

Peer Influence and Purchase Intentions for Freemium OTT Platforms: A Student Perspective

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Abstract

This study examines the factors influencing students' purchase intention to upgrade to premium services on freemium OTT platforms, with a focus on peer influence as a moderator. Using a quantitative approach, data was collected through an online survey from 308 students. Structural equation modeling (SEM) was employed to test the hypothesized relationships. Content variety emerged as the only significant predictor of purchase intention, suggesting that a diverse content offering strongly drives students' upgrade decisions. Surprisingly, perceived enjoyment, trust, and price sensitivity did not show significant direct effects. Peer influence, while not directly affecting purchase intention, moderates the impact of content variety, diminishing its positive effect when social influence is high. It also marginally moderates the effects of price sensitivity and perceived enjoyment, intensifying their roles. These findings offer valuable insights into the interplay between content and social factors in shaping students' behavior on freemium OTT platforms.

Keywords: Freemium Model, Purchase intention, OTT platforms, Peer influence, Content variety, SEM.

1. Introduction

The global entertainment industry has undergone a remarkable transformation with the advent of Over-the-Top (OTT) platforms, which allow users to access video contents through the internet, eliminating the need for traditional broadcasting or cable services. OTT refers to the delivery of video content via open Internet Protocol (IP) systems, making it accessible across multiple devices without intermediary control (Gonçalves et al., 2014). These platforms appeal to modern viewers with their convenience, variety, and flexibility, addressing the demand for on-the-go entertainment (Sujata et al., 2015).

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Globally, the OTT market has seen significant expansion, with a market size of \$85.16 billion in 2019, growing to \$101.42 billion in 2020. According to projections, it will expand at a compound annual growth rate (CAGR) of 13.87% from 2021 to 2026, or \$223.07 billion. The Asia-Pacific area, which includes Bangladesh, has grown at a quick rate, with a 16.52% CAGR from 2020 to 2025, despite North America having a leading market share (*Global Video on Demand Market Report*, 2020).

While considerable research has explored the factors driving OTT platform adoption globally, there remains a notable gap in understanding user behavior specific to Bangladesh. OTT consumption surged in Bangladesh, particularly during the COVID-19 pandemic, when lockdowns drove users towards digital content (Shammi et al., 2020). However, dedicated studies examining factors that influence Bangladeshi students' purchasing behavior for premium OTT content are limited.

Given that students between the ages of 15 to 35 represent a key demographic contributing to the growth of OTT platforms in Bangladesh (Hossain, 2022), this research aims to address this critical gap. Specifically, this study investigates the impact of content variety, perceived trust, perceived enjoyment, and price sensitivity as independent factors on students' purchase intentions regarding freemium to premium material, with peer influence acting as a moderating variable. The findings will provide meaningful insights into how these factors shape consumer behavior, helping OTT providers align their strategies with the preferences and motivations of this important user group in Bangladesh.

2. Literature Review

2.1 Freemium Business Model and OTT Platforms

The freemium business model has lately emerged as one of the most dominant in online markets, notably in the Over-the-Top (OTT) platform industry. This strategy provides consumers with free access to basic content while charging for premium content (Reime et al., 2011). Wagner et al. (2014) have demonstrated that companies that offer freemium services can enhance the likelihood of user conversion by ensuring that their free and premium services are functionally compatible. The freemium model provides a way for companies to reduce user acquisition costs while retaining customers who convert to paid plans after becoming accustomed to the service (Hamari et al., 2020).

2.2 Perceived Trust

Perceived trust relates to the confidence users have in the platform, especially concerning data privacy, payment security, and content quality (Bhattacharyya et al., 2022). Trust is recognised as an important aspect in buyer-seller relationships and online purchase intention in electronic commerce (Swidi et al., 2012). Purchase intention is positively influenced by perceived trust (Chang et al., 2014). In the freemium model, perceived trust influences consumer purchase intention significantly. In terms of OTT (Over-the-Top) platform, perceived trust is an essential element in the adoption of OTT platforms (Anup Anurag et al., 2024).

2.3 Content Variety

Content variety is an essential factor that affects consumer satisfaction and purchase decisions in OTT platforms. In recent years, over-the-top (OTT) platforms have grown astronomically (Chang and Chang, 2020). The ability of OTT platforms to produce unique, high-quality content that far excels the caliber and variety of traditional television viewing experiences is attributed to these surges in popularity (Singh et al., 2021). OTT platforms that offer a broad range of genres, exclusive contents, and personalized recommendations foster higher levels of user enjoyment and perceived value, which leads to greater retention and conversion rates (Kim et al., 2016). The availability of a diverse range of genres and content suited to individual interests have a significant impact on the attraction of an over-the-top (OTT) service (Sasikala Devi et al., 2023).

2.4 Perceived Enjoyment

Perceived enjoyment refers to the pleasure derived from using the platform, and it has been identified as a significant driver of online consumption behavior (Dwivedi et al., 2024). Perceived enjoyment heavily influences customer satisfaction on OTT (Over-the-top) platforms (Pereira et al., 2021). Perceived satisfaction is one of the most important factors in the continued use of OTT (Tran et al., 2020). Entertainment value, which is directly linked to perceived enjoyment, plays a vital role in encouraging users to spend on premium OTT services (Pinge & Shinde, 2023).

2.5 Price Sensitivity

According to Kumari (2020), 22% of respondents indicated that cost was the primary reason for not purchasing an OTT service. Similarly, Saha & Prasad (2019) found that 22% of the population perceived OTT content prices as expensive. Price sensitivity is the extent to which the cost of a service influences

a consumer's purchase choice (Han et al., 2001). In terms of OTT platforms, affordability is a key factor that drives user adoption, particularly among younger, price-conscious consumers (Bhattacharyya et al., 2022). In the freemium OTT model, users exhibit varying degrees of price sensitivity depending on the perceived value and affordability of premium services. Previous research suggests that customers who perceive OTT services as reasonably priced are more likely to upgrade from a free version to a paid subscription (Mäntymäki et al., 2020). Understanding price sensitivity allows OTT platforms to design pricing strategies that maximize user conversion while minimizing churn (Matzler et al., 2006). The cost is a key determinant affecting consumer choices when it comes to OTT content (Singh, A. 2024).

2.6 Peer Influence

Peer influence, defined as the social influence exerted by friends and colleagues, has been identified as a mediating factor that affects consumer decisions, especially among younger demographics (Shri et al., 2023). Individuals often depend significantly on peer interactions, which impacts their acceptance of new media formats that promote the level of interactivity (Dickinger et al., 2008). Peer influence has been recognised as a critical driver of adoption in the freemium business model. Social influence plays a crucial role in determining consumers' choices of OTT platforms. (Dwivedi et al., 2024). Social proof, as described by Cialdini (1993), suggests that individuals tend to follow the behavior of their peers, particularly in uncertain situations. Peer recommendations and shared user experiences on OTT platforms significantly impact user behavior and decision-making. If a person's social circle frequently uses and recommends an OTT platform, there is a higher likelihood of them adopting the service and considering premium features (Zhu et al., 2021). In the context of freemium models, peer influence not only aids in user acquisition but also encourages loyalty and increased engagement (Sun, 2013).

2.7 Theoretical Underpinnings

This research framework is rooted in the Acquisition Transaction Utility Theory (ATUT), which suggests that consumer purchasing decisions are shaped by both economic and psychological influences. According to ATUT, economic value is derived from the tangible benefits of a transaction, while psychological value arises from the emotional satisfaction associated with it (Thaler, 1985).

2.7.1 Economic Value

Factors such as content variety and price sensitivity are categorized under the economic value of the transaction. Users assess the range of content available on

an OTT platform and whether it justifies the cost of premium services. Platforms offering a diverse selection across multiple genres are more likely to encourage users to upgrade (Wagner, 2014). Price sensitivity underscores the role of competitive pricing in shaping users' perceptions of value, influencing whether they believe the service is worth the cost (Nagle & Müller, 2017).

2.7.2 Psychological Value

Perceived trust and perceived enjoyment contribute to the psychological value. Trust reflects users' confidence in the platform's reliability, privacy, and security, which significantly impacts their willingness to pay for premium services (Gefen et al., 2003). Perceived enjoyment, in contrast, pertains to the emotional satisfaction users gain from interacting with the platform, further motivating their subscription decisions (Chiu et al., 2014).

This study seeks to investigate how these economic and psychological factors together influence users' purchase intentions within the freemium model of OTT platforms.

3. Hypotheses Development and Research Framework

This section covers the theoretical underpinning and formulation of the hypotheses from a survey of the literature on content variety, perceived trust, perceived enjoyment, price sensitivity, and peer influence. These principles serve as the foundation for understanding how they influence consumers' purchase intentions for OTT platforms based on a freemium model. Furthermore, peer influence is investigated as a moderating factor in these correlations.

3.1 Content Variety

Content variety refers to the range of content offered by OTT platforms, which is crucial for retaining user interest and encouraging premium subscriptions. It has a significant influence on consumer satisfaction and purchase intention (Soo-Yeon & Jong-Bae Kim, 2022). The variety of content is crucial in influencing users' decisions to purchase in the freemium model, where users can access basic content for free but are compelled to upgrade for premium features. Broad content library positively influences consumer willingness to subscribe to OTT platforms (N. Rajkamal and M. Sripriya 2024). Hence, we propose:

***H1:** Content variety has a positive influence on consumers' purchase intention towards OTT platforms using the freemium model.*

3.2 Perceived Trust

Perceived trust is the level of confidence consumers have in the platform's ability to provide secure, reliable services (Gefen et al., 2003). For platforms that provide both free and paid services, trust is crucial because users must believe that premium content will be more valuable than free content. A study by Kim et al. (2008) indicates that perceived trust enhances the purchase intention for digital services such as OTT platforms. Hence, we propose:

H2: Perceived trust has a positive influence on consumers' purchase intention towards OTT platforms using the freemium model.

3.3 Perceived Enjoyment

Perceived enjoyment is the pleasure or satisfaction consumers derive from using a platform (Van der Heijden, 2004). When it comes to over-the-top (OTT) platforms, a user's decision to pay premium services can be significantly influenced by how much they like engaging with the material. Online shoppers' propensity to buy is significantly positively impacted by perceived delight (Gefen et al., 2003). Thus, we propose:

H3: Perceived enjoyment has a positive influence on consumers' purchase intention towards OTT platforms using the freemium model.

3.4 Price Sensitivity

Price sensitivity refers to how much price influences consumers' purchasing decisions (Monroe, 1973). Price sensitivity plays a critical role in determining whether users will pay for the paid version as they have the choice between free and premium version in a freemium model. Research by Gerpott, Torsten & Berends, Jan. (2022) showed that Online platform users are particularly sensitive to price changes, which can negatively affect their purchase intentions. Hence, we propose:

H4: Price sensitivity has a negative influence on consumers' purchase intention towards OTT platforms using the freemium model.

3.5 Peer Influence

When making a purchase, an individual thinks of certain people. Typically, such people propagate their ideas, and others are compelled to follow suit, get associated with them, and utilize them as a criterion for purchasing decisions (Makgosa et al., 2007). Peer influence has been extensively investigated as a moderating component in consumer behavior, and it has been demonstrated to have a considerable impact on purchasing decisions (Norazah Mohd Suki et al.,

2019). Consumers often rely on the opinions and behaviors of peers when making decisions about purchasing (Laursen et al., 2021). Peer influence can either increase or diminish the impact of the elements outlined above on purchase intention. We offer the following moderating hypotheses:

H5: *Peer influence moderates the relationship between content variety and consumers' purchase intention towards OTT platforms.*

H6: *Peer influence moderates the relationship between perceived trust and consumers' purchase intention towards OTT platforms.*

H7: *Peer influence moderates the relationship between perceived enjoyment and consumers' purchase intention towards OTT platforms.*

H8: *Peer influence moderates the relationship between price sensitivity and consumers' purchase intention towards OTT platforms.*

Peer influence can directly impact buying intention. We propose the following hypothesis:

H9: *Peer Influence has a positive effect on consumers' purchase intention towards OTT platforms using the freemium model.*

4. Research Framework

Based on the hypotheses presented above, Figure 1 depicts the suggested theoretical framework, which includes content diversity, perceived trust, perceived enjoyment, and price sensitivity as independent variables, purchase intention as the dependent variable, and peer influence as a moderating variable.

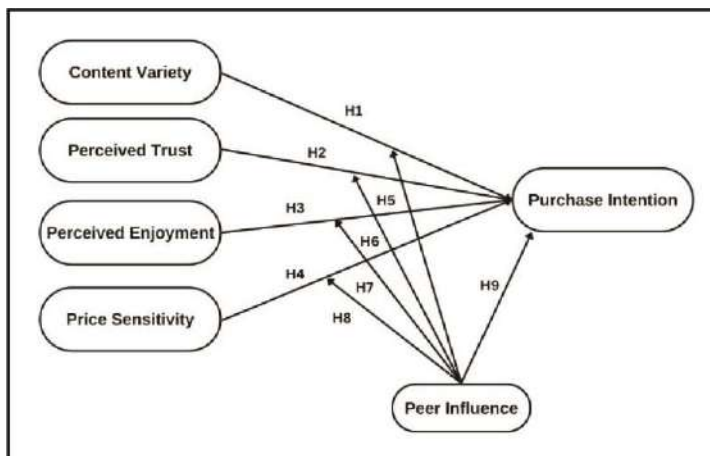


Fig.1. Proposed theoretical framework

5. Methodology

5.1 Participants and Procedure

We conducted a two-phase study. In the first phase, we conducted a pilot test with 30 student respondents to assess the validity of seven variables. Based on this pilot test, we selected four independent variables—content variety, perceived trust, perceived enjoyment, and price sensitivity—for further analysis.

In the second phase, we used convenience sampling to send a self-administered questionnaire to 308 students. The survey was performed online using Google Forms over a two-week period. The sample size was determined using the standards given by Hair et al. (2014) and Kline (1998), who propose that the sample size be at least ten times the number of items used. Our survey included 31 items, so a minimum of 310 responses was required, but we received 308 usable responses. The demographic data for this study comprises a diverse set of respondents. In terms of age distribution, 5.52% of respondents were aged 15-20, 77.27% were aged 20-25, 14.29% were aged 25-30, 2.27% were aged 30-35, and 0.65% were aged 35 and up. Regarding educational level, 70.45% of the respondents were graduates, 17.53% were postgraduates, and 12.01% were college students. As for the frequency of OTT platform usage, 8.77% of respondents reported using OTT platforms always, 17.21% used them often, 24.68% sometimes, 29.55% occasionally, and 19.81% never used them.

5.2 Questionnaire Development and Instrument

The questionnaire was organized into three parts:

Section A gathered demographic details, including age, gender, education level, and frequency of use of OTT platforms.

Section B included questions related to the four independent variables: content variety, perceived trust, perceived enjoyment, and price sensitivity. This section also asked how often respondents get engaged with OTT platforms and their interaction with freemium models.

Section C dealt with the moderating variable, peer influence, and its impact on purchase intention. The responses were recorded on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

The questions were kept simple to ensure clarity for student respondents.

5.3 Statistical Techniques

We employed Partial Least Squares Structural Equation Modeling (PLS-SEM), utilizing SmartPLS 4, to evaluate the research model. According to Hair et al.

(2017) and Sarstedt et al. (2017), PLS-SEM is especially useful for examining complex relationships in datasets that are not normally distributed. Additionally, this method is well-suited for exploratory studies and smaller sample sizes.

Our analysis focused on determining the effects of the four independent variables—content variety, perceived trust, perceived enjoyment, and price sensitivity—on purchase intention in the context of freemium OTT platforms. Peer influence was tested as a moderating variable.

Table 1: Respondents’ characteristics

Variables		Frequency	Percentage
Gender	Male	179	58.12%
	Female	129	41.88%
Age (years old)	15-20	17	5.52%
	20-25	238	77.27%
	25-30	44	14.29%
	30-35	7	2.27%
	35 & above	2	0.65%
Educational Level	Post Graduate	54	17.53%
	Graduate	217	70.45%
	College	37	12.01%
	School	0	0.00%
Frequency of Usage	Never	61	19.81%
	Occasionally	91	29.55%
	Sometimes	76	24.68%
	Often	53	17.21%
	Always	27	8.77%

6. Data analysis

PLS-SEM was used for this study because of its prediction power and adaptability for exploratory research. SmartPLS 4 software was used to analyse both the measurement and structural models.

6.1 Measurement Model

The measuring model was tested for internal consistency, convergent validity, and discriminant validity.

Table 2: Reliability & Validity Analysis

Factors	Items	Items Loading	Cronbach's alpha	Composite reliability	Average variance extracted
Content Variety (CV)	CV 1	0.759	0.852	0.885	0.532
	CV 2	0.803			
	CV 3	0.853			
	CV 4	0.629			
	CV 5	0.7			
	CV 6	0.824			
	CV 7	0.46			
Perceived Trust (PT)	PT 1	0.728	0.903	0.923	0.631
	PT 2	0.822			
	PT 3	0.79			
	PT 4	0.865			
	PT 5	0.831			
	PT 6	0.785			
	PT 7	0.729			
Perceived	PE 1	0.704	0.885	0.912	0.635

Enjoyment (PE)	PE 2	0.773			
	PE 3	0.822			
	PE 4	0.744			
	PE 5	0.866			
	PE 6	0.861			
Price Sensitivity	PS 2	0.854	0.877	0.920	0.794
	PS 3	0.95			
	PS 4	0.867			
Peer Influence (PI)	PI 1	0.893	0.913	0.938	0.791
	PI 2	0.894			
	PI 3	0.908			
	PI 4	0.863			
Purchase Intention (BI)	B1	0.96	0.944	0.963	0.896
	B2	0.937			
	B3	0.943			

6.1.1 Reliability

Cronbach's alpha and composite reliability were employed to evaluate internal consistency. Table 2 shows Cronbach's alpha values ranging from 0.852 to 0.944, exceeding the required minimum of 0.70 (Hair et al., 2014). Composite reliability values (ρ_c) varied from 0.885 to 0.963, exceeding the benchmark of 0.70 and indicating strong construct reliability.

6.1.2 Convergent Validity

Convergent validity was assessed using factor loadings and the Average Variance Extracted (AVE). As shown in Table 2, all AVE values were above than the recommended threshold of 0.50 (Hair et al., 2014), ranging from 0.532 to 0.896. Most item loadings were above 0.70, with a few exceptions (CV5: 0.700, CV7: 0.460) in the Content Variety construct. One item was deleted for not meeting the

criterion, an item of price sensitivity (PS 1: "I am less likely to purchase the premium version of an OTT platform if it is too expensive." with loading 0.285). Despite some lower loadings, the overall convergent validity is considered satisfactory.

6.1.3 Discriminant Validity

Discriminant validity was determined utilising the Heterotrait-Monotrait (HTMT) ratio. Table 3 demonstrates that all HTMT values were less than the cautious criterion of 0.85 (Henseler et al., 2015), showing adequate discriminant validity between the constructs.

Table 3: Mean, Standard Deviation and Discriminant Validity (HTMT.85 Criterion)

Variables	Content Variety	Peer Influence	Perceived Enjoyment	Perceived Trust	Price Sensitivity	MEAN	SD	VIF
Content Variety						0.186	0.076	2.014
Peer Influence	0.597					0.044	0.083	1.927
Perceived Enjoyment	0.675	0.629				0.114	0.113	4.17
Perceived Trust	0.777	0.627	0.866			0.078	0.104	3.829
Price Sensitivity	0.438	0.445	0.744	0.693		0.139	0.097	2.142
Purchase Intention	0.247	0.194	0.159	0.19	0.059			

6.2 Structural Model

The structural model was assessed by examining the R^2 value, Q^2 value, SRMR, path coefficients, and their significance levels.

6.2.1 Model Fit and Predictive Relevance

The R^2 value for the endogenous variable (Purchase Intention) was 0.108, indicating that 10.8% of its variance is explained by the predictor variables. While this is lower than the 20% threshold suggested by Rasoolimanesh et al. (2016) for consumer behavior studies, it still provides some explanatory power. Several factors may explain this moderate R^2 value. First, human behavior and purchase intentions are inherently complex and influenced by numerous factors

beyond the scope of this study's four independent variables (Hair et al., 2019). Second, the convenience sampling method employed and the relatively modest sample size of 308 respondents may have impacted the model's explanatory power (Falk & Miller, 1992). Lower R^2 values are not uncommon in social science research, particularly in consumer behavior studies where human decision-making involves multiple unmeasured psychological and contextual factors (Cohen et al., 2013). As noted by Hair et al. (2017), R^2 values as low as 0.10 can still be meaningful in exploratory consumer research, especially when significant path coefficients are identified. Additionally, Chin (1998) argues that in some instances, even R^2 values of 0.10 to 0.20 can be considered satisfactory when dealing with complex consumer behavior phenomena.

The Q^2 value of 0.048 (>0) suggests that the model has predictive relevance (Chin, 1998). The SRMR value of 0.066 falls below the 0.08 threshold, suggesting a good model fit (Hu & Bentler, 1999).

Table 4: Hypothesis Testing

Hypothesis	Paths	Standardized beta coefficients	t-value	P-value	BC 2.5% bootstrap CI	BC 97.5% bootstrap CI	Q^2	F^2	Supported
H1	Content Variety - > Purchase Intention	0.174	2.284	0.022	0.009	0.311	0.048	0.017	Yes
H2	Perceived Trust - > Purchase Intention	0.072	0.692	0.489	0.140	0.273		0.002	No
H3	Perceived Enjoyment -> Purchase Intention	0.125	1.107	0.268	0.097	0.343		0.004	No
H4	Price Sensitivity -> Purchase Intention	-0.158	1.630	0.103	0.385	0.003		0.013	No
H5	Peer Influence x Content Variety ->	-0.174	2.388	0.017	0.319	-0.029		0.021	Yes

	Purchase Intention								
H6	Peer Influence × Perceived Trust -> Purchase Intention	0.081	0.790	0.430	0.158	0.255		0.003	No
H7	Peer Influence x Perceived Enjoyment -> Purchase Intention	0.205	1.916	0.055	0.010	0.415		0.018	No
H8	Peer Influence x Price Sensitivity -> Purchase Intention	-0.159	1.717	0.086	0.328	0.019		0.018	No
H9	Peer Influence -> Purchase Intention	0.049	0.583	0.560	0.117	0.212		0.001	No

6.2.2 Hypothesis Testing

The significance of path coefficients was evaluated using bootstrapping with 5000 resamples. Table 4 presents the results of the hypothesis testing.

The results indicate that:

I. Content Variety has a significant positive effect on Purchase Intention ($\beta = 0.174$, $p < 0.05$), supporting H1.

II. The direct effects of Perceived Trust, Perceived Enjoyment, Price Sensitivity, and Peer Influence on Purchase Intention are not statistically significant ($p > 0.05$), failing to support H2, H3, H4, and H9.

III. The moderating impact of Peer Influence on the associations among Perceived Trust, Price Sensitivity, Perceived Enjoyment, and Purchase Intention is statistically negligible ($p > 0.05$), failing to support H6, H7 and H8.

IV. The moderating effect of Peer Influence on the relationship between Content Variety and Purchase Intention is significant ($\beta = -0.174$, $p < 0.05$), supporting H5.

These findings suggest that while Content Variety directly influences Purchase Intention, the role of Peer Influence is primarily manifested through its moderating effects, particularly on the relationships between Content Variety and Purchase Intention, and to a lesser extent, on the relationships involving Price Sensitivity and Perceived Enjoyment.

7. Discussion

This study examined the factors influencing students' purchase intention to upgrade to premium services in freemium OTT (Over-The-Top) platforms, with a particular focus on the moderating role of peer influence. The findings provide valuable insights into student consumer behaviour in the context of freemium OTT services, highlighting both direct effects and the complex interplay of peer influence.

7.1 Direct Effects on Purchase Intention

Among the direct relationships examined, content variety emerged as the only significant predictor of purchase intention for premium OTT services (H1). This finding suggests that students are more likely to form purchase intentions when presented with a diverse range of content in the premium offering. This aligns with previous research highlighting the importance of content diversity in streaming services (e.g., Yeo, 2020; Wayne, 2018). In the context of freemium OTT platforms, a varied content offering in the premium tier may signal to students that upgrading provides substantial added value, potentially justifying the cost of subscription.

Contrary to our expectations, perceived enjoyment (H3), perceived trust (H2), and price sensitivity (H4) did not show significant direct effects on purchase intention. These results diverge from some previous studies in the context of online services (e.g., Hsu & Lin, 2015; Zhao et al., 2012) and may reflect the unique characteristics of the student demographic and the freemium OTT market. It's possible that for students, the variety of content overshadows other factors in forming purchase intentions for premium services. The non-significant effect of price sensitivity is particularly interesting and may suggest that students are willing to pay for premium services if they perceive sufficient value in the content offering, despite typically being price-sensitive consumers.

7.2 The Moderating Role of Peer Influence

While peer influence did not demonstrate a significant direct effect on purchase intention (H9), its role as a moderator proved to be more complex and nuanced, as illustrated by the graphs.

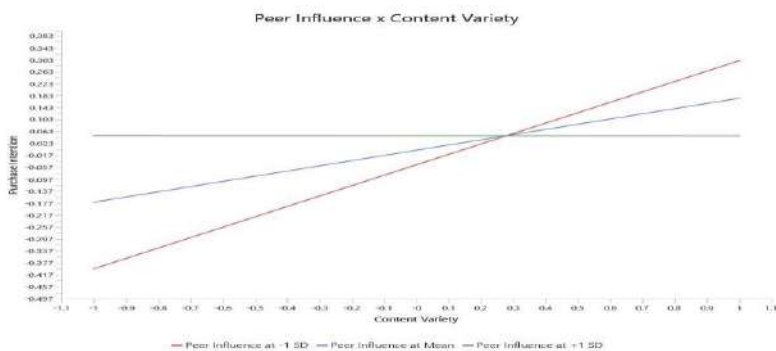


Fig. 2a. Moderating effect of peer influence on the relationship between content variety and purchasing intention in respect of OTT platforms

The notable moderating effect of peer influence on the relationship between content variety and purchase intention (H5) is especially significant. Fig. 2a. visually represents this interaction. When peer influence is low (red line), there's a strong positive relationship between content variety and purchase intention. As peer influence increases to the mean (blue line) and high levels (green line), this positive relationship weakens, with the green line being almost flat. This suggests that as peer influence increases, the positive effect of content variety on purchase intention diminishes. Students may rely less on the variety of content available and more on social cues when forming purchase intentions for premium OTT services under strong peer influence. This finding adds a new dimension to our understanding of how social influence interacts with content offerings in shaping student consumer behavior in the freemium OTT context.

7.3 Theoretical and Practical Implications

Theoretically, this study contributes to the literature on freemium business models and OTT services by highlighting the intricate role of peer influence in the student market. While previous research has often focused on direct effects, our findings underscore the importance of considering peer influence as a

moderator, capable of both enhancing and diminishing the effects of other factors on purchase intentions.

From a practical standpoint, these results suggest that marketers of freemium OTT platforms targeting students should prioritise developing a varied content library in their premium tier. However, they should also consider the social context in which subscription decisions are made. Strategies that leverage positive peer influence, such as student ambassador programs or campus-based marketing initiatives, could be particularly effective. However, marketers should be aware that strong peer influence might overshadow other service attributes, necessitating a balanced approach that addresses both individual preferences and social factors.

7.4 Limitations and Future Research Directions

Although this study offers valuable insights, it also has limitations. The relatively low R^2 value of 0.108 indicates that there could be other significant factors affecting students' purchase intentions for premium OTT services that our model did not account for. Future research could explore additional variables, such as academic workload, living situation, or disposable income, to enhance the model's explanatory power in the student context.

Moreover, the cross-sectional design of this study restricts our ability to draw causal inferences. Longitudinal research could offer more substantial evidence regarding the observed relationships and how they might change throughout a student's academic journey. Additionally, investigating these relationships across different types of OTT platforms (e.g., music streaming vs. video streaming) or student demographics (e.g., undergraduate vs. graduate) could further enhance our understanding of student consumer behavior in the freemium OTT market.

8. Conclusion

This study underscores the complex nature of factors influencing students' purchase intentions for premium OTT services, particularly highlighting the nuanced role of peer influence. As the freemium OTT market continues to grow and evolve, understanding these dynamics will be crucial for both researchers and practitioners in effectively targeting and serving the student consumer segment. As the digital streaming landscape evolves, knowing the reasons that motivate student consumers to subscribe to premium services becomes increasingly important. This study lays the groundwork for future research in this field and provides useful data for OTT platform providers looking for grabbing the lucrative student market. By recognising the paramount importance of content variety and the nuanced role of peer influence, stakeholders in the OTT

industry can develop more effective strategies to engage and retain student subscribers in the competitive digital streaming marketplace.

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Appendix 1. Measurement of Instruments.

Statements	Label	Sources
Content Variety		
I am more likely to purchase the premium version of an OTT platform that offers a wide variety of content.	CV1	van den Nieuwenhuizen and C. C. (2022)
The availability of exclusive content on the premium version influences my decision to upgrade.	CV2	
If an OTT platform regularly updates its content library, I would be more inclined to purchase the premium version.	CV3	
Having access to dubbed international content on OTT platforms makes me more likely to consider paying for premium services.	CV4	
The presence of content in multiple languages increases my likelihood of purchasing the premium version.	CV5	
A larger selection of original content would make me more likely to upgrade to the premium version.	CV6	
The availability of live streaming events (e.g., sports, concerts) increases my interest in paying for the premium version.	CV7	
Perceived Trust		
The platform's reputation makes me trust it enough to consider purchasing the premium version.	PT1	Niemand et al., (2015)
The OTT platform should maintain transparency in its billing and subscription processes.	PT2	

The platform's customer service reputation affects my confidence in upgrading to the premium version	PT3	
Assurance of secured payment methods affect my purchasing decision.	PT4	
The platform's history of data privacy protection encourages me to consider purchasing the premium version.	PT5	
If the platform offers a clear cancellation policy, I would be more inclined to trust it and consider paying for premium.	PT6	
The OTT platform's track record of ethical business practices makes me feel comfortable upgrading to the premium version.	PT7	
Perceived Enjoyment		
I enjoy OTT platforms more with fewer interruptions.	PE1	Singh et al., (2021)
Premium versions should provide more features than free versions to enjoy.	PE2	
Premium version should provide early access to content I enjoy watching.	PE3	
The ability to download content for offline viewing would increase my enjoyment of the platform's premium version.	PE4	
Premium features such as multi-device streaming would increase my satisfaction with the platform.	PE5	
The higher quality of streaming (e.g., HD, 4K) in the premium version would make my viewing experience more enjoyable.	PE6	
Price Sensitivity		
I am less likely to purchase the premium version of an OTT platform if it is too expensive.	PS1*	Monroe and K. B. (1990)
My decision to upgrade to premium on OTT platforms is strongly influenced by the cost.	PS2	

I would only consider purchasing a premium subscription if the price is within my budget.	PS3	
I am sensitive to the cost of premium OTT services, which affects my willingness to purchase.	PS4	
Peer Influence		
I am more likely to purchase the premium version of an OTT platform if my friends recommend it.	PI1	Suki et al., (2019)
My peers' positive experiences with the content variety of an OTT platform increase my likelihood of subscribing to the premium version.	PI2	
I am more confident in purchasing the premium version of an OTT platform if my friends trust it.	PI3	
I am more willing to pay for premium OTT services if my friends believe it offers good value for money.	PI4	
Purchase Intention		
I often purchase a premium subscription to an OTT platform.	BI1	Suki et al., (2019)
I prefer buying a premium subscription over using the free version of an OTT platform.	BI2	
I am likely to purchase a premium subscription on an OTT platform in the near future.	BI3	

Notes: *deleted scale items, Reverse coded scale