THE EFFECT OF SOCIAL MEDIA MARKETING AND SERVICE QUALITY ON PURCHASE DECISIONS ON NETFLIX STREAMING SERVICES WITH PERCEPTION MEDIATION

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ARTICLE INFO	ABSTRACT
Keywords: *Purchase Decision,* *Service Quality,* *Brand Perception,* *Social Media Marketing.*	The purpose of this study is to analyze the effect of social media marketing and service quality on purchasing decisions on Netflix streaming services by mediating brand perception. The analytical method in this study uses qualitative primary data. The data used in this study using a questionnaire instrument and valid data collected as many as 120 respondents. The sampling method in this research is purposive sampling. The analytical tool used is PLS (Partial Least Square). The test stages carried out are: convergent validity test, discriminant validity test, composite reliability test, Cronbach's alpha test, coefficient of determination test (R2), predictive relevance (Q^2), goodness of fit (GoF) and hypothesis testing. The testing tool used is SmartPLS. The results show that social media marketing and service quality affect brand perceptions, but social media marketing does not affect purchasing decisions, service quality and brand perceptions affect purchasing decisions, social media marketing and service quality affect purchasing decisions by mediating brand perceptions.
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1. INTRODUCTION

The development of information and communication technology is currently growing rapidly. The existence of information and communication technology really helps humans in carrying out every activity, even now humans tend to have dependence on existing technology. Advances and developments in technology at this time is something that cannot be avoided in a life.

In the era of developing information technology development, especially the internet, it has a good impact on internet users. One of them is a movie streaming service which is a new habit for people during the Covid-19 pandemic. Since the Covid-19 pandemic in early 2020 that entered Indonesia, it has stopped several activities and restrictions such as watching movies in cinemas, making several online viewing services crowded.

One of the streaming services in Indonesia is Netflix. Netflix is a subscription-based streaming service that allows subscribed members to watch TV shows and movies without an internet connection (https://help.netflix.com) and can also download TV shows and movies without an internet connection. Netflix arrived in Indonesia in January 2016 and has become one of the most popular streaming services. Netflix was founded in 1997 by Reed Hasting and Marc Randolph whose headquarters are in Los Gatos, California. The following is the user data for the Netflix streaming service.

The number of Netflix subscribers from the fourth quarter of 2019 to the fourth quarter of 2021 continues to increase. The number of Netflix subscribers has increased significantly every quarter especially during the Covid-19 pandemic. This happens because many people spend time watching streaming services when social restrictions occur. In the fourth quarter of 2021, the number of Netflix subscribers was 221.84 million people, an increase of 8.93% compared to the same quarter in the previous year, which was 203.66 million people [1]

According to [2] Social media marketing is any form of direct or indirect marketing used to build awareness, recognition, recall, and taking action on a brand, business, product, person, or other thing that is packaged using tools on the social web, such as blogging. , microblogging, social networking, social bookmarking and content sharing. Netflix uses some of the latest movie trailers to promote it. Marketing for the Netflix streaming service is carried out by utilizing social media, one of which is trending on Twitter and Instagram stories. The social media marketing factor is a key factor in every purchase. Because in other

words, if there is no social media marketing, then there will be no purchase. Based on the results of previous research by [3] which shows that social media marketing has a positive and significant effect on purchasing decisions.

According to [4] Service quality is the expected level of excellence and control over that level of excellence to meet customer desires. The quality of service provided by Netflix is viewing convenience for subscribed users with a call center feature that ensures user comfort if there are problems while watching. The service quality factor is also one of the keys to purchasing. Service quality is defined as the extent to which people believe that the services provided are good. Based on the results of previous research by [5] which shows that service quality has a positive and significant effect on purchasing decisions.

According to [6] Purchasing decision is a decision stage where consumers actually buy a product. With the ban from the government, such as a ban on watching movies in cinemas. People who have entertainment needs will switch to watching movies using streaming services. Purchasing decision factor is also one of the key purchases. Because the purchase decision is the customer's final decision to buy with certain considerations. Based on the results of previous research by Piramita, Hannan & Purba (2021) which showed that social media marketing and service quality have a positive and significant effect on purchasing decisions by mediating brand perception.

According to [6] Perception is the process by which we select, organize, and interpret information inputs to create a meaningful picture of the world. According to [6] Brand is a name, term, sign, symbol, design, or a combination of all which is intended to identify goods or services from one or a group of sellers to differentiate from other competitors. The brand perception factor is no less important in making a purchase. Brand perception is the customer's perception of what they believe in the product or service they buy. Based on the results of previous research by [3] which shows that brand perception has a positive and significant effect on purchasing decisions. Based on this phenomenon, this study aims to analyze the effect of social media marketing and service quality on purchasing decisions on the Netflix streaming service mediated by brand perception.

2. METHOD
2.1 Type and Data Source

This type of research is associative research, the data used are primary data obtained directly by distributing questionnaires in the form of a Google Form to users of the Netflix streaming service. To answer each statement, the questionnaire used a Likert scale from strongly disagree to strongly agree. Using a non-probability sampling technique with a purposive sampling method, with the criteria of male and female respondents aged 17 years and over, users of the Netflix streaming service. In determining the minimum sample size, theory was used [7] minimum sample = (number of indicators + number of latent variables) x (5)= (18 + 4) x (5) = 110 respondents, while the maximum sample = (number of indicators + number of latent variables) x (10) = (18 + 4) x (10) = 220 respondent. Based on this formula, the minimum sample size in this study is 110 respondents, while the maximum sample size in this study is 220 respondents who use the Netflix streaming service. The measurement of research variables can be seen in Table 1.

Table 1. Measurement of Research Variables

Variable	Definition	Indicator	Reference
Social Media Marketing	Any form of direct or indirect marketing used to build awareness, recognition, recall, and taking action for a brand, business, product, person, or other thing.	Content Creation, Content Sharing, Connecting, Community Building Web.	[2] [2]
Service quality	Expected level of excellence and control over that level of excellence to meet customer desires.	Tangible, Empathy, Responsiveness, Reliability, Assurance.	[6] [6]
Buying decision	Purchasing decision is a decision stage where consumers actually buy a product.	Brand Selection, Dealer Selection Decisions, Purchase Quantity Decisions, Purchase Timing Decisions, Method Decisions.	[6] [6]

2.2 Analysis Method

The data analysis method used in this study is PLS (Partial Least Square). There are two test phases, namely the outer model and the inner model. The outer model consists of convergent validity tests, discriminant validity tests, composite reliability tests, and Cronbach's alpha tests, while the inner model consists of tests of the coefficient of determination (R2), predictive relevance (Q^2), goodness of fit (GoF) and hypothesis testing.

3. RESULT AND DISCUSSION

The first discussion is the characteristics of respondents. From the results of distributing questionnaires in the form of a Google form to the general public who use the Netflix streaming service through social media (Instagram and Twitter). The results obtained to answer the research problem are that respondents who use the Netflix streaming service a lot are women, aged 20-25 years, use the Netflix streaming service 2-3 times, the majority are students/students, earn > IDR 3,000,000.

3.1 Measurement Model Analysis (Outer Model)
3.1.1 Convergent Validity

According to [8] The convergent validity test indicator is the loading factor value for each construct indicator. The loading factor value is the correlation between item scores and construct scores. The loading factor value that is commonly used to assess convergent validity is above 0.7. In this study all indicators on social media marketing variables, service quality, purchasing decisions and brand perceptions were declared valid because they had an outer loading value greater than 0.7 so it could be concluded that the research indicators were said to be good so that they could proceed to the next stage.

3.1.2 *Discriminant Validity*

According to [9] The discriminant validity test indicator is the cross loading value. The cross loading value must show a number > 0.70 for each variable. Discriminant validity is said to be good if the square root of the AVE for each construct is greater than the correlation between the constructs in the model.

Based on the results of the analysis using SmartPLS, it can be stated that the cross loading value of social media marketing indicators is greater than the cross loading of other latent variables because it ranges from 0.725 to 0.849, thus all indicators on social media marketing are declared fit or good. The cross-loading value of service quality indicators is greater from the cross loading of other latent variables because it ranges from 0.711 to 0.860, thus all indicators on service quality are declared fit or good. The cross-loading value of the purchase decision indicator is greater than the cross loading of other latent variables because it ranges from 0.753 to 0.852, thus all indicators on the purchase decision are declared fit or good. The cross-loading value of the brand perception indicator is greater than the cross loading of other latent variables because it ranges from 0.740 to 0.847, thus all indicators on brand perception are declared fit or good.

Table 2. Average Variance Extracted (AVE) Value

Variabel	*Average Variance Extrac*ted (AVE)
Social Media Marketing (X₁)	0,622
Service Quality (X₂)	0,640
Buying Decision (Y)	0,657
Brand Perception (Z)	0,664

In Table 2. it can be seen that all constructs have an AVE value > 0.5. Thus it can be concluded that each variable in this study has discriminant validity which is declared fit or good.

3.1.3 *Composite Reability*

According to [9] Composite Reability is an indicator to measure a construct that can be seen in the latent variable coefficients view. This test is used to determine the reliability of a variable with the criteria that it must have a value of > 0.70.

Table 3 Composite Reability Test Results

Variabel	*Composite Reliability*
Social Media Marketing (X₁)	0,929
Service Quality (X₂)	0,946
Buying Decision (Y)	0,950

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Brand Perception (Z)	0,940

Table 3 shows that the composite reliability value for each variable is > 0.70. So it can be concluded that the statements used in this study to measure each variable stated that all variables have a high level of reliability.

3.1.4   *Cronbach's Alpha*
According to [9], Cronbach's Alpha is a reliability test that is used to strengthen the composite reliability results. A variable can be declared reliable if it has a Cronbach's alpha value > 0.7.

Table 4. Cronbach's Alpha Test Results

Variabel	*Cronbach's Alpha*
Social Media Marketing (X_1)	0,913
Kualitas Pelayanan (X_2)	0,937
Keputusan Pembelian (Y)	0,942
Persepsi Merek (Z)	0,927

Table 4 shows that the Cronbach's alpha value for each variable is > 0.70. So it can be concluded that the statements used in this study to measure each variable are stated to be reliable so that it can be concluded that all variables have a high level of reliability.

3.2   Structural Model Analysis (Inner Model)
3.2.1   Coefficient of Determination (R2)
The R2 test (Coefficient of Determination) was carried out to see the effect of exogenous latent variables on endogenous variables having a considerable influence.

Table 5 Test Results for the Coefficient of Determination

Variable	R Square	R Square Adjusted
Buying Decision (Y)	0,614	0,604
Brand Perception (Z)	0,543	0,535

Source: Questionnaire processed with SmartPLS, 2022

Based on the test results in table 5 above, it shows that the adjusted R2 value for the purchase decision variable is 0.604 or 60.4%. This value indicates that the purchase decision variable can be explained by social media marketing and service quality variables of 60.4% and the remaining 39.6% is explained by other variables not present in this study. The adjusted R2 value for the brand perception variable is 0.535 or 53.5%. This value indicates that brand perception can be explained by social media marketing and service quality variables of 53.5% and the remaining 46.5% is explained by other variables not present in this study.

3.2.2   Predictive Relevance (Q^2)
In addition to looking at the R square value, the PLS model is also seen from the evaluation by looking at the predictive Q-Square of relevance for the constructive model. Q-square can measure how well the observed values produced by the model and its parameter estimates.

Table 6 Predictive Relevance Test Results

Variabel	Q Square
Buying Decision (Y)	0,392
Brand Perception (Z)	0,348

Source: Questionnaire processed with SmartPLS, 2022

Based on the results in table 6 above, it shows that the Q-square value for the purchase decision variable is 0.392 and for the brand perception variable is 0.348. So it can be concluded that the model in this study has a relevant predictive value, because the Q-square value in this study is > 0 which indicates that the model has a predictive relevance value.

3.2.3 Goodness Of Fit (GoF)

According to [9] The goodness of fit test is used to evaluate structural models and measurement models, by providing a simple measure of the overall predictions of the model. The results of calculating the value of goodness of fit are as follows:

$$GoF = \sqrt{\overline{AVE} \times \overline{R^2}}$$
$$= \sqrt{0,646 \times 0,579}$$
$$GoF = 0,612$$

Based on the calculation results above, the goodness of fit value is 0.612. This shows that the GoF value in this study is included in the GoF large criteria. According to [9], the GoF value criteria are 0.10 (GoF small), 0.25 (GoF medium), and 0.36 (GoF large).

3.2.4 Hypothesis testing

This test is to see the relationship between variables carried out with PLS using the bootstrapping method. The following is the output of bootstrapping using the SmartPLS software.
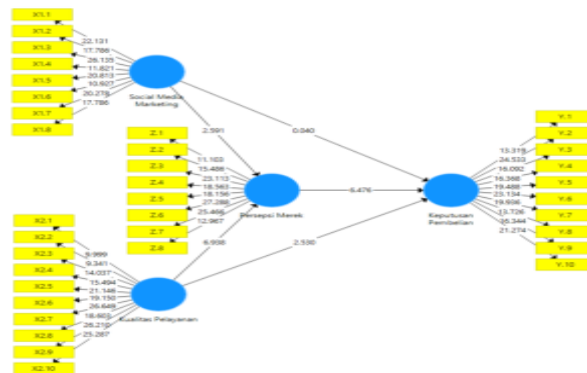

Figure 1. Bootstrapping output

According to [10] The requirements for testing the hypothesis are T-Statistics > 1.96 and P-Value <0.05 which can be seen in the following table:

Table 7. Direct Effect Test

Relations Between Variables	Original Sample (O)	T Statistics	P Values	Information
Social Media Marketing ->Brand Perception	0,191	2,591	0,010	Take effect
	0,607	6,938	0,000	Take effect
Quality of Service -> Brand Perception				No effect
	0,003	0,040	0,968	
	0,252	2,530	0,012	Take effect
Social Media Marketing -> Purchase Decision	0,580	6,476	0,000	Take effect

Source: Questionnaire processed with SmartPLS, 2022

H1: Social Media Marketing Influences Brand Perceptions on Netflix Streaming Services

Based on the results of tests that have been carried out on the influence of social media marketing on brand perception, the result is a T-Statistic ≥ 1.96, namely 2.591 and a P-value ≤ 0.05, which is 0.010. This value indicates that the results obtained have met the requirements so that it can be stated that H1 is accepted and states that social media marketing has a positive and significant effect on brand perception.

H2: Quality of Service Affects Brand Perception on Netflix Streaming Services

Based on the results of the tests that have been carried out, the effect of service quality on brand perception results in a T-Statistic ≥ 1.96, namely 6.938 and a P-value ≤ 0.05, which is 0.000. This value

indicates that the results obtained have met the requirements so that it can be stated that H2 is accepted and states that service quality has a positive and significant effect on brand perception.

H3: Social Media Marketing Influences Purchase Decisions on Netflix Streaming Services
Based on the results of tests that have been carried out on the influence of social media marketing on purchasing decisions, the results of the T-Statistic ≤ 1.96 are 0.040 and the P-value ≥ 0.05 is 0.968. This value indicates that the results obtained do not meet the requirements so that it can be stated that H3 is rejected and states that social media marketing has no significant effect on purchasing decisions.

H4: Quality of Service Affects Purchase Decisions on Netflix Streaming Services
Based on the results of the tests that have been carried out, the effect of service quality on purchasing decisions obtains a T-Statistic ≥ 1.96, namely 2.530 and a P-value ≤ 0.05, which is 0.012. This value indicates that the results obtained have met the requirements so that it can be stated that H4 is accepted and states that service quality has a positive and significant effect on purchasing decisions.

H5: Brand Perception Influences Purchase Decisions on Netflix Streaming Services
Based on the results of tests that have been carried out on the influence of brand perception on purchasing decisions, the results of the T-Statistic ≥ 1.96 are 6.476 and the P-value ≤ 0.05 is 0.000. This value indicates that the results obtained have met the requirements so that it can be stated that H5 is accepted and states that brand perception has a positive and significant effect on purchasing decisions.

Table 8. Indirect Influence Test

Hubungan Antar Variabel	Original Sample (O)	T Statistics	P Values	Information
Social Media Marketing -> Brand Perception -> Purchase Decision	0,110	2,336	0,020	Take effect
Service Quality -> Brand Perception -> Purchase Decision	0,352	4,279	0,000	Take effect

Source: Questionnaire processed with SmartPLS, 2022

H6: Brand Perception Mediates the Relationship between Social Media Marketing and Purchase Decisions on Netflix Streaming Services
Based on the results of tests that have been carried out on the influence of social media marketing on purchasing decisions through brand perception, the results of the T-Statistic ≥ 1.96 are 2.336 and the P-value ≤ 0.05 is 0.020. This value indicates that the results obtained have fulfilled the requirements so that it can be stated that H6 is accepted and states that social media marketing has a positive and significant effect on purchasing decisions by mediating brand perceptions.

H7: Brand Perception Mediates the Relationship between Service Quality and Purchase Decision on Netflix Streaming Services
Based on the results of tests that have been carried out on the effect of service quality on purchasing decisions through brand perception, the results of the T-Statistic ≥ 1.96 are 4.279 and the P-value ≤ 0.05 is 0.000. This value indicates that the results obtained have met the requirements so that it can be stated that H7 is accepted and states that service quality has a positive and significant effect on purchasing decisions mediated by brand perception.

4. CONCLUSION
The results showed that social media marketing and service quality had an effect on brand perception, but social media marketing had no effect on purchasing decisions, service quality and brand perception had an effect on purchasing decisions, social media marketing and service quality had an effect on purchasing decisions by mediating brand perception.

Netflix should be able to improve and maintain service quality and brand perception because it has the greatest influence on purchasing decisions. Social media marketing does not show a significant effect

on purchasing decisions, therefore companies must pay more attention to social media marketing by developing their social media marketing so that customers increase more.

The implication of this research is that Netflix also has to increase social media marketing accounts on many platforms so that customers can reach a wider range of Netflix such as the latest movies or series. Display on Netflix needs to be improved with a layout of features that are easy for customers to understand to create customer interest when viewing or opening it. Netflix must also be able to provide customers with a different experience when they use the Netflix streaming service and must be able to maintain a feeling of pleasure or pride for customers towards Netflix by releasing the latest films so customers don't feel bored.

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