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A Comparative Study on Membership Benefits for Netflix and Amazon Prime

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ABSTRACT:

The project work is entitled a " A COMPARITIVE STUDY ON MEMBERSHIP BENEFITS FOR NETFLIX AND AMAZON PRIME" with special reference to Netflix and amazon. The primary objective of this study is to measure the membership benefits for Netflix and amazon . The main objective is to compare the Netflix and amazon between customers.

INTRODUCTION:

The entertainment industry has evolved drastically over the last few years owing to the streaming websites, with growing choices for accessing content online. Digital media has made its way through a remarkable evolution over the last few decades. New platforms and streaming sites have emerged that allow movie/series lovers to watch video content over the Internet. The growth of online streaming changed the multimedia and entertainment ecosystem.

Several names come to mind when talking about online streaming but no one can beat Netflix and Amazon Prime Video. These are one of the widely used video streaming services and people's favourite choice. With online Streaming sites coming into a discussion, the inevitable question of which of them is the best also comes into the picture. There is a multitude of content to watch on the Internet depending on the taste of the viewers.

Overview of Netflix and Amazon Prime Video:

Netflix is an online streaming video-on demand subscription service which provides its viewers to access to a massive list of movies and TV shows from around the world for a nominal monthly or annual fee. When making a choice, one of the simplest method that any individual can use is to make comparison between at least two items, known as comparative analysis.

Depending on the feature that is the most important to you price, quality, durability, you will compare two products and using your knowledge in order to decide upon which product to buy. Comparative analysis is extended also to business industries, where appraisers conduct more complex analysis, depending on the items that are to be compared. Briefly, by comparing two or more things you have a scope of discovering something unknown about either one of the products which are compared. However, in business, comparative analysis has a wide application and does not involve only products, but also complete sets of data. This data is generally analyzed to provide any scope of improvement in the existing processes. At first sight, comparative analysis seem like an easy research to conduct. However, as is the problem with comparative studies, it raises many questions and it can give problems depending on the method used. This project is a comparative analysis between two leading video streaming companies-AMAZON PRIME and NETFLIX. AD -free online streaming for movies and TV shows on virtually any device that is the promise of both Netflix and Amazon Prime Instant Video. Netflix has a larger content library and apps for more platforms and devices than that supported by Amazon Prime. Netflix also offers subtitles (or closed-captioning) for more TV shows and movies than Amazon. The biggest bone of contention between Amazon Prime and Netflix has been the size of the content library. Amazon Prime has a smaller library of available titles, but tends to offers more of the latest movies and TV shows for instant watching. Netflix, on the other hand only offers TV shows and movies that are over a year old (with the exception of Netflix's own productions), but has a much larger library of shows and movies than Amazon.

2. OBJECTIVES OF THE STUDY:

- ✦ To study the current services provided by the subscription-based media streaming service providers: Netflix and Amazon Prime.

- ✦ To study the factors influencing the customer engagement while using subscription-based media streaming service providers.

- ✦ To understand which of the two companies are more popular among the custom.

- ✦ To identify which of the two companies are better based on different factors, content, price, interface, device support etc.

✦ To identify the shortcoming of both the companies.

1.3 SCOPE OF THE STUDY:

✦ The study an analysis made through survey in this project is within the boundaries of the Coimbatore region. The respondents are people of the age 18years-30years who are well aware of AMAZON PRIME and NETFLIX and services provided by them.

✦ Further, this study can be used to analysis customer satisfaction of the customers (users)of

AMAZON PRIME and NETFLIX.

✦ Which streaming application between Amazon prime video and Netflix, serves the best usability experience by using HCI principles with the help of survey evaluation from the user perspective.

✦ It is important to know what the user feels while using these applications, so we like to find the best application between these with the help of HCI principles from the user perspective by using the survey evaluation.

1.4 STATEMENT OF THE PROBLEM:

The problem statement for "A comparative study on membership benefits for Netflix and Amazon Prime" project is to determine the differences in benefits and features offered by these two popular streaming services to their subscribers. Specifically, the project aims to identify the factors that make one service more appealing than the other and evaluate the effectiveness of their marketing strategies in attracting and retaining subscribers.

1.5 RESEARCH METHODOLOGY:

Research methodology refers to the specific procedures or techniques used to identify, select, process, and analyse information about a topic. In a research paper, the methodology section allows the reader to critically evaluate the study's overall validity and reliability.

Research Methodology of this project is as follows:

1.　SOURCES OF DATA COLLECTION: A.PRIMARY DATA:

Primary data is data that is collected by a researcher from first-hand sources, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources For collecting the primary data the survey was done through questionnaire, which was personally and through mails given to different people and was filled.

B. SECONDARY DATA:

For theoretical overview, secondary data was collected from different websites and research papers.

2.　RESEARCH DESIGN:

A research design is a set of methods and procedures used in collecting and analysing measures of the variables specified in the research problem research .The methodology to be used would be a Descriptive Research Design which is a scientific method that involves observing and describing the behaviour of a subject without influencing it in any way.

3.　SAMPLE METHODS:

There are two methods of selecting samples from the population:

A.　Non Probability sampling

Non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected.

4.　PROBABILITY SAMPLING:

Probability Sampling is a sampling technique in which sample from a larger population are chosen using a method based on the theory of probability. For a participant to be considered as a probability sample, he/she must be selected using a random selection In this research, I have used the first method, i.e. the Non Probability, Sampling, because of the time constraints and also to gather as much information as possible.

5.　SAMPLING TECHNIQUE:

Initially, a rough draft was prepared keeping in mind the objective of the research. A study was done in order to know the accuracy of the Questionnaire. The final Questionnaire arrived only after certain important changes were done. Thus my sampling came out to be convenient which is a type of Non probability sampling.

    6.   **SAMPLING UNIT:**

The respondents who were asked to fill out questionnaires are the sampling units.

These comprise of people of the age group from 18 years till 30years.

    7.   **SAMPLE SIZE:**

The sample size was restricted to only 100, which comprised of mainly peoples from different regions of Coimbatore.

1.6 LIMITATIONS OF THE STUDY:

✦ The research is not based on any primary data collecting, which provides the research additional credibility. Attempts to conduct primary research in the future can be made.

✦ There are other additional OTT platforms, but my research is limited to two big ones.

✦ Most of the information provided in the project report Is collected from the Subscribers of this brand.

✦ Lack of previous research studies on the topic of membership benefits for Netflix and Amazon prime.

REVIEW OF LITERATURE:

1. Hostler, Yoon, Guimaraes , Forgionne (2021) found online retailers such as Amazon.com and service providers such as Netflix.com have dominated their respective market areas. The recommendation agent (RA) is one of the tools utilized on the websites of these online behemoths: it gives a personalized online purchasing experience.

2. Minzheong (2021) states "Amazon and Netflix have various TV network branding in SVOD". Amazon uses the brand names of several television networks as profitable lures to entice users to join its APV membership club. Netflix competes with linear TV networks, and their brand identities diminish from Netflix's own brand value. Finally, the importance of thinking about contemporary TV network branding as a constant negotiation between established and emerging practices is demonstrated by Amazon's efforts to build a streaming service alongside TV network brand identities, as well as Netflix's efforts to build its own brand at the expense of such identities.

3. Rahe, Uschow (2021) found subscription-based video-on-demand (S-VoD) streaming services have emerged as important participants in the video business in recent years. SVoD services offer a specific selection of video content to users for a set monthly fee. With around 130 million members, Netflix has been the leading supplier since 2008, followed by Amazon Prime Video. This is likely to change as competitors like as The Walt Disney Company, Warner Media, and Apple challenge its dominance. These notable players are making an appearance.

PROFILE OF THE STUDY

Video streaming is the one-way transmission of video content over a data network. It is a type of media streaming in which data from a video file is continuously transferred through the Internet to a remote user. This content is sent in a compressed form via the Internet and is displayed in real time by the viewer. While streaming, the user does not have to wait to download it on a computer or host it to play the file. Hence, a player is needed for uncompressing the file, which sends the audio data to the speakers and the video data to the display.

NETFLIX:

Netflix started in 1997 as an online movie rental service available exclusively in the United States at the time. It has advanced into one of the world's most popular streaming entertainment services, with 183 million paid subscriptions in over 190 countries and a miscellaneous selection of TV series, biopic, and feature films in a variety of kinds and languages.

Amazon Prime Video, formerly known as Amazon Unbox, is the company's largest and most well-known video-streaming service. With the absence of mainland China, North Korea, Iran, and Syria, Amazon Prime Video is currently available in about 200 countries, like Netflix. Due to the increasingly competitive business, new entrants were modifying their market strategy to increase their subscriber counts and maintain their subscriber count, with Netflix and Amazon being two of the major participants. If we talk about India, it is one of the important markets to expand the Video streaming business and both the companies have targeted India. The sudden change in the consumer behavior about the video streaming is due to the internet service provider, i.e., Reliance jio. Netflix was quite famous in the United States, same as the Amazon prime video, but if we take the current scenario, both are famous across the globe not only in United States.

AMAZON:

Everything that begins has an end, yet it appears that the Amazon Prime video member base defies this rule. The number of people using the internet streaming platform has surpassed 200 million, and it is still growing. This inexorable growth rate is due to Amazon Prime's marketing strategy.   This streaming network, which debuted in 2006 as Amazon Unbox, has undergone multiple makeovers and technological improvements. Prime is now available in over 20 countries, and it is known around the world as Amazon Prime Video. Amazon rated third in terms of digital video impact in 2020. In addition, APV is the second most popular video on demand service in the United States. Amazon announced in January 2020 that Prime had surpassed 150 million subscribers globally, and that number has already risen to 200 million.

ANALYSIS AND INTERPRETATION OF DATA

Analysis and interpretation of data is the process of assigning meaning to collected information and determining the conclusions, significance and implication of the findings. It is an important and exciting step in the process of research. In all research studies, analysis follows data collection.

The statistical tools are

- ✦ Percentage Analysis
- ✦ chi-square
- ✦ **CHI-SQUARE ANALYSIS:**

Chi-square test is the non-parametric test of significance differences between the observed distribution of data among the observed distribution of data among categories and the expected distribution based on the null hypothesis. The test (pronounced as chi-square test) is one of the simplest and most widely used non-parametric test in statistical work. The symbol is the Greek letter Chi. The test was first used by Karl person in the 1900.

FORMULA:

OBSERVERED VALUE(X^2)= (O-E)^2/E

CHI SQUARE VALUE (X^2) = (Observed value – Expected value)^2/Expected value.

Degree of freedom = (Row - 1)*(Column - 1)

 = (5-1)*(4-1)

Degree of Freedom=12

Calculated Value of X^2= 29.232

Table value = 21.026

Hypothesis:

HO: There is no significance relationship between dependent variable and independent variable level of significance 5%

H1: There is a significant relationship between dependent variable and independent variable level of significance 5%.

AGE	AMOUNT SPEND ON ANNUAL SUBSCRIPTION				TOTAL
	Less than 500	500 TO 1000	1000 TO 2000	More than 2000	
18 TO 20	12	14	17	1	44
21 TO 25	12	6	9	1	28
25 TO 30	1	6	3	0	10
31 TO 40	0	1	5	3	9
ABOVE 40	4	3	2	0	9
TOTAL	29	30	36	5	100

Interpretation:

In the above comparative analysis, the calculated value (29.232) is more than the table value

21.026 at 5% level of significance. Hence Null hypothesis is accepted.

Thus, there is significant relationship between the Age and the amount spend for the annual subscription.

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

5.1.1 SIMPLE PERCENTAGE:

1. Majority of 55% of the respondent's are male
2. Majority of 44% of the respondent's age group is 18-20

3.   Majority of 50% of the respondent's occupation is business man

4.   Majority of 49% of the respondent's monthly income is below 15000

5.   Majority of 78% of the respondent's are 3-5 members in a family

6.   Majority of 68% of the respondents are unmarried

7.   Majority of 48% of the respondents are rural area

8.   Majority equally both type of family are taken for the study

9.   Majority of 45% of the respondents are chosen a Netflix.

10.   Majority of 86% of the respondent's are saying yes

11.   Majority of 47% of the respondents are choosing a 2hours 12.Majority of 67% of the respondents were chosen a Netflix

12.   Majority of 36% of the respondents are willing to spend a 1000-2000.

13.   Majority of 53% of the respondents were chosen a Netflix.

14.   Majority of 61% of the respondent's has been chosen Amazon. 16.Majority of 65% of the respondent's has been chosen Netflix

15.   Majority of 36% of the respondent's has been chosen subscription cost

16.   Majority of 54% of the respondent's has been chosen to improve subscription cost

17.   Majority of 37% of respondent's has been chosen both. 20.Majority of 37% of respondent's has been chosen both.

18.   Majority of 62% of the respondent's has been a chosen a Netflix

19.   Majority of 68% of the respondents are saying yes

20.   Majority of 39% of the respondents' has been chosen a Netflix.

5.1.1 CHI -SQUARE TEST:

1. There is significant relationship between the Age and the amount spend for the   annual subscription.

SUGGESTIONS:

5.2.1 For Netflix

✦   Netflix should focus on their pricing and should work towards reducing it as this is one of The major factors that is drawing customers away.

✦   Netflix India should include shows and movies in regional languages as well, this will Help them target greater customer base.

✦   Netflix should try and make their website more user friendly.

✦   Netflix should give its customers the option of downloading movies, shows etc.

5.2.2 For Amazon Prime

✦   Even though Amazon prime has the largest library of movies but it is no match of Netflix. When it comes to TV shows, thus it should invest in this area as well.

✦   Amazon should focus on improving their quality of content; this will attract more customers towards it.

✦   Amazon should focus on spending more money on promotional activities so that more and more people are aware of it.

5.3 CONCLUSION:

✦   From all the hypothesis and the data interpretation following are the results derived which could be concluded by a researcher:

✦   Netflix is better than the Amazon Prime Customer Engagement Services of Netflix are way better than Amazon Prime

✦   Netflix is ranked at number 1 by the viewers for its variety of content, user friendly categorization of movies, number of new releases and the quality of download.

✦ Amazon Prime is rated number 1 by the viewers for their easy access of new trailers launched and the quality of series produced by SSP.

✦ People prefer watching offline data more as it helps in entertaining the viewers even in low network zones.

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