The Influence of Product Development and Brand Resonance on Customer Retention Among Users of the Digital Music Streaming Service Spotify

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Abstract

Spotify is the most widely used digital music streaming service in the world, necessitating the company to consistently implement strategies for retaining its user base. Research was undertaken to investigate the influence of Product Development and Brand Resonance on Customer Retention within Spotify digital music streaming services users. The research employed a quantitative research methodology known as causal associative research, and data analysis was conducted using Structural Equation Modeling (SEM) through the AMOS 26 application. A total of 150 Spotify users from various regions participated in the research. The outcomes revealed that Product Development exerted a significant influence on customer retention, suggesting that the incorporation of new features and enhancements in the product positively impacted customer retention. However, the research did not identify a significant impact of brand resonance on customer retention among Spotify users.

Keywords: *Brand Resonance; Product Development; Customer Retention; Spotify, AMOS; SEM*

Introduction

The massive digital disruption era that has occurred over the past century has brought about many changes, ranging from communication technology, transportation, education, healthcare, to the digitization of all aspects of life (Handayani, 2020). Out of 63 countries listed in the IMD's World Competitiveness Center (2022), Indonesia ranked 51st in digital ranking in 2022 with a digital competitiveness index score of 27.9. By the year 2023, this score has increased to 38.3. (Itworks, 2023). Supported by data researched by PT. We Are Social Indonesia, it is known that Indonesia has 212.9 million internet users, which is 77.0% of the population. From the same source, it is also known that the average media accessed by internet users includes watching television (broadcast and streaming), using social media, reading press media (online and physical print), playing game consoles, listening to broadcast radio, listening to podcasts, and streaming music through digital music services (We Are Social and Meltwater, 2023).

In connection with this, various digital platforms are also growing, one of which is the digital streaming music service platform, knowing that the most widely listened to type of audio content is music streaming service, with a percentage of 39.1% every week (We Are Social and Meltwater, 2023). (*The IMS Business Report*, 2023) provides insights into the market share of digital streaming music service providers, with Spotify leading the way with the largest percentage at 30.5% and a subscriber count of 187.8 million, followed by Apple Music and Tencent Music (Research, 2022). According to the

company's data for the year 2023, Spotify has over 100 million songs and more than 5 million podcasts on its platform (Business of Aps, 2023).

So far, Spotify has been continuously growing rapidly, as evidenced by its increasing revenue and user numbers in each period. Currently, Spotify has recorded revenue of €11.72 billion in 2022, which has been increasing by 21% annually (Spotify, 2023). This revenue comes from premium subscribers or paid subscribers and from Ad-Supported or advertising from its free users. Spotify's revenue growth is 14% Year Over Year for premium subscriptions and 17% Year Over Year for its Ad-Supported model. In terms of users or Monthly Active Users, it has increased by 22% to reach 551 million users, consisting of 200 million users who subscribe for ad-free access and 343 million users who use the platform for free with advertisements as of June 2023.

As a successful digital streaming music service platform that has won the competition, Spotify must consistently provide superior products and services. However, in practice, it may not always be successful. Because users or customers who were initially loyal can change their beliefs and switch to other products due to the advantages offered by competitors. Therefore, Spotify must find effective ways to implement this to retain its users and customers.

To retain users and customers, Spotify must be able to establish a close relationship with its users because when users feel connected to the company, they become loyal, and this is the key to sustainable growth and profitability (Hanika et al., 2022). The relationship that a company needs to create is a bond of psychological attachment that can be proven through repeated and long-term purchases. This condition is referred to as Customer Retention (Veithzal Rivai, 2020). In the effort to achieve Customer Retention, a company can do something to support the creation of this condition, namely by engaging in Product Development and creating Brand Resonance.

Product development is one of the efforts to create customer retention, where product development is one of the ways used to improve the quality of products that must be maintained and developed to generate satisfaction that makes customers loyal (Asnawi, 2017). The periodic product development conducted by the company with various attractive innovations that can meet the needs and expectations of customers will make customers stay with the brand and not switch to another brand indirectly (Widayati & Jatmiko, 2023). Because when a company can meet customer expectations and needs through Product Development with attractive innovations, it can create a perfect product. This is in line with Nailuvary et al., (2020) theory, The proposition posits that customer-centric new product development prioritizes the exploration of novel approaches to address customer issues and aims to deliver a more gratifying experience for customers.' In addition, with product development, customer complaints, product shortcomings, and existing issues will be resolved, leading customers to the customer retention stage.

In addition to product development, brand resonance can also be one way to create customer retention. brand resonance is the final stage of customer loyalty, characterized by the relationship between the brand and the customer and marked by the customer's willingness to seek more information about the brand and the willingness to repurchase a brand. This created relationship takes the form of an emotional bond, and if successful, it has the potential to endure for a long time (Listyawati et al., 2023). Because the close relationship between a company and its customers can influence customer loyalty. As stated by Sulaiman & Musnadi (2020) in a research that showed a significant impact of customer relationships on customer satisfaction and loyalty, in this case, loyalty is directed towards becoming customer retention.

Based on the background and problem statement above, this research is conducted with the variables Brand Resonance (X1), Product Development (X2), and Customer Retention (Y). In this research, there are research objectives to be achieved, which are to determine the influence of Brand Resonance and Product Development, both simultaneously and partially, on Customer Retention among Digital Music Streaming Service Spotify Users.

Theoretical Framework

Product Development

Product Development, according to Malau (2017, p. 40) is the process of making changes to existing products. The process of developing new products involves the exploration of innovative concepts to enhance the value of existing goods by transforming them into novel product offerings. Then, the latest definition is provided by Kotler & Armstrong (2017, p. 280) regarding New Product Development in their book titled "Principle of Marketing" explained that "By new products we mean original products, product improvements, product modifications and new brands that the firm develops through its own research and development efforts". Which means that a new product development system encompasses all forms of product development, including original products, product improvements, product modifications, and the creation of new brands that a company can develop through research and development efforts.

Meanwhile, other experts state that product development is the enhancement of all activities conducted by manufacturers or producers in determining and developing their products, improving old products, increasing the utility of existing products, and reducing production and packaging costs (Alma, 2013, p. 99).

Broadly speaking, the primary objective of product development is to deliver optimal value to consumers, enabling a competitive edge for the company through the selection of innovative, adapted, and high-value products characterized by attributes such as design, color, size, packaging, brand, and other features (Mubarok, 2022). Specifically, Alma (2013, p. 101) explains the objectives of product development, which include satisfying dissatisfied customers, increasing sales revenue, winning competition, utilizing production resources, increasing profits using the same materials, utilizing leftover materials, preventing consumer boredom, and simplifying products and packaging. In carrying out product development, several strategies can be employed, ranging from improving existing products, expanding product lines, adding new products, imitating competitor strategies, to extending product lines (Kotler & Keller, 2008, pp. 356–357).

In measuring the success of product development, there are several measurement indicators as explained by Kotler & Armstrong (2017, p. 280) in the definition provided regarding New Product Development. The measurement dimensions of product development include original products, product improvements, product modifications, and the creation of new brands.

Brand Resonance

Keller & Swaminathan (2019, p.90) state that Brand resonance describes the nature of this relationship and the extent to which customers feel that they are in sync with the brand. This can be interpreted as Brand Resonance illustrating a natural connection established between customers and the brand and the extent to which customers feel in harmony with that brand. Resonance is distinguished by the degree of psychological attachment customers exhibit towards the brand, along with the extent of engagement stemming from this loyalty, including metrics like repeat purchase rates and the proactiveness with which customers actively seek brand-related information, participate in events, and connect with other loyal customers.

With reference to Keller & Swaminathan (2019), Teddy (2018) defines brand resonance as the intensity or extent of the psychological attachment consumers have to a brand, evidenced by the customer's willingness to seek information about the brand and the inclination to repurchase the brand. In other words, companies must be able to create a strong relationship between consumers and the products they have created. When consumers feel close and have a psychological bond with the brand, they will have a high willingness and be willing to sacrifice various things for that product.

Amalia E. Maulana, in her book titled 'Brandmate: Transforming Just Friends into Soulmates,' defines Brand Resonance as a state when someone feels that a brand has become their soulmate (Sitorus et al., 2022, p. 201). Brand resonance symbolizes the level of consumer-brand relationship that begins with repeat purchases (behavioral loyalty) and culminates in the depth of brand commitment in the form of personal relationships and brand communities. Therefore, brand loyalty is seen as an essential foundation that complements the formation of higher levels of Brand Resonance (Gusma et al., 2020).

Keller & Swaminathan (2019, pp. 77–78) in their book 'Strategic Brand Management: Building, Measuring, And Managing Brand Equity' also provide further explanations about brand resonance. In the Customer-Based Brand Equity (CBBE) Pyramid, there are six variables divided into four stages of brand development. In the first stage, which is the Identity stage, there is the variable Brand Salience, with the aim of deepening and expanding brand awareness. The second stage is the Meaning stage, within which there are two variables: Brand Performance and Brand Imagery, with the goal of understanding the brand's points of parity and points of difference. Moving on to the third stage is the Response stage, with two variables: Brand Judgments and Brand Feelings, aimed at understanding positive reactions towards the accessible brand. The final and most crucial stage is the Relationship stage, where Brand Resonance comes into play for the brand's primary purpose of creating intense and active loyalty. Of these six brand building blocks, the most valuable aspect is brand resonance, which occurs when all the other brand building blocks have been established. With true brand resonance, consumers express a high level of loyalty to the brand (Suroija, 2010).

Keller & Swaminathan (2019, p. 90) divide these two dimensions of Brand Resonance into four categories: Behavioral loyalty, Attitudinal attachment, Sense of community, and Active engagement.

Customer Retention

(Kotler & Keller, 2008, p. 197) Customer Retention, is a continuous repurchase driven by the emotional attachment between the producer and the customer. Customer Retention, according to Hadinata and Aprilia, refers to the definition provided by Kotler & Keller, which is a form of emotional attachment between customers or consumers and the producer or company characterized by repeat and long-term purchases (Hadinata & Aprillia, 2021; Kotler & Keller, 2008, p. 197). Customer retention is the maintenance of a sustainable business relationship with customers in the long term (Buttle & Maklan, 2019, p. 95). Customer retention can be viewed as a measure of customer churn or turnover. In traditional terms, customer retention is defined as follows: It is the count of customers engaged in transactions with the company at the conclusion of the fiscal year, expressed as a percentage of those who were active customers at the outset of the year.

There is another definition that refers to Buttle's definition as provided by (Bramulya et al., 2016) which states that customer retention is a form of loyalty related to behavioral loyalty, measured based on consumer buying behavior indicated by the high frequency of consumer purchases of a product over the long term. Meanwhile, loyalty refers more to attitudes measured based on attitude components, beliefs, feelings, and willingness to make a purchase. Without clear goals, any mission to increase the number of customers will not be very beneficial to the company. Companies must have targets to retain existing customers while attracting new ones. Therefore, it would be better if the company regularly measures customer satisfaction, as this is the key to retaining customers. Customer retention aims to retain valuable customers by reducing customer churn (Buttle & Maklan, 2019, p. 94). In measuring the success of customer retention, there are several measurement dimensions as stated by (Syaqirah & Faizurrahman, 2014) in the book titled 'Relationship Marketing and Customer Retention as the Path to Success' (Soetjipto, 2014, p. 28). The measurement dimensions of customer retention are expectation to repurchase, recommend to others, and overall satisfaction.
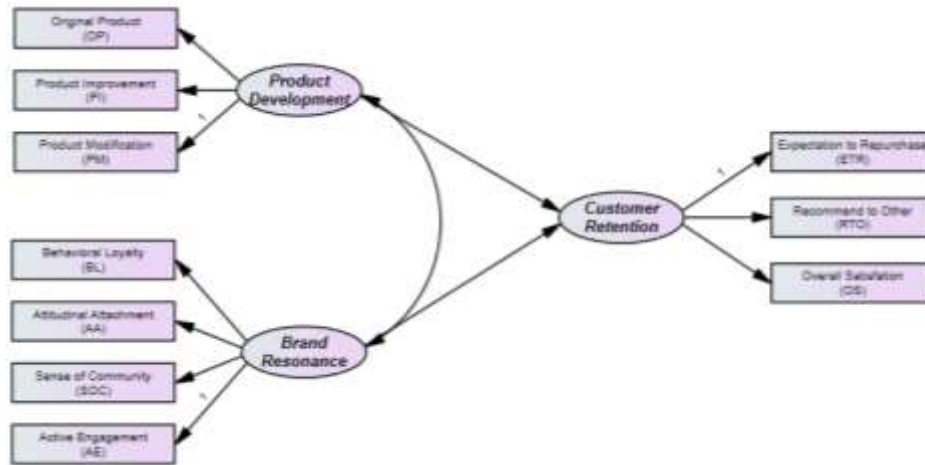
Image 1. Research Thinking Framework
Source: Primary Data, Processed by Researchers, 2023

Methods

Research Type

This research employs a quantitative research approach that is causal associative or cause-and-effect relationship-oriented, with data collection conducted through surveys. This method was chosen because it aligns with its intended purpose, which is to confirm or validate, and is suitable for both large and small populations. However, the data analyzed come from samples taken from the population, allowing for the discovery of relative occurrences, distributions, and relationships among variables (Sugiyono, 2017, pp. 23–24).

Operational Definition of Variables

Product Development

Product Development is A strategy and systematic approach employed by an organization to create novel products, enhance existing ones, or augment the utility of products within established market segments, under the premise that customers have a desire for fresh product attributes.

Product development encompasses both the modification of existing products and the pursuit of innovations aimed at augmenting the value of pre-existing items by transforming them into new offerings. The existence of a product development initiative signifies the company's comprehension of the market's needs and desires. As expressed by Kotler & Armstrong (2017, p. 280) in their book 'Principle of Marketing,' regarding the measurement dimensions of product development as stated in the provided definition, which include original products, product improvements, product modifications, and new brands. However, adjusting to the research context and the object under investigation, the indicators (manifest variables) to be used are:

1) Original products, this involves the development of original or core products offered by the company.
2) Product improvements, this involves refinement and improvement of existing products based on research and user feedback.
3) Product modifications, this includes improving existing products, encompassing quality, features, and style, with the aim of increasing sales and user satisfaction.

Brand Resonance

Brand Resonance is a strong connection established between consumers and a brand, leading consumers to willingly invest time and effort to learn more about the brand, thus influencing them to make repeated purchases of the brand over an extended period. According to Keller & Swaminathan (2019, p. 90) the measurement dimensions (manifest variables) of Brand Resonance consist of four, namely:

1) Behavioral Loyalty

Behavioral loyalty can be measured in terms of repeat purchases and the quantity or market share of the category associated with the brand, known as category share of requirement. In other words, how often customers buy a brand and how much they buy from it. To achieve profitability, a brand must generate sufficient purchase frequency and volume. The lifetime value of behaviorally loyal customers can be substantial.

2) Attitudinal Attachment

While behavioral loyalty is undeniably a crucial factor, it alone is insufficient to foster resonance. Resonance necessitates the cultivation of a profound personal connection. To engender heightened loyalty, the cultivation of more profound attitudinal connections is imperative, achieved through strategic marketing initiatives, products, and services that comprehensively meet the needs of consumers.

3) Sense of Community

Having this sense of community can reflect a situation in which customers feel a sense of kinship or affiliation with others related to the brand, whether it's fellow brand users or customers, or employees or representatives of the company. A sense of community can be formed both online and offline. Enhanced community cohesion among committed users has the potential to cultivate favorable brand attitudes and behavioral intentions.

4) Active Engagement

The ultimate validation of brand loyalty materializes when customers become actively engaged, demonstrating a willingness to invest their time, effort, financial resources, or other assets in the brand, surpassing the expenditure associated with the initial purchase or consumption of the brand. The types of user engagement are quite diverse, ranging from trading with fellow brand users, seeking and receiving the latest brand information, exchanging information with other users, and so on. Companies are progressively simplifying the process for customers to acquire diverse branded merchandise, allowing them to overtly manifest their loyalty.

Customer Retention

Customer Retention is a state in which customers and a brand have an ongoing relationship characterized by loyalty to a particular brand, with customers repeatedly making purchases of its products or services over time in the long term. Customer retention rates can be quantified by assessing the number of customers who churn or depart within a defined time frame. According to (Syaqirah & Faizurrahman, 2014) in the book 'Relationship Marketing and Customer Retention as the Path to Success (Soetjipto, 2014, p. 28; Syaqirah & Faizurrahman, 2014), there are indicators or dimensions (manifest variables) used to measure customer retention in this research, namely:

1) Expectation to repurchase is described as repetitive and consistent purchasing behavior or can be said to be the condition where there is an expectation for a repeat transaction. This indicator can also refer to the interest or intention to reuse a brand.
2) Recommend to others refers to customers providing recommendations to others to use the same product they have consumed, or it can also be interpreted as a condition in which customers spread positive word-of-mouth within their social circles. This indicator pertains to user behavior

where they will suggest using a brand because they are satisfied with the service provided.

3) Overall satisfaction is a measurement of attitude that is assessed based on engagement and positive attitudes toward the company, or in other words, the condition in which users attain overall satisfaction. This indicator has a broad scope because overall satisfaction implies satisfaction across various aspects, including service provision, appropriate pricing, comfort, and more.

Research Location

This research was conducted online through an electronic form (e-form), which means that the research location is not restricted, and it was carried out from September 20th to September 23rd, 2023.

Population and Sample

The population in this research consists of all users of the digital music streaming service Spotify across the entire region of Indonesia, with data provided by (Start.io, 2023)The population of the entire country is 270,625,568, and there are 8,830,310 users. The employed sampling technique is Non-Probability Sampling, characterized by its inherent lack of equal opportunity or chance for every constituent or member of the population to be chosen as part of the sample.

To determine the sample size to be taken, a reference from the book titled 'AMOS 22 for Structural Equation Modeling (Basic Concepts and Applications)' (Santoso, 2015, p. 72), was used. It states that one of the requirements for using SEM is the normality of data. To meet this requirement and calculate the required sample size, there should be at least 15 data points (samples or respondents), calculated by multiplying the number of construct parameters by 15. In this research, there are three constructs with a total of 10 indicators. Therefore, the required sample size is $15 \times 10 = 150$, which means that 150 respondents are needed for this research.

Data Sources

In conducting this research, the data sources include primary and secondary data. Primary data is obtained from survey results in the form of questionnaires distributed to the respondents (Spotify Users). Meanwhile, secondary data is obtained indirectly and is related to research through intermediary sources such as books, journals, or articles, as well as library and internet sources, including data from the company.

Data Collection Technique

In this research, a questionnaire data collection technique is employed. This data collection technique involves presenting a set of questions or written questions to respondents for their responses. The questionnaire data collection technique is chosen because it is an efficient method when the researcher knows precisely which variables need to be measured and what can be expected from the respondents (Sugiyono, 2017, p. 225).

Measurement Scale

In this research, a measurement scale in the form of a Likert scale is used. This type of measurement scale is employed to assess the attitudes, opinions, and perceptions of an individual or a group of individuals regarding a specific social phenomenon that has been specifically defined by the researcher as a research variable (Sugiyono, 2017, p. 158).

Data Analysis Technique

The data analysis technique used in this research is the Structural Equation Modeling (SEM) analysis method with the assistance of the AMOS 26 (Analysis of Moment Structure) application. SEM, or Structural Equation Modeling, is one of the statistical analysis tools that combines factor analysis and regression analysis.

Result and Discussion

Degree of Freedom

The degree of freedom needs to be known to determine whether a model is suitable for testing or not. The criteria for a degree of freedom are as follows.

1) If the degree of freedom value is 0, then the model is considered just identified, which means that there is no need for further model estimation and assessment because it has already been fully identified.
2) If the degree of freedom value is ≤ 0 (having a negative value), then the model is considered under-identified, which means that there is no need for further model estimation and assessment.
3) If the degree of freedom value ≥ 0 (having a positive value), then the model is considered over-identified, which means that further model estimation and assessment can be performed.

In this research, with the assistance of AMOS 26 software, the value of the degree of freedom can be determined through the "notes for model" menu. It is known that the degree of freedom in this research is 32, which allows the conclusion that model estimation and evaluation can be further conducted.

Validity and Reliability Testing

The validity test is conducted with the assistance of AMOS 26 software using the Confirmatory Factor Analysis technique. Validity is assessed by examining the data results in the Standardized Regression Weights table located in the Estimates menu and Scalars. Data under the test can be considered valid if the loading factor values or the values in the estimate column are > 0.5. Based on the data processing conducted, it is observed that the loading factor values for all indicators are > 0.5, thus indicating that all the tested data can be deemed valid.

Table 4. Validity Test

Indicator (Manifest variable)		Latent Variable	Factor Loading Value	Result
PM	<---	Product_Development	0.782	Valid
PI	<---	Product_Development	0.726	Valid
PO	<---	Product_Development	0.614	Valid
AE	<---	Brand_Resonance	0.686	Valid
SOC	<---	Brand_Resonance	0.745	Valid
AA	<---	Brand_Resonance	0.688	Valid
ETR	<---	Customer_Retention	0.824	Valid
RTO	<---	Customer_Retention	0.814	Valid
OS	<---	Customer_Retention	0.763	Valid
BL	<---	Brand_Resonance	0.533	Valid

Source: Primary Data, Processed by Researchers, 2023

Then, in the reliability test, calculations are performed using the Variance Extracted (VE) and Construct Reliability (CR) formulas. The formula for Construct Reliability is $\Sigma Std.\,Loading^2 / \Sigma Std.\,Loading^2 + \Sigma \varepsilon_j$. The formula for Construct Reliability is $(\Sigma Std.\,Loading)^2 / (\Sigma Std.\,Loading)^2 + \Sigma \varepsilon_j$. Data is considered reliable if the values of VE > 0.50 and CR > 0.70. Based on the calculations performed, it is known that all indicators and variables have values of VE > 0.50 and CR > 0.70. Therefore, all the tested data can be considered reliable and can be used as research instruments.

Table 5. Reliability Test

Variable	Indicator	Standard Loading (Loading Factor)	Standard Loading²	Measurement Error (1-Std Loading²)	Construct Reliability (CR)	Variance Extracted (VE)	Result
Product Development	PM	0.782	0.611524	0.388476	0.7520741	0.505199	Reliable
	PI	0.726	0.527076	0.472924			
	PO	0.614	0.376996	0.623004			
	Σ	2.122	1.515596	1.484404			
	Σ^2	4.502884					
Brand Resonance	AE	0.686	0.470596	0.529404	0.7494599	0.74946	Reliable
	SOC	0.745	0.555025	0.444975			
	AA	0.688	0.473344	0.526656			
	BL	0.533	0.284089	0.715911			
	Σ	2.652	1.783054	2.216946			
	Σ^2	7.033104					
Customer Retention	ETR	0.824	0.678976	0.321024	0.8426766	0.641247	Reliable
	RTO	0.814	0.662596	0.337404			
	OS	0.763	0.582169	0.417831			
	Σ	2.401	1.923741	1.076259			
	Σ^2	5.764801					

Source: Primary Data, Processed by Researchers, 2023

Normality Test and Outlier Data

In the normality test, assistance can be obtained from the AMOS 26 software, where data can be accessed in the "Assessment of Normality" menu. Data can be considered normally distributed when the Critical Ratio (CR) values fall within the interval of ±2.58. Based on the results of the calculations below, it is observed that there are two indicators that do not have a normal distribution: the indicator "Recommend to Others (RTO)" in the Customer Retention variable with a value of -3.797, and the indicator "Product Innovation (PI)" in the Product Development variable with a value of 3.933. Because there are indicators that do not have a normal distribution, this also affects the overall or multivariate testing in the normality test. However, this is not a problem because non-normal data in SEM indicates various variations in respondents' responses to the conducted survey. Because there are indicators that do not have a normal distribution, this also affects the overall or multivariate testing in the normality test. However, this is not a problem because non-normal data in SEM indicates various variations in respondents' responses to the conducted survey.

Table 6. Normality Test

Variable	min	max	skew	c.r.	kurtosis	CR	Result
BL	7	15	-0.034	-0.168	0.253	0.633	Normal
OS	9	15	-0.35	-1.75	-0.624	-1.560	Normal
RTO	11	15	0.151	0.756	-1.519	-3.797	Abnormal

ETR	8	15	-0.183	-0.914	-0.281	-0.703	Normal
AA	10	15	-0.479	-2.394	-0.914	-2.285	Normal
SOC	7	15	-0.839	-4.195	0.881	2.202	Normal
AE	4	15	-0.888	-4.439	0.34	0.851	Normal
PO	8	15	-0.917	-4.584	0.748	1.869	Normal
PI	7	15	-0.987	-4.934	1.573	3.933	Abnormal
PM	9	15	-0.362	-1.809	-0.537	-1.342	Normal
Multivariate					30.737	12.150	Abnormal

Source: Primary Data, Processed by Researchers, 2023

In this outlier test, assistance was also provided by the AMOS 26 software, where data can be accessed in the menu "Observations farthest from the centroid (Mahala Nobis distance)." Data can be categorized as good (not an outlier) when the values of p1 and p2 are less than 0.05. Conversely, data will be considered less favorable (an outlier) if it has values greater than 0.05. Based on the data outlier test processing that has been conducted, it can be observed that 17% of the data is not considered as outliers, while the remaining 83% is classified as outlier data. However, even though more than 75% of the data is considered as outliers, it will still be used, and no data deletion will be performed. This is because data deletion must be done carefully since each data point represents or reflects aspects related to the research (such as respondent opinions, and so on) in accordance with the actual field conditions (Sulistiani et al., 2013). Below are the results of the outlier data test, displaying 25% of the actual data as evidence of the outlier data test that has been conducted.

Table 7. Outlier Data Test

Observatin number	Mahala nobis dsquared	p1	p2	Outlier Data	Observation number	Mahala nobis dsquared	p1	p2	Outlier Data
146	39.184	0	0.004	No	**29**	10.453	0.402	0.831	Yes
16	34.487	0	0	No	**121**	10.368	0.409	0.833	Yes
133	32.641	0	0	No	**88**	10.362	0.409	0.792	Yes
80	31.844	0	0	No	**132**	10.329	0.412	0.763	Yes
145	12.436	0.257	0.352	Yes	**61**	10.041	0.437	0.877	Yes
110	11.442	0.324	0.641	Yes	**58**	9.894	0.45	0.905	Yes
108	11.365	0.33	0.63	Yes	**100**	9.872	0.452	0.884	Yes
72	11.318	0.333	0.598	Yes	**143**	9.844	0.454	0.862	Yes
70	11.23	0.34	0.597	Yes	**41**	9.838	0.455	0.826	Yes
142	11.185	0.343	0.564	Yes	**105**	9.693	0.468	0.863	Yes
84	11.039	0.354	0.609	Yes	**32**	9.547	0.481	0.895	Yes
112	10.878	0.367	0.666	Yes	**111**	9.431	0.492	0.912	Yes
7	10.503	0.398	0.847	Yes	**35**	9.414	0.493	0.89	Yes

Source: Primary Data, Processed by Researchers, 2023

Confimatory Factor Analysis (CFA)

Confirmatory Factor Analysis (CFA) is a technique used to identify an appropriate model that explains the relationship between a set of items and the constructs measured by those items based on strong theoretical foundations. In this case, the results of the CFA can be seen in the table below, which has content and measurements that are like the previous validity test. However, in this context, the results of the test are categorized as either strong or not strong, with the criterion that if the estimate value is ≥ 0.05, then the relationship is considered strong and has a significant impact.

Table 8. Confirmatory Factor Analysis (CFA)

Indikator (Variabel manifes)		Variabel Laten	Estimate	Hasil CFA
PM	<---	Product_Development	0.782	Strong
PI	<---	Product_Development	0.726	Strong
PO	<---	Product_Development	0.614	Strong
AE	<---	Brand_Resonance	0.686	Strong
SOC	<---	Brand_Resonance	0.745	Strong
AA	<---	Brand_Resonance	0.688	Strong
ETR	<---	Customer_Retention	0.824	Strong
RTO	<---	Customer_Retention	0.814	Strong
OS	<---	Customer_Retention	0.763	Strong
BL	<---	Brand_Resonance	0.533	Strong

Source: Primary Data, Processed by Researcher, 2023

Based on the table above, it is known that all the data subjected to CFA have values ≥ 0.05. Therefore, it can be concluded that all the dimensions and indicators used have a strong relationship and significant influence on each other.

Full Model Analysis

In this full model analysis, we will discuss the overall structural model, which depicts the comprehensive relationships among the endogenous variables, namely Product Development and Brand Resonance, as well as the exogenous variable, Customer Retention, using the assistance of AMOS 26 software. The indicator with the highest influence on Customer Retention is the Product Modification (PM) indicator in the Product Development variable and the Active Engagement (AE) indicator in the Brand Resonance variable, both with a value of 1.00. The indicator with the lowest influence on Customer Retention is the Brand Loyalty (BL) indicator in the Brand Resonance variable with a value of 0.51. The comprehensive structural model is visually represented in the subsequent figure:
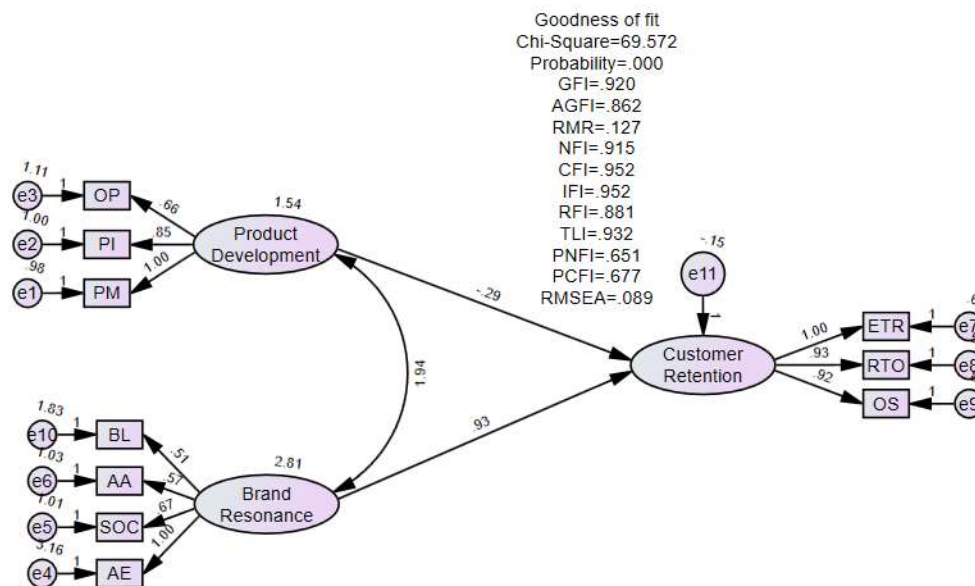

Image 2. Overall Structural Model
Source: Primary Data, Processed by Researcher, 2023

Goodness of Fit (Model Fit Test)

Based on the 17 criteria tested in the goodness of fit table below, it is evident that 10 criteria meet the model's goodness of fit test, including GFI, AGFI, PGFI, RMR, NFI, CFI, IFI, TLI, PNFI, and PCFI. Meanwhile, the remaining seven criteria, namely Chi-Square, Probability, RFI, RMSEA, AIC, ECVI, and HOTLER, did not meet the model's goodness of fit test. However, even though not all the model's goodness of fit criteria were met, this phase of model fitness testing can still be considered as a fit or acceptable model fitness test. This is because empirical research does not require all goodness of fit test results to meet every existing criterion, or in other words, researchers are not obliged to fulfill all goodness of fit indicators. If 4-5 criteria have been met, or if one of each type of fit index has been satisfied, then the test can be considered successful or met, and it is deemed suitable for use (Latan, 2013, p. 48).

Table 9. *Goodness of Fit*

No	Goodness of Fit Measure	Fit Criteria (Cut-Off Value)	Analysis Results	Model Evaluation
A	**Absolute Fit Indices**			
1	*Chi-Square*	As small as possible	69,572	Not Good
2	*Probability*	≥ 0,05	0,000	Not Good
3	*Goodness of Fit Index (GFI)*	Approaching 1	0,920	Good
4	*Adjusted Goodness of Fit Index (AGFI)*	Approaching 1	0,862	Good
5	*Parsimony Goodness of Fit Index (PGFI)*	> 0,05	0,053	Good
6	*Root Mean Residual (RMR)*	As small as possible	0,127	Good
B	**Incremental Fit Indices**			
1	*Normal Fit Index (NFI)*	≥ 0,9	0,915	Good
2	*Comparative Fit Index (CFI)*	≥ 0,9	0,952	Good
3	*Incremental Fit Index (IFI)*	≥ 0,9	0,952	Good
4	*Relative Fit Index (RFI)*	≥ 0,9	0,881	Not Good
5	*Tucker Lewis Index (TLI)*	Approaching 1	0,932	Good
C	**Parsimony Fit Indices**			
1	PNFI	0,0 - 1,0	0,651	Good
2	PCFI	0,0 - 1,0	0,677	Good
3	*The Root Mean Square Error of Approximation (RMSEA)*	< 0,05	0,089	Not Good
4	*Aikake Information Criterion (AIC)*	< saturated & independence model	> saturated & independence model	Not Good
5	*Expected Cross-Validation Index (ECVI)*	< saturated & independence model	> saturated & independence model	Not Good
6	HOETLER	>200	99	Not Good

Source: Primary Data, Processed by Researcher, 2023

Hypothesis Testing

Hypothesis testing can be conducted with the assistance of AMOS 26 software, where the data can be accessed in the menu Estimates, Scalars, and then Regression Weights. The primary focus in this data is on the probability values (p). A hypothesis, or H0, is accepted when $p \geq 0.05$, and H0 is rejected when the p-value is ≤ 0.05. Referring to the hypotheses in this research, they are as follows:

H1: P = 0, (There is no influence, both in Product Development and Brand Resonance, on Customer Retention among Spotify Digital Music Streaming Service Users.).

H2: P $\neq$ 0, (There is an influence of Product Development on Customer Retention among Spotify Digital Music Streaming Service Users.).

H3: P $\neq$ 0, (There is an influence of Brand Resonance on Customer Retention among Spotify Digital Music Streaming Service Users).

Table 10. Hypothesis Test

Y		X	Estimate	S.E.	C.R.	P	Test Results
Customer_ Retention	<---	Product_Development	-0.289	0.553	-0.523	0.601	Accepted
Customer_ Retention	<---	Brand_Resonance	0.928	0.431	2.155	0.031	Rejected

Source: Primary Data, Processed by Researcher, 2023

Based on the hypothesis testing results, a probability value of 0.601 was obtained for the variable Product Development's influence on Customer Retention, which means the hypothesis is accepted. Additionally, a probability value of 0.031 was obtained for the variable Brand Resonance's influence on Customer Retention, which means it is rejected. Consequently, it can be concluded that H1 is rejected, H2 is accepted, and H3 is rejected. The results can be interpreted as indicating that there is an influence of Product Development on Customer Retention. Other hypotheses, such as the influence of Brand Resonance on Customer Retention, as well as the hypothesis of no influence, both for Product Development and Brand Resonance on Customer Retention, are rejected.

Conclusion and Recommendation

Spotify users are indeed shown to use the digital music streaming service provider Spotify continuously, primarily due to the ongoing product development efforts undertaken by the company. This ensures that Spotify consistently evolves, improves, and innovates to meet the needs and desires of users, aligning with the ever-changing times. The more features and product developments Spotify introduces, the more users are inclined to engage with it over the long term. This demonstrates that Product Development has a significant influence on Spotify user Customer Retention, as evidenced by a probability value of 0.601, which is greater than 0.05. Conversely, through this research, it is also evident that Brand Resonance does not have an impact on Spotify user Customer Retention, as its probability value is only 0.031, which is smaller than 0.05.

The implications of this research are to assist companies in understanding strategies that can be implemented to retain their users. This can be achieved by continually developing products that align with consumer needs and keep pace with current trends. Additionally, this research indirectly suggests that companies should focus on maintaining their existing strategy, which involves product development, to ensure user satisfaction and encourage long-term use of Spotify.

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