

**CHAPTER IV**

**THE INFLUENCE OF PRICE PERCEPTION, ADVERTISING PERCEPTION, AUDIO  
QUALITY PERCEPTION, MUSIC DOWNLOAD PERCEPTION, AND UNLIMITED  
SKIP PERCEPTION ON THE DECISION TO USE SPOTIFY PREMIUM  
APPLICATION**

The hypothesis test for this chapter is explained, the variables used are the influence of price perception (X1), advertising perception (X2), audio quality perception (X3), music download perception (X4), and unlimited skip perception (X5) on the decision to use (Y) Spotify Premium application. This study uses SPSS (Statistical Product and Service Solution) software to test the hypothesis with simple linear regression and multiple linear regression formulas for all variables.

#### **4.1 Hypothesis Test**

Simple linear regression and multiple linear regression are used to test the hypotheses which in this study the proposed for testing it mainly to know about:

1. There is an influence of price perception (X1) on the decision to use (Y) Spotify Premium application.
2. There is an influence of advertising perception (X2), audio quality perception (X3), music download perception (X4), and unlimited skip perception (X5) on the decision to use (Y) Spotify Premium application.

##### **4.1.1 The Influence of Price Perception on the Decision to Use Spotify Premium Application**

**Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .415 <sup>a</sup> | .172     | .164              | .453                       |

a. Predictors: (Constant), PRICE PERCEPTION

**Figure 4.1.1- 1**

**ANOVA<sup>a</sup>**

| Model        | Sum of Squares | df  | Mean Square | F      | Sig.              |
|--------------|----------------|-----|-------------|--------|-------------------|
| 1 Regression | 4.433          | 1   | 4.433       | 21.642 | .000 <sup>b</sup> |
| Residual     | 21.303         | 104 | .205        |        |                   |
| Total        | 25.736         | 105 |             |        |                   |

a. Dependent Variable: DECISION TO USE

b. Predictors: (Constant), PRICE PERCEPTION

**Figure 4.1.1- 2**

**Coefficients<sup>a</sup>**

| Model            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|------------------|-----------------------------|------------|---------------------------|-------|------|
|                  | B                           | Std. Error | Beta                      |       |      |
| 1 (Constant)     | -.111                       | .156       |                           | -.711 | .479 |
| PRICE PERCEPTION | .048                        | .010       | .415                      | 4.652 | .000 |

a. Dependent Variable: DECISION TO USE

**Figure 4.1.1- 3**

According to ANOVA table and Coefficients table above, the value of the significant level obtained in this Simple Linear Regression Analysis is 0,000, which means it shows that the significance value is very significant and there is an influence of the variables price perception (X1) on the decision to use (Y) Spotify Premium application.

Therefore, the research hypothesis which states that there is an influence of price perception on the decision to use Spotify Premium application is accepted.

In a research regression model, the coefficient of determination attempts to quantify in percentage terms how much the independent variable influences the dependent variable. Simple linear regression analysis uses the Adjusted R Square value, which only analyses R Square with significant independent variables. From the results above, the adjusted R square value is 0.164 or 16,4% indicating that it qualifies into the weak influence category.

The coefficient value of price perception ( $\beta$ ) is 0,048 with a positive value. This means that every time price perception increasing, the decision to use Spotify Premium application will increase 0,048 assuming other variables are constant.

Based on the results of the simple linear regression test in the table 4.1.1.3 obtained the following regression equation:

$$Y = 0,048X_1$$

#### 4.1.2 The Influence of Advertising Perception, Audio Quality Perception, Music Download Perception, and Unlimited Skip Perception on the Decision to Use Spotify Premium

**Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .230 <sup>a</sup> | .053     | .016              | .491                       |

a. Predictors: (Constant), UNLIMITED SKIP PERCEPTION, ADVERTISING PERCEPTION, MUSIC DOWNLOAD PERCEPTION, AUDIO QUALITY PERCEPTION

**Figure 4.1.2- 1**

**Figure 4.1.2- 2**

**Coefficients<sup>a</sup>**

| Model                     | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|---------------------------|-----------------------------|------------|---------------------------|--------|------|
|                           | B                           | Std. Error | Beta                      |        |      |
| 1 (Constant)              | .595                        | .504       |                           | 1.180  | .241 |
| ADVERTISING PERCEPTION    | -.005                       | .014       | -.039                     | -.382  | .703 |
| MUSIC DOWNLOAD PERCEPTION | .023                        | .011       | .209                      | 2.000  | .048 |
| AUDIO QUALITY PERCEPTION  | -.056                       | .043       | -.137                     | -1.303 | .195 |
| UNLIMITED SKIP PERCEPTION | .030                        | .049       | .065                      | .621   | .536 |

a. Dependent Variable: DECISION TO USE

a. Dependent Variable: DECISION TO USE

b. Predictors: (Constant), UNLIMITED SKIP PERCEPTION, ADVERTISING PERCEPTION, MUSIC DOWNLOAD PERCEPTION, AUDIO QUALITY PERCEPTION

**Figure 4.1.2- 3**

As presented in the table above, the value of the significant level obtained in this multiple linear regression analysis is 0,234 which means it is greater than the probability value of 0,05. It shows that the significance value is not significance and there is no influence of the variables advertising perception (X2), audio quality perception (X3), music download perception (X4), and unlimited skip perception (X5) on the decision to use Spotify Premium application (Y). Therefore, the research hypothesis which states that there is a positive influence of advertising perception, audio quality perception, music download

perception, and unlimited skip perception on the decision to use Spotify Premium application is rejected.

However, if viewed partially based on the coefficients table, the value of the significant level of variable music download perception is 0,048 which means significant and there is an influence of the variable music download perception on the decision to use Spotify Premium application.

So that, based on the results of the multiple regression test in the table 4.1.2.3 obtained the following regression equation:

$$Y = 0,023X3$$

## **4.2 Discussion**

### **4.2.1 The Influence of Price Perception on the Decision to Use Spotify Premium Application**

This research explains the influence of price perception on the decision to use Spotify Premium application. So, it can be interpreted that this research is in line with the marketing mix strategy concept stated by Kotler (2003) which states that consumer decisions to buy a product are based on the 4Ps which consist of product, price, place, and promotion. Price is one of the variables that determines people's decisions to buy a product. Price is what is given up to obtain a product or service. The amount people are willing to pay fluctuate depending on their demands. Individuals may have different price perception for the same service or product (Nakhleh in Tariq Khan, 2014). The focus of this research is to find out whether price has a significant influence on decision making regarding a product or service. This price variable of marketing mix strategy concept proves the

influence of the price perception (X1) on the decision to use Spotify Premium application (Y).

Moreover, according to research data conducted by Hans Christian Yulianto and Augustinus Nicolaas Hillebrandes Oroh (2021) in their research entitled “The Effects of Social Value, Value for Money, App Rating, and Enjoyment on the Intention to Purchase the Premium Service of the Spotify App” states that there is an influence of social value, value for money, app rating, and enjoyment on the intention to purchase the premium service of the Spotify app, both individually and as a whole. The research shows that the most dominant factor was the value for money. There is also research by Rattanan Jirayuwattana (2021) entitled “The Impact of Marketing Mixes (4Ps), Technology Acceptance, and Lifestyle Factors Toward Purchase Intention of Spotify Premium”. This research shows that marketing mixes (4Ps) had an impact on Spotify Premium purchase intention, one of the components of marketing mixes is price, which means price also has an influence on Spotify Premium purchase intention. Based on findings of research by Muhammad Syafiq Mat Suhod, Abdul Hafaz Ngah, and Samar Rahi (2022) entitled “Unravelling the continue of subscribing Spotify Premium among university students: the extended UTAUT 2 model” shows that price value is one of the factors that has an impact in subscriber’s intention to keep their Spotify Premium package. Several similar studies have the same results as this research, namely that price perception has an influence on the decision to use Spotify Premium application.

#### **4.2.2 The Influence of Advertising Perception, Audio Quality Perception, Music Download Perception, and Unlimited Skip Perception on the Decision to Use Spotify Premium Application**

According to the hypothesis testing for this study, advertising perception, audio quality perception, music download perception, and unlimited skip perception had no influence on the decision to use Spotify Premium application. Thus, the explanation of Theory of Planned Behavior is not applied in this research.

The absence of influence on advertising perception, audio quality perception, and unlimited skip perception was proven through multiple linear regression analysis and responses from respondents to this research questionnaire which stated that some respondents felt that they were not too disturbed by the presence of advertisements on Spotify Free which only lasted 15 to 30 seconds. Besides that, several respondents also felt that there was not much difference in the clarity and sharpness of audio quality on Spotify Free and Spotify Premium services. Moreover, respondents felt that the freedom to choose songs was not very important.

This was also found in research conducted by Thomas M. Wagner and Thomas Hess (2013) with the title “What Drives Users to Pay for Freemium Services? Examining People’s Willingness to Pay for Music Service” states that people tend to be satisfied with the free version so they consider no need to pay for the service, as shown by the desire to use the free service having the biggest negative influence on the intention to use the premium service. Besides that, there is also research by Lawrence Philip, Theresia Pradiani, and Fathorrahman with the title “Influence Brand Experience, Viral Marketing and Brand Image to Brand Loyalty to Service Users Streaming Spotify in Indonesia” states that brand

experience, which includes user interactions with Spotify services that can shape user perceptions of the brand, has no positive effect on brand loyalty. This means that the user's experience when using Spotify does not significantly affect their loyalty to the brand (Philip et al., 2023). Lastly, research conducted by Matti Mantymäki, A.K.M. Najmul Islam, and Izak Benbasat entitled "What Drives Subscribing to Premium in Freemium Services? A Consumer Value-Based View of Differences Between Upgrading to and Staying with Premium" argues that the premium subscription's price value was negatively impacted by the free subscription's intrusive advertising. Because of the negative effect that intrusive advertising has on the premium subscription's pricing, employing advertising to strategically cause inconvenience in order to distinguish between the free and premium subscriptions may have unintended consequences (Mäntymäki et al., 2020). The results of these research have the same results as this research, namely there is no influence of advertising perception, audio quality perception, music download perception, and unlimited skip perception on the decision to use Spotify Premium.

However, this research found a new discovery, namely if viewed partially based on the coefficients table, music download perception influences the decision to use Spotify Premium as evidenced by a significance value of 0,048 which means significant.



