

Quality Perception of Spotify's Purchase Intentions in Indonesia

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ABSTRACT

Keywords: Streaming, Perception, Intent.	Music Quality Purchase	This study investigates the correlation between perceived quality and purchase intention within the domain of music streaming services, focusing on Spotify. Employing a quantitative-descriptive approach, the research utilizes surveys for data collection and employs simple linear analysis to scrutinize the relationship between independent and dependent variables. The results underscore a statistically significant positive influence of perceived quality on purchase intention. The conclusion of this study the better the perception of consumer quality towards Spotify, the higher the consumer's purchase intent. This purchase intent will help Spotify acquire subscription users. The results of this study also show that consumer perception of Spotify subscription prices is still not good. In this case, Spotify should market its low-level plans to improve consumer perception of price.
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Introduction

The music industry is one of the industries whose digital transition & and transformation process is quite rapid. This digitalization is driven by the development & and utilization of massive communication and information technology (Jane, 2922). From the beginning of the use of vinyl which was replaced by compact discs (CDs) in the 1980s; and was replaced again by MP3 Players in the 1990s; and until now replaced by music streaming services that emerged in the mid-2010s (Dolata, 2020).

Music streaming services first entered Indonesia in 2015, namely JOOX followed by Spotify in 2016. Currently, YouTube Music and Apple Music are also available & and accessible to music lovers in Indonesia. The rise of music streaming services in Indonesia is a sign of the large number of listeners and music connoisseurs in Indonesia. Data published on the Statista website shows that music streaming service users in Indonesia will continue to increase until 2027 with growth reaching 11.57%.

However, the data does not show the prospect of a proportion of free and subscription users. The freemium business model, often used by music streaming services in Indonesia, gives users the option to listen to paid music without ads (subscription). Users who subscribe certainly provide many benefits for companies, but

most consumers prefer the free option because it is considered more profitable (Niemand, Mai, & Kraus, 2019). This is a challenge for music streaming services with a freemium business model.

A variety of factors drive the desire to subscribe to music streaming services. Before consumers make a purchase, they will usually find out the advantages of the product. The decision-making process made by consumers before purchasing for certain conditions or certain reasons is a purchase intention (Johan et al., 2020). Based on previous research, purchase intentions can be assessed from three (3) indicators (Shih, 2010), namely:

1. Willingness of consumers to buy products/services (willing purchase)
2. Consumer tendency to consider purchasing products/services (considering purchase)
3. Consumer tendency to recommend purchase of products/services (recommendation purchase)

Quality Perception of Purchase Intention

In general, consumers have expectations for a product according to the information or knowledge they have (Kim, 2020). (Mirabi, Akbariyeh, & Tahmasebifard, 2015), In their research, they stated that purchase intentions are influenced by consumer perceptions, behaviors, and attitudes (Kim, 2020). Consumer perceptions, behaviors, and attitudes are formed due to the needs and preferences of each consumer (Eliasari & Sukaatmadja, 2017). If the consumer's perception of the product is not what is desired, then the consumer will move to another brand, which will cause losses for the company (Ratasuk & Gajesanand, 2020). One of them is the perception of quality.

Quality perception is a consumer's subjective assessment of a tangible and intangible product component based on their experience and knowledge (TUAN & RAJAGOPAL, 2017). Previous research has shown that quality perception positively and significantly affects purchasing intentions. One study also stated that the higher the perception of the quality of a product or service, the easier it is for customers to stay loyal to the brand (Roozy et al., 2014).

Research Methods

Types of Research

This research is a quantitative-descriptive study. It will be able to provide an overview of the population in general and also the relationship between research variables that are tested systematically according to conditions that occur (Rukajat, 2018). This research will examine the effect of quality perception on purchase intention and describe consumer quality perception of Spotify in Indonesia.

Data Collection and Sample Techniques

Data collection in this study was obtained through surveys. The survey was distributed to Spotify's music streaming service consumers in Jakarta and Bandung, Indonesia. The survey distribution is carried out online through social media and

messengers. Purposive sampling is where samples are taken for the study in order to reflect accurate results (Zickar & Keith, 2023).

A total of 231 respondents were successfully collected for this study. From the data obtained, 11 people are not residents domiciled in Jakarta or Bandung, 93 people do not use the Spotify music streaming service, and 3 outliers. So, the questionnaires that are eligible to be used as research samples amounted to 124 respondents.

Research Measurement

This study aims to measure the effect of quality perception on the purchase intention of Spotify's music streaming service. For quality perception, 5 indicators (Technicality, perceived usefulness, perceived value, perceived enjoyment, perceived fee) will be researched and derived from 19 measurements. Meanwhile, the number of indicators and measurements studied for purchase intentions is 3.

Table 1
Research Measurement

Variable	Item	Measurement
Quality Perception (X)	X1	This Spotify can be used easily
	X2	Using the Spotify music platform is easy to learn
	X3	Spotify is instantly accessible
	X4	I can do what I want easily through Spotify
	X5	Using Spotify helps me access music content faster
	X6	Using Spotify increases my appreciation of music
	X7	Using Spotify makes it easy for me to get music information
	X8	Spotify provides a wide variety of music
	X9	Overall, Spotify is very useful for listening to music
	X10	I love interacting with Spotify
	X11	Using Spotify gives me much fun
	X12	I love using Spotify
	X13	Overall, using Spotify appeals to me
	X14	The effort I had to put into using Spotify was worth it for me
	X15	The time it took me to access Spotify was worth it for me
	X16	Overall, Spotify provides good value/benefits for me
	X17	The price paid for a subscription is not very high
	X18	The price to pay for a subscription is reasonable/worth it
	X19	Paying for a Spotify subscription is not something unpleasant
Purchase Intention (Y)	Y1	
	Y2	
	Y3	

Data Analysis

This study used a simple linear regression analysis conducted using SPSS 25 software. Simple linear regression analysis is used to see the relationship between one independent variable and the study's dependent variable with a straight-line relationship (Muttaqin & Srihartini, 2022). Thus, linear regression analysis is the objective, and this study needs to examine the effect of quality perception (X) on purchase intention (Y). The equation resulting from a simple linear regression analysis is as follows:

$$Y = a + bX$$

where a = Constant, b = Regression coefficient, Y = purchase intention, and X = Quality perception. A grade indicates the magnitude of the contribution from factors other than quality perception.

Results and Discussion

Description of Statistics

The number of respondents who use Spotify's music streaming service is 124. 52.4% of respondents were women and 47.6% were men. 33.6% of respondents came from Bandung, and 62.5% from Jakarta. Most respondents are millennials and Generation Z, as many as 89.5% of respondents aged 15-34 years; from their jobs, as many as 47.6% of respondents are private employees, followed by 25% still in student status (students/students). Meanwhile, in terms of income, 47.6% of respondents have monthly income in the range of Rp5,000,000 - Rp9,999,999. The total number of respondents who used Spotify's music streaming service was 124 respondents.

Table 2
Respondent Demographics

Demographics	Item	Frequency	Percentage%
Gender	Man	59	47,6%
	Woman	65	52,4%
Age	15-24 years	61	49,2%
	25-34 years	50	40,3%
	35-44 years	5	4,0%
	45-54 years	7	5,6%
	≥ 55 years old	1	0,8%
Work	State Officer	6	4,8%
	A	59	47,6%
	Freelance	19	15,3%
	Business Owner	8	6,5%
	Student/Student	31	25,0%
	Not Working	1	0,8%
Income	< Rp5.000.000	43	34,7%
	IDR 5,000,000 - IDR 9,999,999	59	47,6%
	IDR 10,000,000 - IDR 25,000,000	18	14,5%
	> Rp25.000.000	4	3,2%

Domisili	Bandung	46	37,1%
	Jakarta	78	62,9%

Meanwhile, respondents' answers regarding perception, quality, and purchase intentions of Spotify can be seen in Table 3. Based on Table 3, the most dominant indicator for quality perception is X.13, with a mean result of 3.41. The indicator that is not dominant and gets the lowest mean result is found in the sixth indicator, namely X.18, with a mean of 3.19. The average value of the total quality perception indicator is 3.31.

Meanwhile, the most dominant indicator of the purchase intention variable with the highest mean is Y.1 with a mean result of 3.41; the least dominant indicator and gets the lowest mean result is the Y.3 indicator with a mean result of 3.25, and the average value of the total purchase intention indicator is 3.35.

Table 3
Description of Respondent Statistics

Variable	Frequency				Sum	Mean	Standard Deviasi
	1	2	3	4			
Quality Perception (X)	9	261	1314	1144		3,32	
X.1	0	9	58	57	420	3,39	0,62
X.2	0	8	68	48	412	3,32	0,59
X.3	1	17	43	63	416	3,35	0,75
X.4	1	12	53	58	416	3,35	0,69
X.5	0	14	56	54	412	3,32	0,67
X.6	0	17	58	49	404	3,26	0,69
X.7	0	16	59	49	405	3,27	0,68
X.8	0	16	44	64	420	3,39	0,71
X.9	1	14	53	56	412	3,32	0,70
X.10	0	10	69	45	407	3,28	0,61
X.11	2	16	58	48	400	3,23	0,73
X.12	0	14	59	51	409	3,30	0,66
X.13	1	8	54	61	423	3,41	0,65
X.14	0	9	70	45	408	3,29	0,60

14								
X.	0	13	60	51	410	3,31	0,65	
15								
X.	2	9	64	49	408	3,29	0,67	
16								
X.	0	15	57	52	409	3,30	0,67	
17								
X.	1	14	70	39	395	3,19	0,65	
18								
X.	0	10	58	56	418	3,37	0,63	
19								
Purchase Intention (Y)	0	20	203	149		3,35		
Y.	0	5	63	56	423	3,41	0,57	
1								
Y.	0	3	71	50	419	3,38	0,53	
2								
Y.	0	12	69	43	403	3,25	0,62	
3								

Validity and Reliability Test

Validity tests are also carried out to assess the validity of the research instruments. The validity test results, which were processed using SPSS 25, showed that all indicators in this study were valid or tested for validity.

Table 4
Validity Test Results

Variable	R Calculate	R Table	Ket.
Quality Perception (X)		0.175	
X2.1	0,546		Valid
X2.2	0,638		Valid
X2.3	0,683		Valid
X2.4	0,674		Valid
X2.5	0,712		Valid
X2.6	0,672		Valid
X2.7	0,497		Valid
X2.8	0,666		Valid
X2.9	0,700		Valid
X2.10	0,627		Valid
X2.11	0,709		Valid
X2.12	0,682		Valid
X2.13	0,629		Valid
X2.14	0,619		Valid
X2.15	0,624		Valid
X2.16	0,529		Valid
X2.17	0,668		Valid
X2.18	0,510		Valid

X2.19	0,661	Valid
Purchase Intention (Y)	0.175	
Y.1	0.705	Valid
Y.2	0.657	Valid
Y.3	0.804	Valid

The next test was a reliability test conducted using SPSS 25 software. An instrument is reliable if Cronbach's alpha value exceeds 0.5 (Hinton et al., 004). The results of these tests are shown in Table 5.

Table 5
Reliability Test Results

Variable	Cronbach's Alpha	N	Border	Information
Quality Perception (X)	0,917	19	≥ 0,9	Very High Reliability
Purchase Intention (Y)	0,547	3	> 0.5	Low Reliability

Data Analysis

As the research methodology explains, this study will use simple linear analysis to see the relationship between quality perception and purchase intention. Based on the results of SPSS 25, the regression equation in this study based on the results of linear regression in Table 5 is as follows:

$$Y = 2.865 + 0.114 X$$

From this equation, it can be seen that the value of the regression coefficient of quality perception (X) is positive, 0.144. This number shows that the higher the value of quality perception (X), the higher the value of purchase intention (Y). Meanwhile, a positive constant value of 2.865 indicates that variables or factors other than quality perception contribute 2.865 to purchase intentions.

Table 6
Results of Simple Linear Regression Analysis

Coefficients						
Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta		
1	(Constant)	2,865	0,613		4,674	0,000
	Qual	0,114	0,010	0,730	11,800	0,000

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a. Dependent Variable: Intensi Pembelian

The coefficient of determination test was also carried out in SPSS 25 to determine the number of respondents or the percentage of contribution of the influence of the independent variable in the regression model that simultaneously or together influenced the dependent. The results of the coefficient of the determination test show that the value of Adjusted R-Square is 0.529. The percentage of the influence of the independent variable simultaneously on the dependent variable is by multiplying the Adjusted R-Square coefficient by 100%, resulting in a magnitude of 52.9%. This states that all independent variables of quality perception can explain the dependent variable of purchase intention by 51.9%, while other factors outside the model explain the remaining 48.1%.

Table 7
Results of Simple Linear Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,730a	0,533	0,529	0,85907
a. Predictors: (Constant), Quality Perception				
b. Dependent Variable: Purchase Intention				

Next, a t-test was conducted to determine whether, in the regression model, the study's independent variable, namely quality perception, had a significant effect on the dependent variable, namely purchase intention. Hypothesis testing with $\alpha = 5\%$ (0.05) obtained quality perception variable (X) indicated by t count positive value of 4.674 greater than the t table, 1.657, and significance value of 0.000 smaller than the significant value of research 0.05, which means H1 is accepted. Thus, the perception of quality positively and significantly affects purchase intentions. The results of the t-test can be seen in Table 8.

Table 8
Test Results t
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std.	Beta		

		Error				
1	(Constant)	2,865	0,613		4,674	0,000
	Quality Perception	0,114	0,010	0,730	11,800	0,000
a. Dependent Variable: Intensi Pembelian						

The results showed that quality perception positively and significantly influences purchasing intentions. These results are consistent with previous research examining the relationship between perceived quality and purchase intention. So, one of the efforts that Spotify's music streaming service can make to increase subscription consumers is to increase their perception of Spotify.

The quality perception indicators in this study have been adjusted to the industry and type of Spotify service. The statistical description (Table 3) shows that the dominant quality perception indicator is X.13, which refers to consumers' perception of their level of pleasure when using Spotify. This shows that consumers' perception of the pleasure provided by Spotify is quite good among all indicators.

One important factor that affects the enjoyment of application users is UI / UX, which can help users navigate content, information, etc. Not only that, a good UI/UX can improve the convenience of application users (Pratama & Cahyadi, 2020). One of Spotify's selling points that pleases consumers is Spotify Wrapped (Philip & Pradiani, 2024), which is released at the end of every year. This program should be maintained.

Meanwhile, Spotify's quality perception indicator with the lowest mean is X.18, related to price. As the introduction mentions, music streaming services with a freemium model have challenges in increasing subscription users. Spotify has tried to create various tier or price plans for consumers in Indonesia; this has also been successfully done for the first time in India by issuing a daily subscription plan (Colbjørnsen et al., 2022). However, this may be less known by consumers, so consumer perceptions regarding prices are still not good.

Conclusion

Spotify is one of the most popular freemium music streaming services in Indonesia. One of the challenges for the freemium model is subscription user acquisition. This research shows that one of the factors that positively and significantly influences purchasing intentions is the perception of quality. The better consumers' quality perception of Spotify, the higher consumers' purchase intentions. This purchase intention will help Spotify acquire subscription users. The results of this study also show that consumer perception of Spotify subscription prices is still not good. In this case, Spotify should market its low-tier plan to improve consumer price perceptions.

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