
AN EMPIRICAL STUDY ON NETFLIX AND ITS INFLUENCE ON SUBSCRIPTION DECISION

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ABSTRACT:

The rapid growth of digital technology has significantly transformed the entertainment industry, with subscription-based streaming platforms like Netflix emerging as dominant global players. This study aims to analyse the influence of Netflix on consumer subscription decisions with special reference to users in Tirupur City. The research focuses on understanding how factors such as content quality, pricing, technology features, user experience, and social influence impact subscription behaviour among different demographic groups. The study adopts a quantitative research design and primary data were collected through a structured questionnaire from 100 respondents who are users of Netflix. The secondary data were gathered from journals, books, and online sources. The study concludes that content quality, affordable pricing, and mobile accessibility are the most significant factors influencing subscription decisions. The findings provide valuable insights for marketers and streaming platforms in designing effective subscription and retention strategies.

KEYWORDS: Netflix, Subscription Decision, OTT Platform, Consumer Behaviour, Streaming Services, Content Quality, Pricing, Digital Entertainment.

1. INTRODUCTION

In the digital era, the way people consume entertainment has changed dramatically. Traditional television and cable services are gradually being replaced by online streaming platforms that provide content on demand, anytime and anywhere. Among these platforms, Netflix has emerged as one of the most dominant and influential players in the global entertainment industry. Founded in 1997 as a DVD rental service, Netflix has evolved into a leading subscription-based streaming service with millions of users worldwide. Its success has not only transformed the media and entertainment sector but has also significantly influenced consumer behaviour and subscription decisions.

Netflix operates on a subscription-based business model. Instead of relying mainly on advertisements, Netflix focuses on delivering a personalized, ad-free viewing experience. Features such as content recommendations, multiple language options, offline downloads, and multi-device access enhance user convenience and satisfaction. These features play a major role in shaping customers' decisions to subscribe and continue their membership. One of the most powerful aspects of Netflix's growth is its investment in original content, commonly known as 'Netflix Originals.' Popular series and films such as Stranger Things, Money Heist, and The Crown have attracted diverse audiences across different age groups and cultures.

The growth of digital technology and high-speed internet has significantly changed the entertainment industry. Consumers today prefer flexible and convenient entertainment options rather than traditional television broadcasting schedules. Online streaming platforms have made it possible for users to watch movies, web series, documentaries, and television shows at their convenience. This shift in consumer behaviour has led to the rapid expansion of Over-The-Top (OTT) platforms across the world. Netflix has played a major role in shaping this transformation by offering a wide range of content that caters to different tastes, languages, and cultures. The platform provides original content, licensed movies, and exclusive web series that attract millions of subscribers globally.

Another key factor behind the popularity of Netflix is its user-friendly interface and personalized recommendation system. By using advanced algorithms and data analytics, Netflix suggests content based on the viewer's watching history and preferences. This personalization enhances the user experience and encourages users to spend more time on the platform. The increasing availability of smartphones, smart televisions, and affordable internet services has further boosted the usage of Netflix, especially among younger

audiences. In countries like India, the growth of digital payment systems and affordable subscription plans has made streaming services more accessible to a wider population.

2. REVIEW OF LITERATURE

- Chaudhary & Kansal (2025) – Analysed OTT subscription decisions in India. Cultural content and pricing impact adoption. Regional language content increased engagement. Flexible pricing attracted price-sensitive users. Social influence had minor effects. Concluded that content localization and value-based pricing are key factors in driving subscriptions.
- Srivastava, Joshi, Muley & Sharma (2025) – Case study on Netflix users. Perceived value, attitude, brand image, and price influenced subscriptions. Higher perceived value increased annual plan adoption. Risk perception and content satisfaction also mattered. Both financial and emotional factors are important for subscription decisions.
- Annissa et al. (2025) – Survey-based analysis of Netflix user preferences. Content variety, originals, and interface usability increased satisfaction. Device compatibility and offline downloads improved experiences. Peer recommendations and trending shows influenced subscription decisions among users.
- Nisha & Karthikeyan (2024) – Perceived content value, convenience, and user experience strongly influenced subscriptions. Younger users paid more for emotional satisfaction and binge-watching. Social influence and peer recommendations also mattered. Price, content, and usability jointly determined subscription behaviour.
- Verma (2024) – Examined demographic factors: age, education, and occupation. Younger, tech-savvy users subscribed more. Content preferences and device usage were shaped by demographics. Marketing strategies should carefully consider demographic differences to maximize effectiveness.
- Kapoor (2024) – Studied social media and peer influence on OTT subscriptions. Trending shows and online discussions increased subscription interest. Younger audiences were more responsive to social media content. Social media sharing experiences enhanced engagement and indirectly drives subscriptions.
- Baik & Kim (2022) – Consumer perceptions in subscription economy. Convenience, personalized recommendations, and service quality were major factors. Continuous content updates and diverse genres increased engagement. Emotional satisfaction was found equally important as functional benefits in subscription decisions.

- Lee & Park (2022) – Recommendation systems influence digital consumption patterns. Personalized suggestions increase subscription retention. Engagement and perceived usefulness rise with relevant suggestions. Social influence also indirectly affects platform adoption among users.
- Thomas (2022) – Competition among OTT platforms significantly affects consumer behaviour. Netflix's content, pricing, and features were compared with rivals. Innovation and exclusive content remain crucial for long-term retention. Users switch platforms less when they receive consistent value and a satisfying experience.
- Rao (2021) – Pricing strategies in OTT platforms determine subscription willingness. Value-based pricing increases willingness to subscribe. Affordable plans with high-quality content are most attractive. Discounts and flexible payment options improved adoption rates among cost-conscious users.

3. OBJECTIVES OF THE STUDY

- To analyze the impact of Netflix technology on consumer subscription decision.
- To study the influence of streaming quality on subscription decision.
- To analyze the role of pricing technology and payment system in subscriptions.
- To identify challenges faced by consumers while using Netflix.
- To suggest improvements in Netflix technology to increase subscriptions.

4. STATEMENT OF THE PROBLEM

The growth of digital technology has transformed the entertainment industry, leading to the rapid rise of online streaming platforms. Netflix, as one of the leading subscription-based streaming services, has gained widespread popularity across different age groups and regions. However, not all consumers choose to subscribe to Netflix, and even among subscribers, the level of usage and continuation varies. This creates a need to understand the factors that influence individuals when making subscription decisions.

In the present competitive environment, Netflix faces strong competition from other OTT platforms such as Amazon Prime Video, Disney+ Hotstar, and several regional streaming services. Each platform offers different types of content, pricing plans, and viewing features. It becomes important to study why a consumer prefers Netflix over other available alternatives. Discussions about trending shows on social media, recommendations from friends and family, and the fear of missing out on popular content may motivate individuals

to join Netflix. Understanding these factors will help in analyzing consumer preferences and the overall impact of Netflix on digital entertainment choices.

5. SCOPE OF THE STUDY

- This study examines the behaviour of consumers regarding their decision to subscribe to Netflix. It focuses on understanding why users choose to subscribe, continue, or discontinue their membership, and also studies usage patterns such as frequency of watching and preferred type of content.
- The study covers the impact of Netflix's content library on subscription decisions including original series, movies, regional content, international shows, and exclusive releases, aiming to understand how content variety and quality attract and retain subscribers.
- This study analyses how Netflix's subscription plans influence consumer decisions including the effect of different pricing tiers, mobile-only plans, and perceived value for money.
- This study considers demographic variables such as age, gender, education level, occupation, and income to identify which groups are more likely to subscribe and how characteristics influence viewing preferences.
- The study briefly considers the presence of competing OTT platforms like Amazon Prime Video, Disney+, and Hotstar and examines how competition affects consumer choice and why users may prefer Netflix.

6. RESEARCH METHODOLOGY

Primary Sources: Primary data was collected from respondents directly through a self-constructed structured questionnaire. The questionnaire included both close-ended and open-ended questions to capture consumer opinions, preferences, and usage patterns regarding Netflix.

Secondary Sources: Secondary data was gathered from various websites, reference books, research journals, and published reports related to streaming services and consumer behaviour.

Sample Unit: Netflix users from Tirupur City across different age groups, genders, and occupations were selected for the study.

Sample Size: 100 respondents were selected from Tirupur City through convenient sampling method.

Statistical Tools: Percentage analysis, bar charts, pie charts, and mean (average) method were used to analyse and interpret the collected data clearly and effectively.

7. IMPACT OF NETFLIX ON SUBSCRIPTION DECISIONS:

Netflix has significantly changed consumer entertainment behaviour through its wide range of content, personalized recommendations, and affordable pricing. The platform's influence on subscription decisions is driven by content quality, convenience, social media trends, and peer recommendations. The mobile-first approach and regional language content have helped Netflix penetrate price-sensitive markets like India. The fear of missing out (FOMO) on trending shows encourages more individuals to subscribe and remain engaged with the platform.

Technological features like offline downloads, adaptive streaming, and multi-device compatibility further strengthen Netflix's appeal and impact on consumer subscription behaviour. Celebrities attract public attention and their endorsement of popular Netflix shows on social media increases platform visibility. Netflix-endorsed advertisements and recommendations are more memorable, helping consumers recall the brand easily. Consumers emotionally connect with shows and characters on Netflix, leading to long-term subscription commitment and strong brand loyalty.

8. DATA ANALYSIS AND INTERPRETATION

Table 1: Age Group of the Respondents.

S.NO	AGE GROUP	NO. OF RESPONDENTS	PERCENTAGE %
1	Under 18	8	8.1
2	18 – 25	90	90.9
3	26 – 35	2	2.0
4	50+	0	0.0
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: Table 1 displays that out of 100 respondents, 90.9% belong to the 18–25 years age group, about 8.1% fall under the below 18 years category, while 2% belong to the 26–35 years group and none belong to the 50+ category. Hence, the majority of respondents are young adults from the 18–25 age group, indicating that Netflix is predominantly used by youth.

Table 2: Gender of the Respondents.

S.NO	GENDER	NO. OF RESPONDENTS	PERCENTAGE %
1	Male	31	30.3
2	Female	69	69.7
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: The table shows the gender distribution of respondents. Out of 100 respondents, 69.7% are female and 30.3% are male. This indicates that female respondents form the majority in this study. The higher participation of female respondents suggests that they are more involved and interested in Netflix content. This distribution helps in understanding gender-based preferences and usage patterns related to the streaming platform.

Table 3: Occupation of Respondents.

S.NO	OCCUPATION	NO. OF RESPONDENTS	PERCENTAGE %
1	Student	88	88.9
2	Employee	7	7.1
3	Homemaker	2	2.0
4	Unemployed	3	3.0
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: The table shows the occupational status of respondents. Out of 100 respondents, the majority (88.9%) are students. This indicates that the study mainly focuses on student respondents, which may influence the results based on student perspectives and usage behaviour. About 7.1% of respondents are employees, showing limited participation from working professionals. Only 2% are homemakers and 3% are unemployed, representing very small participation from these groups.

Table 4: Netflix Subscription Usage.

S.NO	RESPONSE	NO. OF RESPONDENTS	PERCENTAGE %
1	Yes	73	73.7
2	No	27	27.3
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: The table shows the usage of Netflix among respondents. Out of 100 respondents, the majority (73.7%) reported that they use Netflix. This indicates that Netflix is widely popular and commonly used among the respondents. Only 27.3% of respondents reported that they do not use Netflix, showing that a smaller portion of the sample is not subscribed to the platform. The high usage level is important for understanding customer behaviour and subscription decisions.

Table 5: Type of Content Watched Most on Netflix.

S.NO	TYPE OF CONTENT	NO. OF RESPONDENTS	PERCENTAGE %
1	Movies	69	69.7
2	Web Series	64	64.6
3	Sports	25	25.3
4	Kids/Animation	19	18.2
5	Documentaries	9	9.1

Source: Primary Data

INTERPRETATION: The table shows that the majority (69.7%) of respondents prefer watching movies, making it the most popular content type. Web series are also highly preferred at 64.6%, indicating strong interest in episodic content. Sports content is watched by 25.3%, Kids/Animation by 18.2%, and Documentaries are the least watched at only 9.1%. Hence, movies and web series dominate Netflix viewing habits among the respondents.

Table 6: Preferred Language of Content.

S.NO	LANGUAGE	NO. OF RESPONDENTS	PERCENTAGE %
1	Tamil	58	59.2
2	English	34	34.7
3	Hindi	5	5.1
4	Regional Language	2	2.0
5	Malayalam	1	1.0
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: The table shows the preferred language of content among respondents. Out of 100 respondents, the majority (59.2%) prefer Tamil content, making it the most preferred language on the platform. English is the second most preferred language,

with 34.7% of respondents, showing that a significant number of users also watch international content. Hindi content is preferred by 5.1% of respondents, indicating lower preference compared to Tamil and English. This highlights the importance of regional language content strategy for Netflix in Tamil Nadu.

Table 7: Monthly Amount Willing to Spend on Netflix Subscription.

S.NO	AMOUNT (₹)	NO. OF RESPONDENTS	PERCENTAGE %
1	Below 200	53	54.6
2	200 – 500	35	36.1
3	500 – 800	10	10.2
4	Above 800	2	2.1
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: The table shows how much respondents are willing to spend per month on a Netflix subscription. Out of 100 respondents, the majority (54.6%) prefer to spend below ₹200, indicating that users are highly price sensitive. About 36.1% of respondents are willing to spend between ₹200 and ₹500, showing moderate willingness to pay for subscription services. Only 10.2% are willing to spend ₹500 to ₹800, while very few (2.1%) are willing to spend above ₹800. Overall, most respondents prefer low-cost subscription plans.

Table 8: Opinion About Netflix Subscription Cost.

S.NO	OPINION	NO. OF RESPONDENTS	PERCENTAGE %	SCORE (X)	fX
1	Very Affordable	40	41.2	4	160
2	Fair Price for Content	34	32.0	3	93
3	Too Expensive	22	22.7	2	44
4	Subscribe Only During Discounts	4	4.1	1	4
	TOTAL	100	100		301

Source: Primary Data

INTERPRETATION: The table shows respondents' opinions about Netflix subscription costs. The majority (41.2%) reported that Netflix is very affordable, indicating positive perception of pricing. About 32% believe the subscription cost is fair for the content

provided, showing overall satisfaction. However, 22.7% feel it is too expensive, and 4.1% subscribe only during discount periods. Mean = $\Sigma fX / \Sigma f = 301 / 97 = 3.10$, indicating that respondents on average consider Netflix's pricing to be fair.

Table 9: Biggest Technical Frustration While Using Netflix.

S.NO	TECHNICAL ISSUE	NO. OF RESPONDENTS	PERCENTAGE %
1	App Crashes or Slow Loading	33	31.3
2	High Data Consumption	27	28.1
3	Poor Video Quality / Buffering	23	24.0
4	Difficult User Interface	16	16.7
	TOTAL	99	100

Source: Primary Data

INTERPRETATION: The table shows the biggest technical frustrations faced by respondents while using Netflix. The majority (31.3%) reported app crashes or slow loading as their main issue, indicating performance and app stability are major concerns affecting user experience. About 28.1% reported high data consumption, showing that internet usage is a significant issue. Around 24% experienced poor video quality or buffering, which affects smooth streaming and reduces user satisfaction. Only 16.7% reported difficulty with the user interface.

Table 10: Factor Influencing Next Subscription Decision on Netflix.

S.NO	FACTOR	NO. OF RESPONDENTS	PERCENTAGE %
1	Price Drop	43	43.3
2	New Release	32	32.0
3	Bundle Deals	15	14.4
4	Suggestion by Friends	10	10.3
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: The table shows the factors influencing respondents' decision to subscribe or renew their Netflix subscription. The majority (43.3%) reported that a price drop would encourage them to subscribe, indicating that cost is the most important factor. About 32% stated that new releases influence their decision, showing that fresh content plays a

major role. Additionally, 14.4% preferred bundle deals, and 10.3% reported that suggestions by friends influence their subscription decision, highlighting the role of social influence.

Table 11: Overall Satisfaction with Netflix Service.

S.NO	SATISFACTION LEVEL	NO. OF RESPONDENTS	PERCENTAGE %
1	Dissatisfied	16	16.3
2	Neutral	39	38.8
3	Satisfied	36	35.7
4	Very Satisfied	9	9.2
	TOTAL	100	100

Source: Primary Data

INTERPRETATION: The table shows respondents' overall satisfaction with Netflix service. The majority (38.8%) reported a neutral level of satisfaction, indicating that many users have average experiences. About 35.7% stated they are satisfied and 9.2% are very satisfied, reflecting positive perception among a significant portion of users. However, 16.3% reported dissatisfaction, suggesting that some users face issues affecting their experience. Overall, Netflix should focus on improving service quality to convert neutral users into satisfied ones.

9. FINDINGS OF THE STUDY:

- The majority of respondents (90.9%) belong to the 18–25 years age group, indicating that young consumers are the primary users of Netflix and are highly exposed to streaming platforms.
- Female respondents (69.7%) form the majority of the sample, indicating higher participation and influence among female consumers in the study area.
- Most respondents (88.9%) are students, which indicates that the study mainly reflects the opinions and viewing behaviour of the student community.
- A large percentage of respondents (73.7%) reported that they use Netflix, indicating the platform's strong popularity and wide market penetration.
- Movies and web series are the most popular types of content watched on Netflix, showing that entertainment content attracts the majority of viewers.
- Tamil content (59.2%) is the most preferred language among respondents, followed by English (34.7%), highlighting the importance of regional language content.

- Most respondents (85%) find the Netflix mobile application easy to use, indicating that mobile is the most preferred and convenient streaming platform.
- The majority of users (63.5%) open the Netflix app during their free time, showing that Netflix is mainly used for relaxation and leisure entertainment.
- Most respondents (54.6%) are willing to spend below ₹200 per month, indicating that users are highly price sensitive and prefer affordable plans.
- App crashes and slow loading (31.3%) are the most common technical frustrations, affecting the overall user experience negatively.
- Price drop (43.3%) and new content releases (32%) are the strongest factors influencing users' decisions to subscribe or renew their Netflix subscription.
- Most respondents (38.8%) show a neutral level of overall satisfaction with Netflix, while 35.7% are satisfied, indicating scope for improvement.

10. SUGGESTIONS:

- Netflix should introduce affordable, student-friendly subscription plans since most users are students with limited budgets and high price sensitivity.
- The platform should invest more in producing high-quality Tamil and regional language original content to attract and retain local audiences in Tamil Nadu.
- Netflix should improve app performance and technical stability to reduce app crashes and slow loading issues that affect the user experience negatively.
- The AI recommendation system should be enhanced with better personalization algorithms so that content suggestions are more relevant and accurate for each user.
- Netflix can introduce bundle offers with telecom providers and flexible short-term subscription plans to attract price-sensitive users who are reluctant to commit long-term.
- The company should focus on increasing content variety including more movies, web series, and interactive content formats to maintain user interest and engagement.
- Netflix should provide clear billing information and easy subscription management tools to reduce payment frustrations and improve transparency for consumers.
- Promotional campaigns and awareness programs should be targeted specifically toward college students and young users who form the dominant user base.

11. CONCLUSION:

The study titled 'An Empirical Study on Netflix and Its Influence on Subscription Decision' was conducted to understand the factors influencing users' decisions to subscribe to Netflix.

The findings clearly indicate that content quality, affordable pricing, mobile accessibility, and regional language content play significant roles in shaping subscription decisions. Young consumers, especially students in the 18–25 age group, are the primary users of Netflix and are highly price sensitive, preferring subscription plans below ₹200 per month.

The study also reveals that subscription price is one of the most important factors affecting users' decisions. Many respondents prefer affordable subscription plans and flexible payment options. Technical performance, content variety, and recommendation systems also influence user satisfaction. Although most respondents show neutral to positive satisfaction levels with Netflix services, there are still areas that require improvement including reducing subscription costs, improving app performance, enhancing recommendation accuracy, and increasing the availability of regional and original content.

Overall, Netflix continues to remain one of the leading streaming platforms due to its wide range of content, user-friendly interface, and strong global presence. Tamil content preferences and student demographics in this study highlight the need for localized strategies. By focusing on affordability, technological improvements, and diverse regional content offerings, Netflix can further strengthen its position in the digital entertainment industry and attract more subscribers in the future. The findings of this study provide valuable insights for streaming platforms, marketers, and researchers in the field of digital media and consumer behaviour.

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