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Applying Importance Performance Analysis (IPA) to Measure the Perceived Quality, Perceived Price, Customer Experience on Netflix

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Abstract

The rapid growth of online streaming services has intensified competition within the industry, compelling providers like Netflix to continually assess and enhance their offerings. This study aims to measure and evaluate the perceived price, perceived quality, and customer experience of Netflix using Importance-Performance Analysis (IPA). The type of research in this study is quantitative research with a questionnaire instrument of 173 respondents. The findings highlight the aspects of the service that are most valued by customers and provide actionable insights for optimizing service strategies to enhance user satisfaction and retention. The results reveal that while Netflix generally performs well in terms of content quality and user experience, certain aspects such as perceived price and specific service features need attention to maintain competitive advantage.

1. INTRODUCTION

In recent years, the video streaming service industry has experienced remarkable growth. Netflix, as a pioneer in this industry, has successfully attracted more than200 million subscribers worldwide by offering a wide range of high-quality content, including movies, TV series, and documentaries. However, with increasing competition from other platforms such as Disney+, Amazon Prime Video, and Hulu, Netflix must continuously innovate and understand the needs and expectations of its customers to maintain its market leadership.

Advancements in information technology and changes in consumer behavior have transformed the way people access and consume entertainment content. Previously, television and movie theaters were the primary means of watching movies and TV shows. Now, streaming services like Netflix offer easy access anytime and anywhere, which has become a major draw for modern consumers. According to a Statista report (2023), the number of streaming service users is expected to continue to increase, creating both opportunities and challenges for service providers to maintain quality and customer satisfaction.

Although Netflix has managed to dominate the market, customer experience still requires significant attention. In recent years, Netflix's subscription price has become a critical issue affecting its subscriber numbers. According to Zeithaml (2022), perceived price is how customers perceive the extent to which the costs they incur are proportional to the benefits they receive. In the context of streaming services, customers often compare subscription fees with the quality of content offered, ease of access, and additional features available. In a competitive market, the perception of a fair and affordable price is crucial to attracting and retaining customers.

Perceived quality is also a critical factor that can influence the overall customer experience. Customer experience encompasses all interactions that customers have with a service, from registration, content navigation, to customer support. According to Lemon and Verhoef (2016), customer experience is the internal and subjective response customers have to all aspects of the service associated with the company. Bleier, Harmeling, and Palmatier (2019) emphasize that creating a satisfying customer experience is key to winning in a market full of alternatives. A positive customer experience can increase customer loyalty and retention, while a negative experience can lead customers to switch to a competitor's service. Therefore, it is important for Netflix to maintain and enhance its quality—such as content quality, streaming stability, and an intuitive user interface—as these aspects contribute to customers' perceived quality of Netflix. Studies by Sweeney and Soutar (2022) show that high perceived quality can increase customer satisfaction and loyalty, which in turn positively impacts customer retention.

Given the importance of price and quality factors in influencing customer interest and satisfaction, this research is interested in further examining how Netflix's subscription price affects consumer interest and other factors that influence consumer decisions to subscribe to Netflix. This research will use Importance-Performance Analysis (IPA) to evaluate customers' perceptions of three key variables influencing their satisfaction with Netflix: price received, quality received, and customer experience. This research will provide valuable insights for Netflix to identify areas that require improvement to better meet customer expectations and develop more effective strategies to enhance the customer experience. Additionally, this research aims to contribute to the literature on the use of IPA methods in assessing customer experience in the streaming service industry, and to serve as a reference for other streaming service providers in understanding and meeting the needs and expectations of their customers.

2. LITERATURE REVIEW

Perception

Perception is the process by which individuals interpret and assign meaning to information received through their senses. According to Sunaryo (2004), perception requires the presence of an object being perceived, attention from the individual, sensory organs to receive the stimulus, and sensory nerves that transmit the information to the brain for processing. Miftah Toha (2003) adds that perception is influenced by internal factors such as emotions, attitudes, personality, prejudice, expectations, and motivation; as well as external factors such as family background, information received, and familiarity or novelty of an object. The process of perception formation consists of three main stages: stimulus, registration of information through the senses, and interpretation, which depends on one's experience, motivation, and personality.

Perceived Quality

Perceived quality is defined as a consumer’s judgment about a product’s overall excellence or superiority. Zeithaml et al. (2018) explain that perceived quality is influenced by factors such as brand reputation, price, and prior experiences. High perceived quality often leads to greater customer satisfaction and loyalty, as consumers are more inclined to repurchase products they perceive to be of superior quality (Kumar & Reinartz, 2018).

Perceived Price

Perceived price refers to the consumer's perception of the value they receive relative to the price they pay. According to Monroe (2019), price perception is a key determinant of consumer behavior, with higher perceived value often leading to increased purchase intentions. Furthermore, Grewal and Levy (2020) highlight that consumers frequently associate higher prices with higher quality, although this relationship is not always consistent across different product categories.

Customer Experience

Customer experience encompasses all the interactions between a customer and a company throughout their relationship. Barari, M., Ross, M., & Surachartkumtonkun, J. (2020) explain that customer experience is the accumulation of all interactions a customer has with a brand, product, or service. They emphasize that customer experience is not only the result of physical interactions but also includes the emotional and psychological aspects that arise during these interactions. Barari et al. (2020) also highlight the importance of understanding the entire customer journey to build long-term loyalty. More recently, Lemon and Verhoef (2016) emphasized that a positive customer experience, including seamless interactions across touchpoints, is essential for building long-term customer loyalty and maintaining a competitive advantage in the market.

Importance Performance Analysis

Importance-performance analysis (IPA) is one method that can be used in analyzing consumer preferences through the service attributes offered. By using Importance performance analysis (IPA), companies can make the right strategies and improvements in the future. Martilla and James first developed the IPA technique in 1977. Samantha Murdy et. al. (2012) revealed that the Importance performance analysis method can be used to analyze consumer preferences.

Performance Analysis (IPA) has been widely used in various disciplines because of its simplicity and effectiveness in showing the position of various attributes in a visually appealing format. The IPA method is also one way for companies to see what service attributes are considered important and considered to have good performance by consumers.

Tontini, G., & Silveira, A. (2020). The Importance-Performance Analysis (IPA) method has evolved and is still a valuable tool for identifying areas where companies should focus their efforts to improve customer satisfaction. Tontini and Silveira (2020) highlight that IPA allows companies to evaluate service attributes based on customer expectations and performance perceptions. By analyzing the importance and performance ratings, companies can prioritize improvements that will have the most significant impact on customer satisfaction and loyalty. The average value of the importance level and performance level will then be analyzed in the Importance-Performance matrix. This matrix shows what areas or aspects need to be maintained and what aspects need to be reduced in priority. Performance at the horizontal axis cut off point level or above reflects the proportion of customers who are very satisfied (delighted). Abalo, J., Varela, J., & Manzano, V. (2021). In their study on Importance-Performance Analysis (IPA), Abalo, Varela, and Manzano (2021) discuss how the average values of importance and performance are plotted on an IPA matrix to identify which areas or aspects should be prioritized. They emphasize that attributes with high importance but lower performance require immediate attention for improvement. Furthermore, the authors suggest that criteria positioned above the partition line in the IPA matrix indicate areas where customers are highly satisfied, and these aspects should be maintained or enhanced. In other words, any item deemed important by evaluators where performance is lower than importance indicates a

great need for corrective action. Evaluation criteria positioned above the partition line are given higher priority for improvement.

The proce dures or steps taken in Importance Performance Analysis (IPA) are:
a. Level WeightingImportance and Performance Level Importance-Performance Analysis uses a Likert scale, using 5 ratings, each of which is given a score or weight as listed in the table.

Table 1.IPAMeasurementScale

IPA	Answer Criteria	Score
Importance Score (Importance)	*Very Unimportant*	1
	Not Important	2
	Neutral	3
	Important	4
	Very Important	5
Performance Level Score (Performance)	*Not Very Good*	1
	Not Good	2
	Neutral	3
	Good	4
	Very Good	5

b. Calculating the Conformity Value Between Importance Level and Performance Level The Level of Conformity (TKi) measures how well the performance of an attribute compares to the level of importance given by the respondent. This value is expressed as a percentage. The formula used is (Resfani, 2013):

Description:

TKi= respondent's level of conformity

Xi = company performance assessmentscore

Yi = importance level assessmentscore

c. Gap analysis

Martilla, J. A., & James, J. C. (1977) Gap analysis in the Importance-Performance Analysis (IPA) method is a process to identify differences or gaps between the importance given by customers to various service or product attributes and the actual performance (performance) given by customers to various service or product attributes. perceived by the customer for that attribute. This method is used to evaluate and prioritize the most pressing areas of improvement based on the customer's perspective. The main objective of this

analysis is to identify areas where there is a gap between customer expectations and actual performance, so that organizations can take appropriate action to improve their services or products.

d. Cartesian Diagram

Analysis (IPA) in its operationalization uses a matrix, namely the Cartesian Diagram. To describe it on the Cartesian Diagram, the level of performance (performance) is denoted onthe horizontal axis (X), while the level of importance (importance) is denoted on the upright axis (Y). The interpretation of ImportancePerformance Analysis is presented in the form of a graph which has four quadrants which will be shown in the Importance- Performance Analysis Quadrant, the Y axis (Importance) shows the level of importance felt by consumers of the selected attributes, and the X axis (Performance) shows the performance of the product or service in relation to the product attributes.

1) Quadrant 1 "Concentrate Here", attributes that are felt to be very important to respondents, but the level of performance is quite low. The variables included in this quadrant must be improved in a way that the company must make continuous improvements so that the performance of the variables in this quadrant will increase.
2) Quadrant 2 "Keep Up the Good Work", attributes that are perceived to be very important to respondents, and at the same time, the company appears to have a highlevel of performance in this activity. The variables included in this quadrant must be maintained because all of these variables make the product superior in the eyes of consumers.
3) Quadrant 3 "Low Priority", attributes are at a low level of importance and a low level of performance. Despite the low level of performance, managers should notbe too concentrated because the attributes in this quadrant are not considered too important.
4) Quadrant 4 "Possible Overkill", in this cell there are attributes that are low in importance, but the performance is too high. Respondents are satisfied with the company's performance, but managers should consider reducing efforts to save company costs.

Tabel 2. The Quadrant

IMPORTANCE		
	Quadrant I **Concentrate Here** **High Importance** **Low Performance**	**Quadrant II Keep Up the Good work** **High Important** **High Performance**
	Quadrant III **Low Priority** **Low Importance**	**Quadrant IV** **Possible Overkill** **Low Importance**

	Low Performance	High Performance
N	PERFROMANCE	
T		

3. RESEARCH METHODOLOGY

The type of research in this study is quantitative research. This research data is in the form of primary data obtained with a questionnaire instrument, which contains statements related to perceived quality, perceived price and customer experience with Netflix with a total of 173 respondents. The questionnaire used is a questionnaire with a Likert scale from 1 to 5 for each variable (Importance and Performance). The Importance variable uses a scale of 1 which indicates very unimportant, scale 2 indicates unimportant, scale 3 indicates neutral, scale 4 indicates important, and scale 5 indicates very important. Meanwhile, the Performance variable uses a scale of 1 which indicates very bad, scale 2 indicates not good, scale 3 indicates neutral, scale 4 indicates good, and scale 5 indicates very good.

Then the results of data collection obtained through the questionnaire will be tested using the validity test and reliability test, after ensuring the questionnaire is valid and reliable, the researcher continues the statistical test using IBM SPSS Statistics 24 using the *Importance Performance Analysis* (IPA) method to identify and prioritize important areas of an attribute and the actual performance of the attribute. Then the researchers conducted a gap analysis (*Gap Analysis*) to determine the comparison between expectations and reality, which then the items were entered into the Importance and Performance matrix so that it could be seen which areas should be maintained and which areas should receive improvement treatment.

The following is a framework in An Importance-Performance Analysis of Perceived Quality andPerceived Price and Customer Experience on Netflix :

Stage 1: Theory, At this stage, researchers examine theories relevant to the research topic, namely perceived quality, perceived price, and customer experience. These theories will be the basis for developing hypotheses and research frameworks.

Stage 2: Data Collection, Data was collected using questionnaires designed to measure perceived quality, perceived price, and customer experience from Netflix users. After the questionnaires were distributed and completed by the respondents, the data was collected for further analysis.

Validity Test and Reliability Test, Before the data was analyzed, validity and reliability tests were conducted to ensure that the research instruments (questionnaires) used were valid and reliable. The validity test ensures that the questionnaire measures what it is supposed to measure, while the reliability test ensures the consistency of the measurement results.

Stage 3: Data Processing, The data that has been collected is processed and analyzed using Importance-PerformanceAnalysis (IPA). This analysis involved creating a matrix, analyzing the fit between expectations and performance, and gap analysis to identify areas for improvement.

a) Matrix: Create an IPA matrix to identify areas that are performing well and areas thatneed improvement.

b) Conformity Analysis: Evaluates the congruence between customer expectations andactual performance of the service.

c) Gap Analysis: Identifying gaps between expectations and performance to determineimprovement priorities.

Stage 4: Results and discussion, These results include the identification of aspects of the service that are most valued by customers and aspects that require improvement. The results of the analysis are discussed to provide a deeper understanding of the research findings. This discussion includes interpretation of the data, implications of the findings, and recommendations for future actions.

Managerial Implications, This final stage formulates managerial implications based on the results and discussion. Recommendations are given to Netflix management to optimize service strategies to increase user satisfaction and retention.

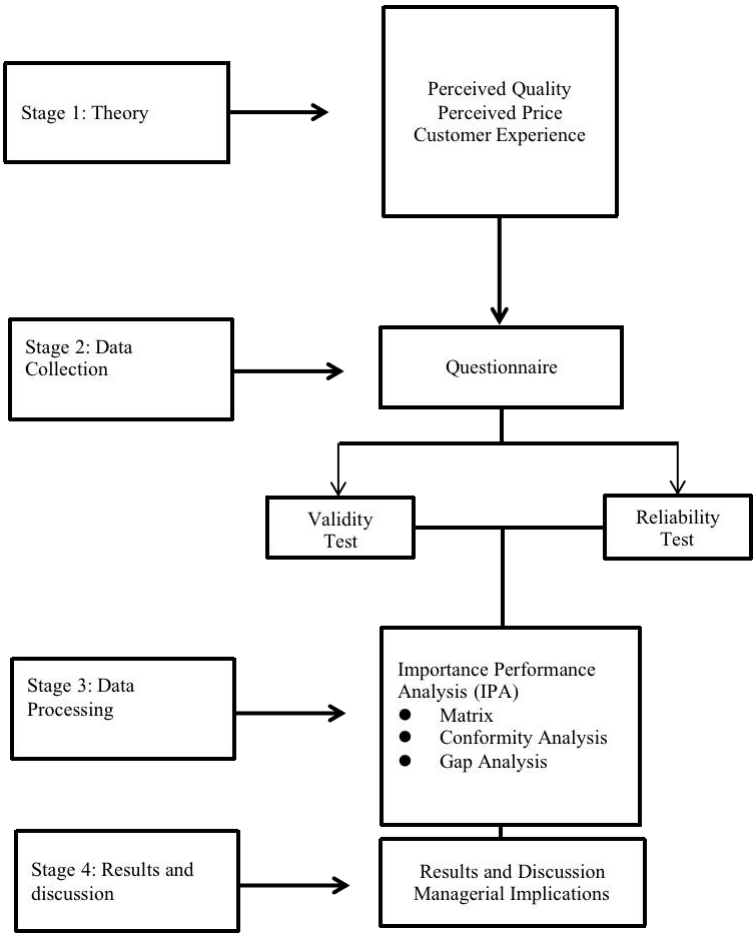
Stage 1: Theory
Perceived Quality
Perceived Price
Customer Experience
Stage 2: Data Collection
Questionnaire
Validity Test
Reliability Test
Stage 3: Data Processing
Importance Performance Analysis (IPA)
Matrix
Conformity Analysis
Gap Analysis
Stage 4: Results and discussion
Results and Discussion
Managerial Implications

Figure 1. Framework of Thought

4. RESULT AND DISCUSSION

RESULT

The study involved male and female respondents who have used or subscribed to Netflix with an age range of 15 years to 45 years with various types of jobs and education levels. The demographic distribution of respondents in this study covers several important aspects, including gender, age, education level, and occupation. Of the total 173 respondents, the majority were female, with 108 people or 62.4% of the total respondents. Meanwhile, the men who participated in this study amounted to 65 people or 37.6%.

Based on the age category, the majority of respondents are in the age range of 25-35 years, with a total of 85 people or 49.1% of the total respondents. The 15-25 age group also has a significant number, which is 76 people or 43.9%. Respondents in the age range of 35-45 years old were 12 people or 6.9%, and there were no respondents over 45 years old, indicating a younger demographic focus in this study.

In terms of education, the majority of respondents have a fairly high educational background. A total of 129 people or 74.6% of the total respondents had the latest S1 education. Respondents with high school education amounted to 31 people or 17.9%, while those with postgraduate education were 13 people or 7.5%. There are no respondents who have a doctoral education, indicating that the distribution of education tends to stop at the early postgraduate level.

In terms of occupation, the majority of respondents are private employees, totaling 76 people or 43.9% of the total respondents. In addition, there were 32 people or 14.5% who were students, and 25 people or 18.5% who worked as teachers. Other occupations identified include civil servants, which amounted to 10 people or 4.0%, as well as housewives (IRT) as many as 7 people or 5.8%. In addition to these categories, there were 23 respondents or 13.3% who had occupations that fell into the category of "others," reflecting a variety of professions that did not fall into the main categories defined.

This demographic distribution provides a clear picture of the characteristics of the respondents in this study, the majority of whom are female, young to early adult, highly educated, and employed in the private sector. This information is important to understand the context of their perceptions and expectations of streaming services like Netflix.

Validity and Reliability Test

Ghozali (2007) states that the validity test is used to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. Measuring validity can be used byconducting a significance test. The significance test is carried out by comparing the rcount value greater than the rtable (rcount> rtable) and a positive value, then the item or question or indicator is declared valid. If rcount is smaller than rtable (rcount < rtable) then the item or statement or indicator is declared invalid or in other words the questions in the questionnaire cannot measure the variable under study.

Table 3. Validity Test

Atribut	Importance	Performance	r tabel	Keterangan
PQ1	0,785	0,745	0,148	*Valid*
PQ2	0,804	0,745	0,148	*Valid*
PQ3	0,795	0,764	0,148	*Valid*
CE1	0,774	0,796	0,148	*Valid*
CE2	0,620	0,771	0,148	*Valid*
CE3	0,719	0,770	0,148	*Valid*
CE4	0,790	0,847	0,148	*Valid*
CE5	0,821	0,828	0,148	*Valid*
PP1	0,739	0,753	0,148	*Valid*
PP2	0,660	0,796	0,148	*Valid*
PP3	0,804	0,815	0,148	*Valid*
PP4	0,751	0,766	0,148	*Valid*

Based on the results of the validity test calculation using SPSS 24, the Importance / Performance Questionnaire is considered valid with a calculated r value greater / (>) than the r table 0.148.

Table 4. Realiability Test

Attributes	**Standard**	**Cronbach's Alpha**	**Description**
Importance	0,6	0,773	Reliable
Perfromance	0,6	0,776	Reliable

Reliability can be measured with only one measurement, namely by comparing the results of one question with other questions or measuring the correlation between question answers. It can also be done using SPSS through the Cronbach alpha (α) statistical test. According to Nunnaly in Ghozali (2007) a variable is said to be reliable if it provides a Cronbach alpha value greater than

0.60 (α> 0.60). Based on the results of the reliability test calculation using SPSS 24, theImportance / Performance Questionnaire is considered reliable because the Cronbach's alpha value is greater than 0.6.

Importance Performance Analysis

From the results of the analysis, a matrix or cartesian diagram is obtained which is divided into 4parts, the following explanation:

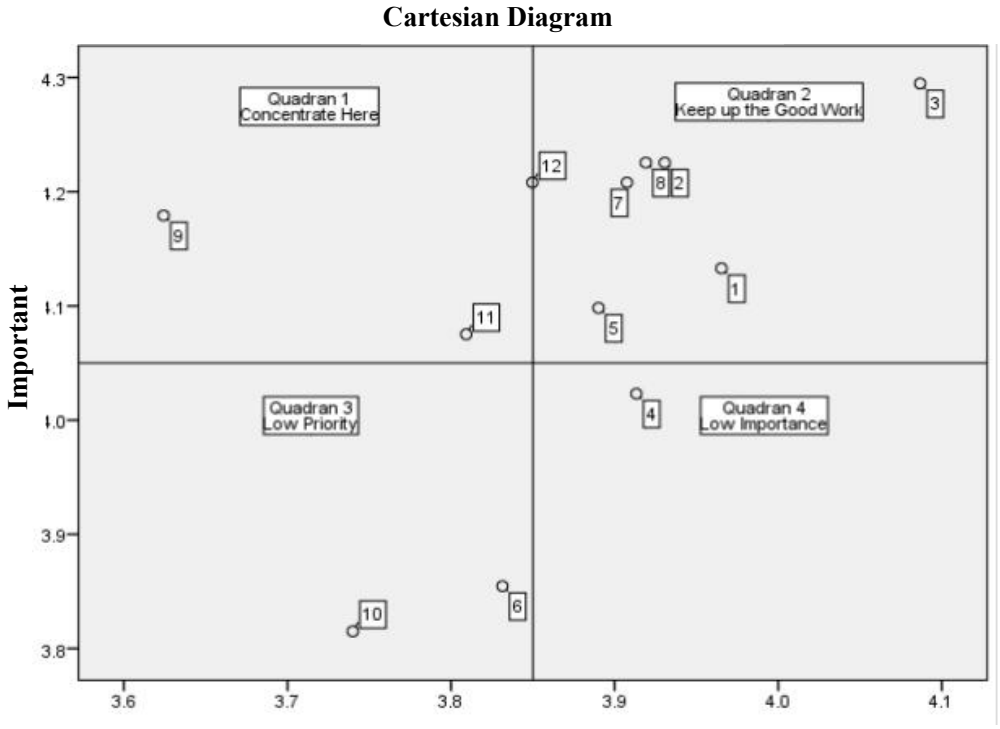

Figure 2. Cartesian Diagram

Based on the results of the importance performance analysis quadrant mapping obtained, the following is an explanation of the analysis of indicators that enter each quadrant, namely:

1. Quadrant 1 (Top Priority)

   Indicators in quadrant I are indicators that netflix users consider important, but netflix has not been able to realize them in accordance with user expectations so that users feel unsatisfied. The following are indicators that are included in quadrant I, namely: Indicator number 9 is "how important is it to you that Netflix subscription prices areaffordable?" Indicator number 11 "How important is it to you to have the flexibility to choose asubscription plan that suits your needs? "

   This is supported by research by Indriani, A., & Hermana, C. (2023), regarding Price analysis on consumer interest in subscribing to Netflix after the pandemic in his journal, it is stated that the price of a Netflix subscription is relatively higher than that of a Netflix subscription.similar service companies. Netflix has experienced a decline in subscribers due to the price of subscription plans, which is considered very burdensome

for consumers and isthe reason why consumers unsubscribe and switch to other VoD services.
So that Netflix must pay special attention and improve performance on indicators in this quadrant in order to achieve better quality and provide a good experience for customers.

2. Quadrant 2 (Maintain Performance)

   Quadrant 2 shows service attributes that affect user satisfaction and need to be maintained. The following are indicators that fall into quadrant 2, namely: Indicator number 1 How important is it to you that Netflix offers high quality content (for example,good plot, good script and acting)?
   Indicator number 2 How important is it to you that Netflix offers a wide variety of genres(e.g., drama, comedy, action, documentary)?
   Indicator number 3 How important is it to you that Netflix offers high audio and visual quality (e.g., HD resolution, 4K, surround sound)?
   Indicator number 5 How important is it to you to have a distraction-free viewing experience (buffering, crashes, etc.) on Netflix?
   Indicator number 7 How important is it to you that the registration and login process is easy and fast?
   Indicator number 8 How important is it to you to make it easy to pay for a Netflix subscription?
   Indicator number 12 How important is it to you that Netflix is transparent about costs andthere are no hidden fees?
   So that each indicator that is in quadaran 3 has provided Performance and Importance values that are in accordance with the wishes of the respondents, so Netflix must maintain the quality values they have provided.
3. Quadrant 3 (Low Priority)

   In quadrant 3 this is a quadrant that is considered less important by users with implementation that tends to be as it is, so it is considered less satisfying for users. In thisquadrant improvements can also be made but with low priority. The following are indicators that are included in quadrant 3, namely: Indicator number 10, namely How important is it for you to have a variety of subscription package options (Mobile, Basic, Standard, Premium) that suit your needs?
   Indicator number 6 is How important is it to you that the content recommendations provided byNetflix match your interests?
   Each indicator that is in level 3 has provided a performance value and is in accordance with the wishes of the respondent, so it can be concluded that the above indicators are notconsidered important by users.
4. Quadrant 4 (Not important)

   Quadrant 4 indicates excessive performance by service managers, while user perceptions of these indicators are less important and website service managers need to reduce the level of implementation and the resources used on this factor can be allocated to other factors of concern or top priority. The following are indicators that are included inquadrant 4, namely:
   Indicator number 4 is How important to you is the ease of using Netflix's interface (design, navigation, features, etc.).

So that each indicator that is in level 4 has provided a Performance and Importance value that is in accordance with the wishes of the respondents, so that Netflix must allocate related resources to other aspects of the indicator that have a greater priority level.

Conformance Value Analysis

After testing, the following data was obtained:

Table 5. Analysis of Conformance Score

ATRIBUTS	CODES	IMPORTANCE	PERFORMANCE	LEVEL ANALYSIS CONFORMANCE
Perceived Quality				
Netflix offers high-quality content (e.g., good plot, good script and acting)	PQ1	4,1	4	97,56%
Netflix offers a wide variety of genres (e.g., drama, comedy, action, documentary)	PQ2	4,2	3,9	92,86%
Netflix offers high audio and visual quality (e.g., HD resolution, 4K, surround sound)	PQ3	4,3	4,1	95,35%
Customer Experience				
Kemudahan dalam menggunakan antarmuka (desain, navigasi, fitur, dll) Netflix	CE1	4,0	3,9	97,50%
Have a glitch-free viewing experience (buffering, crashes, etc.)on Netflix	CE2	4,1	3,9	95,12%

Content recommendations provided byNetflix according to your interests	CE3	3,9	3,8	97,44%
Easy and fast registration and loginprocess	CE4	4,2	3,9	92,86%
Ease of making Netflix subscription payments	CE5	4,2	3,9	92,86%
Perceived Price				
Netflix subscription price is affordable	PP1	4,2	3,6	85,71%
Has a wide selection of subscriptionplans (Mobile, Basic, Standard, Premium) to suit your needs	PP2	3,8	3,7	97,37%
Flexibility in choosing a subscription plan that suits your needs	PP3	4,1	3,8	92,68%
Netflix is transparent about fees and there are no hidden costs	PP4	4,2	3,8	90,48%
AVERAGE				93,98%

From the table above, the results of the suitability score analysis show that in some aspects Netflix has met customer expectations, especially in the ease of use of the interface and the distraction-free viewing experience. However, there are some areas that require more attention, such as more affordable subscription prices and flexibility and transparency in subscription plan options.

Gap analysis

Then the data is analyzed using Gap analysis to determine the value of the gap betweenexpectations and reality.

Table 6. Gap Analysis

Atributes	Indicator	Importance	Performance	Gap
Perceived Quality	PQ1	4,1	4,0	-0,2
	PQ2	4,2	3,9	-0,3
	PQ3	4,3	4,1	-0,2
Customer Experience	CE1	4,0	3,9	-0,1
	CE2	4,1	3,9	-0,2
	CE3	3,9	3,8	0,0
	CE4	4,2	3,9	-0,3
	CE5	4,2	3,9	-0,3
Perceived Price	PP1	4,2	3,6	-0,6
	PP2	3,8	3,7	-0,1
	PP3	4,1	3,8	-0,3
	PP4			-0,4
		4,2	3,8	
AVERAGE		4,1	3,9	-0,2

From the mapping results, it is known that the total average for expectations compared to the average reality is greater (4.1 for expectations and 3.9 for reality), meaning that there is still agap between reality and expectations with an average gap value of -0.2, which means that the reality of the Netflix brand is still less than customer expectations and still needs improvement to achieve the expectations desired by customers. To find out the priority scale of existing items, Netflix needs to look at and imply improvements or improvements in the aspects found duringthe IPA analysis.

DISCUSSION

In the IPA method, the primary focus is on quadrants I and III. Quadrant I highlights areas with high importance but low performance, indicating a need for immediate improvement, while quadrant III identifies areas with low importance and performance, where resources may need to be reallocated or de-emphasized for efficiency. So, from the results of the importance performance analysis (IPA) quadrant analysis, it can be seen that indicators requiring quality improvement are those included in Quadrant I, this shows that these two indicators are very important to customers, but Netflix's performance in this regard is still considered inadequate. The two indicators are affordable subscription prices and flexibility in choosing a subscription package that suits customer needs. Here are some managerial implications that Netflix can take based on quadrant 1:

a. Subscription Price Evaluation and Adjustment

Price Adjustment: Netflix should consider revisiting its subscription pricing structure. This could involve introducing more affordable pricing plans to reach out to more price- sensitive market segments.

Discounts and Promotions: Providing special offers, discounts, or promotional programs to new and existing customers can increase perceived value and customer satisfaction related to price.

b. Development of Flexibility Subscription Plan

Diverse Plans: Offer different types of subscription plans that can be customized according to customer needs and preferences, such as plans with different number of screens, streaming quality, or subscription duration.

Add-On Options: Introduce additional features that customers can optionally choose from, such as the ability to add additional devices or access to premium content.

Quadrant 3 in the IPA analysis indicates areas that do not require urgent attention but still require gradual improvement. By focusing on gradually improving the content recommendation algorithm and educating customers about its benefits, as well as better evaluation and promotion of subscription plans, Netflix can continue to improve customer satisfaction. This is done without the need for large investments, but with the right strategy to increase the value of the service in the long run. In this study, the two indicators included in this quadrant are the content recommendations provided by Netflix and the choice of subscription package. Here are some managerial implications that Netflix can take based on quadran 3:

a. Content Recommendations that Match Customer Interests

Even if current subscribers don't consider content recommendations to be very important, Netflix can take strategic steps to increase the value of this feature without allocating excessive resources.

Recommendation Algorithm Development: While the recommendation feature is not considered a top priority, incremental improvements to the recommendation algorithm can add value to the service. Netflix can utilize existing data to gradually develop more sophisticated algorithms. According to Smith et al. (2020), big data-driven algorithm improvements can increase customer satisfaction through more personalizedrecommendations.

Communicate Benefits to Customers: Educating customers about the benefits of better recommendation features can increase the perceived importance of these

features. A communication campaign that explains how better recommendations can improve their viewing experience might change this perception. Grewal and Levy (2016) state that effective communication can change customers' perception of the value of the features offered.

Feedback and Adjustment: Collecting feedback from users on the recommendations they receive can help Netflix adjust and improve the relevance of recommendations withoutthe need for major investments. This is in line with the findings of Brown (2018) who emphasized the importance of customer feedback in the service improvement process.

b. Choice of Subscription Packages to Suit Customer Needs

Although the choice of subscription plans is currently considered less important by customers, having a variety of plan options can still provide flexibility and appeal to various market segments.

Plan Structure Evaluation: Netflix can evaluate and simplify the existing plan structure. For example, if there are plans that are less in demand, Netflix could consider incorporating the best features of those plans into other more popular plans. According to Kotler and Keller (2016), simplified product offerings can improve operational efficiency and customer satisfaction.

Promotion of Existing Plans: Highlighting the benefits of various existing subscription plans through promotions and marketing campaigns can help increase customer awareness and understanding of how each plan can fulfill needs. their specifics. Syafarudin (2020) states that promotion is a form of communication between the seller and the buyer, originating from accurate information, with the aim of changing the buyer's attitude and behavior from being unfamiliar to becoming familiar, ultimately leading them to make a purchase and continue to remember the product or service

Customization Based on Customer Data: Analysis of plan usage data can help Netflix customize plan offerings that are more relevant and appealing to subscribers. For example, if the data shows that most subscribers option for a particular plan, Netflix can focus on improving the features in that plan. This is in line with research by Ransbotham, S., Kiron, D., & Prentice, P. K. (2016). In his study, the authors investigate the impact of advanced analytics on strategic decision-making and competitive advantage. They found that organizations that proactively integrate analytics into their decision-making processes are more capable of identifying and responding to market opportunities compared to those that do not.

As for Quadrant 4, Netflix should evaluate whether it is necessary to improve the performance of these attributes or whether resources can be diverted to more critical or important areas. It is recommended that management needs to conduct a cost-benefit analysis to evaluate whether the resources allocated to the attributes in this quadrant are worth the benefits obtained. Reallocation of resources to more critical areas such as those in Quadrant I can provide greater strategic benefits, without reducing the performance of the attribute.

CONCLUSION

This study employs the Importance-Performance Analysis (IPA) method to evaluate customer perceptions of Netflix services, focusing on three main variables: perceived price, perceived quality, and customer experience. The analysis results indicate that perceived price is a highly important factor for customers; however, Netflix's performance in meeting these expectations still needs improvement. Customers expect more affordable pricing and greater flexibility in choosing subscription plans that suit thseir needs. Additionally, the quality of content and services provided by Netflix is also an important factor influencing customer satisfaction, with certain aspects such as streaming stability and the quality of the user interface requiring enhancement. Customer experience encompasses their entire interaction with Netflix services, and although customers consider their experience with Netflix to be fairly good, there is still room for improvement, particularly in terms of content recommendation personalization and the diversity of subscription plan options.

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