

EFFECT OF SWITCHING BARRIER, PERCEIVED VALUE, AND CUSTOMER EXPERIENCE ON NETFLIX CUSTOMER LOYALTY IN MADIUN

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Abstract

This research sets out to examine how Switching Barrier, Perceived Value, and Customer Experience separately and in combination shape Customer Loyalty among Netflix Premium Subscription subscribers in Madiun. A quantitative survey design was applied, drawing on 385 respondents recruited through purposive sampling, with the minimum sample size calculated using the Lemeshow formula. Data were gathered via a four-point Likert-scale questionnaire and subsequently processed through instrument testing, classical assumption testing, multiple linear regression, t-tests, F-tests, and the coefficient of determination (R^2), all carried out with IBM SPSS. The findings confirm that Switching Barrier, Perceived Value, and Customer Experience each contribute a positive and significant effect on Customer Loyalty, whether examined individually or together. An R^2 value of 0.619 shows that these three variables jointly account for 61.9% of the variation in Customer Loyalty, leaving the remaining 38.1% attributable to factors beyond the model. In practical terms, as switching barriers grow stronger, perceived value rises, and customer experience improves, the loyalty shown by Netflix Premium Subscription users tends to increase as well.

Keywords: Switching Barrier, Perceived Value, Customer Experience, Customer Loyalty, Netflix.

A. INTRODUCTION

Entertainment consumption has changed considerably over the past decade as information and communication technology continues to advance, with audiences increasingly turning from conventional formats such as television and DVDs to flexible, internet-based platforms. Netflix illustrates this shift clearly, offering on-demand access to a broad content catalog free from fixed schedules, in line with a wider move toward more practical, personalized, technology-driven consumption habits (Petit et al., 2021).

This growth reflects more than technological progress; it also stems from evolving consumer expectations around convenience and experience. Netflix has secured a leading global position through exclusive content and an adaptive recommendation algorithm (Caputo et al., 2021), while in Indonesia, rising internet penetration reaching 79.5% of the population by 2024 (Santika, 2024) has further accelerated adoption of digital streaming.

As an advertising-free subscription video-on-demand (SVOD) provider available across smartphones, tablets, and smart TVs, Netflix faces intensifying competition from rivals such as Disney+, Amazon Prime Video, and HBO Max, which broadens consumer choice and heightens the risk of switching (Khalifa & Shukla, 2021). This is compounded by subscription fatigue, as consumers paying for several services at once increasingly reassess which to keep once perceived value no longer justifies the cost.

Amid this competition, streaming providers need a clear understanding of what sustains customer loyalty, which matters not only for daily business continuity but also for defending market share. Switching Barrier the financial, practical, or emotional obstacles customers weigh before leaving a provider is a key driver of loyalty; for Netflix users, this often means reluctance to lose viewing history, personalized recommendations, and platform familiarity.

Customers also weigh Perceived Value, judging content quality, catalog breadth, streaming performance, and fee fairness against what they receive. Customer Experience adds a further layer the emotional, cognitive, and behavioral impressions formed through interactions such as navigation, interface design, connection speed, and recommendation accuracy which, when positive, builds comfort and sustains long-term engagement.

Drawing on this context, the present study examines how Switching Barrier, Perceived Value, and Customer Experience, individually and jointly, influence Customer Loyalty among Netflix Premium Subscription users in Madiun, aiming to generate empirical evidence to guide marketing strategies for strengthening loyalty in the digital subscription sector.

Switching Barrier

Switching Barrier refers to the perceived monetary, practical, or emotional obstacles that make customers hesitant to leave their current provider (Khairia et al., 2025). For Netflix, this

often means reluctance to lose viewing history, personalized recommendations, and interface familiarity.

Perceived Value

Perceived Value reflects how customers weigh the benefits received against the cost paid, encompassing quality, tangible benefits, and overall service experience beyond price alone (Rinaldi, 2025).

Customer Experience

Customer Experience denotes the overall emotional, cognitive, and behavioral impression a customer forms through accumulated touchpoints with a company; a favorable experience tends to cultivate satisfaction and deeper engagement (Udayana et al., 2022).

Customer Loyalty

Customer Loyalty represents a customer's sustained commitment to a product or service, shown through repeat use, favorable attitudes, and willingness to recommend, and typically shaped by accumulated positive experience, perceived value, and satisfaction (Paulose & Shakeel, 2022).

Conceptual Framework

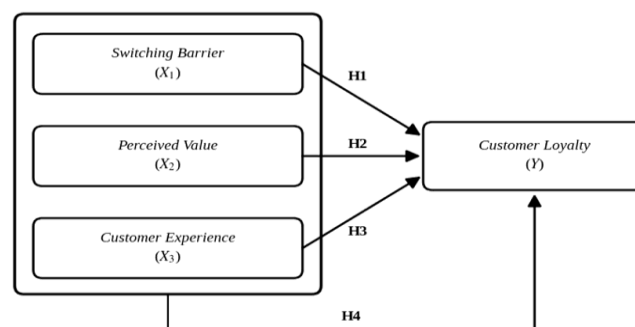


Figure 1. Conceptual Framework (H4: X₁, X₂, X₃ simultaneously → Y)

Source: modified from NPE Nopritayani (2023), Fettry & Ali (2023), and Abidin & Ramli (2025).

Hypothesis

Drawing on the background outlined above and insights from prior studies, the hypotheses guiding this research are formulated as follows:

H1 : Switching Barrier is predicted to exert a positive and significant influence on Customer Loyalty among Netflix Premium Subscription users in Madiun.

H2 : Perceived Value is predicted to exert a positive and significant influence on Customer Loyalty among Netflix Premium Subscription users in Madiun.

H3 : Customer Experience is predicted to exert a positive and significant influence on Customer Loyalty among Netflix Premium Subscription users in Madiun.

H4 : Switching Barrier, Perceived Value, and Customer Experience, taken together, are predicted to exert a positive and significant influence on Customer Loyalty among Netflix Premium Subscription users in Madiun.

B. METHOD

This study adopts a quantitative, causal-associative survey design testing how Switching Barrier (X1), Perceived Value (X2), and Customer Experience (X3) relate to Customer Loyalty (Y), with data collected in Madiun, Indonesia, from active Netflix Premium Subscription users.

As the exact number of Netflix Premium subscribers in Madiun was unknown, the Lemeshow (1997) formula was used to compute the minimum sample size (95% confidence level, $Z = 1.96$; estimated proportion 0.5; 5% margin of error), yielding a minimum of 384.16, rounded up to 385. Respondents were recruited through purposive sampling based on: (1) willingness to participate, (2) minimum age of 17, (3) residence in Madiun City or Regency, (4) active use of a Netflix Premium Subscription, (5) at least three consecutive months of use, and (6) having watched content on Netflix within the past month.

Primary data were gathered through an online questionnaire distributed via Google Forms, using a four-point Likert scale (1 = Strongly Disagree to 4 = Strongly Agree) to measure Switching Barrier, Perceived Value, Customer Experience, and Customer Loyalty, and analyzed with IBM SPSS. The instrument first underwent validity and reliability checks, followed by classical assumption tests (normality, multicollinearity, heteroscedasticity), before hypothesis testing via multiple linear regression, the partial t-test, the simultaneous F-test, and the coefficient of determination (R^2).

C. RESULTS AND DISCUSSIONS

Normality Test

Ghozali (2018) notes that regression residual normality can be checked via the One-Sample Kolmogorov-Smirnov test, with residuals deemed normal when the Asymp. Sig. value exceeds 0.05.

Table 1. Normality Test

One-Sample Kolmogorov-Smirnov Test	Unstandardized Residual
N	385
Mean	0.0000000
Std. Deviation	2.45392698
Test Statistic	0.039
Asymp. Sig. (2-tailed)	0.191

Source: Primary data processed with SPSS, 2026.

As shown in Table 1, the Asymp. Sig. (2-tailed) value of 0.191 comfortably exceeds the 0.05 threshold, confirming the residuals are normally distributed and clearing the model for further testing.

Multicollinearity Test

A multicollinearity check ruled out excessive correlation among the independent variables; under standard criteria, a model is free of multicollinearity when Tolerance exceeds 0.10 and VIF stays below 10.

Table 2. Multicollinearity Test

Variable	Tolerance	VIF	Remarks
Switching Barrier (X1)	0.736	1.359	No multicollinearity
Perceived Value (X2)	0.729	1.372	No multicollinearity
Customer Experience (X3)	0.693	1.442	No multicollinearity

Source: Primary data processed with SPSS, 2026.

As Table 2 shows, every variable records a Tolerance above 0.10 and a VIF below 10, so the multicollinearity assumption is met.

Heteroscedasticity Test

Heteroscedasticity was examined using the Glejser test, which regresses absolute residuals against the independent variables; a model is free of heteroscedasticity when each variable's significance exceeds 0.05.

Table 3. Heteroscedasticity Test (Glejser)

Model	B	Beta	t	Sig.
(Constant)	5.110	-	7.042	0.000
Switching Barrier (X1)	-0.036	-0.103	-1.773	0.077
Perceived Value (X2)	-0.029	-0.081	-1.390	0.165
Customer Experience (X3)	-0.034	-0.096	-1.602	0.110

Source: Primary data processed with SPSS, 2026. Dependent variable: Abs_RES.

As presented in Table 3, the significance values 0.077 for Switching Barrier, 0.165 for Perceived Value, and 0.110 for Customer Experience all sit above 0.05, confirming heteroscedasticity is not present.

Multiple Linear Regression Analysis

Multiple linear regression was applied to gauge each predictor's influence Switching Barrier (X1), Perceived Value (X2), and Customer Experience (X3) on Customer Loyalty (Y).

Table 4. Multiple Linear Regression Coefficients

Model	B	Std. Error	Beta	t	Sig.
(Constant)	-3.229	1.166	-	-2.770	0.006
Switching Barrier (X1)	0.277	0.033	0.311	8.450	0.000
Perceived Value (X2)	0.238	0.033	0.266	7.179	0.000
Customer Experience (X3)	0.369	0.035	0.405	10.678	0.000

Source: Primary data processed with SPSS, 2026. Dependent variable: Customer Loyalty (Y).

Drawing on the coefficients in Table 4, the resulting regression equation reads as follows:

$$Y = -3.229 + 0.277X_1 + 0.238X_2 + 0.369X_3$$

Here, the constant of -3.229 represents predicted Customer Loyalty when all three predictors are zero. Each one-unit rise in Switching Barrier, Perceived Value, and Customer Experience raises Customer Loyalty by 0.277, 0.238, and 0.369 units respectively (all p =

0.000). As all three coefficients are positive and significant, and Customer Experience carries the highest standardized Beta (0.405), it is the most influential predictor.

Simultaneous Test (F-Test)

The F-test determined whether the independent variables, taken together, significantly affect Customer Loyalty, with a significance value below 0.05 as the threshold.

Table 5. Simultaneous Test (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3757.349	3	1252.450	206.362	0.000
Residual	2312.355	381	6.069	-	-
Total	6069.704	384	-	-	-

Source: Primary data processed with SPSS, 2026. Predictors: (Constant), Customer Experience, Switching Barrier, Perceived Value.

With an F-value of 206.362 and significance of 0.000 (well under 0.05), Switching Barrier, Perceived Value, and Customer Experience together produce a significant joint effect on Customer Loyalty, validating the model's suitability.

Coefficient of Determination (R²) Test

Table 6. Coefficient of Determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.787	0.619	0.616	2.46357

Source: Primary data processed with SPSS, 2026. Predictors: (Constant), Customer Experience, Switching Barrier, Perceived Value.

An R Square of 0.619 means the three predictors together account for 61.9% of the variation in Customer Loyalty, leaving 38.1% to outside factors. The Adjusted R Square of 0.616 confirms strong explanatory power after accounting for the number of predictors and sample size, while a correlation coefficient of 0.787 indicates a strong overall relationship.

Partial Test (T-Test)

The partial t-test isolated each variable's individual contribution to Customer Loyalty, with a significance value below 0.05 as the threshold; results correspond to the coefficients in Table 4.

Switching Barrier (X1) → Customer Loyalty (Y). Switching Barrier has a positive and significant effect on Customer Loyalty ($B = 0.277$, $\text{Beta} = 0.311$, $t = 8.450$, $p = 0.000$), confirming H1: the more customers perceive switching to another provider as costly, risky, or likely to forfeit accumulated benefits, the stronger their loyalty toward Netflix.

Perceived Value (X2) → Customer Loyalty (Y). Perceived Value has a positive and significant effect on Customer Loyalty ($B = 0.238$, $\text{Beta} = 0.266$, $t = 7.179$, $p = 0.000$), confirming H2: the more customers feel they are getting their money's worth from the subscription, the more loyal they become.

Customer Experience (X3) → Customer Loyalty (Y). Customer Experience has a positive and significant effect on Customer Loyalty ($B = 0.369$, $\text{Beta} = 0.405$, $t = 10.678$, $p = 0.000$), confirming H3, with the largest standardized Beta among the three predictors, making it the most influential factor driving Customer Loyalty.

When combined with the F-test result reported in Table 5, these findings further confirm that Switching Barrier, Perceived Value, and Customer Experience jointly exert a positive and significant effect on Customer Loyalty, and H4 is accordingly accepted.

Discussion

That Switching Barrier positively and significantly shapes Customer Loyalty echoes NPE Nopritayani (2023) and Haris (2023), who likewise found switching barriers to be a meaningful driver of loyalty in digital subscription services. Netflix users accustomed to the platform's interface, viewing history, and personalized recommendations tend to be reluctant to start over elsewhere, reinforcing continued subscription.

Similarly, Perceived Value's positive and significant influence on Customer Loyalty aligns with Fettry & Ali (2023) and Laila et al. (2024): when Netflix's content quality, variety, and streaming performance are felt to match the price paid, customers tend to stay loyal regardless of subscription tier.

Customer Experience emerging as the most dominant factor is consistent with Abidin & Ramli (2025) and Wijaya et al. (2024). Among Netflix users in Madiun, ease of use, interface quality, streaming stability, and recommendation accuracy weigh most heavily, suggesting that refining the in-app experience holds the greatest potential to lift loyalty.

Overall, Customer Loyalty among Netflix Premium Subscription users stems from the combined interplay of switching barriers, perceived value, and customer experience, consistent with Customer Loyalty Theory (Oliver, 1999), in which behavioral, cognitive, and affective dimensions jointly sustain long-term loyalty.

D. CONCLUSIONS

Drawing together the regression and hypothesis testing results, Switching Barrier, Perceived Value, and Customer Experience each positively and significantly affect Customer Loyalty among Netflix Premium Subscription users in Madiun, confirming H1, H2, and H3, with Customer Experience the most dominant predictor. Jointly, the three variables also produce a positive and significant effect on Customer Loyalty, confirming H4, and together account for 61.9% of its variation, with the remaining 38.1% likely attributable to factors such as internet connection quality, competitor pricing, or overall satisfaction. This study is confined to Netflix Premium Subscription users in Madiun and considers only three independent variables, which may limit the generalizability of its findings.

E. SUGGESTIONS

Netflix should keep strengthening switching-barrier elements such as personalized recommendations and viewing-history continuity, while keeping subscription pricing aligned with content quality and variety to sustain perceived value. Because Customer Experience has the strongest effect on loyalty, priority should also go to improving usability, interface design, streaming stability, and recommendation accuracy. Future research could incorporate additional variables such as Customer Satisfaction, Brand Trust, or Electronic Word of Mouth, and broaden the geographic scope and sample beyond Madiun.

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