

## **ASCERTAINING THE ATTITUDINAL AND BEHAVIOURAL LOYALTY TOWARDS AMAZON PRIME VIDEO**

Srishti Vashishtha

Graduate from Narsee Monjee Institute of Management Studies, Bangalore

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### **ABSTRACT**

Amazon Prime Video is one of the most popular video streaming services in India. As of March 2020, it had a user base of over 38 million Indians. According to a new survey, India is one of the world's fastest-growing markets for Amazon Prime Video (APV). While Amazon Prime Video was the most popular streaming service, it was followed by Netflix and then Hotstar. This research paper offers insights into the development of marketing strategies aimed at obtaining favourable behavioural responses from customers in order to maintain growth and profitability. By highlighting the links between two broad dimensions: attitudinal and behavioural, this study adds to the growing body of knowledge on customer loyalty. The research proves that an attitude-behavior link is important for achieving meaningful client loyalty.

The findings show that behavioural loyalty is driven by attitudinal loyalty, and that behavioural to attitudinal loyalty is unsupportable throughout the sample obtained from various groups.

**Keyword:** Amazon Prime Video, Netflix, OTT, Viewership, Behavioural Loyalty, consumer strategies.

### **Introduction**

Amazon Prime Video, or simply Prime Video, is a subscription video on-demand over-the-top (OTT) streaming and rental service of Amazon.com, Inc., offered as a standalone service or as part of Amazon's Prime subscription. The service primarily distributes films and television series produced by Amazon Studios or licensed to Amazon, as Amazon Originals, with the service also hosting content from other providers, content add-ons, live sporting events, and video rental and purchasing services.

“Compared to last quarter, Prime members watched twice as many hours of original movies and TV episodes on Prime Video, and Amazon Originals received a record 88 nominations and 26

wins at major awards shows,” said Jeff Bezos.

In 2008, Amazon dropped the Unbox branding in favour of the term "video on demand". Video on demand (or VOD) is a common industry term, so it's possible Amazon used it to better explain the service than the muddled "unbox" could.

From a branding standpoint, Amazon is limited in its ability to own or trademark the phrase. They modified the emblem from a yellow smile to a green play button at some point during this time. There was no “free” tier at this period, thus all videos were still pay-per-view.

Amazon added access to 5000 movies and TV shows for Prime users as a method to promote their subscription service. Amazon Instant Video was the general name for watching streamed material (including pay-per-view products). Amazon Prime Instant Video was the name given to titles that were available for free to Prime subscribers.

Indians prefer OTT to television now because of the flexibility and convenience it offers, along with a wide array of content. It has a market share of 38% in India. In urban India, 6% and 24% of the population access OTT on a daily and weekly basis, respectively. 62% Indians have subscribed to three or more such platforms. Our target market is people aged between 18-23 years.

Amazon has targeted specific benefits for the same including free same-day delivery, exclusive sales and deals, shop for prime pantry, listen to AD free music on amazon music, watch your favourite movies and TV shows for free and Amazon prime reading.

## **Background**

It has been around for quite some time—15 years to be precise. Over the last decade, the subscription model has continued to evolve, establishing the benchmark for ecommerce subscriptions and delivery.

Prime video was included in Amazon's Prime subscription in 2011. Amazon launched an internet video service (Amazon Unbox) in 2006, but paid Prime members had free access to “unlimited, commercial-free instant streaming of more than 5,000 movies and TV shows” in February 2011.

Amazon Prime's video content portfolio is dominated by Bollywood movies, a major content genre in India, after partnering with filmmakers and studios since September. It includes the best Indian and Hollywood blockbusters of 2016.

## **Research Methodology**

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. Add here the method used to obtain the information including the questionnaire administered, etc.

### **Research Method**

#### QUESTIONNAIRE

Total respondents: 190

Location: Delhi, India

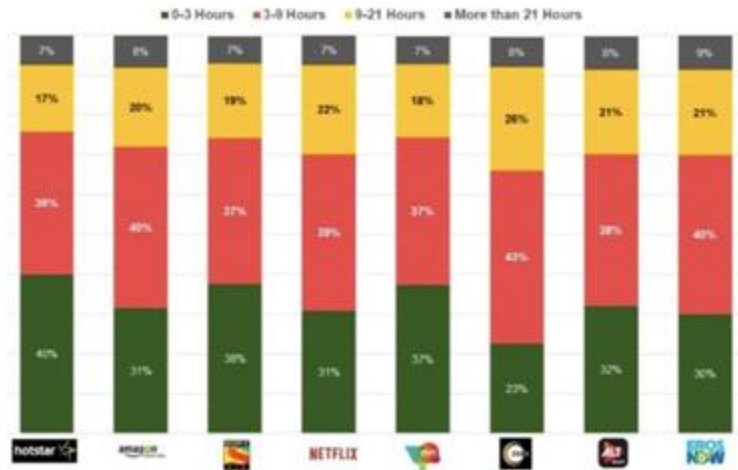
### **Research Findings**

According to this survey, there has been an increase in both OTT subscription purchases and viewing hours among Indian consumers. During the pandemic, more than half of the respondents said they had acquired new subscriptions. Users also stated that those who spend 16+ hours per week on OTT platforms have increased by 5x, while those who spend 12-16 hours per week have increased by 4x.

The research examines how streaming services capture user attention, as well as related consumer behaviour and preferences.

The survey revealed that while Amazon Prime Video was the most subscribed platform, it was followed by Netflix and then Hotstar. Steep rise in viewing hours: Due to the pandemic, which has resulted in restricted mobility and limited means of entertainment, the hours spent watching content have increased dramatically during the pandemic, with consumption hours of respondents in the 8-12 hour per week category seeing a 2.5-fold increase, and the 12-16 hour viewing a 4-fold increase. As per the survey, nearly half of the respondents saw OTT video consumption as a social activity with friends and family.

Exhibit 1: Engagement Levels of OTT Users



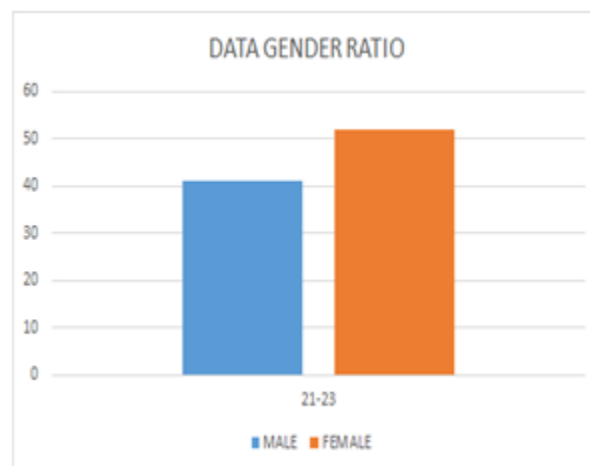
Source: India OTT Video Content Market Survey

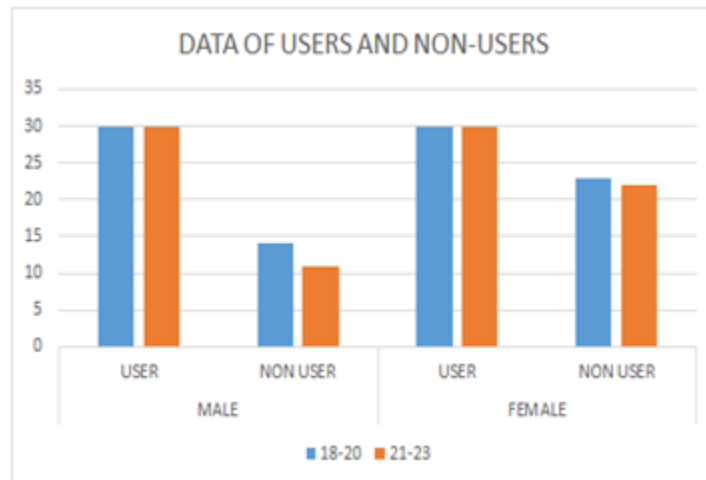
	USER		NON- USER	
	MALE	FEMALE	MALE	FEMALE
18-20 YEARS	30	30	30	30
21-23 YEARS	30	30	30	30
TOTAL	60	60	60	60

	USER		NON-USER	
	MALE	FEMALE	MALE	FEMALE
18-20 YEARS	30	30	14	23
21-23 YEARS	30	30	11	22
TOTAL	60	60	25	45

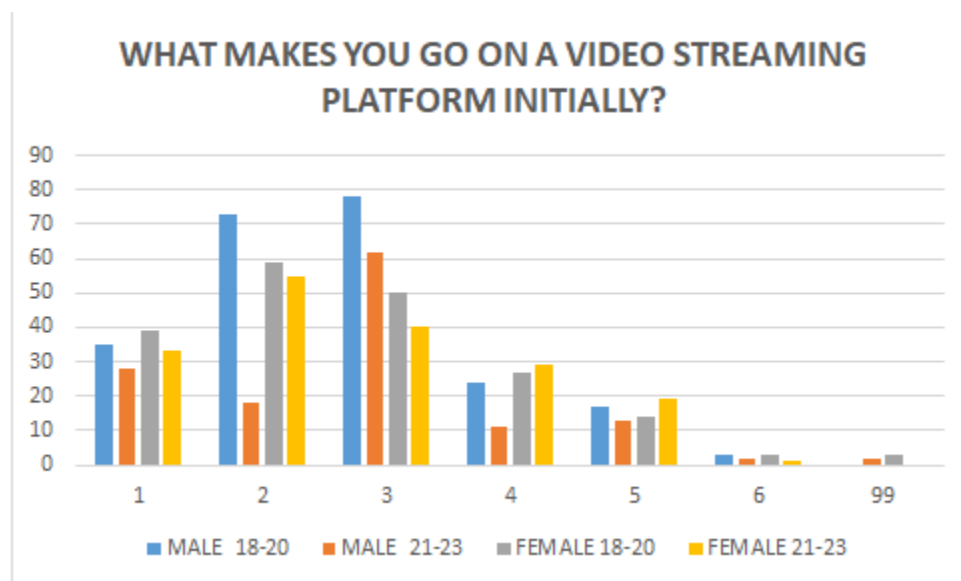
Initial Quota

Achieved Quota





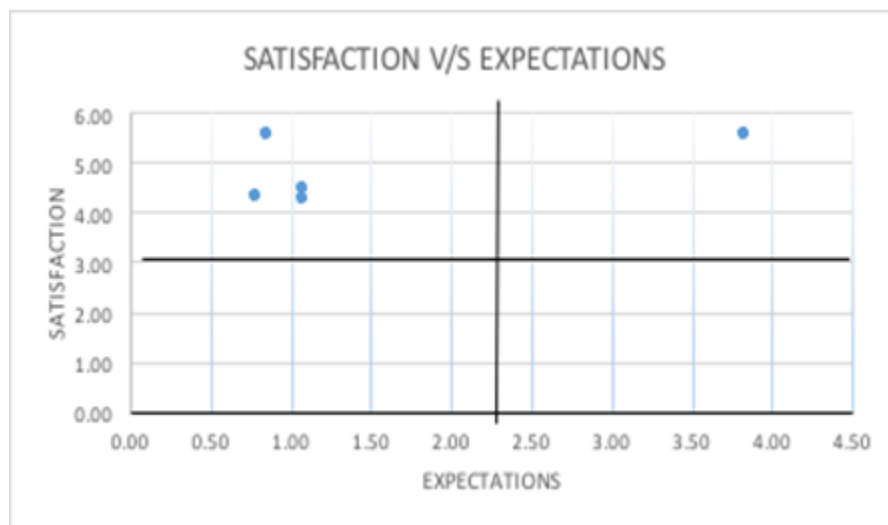
1. People in the age group of 18-20, have comparatively lesser non-users than 21-23 years sincethis age group tends to have a more curious and ready to explore nature.
2. People between 21-23 years, face time constraints due to various reasons like job, highereducation.



**CODING**

- Recommendations - 1
- Content - 2

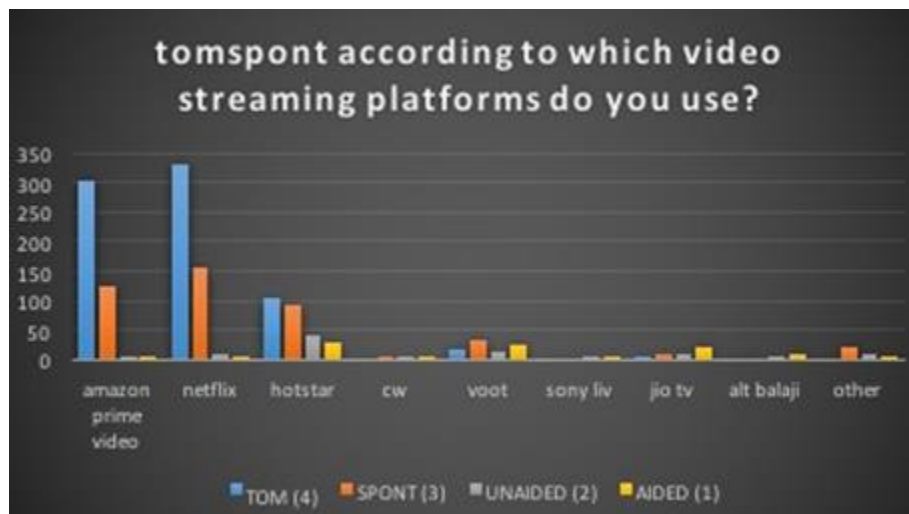
- Entertainment - 3
- Ease of access and additional benefits - 4
- Cost effectiveness - 5
- Peer pressure - 6
- Other - 99



- This graph relates to the satisfaction levels derived from the rating scales and the expectations derived from the multiple choice question: "What makes you go on a video

streaming platform initially?" The satisfaction levels exceed expectations in all the cases.

- For the scatter plot we divided our graph into 4 quadrants.
- For the 1st quadrant (high satisfaction, low expectation): amazon prime video can use this insight to take an advantage by introducing attractive qualities to engage, acquire as well as retain existing customers
- For the 2st quadrant (high satisfaction, high expectation): amazon prime video should hold its position.
- For the 3th quadrant (low satisfaction, low expectation) and 4 quadrant (low satisfaction, high expectation) no respondents lie in those quadrants hence no action is required.

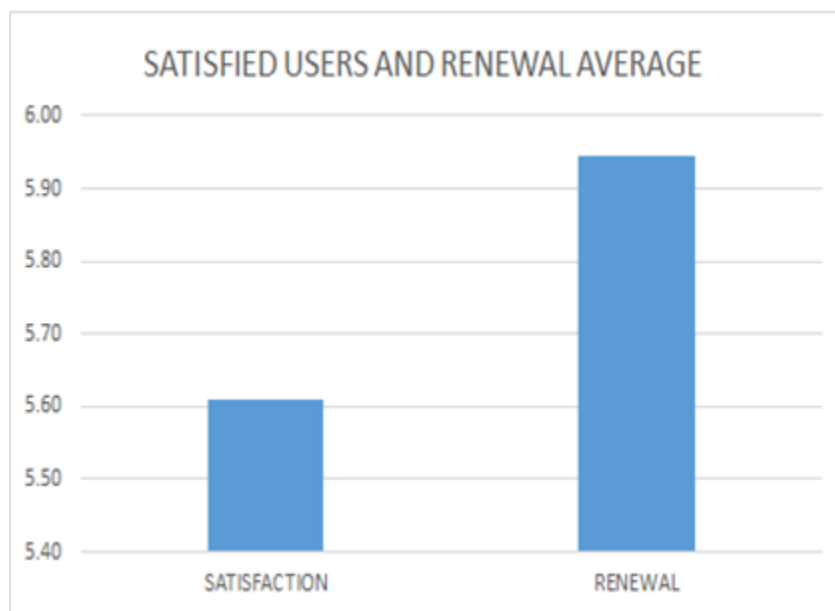


Netflix is in the majority in the TOM category due to the following reasons:

- Better international content on Netflix
- Netflix has more originals
- Netflix app is more user friendly and appealing
- Netflix Profiles
- Netflix has a more appealing user interface



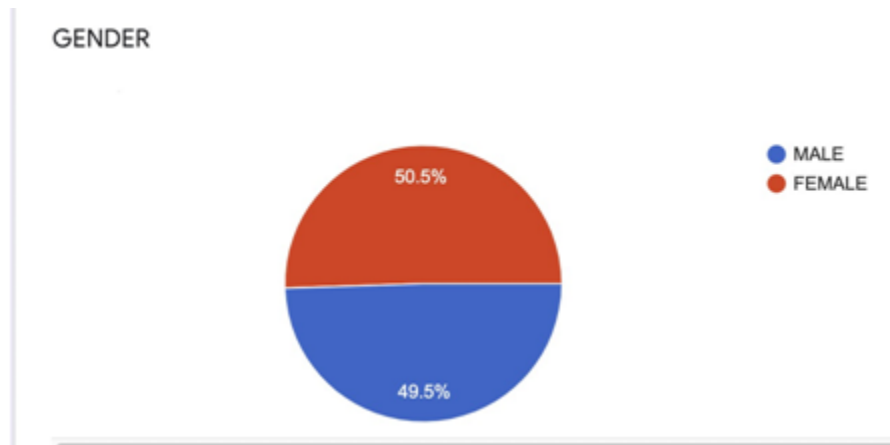
1. This graph depicts that most users want Amazon Prime video to incorporate better content
2. Like International series, live streaming, latest movies etc.
3. People who have answered 'nothing' were either highly satisfied with amazon prime video or their particular needs were being catered by other OTT platforms.



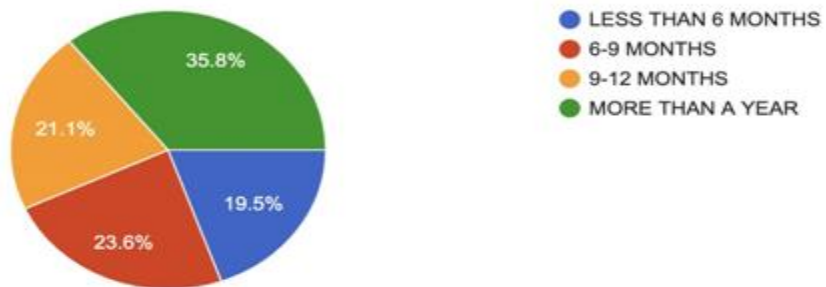
1. This graph shows how likely are satisfied users to renew their subscription for amazonprime video.
2. The graph portrays the behavioral loyalty of consumers towards amazon prime video



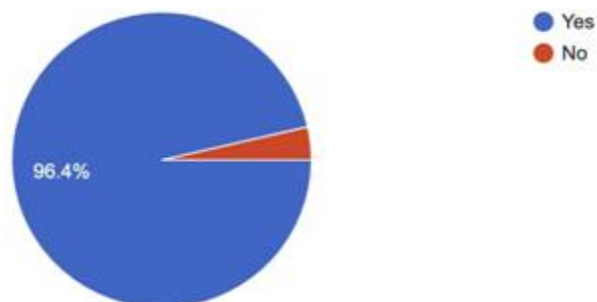
by further indicating repetitive frequency and monetary transactions. (Amazon prime video subscription is available for monthly as well as yearly basis. This indicated frequency as well as willingness to spend money on the OTT platform) NOTE: likely means 5 and above, since this is a conclusion from the rating scale.

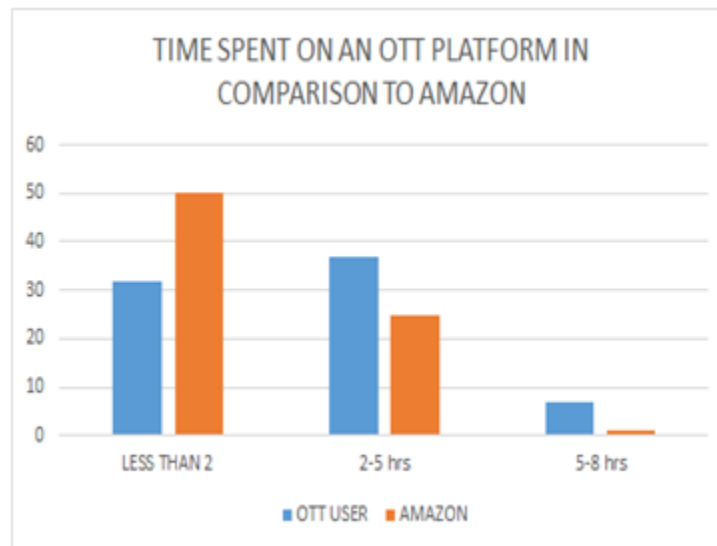


SINCE HOW LONG HAVE YOU BEEN USING AMAZON PRIME VIDEO?

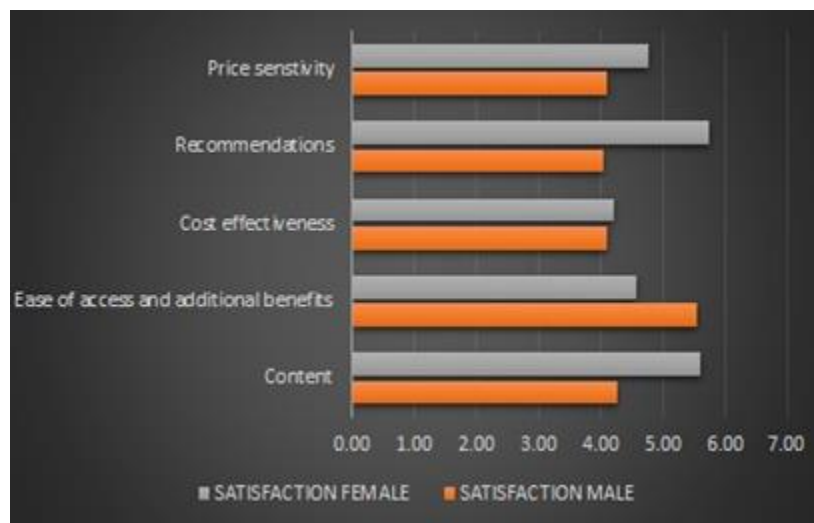


DO YOU USE VIDEO STREAMING PLATFORMS?





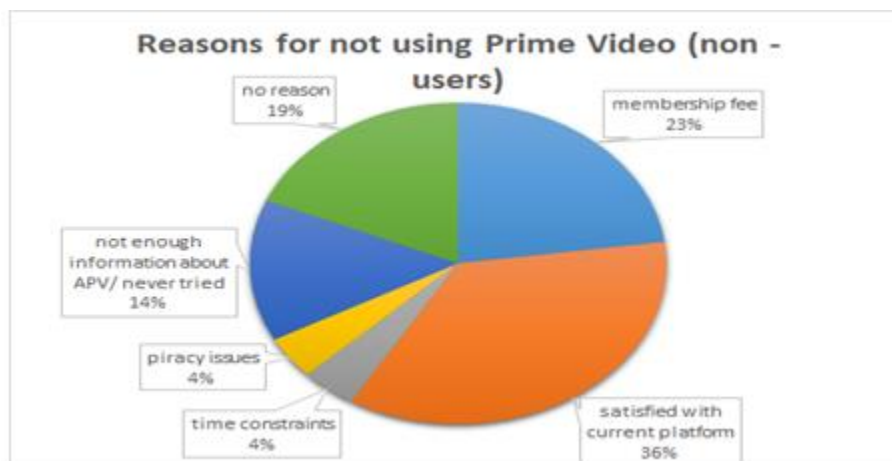
This graph shows the comparison between the time spent on an OTT platform and amazon prime video. There by portraying the behavioral loyalty of consumers through frequency. (NOTE: the bar graph does not show comparable values. It just graphically shows the inferences from the data.)



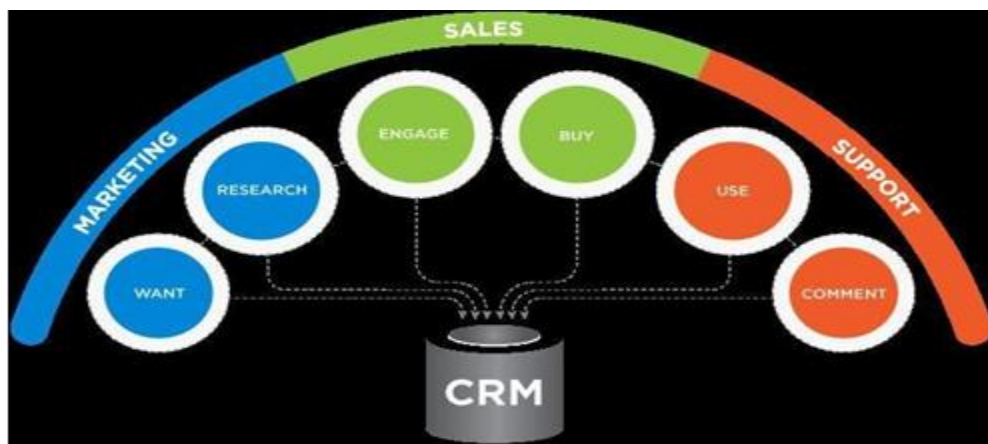
This chart depicts gender-wise satisfaction level according to the given attributes. This data has been derived from the people who are likely to recommend amazon prime)Analysis as per Graph:-

1. Women tend to get affected by the opinion of their colleagues and people around them more ascompared to men. This is an inexplicable rule.

2. Women tend to be more content driven in comparison to men. As amazon does not provide livesports telecast (which is an actionable rule) but it offers more women driven content, which could have been done by the company to decrease female non-users(as backed up by our previous graphs). This is a trivial rule.
3. Both the genders found amazon prime video more or less cost effective.
4. Men tend to get more affected by additional offers provided by Amazon Prime Video.
5. Men tend to be more price Insensitive in comparison. If Amazon Prime Video increases its price, Men are likely to stay loyal to the platform. This is a trivial rule from the perspective of men.



Most of the non-users have specified their satisfaction with the current platform as a reason for not using amazon prime video. Amazon’s competitor, Netflix, provides its users with better interface and content.



Amazon has built its own CRM software in-house, meaning it is tailored to its own exact requirements and needs. Their software allows Amazon to encapsulate customer data, such as previous purchases and location, and use that to instantly modify and customize a user's overall on-site experience.

### **Discussion**

According to a report by PricewaterhouseCoopers, India's over-the-top (OTT) video streaming business is likely to take off in the next few years, growing at a compound annual growth rate of 28.6% through 2024, when it is estimated to be worth \$2.9 billion. Amazon has already invested \$6.5 billion in India so far and has announced a couple of big investments in 2020 to the tune of nearly \$4 billion

Amazon uses specific Customer Relationship Management (CRM) strategies. It collects and interprets data of its male and female users and then provides or includes content accordingly. Amazon prime video also customizes your profile according to the data which it stores based on the everyday activity of its user. For example: If someone watches Mrs. Marvellous Mazel (women empowerment related) then on your feed you will notice more women centric content.

The company recently landed the streaming rights to stream cricketing action involving the New Zealand national team in India for a period of five years, until 2026. Furthermore, Amazon is interested in obtaining more cricket streaming rights, which is understandable considering the popularity of the sport in India.

The Broadcast Audience Research Council says that cricket attracts 93% of sports viewers in the country. This year, the Indian Premier League (a domestic tournament) saw a 24% jump in viewership, to a cumulative 383 billion minutes.

### **Recommendations**

1. With the rise in OTT platforms popularity and accessibility, Amazon Prime Video can release its app features particularly targeting the Indian Middle class market, primarily with respect to Amazon Prime Video apps accessibility at varied prices and across various devices.
2. To build a larger customer base, Amazon Prime Video can introduce educational content tapping into the target market segment of children aged between 6-14yrs.
3. An easily accessible and reachable Customer support.

4. Upsell and cross sell like amazon echo, amazon music and amazon pantry, kindle app respectively.
5. Neatly Organised User Interface across different devices.
6. Tailored Offers and Promotions like pair-up with Airtel and Vodafone.
7. Amazon Prime Video can introduce live sport streaming to tap into the male non-users population.
8. Amazon should incorporate more international as well as regional content and come up with more Amazon originals.

### **Conclusion**

Amazon Prime primarily is faster delivery to customers at low or free of cost. To ensure that customers pay extra cost (yearly membership) Amazon has incentivized the customers to view bundles with Freebie stuff like Prime Music, Prime Video. Early/exclusive deals for prime members among others.

Earlier Prime Video had a lot of Global content but now they have started focusing on Indian customers with Indian series and originals like Mirzapur, Breathe, Inside Edge etc. Target audience is repeat customers and customers which buy online. There is no such age group or gender which is targeted. Long term strategy is to increase Prime customers and increase content which will ensure loyalty to Amazon.in. Major points would be to retain existing customers. Other online streaming just offer content and nothing else. With Prime you will get faster delivery, Prime music and content. Amazon can have a better user interface by creating personal profiles, including more international and exclusive content.

The breakthrough and growth of OTT platforms has been spectacular during and post COVID. Platforms such as Netflix, Amazon Prime, and Hotstar, among others, have seen rapid growth in their subscriber bases, with India now ranking as Asia Pacific's second largest subscription television market. This trend will continue in the future, with content and price serving as key differentiators among competitors.

Consumers enjoy watching recommended material. It adds value by lowering decision-making time and allowing you to locate positive reviews from your social network that are aligned with your particular preferences.

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