

# Product Quality and Price on Resubscribe Intention through Customer Satisfaction as a Mediating Variable

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## Abstract

This study aims to explore the influence of product quality and price on resubscribe intention with customer satisfaction as a mediating variable in SVoD service, namely Amazon Prime Video. This study applied a quantitative approach with a data collection method in the form of a survey with a questionnaire as the research instrument. The population in this study are people who live in Jabodetabek and have used or are currently using the Amazon Prime Video streaming service. The analysis technique used in this study is the SEM-PLS (Partial Least Squares) method with a calculating tool, namely SmartPLS version 4, to assess validity, reliability, and test research hypotheses. The results of this research show that: 1) product quality influences customer satisfaction, 2) price influences customer satisfaction, 3) product quality influences resubscribe intention, 4) price influences resubscribe intention, 5) customer satisfaction influences resubscribe intention, 6) product quality influences resubscribe intention, mediated by customer satisfaction, and 7) price influences resubscribe intention, mediated by customer satisfaction. This study is expected to contribute to developing knowledge about customer behavior, especially for researchers who are interested in analyzing the relationship and influence of product quality and price on resubscribe intention through customer satisfaction.

**Keyword:** product quality; price; resubscribe intention; customer satisfaction; subscription video on demand

## 1. Introduction

The development of the world of entertainment which has been integrated with technology has led to changes in human lifestyles in consuming media services to enjoy their free time. One of them is the SVoD (Subscription Video On-Demand) service which has become the most popular service in recent years and is increasingly popular during the COVID-19 pandemic where everyone chose to enjoy entertainment content online. Based on We Are Social (2024), 30.1% of internet users globally are currently willing to spend money on SVoD subscriptions every month in 2023 and Indonesia was recorded in 13th place with a percentage of SVoD or video streaming service users of 95.6%.

## 2. Literature Review

### 2.1 Product Quality

Kotler & Armstrong (in Anwar, 2015) state that product quality determined by its capacity to perform its intended function, which includes its ease of use, dependability,

accuracy, durability, and maintenance. Meanwhile, Kotler & Keller (in Kusuma, 2015) emphasize that product quality is not only about basic functions, but also about the ability of a product or service to provide an experience that exceeds customer expectations.

## **2.2 Price**

According to Kotler & Keller (in Azkiya, 2022) price is the sum of money or value that used by customers to obtain benefits, ownership, or the ability to utilize a product or service. Meanwhile, Hasan (in Pratiwi et al., 2019) stated that price is the total financial costs incurred by consumers for the entire value received, including ownership, use of goods and various related services. Efendi (in Nisrina & Usman, 2021) also added that price is the sum of money that is transacted to get benefits from a product or service.

## **2.3 Customer Satisfaction**

Customer satisfaction according to Kotler & Keller (in Kusuma, 2015) is a customer's sense of satisfaction or dissatisfaction when they compare the performance (result) of a product to their expectations. Furthermore, Chang, et al. (in Albi et al., 2021) defines customer satisfaction as the reaction that arises after using and evaluating a particular product or service.

## **2.3 Resubscribe Intention**

In general, subscription intention is a condition where consumers are interested and willing to buy a product at a certain time (Tanamee et al., 2022). Subscription intention is a plan to reflect the desire to subscribe to a particular product or service. Therefore, businessman needs to pay attention to consumers' subscription desires to predict future subscription intention.

## **3. Material and Method**

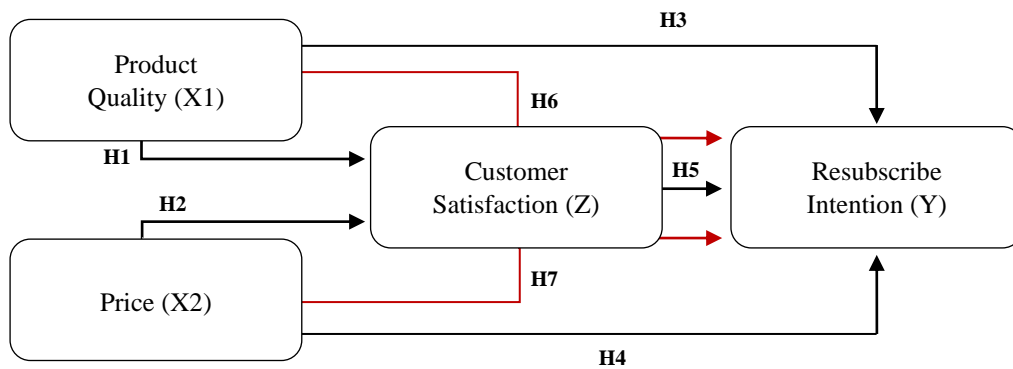
### **3.1 Design Study**

This study used positivist-based quantitative methods. Sugiyono (2019), states that this method is used to study specific populations or samples by gathering information via the use of research instruments and assessing it in order to verify assumptions. A purposive sampling technique was used to choose the sample, which takes specific factors into account (Sugiyono, 2019). As a result, 100 respondents with the criteria of have used or are currently using Amazon Prime Video in Jabodetabek are needed as samples for this study. For data collection, this study used observation and survey methods in the form of questionnaires, the results of which were then processed by testing predetermined hypotheses.

### **3.2 Data Analysis**

The SEM PLS technique was used in this study to analyze data, which was separated into two: measurement model (outer model) and structural model (inner model). Convergent and discriminant validity are the two components of the validity test in measurement model. This data is then analyzed with SmartPLS 4.0 to determine the asses of the correlation between variables.

**Figure 1. Research Model**



#### 4. Result

By using the SEM PLS model that been carried out using SmartPLS 4.0, the results obtained are as described below.

##### 4.1 Outer Model

**Table 1. Outer Loadings**

Indicators	P	CS	PQ	RI
PQ1			0.734	
PQ2			0.760	
PQ3			0.726	
PQ4			0.710	
PQ5			0.724	
PQ6			0.736	
PQ7			0.743	
P1	0.732			
P2	0.789			
P3	0.811			
RI1				0.795
RI2				0.710
RI3				0.760
RI4				0.721
RI5				0.765
CS1		0.794		
CS2		0.772		
CS3		0.782		

Based on the table above, the overall indicator coefficient has reached the recommended value in convergent validity, which is  $>0.70$ . As a result, the indicators in this study are valid.

**Table 2.** AVE

Variables	Average Variance Extracted (AVE)
<b>P</b>	0.626
<b>CS</b>	0.639
<b>PQ</b>	0.538
<b>RI</b>	0.563

The table above demonstrates that all variables have reached the AVE value which is  $>0.5$ , indicating that the results are valid.

**Table 3.** Fornell-Lacker Criterion

Variables	P	CS	PQ	RI
<b>P</b>	0.248	0.425	0.734	0.444
<b>CS</b>	0.390	0.448	0.760	0.506
<b>PQ</b>	0.312	0.413	0.726	0.454
<b>RI</b>	0.390	0.325	0.710	0.502

Based on the table above, demonstrates that all variable has reached discriminant validity in fornell-lacker criterion, which occurs when one value has a greater value than the others.

**Table 4.** Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability
<b>P</b>	0.702	0.721
<b>CS</b>	0.717	0.721
<b>PQ</b>	0.857	0.858
<b>RI</b>	0.806	0.809

Based on the table above, demonstrates that all variables for composite reliability are  $>0.70$  and Cronbach's alpha are  $>0.60$ , indicating that the results are valid and reliable.

## 4.2 Inner Model

**Table 5.** R-Square

Variables	R-square	Percent	Prediction
<b>CS</b>	0.408	40.8%	Moderate
<b>RI</b>	0.638	63.8%	Moderate

Based on the table above, Customer Satisfaction is moderately explained by Price and Product Quality at 40.8%. Meanwhile, Resubscribe Intention is moderately explained by Price, Product Quality and Customer Satisfaction at 63.8%.

**Table 6.** Path Coefficient & Specific Indirect Effect

Variables	Original Samples (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
<b>Path Coefficient</b>					
<b>PQ → CS</b>	0.383	0.392	0.088	4.345	0.000
<b>PQ → RI</b>	0.358	0.361	0.069	5.153	0.000
<b>P → RI</b>	0.356	0.346	0.088	4.049	0.000
<b>P → CS</b>	0.351	0.355	0.089	3.957	0.000
<b>CS → RI</b>	0.244	0.246	0.067	3.624	0.000
<b>Specific Indirect Effect</b>					
<b>P → CS → RI</b>	0.085	0.087	0.032	2.649	0.009
<b>PQ → CS → RI</b>	0.093	0.097	0.038	2.488	0.015

The table above, demonstrates that the overall variables have a significant effect on one another, with t-statistics >1.95 and p values <0.05. This also indicates that Customer Satisfaction significantly influences other variables.

## 5. Discussion

### 5.1 The influence of Product Quality on Customer Satisfaction

The results above demonstrate the acceptance of H1 where the t-statistic is 4.345>1.95 and p value is 0.000<0.50, which indicate that customer satisfaction is positively and significantly influenced by product quality.

### 5.2 The influence of Price on Customer Satisfaction

The results above demonstrate the acceptance of H2 where the t-statistic 3.957>1.95 and p value 0.000<0.05, which indicate that customer satisfaction is also positively and significantly influenced by price. These findings support the research of Delima et al. (2019); Kusuma (2015); and D. A. Sari & Mayasari (2022). This implies that establishing a price that corresponds to product quality can increase customer satisfaction when making a purchase.

### 5.3 The influence of Product Quality on Resubscribe Intention

The results above demonstrate the acceptance of H3 where the t-statistic 5.153>1.95 and p value 0.000<0.05, which indicate that resubscribe intention is positively and significantly influenced by product quality. These findings support the research of Tanamee et al. (2022); Faradiba & Astuti (2013);

#### **5.4 The influence of Price on Resubscribe Intention**

The results above demonstrate the acceptance of H4 where the t-statistic  $4.049 > 1.95$  and p value  $0.000 < 0.05$ , which indicate that resubscribe intention is also positively and significantly influenced by price. These findings support the research of R. K. Sari & Hariyana (2019); Fahlefi et al. (2023); and Sinambela (2019). This implies that customers are likely to consider a product's pricing, is it match their demands and reasonable or no before making another purchase.

#### **5.5 The influence of Customer Satisfaction on Resubscribe Intention**

The results above demonstrate the acceptance of H5 where the t-statistic  $3.624 > 1.95$  and p value  $0.000 < 0.05$ , which indicate that resubscribe intention is also positively and significantly influenced by customer satisfaction.

#### **5.6 The influence of Product Quality on Resubscribe Intention through Customer Satisfaction**

The results above demonstrate the acceptance of H6 where the t-statistic  $2.488 > 1.95$  and p value  $0.015 < 0.05$ , which indicate that resubscribe intention is positively and significantly influenced by product quality through customer satisfaction.

#### **5.7 The influence of Price on Resubscribe Intention through Customer Satisfaction**

The results above demonstrate the acceptance of H7 where the t-statistic  $2.649 > 1.95$  and p value  $0.009 < 0.05$ , which indicate that resubscribe intention is also positively and significantly influenced by price through customer satisfaction.

### **6. Conclusion, Implication, and Recommendation**

#### **6.1 Conclusion**

Based on the results above, these are the conclusions that can be drawn from this study and analysis product quality has a positive and significant influence on customer satisfaction, indicated by the values obtained in t-statistic  $4.345 > 1.95$  and p value  $0.000 < 0.05$ . H1 is considered acceptable. Price has a positive and significant influence on customer satisfaction, indicated by the values obtained in t-statistic  $3.957 > 1.95$  and p value  $0.000 < 0.05$ . H2 is considered acceptable. Product quality has a positive and significant influence on resubscribe intention, indicated by the values obtained in t-statistic  $5.153 > 1.95$  and p value  $0.000 < 0.05$ . H3 is considered acceptable. Price has a positive and significant influence on resubscribe intention, indicated by the values obtained in t-statistic  $4.049 > 1.95$  and p value  $0.000 < 0.05$ . H4 is considered acceptable. Customer satisfaction has a positive and significant influence on resubscribe intention, indicated by the values obtained in t-statistic  $3.624 > 1.95$  and p value  $0.000 < 0.05$ . H5 is considered acceptable. Product quality has a positive and significant influence on resubscribe intention through customer satisfaction, indicated by the values obtained in t-statistic  $2.488 > 1.95$  and p value  $0.015 < 0.05$ . H6 is considered acceptable. Price

has a positive and significant influence on resubscribe intention through customer satisfaction, indicated by the values obtained in t-statistic  $2.649 > 1.95$  dan p value  $0.009 < 0.05$ . H7 is considered acceptable.

## 6.2 Implication

There are several implications in understanding of how product quality and price affecting customer's desire to repurchase or resubscribe through satisfaction, that is Provide information that consumer's willingness to resubscribe to a streaming service, like Amazon Prime Video, is significantly influenced by their level of happiness.

## 6.3 Recommendation

Based on the conclusions above, there are several recommendations that can be given to future researchers to perfect the research are as follows It is anticipated that future studies on the same topic will be able to develop the variables used in the study to strengthen the analysis and obtain more comprehensive results. In order to support more in-depth studies, it is advised for future researchers to hone their abilities in gathering data from various sources.

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