A Comparative Study of Netflix and Amazon Prime Video Based on Consumer Satisfaction, Preference, etc.

Harshita Tulsyan, BCom. (hons.) Student at SVKM's NMIMS, ASM School of Commerce, Mumbai, India

Prakriti Goyal, BCom. (hons.) Student at SVKM's NMIMS, ASM School of Commerce, Mumbai, India

Shresthi Tibrewal, BCom. (hons.) Student at SVKM's NMIMS, ASM School of Commerce, Mumbai, India

Sneha Bansal, BCom. (hons.) Student at SVKM's NMIMS, ASM School of Commerce, Mumbai, India

ABSTRACT: Over-the-Top (OTT) platforms have emerged as a significant catalyst in transforming the media and entertainment sector, fundamentally changing the dynamics of content creation, distribution, and consumption. There are so many OTT Platforms present in the market today, it has become very difficult to find the best alternatives suitable to personal preferences, based on various factors such as price range etc. This study analyses two of the most popular OTT Platforms like Netflix and Amazon Prime Video. These two platforms are the most used platforms which are accessible to everyone.

KEYWORDS: OTT Platforms, Netflix, Amazon Prime Video, age, budget, advertisement, driving experience, Spearman's Rank Coefficient of Correlation, Histograms, Pie charts, survey.

I. INTRODUCTION:

In an era defined by digital advancements, OTT platforms have disrupted conventional content delivery methods, granting viewers unprecedented flexibility and choice in their entertainment experiences. As there are so many options available in the market, choosing the best suited platform has become a tedious and strenuous process for users. Since the COVID-19 pandemic, the usage of OTT Platforms has accelerated making it common in every household. As people were stuck in their house, they binged on streaming services for entertainment. Tons of new people purchased subscriptions. The convenience of OTT, like watching what you want, when you want, stuck around even after lockdowns ended. Many started using OTT alongside regular TV whereas some have started to prefer OTT over it. The options of OTT platforms present put the customers into a dilemma as nobody wishes to spend money only to regret their decision later. Therefore, this study was carried out with the aim of examining two OTT Platforms based on diverse features. To gain an insight about what people comprehend of the two brands a questionnaire was developed based on certain features which customers may desire from OTT Platforms in today's time.

The independent variables include: Customer Satisfaction (as for how satisfied the customers are with the platforms), Platform Preference (even though there are several platforms present in the market, customers have some biases on the basis of their requirements), Advertisement (customers get information through advertisements and buy what they see and remember so, if the advertisement leaves a positive impact on the users, it becomes quite difficult for them to switch to any other platform), Budget (it is one of the most important factor that consumers ponder upon), Age group, Gender, Discovery of new content(availability of new content available on the platform), Frequency of payment (time gap between 2 consecutive subscription payments) while the dependent variables were Netflix and Amazon Prime Video.

This research adopted descriptive, statistical, and explanatory research design. It also employed the use of cross-sectional survey method using survey questionnaires that contains 4 items with a Likert Scale (1- Unsatisfactory and 5- Very satisfied). The sample of around 300 users was selected using convenient sampling method to arrive at the desired conclusions. The data collected was analysed with the help of Spearman's Rank Correlation

Coefficient, Regression Analysis, Pie charts and Histogram.

## II.   FACTORS AND STATISTICS:

1.   BUDGET-

Ott platforms like amazon prime video and Netflix will be able to attract more customers if they provide them with extra utility, including facilities such as ad free content, audio and video quality, and binge watching which will in return result them with holistic growth and development of the companies. Budget while subscribing to the several Ott platforms helps in cost management, flexibility, choice in the content, and avoiding futile subscriptions. From the graph below, it can be interpretated that most of the people have high purchasing power, i.e. They are likely to spend 1000 rupees.
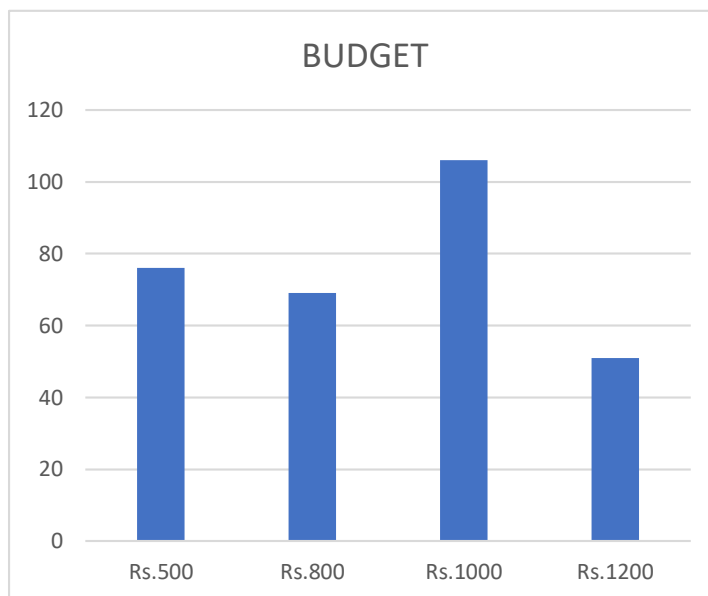
2.   ADVERTISEMENT-

With high degree of competition in the market, Ott platforms such as amazon prime video and Netflix focus more on advertising through newspapers, television, billboards, etc and collaborating with the upcoming influencers on Instagram and YouTube which will result in considerable rise in the customer engagement. Advertisements plays a key role in attracting the attention of potential consumers. Therefore, it is necessary for platforms to create impactful advertisements that leave a long-lasting impression on the viewers.

From the data above, it can be interpreted that the advertisements carried out by Netflix are more likely to demonstrate higher success rates in comparison to amazon prime video. People are influenced by the advertisements in comparison to Netflix as it is more attractive to grasp the attention of audience.
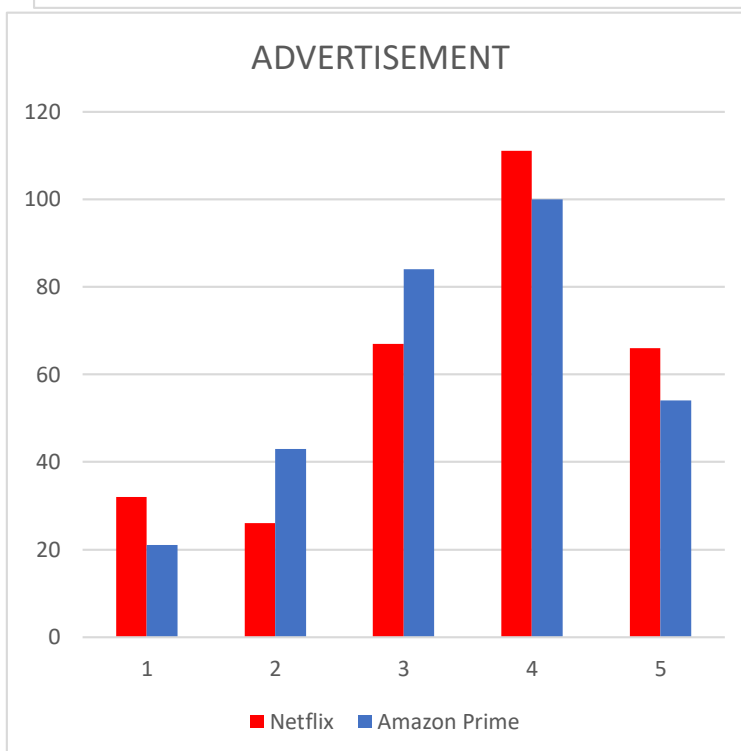
3. CONSUMER PREFERENCE-

There is always an internal conflict amongst users about whether the platform they choose will align with their requirements or not. Customers create their preference based on the what the platforms claim. That is why what a company claims their brand message is must match how the company operates every day. Positive experiences with a brand lead to brand loyalty which results in increased or stable sales. There is an increasing competition amongst platforms to attract a loyal user base for it.

Looking at the bar chart, it's evident that Netflix (52.64%) is the dominant choice in our survey. It displays that the market has been captured by Netflix as the number of consumers who prefer Netflix significantly outweighs those who prefer Amazon Prime (47%).


CONSUMER PREFERENCE
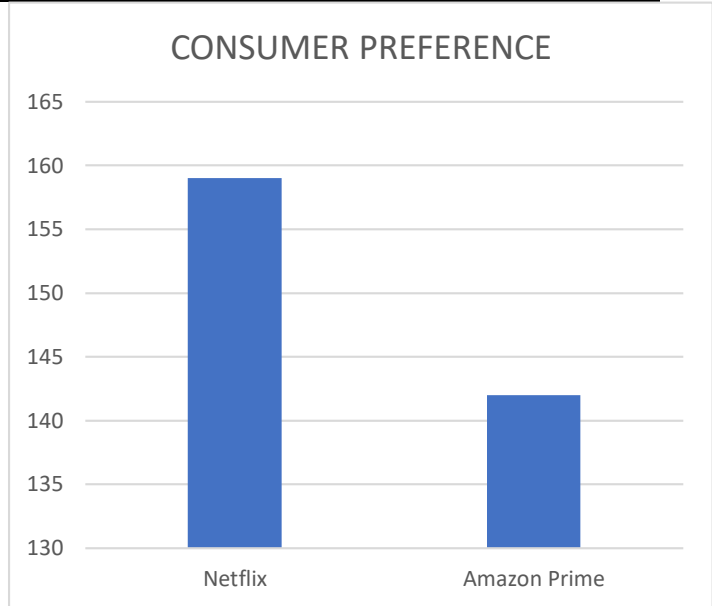
4. CONSUMER SATISFACTION-

The data derived from the survey illustrates that the subscribers of amazon prime video are neutral and that of Netflix are highly satisfied. Amazon prime video is now gaining importance these days as it has extra benefits to their subscribers such as along with the jio-fiber, people will get subscription of amazon prime video free, and with the purchase of fire tv stick, there is free login to prime video. But on the other hand, people are satisfied more by Netflix because of the content provided by it.


CONSUMER SATISFACTION
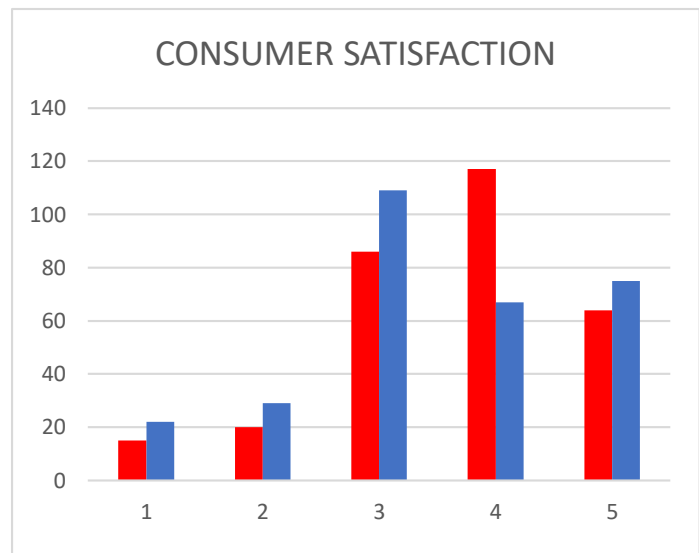
5. AGE GROUP-

The content consumed differs among different age groups. As per the data collected through the survey, the adult population (18-24) is more interested (45.6%) in binge watching these platforms as it is the main source of entertainment. Rest age groups (24-30), (30-36), (36-42), (42-50) have relatively equal amount of consumer base that is 9.7% (approximately), as it is the working class and do not have much time for powering through the platforms. Even the older generation whose age is greater than 50 years are involved in utilization of the content on Ott platforms. Teens (10.9%) are more fascinated by the content on Netflix and amazon prime video as it is more amusing for them to use.


AGE GROUP
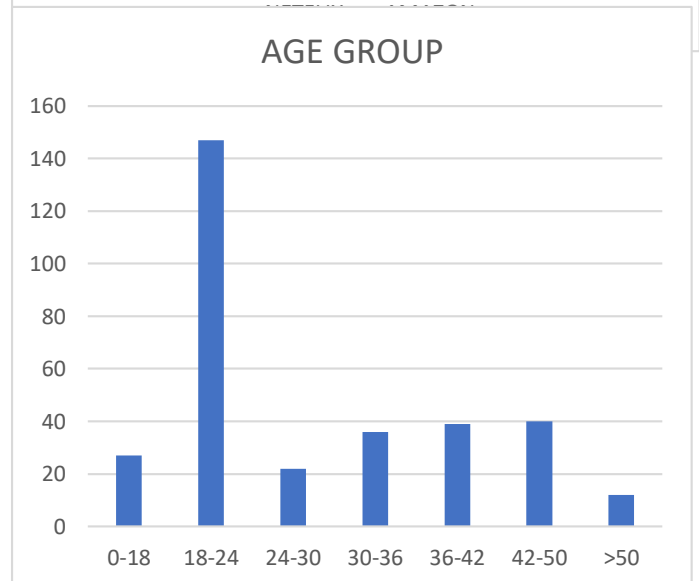
6. GENDER-

We received diverse responses from different genders. As seen from the graph below, there are 30.54% more responses from females than males. There are 3.97% of the people who choose not to say.
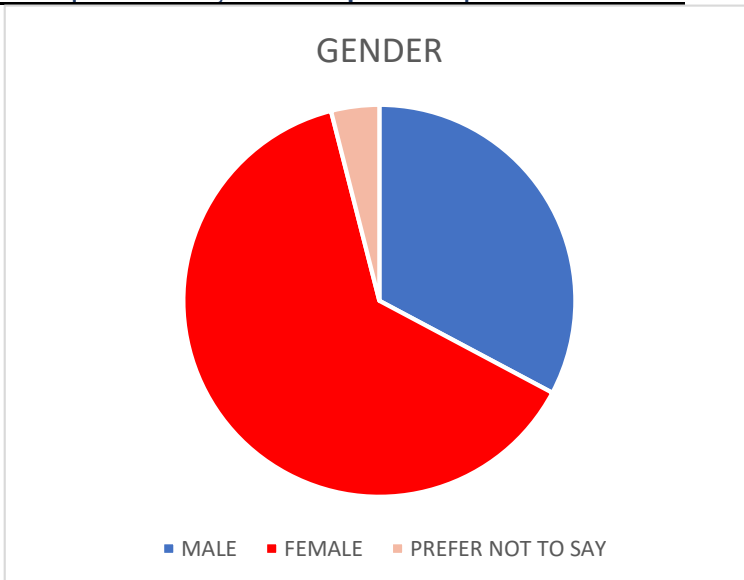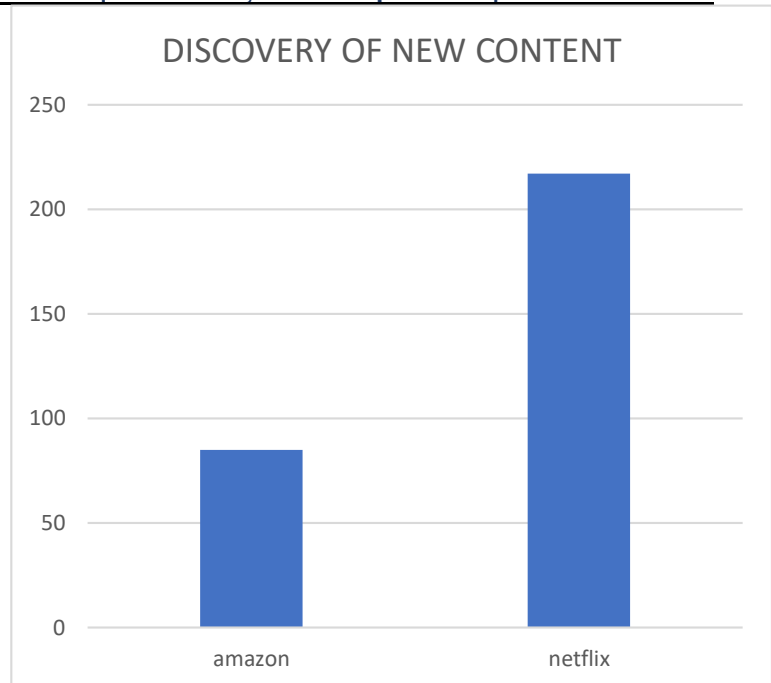

7. FREQUENCY OF PAYMENT-

The factors that give Netflix (61.3%) an edge over amazon prime video (38.6%) is because of less monthly subscription fees than amazon prime video, content is more varied and once the subscription payment is done on Netflix there is no requirement of additional payments, that is why people prefer more monthly as well as yearly subscription on Netflix. On the other hand, people incline more towards amazon prime video (65.2%) than Netflix (34.7%) for half yearly subscriptions is that along with the subscription of amazon prime video, it gives a benefit of next day delivery from amazon app, there are several discounts as well for students and have access to live sports and concerts. But there are few people who prefer yearly subscriptions because it is easy to buy and there are no

other repetitive payments.
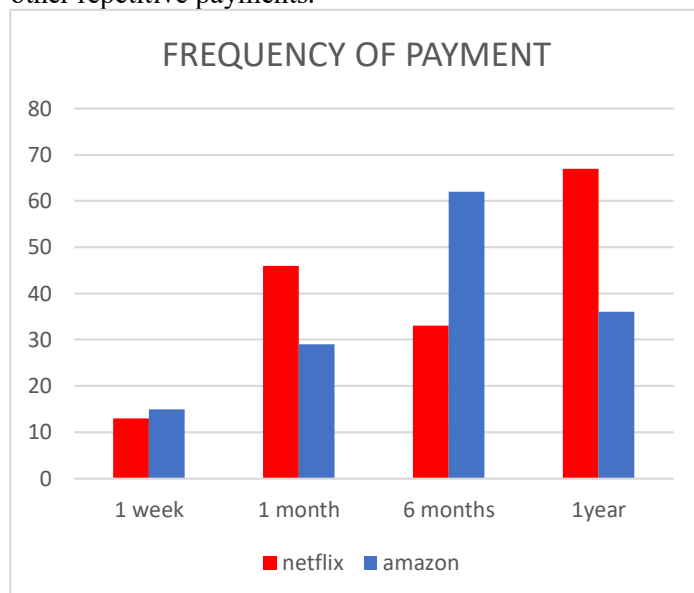
8. DISCOVERY OF NEW CONTENT-

Since the COVID 19 pandemic, there has been a rise in consumers' requirement for new content on OTT Platforms. Regular new content plays an important role in consumer preferences. As both Netflix and Amazon Prime Video are key players in the OTT Industry, both regularly keep on updating with new content, the factor that brings a difference is the type of content that they upload, whether it is liked by its audience. As the data received from the survey, 43.7% of the people prefer Netflix as it has more likable content than amazon and people prefer to search for different stuff of movies and series as per their choices.

DISCOVERY OF NEW CONTENT

(Bar chart: amazon ≈ 85, netflix ≈ 217; y-axis from 0 to 250)

III.   SPEARMAN'S RANK CORRELATION COEFFICIENT

Correlation	Advertisement	Customer Satisfaction	Frequency of Payment
Netflix and Amazon Prime Video	0.890684357	0.755339326	0.25547584

OTT Platforms	AGE
BUDGET	-0.530

In Statistics, Spearman's Rank Correlation Coefficient is a nonparametric measure of rank correlation (statistical dependence between the rankings of two variables). It assesses how well the relationship between two variables can be described using a monotonic function. Spearman's coefficient is appropriate for both continuous and discrete ordinal variables.

We have found the correlation between Netflix and Amazon based on Advertisement, customer satisfaction and Frequency of payment as well as a correlation between age and budget of respondents has also been drawn.

From our survey, the respondents were provided with an option from 1-5 to choose from. Correlation was calculated between the ratings of Netflix and Amazon. It helped to assess the relationship between the two platforms.

Correlation is a form of dependency where a shift in one variable means a change is likely in the other, or that a certain known variables produce specific results. A positive correlation is a relationship between two variables in which both variables move in the same direction. Therefore, when one variable increases as the other variable increases, or one variable decrease while the other decreases. Whereas in negative correlation, while one variable increases other falls and vice versa.

- The high correlation coefficient (0.89) between Amazon Prime and Netflix advertising suggests a strong positive relationship, but caution is needed. This doesn't necessarily mean one causes the other to advertise more. It could be due to competition in the streaming market, industry-wide advertising trends, or user behaviour

shifts. Furthermore, focusing just on advertisements might be limited.

- Customer satisfaction for Amazon Prime and Netflix shows a strong positive correlation, with a coefficient of 0.755. This means that as satisfaction with one service increases, the other tends to rise as well. Both companies are working towards customer satisfaction. The interface is made more user friendly and worth the amount paid by the users.
- The correlation between Netflix and Amazon because of frequency of payment is weak positive. This indicates that the people who pay for one service do not usually pay for the other. This could be because of the higher charges paid by the people for one platform or due to subscription sharing. The correlation found out was 0.255.
- The correlation between the age and budget of people collectively on Netflix and Amazon Prime turns out to be –0.530. This value indicates that as people get older, they drift away from OTT. The younger generation is more tech-savvy and attracted to such things. The possible reasons of older people being disconnected from OTT could be different priorities

IV. REGRESSION

Regression analysis is a statistical technique used to understand the relationship between one or more independent variables and a dependent variable. Regression analysis is an effective statistical instrument that provides an in-depth understanding of the relationships between variables.

Regression has been calculated between advertisement and customer satisfaction of Amazon and Netflix a regression between age and budget of respondents has also been drawn.

Since regression is the relationship between dependent variables and independent variables. The dependent variable for finding regression is taken to be Netflix as it has a first mover advantage and sets standard for other OTT Platforms like Amazon prime.
In the other case, the budget is taken to be dependent while the age is independent as the amount spent will depend on the age of that person.

BASIS	EQUATION
Advertisement	$Y = 0.618912917X + 23.01765981$
Customer Satisfaction	$Y = 0.830493816X + 10.23817348$

OTT PLATFORMS	AGE
BUDGET	**$Y = -10.947561X + 1172.84339$**

- According to this equation, there is a relatively good relationship between Amazon Prime and Netflix advertising. The correlation (0.6189) shows a pattern whereby an increase in Netflix ad engagement is correlated with an increase in Amazon Prime ad engagement. Still, the Y-intercept (23.0176) indicates that there is expected to be considerable Amazon Prime advertising (Y) even in the absence of any Netflix commercials (X = 0). This might be the result of things other than Netflix's advertising campaign, like Prime's own marketing initiative.
- There is an important beneficial relationship between Netflix and Amazon Prime customer satisfaction and this equation. The high correlation (0.8304) indicates that Amazon Prime users are also more likely to be satisfied with Netflix. This shows that there is a strong correlation between the satisfaction ratings on the two platforms. Yet the Y-intercept (10.2382) indicates that there is an expected mean level of satisfaction for Prime (Y), even with neutral Netflix satisfaction (X = 0). This might be because Prime offers additional services beyond streaming that affect how customers view it.
- The relationship between age (X) and budget (Y) is moderately negative, according to this equation. According to the coefficient (-10.9476), there appears to be a tendency for the budget allotted to OTT platforms to decrease with age. This might be due to a number of factors, including the fact that young people are more proficient with technology and have more money to spend than older adults. But the Y-intercept (1172.8434) shows that an average spending

for OTT platforms is anticipated, even at a young age (X = 0). Other than age, this could be caused by things like household demands or personal income.

V. HISTOGRAM
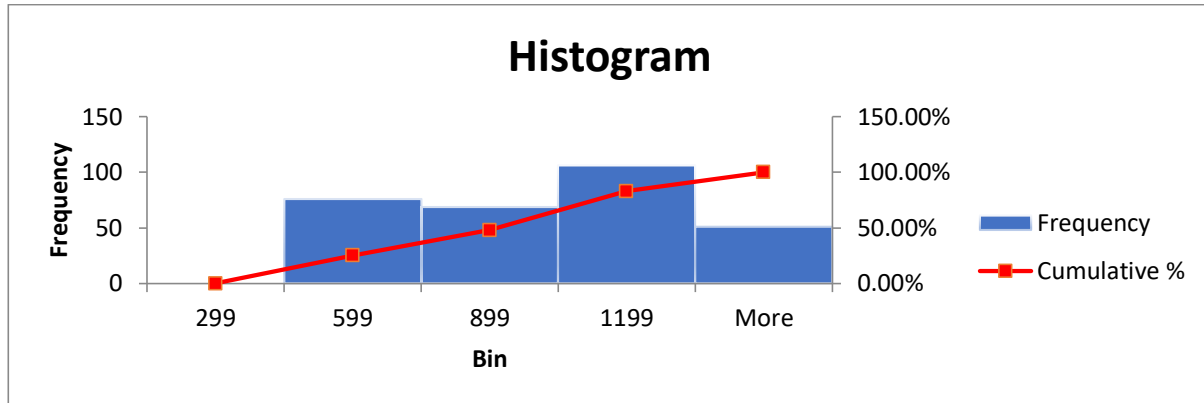
A histogram is a bar graph in statistics that shows how data is spread out. It uses side-by-side rectangles to represent different ranges of values, with the height of each bar showing how many data points fall within that range. The horizontal axis of the graph shows the budget (bin), while the vertical axis shows the frequency (count). The bins are likely equal ranges of follower counts. Most people are willing to pay Rs.1200. While the willingness to pay drastically decreases beyond 1200.

VI. LIMITATIONS

This project makes use of a variety of statistical methods to analyse the data that was collected through the survey that we conducted such as:

- **Histogram-**

Visualizing data spread with histograms is like sorting socks into bins. It's useful but choosing the right bin size is messy. Too few bins can lead to missed details, too many bins can make it hard to see anything. Histograms also have trouble with data that leans to one side or has outliers, like high or low values.
1. Lack of detailed information
2. Inability to handle continuous data
3. Sensitivity to bin size
4. Difficulty in comparing multiple histograms
5. Limited use in complex data analysis

- **Spearman's rank of correlation coefficient-**

Spearman's rank correlation focuses on the order (rank) of the data, not the actual differences in values. So, a small increase or decrease can be misinterpreted as a strong trend. Complex relationships, like curves or U-shapes, go undetected. A high number of ties in your data (where multiple points share the same value) can make Spearman's rank less reliable.

1. Assumptions of Spearman Rank Correlation
2. Sensitivity to Outliers
3. Limited Application to Non-Monotonic Relationships
4. Inability to Capture Nonlinear Relationships
5. Interpretational Challenges

- **Pie chart-**

Pie charts can only handle one dataset at a time. If a comparison of data across multiple categories is required, a different tool will have to be used. Pie charts deal in percentages, which are great for understanding general proportions, but not ideal if exact values are needed.
1. Lack of precision in representing data
2. Difficulty in comparing multiple pie charts
3. Inability to display large amounts of data
4. Misinterpretation due to misleading angles
5. Limited effectiveness in displaying trends over time

- **Regression-**

Regression is built for continuous data, where things can change smoothly across a range. It's not ideal for data with fixed categories. Regression can show that one thing (X) might influence another (Y), but it can't prove for sure that X causes Y. Regression models are only as good as the data they're based on. If the data is messy, biased, or filled with unrelated stuff, the results won't be reliable.

1. Lack of Linearity Assumption
2. Sensitivity to Outliers
3. Multicollinearity Issues
4. Inability to Handle Nonlinear Relationships
5. Dependence on Assumptions

- **Bar graph-**

stuffing too many categories into a bar graph creates a cluttered mess, making it hard to see what's what.

1. Inadequate representation of continuous data
2. Difficulty in comparing large data sets
3. Limited ability to show trends over time
4. Lack of flexibility in displaying multiple variables
5. Inability to incorporate complex data relationships

VII.   CONCLUSION

By conducting our survey and analysing the data, we aimed to achieve the following objectives:

1. To compare preferences of people of various ages for the two OTT Platforms which are Netflix and Amazon Prime in terms of how frequently people must pay, how much is their budget, also how many people are aware of their branding and advertising with their advertising techniques.
2. To provide insight into the demand of Netflix and Amazon Prime among the buyers.
3. To depict popular sentiment about Netflix and Amazon Prime utilising a variety of graphs such as histograms, pie charts, and so on.
4. To denote the competition between a newcomer [Amazon Prime] to the market and an established player [Netflix].

VIII.   SUGGESTIONS

- Response bias is a term for when respondents don't tell you the full truth when answering your survey questions. The survey and analysis could be impacted if the response is incorrect. It is human nature for biases to remain regardless of whether they aren't intentional.
- While filling in a survey, people might randomly click on answers to finish filling it quickly. As a respondent, it may not make much of a difference, but this dramatically effects the integrity of the data collected on the other end.
- Another shortcoming could be that the survey may not have reached the whole audience concerned. Feedback may have been received from only certain sections of the audience, ignoring the rest.

IX.   REFERENCES

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2. Survey Conducted