Understanding Switching Behavior of Generation Z on Over The Top Video-Based Platform Using PPM Factors

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Abstract

Large numbers and purchasing power of Gen z known as digital native make them a very potential market share. Over the top (OTT) providers such as Netflix have taken advantage of this potential. Research found local OTT platform Vidio took place. This research aims to understand the switching behavior of Gen z on OTT service providers using push,pull,mooring (PPM) factors that are considerably suitable to understand switching behavior in the service industry. Data were gather using a questionnaire distributed to Gen z consumers, who had switched their OTT services. SEM-PLS was applied to analyze the influence of PPM factor to switching behavior with switching intention as mediating variabel. The research results in existence of direct influence of the push and pull factors on switching behavior, but not the mooring factors. The result also implies that, in the digital era, it is easier for consumer in the service industry to switch from one service to another without first having an intention to switch. The results can help OTT service providers to better understand the consumer behavior and create retention strategies for particularly Gen Z.

Keywords: *generation Z, push factor, pull factor, mooring factor, switching behavior, switching intention*

INTRODUCTION

Generation Z or Gen Z, hIas become the majority of population in Indonesia, with total of 74.93 million people, representing 27.94% of the total population (Badan Pusat Statistik, 2019). They also kown as digital natives because they have been exposed to the digital world and the internet since birth (Yunita & Munandar, 2023). Generation, that currently entering its

productive age, starting to flood the workforce and earn their own income. This massive number and high purchasing power make Gen Z a very potential market share. Over the Top (OTT) video based service providers are among those capitalizing on this potential, with 88 million OTT users in Indonesia, 52% of those are Gen Z (Thetradedesk, 2022).

Netflix was the dominant OTT service provider during the COVID-19 pandemic. However, research by *Media Partner Asia* (MPA) found that local OTT provider Vidio has overtaken its position (Hatta, 2023). This shows that there has been switching behavior among OTT service providers, which can have a negative impact on OTT service providers who lose their users, leading to a declining in the revenue. With Gen Z being the majority contributor to the revenue received by OTT service providers, therefore it is important to understand switching behavior on Gen z consummers.

While this research focuses specifically on Generation Z consumers, it adopts a provider-agnostic approach by not limiting the scope to a single OTT service. Unlike previous studies that often focus on a specific platform, this research examines the broader dynamics of switching behavior across the entire OTT service ecosystem, providing a more holistic understanding of consumer movement. Push, pull, mooring factors are applied as a framework to examine switching behavior in services, as well as used to understand switching behavior of customers (Bansal, 2005). The results of this research, to help OTT service providers to better understand switching behavior in gen z consumers, creating better consumer retention strategies

LITERATURE REVIEW

Switching behavior is a condition where consumers stop using the service provider they are using and leaving their old service provider (Hartono & Wahyono, 2018). The research conducted by Bansal & Taylor (1999), based on *Theory Planned Behavior* (TPB) to predict customer switching in the service industry through switching intention, with eight categories of switching services in the research (Susan M. Keaveney, 1995) grouped up into two categories and combine with other general attitude. Assumimg that intention will captures motivation then influences a behavior (Ajzen, 1991). TPB which is well known to explain attitude-behavior, is used to integrate all the proposed constructs to be able to influence switching. This research tries to use another approach, namely using Push, Pull, Mooring factors as constructs that can be collected through intention and influence behavior.

Push factor is a negative factor that causes people to leave their place of origin, to seek better place (Sun et al., 2017). In the context of service industry, negative factors motivate switching intention on to people to switch service providers (Bansal, 2005). Push factors are associated with several indicators that can drive customer switching intentions such as quality, satisfaction, value, trust, commitment, and price perception. Conceptual similarities in the push factor indicators can be found in various studies related to service-switching intention toward switching behavior, as in (Bansal & Taylor, 1999) and (Keaveney, 1995). It shows that there are evaluation variables that acts as a predictor of service providers switching is also present in the push factor. Each indicator variable in the push factor will be negative such as low quality, low satisfaction, low value, low trust, low commitment, and high price perception. These negative indicator variables will make consumers encouraged to switch service providers.

Hypothesis 1: Push factors have a significant effect on switching intention.

Pull factor is a positive factor, that more appealing and start drawing prospective people to the destination (Moon, 1995). In the pull factor there is only alternative attractiveness as a variable indicator conceptualized in the service-switching literature (Bansal, 2005). Alternative attractiveness is interpreted as that better results can be received from alternative service providers compared to previous service providers, which motivates consumers to switch (Fahlevi, 2023). However, in a research conducted by Keaveney (2003) on Customer Switching Behavior in Online Services, many online service users are more affected by Word of Mouth (WOM) when compared to the research or experience to switch an online services, it show that positive WOM can pull consummers to switching service provider on online services like OTT. Another research also show that WOM can associated as indicator variabel on pull factor that attract consummers to switching service providers (Yunita & Munandar, 2023). These positive indicator variables will attract consumers intention to switch service providers.

Hypothesis II: Pull factors have a significant effect on switching intention.

Mooring factor introduce into Push-Pull factor framework because its not enough to influence consumers to switch, many factors that cannot be captured and difficult to explain with just the Push-Pull factor such as personal, social, cultural, and situational perceptions (Yunita & Munandar, 2023). According to Bansal (2005) mooring faktor can hinder and lower a person's intention to switch service provider variable indicators include switching costs, subjective norms (social influences), attitudes toward switching, prior experince, and variety-seeking tendencies. In this research, the mooring factor only acted as an independent variable that did not moderate the Push-Pull factor.

Hypothesis III: Mooring factors have have a significant effect on switching intention.

Switching intention is a collective motivation factors that influence a behavior, The stronger the intention, the greater the behavior will be carried out (Ajzen, 1991). Switching intention can provide predictions of switching behavior from consumer switching to service providers (Bansal & Taylor, 1999). Switching intention is a level of likelihood that a customer will switch services from the service provider they are currently using to another service provider (Yunita & Munandar, 2023). Switching intention can be a sign of a customer's desire to temporarily or permanently leave the service of a service (Fahlevi, 2023). There are many factors that can be collected by switching intention to motivate switching behavior, this research uses Push, Pull, and Mooring factors that act as independent variables that can affect switching behavior with switching intention as a mediating variable.

Hypothesis IV: Switching intention mediates the relationship between push factor and switching behavior

Hypothesis V: Switching intention mediates the relationship between pull factor and switching behavior

Hypothesis VI: Switching intention mediates the relationship between mooring factors and switching behavior

Hypothesis VII: Switching intention has a significant effect on switching behavior

METHOD

The population of Gen z consumers who use OTT services is very massive. Achieve the objectives of this research, samples will use to collecting data form the population. Samples will be collect using *purposive sampling* technique that allows to focus on certain cultural

domains or specific characteristics of a population used to understand the phenomenon under research (Tajik et al., 2024). Gen z consumers who currently use OTT service provider and have decide switch to other OTT service providers are the focus characteristics of this research. With questionnaire will be made using Google forms and disseminated through Jakarta and West Java province due to high level of internet penetration and the high number of Gen z with help from third party surveyor. Total of 130 respondents were collected in this research, Liikert scale of one to five was used to score respondents with one strongly disagreeing and five strongly agreeing. The results will be analyzed using SEM-PLS they are considered suitable for exploratory studies with more flexible sample count, also SEM-PLS can handle more complex construct models (Sarstedt et al., 2021). Hopefully this research can develop an understanding related to switching behavior in the digital service industry, especially in generation z customers. Total 130 respondents were successfully collected, but there were 15 invalid respondents. 15 new respondents were collected to ensure that the total sample was met.

RESULTS and DISCUSSION

Demographic of Respondents

The total data collected from 130 respondents, 65.4% were female and 34.6% were male. Most of them are aged 22-25 years old with a percentage of reaching 42.9%. 58.5% of respondents are domiciled in Jakarta and the remaining 41.5% are domiciled in West Java. Office worker covering 48,5% from respondents occupation. The majority of respondents' income between one to four million rupiah which covers 40% total respondents. Most likely they are Gen z consumers who have just entered the workforce, that already earning and using

OTT service as entertainment that convenient, easy to access, and affordable with content offered by OTT service providers.

Reflective measurement models

Reflective measurement model is employed as the direction of causality flows from the exogenous variable to the indicators. Therefore, the positive and negative traits inherent within the exogenous variable are directly reflected in its corresponding indicators. There are several stages in *Reflective measurement models* (RMM) such as validity and reliability of each variable. Indicator reliability is determined by the loading factor, that each indicator must be greater than 0.7 while Convergent Validity is determined by looking at the value Average Variance Extracted (AVE) value of each indicator must be greater than 0.5 which indicates that the indicator can explain 50% of its variables (Hair, 2019). After viewing the factor loading results, there are variable indicators that do not meet these requirements and must be excluded from the calculation (Hair, 2022). The iteration is carried out after it is confirmed that the loading factor meets the requirements. Furthermore, assessing internal consistency reliability, values of composite reliability and Cronbach's alpha must be between 0.7 to 0.9 to be assessed well, values above 0.95 are problematic because they reduce the validity of variables (Hair, 2019). Based on the RMM that has been carried out, indicators that do not meet the requirements are issued, and the results are tabulated in Table 1.

The push factor previously had 22 variable indicators, only 10 indicators were declared valid and reliable which reflected and interpret 64% of the Push factor. While the previous pull factor had 6 variable indicators, only 5 were declared valid and reliably reflected and interpret 65.7% of pull factors. The mooring factor is the most variable factor whose variability indicator must be excluded from initially consisting of 15 variable indicators, the remaining only 2 are

valid and reliably reflect and interpret 74.5% of the mooring factor. Mooring factors variabel had the most omitted indicators, because they do not meet the requirements for validity and reliability. switching cost and prior experience were the remaining indicators that meet the requirements for validity and reliability. Meanwhile, other indicators contained in mooring factors such as subjective norms, variety seeking, and attitude toward switching are considered invalid and unreliable to explain mooring factors.

Table.1 Indicator Reliability, Convergent validity, Internal Consistency Reliability

Variabel	Indicator	Outer Loading	Cronbachs Alpha	Composite Reliability	AVE
Push faktor	PH 2.1	0.771	0.938	0.947	0.640
	PH 2.2	0.767			
	PH 3.1	0.768			
	PH 3.2	0.814			
	PH 3.3	0.818			
	PH 4.1	0.800			
	PH 4.2	0.785			
	PH 4.3	0.860			
	PH 4.4	0.841			
	PH 6.2	0.770			
Pull faktor	PL 1.1	0.772	0.826	0.885	0.657
	PL 1.4	0.802			
	PL 2.1	0.861			
	PL 2.2	0.805			
Mooring faktor	MF 1.2	0.801	0.672	0.853	0.745
	MF 4.1	0.921			
Switching Intention	SI 1.1	0.816	0.604	0.834	0.715
	SI 1.2	0.874			
Switching Behavior	SB 1.1	0.891	0.717	0.876	0.779
	SB 1.2	0.874			

*Omitted from final mode

As for the switching intention variable and switching behavior, no variable indicator is issued because all variable indicators are eligible and can interpret 71.5% of switching intention variables and interpret 77.9% of switching behavior variables. Figure 1 shows the outer model after its omitted.

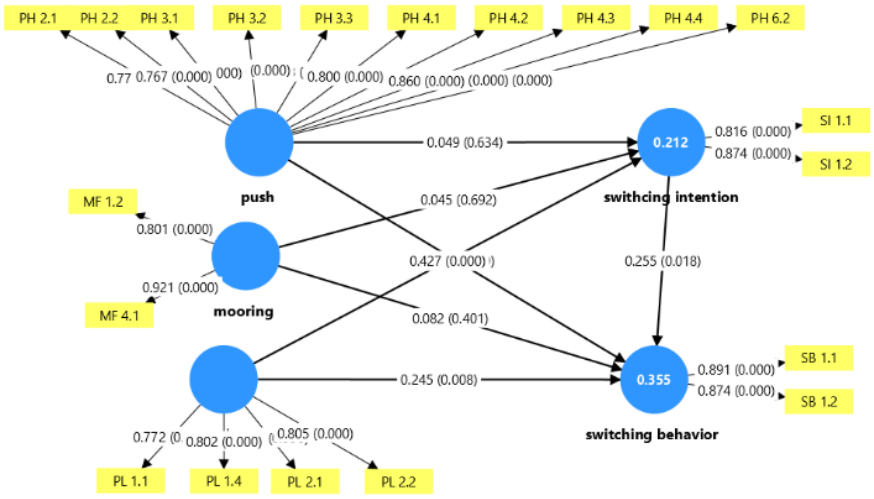

Figure 1. The Outer Model After Omitted

The next step is the determination of Discriminant validity which states that each variable is unique and different from the other variables (Hair, 2022). The result of the Fornell-Larcker criterion which compares the square root of AVE with the latent variable coreltions, the square root of AVE of each variable must be greater when compared to the highest correlation of the other variable. Table 2 shows the results meet the above criteria showing that each variable is unique and different from each other.

The heterotrait-monotrait ratio (HTMT) is used to overcome the weakness of Fornell-Larcker in assessing discriminant validity. This happens when the loading indicator of a construct has only a slight difference. HTMT is mean value of the correlation indicator between variables, HTMT values greater than 0.9 are expressed as the absence of discriminant validity (Sarstedt et al., 2021). Table.3 show the results of HTMT in this study None of those values are greater than 0.9 shows that it meets the requirements of good discriminant validity.

Tabel 2. Fornell-Larcker Criterion

Variabel	Mooring	Pull	Push	Switching behavior	Swithcing intention
Mooring	**0.863**				
Pull	0.290	**0.811**			
Push	0.589	0.264	**0.800**		
Switching behavior	0.354	0.451	0.416	**0.883**	
Swithcing intention	0.198	0.453	0.189	0.430	**0.845**

Tabel 3. Heterotrait-Monotrait Ratio (HTMT)

Variabel	Mooring	Pull	Push	Switching behavior	Swithcing intention
Mooring					
Pull	**0.389**				
Push	**0.704**	**0.289**			
Switching behavior	**0.477**	**0.586**	**0.471**		
Swithcing intention	**0.320**	**0.646**	**0.234**	**0.642**	

Structural Model Evaluation

Boot-strapping with a subsample of 5000 was used in this study, for structural testing. The test that is included in the structural test is the colliniearity model test, to find out if multicollinearity occurs in independent variables. The condition is that the value of the Variance Inflation Factor (VIF) must be less than 3 and if the value of VIF is greater than 5, the variable must be excluded from the calculation (Hair, 2022). Table.4 shows that the VIF value in this study has met the requirements of less than 3 which means that multicollinearity does not occur.

Tabel 4. Variance Inflation Factor (VIF)

Variabel	Mooring	Pull	Push	Switching behavior	Swithcing intention
Mooring				**1.581**	**1.578**
Pull				**1.340**	**1.108**
Push				**1.557**	**1.554**
Switching behavior					
Swithcing intention				**1.269**	

Furthermore, the significance and relevance test in the relationship of structural models, namely by testing the hypotheses in this study. With a confidence level in this study set at 95% (alpha 0.05). P-value is used to determine the probability that a null hypothesis will be rejected or accepted, with a significance level of 5% then the value of the P-value must be below 0.05 (Hair, 2022). While the Path Coefficient is used to show the direction of relevance. Table 5 shows the results of the hypothesis test directly.

Tabel 5. Hypothesis Testing of Direct Effect

Hypothesis	Path Coefficient	P-Value	f-Square	Conclusion
H1: Push factor has a significant effect on *switching intention.*	0.049	**0.634**	**0.002**	Rejected
H2: Pull factors have a significant effect on *switching intention*	0.427	**0.000**	**0.209**	Accepted
H3 : Mooring factors have a significant effect on *switching intention.*	0.045	**0.692**	**0.002**	Rejected
H7: *Switching intention* has a significant effect on *switching behavior*	0.255	**0.018**	**0.079**	Accepted

The results of direct hypothesis testing showed that the P-value at H1 (0.634) was greater than 0.05 which meant that H1 was rejected, that Push factor had no significant effect on the switching intention. The P-value at H2 was less than 0.05 (0.000 < 0.005) which means that H2 was accepted that Pull factor had a significant effect on the switching intention, the

path coeffecient value showed that every change in the pull factor would affect the switching intention of (0.427) with the moderate influence strength indicated by the f^2 value (0.209). The results on H3 showed that the P-value was greater than 0.05 (0.692 >0.005) which means that H3 was rejected that the mooring factor did not have a significant effect on the switching intention. The results of the hypothesis test directly on H7 were accepted, meaning that the switching intention has a significant influence on switching behavior, the path coeffecient value shows that every change in the switching intention will affect the switching behavior by (0.018) with a low influence strength indicated by the value of f^2 (0.079). While in Table.6 shows the results of the Hypothesis Testing Through Switching Intention as a Mediating Variable.

Tabel 6. Hypothesis Testing Through Switching Intention as a Mediating Variable

Hypothesis	Path Coefficient	P-Value	Upsilon V	Conclusion
H4: *Switching intention* mediates the relationship between push factor and switching behavior	0.008	0.767	0.000	Rejected
H5: *Switching intention* mediates the relationship between pull factor and switching behavior	0.112	0.064	0.014	Rejected
H6: Switching intention mediates the relationship between mooring factors and switching behavior	0.028	0.268	0.001	Rejected

The results of the hypothesis test mediated through switching intention on H4, H5, H6 indicate that the P-value is greater than 0.05 meaning that no influence on the Push, Pull, and Mooring factor through switching intention on switching behavior.

R^2 is the representative of each variance described on each endogenous variable and a measure of the model's exploratory power. R^2 values of 0.75, 0.50, and 0.25 can be interpreted as substantial, moderate, and weak (Hair, 2011). R^2 Value obtained at the switching intention was (0.193) its below the lowest limit that has been set, indicating that switching intention cannot be explained by variable variance in this study such as push, pull, and mooring faktor.

The R^2 value obtained for switching behavior (0.334) is based on the established interpretation that switching behavior is in the weak category, indicating that push, pull, mooring factor, and switching intention in this study can only explain 33.4% of switching behavior. The result indicates that the constructs is not sufficient to explain the switching behavior of Gen z customers of OTT service provider. There are possibility of constructs that are not included in this study that can increase the explanatory power.

The Q^2 result obtained at the switching intention was (0.149). Q^2 value greater than zero indicates that the path model has predictive relevance, referring to (Hair, 2019) that exogenous variables can predict endogenous variables with a low level of accuracy. The Q^2 value of switching behavior (0.252) is not only greater than zero but is based on (Hair, 2019). that exogenous variables can predict endogenous variables with a moderate degree of accuracy.

The result of the Standardized root mean square residual (SRMR) which is a fit model test to measure empirical data can explain the influence in the model. The SRMR value obtained is (0.084). based on (Sarstedt et al., 2021) that the SRMR value < 0.08 is said to be suitable. However, based on (Yamin, 2024) that the SRMR value < 0.10 is still acceptable, so it can be concluded that this research model meets the Good Fit criteria and can be representative to explain the relationship between variables.PLS-Predict aims to find out how powerful the construct model of this study is to predict new samples that are not present in this study. Table.7 shows the results of PLS-predict obtained in this study. that most PLS are smaller than LM which indicates that the model shows a moderate level of accuracy in predicting new samples.

Table 7. PLS-Predict

Indicator	PLS-SEM_RMSE	PLS-SEM_MAE	LM_RMSE	LM_MAE
SB 1.1	0.726	0.525	0.700	0.519
SB 1.2	0.679	0.510	0.710	0.540
SI 1.1	0.734	0.496	0.778	0.560
SI 1.2	0.846	0.600	0.870	0.641

Discussion

Further analysis on construct model of this study, Attempts to directly link push, pull, and mooring factors to switching behavior show results that can be seen in Table 8.

Tabel 8. Direct Testing Without Mediating Variabel

Direct testing without mediating variabel	Path Coeffecient	P-values	f-Square
mooring -> switching behavior	0.094	0.339	0.007
pull -> switching behavior	0.354	0.000	0.069
push -> switching behavior	0.267	0.007	0.064

It shows that the Push and Pull factors have a significant direct effect on the switching behavior. The path coeffecient shows that each push factor changes will affect the switching behavior by (0.267) with a small influence strength indicated by f^2 (0.064). Meanwhile, when there is a change in the Pull factor, it will affect the switching behavior by (0.354) with a small influence strength indicated by f^2 (0.069). The results confirm that the mooring factor was not found to have direct or indirect effect (mediation) on switching behavior. Similarly, it was not found the direct effect of the mooring factor on switching intention. In other words, mooring factor might considerably not the factor that is able to explain switching behavior of Gen z customers of OTT service providers.

CONCLUSION AND RECOMMENDATION

This study aims to try to understand the switching behavior that occurs in OTT service providers among Gen z consumers by using Push, Pull, and Mooring factors as independent variables, Through switching intention as mediating variables. The results of the study show that no influence of push, pull, mooring factors on switching behavior through switching intention as mediating variables was found. However, based on direct testing of Push, pull, and Mooring factors on switching behavior without variable mediating, that push and pull factors have a significant effect on switching behavior. These results demonstrate a distinct switching behavior among Generation Z consumers within the Over-the-Top (OTT) service industry. This behavior diverges from the cognitive deliberation outlined in the Theory of Planned Behavior (TPB; Ajzen, 1991). Instead of relying on pre-planned intentions, Generation Z consumers appear to exhibit immediate and impulsive switching behaviors. This finding enhances the understanding of digital service dynamics, revealing that negative user experiences trigger instantaneous provider switching without prior intent.

Conversely, a similar pattern occurs when competing OTT platforms offer superior benefits, driving seamless migration. As digital natives, Generation Z leverages flexible platform features—such as "cancel-at-any-time" policies—to bypass traditional decision-making processes, thereby accelerating the switching process. Further research needs to be done in the future related to this. From a practical standpoint, these insights enable OTT service providers to better comprehend the highly volatile nature of Generation Z consumers, who pivot between platforms without prior intention. Consequently, these findings serve as a strategic foundation for providers to design agile customer retention strategies aimed at mitigating spontaneous churn within this demographic.

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