How Customer Experience Influenced on Purchase Intention of the Music Stream Application: Study of Spotify Users in Indonesia

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Abstract. Spotify ranked first with the highest market share. However, Spotify posted considerable losses. Low purchase intention is alleged to be the cause of the losses suffered by Spotify. In this case, it is hoped that improving customer experience can trigger user purchase intentions, ultimately impacting sales and profit levels. This writing aims to determine the influence of customer experience on purchase intentions in Spotify Indonesia users. Research in this scientific work are carried out quantitatively. The sampling technique is nonprobability, with purposive sampling as the sampling technique. Meanwhile, the number of respondents was 70 people who were domiciled in Indonesia and had used Spotify. Basic linear regression analysis is the method of data analysis employed. The findings of this study indicate that customer experience has a favorable and significant impact on purchase intentions in Spotify Indonesia customers.

Keywords: Customer Experience · Purchase Intention · Spotify

1 Introduction

A common term in the corporate world is "customer experience" [1]. The concept of customer experience covers all customer interactions related to a business, product, or service [2]. Customer experience engagement significantly affects purchase intention [3]. If the resulting customer experience is positive, it will lead to more purchases because the customer's ultimate goal is to have a pleasant experience [2].

Music subscribers worldwide continued to grow strongly. At the end of Q2 2021, there were 523.9 million music subscribers, up 109.5 million (26.4%) from the previous year. Spotify ranked first with the highest market share (31%) [4]. However, Spotify posted a loss of 23.6 million US dollars or Rp 340 billion, even though the number of paid subscribers rose [5]. It is noted that Spotify only has 180 million premium subscribers out of 406 million active users, meaning that only 44% of subscribers account for Spotify's data collection [6]. This indicates the low purchase intention of Spotify users.

The company must address the low purchase intention immediately to boost revenue. This is in line with the statement from [7] that purchase intention will lead consumers to the decision to purchase a product to boost sales and the amount of money the business makes. According to [8], a strong relationship exists between customer experience and purchase intention. The customer experience indicators are described by [9]. Namely, sense, feel, think, act and relate.

Based on the phenomenon and explanation above, the purpose of this article is to demonstrate how customer experience affects purchasing intention of Spotify customers so that it is expected to overcome the problem of losses experienced by Spotify so far.

1.1 Theory

Customer Experience. Customer experience is defined in the most recent literature as a complex construct that reflects the behavioral, sensory, emotional, and social responses of consumers to items or services offered by the business during the customer's purchasing process [3]. Meanwhile, according to [10], customer experience is a previous experience through direct or indirect interaction with the company. There are five customer experience indicators described by [9] as the basis for the overall marketing analysis of the experience. All five types are produced by personal events that occur in reaction to some stimuli and as a result of confronting, seeing, or experiencing conditions [3]. The customer experience indicators in this article include the following:

1. Sense
2. Feel
3. Think
4. Act
5. Relate

Purchase Intention. Purchase Intention is a consumer action that happens in response to a product and conveys the buyer's intention to buy [11].

According to [12], the dimensions of the purchase intention include:

1. Transactional Interest
2. Preferential Interests
3. Referential Interest
4. Exploratory Interest

The Relationship Between Customer Experience and Purchase Intention Variables. Much literature has verified that customer experience positively impacts consumer purchase intentions [13, 14]. This article refers to research [14] that reveals that customer experience indicators significantly positively affect shopping centers in Jakarta. However, the hands to be studied refer to research [3], which divides customer experience into five dimensions: sense, feel, think, act, and relate. The following premises are suggested by this article:

H1: The purchase intentions of Spotify users are significantly influenced favorably by customer experience (Fig. 1).
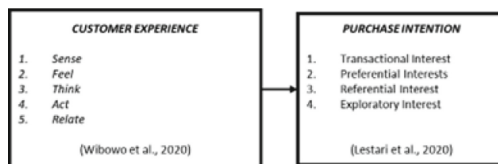

Fig. 1. Research Framework

Table 1. Validity Test Results

Variable	Indikator	Corrected Item-Total Correlation	Information
Customer Experience	X1	.453	Valid
	X3	.524	Valid
	X6	.460	Valid
	X7	.651	Valid
	X8	.564	Valid
	X9	.527	Valid
	X10	.505	Valid
Purchase Intention	Y1	.851	Valid
	Y2	.862	Valid
	Y3	.781	Valid
	Y4	.755	Valid
	Y5	.828	Valid
	Y6	.762	Valid
	Y7	.706	Valid
	Y8	.824	Valid

Source: Data Processing Results with SPSS-26, 2022

2 Methods

This study falls under the quantitative research category. This method describes the object of study based on existing and ongoing facts by collecting, compiling, and explaining the necessary data for later analysis according to current theories. The sample determination method uses nonprobability sampling, namely purposive sampling. The sample is taken based on specific criteria that have been set, namely, specifically for Spotify users in Indonesia. The Tabbanic formula determines the number of pieces in an infinitely large population. Based on the calculation results, the minimum number of samples needed was 70 respondents.

The hypothesis testing procedure was performed using a simple regression analysis with SPSS 26. The collected data was evaluated using the Likert system's 5-point scale ranging from strongly disagreeing to strongly agreeing and scored to obtain interval data. In this study, primary data sources in the form of questionnaires as instruments or techniques in data collection. Questionnaires are distributed online via a google form, considering ease of access, cost and time efficiency, and subject confidentiality (Table 1).

Table 2. Results of Reliability Tests

Variable	Cronbach's Alpha	Criterion
Customer Experience	0.786	Reliable
Purchase Intention	0.944	Reliable

Source: Data Processing Results with SPSS-26, 2022

2.1 Validity Test

The results of testing the validity of the research instrument stated that the indicators X2, X4, and X5 were declared INVALID because they had a Corrected item-total Correlation value smaller than 0.4. However, other indicators are declared VALID because the Corrected item-total Correlation value is more significant than 0.4.

2.2 Reliability Test

This study's reliability test was measured using Cronbach's Alpha coefficient value. According to Table 2, the study's variables have a Cronbach's Alpha coefficient greater than 0.60, so each variable can be declared reliable.

3 Results and Discussions

3.1 Result

Description of Respondent Characteristics. This study tested a total of 70 respondents. Based on the questionnaire, the number of respondents was male at 66.3% while female at 33.8%. Meanwhile, respondents between the ages of 10 and 20 made up 7.5%, 21 to 30 made up 57.5%, 31 to 40 made up 25%, 41 to 50 made up 10%, and over 50 made up 0%.

Normality Test
Table 3 shows that the obtained significance value is 0.240 due to the asymp value. Sig. > 0.05 (Alpha) or 0.024 > 0.05, then the standardized residual value is said to be normally distributed.

Correlation Test and Coefficient of Determination
According to the findings of the correlation test and the coefficient of determination, customer experience and purchase intention among Spotify Indonesia users have a correlation value (R) of 0.725, which means that the strength of the correlation between customer experience to purchase intention is simultaneously included in the strong category because it is between the value of 0.6 – 0.799. Furthermore, the coefficient of determination (R Square) of 0.526 indicates that each dimension of customer experience (X) contributes 52.6% to the purchase intention variable. In comparison, the remaining 47.4% was donated by other factors not studied in this study.

Table 3. Results of Normality Evaluation Testing Using Kolmogorov-Smirnov

		Unstandardized Residual
N		70
Normal Parameters[a,b]	Mean	26.642857
	Std. Deviation	5.743809
Most Distinctive Differences	Absolute	.115
	Positive	. 055
	Negative	−.115
Test Statistic		. 115
Asymp. Sig. (2-tailed)		.024c.d

Source: Data Processing Results with SPSS-26, 2022

Table 4. Correlation Test Results and Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725[a]	.526	.519	5.490

Source: Data Processing Results with SPSS-26, 2022

Simultaneous Test (Test F)

According to Table 5, there is a significant value of 0.000 less than 0.05 for the connection between customer experience and purchase intention, and larger than the Ftabel value of 3.98 is the computed F value of 75.522. Consequently, it can be said that customer experience has a favorable and considerable impact on purchase intention.

Partial Test (T-Test)

Table 6 shows that in the model, customer experience and purchasing intention are partially correlated. To find out the ttable is done by looking at the ttable at the degree of freedom (df) 70 (the amount of data 70 minus the number of 2 variables = 68) and the α

Table 5. Test Results Model Fit (Test F)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2276.403	1	2276.40	75.522	.000[b]
	Residual	2049.669	68	30.142		
	Total	4326.071	69			

Source: Data Processing Results with SPSS-26, 2022

Table 6. Partial Test Results (T-Test)

Coefficients^a

Model	Unstd Coef		Std. Coef	t	Sig.
	B	Std. Error	Beta		
(Constant)	−11,160	4,399		−2,253	0,013
Customer Experience	1,027	0,118	0,725	8,690	0,000

Source: Data Processing Results with SPSS-26, 2022

= 0.05. Then the results obtained ttable 1.99547 by comparing the value of tcount with ttable and significance. The simple linear regression analysis results show that the tcount value is 8,690 > ttable 1,99547, and the significance value is 0.000. From these results, it might be said that a sizable beneficial effect exists between customer experience on purchase intention among Spotify Indonesia users.

3.2 Discussion

Based on data processing outcomes referring model 1 in Table 4 of the Coefficient of Results of the Determination Test indicate a correlation value (R) of 0.725 between customer experience and purchase intention, so it can be interpreted that the two variables have a strong relationship because the value is between 0.6 – 0.799. Meanwhile, the value of the coefficient of determination shows that the customer experience variable contributes 52.6% to purchase intention and a grant from other factors of 47.4%.

Discussion on testing the hypothesis of Using model 1 from Table 5 Simultaneous Test Results, we may simultaneously examine how the customer experience affects purchase intention, which shows the Fcount value of 75,522 from the correlation between customer experience variables on purchase intention with a significance value of 0.000 where if Fcount is compared with Ftable which is 3.98, Fcount has a more excellent value than Ftable (Fcount > Ftable), can be interpreted that customer experience simultaneously has a significant positive effect on purchase intention.

Based on the model in Table 6 of partial test results (T-test), purchase intention is significantly positively impacted by the customer experience variable. This result is obtained by comparing the calculated value with the ttable (1.99647). The computation for the customer experience variable is 8,690 > 1.99647, according to the partial T-test results and the significance of 0.000 < 0.05, indicating a strong positive correlation between the customer experience variable on purchase intention.

The results showed that customer experience significantly positively influences the purchase intentions of Spotify Indonesia users. It means that the better the customer experience, the higher the purchase intention you get to buy Spotify Premium products. This outcome is consistent with research [13, 14], which declares that customer experience positively influences purchase intention.

4 Conclusion

Based on findings from a study that was done via an online survey of Spotify Indonesia users. It is possible to conclude that there is a relationship between customer experience and purchase intention to understand the impact of customer experience on purchase intention. This finding indicates that the more the importance of customer experience variables is higher, the more the level of purchase intention will increase.

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