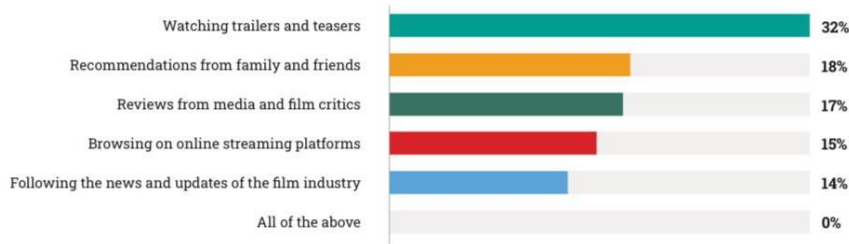
A 2024 survey by IDN reveals that younger generations use various methods to discover films. About one-third watch trailers and film scenes, with recommendations from friends and family being as influential as film critics and media reviews. Additionally, they browse film catalogs on streaming platforms. This trend underscores the importance of marketing in the film industry, as trailers are easily accessible and word-of-mouth has similar impact to professional critics (IDN Research Institute, 2024).

According to an IDN Times (2024) report on Gen Z in Indonesia, several factors influence their streaming platform preferences. Affordability is crucial, as many young people can't afford expensive movie outings. Besides ticket costs, expenses like snacks, transportation, and parking add up. The global reach of social media has increased the pressure to avoid spoilers and FOMO, driving younger generations to streaming platforms. Additionally, many Gen Z individuals live with their families, and frequent cinema visits may not align with family expectations, leading them to prefer the comfort and privacy of home entertainment.

Figure 4: Age distribution of OTT subscribers in Indonesia
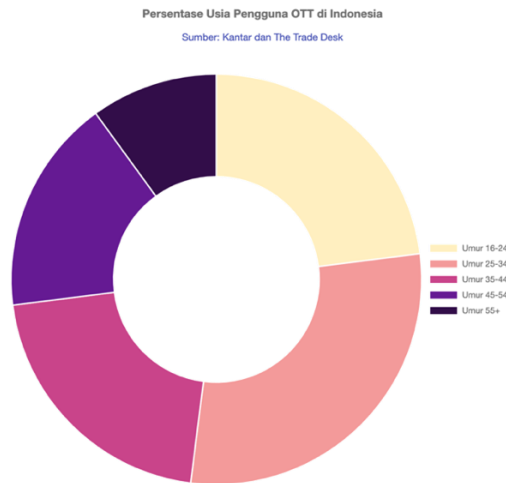
According to a survey released by Kantar and The Trade Desk, OTT platforms are increasingly popular in Indonesia due to their flexibility. The survey reveals that 52% of OTT users are Gen Z and young millennials aged 16 to 34, with 23% of them aged 16 to 24. Additionally, 38% are heavy users, consuming OTT for over 4 hours a day. Millennials (25-34 years) are the majority OTT users in Indonesia, comprising 29% of the population, followed by those aged 35-44 at 21%, 45-54 at 17%, and 55 and older at 10%. Despite being tech-savvy, the differences in film consumption between Millennials and Gen Z are notable (Nayeem, 2024).

This research is important because it adds to what is already known about the importance of identity and perceived value in relation to developing products and services, and it keeps the conversation going about how important video streaming apps are. In the near run, it will help video streaming services learn more

about their viewers' happiness and the influence of good morals and societal elements. Understanding the importance of identity and what young consumers value can help create more meaningful content in the long run (Walsh & Singh, 2022). To stay ahead of the competition and keep customers coming back, services like Netflix must pay close attention to what they want and need. The purpose of this research is to determine whether and how age, social identity, behavioral intention, and user perceptions of value moderate the correlations between these variables.

2. Research Methodology

In this quantitative study, participants were asked to rate their level of agreement with statements using a Likert scale from 1 to 5. In order to process the data, SmartPLS version 3 used the PLS (Partial Least Square) method. Here are the criteria that were used to select the sample for this study: People living in Jakarta who are currently subscribers to Netflix and are 16–55 years old or older.We used the G-power app to figure out how many people to include in our sample.

Figure 5: Sample Calculation Using G-Power
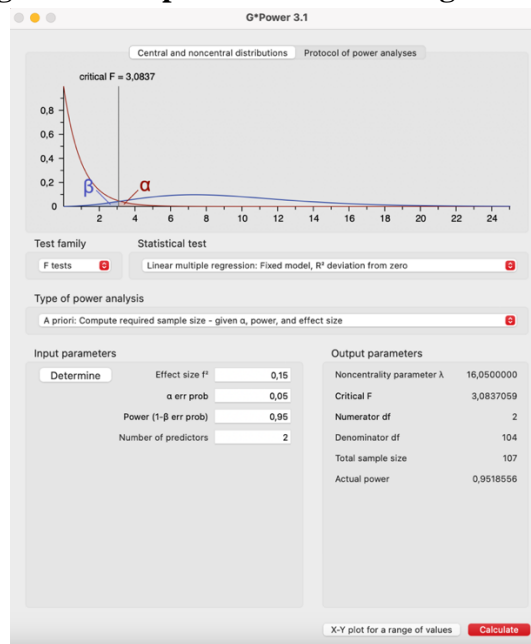
The sample size for this study was calculated using G-Power software with an effect size of 0.15, a significance level of 0.05, and a power (1- β err $prob$). The sample analysis technique applied is power analysis. According to Memon et al., (2020) this technique considers the number of predictor arrows pointing to the dependent variable, which in this study is two. The G-Power calculation suggested a sample size of 107, but based on Hair et al. (2019) who recommend a minimum sample size of 100-300 for SEM analysis, 250 respondents were chosen for this study.

3. Literature Review

Perceived Value

Perceived value is the sum of a service's perceived usefulness relative to its perceived cost; it has a major impact on whether or not a user wants to keep using the service. Perceived practical value is the primary factor in a product or service's uptake, according to Madanaguli et al. (2021) and Singh et al. (2021). To measure how valuable a product or service is in the eyes of the buyer, Sweeney and Soutar (2001) created

the "PERVAL" model. According to Hasan et al. (2018), Oyedele & Simpson (2018), and Singh et al. (2021), convenience, monetary value, emotional value, and social value are important components of perceived value when it comes to video streaming. Emotional, social, performance, and value for money are some of these dimensions

Social Identity

According to (Scheepers & Ellemers, 2019), social identity theory suggests that social group interactions and memberships shape an individual's self-perception. This theory relates to identity salience. Introduced by (Tajfel & Turner, 1979), one of the main tenets of social identity theory is that people's actions are shaped by the values and standards held by the social groups to which they belong. Social identity is the aspect of one's sense of self that is based on one's affiliation with a particular group. A person's racial/ethnic/national/religious identity can have a profound impact on their actions, perspectives, and values (Mahdi, 2023).

Behavioral Intention

According to Venkatesh et al. (2012), behavioral intention is a key predictor of actual system usage and is influenced by factors like perceived value and social influence. It involves understanding new aspects, usage methods, preferred qualities, and others' perspectives. This understanding shapes brand loyalty, ultimately benefiting users of the product or service. Behavioral intention reflects a person's intent to use information technology to achieve desired goals (Owusu Kwateng et al., 2019). It directly influences consumer decisions to engage with a product or service, as current intent impacts actual consumption (Hwang et al., 2019). Hansen & Mowen (2012) define behavioral intention as a customer's desire to act in a certain way when acquiring, using, or disposing of goods or services, including seeking information, sharing experiences, or making purchases.

4. Theoretical Framework

Figure 6: Theoretical Framework
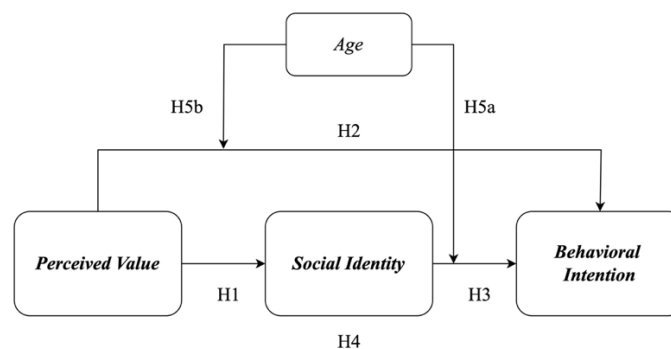
The theoretical framework utilized in this study was adapted from the works of Walsh & Singh (2022) and Qian & Li (2024). Based on the theoretical framework presented, the research hypotheses are:

H1: Perceived value has a positive and significant effect on social identity.

H2: Perceived value has a positive and significant effect on behavioral intention.

H3: Social identity has a positive and significant effect on behavioral intention.

H4: Perceived value has a positive and significant effect on behavioral intention through social identity.

H5a: Age moderates the relationship between social identity and behavioral intention.

H5b: Age moderates the relationship between perceived value and behavioral intention.

5. Result and Discussion

Structural Model Testing (Outer Model)

Figure 7: Outer Model Structural Equation Modelling (Algorithm)
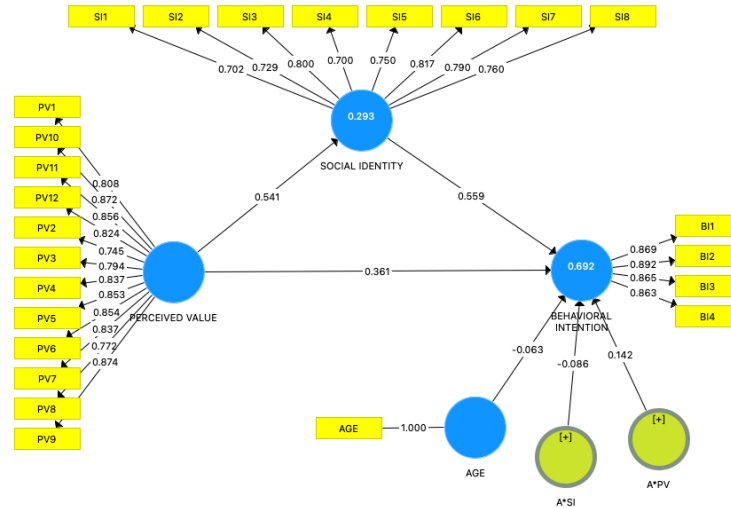
Convergent Validity

Table 1: Convergent Validity Values

Indikator	Perceived Value	Social Identity	Behavioral Intention	Age
PV1	0.808			
PV2	0.745			
PV3	0.794			
PV4	0.837			
PV5	0.853			
PV6	0.854			1.048
PV7	0.837			
PV8	0.772			
PV9	0.874			
PV10	0.872			
PV11	0.856			
PV12	0.824			
SI1		0.702		
SI2		0.729		
SI3		0.800		
SI4		0.700		
SI5		0.750		1.051
SI6		0.817		
SI7		0.790		
SI8		0.760		
BI1			0.869	
BI2			0.892	

BI3			0.865
BI4			0.863

According to Ghozali (2021), individual indicators with a correlation value above 0.7 are considered reliable. However, in scale enhancement studies, factor loadings between 0.5 and 0.6 are still acceptable (Chin, 1998). Based on the results of the convergent validity presented above, each correlation between constructs and latent variables exceeds 0.5, indicating that the results are considered valid.

Discriminant Validity

According to Musyaffi et al. (2022), the AVE value evaluates discriminant validity for each construct, both endogenous and exogenous variables, and explains the internal intercorrelation among indicators in each latent variable. The minimum acceptable AVE is 0.5.

Table 2: Discriminant Validity (Cross Loading Factor)

Indicators	Perceived Value	Social Identity	Behavioral Intention
PV1	0.808	0.316	0.502
PV2	0.745	0.311	0.485
PV3	0.794	0.346	0.537
PV4	0.837	0.333	0.536
PV5	0.853	0.523	0.631
PV6	0.854	0.527	0.608
PV7	0.837	0.549	0.591
PV8	0.772	0.497	0.511
PV9	0.874	0.508	0.578
PV10	0.872	0.498	0.556
PV11	0.856	0.515	0.556
PV12	0.824	0.341	0.558
SI1	0.499	0.702	0.685
SI2	0.354	0.729	0.474
SI3	0.416	0.800	0.578
SI4	0.194	0.700	0.413
SI5	0.259	0.750	0.432
SI6	0.522	0.817	0.620
SI7	0.364	0.790	0.534
SI8	0.489	0.760	0.578
BI1	0.567	0.662	0.869
BI2	0.623	0.676	0.892
BI3	0.586	0.651	0.865
BI4	0.567	0.661	0.863

The results indicate that the indicators meet the criteria for discriminant validity, as the square root of the AVE for each indicator is greater than the correlation between variables.

Composite Reliability

Data is considered very reliable when the composite reliability value is greater than 0.7, as stated by Wati

(2018). Furthermore, according to Musyaffi et al. (2022), a value of 0.5 is considered to be the minimum acceptable AVE.

Table 3: Composite Reliability Values

Variables	Composite Reliability	Cronbach Alpha	Critical Values	AVE	Critical Values	Model Evaluation
Perceived Value	0.963	0.958		0.686		Reliable
Social Identity	0.915	0.895		0.573		Reliable
Behavioral Intention	0.927	0.895	0.7	0.761	0.5	Reliable
A*SI	1.000	1.000		1.000		Reliable
A*PV	1.000	1.000		1.000		Reliable

Since the variables have AVE values, Cronbach's alpha, and composite reliability that are at least the bare minimum, the results of the reliability tests show that they are reliable.

Structural Model Testing (Inner Model)

Figure 8: Full Structural Model Path Diagram (Bootstrapping)
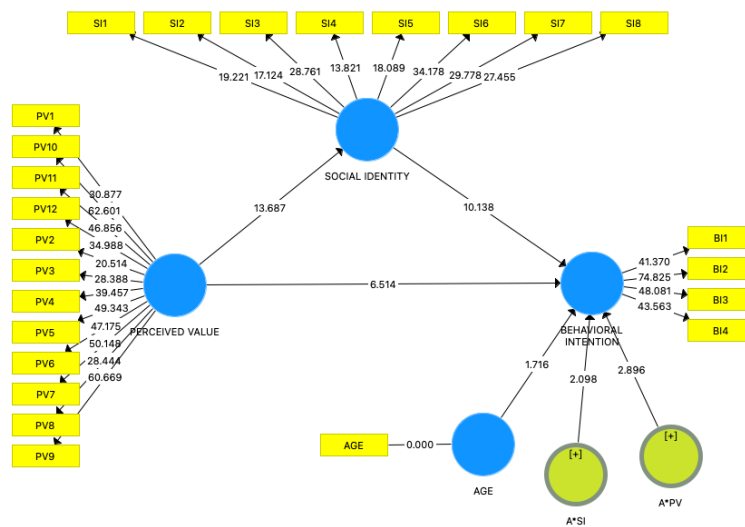
Structural Measurement Evaluation (R-Square)

Table 4: R-Square Values

Variables	R^2
Social Identity	0.293
Behavioral Intention	0.692

Perceived value explains 29.3% of social identity, with other factors influencing the remaining 70.7%, according to the table, which shows that the R^2 value for social identity is 0.293, or 29.3%. Perceived value and social identity comprise 69.2% of behavioral intention, with other factors influencing the remaining 30.8% (not examined in this study), according to the R^2 value of 0.692 (69.2%).

Predictive Relevance (Q-Square)

In this section, Q^2 is used to assess model quality via blindfolding. A model is considered valid if $Q^2 >$

0.05, meaning the endogenous variables predicted by the exogenous variables are accurate (Hair et al., 2019).

Table 5: Q-Square Values

Variables	Q^2
Social Identity	0.150
Behavioral Intention	0.519

The Q^2 values for behavioral intention and social identity are 0.519 and 0.150, respectively, which are both higher than 0, according to the data in the table. This proves that the model is useful for making predictions.

Effect Size (F-Square)

The impact of endogenous variables on exogenous variables is measured in this study by the effect size (f^2). F^2 values of 0.02, 0.15, and 0.35 mean small, medium, and large effects, respectively", as stated by Musyaffi et al. (2022)

Table 6: F-Square Values

Variables	f^2
Perceived Value -> Social Identity	0.414
Perceived Value -> Behavioral Identity	0.294
Social Identity -> Behavioral Intention	0.702

All three of these effects perceived value on social identity, perceived value on behavioral intention, and social identity on behavioral intention have f^2 values higher than 0.35, according to the calculation results, suggesting a significant impact.

Hypothesis Testing

Table 7: T-Statistics and P-Values

Hypothesis	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Result
Perceived Value -> Behavioral Intention	0.361	0.358	0.051	7.140	0.000	Accepted
Perceived Value -> Social Identity	0.541	0.548	0.040	13.475	0.000	Accepted
Social Identity -> Behavioral Intention	0.559	0.562	0.051	10.860	0.000	Accepted
Perceived Value -> Social Identity -> Behavioral Intention	0.303	0.307	0.030	10.039	0.000	Accepted
Age*Social Identity -> Behavioral Intention	-0.086	-0.084	0.043	2.008	0.045	Accepted
Age*Perceived Value -> Behavioral Intention	0.142	0.141	0.053	2.705	0.007	Accepted

Discussion of Research Result

Research Result

There is a positive and significant influence of perceived value on social identity.

A t-statistic of 7.140 and a p-value of 0.000 are displayed in the analysis. Perceived value significantly affects behavioral intention, as confirmed by the fact that the t-statistic is larger than the t-value of 1.96 and the p-value is less than 0.05, thus H1 is accepted.

There is a positive and significant influence of perceived value on behavioral intention.

Perceived value has a substantial effect on social identity, according to H2, which is supported by a t-statistic of 13.475 and a p-value of 0.000.

There is a positive and significant influence of social identity on behavioral intention.

A p-value of 0.000 and a t-statistic of 10.860 are revealed by the analysis. These values are higher than the cutoff, thus we accept H3, which shows that social identity has a substantial impact on behavioral intention.

There is a positive and significant influence of perceived value on behavioral intention through social identity.

Perceived value significantly affects behavioral intention through social identity, according to H4, as supported by a t-statistic of 10.039 and a p-value of 0.000.

Age moderates the relationship between social identity and behavioral intention.

The results demonstrate that age moderates the relationship between social identity and behavioral intention, as indicated by a t-statistic of 2.008 and a p-value of 0.045.

Age moderates the relationship between perceived value and behavioral intention.

At a p-value of 0.007 and a t-statistic of 2.705, we find that the relationship between perceived value and behavioral intention is moderated by age.

Discussion

The results of this study shed light on the intricate web of connections between social identity, behavioral intention, perceived value, and age as a moderator among Netflix users in Jakarta. Multiple noteworthy results emerged from the hypothesis testing conducted in this study.

Firstly, perceived value has a positive and significant influence on social identity. Users' social relationships are strengthened when they join local user communities, which occurs more frequently when services provide substantial value. Within the Netflix community in Jakarta, a greater social identity developed through community interactions corresponds with a better perceived value of the service. Companies should concentrate on raising perceived value in order to develop a robust and devoted community around their services, as this social identity is critical to improving user satisfaction and loyalty.

Secondly, The intention to behave is positively and significantly affected by one's perception of value. Consumers' intentions to do things like continue using the service, renew their subscription, or recommend it to others are heavily influenced by how valuable they perceive it to be. Companies like Netflix rely on customer engagement and loyalty to sustain themselves in the long run, and one way to do this is to increase the perceived value of their services.

Thirdly, social identity significantly affects behavioral intention. The relationship between behavioral intention and perceived value is significantly mediated by social identity. Strong social identities among Netflix subscribers increase the likelihood that they will stick with the service since they feel like they

belong to the community. As a result, developing strong social identities can improve users' commitment to the service over the long run.

Additionally, perceived value influences behavioral intention through social identity. Emotional value enhances the streaming experience in this instance, boosting user usage and engagement. Particularly when it comes to using social media, social identity serves as a bridge between behavioral purpose and perceived worth. Perceiving streaming services as integral to their identity enhances user loyalty, since they are more inclined to stick with the service and engage in connected groups.

In addition, the correlation between social identity and behavioral intention is moderated by age. Age has a big impact on moderating factors including behavioral intention and social identity. Age-related differences in preferences and responses are highlighted by the fact that younger users tend to be more receptive to social influences and adopt new technologies more quickly than older users.

Finally, among older users in particular, age moderates the connection between perceived value and behavioral intention. This findings shows that older users tend to be more sensitive to cost and monetary value when determining their behavioral intentions regarding new technologies. In the case of Netflix, older users may prioritize factors such as subscription costs, perceived financial benefits, or long-term value over features like ease of access or innovative content. This suggests that companies should focus on offering clear value propositions, such as pricing strategies or premium content bundles, to cater to older users and ensure their continued loyalty and satisfaction.

6. Conclusion and Suggestions

Conclusion

It is possible to draw the following conclusions from the research on the effect of perceived value through social identity on behavioral intention among Jakarta-based Netflix users, with age serving as a moderator, and from the results of hypothesis testing: The impact on social identity of perceived value is substantial and positive. Behavioural intention is positively affected by perceived value as well. The purpose to act is also heavily impacted by one's social identity. Additionally, social identity influences behavioral intention via perceived value. When it comes to the connection between social identity and behavioral intention, age plays a moderating role. Perceived value and behavioral intention are both mediated by age.

Suggestions for Future Researchers

While this study did its best to shed light on consumer behavior in the digital age, there are still many unanswered questions based on its findings and limitations. The relationships between social identity, behavioral intention, and perceived value may be moderated or mediated by additional variables; future research could investigate these possibilities. These variables could include trust, customer satisfaction, or loyalty. The results should be applicable outside of Jakarta, so it would be wise to broaden the scope of the study. To better understand the ways in which social identity and perceived value impact behavioural intentions, a more representative sample may be necessary.

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