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THE EFFECT OF PERCEIVED USABILITY AND ALGORITHMIC PERSONALIZATION ON CONTINUANCE INTENTION THROUGH PERCEIVED VALUE ON THE NETFLIX DIGITAL SUBSCRIPTION PLATFORM

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Abstract

Through perceived value acting as a mediating variable, it attempts to examine the impact of perceived usability and algorithmic personalization on continuing intention across the Netflix digital subscription platform. 88 Netflix users participated in this instance, which takes a quantitative approach using the PLS-SEM method. According to the outcomes, perceived usability enhances perceived value but has no discernible tangible impact on continuing intention. On another aspect, both continuance intention and perceived value have been beneficially affected by algorithmic personalization. Furthermore, it has been proven that continuance intention is improved by perceived value. It implies that the role of perceived usability and algorithmic personalization on continuing intention on digital subscription platforms is mediated by perceived value.

1. INTRODUCTION

The presence of technological developments has opened up great opportunities for digital transformation in various sectors. This change has created a paradigm shift in ways of working, interaction patterns, and business models, which are now increasingly dependent on digital based systems and services. This transformation has encouraged almost all economic and business activities to shift to digital platforms as the main means of increasing efficiency, expanding market reach, and adapting to the increasingly rapid dynamics of consumer needs (Khairi et al., 2025). Digital platforms now not only act as marketing media, but also become strategic elements in building a strong and sustainable business ecosystem. Through the integration of innovative technology, digital platforms are able to strengthen collaboration between business actors, increase productivity and create added value for business sustainability. However, on the other hand, the digital transformation process also presents challenges in the form of gaps in digital adoption and literacy, especially for business actors who still depend on conventional business models. These limitations can hinder the optimization of the use of digital platforms as a whole. Therefore, the success of digital transformation is not only determined by the organization's ability to adopt technology, but also by how digital platforms are able to provide efficient and valuable user experiences. One example of a platform that has successfully utilized digital technology to optimize user experience and personalization is Netflix. (Rochmawati et al ., 2025).

Netflix is an online streaming-based digital platform that is well known throughout the world. Known for its ease of use and personalization features, Netflix is one of the streaming platforms most popular with the global community. Based on research conducted by Universitas Diponegoro (2023), this platform has succeeded in optimizing the user experience through a simple interface, good system stability, and a recommendation algorithm that adapts content to individual preferences. These efforts not only increase user convenience, but also strengthen continuance intention or user intent to continue subscribing. Netflix's success in building a superior user experience is in line with the application of the information systems success model , where system quality and service is an

important factor in retaining subscribing customers (Wicaksana & Suroso, 2022). In addition, Netflix's transformation from a DVD service provider to a global digital streaming platform shows its ability to adapt to changing consumer behavior in the digital era. Through algorithmic innovation and data-based content strategies, Netflix has succeeded in setting new standards in the OTT industry and strengthening a sustainable digital subscription business model (Djamzuri & Mulyana, 2022).

Even though Netflix has succeeded in becoming a global streaming platform with a large number of subscribers, the challenge of retaining users remains an important issue in the sustainability of the digital subscription business model. Based on research by Mada (2025), the churn rate or subscription cancellation rate for Netflix users in Indonesia reaches around 12% . The study explains that one of the main factors causing churn is the low relevance of recommended content as well as users' negative response to subscription price increases. Netflix has indeed carried out this price increase globally, including in Indonesia, as part of a strategy to improve service quality and investment in digital content. However, on the other hand, these price adjustments also have an impact on increasing user expectations regarding the value they perceive from the service.

This is in line with the findings of Sitompul & Gultom (2025) in the journal "Pengaruh Harga dan Kualitas Pelayanan Terhadap Kepuasan Konsumen pada Usaha Mie Gacoan di Bandar Lampung," which shows that price increases can increase customer expectations and perceptions of value if balanced with good service quality. Furthermore, research by Nugroho & Dirgantara (2022) also found that higher price perce options are often seen as a signal of quality, which ultimately increases consumers' expectations and repurchase intentions.Similar circumstances can arise in the wake of digital subscription services like Netflix, where users believe that superior user experiences and pertinent content recommendations should outweigh increased subscription fees. Therefore, ease of use (perceived usability) and relevance of content recommendations (algorithmic personalization) are important factors in shaping the perception of service value (perceived value), which ultimately drives users' intention to continue subscribing (continuance intention).

Knowing the linkages of algorithmic personalization, perceived value, and perceived usability is crucial for supporting data-driven strategic decision making in the context of digital business. Subscription platforms such as Netflix rely heavily on their success in maintaining user intent to continue subscribing, as this is an early indicator of the sustainability of the digital business model. The perceived value of the service rises when customers think the system feels easy to utilize and the algorithm provides relevant material. This increase in perceived value encourages the intention to remain subscribed, which in turn can strengthen revenue stability and business competitiveness. On the other hand, a decrease in satisfaction with the user experience can be a signal for management to review feature development policies, recommendation systems, and pricing strategies. Thus, this research has strategic relevance for digital business decision makers in optimizing innovation based on user experience and personalization algorithms, in order to create sustainable value that strengthens digital subscription business models.

2. LITERATURE REVIEW

2.1 Theoretical and Conceptual Background

2.1.1 Perceived Usability (X1)

A theoretical framework that describes how people accept, use, and continue to use information technology is called the Unified Theory of Acceptance and Use of Technology (UTAUT). Venkatesh et al. (2003) created this theory by combining several earlier technology acceptance models, including the Theory of Reasoned Action (TRA), the Theory of Planned Behavior (TPB), and the Technology Acceptance Model (TAM). UTAUT highlights that a number of important dimensions, individual traits, and the context of use all have an impact on behavioral intention and actual technology use. Effort expectation, or a person's assessment of how simple a system is to use, is one of the main concepts in UTAUT. This construct shows how little effort individuals believe it takes to interact with technology, both in terms of comprehending the interface and using its capabilities. Ease of use becomes a critical factor in determining the user experience in the context of frequently used digital platforms, including subscription-based streaming services. In this study, the effort expectancy notion in UTAUT is represented by perceived usability. Users' perception of a digital system's overall ease and comfort is known as perceived usability.

Conceptually, perceived usability encompasses several key dimensions, namely: (1) the ease with which users understand the interface's appearance and structure, (2) the ease of navigation and menu orientation, (3) the efficiency in finding the necessary content or information, (4) the ease of using the system's main features, (5) the consistency of appearance and function across different devices, and (6) the overall comfort level of using the system. These dimensions represent the quality of the user's interaction experience with the digital platform (Venkatesh et al., 2003; Flavián et al., 2006).

Thus, perceived usability in this research context reflects the extent to which users assess Netflix as a platform that is easy to understand, easy to use, and convenient to operate, which further plays a role in shaping their evaluation and sustained usage behavior toward the digital service.

2.1.2 Algorithmic Personalization (X2)

The theory of personalization in recommendation systems explains how digital technology utilizes algorithms to tailor content based on user preferences and behaviors. One widely used theoretical framework for understanding personalization in digital media is the MAIN Model proposed by Sundar (2008). This model explains how technology features, through the dimensions of modality, agency, interactivity, and navigability, can influence users, perceptions and psychological responses to digital systems. In the context of recommendation systems, the dimension of agency becomes highly relevant because algorithms act as agents that actively select and present content to users. Personalization is not only viewed as a technical feature but as a mechanism that shapes users' perceptions of relevance, control, and engagement with the digital platform. In subscription-based streaming services like Netflix, recommendation algorithms learn user interaction patterns, such as viewing history and genre preferences, to generate individually tailored content suggestions. In this research, Algorithmic Personalization is understood as users' perceptions of the extent to which the platform's recommendation system can tailor content to their interests, habits, and needs. This concept emphasizes users' subjective evaluations of the quality of personalization produced by the algorithms, rather than solely on the technical complexity of the systems used.

Conceptually, algorithmic personalization encompasses several key dimensions, namely (1) the alignment of content recommendations with user preferences, (2) the increasing relevance of recommendations over time, (3) the system's ability to understand users' content consumption patterns and habits, (4) the role of recommendations in helping users discover new and relevant content, (5) user satisfaction with the accuracy of algorithmic recommendations, and (6) the perceived relevance of content suggestions displayed through specific categories or recommendation lists (Sundar, 2008; Hayes, 2024; Moravec et al., 2025).

Thus, algorithmic personalization in the context of this study reflects the extent to which users perceive the Netflix recommendation system as capable of providing a personalized, relevant, and valuable viewing experience, which in turn plays a role in shaping users' evaluation of the platform and sustained usage behavior.

2.1.3 Perceived Value (Z)

The theoretical framework called Expectancy Confirmation Theory (ECT) explains how people evaluate their experiences after using goods or services. Oliver (1980) introduced this idea and emphasized how user satisfaction and post-use ratings are influenced by the process of comparing initial expectations with actual performance. When service performance meets or exceeds customer expectations, they will receive positive confirmation, resulting in better reviews for the service. ECT helps users understand the value of subscription-based digital services. This evaluation is not only based on price but also on functional benefits, user experience, as well as emotional and social benefits obtained during repeated use of the service. Therefore, perceived value can be understood as the result of the post-use evaluation process as described in ECT. In this research, Perceived Value is positioned as a construct that represents users' evaluation results regarding the benefits of the service after the expectation confirmation process. Perceived value is understood as users' perceptions of the extent to which the benefits obtained from using Netflix are considered equivalent to or greater than the costs, time, and effort expended during the use of the service.

Conceptually, perceived value encompasses several key dimensions, namely (1) the equivalence between content quality and variety and the subscription cost, (2) the overall assessment of service value or value for money, (3) the perception that the time spent watching provides benefits or satisfaction, (4) perceived emotional value such as entertainment, enjoyment, and relaxation, (5) social value related to the ability to keep up with trends or topics of conversation, and (6) the evaluation that the overall perceived benefits outweigh the sacrifices made (Oliver, 1980; Zeithaml, 1988; Sweeney & Soutar, 2001).

Therefore, within the overall framework, perceived value is the extent to which consumers view Netflix as a platform that provides valuable benefits after evaluating their usage, which further influences their attitudes and behaviors regarding the sustainable use of digital services.

2.1.4 Continuance Intention (Y)

One of the theoretical paradigms that explains user behavior after the initial adoption of a product or service is the Expectation Confirmation Theory (ECT). This hypothesis highlights how the post-use evaluation process, particularly the comparison between initial expectations and perceived actual performance, influences consumers' propensity to continue using. This concept has been expanded to explain sustainable consumption behavior in the context of information systems. Bhattacherjee (2001) adapted ECT to the context of information systems. Through the Information Systems Continuation Model, which aims to explain the factors influencing continuation intention, namely, users' desire to continue using digital systems in the long term. As this model shows, satisfaction and the expected value of use impact the desire to use it more frequently. The Information Systems Sustainability Model has been widely used by information technology research to explain user retention on various digital platforms, including streaming services. Sustainability goals are described as customers desire to continue using Netflix services. Even among many similar services, this concept demonstrates customers willingness to subscribe to and continue using the platform.

Conceptually, continuance intention encompasses several key dimensions, namely (1) users' intention to remain subscribed in the future, (2) plans to renew subscriptions when the active period ends, (3) intention to continue

using the service despite many alternative streaming platforms available, (4) the drive to continue usage based on satisfaction levels, (5) commitment to renew subscriptions due to the quality of experience and content offered, and (6) ensure the long-term sustainability of service usage. (Bhattacherjee, 2001; Praveena & Thomas, 2014).

Sustainable intention in the context of this research indicates the extent to which customers have a strong commitment and desire to continue using Netflix as their preferred streaming platform in the long term.

2.2 Empirical Review and Hypothesis

2.2.1 Perceived Usability dan Continuance Intention

The intention to continue using various digital platforms, such as e-commerce, streaming services, and digital education systems, is positively and significantly influenced by perceived ease, also known as effort expectancy. Perceived ease of use (PEOU) can also be concluded with the general dimension of ease of use. This result also applies to post adoption settings, where the ease of using the service significantly influences the desire to use it continuously.

Sobodic et al. (2023), explain that mediating mechanisms between perceived usefulness and sustained intention frequently involves intermediary processes such as perceived usefulness, trust, and a pleasant usage experience. When discussing digital systems, consumers' benefits and usability increase because it is simpler to interact with the system's features and interface. This condition ultimately strengthens user satisfaction and encourages long term usage.

However, other research suggests that the impact of perceived usefulness on users may be less significant when users already have extensive experience with the platform. According to Jatimoyo et al. (2021), usability is usually not as important as other qualities, such as habit, perceived value, or qualities tailored for experienced users. This indicates that perceived usefulness plays a significant role in the early to mid-stages after adoption, and its influence complements other evaluation elements in later stages.

Although the strength of the association varies based on the usage, features, and the existence of mediating and moderating variables, previous research findings generally demonstrate a rather steady pattern of positive influence. This pattern is true for digital platforms that require a subscription, such as streaming services, where customer retention and the desire to keep using them are greatly impacted by usability. Based on this description, the hypothesis is formulated as follows:

H1: Perceived usability has a positive effect on continuance intention.

2.2.2 Perceived Usability dan Perceived Value

Numerous studies have shown a favorable correlation between perceived value and perceived usability. According to Pambudi et al. (2023), the overall scheme of information systems, usability has a positive effect on perceived value. This suggests that the simplicity of system interaction might enhance users' assessment of perceived value. Similar findings were discovered by Sidabutar & Hanani (2025) in digital work systems, where users' assessment of service benefits was strengthened by simplicity, which increased perceived usefulness as a value indicator. Shiddiq & Andika (2025) study on e-commerce platforms and subscription digital services found that simplicity directly increased users' perceptions of functional and emotional worth while also mediating customer satisfaction with the service.

In addition, this pattern of relationship appears in studies discussing post-adoption digital systems, where high ease of use tends to increase the perception that the benefits obtained are greater than the effort expended, thus reinforcing users' overall value evaluation of the services (Prambudi et al., 2023; Sidabutar & Hanani 2025; Shiddiq & Andika 2025). These results show that perceived usability is an important determinant in the formation of perceived value in various digital system contexts.

All things considered, these results show a robust and steady positive influence pattern between perceived value and perceived usability in a variety of digital environments. The premise that simplicity of use plays a substantial role in the construction of the value perceived by consumers is supported by the lack of weak or minor outcome trends. Based on this description, the hypothesis is formulated as follows:

H2: Perceived usability positively affects perceived value.

2.2.3 Algorithmic Personalization dan Continuance Intention

Algorithmic Personalization has a favorable impact on continuance intention, according to research in the fields of digital platforms and information systems. Kim and Nam (2019) discovered that positive confirmation of algorithmic suggestions boosts user happiness and perceived utility in the context of news and multimedia applications, which in turn influences continuance intention. This result is consistent with the ECM framework, which emphasizes the importance of suggestion quality in the post-adoption assessment of digital systems.

Next, Cheng et al. (2020) showed that algorithmic personalization strengthens factors in UTAUT2, particularly performance expectancy and habit, thereby significantly increasing the intention to continue using mobile news applications. This result confirms that personalization serves not only as a technical feature but also as a behavioral mechanism that deepens user engagement with the platform.

Overall, the findings of earlier research show that, on a variety of digital platforms, algorithmic personalization primarily has a favorable impact on continuance intention. The ineffectiveness of personalization itself has less of an

impact on results than contextual considerations like privacy concerns. The research developed and concluded with the hypothesis:
H3: Algorithmic personalization has a positive effect on continuance intention.

2.2.4 Algorithmic Personalization dan Perceived Value

Algorithmic Personalization has a beneficial impact on perceived value, according to research in the context of digital services. Personalized recommendations enhance emotional and social perceptions, which in turn impacts impulsive behavior and appreciation for the services overall, according to research by Rasool et al. (2025). This study demonstrates how algorithmic personalization not only provides useful benefits but also improves consumers' emotional experiences while interacting with digital platforms.

Furthermore, Moravec et al. (2025) demonstrated how artificial intelligence-based personalization can align content with users' needs and preferences, boosting happiness and perceived value. This research also highlights the role of personalization in reducing users' cognitive load when accessing information, which directly contributes to the enhancement of digital service value.

Obiegbu & Larsen (2025) discovered that well-designed customization promotes brand loyalty and experiential value in the context of digital shopping and streaming services. The research spotlight how personalization reduces cognitive strain when obtaining information, hence increasing the value of digital services.

This demonstrates how algorithmic personalization progressively raises perceived value in a variety of digital service contexts. In the end, personalization increases favorable evaluations of digital platforms by improving functional, emotional, and experience value. The following theory is formed by the preceding description:
H4: Algorithmic personalization has a positive effect on perceived value.

2.2.5 Perceived Value dan Continuance Intention

Perceived value is a powerful predictor of continuing intention, according to research on digital services and information systems. Mulyasa & Tjahyadi (2025) discovered that perceived value functions as a mediator among service quality and the desire to continue in the context of mobile value-added services. The analysis showed that customer intent to keep using the service regularly is influenced by an increase in their perceived functional and hedonic value. This demonstrates that the decision to keep using is influenced not just directly by value assessment but also more strongly by other factors.

Furthermore, the perceived value component has a major impact on the inclination to stick with digital services, according to Putra et al. (2022) study on mobile payment usage. Despite variations in the degree of influence based on gender, age, and economic status, the continuously positive direction of the connection shows that perceived value is a crucial component in sustaining the usage of digital services.

Overall, previous analyses show that in digital services and subscription-based systems, value perception has a significant and steady positive impact on sustaining intention. Users are more inclined to stick with a service over time if they believe the total advantages justify the expenses and work required. The following hypothesis is developed in light of the previous description:
H5: Perceived value has a positive effect on continuance intention.

2.3 Conceptual Framework

UTAUT, ECT, IS Continuance Model, and Personalization Theory in the Recommender System through the MAIN Model were the theories that were integrated to create the conceptual framework of this study. With an emphasis on the impact of Perceived Usability and Algorithmic Personalization on Continuance Intention on the Netflix digital subscription platform, mediated by Perceived Value, this framework explains the causal relationship between research variables. Visually, the conceptual framework can be illustrated as follows:

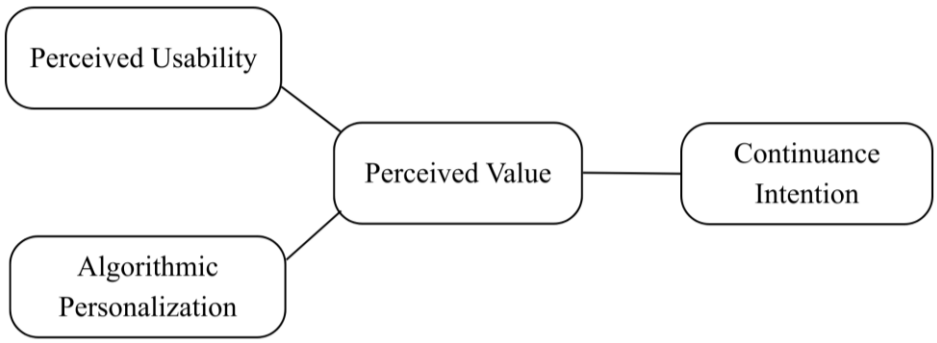


Figure 1. Conceptual Model of the Study
Source: Authors (2025)

3. RESEARCH METHODOLOGY

3.1 Types of Research

An explanatory quantitative methodology is used in this analysis. This approach seeks to elucidate the correlation among users of the Netflix digital subscription platform and the variables of Algorithmic Personalization and Perceived Usefulness on Continuous Intention, mediated by Perceived Value. SEM-PLS was utilized to assess the direct as well as indirect impacts among variables. This method was selected because it allows for sophisticated models with implicit and mediating variables and is appropriate for survey data with a reasonable sample size.

3.2 Research Population

The sample being examined consists of all Indonesian Netflix subscribers who have been members for at least 3 months. This criterion was chosen so that respondents have sufficient experience with Netflix features and recommendations, so they are able to provide valid assessments regarding research variables. Minimum 3 months of experience ensures respondents are familiar with the usability and personalization aspects of the algorithm.

3.3 Sample Determination Technique

Purposive and non-probability sampling are used in this analysis. In particular, the researcher establishes particular criteria for choosing the specimen.

Respondent Inclusion Criteria:

1. Minimum age 17 years
2. Have or still have a Netflix subscription for at least 3 months.
3. Domiciled in Indonesia.

This method is appropriate for research that focuses on user perceptions, thus requiring respondents to meet minimal experience with the platform to ensure data validity.

3.4 Sample Size

A total of 88 individuals who satisfied the requirements made up the sample size for the current analysis. This amount is sufficient for the minimum SEM-PLS requirements based on the provisions of the Rule of Thumb Hair et al. (2017), namely a minimum of 10× indicators for the largest construct. The largest construct in this research has 6 indicators, so the minimum sample is 60 respondents. The number of 88 respondents is very sufficient for SEM-PLS, allowing robust analysis and avoiding model convergence problems.

3.5 Data Analysis Techniques

Considering that PLS-SEM may be used to analyze the associations among implicit constructs that are predictive in nature and can be used to data with a non-normal distribution and medium sample size, this study employs it with the aid of SmartPLS software. The outer and inner theory model are the two primary phases of data analysis, which are followed by bootstrapping hypothesis testing.

3.5.1 Outer Model

Evaluation of the outer model aims to assess the validity and reliability of the constructs used in this research.

a. Validity Convergent

Convergent validity can be measured through two parameters, namely:

1. Outer Loading: Each indication is deemed valid if its value ≥ 0.70.
2. Average Variance Extracted (AVE), A construct is deemed legitimate if its AVE value is more than 0.50, meaning it can account for more than half of the variation of its indications.

b. Discriminant Validity

1. Each construct is guaranteed to differ significantly from the others because of discriminatory validity.
2. Fornell-Larcker Criterion, which states that each construct's squared measure of AVE must be higher than when compared against other components, is used to conduct this test.
3. Cross Loading, In comparison to other constructions, every parameter must have an excessive loading value on the construct it measures.

If both criteria are met, the construct is declared to have adequate discriminant validity.

c. Construct Reliability

Construct reliability is evaluated using:

1. Composite Reliability (CR) above 0.70
2. Cronbach's Alpha greater than 0.70

The internal homogeneity of the components in assessing the total implicit scheme is indicated by this value.

3.5.2 Inner Model

The target of evaluating the inner model is to determine how strongly and in which pattern the implicit variables in the research model relate to one another.

1. Determination Coefficient (R^2)

The degree to which the independent factors account for the dependent variable is determined by the R^2 value. This is how it is interpreted:

a) $R^2 \geq 0{,}75$ = strong
b) $R^2 \approx 0{,}50$ = moderate
c) $R^2 \leq 0{,}25$ = weak

2. Predictive Relevance (Q^2)

Q^2 is used for determining the model's accuracy for residuals that aren't part of the model estimation. According to its interpretation, if $Q^2 > 0$, the model is potentially accurate; if $Q^2 \leq 0$, it is not.

3.5.3 Hypothesis Testing

The possibility was assessed via bootstrapping from 5,000 predefined subsamples in order to calculate the t-statistic and p-value. If the t-statistic was higher than 1.96 and the p-value was less than 0.05 (5% significance threshold), the speculation was accepted.

4. RESULT AND DISCUSSION

4.1 Result

88 people who took in all were examined in this instance, and the SmartPLS software was used to process the data using the PLS-SEM approach. With Cronbach's alpha and Composite Reliability scores more than 0.7, the construct reliability test results demonstrate that all research variables have satisfied the necessary dependability requirements. With a Composite reliability of 0.865 and a Cronbach's alpha of 0.812, the Continuance Intention variable has a superb dependability rating. Next, with a Composite Reliability of 0.865 and a Cronbach's alpha of 0.809, the Perceived Usability variable displays a comparatively similar outcome. Through Cronbach's alpha values atop 0.7 and Composite Reliability around 0.8, the Algorithmic Personalization and Perceived Value variables likewise exhibit strong levels of dependability. These findings indicate that all of these constructs have a high degree of dependability and are appropriate for further scrutiny.

Table 1. Construct Reliability and Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
X1.	0.809	0.818	0.864	0.516
X2.	0.767	0.784	0.838	0.466
Y	0.812	0.82	0.865	0.516
Z	0.749	0.753	0.827	0.445

Source: Authors (2025)

Moreover, the AVE test findings show that both the Perceived Usability and Continuance Intention have satisfied the convergent validity requirements with AVE values greater than 0.5. In contrast, the AVE values of Algorithmic Personalization and Perceived Value are less than 0.5. The Composite Reliability scores for both constructs are over the suggested optimum threshold, thus this circumstance is still acceptable. The constructs Algorithmic Personalization and Perceived Value can still be regarded as having acceptable convergent validity in this study if the Composite Reliability is adequate. This is because an AVE value above 0.40 shows that even though some indicators have low outer loadings, the construct as a whole remains consistent and reliable in explaining its variance (Fornell & Larcker, 1981).

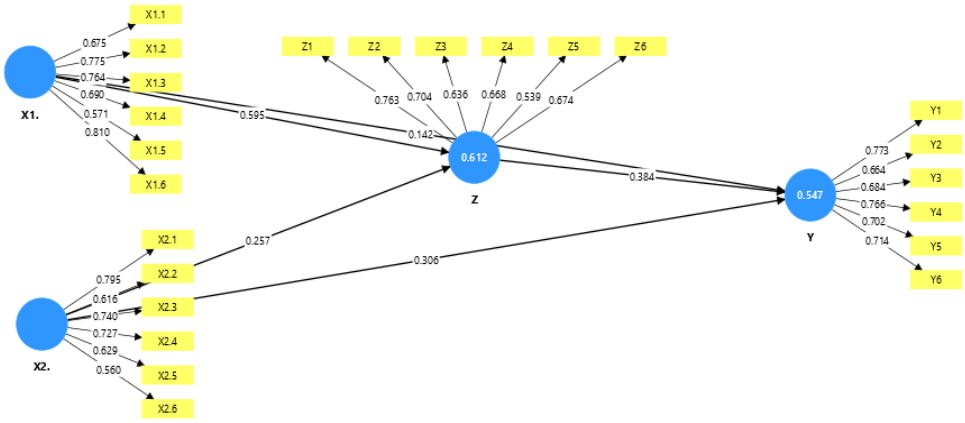


Figure 2. Outer Loading

Source: Authors (2025)

The majority of the indicated outer loading parameters are above 0.7, according to the validity testing results, indicating that the research indicators have typically been successful in accurately representing the measured constructs. However, various signs that have outer loading data among 0.5 and 0.6 and some indications that are near a value of 0.7 are still included in the model. This choice is supported by construct reliability values that satisfy the necessary requirements and the indicators' continued conceptual relevance. This is consistent with the PLS-SEM

guidelines, which state that certain indications with low outer loadings (0.5–0.6) are kept and the overall construct has met the recommended Composite Reliability value, so convergent validity is still acceptable, and that indicators with outer loading amounts within 0.40–0.70 do not need to be eliminated as long as their removal does not significantly improve construct reliability and the Average Variance Extracted value (Hair et al., 2017).

Table 2. Cross Loading

	X1.	X2.	Y	Z
X1.1	0.675	0.363	0.440	0.546
X1.2	0.775	0.556	0.512	0.551
X1.3	0.764	0.577	0.437	0.576
X1.4	0.690	0.458	0.345	0.518
X1.5	0.571	0.297	0.373	0.472
X1.6	0.810	0.441	0.555	0.590
X2.1	0.474	0.795	0.481	0.546
X2.2	0.381	0.616	0.314	0.332
X2.3	0.522	0.740	0.535	0.468
X2.4	0.436	0.727	0.452	0.441
X2.5	0.395	0.629	0.438	0.407
X2.6	0.341	0.560	0.347	0.351
Y1	0.471	0.500	0.773	0.558
Y2	0.362	0.299	0.664	0.407
Y3	0.501	0.474	0.684	0.484
Y4	0.521	0.544	0.766	0.554
Y5	0.383	0.431	0.702	0.466
Y6	0.430	0.456	0.714	0.456
Z1	0.528	0.466	0.397	0.763
Z2	0.596	0.467	0.551	0.704
Z3	0.450	0.423	0.331	0.636
Z4	0.530	0.404	0.542	0.668
Z5	0.359	0.374	0.514	0.539
Z6	0.528	0.380	0.353	0.674

Source: Authors (2025)

The Cross Loadings values in Table 2 imply that every scale has a severe loading on the item it investigates in relation to other constructions. All six variables show a strong correlation with the Perceived Usability construct, with loading values ranging from 0.571 to 0.810. Since these values are higher than the correlation among usability indicators and other variables, all indicators are considered authentic and meet the criterion for discriminant validity. The Algorithmic Personalization construct has an excessive loading for all six indications, ranging from 0.560 to 0.795, which is higher than the loading against other constructs. As a result, the Algorithmic Personalization indicators are discriminant valid. Six indicators, ranging from 0.664 to 0.773, had top loadings on the Continuance Intention construct. This loading is unmistakably greater than the coefficient of others, demonstrating the discriminant validity of the construct. The six indicators for perceived value, which range from 0.539 to 0.763, have the top loadings on the Z construct. This shows that every Z indicator satisfies the requirements for discriminant validity. The measurement model satisfies the requirements for discriminant validity since the cross-loading results verify that each indicator consistently measures the specified construct and does not represent any other construct.

Table 3. Fornell–Larcker Criterion

	X1.	X2.	Y	Z
X1.	719			
X2.	629	683		
Y	625	638	719	
Z	756	631	684	667

Source: Authors (2025)

The mean of the AVE for each construct is greater than its connection with other constructs, according to the Fornell-Larcker test results. For example, AVE X1 = 0.719 is higher than the X1–X2 correlation = 0.629, AVE X2 = 0.683 is higher than the X2–Y correlation = 0.638, and AVE Z = 0.667 is higher than the Z–Y correlation = 0.684. This indicates that the constructs X1, X2, Y, and Z have adequate discriminant validity and that each indicator measures the correct construct.

Table 4. R-square & R-square adjusted

	R-square	R-square adjusted

Y	**0.547**	**0.531**
Z	**0.612**	**0.603**

Source: Authors (2025)

In addition, the Continuance Intention contains an adjusted R-squared of 0.531 and an R^2 of 0.547. This indicates that Perceived Usability, Algorithmic Personalization, and Perceived Value account for 54.7% of the variance in Continuance Intention, with various factors out of the purview of the examined model influencing the remaining 45.3%. This figure suggests that its deductive ability is decent. Furthermore, the Perceived Value has an adjusted R^2 of 0.603 and an R^2 of 0.612. It implies that Perceived Usability and Algorithmic Personalization account for 61.2% of the variance in Perceived Value, with additional factors not included in the empirical method influencing the remaining 38.8%. The statistic shows that the Perceived Value variable can be adequately explained by the structure.

It examines Q^2 in addition to R^2 to determine the predictive power of the framework. Q^2 is a crucial supplement in assessing the model itself since it shows how well the model can anticipate the values of data that were not utilized in the model estimate. The Q^2 result is applied based on the following formula (Ghozali & Hengky, 2012):

Q-Square $= 1 - [(1-R^2 1) (1-R^2 2)]$
$= 1 - [(1-0.547) (1-0.612)]$
$= 1 - [(0.453) (0.388)]$
$= 1 - 0.175$
$= 0.825$

Along with a Q^2 score of 0.825, the model has extremely strong forecast relevance, explaining 82.5% of the research data. Meanwhile, factors lacking in the research model account for a 14.8% discrepancy.

Table 5. Path Coefficients - Mean, STDEV, T value, P value

	Original sample (O)	**Sample mean (M)**	**Standard deviation (STDEV)**	**T statistics (|O/STDEV|)**	**P values**
X1. -> Y	142	145	139	1.025	305
X1. -> Z	595	592	104	5.717	0
X2. -> Y	306	305	146	2.097	36
X2. -> Z	257	260	101	2.535	11
Z -> Y	384	392	115	3.332	1

Source: Authors (2025)

To acquire the t-statistic with p-value for each path of the association among parameters, testing of theories was carried out using the bootstrapping method with 5,000 resampling. Its outcomes are displayed as follows. The t-statistic for the bond of Perceived Usability and Continuance Intention is 1.025, and the p-value is 0.305. Since this number exceeds the 5% significance level, the claim H1 is not substantially supported. With a t-statistic of 5.717 and a p-value of 0.000, the influence of usability on perceived value indicates the claim H2 is significantly accepted. The claim of H3 is accepted since the influence of Algorithmic Personalization on Continuance Intention has a t-statistic of 2.097 and a p-value of 0.036. In the meantime, the role of algorithmic personalization on perceived value yields a p-value of 0.011 and a t-statistic of 2.535, supporting the claim H4. Lastly, claim H5 is accepted since the influence of perceived value on continuance intention has a t-statistic of 3.332 with a p-value of 0.001. Overall, four of the five investigated hypotheses have been shown to be significant, whereas one (X1 → Y) has not.

4.2 Discussion

As stated in the data gathered, women make up nearly all of the responses as opposed to men. Most of those polled are students, and their average age spans 17 and 20. Respondents have been using the Netflix platform for over two years, with an average usage frequency of 3–5 times per week. Additionally, the majority of respondents watch Netflix on their smartphones, indicating a preference for mobile and flexible platform usage.

These respondent characteristics provide important context for understanding the results of the inter-variable analysis, as their experience, frequency of use, and consumption methods can influence their perception of the platform's features, value, and services. Based on this, the analysis of inter-variable relationships can be evaluated more comprehensively. Regarding the outcomes of the framework model analysis, the influence between latent variables shows different patterns on users' continued intention on subscription-based digital platforms.

The first premise (H1), which examined how Perceived Usability affected Continuance Intention, produced a t-statistic of 1.025 and a p-value of 0.305, indicating it was not significant. This result indicates that the platform's ease of use only makes a small contribution to users' continued intention. Other factors, such as perceived value or content recommendation experience, are likely more dominant in shaping subscription intent. This finding fits in with research by Lee, Y., & Kwon, O. (2011), which indicates that because people are accustomed to similar platforms, emotional factors like intimacy predominate over cognitive factors like perceived utility and that factors like simplicity contribute less to continuance intention.

The second premise (H2), regarding the influence of Usability on Perceived Value, shows a t-statistic of 5.717 and a p-value of 0.000, indicating significance. This proves that what users think of the platform's value are significantly influenced by its usability. Their perceptions of the advantages and quality of services increase with how simple it is for them to use features and traverse menus. It is consistent with inquiry by Sari & Alfansi (2011), which demonstrated a favorable correlation between technology familiarity and a high perception of simplicity of utilization, which raises the platform's perceived worth.

The third premise (H3) proved Algorithmic Personalization had a favorable impact on Continuance Intention with a p-value of 0.036 and a t-statistic of 2.097, hence, hypothesis H3 is accepted. This result demonstrates that customer retention is fueled by content personalization, since recommendations that are tailored to each user's preferences encourage them to renew their subscriptions.

The fourth premise (H4) with a t-statistic of 2.535 and a p-value of 0.011, the impact of algorithmic personalization on perceived value was proven to be significant, supporting H4. This implies that the perception of service value can be impacted by content adaptability. This suggests that algorithm personalization can improve users' perceived value and ongoing intention. This conclusion is corroborated by inquiry by Haqqo & Isharina (2024), which demonstrates that algorithm personalization greatly influences perceived value, which in turn raises a desire to keep using the Netflix platform in Indonesia, with perceived value serving as a complete mediator.

The fifth premise (H5), with a t-statistic of 3.332 and a p-value of 0.001, provides that Perceived Value has a negative influence on Continuous Intention, which is accepted. The analysis revealed that users are likely to remain subscribed if they believe the platform is valuable or beneficial. This is consistent with previous research by Harun et al. (2025), who found that on digital platforms like Netflix, perceived value significantly increases continued intention.

Four of the five hypotheses that were evaluated were found to be significant entire, whereas one path (X1 → Y) was not. This trend demonstrates that while the continued intention is more impacted by a mix of content personalization and value perception, simplicity in use has more power on value perception. Therefore, perceived value and relevance of user-tailored information are more important factors in determining user loyalty and retention on subscription-based digital platforms than simple usability.

5. CONCLUSION

Using the PLS-SEM technique, this study examines the impact of perceived usability and algorithmic personalization on continued intention on the Netflix digital subscription platform, with perceived value serving as a mediating variable. The outcomes of the research highlight that while perceived usability has a favorable and considerable impact on perceived value, it has no discernible direct impact on continuance intention. These data suggest that simplicity of use has an indirect effect on perceived service value. On the other hand, it was discovered that algorithmic personalization significantly and favorably boosted both perceived value and continuing intention. This proves that boosting subscription intent and perceived value in subscription-based digital services requires a recommendation system that is both relevant and in line with user preferences. Furthermore, it has been demonstrated that perceived value significantly and favorably shapes continuance intention, making it a crucial factor in promoting sustainable usage.

Overall, the outcomes of the research support the idea that perceived value acts as a mediator across continuance intention and perceived usability and algorithmic personalization. The research model shows excellent predictive ability, indicated by a Q-square value of 0.825 and moderate to strong R-square values for the endogenous variables. This finding provides an empirical contribution to the study of post-adoption behavior on subscription-based digital platforms and emphasizes the importance of personalization and value creation strategies in improving user retention.

This study has limitations in terms of the number and characteristics of respondents, so future research is recommended to involve a more diverse sample and consider additional variables such as satisfaction, habit, and trust to enrich understanding of continuance intention on digital platforms.

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