Jurnal Manajemen (Edisi Elektronik)

Sekolah Pascasarjana Universitas Ibn Khaldun Bogor

Exploring Customer Loyalty and Experience Quality in VOD Netflix: The Role of Currency in Conversation and Co-Creation

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A R T I C L E   I N F O

A B S T R A C T

The COVID-19 pandemic has fueled increased internet usage as people spend more time at home, turning to activities like watching movies on VOD platforms like Netflix. This study examines how Currency moderates Conversation and Co-Creation on Customer Loyalty, with Experience Quality as a mediator within the Netflix app. Video-on-demand services have surged in popularity, reshaping consumer behavior towards online entertainment. Research indicates that conversation activities and co-creation on such platforms influence experience quality and customer loyalty. The study, with 113 Netflix VOD users, analyzed these relationships using reliability testing. Findings show Netflix conversation activities positively impact experience quality, and co-creation features enhance it. However, Netflix's currency has a weak influence on experience quality. Experience quality significantly affects customer loyalty, although its mediation on loyalty is weak. This underscores the importance of conversation, co-creation, and experience quality in driving customer loyalty on VOD platforms. It suggests Netflix should focus on fostering engaging conversation and co-creation to enhance user experience and loyalty. Limitations include a small sample size and potential biases in self-reported data, warranting further research for deeper insights into digital entertainment consumer behavior.

1. INTRODUCTION

The COVID-19 pandemic has resulted in losses for the movie industry, but it has also increased the number of people using the internet. People spend a lot of time at home during the pandemic, which causes boredom, to overcome this, they fill their free time with various activities, such as streaming their favorite movies on digital platforms. as all other teenagers know on social media. Video on Demand (VOD) service platform is the name given to this medium.

Video-on-demand services have seen a massive increase as a result of the pandemic. As long as the lockdown is in place, there is a chance that this will increase even more, but one thing is for sure that streaming services are benefiting from the pandemic.(Asih, 2021) People subscribe to video-on-demand platforms in Indonesia to watch various shows on these platforms including Netflix and other streaming services with 69% respondent sample (Goodstats, 2022). Millions of internet users around the world have utilized a number of services offered by Netflix, one of the digital streaming media platforms. (Kumparan, 2021)

There are various streaming platforms in Indonesia such as Netflix, Disney+Hostar, Youtube, Viu, Vidio and WeTV. Netflix was built in 1997 by US entrepreneurs Reed Hastings and Marc Randolph and appeared in Indonesia in 2016 with the owners of Pershing Square Capital Management. (Nuran wibisono, 2016). Disney+Hostar appeared in Indonesia in 2020 with the owner of The Walt Disney Company. (disney.fandom.com, 2022).

Based on Video on Demand applications there are five streaming applications that are most widely used in Indonesia in 2022 (Goodstats, 2022). It can be seen that Netflix is most favorite platform and is in first position with 69%, followed by Disney + Hostar in second position with 62%, then there is Youtube in third position with 52%, then Viu in fourth position with 36%, then Vidio in fifth position with 25% and finally WeTV is in sixth position with 24%. Netfilx experienced a dip in early 2022 but rose again to still be a popular streaming service. (Friska Suryawinata, 2022). Netflix develops content to attract subscribers, looking for other creative ideas that can attract subscribers to the Netflix application (Engagebay, 2024). Customer Loyalty can be interpreted as a repurchase interest variable. Repurchase interest (Customer Loyalty) shows that loyalty refers to making decisions to make purchases regularly, with the size of the repurchase interest indicator (customer loyalty), namely: frequent repeat purchases, buying one product or various services, recommending to others, showing immunity to competitors (Griffin, 2023) in (Delima et al., 2019).

Although Netflix is the most popular app, it is still maintaining growth in the market as more and more VOD apps appear in the market. Netflix has several movies and series from various types of genres and countries that increase customer satisfaction in using Netflix. Customer satisfaction is the client's response to the assessment of the perceived mismatch or uncertainty of previous expectations and the actual performance of the product felt after use (Martins & Riyanto, 2020). Customer satisfaction or what can be understood as experience quality affects

the development directly or indirectly of a company, we must serve customers in various ways to attract them, make them happy, and achieve good performance. (Hax & Wilde, 2003) in (Ling Chen & Mansori, 2018). (Kothler and Keller, 2013) in (Delima et al., 2019) (customer satisfaction) experience quality is a feeling of satisfaction or disappointment because the effectiveness of a product is felt in accordance with what is expected. As shown by the main components of modern marketing thought and practice. customer satisfaction is a victory over competition if the company succeeds in reaching and retaining customers, such as the main components of modern marketing thought and practice, with the size of the indicator (customer satisfaction) experience quality is the conformity of expectations, re-interest and willingness to recommend (Tjiptono, 2014) in (Azka & Budiono, 2022).

Research conducted by (Mansori, 2018) and (Delima et al., 2019) said that satisfaction affects if doing various types of promotions it will increase customer satisfaction, but in contrast to research (Azka & Budiono, 2022) who said satisfaction had no effect because customers did not feel satisfied with customer loyalty, and (Yohanes Michael & Santoso, 2022) which reveals the results obtained are less than 0.05, saying customer satisfaction has an effect on repurchase interest but there is little possibility. These studies provide valuable insights into the role of satisfaction in shaping consumer behavior. While our study focuses on the interplay between currency moderation, conversation, co-creation, experience quality, and customer loyalty within the context of Netflix's video-on-demand services, the findings from these studies offer broader perspectives on the impact of satisfaction on consumer outcomes. Understanding these differing perspectives can inform our interpretation of the results and contribute to a more comprehensive understanding of consumer behavior in the digital entertainment industry.

Companies in increasing customer satisfaction require conversation or can be understood as promotion for the sale of their products, by promoting them through social media and television channels. Netflix does not promote its products through television like Wetv but they promote them through social media, and other applications such as Disney+Hostar, Vidio and Viu they promote through television and social media. Promotion (conversation) is a method used by companies to educate, convince, and remind customers about the goods and brands they carry (Kotler Keller, 2009) in (Yoshua Richard A et al., 2021). Conversation (Promotion) A concept with two-way communication that allows customers to provide informed reactions in addition, customers will be able to interact with each other, with indicators there is a communication from the product with the customer, the product informs you about the latest information about the product, conduct events to expand communication with customers, communication intensity (Kotler, Kartajaya, & Setiawan 2017) in (Mega farisha et al., 2022). Promotion has a positive effect on customer satisfaction because buyers have a high attachment to the products being promoted, this research is also approved by (Yoshua Richard A et al., 2021) in (Mega farisha et al., 2022), (Yoshua Richard A et al., 2021) this research is also approved by (Mega farisha et al., 2022), but not with research (Azka & Budiono, 2022) and (Dennis Vidina et al., 2023) who say promotion has no effect due to the lack of promotion given to consumers.

A factor that affects customer satisfaction is co-creation or what can be called product variety, customers will be more satisfied and likely to buy that product than others if there is a greater variety in the number and type of goods offered. Each product has a variety of product variations (attached). Netflix has several variations in its movies such as animation, drama, variety shows, anime, tv series, documentaries, as well as Disney, Viu, Vidio and WeTV, but there are several variants that are not found on Netflix, Disney and WeTV such as in Viu there is Korean tv and Asian tv, as well as in the Vidio application there are sports series, radio, live gaming, Indonesian tv, Korean tv and soap operas (Castro et al., 2021). Product quality and product variety have ties to meet customer needs. (Colors and Celler, 2013) in (Jose et al., 2019) said quality is a characteristic of a product or service that customers need. Product variety can be understood as a series of products that companies offer to consumers (Kotler, 2013) in (Afika, 2021). Product variety (co-creation) is a collection of all products and goods offered by a company to consumers, (Kotler & Keller, 2013) in (Afika, 2021). (Norawati et al., 2021). Co creation (product variation) determines the strategy in developing new products that involve customers in ideas that improve product development and allow customers to make adjustments according to their wishes, with indicator measures to identify consumer behavior in buying, dialogue, access, risk assessment, transparency (Kotler, Kartajaya, & Setiawan, 2017) in (Mega farisha et al., 2022). Product variety has a positive effect on customer satisfaction because there are many diverse products on customer satisfaction. (Norawati et al., 2021) and this opinion is in line with (Jose et al., 2019), (Afika, 2021) and (Mega farisha et al., 2022), but different opinions with (Chayatul Jannah & Alhazami, 2022) who say that product variation has a negative effect, possibly because product variation is not that important to consumers.

Currency or what can be understood as price plays an important role in a product. Goods or services with low prices will stimulate demand to increase, otherwise if a product or service is expensive, demand for the product or service will decrease. Netflix has several kinds of subscription packages from the cheapest to the most expensive, the quality is in accordance with the price taken, as well as the Disney, Viu, Video and WeTV applications also have a variety of prices. (Philip Kotler, 2008) in (Yoshua Richard A et al., 2021) says price (currency) is the amount of money paid for a product, service or value that customers exchange for benefits when owning or using the product or service. (Kotler & Keller 2009) in (Hariyanto & Susanti, 2021), price (currency) is the amount of money in circulation to buy or use the services and products offered. Currency (price) is understood as Dynamic pricing ensures optimal profit by charging each customer differently based on previous purchasing patterns, distance to the store, and other aspects of the customer profile, with the size of the product price indicator based on market demand, customers can estimate the price that should be, product prices according to customer wishes (Kotler, Kartajaya, & Setiawan 2017). Price is one of the important marketing elements because it can influence purchasing decisions , (Kotler and Armstrong, 2017) in (Hariyanto & Susanti, 2021).

Price has apositive effect on customer satisfaction because the price given is in accordance with the quality (Hariyanto & Susanti, 2021) this opinion is in line with (Yoshua Richard A et al., 2021), (Suharyanto & Vita, 2022) and (Mega farisha et al., 2022). Not with the opinion according to (Ratih et al., 2021) who say price has no effect on satisfaction because the price is not in accordance with consumer desires. Consumer satisfaction arises because of the pricing provided by vod services in accordance with consumer desires and in accordance with the quality provided. The Netflix vod service application provides a variety of prices according to its quality which makes it easier for consumers to choose the quality or price they want.Based on the description above, it can show that the price variable appears as a variable that moderates conversation (promotion) and co-creation (product variation) on customer loyalty (repurchase interest) with experience quality mediation (customer satisfaction).

Relevant previous research findings are the results of a previous finding that provides information related to the method of findings to be carried out, the results and discussions used as a basis for comparison in conducting research. Therefore, research on the effect of promotion, product variety and price on the quality of experience in the Netflix application, the authors take several relevant previous studies related to this title and produce the following hypotheses:

(H1) The Conversation level of the Netflix application directly has a positive effect on Experience quality. This hypothesis is supported by theoretical studies and previous research results, namely (Kotler, Kartajaya & Setiawan, 2017) in (Mega farisha et al., 2022), (Tjiptono, 2014) in (Azka & Budiono, 2022).

(H2) The level of co-creation of the Netflix application directly has a positive effect on experience quality. This hypothesis is supported by theoretical studies and the results of previous research, namely (Kotler, Kartajaya & Setiawan, 2017) in (Mega farisha et al., 2022), (Tjiptono, 2014) in (Azka & Budiono, 2022).

(H3) The level of conversation set in the Netflix application with currency moderation affects the level of consumer experience quality. This hypothesis is supported by theoretical studies and the results of previous research, namely (Kotler, Kartajaya & Setiawan, 2017) in (Mega farisha et al., 2022), (Tjiptono, 2014) in (Azka & Budiono, 2022).

(H4) The level of co-creation set in the Netflix application with Currency moderation affects the level of consumer experience quality. This hypothesis is supported by theoretical studies and the results of previous research, namely (Kotler, Kartajaya & Setiawan, 2017) in (Mega farisha et al., 2022), (Tjiptono, 2014) in (Azka & Budiono, 2022).

(H5) The level of quality of the Netflix application experience directly has a positive effect on repurchase interest. This hypothesis is supported by theoretical studies and the results of previous research, namely (Tjiptono, 2014) in (Azka & Budiono, 2022). (Azka & Budiono, 2022),(Griffin, 2003) in (Delima et al., 2019).

(H6) The level of conversation set in the Netflix application with the mediation of experience quality affects consumer customer loyalty. This hypothesis is supported by theoretical studies

and the findings of previous studies, namely (Kotler, Kartajaya & Setiawan, 2017) in (Mega farisha et al., 2022), (Tjiptono, 2014) in (Azka & Budiono, 2022),(Griffin, 2003) in (Delima et al., 2019).

(H7) The level of co-creation set in the Netflix application with experience quality mediation affects consumer customer loyalty. This hypothesis is supported by theoretical studies and the findings of previous studies, namely (Kotler, Kartajaya & Setiawan, 2017) in (Mega farisha et al., 2022), (Tjiptono, 2014) in (Azka & Budiono, 2022),(Griffin, 2003) in (Delima et al., 2019)
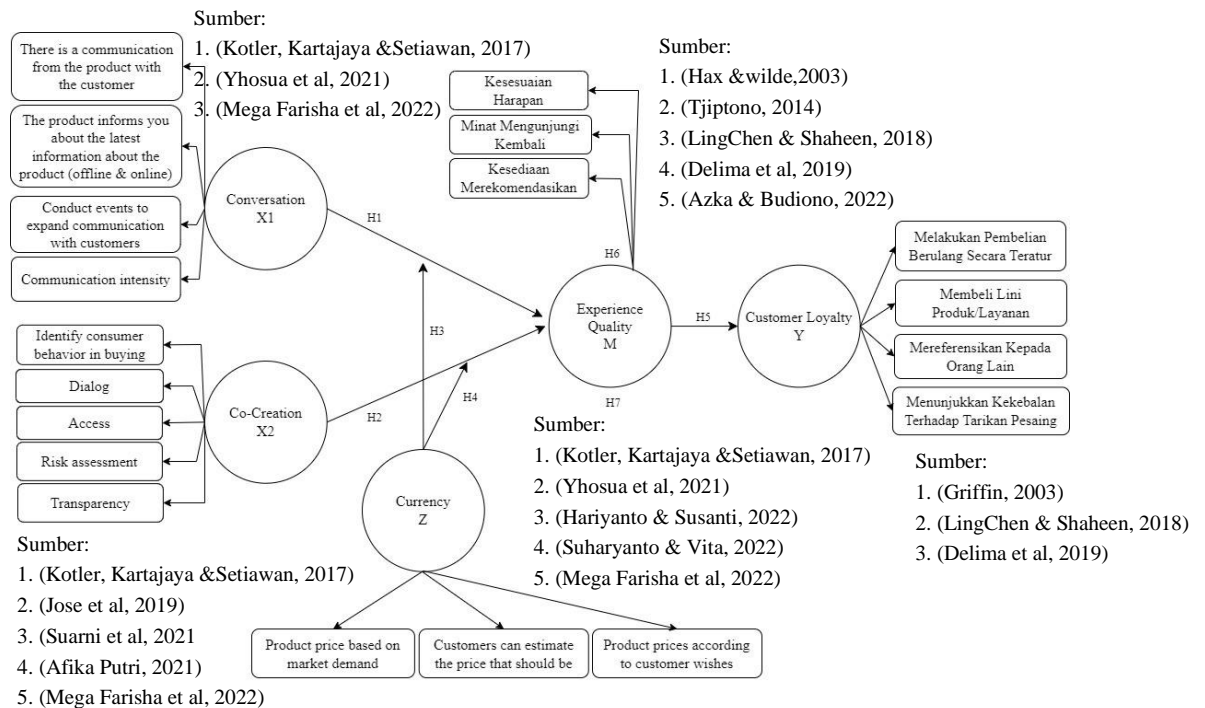

Figure 1. Research Model

Source: Researcher, 2024

2. RESEARCH METHODS

This research method uses quantitative methods. The secondary data, sourced from articles and previous research related to the problem under study, complement the primary data collected through distributing questionnaires to consumers. These secondary sources provide additional context, insights, and findings relevant to the research topic. However, without specific sources or links provided, it's challenging to pinpoint the exact secondary data being referenced. Including citations or links to the articles and research papers would enhance the credibility and

transparency of the study. The population in this study were respondents who had used the Netflix VoD application in the Bekasi district area.

This research uses primary and secondary data. Primary data for this study is information that researchers will get directly from research participants using a Google Form survey. Researchers can obtain primary data directly from first-hand sources (Ghozali, 2021b)so this research is limited, therefore this research is non-probability sampling, where the sampling technique uses purposive sampling technique with a sample size of 113 respondents (Ghozali, 2021b). Researchers collected secondary data from populix, websites, and previous research publications. (Ghozali, 2021b) defines secondary data as information collected indirectly from pre-existing sources, such as documents or other individuals. Books, journals, and articles on research topics are cited as examples of secondary data sources. However, if all the data obtained for the study are from the questionnaires distributed to consumers, then they are considered primary data. It's crucial to distinguish between primary and secondary data sources to accurately characterize the research methodology and data collection process.The data analysis method used in this study is to use descriptive and inferential statistical analysis, descriptive statistical analysis of this study aims to provide an overview of the criteria for respondents who were sampled. Respondents of this study are customers who use the Netflix application video-on-demand service without any special requirements as respondents of this study.

The model's acceptance criteria are determined based on various parameters such as construct validity and reliability. For construct validity, indicators include convergent validity, discriminant validity, and composite reliability (CR). Acceptance of the model may entail ensuring that the convergent validity is met, typically indicated by a factor loading above 0.7 for each item on its respective construct. Discriminant validity is confirmed when the square root of the average variance extracted (AVE) for each construct is greater than its correlation with other constructs. Moreover, composite reliability (CR) should ideally exceed 0.7 to demonstrate internal consistency reliability. Additionally, the model may undergo tests for discriminant validity through methods such as the Fornell-Larcker criterion or the heterotrait-monotrait (HTMT) ratio of correlations. These parameters collectively assess the robustness and validity of the structural equation model derived from the data analysis conducted via SmartPLS software.

3. RESULTS & DISCUSSION

The respondents in this study are users of Netflix's video-on-demand (VOD) service. These individuals have access to a wide range of genre-focused movies and TV shows offered by Netflix. They are typically users who utilize various devices such as PCs, tablets, smartphones, and smart TVs to access and consume content on the platform. These respondents provide valuable insights into their usage patterns, preferences, and experiences with Netflix's VOD service, contributing to the understanding of customer behavior and loyalty in the context of digital entertainment consumption.

Feasibility Test

    a. Results of Convergent Validity Test of Customer Loyalty, Experience Quality, Conversation, Co-Creation and Currency

Table 1. Convergent Validity Test

Indicator	Loading Factor	P-Value	Description
Conversation.1	0.790	0.000	powerful
Conversation.2	0.726	0.000	powerful
Conversation.3	0.743	0.000	powerful
Conversation.4	0.761	0.000	powerful
Conversation.5	0.718	0.000	powerful
Co-Creation.1	0.834	0.000	powerful
Co-Creation.2	0.724	0.000	powerful
Co-Creation.3	0.760	0.000	powerful
Co-Creation.4	0.825	0.000	powerful
Co-Creation.5	0.762	0.000	powerful
Customer loyalty.1	0.833	0.000	powerful
Customer loyalty.2	0.732	0.000	powerful
Customer loyalty.3	0.751	0.000	powerful
Customer loyalty.4	0.759	0.000	powerful
Customer loyalty.5	0.828	0.000	powerful
Currency.1	0.765	0.000	powerful
Currency.2	0.808	0.000	powerful
Currency.3	0.796	0.000	powerful
Currency.4	0.851	0.000	powerful
Currency.5	0.817	0.000	powerful
Experience Quality.1	0.756	0.000	powerful
Experience Quality.2	0.778	0.000	powerful
Experience Quality.3	0.708	0.000	powerful
Experience Quality.4	0.807	0.000	powerful
Experience Quality.5	0.793	0.000	powerful

Source: Research Data (2024)

The results indicate high loading factor values for all items across the variables: conversation, co-creation, customer loyalty, currency, and experience quality. For the conversation variable, items X1.1 to X1.5 exhibit loading factors ranging from 0.718 to 0.790, suggesting strong associations with the construct. Similarly, co-creation items (X2.1 to X2.5) display loading factors between 0.724 and 0.834, indicating robust relationships with the co-creation construct. Customer loyalty items (Y.1 to Y.5) demonstrate loading factors ranging from 0.732 to 0.833, reflecting their strong connections with customer loyalty. Moreover, currency items (Z.1 to Z.5) exhibit loading factors between 0.765 and 0.851, indicating their significant contributions to the currency construct. Lastly, experience quality items (M.1 to M.5) display loading factors ranging from 0.708 to 0.807, indicating their strong associations with the experience quality

construct. These results suggest that all items have successfully met the criteria for inclusion in the subsequent analysis, demonstrating their reliability and validity in measuring their respective constructs.

Reliability Test Results

Reliability test is the second test performed. The purpose of the reliability test is to evauate the suitability, accuracy, and consistency of the instrument to measure the structure (Ghozali, 2021b). SmartPLS software is used in the testing process because it offers two metods for assessing construct reliability Cronbach's alpha and composite reliability. Using Cronbach's alpha to test constructs shows an under estimate, so it is recommended to use more than composite reliability.

Table 2 Reability Test Results

Variables	Cronbach's Alhpa	Composite Reability	N of items
Conversation	0.803	0.864	5
Co-Creation	0.840	0.887	5
Customer Loyalty	0.840	0.887	5
Currency	0.867	0.904	5
Experience Quality	0.827	0.879	5

Source: Research Data (2024)

In this article, the variables are crucial for understanding the reliability test results presented in Table 2. Each variable represents a specific construct under investigation. For instance, "X" represents the conversation variable, "Y" represents customer loyalty, "Z" represents currency, and "M" represents experience quality. These variables were assessed for reliability using Cronbach's Alpha and Composite Reliability measures. The high values obtained for Cronbach's Alpha and Composite Reliability across all variables indicate strong internal consistency reliability, suggesting that the items within each construct reliably measure their intended concepts. This information provides readers with insights into the robustness of the measurement instruments utilized in the study, enhancing the credibility and trustworthiness of the research findings.

Goodness of Fit Model Analysis. This study will conduct a Goodness of Fit (GOF) test on the statistical model to assess the model's alignment with observed data. The GOF test will generate various metrics, including the Average Path Coefficient (APC), Average R-squared (ARs), Average adjusted R-squared (AARs), Average block VIF, Average full collinearity VIF, Tenenhaus GoF, Sympson's paradox ratio, R-squared contribution ratio, statistical suppression ratio, and nonlinear bivariate causality direction ratio. These metrics collectively evaluate the adequacy and reliability of the model in explaining the observed phenomena.

Referring to the data table, the reliability of each variable is assessed based on Cronbach's alpha and composite reliability values. For the conversation variable, which exhibits a Cronbach's alpha value of 0.803 and a composite reliability value of 0.864, the statements used are deemed

highly reliable. Similarly, the co-creation variable demonstrates a Cronbach's alpha value of 0.840 and a composite reliability value of 0.887, indicating a high level of reliability for the statements associated with it. The customer loyalty variable also exhibits high reliability, with a Cronbach's alpha value of 0.840 and a composite reliability value of 0.887. Likewise, the currency variable displays a Cronbach's alpha value of 0.867 and a composite reliability value of 0.904, suggesting high reliability for the statements within this variable. Lastly, the experience quality variable, with a Cronbach's alpha value of 0.827 and a composite reliability value of 0.879, is characterized by statements that are considered very reliable. These findings underscore the robustness and trustworthiness of the measurement instruments employed in the study, bolstering the validity of the research outcomes.

Hypothesis Testing Results. This study has 7 research hypotheses. Based on the results of the path coefficient analysis and p-values, the results of hypothesis testing can be obtained as follows.

Table 3. Test Result Hipotesis Path Coeffience

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
(Conversation)*(Experience Quality) To (Customer Loyalty)	0.029	0.012	0.099	0.289	0.773
(Conversation)*(Currency) To (Experience Quality)	0.068	0.038	0.117	0.579	0.563
(Co-Creation)*(Experience Quality) To (Customer Loyalty)	-0.004	0.013	0.098	0.039	0.969
(Co-creation)*(Currency) To (Experience Quality)	-0.155	-0.127	0.126	1.230	0.219
(Co-Creation) To (Experience Quality)	0.398	0.391	0.121	3.299	0.001
(Conversation) To (Experience Quality)	0.170	0.207	0.117	1.452	0.147
(Experience Quality) To (Customer Loyalty)	0.338	0.330	0.101	3.365	0.001

Source: Research Data (2024)

Hypothesis Test Results 1. The first hypothesis says that the role of *conversation* carried out by Netflix video on demand services on the level of *experience quality* **is accepted** according to the acquisition of a t-statistic value of 1.452 greater than the t-table of 0.195. This test is in accordance with the theoretical study (Kotler et al., 2017) which says *conversation is* an advertising concept with two-way communication that allows customers to take the right response besides that, customers can interact with each other. The first hypothesis, aligned with the title of the study, investigates the impact of conversation facilitated by Netflix's video-on-

demand services on the level of experience quality. The hypothesis is supported by the acquisition of a t-statistic value of 1.452, which surpasses the critical t-value of 0.195.

Hypothesis Test Results 2. The second hypothesis says that the role of *co-creation* carried out by Netflix video on demand services on the level of *experience quality* **is accepted** according to the acquisition of a t-statistic value of 3.299 greater than the t-table 0.195. This test is in accordance with the theoretical study (Kotler et al., 2017)which says *co-creation* sets strategies in new product development, improves product development, and involves customers in ideas that allow customers to customize according to their wishes. The second hypothesis, pertaining to the role of co-creation in enhancing experience quality within Netflix's video-on-demand services, is supported by a t-statistic value of 3.299, surpassing the critical t-value of 0.195.

Hypothesis Test Result 3. The third hypothesis says that the role of *conversation* by Netflix services in moderating *currency* by Netflix video on demand services on *experience quality* **is accepted** according to the acquisition of a t-statistic value of 0.579 greater than the t-table 0.195. This test is in accordance with the theoretical study (Kotler et al., 2017) which states that *currency* charges each customer differently based on past purchasing behavior, travel time to the store, and other characteristics of their profile, dynamic pricing ensures maximum profit.

Hypothesis Test Results 4. The fourth hypothesis says that the role of *co-creation* by Netflix services in moderating *currency* by Netflix video on demand services on *experience quality* **is accepted** according to the acquisition of a t-statistic value of 1.230 greater than the t-table of 0.195. This test is in accordance with the theoretical study (Kotler et al., 2017) which states that *currency* charges each customer differently based on past purchasing behavior, travel time to the store, and other characteristics of their profile, dynamic pricing ensures maximum profit.

Hypothesis Test Results 5. The fifth hypothesis says that the role of *experience quality* carried out by Netflix video on demand services on the level of *customer lotalty* **is accepted** according to the acquisition of a t-statistic value of 3.365 greater than the t-table 0.195. This test is in accordance with the theoretical study (Azka & Budiono, 2022) which states that customer satisfaction is a victory over competition if the company succeeds in reaching and retaining customers, such as the main component of modern marketing thought and practice.

Hypothesis Test Result 6. The sixth hypothesis says that the role of *conversation* mediated by *experience quality* by Netflix video on demand services on the level of *customer loyalty* **is accepted** according to the acquisition of a t-statistic value of 0.289 greater than the t-table 0.195. This test is in accordance with the theoretical study (Azka & Budiono, 2022) states that customer satisfaction is a victory over competition if the company succeeds in reaching and retaining customers, such as the main component of modern marketing thought and practice.

Hypothesis Test Result 7. The seventh hypothesis says that the role of co-creation mediated by *experience quality* by Netflix video on demand services on the level of *customer loyalty* **is rejected** by obtaining a t-statistic value of 0.39 smaller than the t-table 0.195. This test is in accordance with the theoretical study (Azka & Budiono, 2022) which states that customer

satisfaction is a victory over competition if the company succeeds in reaching and retaining customers, such as the main component of modern marketing thought and practice.

R-square Evaluation Test

Table 4. R-Square Evaluation Test

Hypothesis Description	R-Square
Conversation (X1) ⟶ *Experience Quality* (M)	0.038
Co-creatin (X2) ⟶ *Experience Quality* (M)	0.165
Conversation (X1)*Currency* (Z) ⟶ *Experience Quality* (M)	0.007
Co-creation (X2)*Currency* (Z) ⟶ *Experience Quality* (M)	0.029
Experience Quality (M) ⟶ *Customer Loyalty* (Y)	0.192
Conversation (X1)*Experience Quality* (M) ⟶ *Customer Loyalty* (Y)	0.002
Co-creation (X2)*Experience Quality* (M) ⟶ *Customer Loyalty* (Y)	0.000

Source: Primary data processing results (2024)

Based on the table above, it can be explained as follows: The R-square values indicate the proportion of variance in experience quality and customer loyalty explained by the respective predictor variables. For the conversation variable, the R-square value on experience quality is 0.038, signifying a modest positive contribution to experience quality. Similarly, the co-creation variable demonstrates a higher R-square value of 0.165, indicating a more substantial positive impact on experience quality. When considering the moderation of currency, the conversation variable exhibits a minimal negative influence with an R-square value of 0.007, while the co-creation variable shows a positive effect with an R-square value of 0.029 on experience quality. Moreover, experience quality itself significantly affects customer loyalty with an R-square value of 0.192, suggesting a positive association. However, when examining the mediation of experience quality, both conversation and co-creation variables exhibit negligible negative impacts on customer loyalty, with R-square values of 0.002 and 0.000 respectively. These findings offer insights into the varying degrees of influence exerted by different variables on experience quality and customer loyalty within the context of Netflix's video-on-demand services.

4. CONCLUSION & SUGGESTION

Based on the results of the data processing and analysis, several key findings emerge regarding the relationship between currency moderation, conversation, co-creation, experience quality, and customer loyalty within the context of Netflix's video-on-demand services. 1. Conversation conducted by Netflix drives the level of experience quality, as consumers express satisfaction with the promotions and find the service easily accessible. It is essential to maintain services and ensure ease of access, thereby fostering consumer satisfaction with the provided services.

2. Co-creation set by Netflix also enhances the level of experience quality, attributed to the convenience and ease of selecting service products provided by Netflix's VoD platform. Services should be designed to facilitate ease of use and product selection, thereby enhancing the overall user experience. 3. Despite conversation efforts, it does not moderate currency on Netflix regarding experience quality. While conversation alone may have a limited effect on moderating the level of experience quality concerning currency, it is advisable to increase communication with customers to enhance understanding and interest in the service. 4. Conversely, co-creation moderates currency on Netflix regarding experience quality. Thus, maintaining services to ensure consumer satisfaction and providing a variety of movie options according to their chosen price points is recommended. 5. Experience quality significantly influences customer loyalty, as VoD Netflix services provide positive experiences that encourage usage and recommendations. Therefore, it is crucial to maintain service quality to ensure that consumers have positive experiences with Netflix, thereby fostering loyalty and potential recommendations. 6. However, conversation alone cannot mediate experience quality to the level of customer loyalty. Hence, maximum communication efforts should be directed towards consumers to ensure satisfaction with the chosen service. 7. Similarly, co-creation alone cannot mediate experience quality to the level of customer loyalty. Strengthening services and providing understandable information to satisfy consumer experiences is recommended to enhance loyalty levels.

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