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FEATURE EVALUATION, TRADE-OFFS, AND WTP IN MUSIC STREAMING SERVICES: A CONJOINT ANALYSIS APPROACH

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Abstract

As the European streaming market matures, competition shifts to user retention. This study investigates consumer perception, willingness-to-pay (WTP), and loyalty among Gen Z and Millennials using Perceptual Mapping and Choice-Based Conjoint analysis. Results identify Spotify as the experience leader and Apple Music as the premium ecosystem choice. While price remains the primary driver, users value offline access and ad-free features at a €2.75 – €3.05 premium. Furthermore, ecosystem lock-in significantly reinforces switching barriers. Findings suggest that to sustain growth, platforms must prioritize value-added features and ecosystem synergies over simple catalogue expansion.

Keywords: Music Streaming Service, Perceptual Mapping,

Conjoint Analysis, Willingness to Pay

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1 Introduction

1.1 Context and Relevance of the Study

The music streaming industry has changed a lot over the past ten years. It went from being a small digital service to becoming a major part of how people around the world enjoy entertainment. The model where people used to own physical or digital music assets (CDs, MP3s, iTunes downloads) is now being replaced by accessing vast, on-demand catalogues through subscription-based platforms. The freemium model, which was pioneered by Spotify's 2008 launch, offers free, ad-supported access as well as premium, ad-free subscriptions. This has led to a democratization of music consumption while generating sustainable revenue streams. The IFPI Global Music Report 2025 states that by 2024, global music streaming revenues had surpassed €28 billion, with paid subscriptions contributing to 67% of the industry's growth.

In Europe, this market maturity presents unique strategic challenges for platforms, which must find ways to adapt their own approach in order to succeed. With a market share of over 50%, Spotify is the clear leader, followed by Apple Music, YouTube Music and Amazon Music. However, the company is facing increasing competition, both from other music streaming services and from wider economic issues, such as the EU Digital Markets Act and rising inflation. Platforms have responded with tiered pricing. They have introduced individual, family and student plans. They have also created ecosystem bundles. Examples include Apple One and Amazon Prime integration. However, consumer response remains mixed. The tension between revenue maximization and churn risk in a saturated market where 83% of users engage in multi-homing (simultaneous subscriptions) is highlighted by recent price increases. Spotify's Individual plan, for example, has increased from €9.99 to €11.99.

Our study focuses on young consumers (Millennials and Generation Z), who represent the core streaming demographic and for whom music is of great cultural and emotional significance. This generation is much more active in terms of streaming music, using it for mood regulation, social bonding, identity formation, and daily rituals (Lonsdale and North 2011). With 77 respondents, primarily within the 18-30 age bracket, our sample captures this segment of highly engaged consumers, where subscription fatigue and trade-offs in features (for example, social playlists versus bundles) play a pivotal role in determining brand loyalty and willingness to pay. Subscription fatigue is making things worse. Young users are managing four to five services every month, and the total cost is almost the same as traditional cable bills. This means it is very important to be able to see exactly how much each service is worth.

Research Gap and Managerial Relevance. Research has already looked at how streaming affects physical sales (Wlömert and Papies 2016) and how usage patterns have changed during pandemics (Sim et al. 2022). However, there is not much research that looks at how people's perceptions of streaming services affect how much they are willing to pay for them in a European context, especially among young people. Platforms are missing crucial insights into how young consumers value features like offline downloads, AI playlists, social sharing, and cross-service bundles (video streaming, gaming, ticketing). These insights are vital for optimizing tiered pricing and retention among this pivotal demographic. These gaps are addressed by this Field Lab through a mixed-methods approach. Brand positioning is determined by perceptual surveys and monetary valuation is achieved by Choice-Based Conjoint (CBC) analysis.

1.2 Research Objectives

This study has three interconnected objectives. These objectives bridge consumer psychology, pricing strategy and competitive positioning in music streaming. This is among young European consumers.

Objective 1: Map consumer perceptions and brand positioning. We use perceptual mapping. This helps us to identify key competitive dimensions. Examples of these include "quality vs. price" and "exclusivity vs. accessibility". We do this across four platforms. Spotify, Apple Music, Amazon Music and YouTube Music. This reveals how features such as social integration and bundle promotions shape brand images for young audiences, providing insights for targeted marketing.

Objective 2: Quantifying willingness-to-pay for feature trade-offs. We estimate marginal WTP for attributes including price tiers (€5.99-€20.99). We also consider offline access (1 vs. 5 devices). And exclusive content (AI playlists, live shows). On top of that, we look at social features (collaborative playlists). And bundles (video/gaming/ticketing). Real-choice scenarios for high-engagement youth are simulated by this, with optimal bundling (e.g. Spotify + Netflix) and tier configurations being revealed.

Objective 3: Assess switching barriers and loyalty drivers. We measure the switching costs for this music-centric demographic in terms of procedural, financial (loyalty discounts) and relational (playlist history) by incorporating a "status quo" option in CBC tasks. This quantifies the strength of inertia and churn risk and evaluates retention strategies such as ecosystem integration.

Methodology and integrated approach. This study adopts a mixed approach. It combines perceptual mapping to identify perceived competitive dimensions. It also uses Choice-Based Conjoint (CBC). CBC is used to quantify willingness-to-pay (WTP). This methodological

combination allows qualitative perceptions to be linked to concrete monetary valuations. It offers an integrated view. This view is absent in the fragmented literature on the streaming sector. Expected contributions: From a theoretical point of view, the work contributes to the literature on WTP. It also contributes to the literature on brand positioning. This is in the context of mature digital services. From a managerial point of view, identification of priority features (e.g. bundles, exclusive content) and quantification of their monetary value for young European consumers will be provided by the results, with strategic guidance for optimizing pricing plans and retention strategies being the result.

1.3 Structure of the Work Project

The Work Project progresses logically from the theoretical foundations to the empirical analysis and the strategic implications. A comprehensive literature review is provided in Chapter 2, which synthesizes the evolution of music streaming, willingness-to-pay dynamics, perceptual positioning frameworks and switching barriers. Testable hypotheses tailored to young consumers' preferences are also derived from this review.

In Chapter 3, you'll find a comprehensive review of the European streaming market. We'll take a deep dive into the strategic positioning of major platforms, exploring the nuances of freemium vs. premium models and bundling strategies. Plus, we'll dive into the emerging "globalization" trends, which provide a contextual framework for our empirical findings from a sample of 77 young respondents.

The methodology for this study is presented in Chapter 4. This includes the choice-based conjoint (CBC) design, which has five attributes and 12 levels. It also includes perceptual survey instruments and the targeting of Millennials and Gen Z through social channels for the purpose of sampling. Finally, the chapter outlines rigorous data analysis procedures, including part-worth utilities and McFadden's pseudo-R^2 validation.

The empirical results are delivered in Chapter 5. These results are in the form of perceptual maps that visualize brand positioning, estimates of WTP that highlight key insights (e.g. Spotify's video bundle generating €23.1 incremental value), and loyalty simulations specifically for this high-importance music segment. All of these are validated against established industry benchmarks.

The implications for optimizing tiers among young audiences are discussed in Chapter 6, which interprets the findings through theoretical and managerial lenses. Methodological limitations, such as the reliance on self-reported preferences, are acknowledged.

Finally, key insights have been synthesized and actionable recommendations for bundle strategies targeting young audiences have been delivered in Chapter 7, alongside proposals for future research directions such as longitudinal churn tracking. Comprehensive appendices provide the full questionnaire. They also provide the raw CBC choice tasks. And they provide supplementary perceptual maps. This makes for transparency and replicability.

3.3 AI and Music Streaming

Music generated by AI

AI has entered the music market as well, with the arrival of software like Suno and Udio, which allow anyone to create a musical track using an artificial intelligence model based on simple input requests such as musical genre, rhythm, atmosphere, and some general guidance on the song's lyrics. These services are available directly online through a fairly affordable subscription.

With the development of this software and the spread of AI-generated songs, many questions - especially ethical ones - have emerged. In fact, many of these models have been trained on a very large catalog of existing songs by scraping the web, effectively violating the copyright laws that protect authors and artists (Berger 2024).

As often happens, legislation struggles to keep up with such rapid digital revolutions, and no effective laws have yet been introduced to properly safeguard copyright in this new scenario, where everything humans have produced and created up to now is being fed into AI models.

To protect the industry, it would be necessary for licensing agreements to specify clear terms, including upfront fees for dataset usage, royalties for derivative works, and auditing mechanisms to ensure compliance.

There are music-streaming platforms like Deezer that have already begun to take action, for example by adding a clear label identifying AI-generated content. This ensures maximum transparency for the end user, and as shown by a survey commissioned by Deezer and conducted by Ipsos, users have a clear desire for tagging 100% AI-generated music and for ensuring that artists and songwriters are fairly treated and compensated if their music is used to train AI models.

Deezer also reveals that roughly 50,000 fully AI-generated tracks are now uploaded to the platform every day, accounting for 34% of all daily submissions. (Deezer Newsroom 2025)

Figure 3.2: Consumer demand for transparency and fair compensation in AI music

3.4 AI to Improve Recommendation Systems

AI can also be used by streaming platforms by integrating it into their recommendation systems to more accurately predict the songs that best match users' tastes. This is based on large amounts of data coming from different sources, such as in-app searches, skips, likes on songs or albums, and listening time per track. An example is the AI DJ feature introduced by Spotify. But that's not all - AI can also suggest songs based on the time of day, the user's mood, and can adapt recommendations to the activity the user is performing while listening to music (work, exercise, etc.), offering contextual and hyper-personalization to create a stronger emotional connection with the platform, leading to higher retention rates (Mokoena and Obagbuwa 2025).

However, the results of the study conducted by Ahmed and El Sheikh (2025) clearly show that among the main characteristics of recommendation systems (accuracy, novelty, and diversity),

accuracy is the one that has substantial direct and indirect effects on customer subscription intention and customer experience. In fact, users are more likely to renew their subscription when they are recommended songs that closely match their musical tastes.

Spotify has understood the importance of this feature so well that it introduced an option allowing users to exclude a song from their taste profile. This helps refine the recommendation system and prevents songs that don't align with the user's preferences from influencing the algorithm and leading it to suggest tracks that are too far from the user's musical tastes.

3.5 Platforms' Reaction to AI

Music streaming platforms are clearly concerned about the uncontrolled spread of AI-generated tracks, to the point where they may no longer be able to distinguish what is created by a human artist from what is generated by an AI model. Moreover, thanks to how easy it has become to create new music with software like Suno and Udio, platforms are being flooded with "functional" noise tracks (white noise, lo-fi beats) created with the intent of earning royalties at virtually zero cost.

Below is a detailed look at how the main platforms are reacting:

- Spotify: At the moment, it has not taken a clear stance on AI in music and is adopting an intermediate policy. On one hand, it is trying to limit stream manipulation through bot-listening and reduce "functional" noise content. On the other hand, it does not prevent the upload of AI-generated tracks as long as they comply with the platform's anti-spam rules, and the tracks must be generated without using cloned voices of real, famous artists.

- Apple Music: So far, it has shown a more uncompromising attitude toward AI compared to Spotify, to the point of having reduced the ingestion of tracks from certain AI distributors in order to quality-check them.
- Deezer: This is certainly the platform most actively fighting the negative effects of AI in music. They are building proprietary "Radar" technology to detect and tag AI-generated songs, with the aim of eventually letting users toggle "AI Music" on or off.
- YouTube Music: It has a different approach and has seen AI as a new tool to offer artists for monetization by introducing "Dream Track": a service that allows YouTube creators to generate AI-made music tracks for their Shorts using AI versions of famous artists' voices, while paying those artists fees for the use of their voice.

3.6 Porter's Five Forces Analysis

The European music streaming market was valued at $9.51 billion in 2025, and Statista's projections (2025) show a CAGR of 3.5% through 2031, indicating a market that is reaching maturity and intensifying competition among major players. Spotify dominates the market with a 52% share, followed by Apple Music (15%), YouTube Music (12%), and Amazon Music (10%) (Statista 2025). The competitive structure can be analyzed systematically using Porter's Five Forces framework (Porter 1979). This directly contextualizes the results of our conjoint analysis (see Chapter 5). Consumer choices are determined by price, which has a relative importance ranging between 27% and 38%.

Threat of New Entrants

Entering the music streaming market today requires significant initial investment, which makes this barrier particularly challenging. Licensing costs are the main barrier: the three major labels (Universal Music Group, Sony Music Entertainment and Warner Music Group) control 65–70% of the global music catalogue and charge annual fees of between €30–40 million for

streaming rights alone to a medium-sized player (Spotify 2025; IFPI 2025). Spotify has 626 million monthly active users. It has negotiated multi-year agreements with the majors. It has done this by ceding equity. The equity being ceded is as follows: Universal 11.3%, Sony 5.7%, Warner ~7%. This has created an insurmountable competitive advantage for new entrants. This is according to Spotify (2025). Historical cases such as Rdio (which went bankrupt in 2015 despite having received $100 million in funding) and Groove Music (which closed in 2017) demonstrate that even with substantial capital, the lack of a comprehensive catalogue can lead to churn rates exceeding 80% within the first six months (Vonderau 2019). Network effects amplify this barrier: billions of user interactions feed recommendation algorithms, and independent artists prefer platforms with an established audience. Our CBC analysis provides quantitative evidence to support this hypothesis, showing that the utilities of unknown brands are 15-20% lower than those of Spotify and Apple Music, with a willingness to pay (WTP) close to zero (see Chapter 5).

Bargaining Power of Suppliers

Record labels hold significant bargaining power over streaming platforms. In Q2 2025, Spotify allocated 68.5% of its revenues (totaling €14 billion in 2024) to paying royalties and minimum guarantees to major labels, averaging €0.003–€0.005 per stream (Spotify 2025; Hesmondhalgh and Meier 2018).

Universal Music Group (30% catalogue share), Sony Music (25%) and Warner Music (20%) are the three dominant players in this field, setting non-negotiable standard terms for artists and labels alike. These include annual minimum guarantees, a 70/30 revenue share in favour of labels, and penalties for streaming shortfalls (IFPI 2025). The interests of the platforms are partially aligned, but this is offset by the fact that strategic flexibility is severely limited. Rights are not discounted and there is no investment in aggressive pricing (Spotify 2025). Operating margins are compressed by this structural dependence (Spotify EBITDA -1.7% of revenues in

2024) and price increases are forced (individual plan: €9.99; €10.99; €11.99 in 24 months), which explains the strong price sensitivity observed in the conjoint analysis (price: 27–38% relative importance).

Bargaining Power of Buyers

European consumers have significant buying power, which is boosted by the growing trend of multi-homing and subscription fatigue. This is because many users regularly compare prices and manage multiple subscriptions. While the financial side of switching is fairly straightforward – playlists can often be exported, free trials are usually offered for a few months, and cancellations are always possible – users still face significant psychological and procedural switching costs. These include the fear of losing their listening history and the effort required to learn a new interface. Our conjoint analysis precisely quantifies this dynamic: part-worth utilities show a decline of 45% for plans above the €10.99-per-month benchmark, with annual churn of 25% among Gen Z for price increases of €1 or more (see Chapter 5). When the premium prices of YouTube and TikTok exceed a certain psychological threshold, Gen Z favours the free tier, opting for lower audio quality but still free access (MIDiA Research 2025). The pressure to perform well in the App Store (where only apps with a 4.5+ rating are visible) and the need to compete with other platforms in a constant promotional cycle are driving up the pressure on developers.

The threat of substitutes is moderate to high: free services such as YouTube (2 billion monthly users) and TikTok (1.5 billion) pose a significant threat to the free tier by capturing 60% of Gen Z's music discoveries via short-form videos (MIDiA Research 2025). Nevertheless, the premium features that our CBC Offline users value – such as no advertising, multi-device sync and offline downloads – are not replicated.

These features are worth an additional €2.5-3/month, which free substitutes cannot provide (see Chapter 5).

Rivalry Among Existing Competitors

Competition is mainly driven by rivalry between incumbent operators. In a saturated market where there is 65% penetration and a 3.5% CAGR, Spotify (52% in Europe), Apple Music (15%), YouTube Music (12%) and Amazon Music (10%) compete globally (Statista 2025). High fixed costs (royalties equaling 70% of revenues) lead to intense competition: in prices, bundles and technical differentiation.

However, the CBC shows similar utilities of ±5% between platforms, confirming that price is the primary factor.

The conclusion is that structural oligopoly (high barriers and supplier power) explains price dominance (27/38%) and limited WTP (€2.5/ 3 extra), suggesting that bundling strategies and exclusive products are the only way to achieve sustainable differentiation (Porter 1979).

3.7 Comparative SWOT Analysis of Major Players

While the Porter's Five Forces analysis in the previous section highlighted the structural challenges of the European streaming industry, specifically the high barriers to entry and the immense bargaining power of suppliers, it is equally critical to examine how individual firms navigate this hostile landscape. As the core product (the music catalogue) has become largely commoditized, with all major platforms offering access to essentially the same library of tracks, sustainable competitive advantage is no longer derived from *what* music is offered, but *how* the service is delivered, integrated, and monetized.

To understand the divergent strategies adopted by market leaders, this section presents a Comparative SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) of the four

dominant platforms: Spotify, Apple Music, YouTube Music, and Amazon Music. Each of these players represents a distinct strategic archetype within the market:

- Spotify operates as the agile "Pure Play" market leader, reliant entirely on streaming performance.
- Apple Music functions as a "Premium Ecosystem" lock-in tool for high-value hardware.
- YouTube Music leverages a "Content-First" strategy, bridging video and audio.
- Amazon Music exemplifies the "Passive Bundle" strategy, competing primarily on convenience and integration with the Prime membership.

The following analysis deconstructs the internal capabilities and external environments of each player based on industry reports, financial data, and strategic literature.

3.7.1 Spotify: The "All-Rounder" Market Leader

As the pioneer of the freemium streaming model and the current market leader with over 50% share in Europe (Statista 2025), Spotify represents the archetype of a "Pure Play" streaming service. Unlike its primary competitors, Spotify does not rely on a parent company’s ecosystem to subsidize its operations. This independence fundamentally shapes its strategic posture: the company must innovate aggressively to survive, creating a product experience that is sufficiently superior to justify a standalone subscription.

Strengths: Algorithmic Dominance and Cultural Relevance

Spotify’s primary competitive advantage lies in its technological reputation regarding personalization and discovery. The platform is widely recognized for its proprietary "Algotorial" technology, which blends machine learning with human curation in flagship playlists like Discover Weekly and Release Radar (Aguiar and Waldfogel 2021). This

technological edge creates a barrier to exit through the "Investment" phase of the Hook Model (Eyal 2014): as users invest time listening, the algorithm becomes increasingly accurate, making switching to a new platform "costly" in terms of lost personalization. Furthermore, Spotify has successfully positioned itself as a lifestyle brand with deep cultural resonance. Campaigns like "Spotify Wrapped" have turned user data into a viral annual event, leveraging social signaling and "Fear Of Missing Out" (FOMO) to dominate social media conversation at the end of every year (Vogue Business 2023). Finally, the freemium funnel remains a powerful customer acquisition engine, allowing Spotify to capture price-sensitive users and convert them to Premium over time through the psychological friction of ad-interruption (Wessel 2011).

Weaknesses: Margin Compression and Hardware Dependency

Despite its market leadership, Spotify's "Pure Play" model exposes it to significant structural weaknesses. Unlike Apple or Amazon, which can treat music streaming as a "loss leader" to drive sales of high-margin hardware or Prime memberships, Spotify must achieve profitability solely through streaming subscriptions and advertising. This leaves the company at the mercy of major record labels, with approximately 70% of revenue historically flowing back to rights holders (IFPI 2024), resulting in perpetually thin operating margins. Furthermore, Spotify lacks control over the distribution "gateway." Without its own hardware or operating system, it depends on Apple (iOS) and Google (Android) to reach its users. This dependency subjects Spotify to platform fees (the so-called "App Store Tax") and strategic friction, such as the inability to offer direct in-app billing or seamless integration with the operating system comparable to native apps (European Commission 2024).

Opportunities: Audio-First Diversification and Two-Sided Marketplace

To mitigate the risks of low margins, Spotify is aggressively expanding into non-music audio formats. By investing in Podcasts and Audiobooks, securing exclusive content rights and

producing original material, the company aims to shift its cost structure from a variable model (royalties per stream) to a fixed-cost model. If successful, this transition would significantly improve long-term unit economics (Spotify Earnings Report 2024). Additionally, Spotify is evolving into a "Two-Sided Marketplace" by monetizing the artist side of the platform. Tools such as "Discovery Mode" allow labels to accept lower royalty rates in exchange for better algorithmic placement. This strategy effectively turns marketing expenses into a new revenue stream, leveraging Spotify's dominance in discovery to capture value from suppliers as well as consumers.

Threats: The "TikTok-ification" of Discovery and Commoditization

The external environment poses two distinct threats. First, the rapid shift in consumer behavior driven by short-form video platforms means that TikTok is increasingly becoming a primary source of initial music discovery for Gen Z (MIDiA Research 2023). If the point of discovery shifts permanently to video, Spotify risks being relegated to a "utility player" used merely for playback, losing strategic control over cultural trend-setting. Second, competitors like Apple Music and Amazon Music now offer Lossless and Spatial Audio at no extra cost, treating high-quality sound as a standard feature. Spotify's delay in matching these technical specifications risks alienating the audiophile segment of the market to competitors who can afford to offer higher value-for-money propositions due to their diversified business models.

3.7.2 Apple Music: The "Premium Ecosystem" Player

If Spotify represents the "Pure Play" model, Apple Music is the quintessential embodiment of the "Ecosystem" strategy. Launched in 2015 to leverage the global dominance of the iPhone, the service does not function strictly as an independent profit center but rather as a strategic complement designed to increase hardware switching costs and lifetime customer value (LTV). While its competitors must fight for every subscriber, Apple Music benefits from being the

default option on over 2 billion active devices globally, a structural advantage that defines its market approach.

Strengths: Ecosystem Lock-in and Premium Positioning

Apple Music's most formidable competitive advantage is its seamless integration with the Apple hardware ecosystem. The service creates a "Walled Garden" effect where software and hardware reinforce each other; features like Spatial Audio with Dolby Atmos are optimized for AirPods, creating a symbiotic relationship where the subscription enhances the value of the physical device (Gurman 2024). Consistent with Apple's corporate identity, the music service is positioned as a "luxury" or "premium" option. Unlike Spotify, which relies heavily on a free tier, Apple Music has historically eschewed the ad-supported model, maintaining a premium-only brand image. This positioning is reinforced by the inclusion of high-resolution Lossless Audio and a standalone Classical music app in the standard price, creating a "no-compromise" value proposition. Furthermore, the service benefits from the financial resilience of the Apple One bundle. By packaging music with iCloud storage, TV+, and Arcade, Apple effectively masks the price sensitivity of the individual service, turning the music subscription into a retention tool that reduces churn across the entire Apple services portfolio.

Weaknesses: Social Friction and Platform Exclusivity

Despite its premium status, industry analysis suggests that Apple Music lags behind its main competitor in terms of algorithmic discovery and social virality. While Apple has heavily invested in human curation through Apple Music 1 Radio, it lacks a cultural phenomenon comparable to Spotify Wrapped. The absence of such a viral, data-driven social sharing engine limits the brand's organic reach on social media platforms, particularly among Gen Z consumers who prioritize social signaling. Additionally, the service's ecosystem strength is also its primary

limitation: while an Android app exists, the experience is functionally and culturally centered on the iPhone. This limits the platform's Total Addressable Market (TAM) primarily to Apple hardware owners, whereas Spotify's device-agnostic approach allows it to capture users across all operating systems without friction.

Opportunities: Cultural Curation and Niche Dominance

Apple has the opportunity to evolve from a distributor to a primary cultural curator by leveraging its massive cash reserves. Sponsorships of major global events (such as the Super Bowl Halftime Show in recent years) and the Apple Music Live concert series are strategic moves to build "Cultural Capital" and brand prestige. Furthermore, the launch of Apple Music Classical addresses a niche but high-income demographic often ignored by algorithm-heavy competitors (TechCrunch 2023). By focusing on high-fidelity and specialized genres, Apple can further cement its status as the audiophile's choice, distinguishing itself from the mass-market appeal of YouTube or Amazon.

Threats: Regulatory Siege and the AI Shift

The external environment presents significant challenges to Apple's "Walled Garden" strategy. The European Union's regulatory actions, specifically regarding the Digital Markets Act (DMA) and fines related to anti-steering provisions, strike at the heart of Apple's competitive advantage—its control over the payment gateway. As regulators force Apple to allow alternative payment systems and app stores, Apple Music risks losing its privileged "default" status and the friction advantages it currently enjoys over third-party apps (European Commission 2024). Simultaneously, the rapid rise of Generative AI poses a technological threat. If AI-generated music and personalized DJ features become the new standard for passive

listening, Apple’s traditional "human-curated" approach may begin to feel obsolete to younger, tech-forward users who expect dynamic, real-time adaptation.

3.7.3 YouTube Music: The "Content-First" Challenger

YouTube Music represents a unique hybrid strategy that bridges the gap between video streaming and audio consumption. Leveraging Google’s massive infrastructure and the world's largest repository of User-Generated Content (UGC), the platform competes not on "prestige" or "fidelity" like Apple, but on unparalleled accessibility and depth. This "Content-First" approach allows YouTube to serve a dual role as both a music streaming service and a video entertainment hub.

Strengths: Unrivaled Catalogue Depth and Visual Integration

YouTube Music holds a distinctive competitive advantage that "Pure Play" competitors cannot replicate: a unified library that includes not only official releases but also remixes, covers, live DJ sets, and rare B-sides uploaded by users. This leverages the "Long Tail" economic model (Anderson 2006), making the platform the default destination for content unavailable elsewhere. Furthermore, as music discovery increasingly shifts to visual formats, YouTube Music is natively positioned to capture this value through seamless switching between audio and video modes. This integration is supported by Google’s advanced AI capabilities, which cross-reference video watch history with listening habits to predict user intent. Additionally, the platform benefits from the "Double Bundle" value proposition of YouTube Premium, which eliminates ads across the entire video ecosystem. This bundle creates a compelling economic argument for consumers, as it resolves two digital pain points, video ads and music subscription, with a single monthly fee.

Weaknesses: Brand Identity and Audio Perception

Despite its functional strengths, YouTube Music faces challenges in establishing a distinct premium identity separate from its parent video site. Industry observers often note that the service is perceived more as a utility extension of YouTube rather than a specialized, expert music curator. This "branding deficit" can make it difficult to attract audiophiles or high-involvement music fans who view competitors like Apple Music as more sophisticated. Coupled with this is a legacy perception regarding audio fidelity; historically associated with compressed video audio, YouTube Music struggles to compete with the "Lossless" and "High-Res" narratives pushed by Amazon and Apple, reinforcing its position as a mass-market entertainment hub rather than a product for purists.

Opportunities: Monetizing the Creator Economy and Shorts Integration

YouTube is uniquely positioned to bridge the gap between "Superfans" and Artists through direct monetization features. By integrating tipping, merchandise shelves, and channel memberships directly into the music app, the platform can capture value from the growing "fandom economy" beyond the standardized monthly subscription model (Mulligan 2023). Furthermore, YouTube has the opportunity to aggressively leverage the Gen Z demographic by integrating music discovery directly from YouTube Shorts. Creating a closed-loop ecosystem where viral trends from short videos are instantly converted into sustained audio streams allows YouTube to internalize the viral discovery process that competitors must currently "import" from third-party platforms like TikTok.

Threats: The Rise of TikTok Music and Freemium Inertia

The external environment presents significant threats, primarily from the evolution of social platforms. TikTok is testing its own dedicated music streaming service, and given that it has

become a primary discovery engine for young consumers, a seamless "TikTok Music" app poses a direct threat to YouTube's dominance in social and viral music discovery (TechCrunch 2024). Additionally, the platform faces the challenge of "Freemium Inertia." A vast portion of YouTube's user base is historically accustomed to free access. The proliferation of ad-blocking tools on desktop and mobile browsers challenges the conversion funnel, potentially keeping a large segment of users in the free tier indefinitely without effectively monetizing them through either ads or subscriptions.

3.7.4 Amazon Music: The "Passive Bundle" Utility

In the strategic landscape of music streaming, Amazon Music occupies a distinct position defined not by cultural trend-setting, but by logistical integration. Unlike "Pure Play" competitors, Amazon Music functions primarily to increase the "stickiness" of the Prime membership, operating as a utilitarian value-add rather than a standalone destination brand. This "Passive Bundle" strategy leverages the company's massive e-commerce and hardware ecosystem to acquire users with near-zero friction.

Strengths: The Prime Flywheel and Smart Home Dominance

Amazon Music's greatest strategic asset is its massive installed base and the efficiency of its customer acquisition model. With over 200 million Prime members globally, the service benefits from an inherent advantage: for many consumers, the basic tier of music streaming is already "paid for" within their shipping subscription, creating a high barrier to entry for competitors trying to poach these price-sensitive users. Furthermore, Amazon leverages its undisputed leadership in the smart speaker market to drive music consumption. For households equipped with Echo devices, Amazon Music serves as the "voice-first" default player, creating a physical lock-in based on hardware convenience in the home environment (CIRP 2024). Additionally, Amazon was strategically aggressive in being one of the first major platforms to

offer CD-quality (HD) and Ultra HD audio at no extra cost, pressuring the industry to raise technical standards and appealing to older, affluent demographics who prioritize fidelity.

Weaknesses: Utilitarian Brand Perception and Interface Friction

Despite the strength of its logistical integration, industry critics often characterize the platform as lacking emotional resonance. Unlike Spotify's community-driven identity or Apple's prestige branding, Amazon Music is frequently viewed as a functional utility, conceptually similar to Amazon's retail shipping, rather than a cultural hub. This utilitarian perception limits the platform's ability to generate organic word-of-mouth or viral moments. Moreover, the user interface has faced criticism for being transactional rather than experiential. The design philosophy often mirrors Amazon's e-commerce roots rather than a media-centric approach, resulting in an experience that prioritizes efficiency over the joy of discovery (The Verge 2023). This friction makes it difficult for Amazon to convert passive Prime listeners into highly engaged "Superfans" who might otherwise pay for higher-tier standalone subscriptions.

Opportunities: Multimedia Ecosystem and Merchandising

Amazon possesses a broader audio and retail ecosystem than any competitor, presenting unique opportunities for cross-pollination. Integrating Amazon Music more tightly with Audible (the leader in audiobooks) and Twitch (the leader in live streaming) allows for a multimedia super-app strategy that rivals YouTube's dominance. Furthermore, Amazon is the only player capable of seamlessly closing the loop between listening and purchasing. The ability to integrate "One-Click" purchasing for physical merchandise (vinyl, t-shirts) directly into the artist page represents a massive, untapped revenue stream. Monetizing fandom through physical goods leverages Amazon's core logistics advantage in a way that neither Spotify nor Apple can easily replicate (Music Business Worldwide 2024).

Threats: The "Good Enough" Trap and Regulatory Pressure

The primary external threat to Amazon’s strategy is the rising quality of competitors. As Spotify and Apple Music continue to improve their personalized discovery and user interfaces, the "good enough" nature of Amazon Music may no longer suffice to retain users, even within the Prime bundle. If the perceived gap in User Experience (UX) becomes too wide, users may choose to pay for a specialist service on top of their Prime subscription, rendering Amazon Music redundant as a retention tool. Additionally, Amazon faces regulatory scrutiny regarding "self-preferencing" on its devices. Interventions forcing equal prominence for competitors on Alexa-enabled devices would erode Amazon’s primary "convenience" moat, forcing the service to compete solely on product merit, an area where it historically lags behind market leaders.

4.1.4 Sample Profile and Data Composition

Respondent Profile

The final sample consisted of 103 unique respondents who successfully met the screening criteria (currently residing in a European country and having used a music streaming service in the past 12 months). A detailed breakdown of the demographic profile is presented in Table 4.1.

As shown in the table, the sample exhibits a relatively balanced gender distribution, with 54% (N = 56) identifying as male and 45% (N = 46) as female. This balance enhances the representativeness of the findings, suggesting that the perceptual patterns observed in later sections are not heavily biased by gender-specific preferences.

Regarding age, the sample is heavily concentrated in younger demographics. The 18–24 age group constitutes the majority (69%, N = 71), followed by the 25–34 group (28%, N = 29). Collectively, 97% of the respondents are under the age of 35. While this distribution reflects the convenience sampling method employed via social networks, it also strengthens the study's internal validity regarding the target market. Gen Z and Millennials are widely recognized as "digital natives" and represent the most active, heavy-usage segment of the music streaming industry. Therefore, their perceptions are particularly predictive of future market trends and feature adoption.

The employment profile reveals that more than half of the respondents are Students (54%, N = 56), followed by Full-time employees (22%, N = 23). This demographic composition provides critical context for interpreting the results, particularly regarding price sensitivity. The high proportion of students implies a sample that likely operates under tighter budget constraints compared to older demographics.

Table 4.1: Demographic Profile of Respondents

Characteristic	Frequency (*N*)	Percentage (%)
Gender		
Male	56	54
Female	46	45
Non-binary / Prefer not to say	1	1
Age Group		
Under 18	2	2
18-24	71	69
25-34	29	28
35-65	1	1
Employment Status		
Student	56	54
Employed full-time	23	22
Employed part-time	14	14
Self-employed	4	4
Unemployed	6	6
Total	**103**	**100**

Technological Ecosystem and Multi-homing Behavior

Beyond basic demographics, the study analyzed the technological context and usage behaviors, which are pivotal for understanding platform lock-in effects.

As shown in Table 4.2., a significant majority of respondents (79%, $N = 81$) reported using iOS as their primary operating system for listening to music, compared to 21% ($N = 22$) for Android. This strong skew towards the Apple ecosystem is a critical variable. It suggests that for a large portion of the sample, Apple Music is a pre-installed, native option. This ecosystem convenience likely influences the Perceptual Map results, particularly potentially inflating

Apple Music's scores on attributes such as "Sophistication" and "App UI Intuitiveness" due to the seamless integration between hardware and software.

A key methodological feature of this study is the distinction between unique respondents and total platform evaluations. While the survey was completed by 103 individuals, the final dataset for the Perceptual Mapping analysis comprises 167 valid observations. This increase indicates a multi-platform engagement ratio of approximately 1.62. In other words, a significant number of users evaluated more than one platform (e.g., a user who currently uses Spotify, but previously used Apple Music was prompted to rate both). This "Multi-homing" or "Switching" behavior is academically valuable for reinforcing the study's robustness. First, it enhances comparative validity, as ratings provided by users with multi-platform experience are less likely to be based on abstract brand stereotypes and more likely to be grounded in actual, comparative usage. Second, capturing these overlapping evaluations reflects the market realism of the streaming sector, a fluid environment where consumers often navigate between free tiers of competitors (e.g., YouTube Music) alongside their primary paid subscription. Consequently, to fully capture this richness of data and comparative insight, the Perceptual Map analysis in Chapter 5 is conducted at the observation level ($N = 167$).

Table 4.2: Streaming Consumption Habits

Characteristic	**Frequency (*N*)**	**Percentage (%)**
Primary Operating System		
iOS	81	79
Android	22	21
Primary Streaming Platform		
Spotify	54	52
Apple Music	13	13
YouTube Music	19	18

Amazon Music	16	16
Other	1	1
Current Subscription Plan		
Free (Ad-supported)	17	16
Solo (Individual Paid)	49	48
Duo (Shared Paid)	4	4
Family (Multi-user)	20	19
Student Plan	13	13
Service Bundling		
Bundled (e.g., Prime/YouTube Premium)	37	36
Not Bundled	66	64
Total	**103**	**100**

Subscription Habits and Usage Context

The survey also captured detailed information regarding respondents' current consumption habits, providing a robust context for evaluating their perceptual ratings. Consistent with European market trends, Spotify is the dominant primary platform within the sample (52%, N = 54), followed by YouTube Music (18%) and Amazon Music (16%). Interestingly, while 36% of respondents indicated their music service is bundled with another subscription (e.g., Amazon Prime or YouTube Premium), the majority (64%) actively choose and pay for a standalone service. This suggests that for most respondents, the choice of a streaming platform is a deliberate decision based on perceived merit rather than passive adoption through a bundle. The specific distribution of primary platforms, subscription types, and bundling behaviors is summarized in Table 4.2.

A critical characteristic of this sample is the high prevalence of paid subscriptions. Only 16% (N = 17) of users are on a Free (ad-supported) plan, while the remaining 84% subscribe to some form of premium tier (Individual, Family, Student, or Duo). This high ratio of premium users

is methodologically significant for ensuring data quality. On one hand, since the respondents are well-versed in the benefits of ad-free listening, offline downloads, and high-quality audio, their ratings of these specific attributes in the Perceptual Map are highly credible. On the other hand, the dominance of paying users strengthens the validity of the Willingness to Pay (WTP) estimates analyzed in Chapter 5. Because the vast majority are already paying customers, their responses regarding price sensitivity reflect realistic budget allocations rather than hypothetical scenarios.

Finally, the data reveals that music streaming is a common activity integrated into various hardware ecosystems. Beyond smartphones (iOS and Android), a substantial number of respondents reported listening via Desktop/Laptop apps (N = 31), In-car systems such as CarPlay/Android Auto (N = 31), and Smart Speakers (N = 25). This multi-device usage underscores the importance of the "Cross-device integration" attribute included in the factor analysis. It indicates that for this sample, a platform's utility is judged not merely by its mobile app interface, but by its ability to function seamlessly across a connected lifestyle ecosystem.

5 Results Analysis

5.1 Consumer Perceptions and Brand Positioning

Building on the conceptual discussion of consumer perceptions, brand personality and positioning developed in Chapter 2, and on the survey design and measurement choices detailed in Chapter 4, this section turns to the empirical analysis of how users actually evaluate music-streaming platforms. The focus is on understanding how respondents combine functional service features and emotional brand cues when forming perceptions of the main platforms operating in the European market.

As described in the methodology chapter, the survey asked users to rate thirteen attributes covering both the utilitarian performance of the service (e.g. value for money, library breadth, recommendation quality, podcast integration, app interface, cross-device integration, social features and perceived audio quality) and a set of brand-personality traits (excitement, competence, sophistication and ruggedness) adapted from Aaker's (1997) framework. These attributes were selected to capture the dual nature of digital services, in which consumers simultaneously assess what the platform does for them and what it stands for as a brand (Barata and Barata 2023). Rather than revisiting the theoretical definitions, which were already discussed in the literature review, the analysis here concentrates on how these thirteen attributes jointly structure perceived differences between platforms.

In line with prior research on digital content and streaming services, we assume that consumers do not evaluate each attribute in isolation but integrate them into broader value propositions and mental images of each brand. From an analytical standpoint, the attributes are therefore treated as observable indicators of a smaller number of underlying perceptual dimensions. This perspective motivates the use of both descriptive statistics and multivariate techniques: descriptive analysis provides an initial picture of how the attributes are evaluated on average,

while dimensionality-reduction methods allow us to summarize complex patterns of association into a more interpretable perceptual space (Hair et al. 2019).

The empirical work in this chapter relies on the final dataset of N = 167 valid evaluations, covering users of the four main platforms: Spotify, Apple Music, YouTube Music and Amazon Music. Although the original questionnaire included Deezer and Tidal, these services are not considered in the subsequent analyses because the number of respondents who reported using them was too small to support reliable comparisons. Focusing on the four best-represented platforms ensures that the patterns described in the following sections are based on sufficiently robust subsamples.

The remainder of Section 5.1 is organised in two parts. Section 5.1.1 presents a detailed descriptive analysis of respondents' ratings on the thirteen attributes, highlighting which aspects of the streaming experience are most and least appreciated and where perceptions appear more heterogeneous. Section 5.1.2 then builds on these results to construct and interpret a two-dimensional perceptual map that visually summarises the relative positioning of the main music-streaming platforms in consumers' minds.

5.1.1 Descriptive Analysis of Perceptions

To translate the conceptual framework into empirical evidence, the first step of the analysis is to examine how respondents evaluated the thirteen attributes described in Chapter 4 across the main music-streaming platforms. Rather than revisiting the theoretical constructs, this subsection focuses on what the sample actually says about the functional and brand-personality dimensions, and on how these evaluations were summarised in SPSS as preparation for the subsequent perceptual-mapping procedures. The aim is to offer a transparent and intuitive overview of the emerging patterns before moving to more complex multivariate technique

The dataset used in this subsection includes all valid attribute evaluations provided by respondents who passed the screening criteria (Europe residence and use of at least one music-streaming service in the previous 12 months), as detailed in Chapter 4. The raw Microsoft Forms file was imported into IBM SPSS Statistics and first cleaned by excluding ineligible cases and obviously inconsistent response patterns. The verbal response categories on the Likert-type items (e.g., “Very poor”, “Poor”, “Neutral”, “Good”, “Excellent”) were then recoded into a numerical 1–5 scale, with higher values indicating more favourable perceptions. This coding scheme was applied consistently to the nine functional attributes and to the four brand-personality traits, in line with the measurement approach adopted in the questionnaire and grounded in prior work on hedonic and utilitarian evaluations and brand personality (Batra and Ahtola 1991; Aaker 1997; Barata and Barata 2023).

Descriptive statistics for each attribute were obtained in SPSS via Analyze → Descriptive Statistics → Descriptives, selecting the thirteen attribute variables and requesting the mean, standard deviation, minimum, maximum and valid N. The analysis was conducted at the level of individual evaluations: each row in the SPSS dataset corresponds to one respondent–platform rating (conditional on the respondent having used that platform), and the descriptive indicators are computed across all such valid ratings. This choice allows the analysis to exploit the full information contained in the data, rather than collapsing everything into a small set of platform-level averages and follows standard recommendations for perceptual-mapping studies based on multi-attribute rating scales (Hair et al. 2019; Gigauri 2019).

Overall evaluation of functional attributes

Table 5.1 reports the overall mean scores and standard deviations for each of the nine functional attributes across all platforms and respondents.

Table 5.1: Descriptive statistics for functional attributes

Attribute	Mean	Std. Deviation	N
Value for money	4.10	0.74	167
Library breadth	4.35	0.82	167
Recommendation quality	4.20	0.76	167
Curated editorial playlists	4.03	0.81	167
Podcasts integration	4.10	0.80	167
App UI	3.95	0.84	167
Cross-device integration	3.97	0.71	167
Social features	3.95	0.82	167
Perceived audio quality	4.11	0.69	167

In general, functional characteristics are evaluated positively: mean values for every attribute lie clearly above the neutral midpoint of the 1–5 scale, indicating that respondents are broadly satisfied with the current generation of music-streaming services.

Within this generally favourable picture, some clear priorities emerge. Attributes directly related to content and discovery, in particular library breadth and recommendation quality, obtain the highest average ratings, with means slightly above 4 on the 5-point scale. Perceived audio quality and value for money also score towards the upper end of the scale, suggesting that users feel they receive access to a rich catalogue and acceptable sound performance at a price they consider fair. This pattern is consistent with previous research showing that a large, diverse library and effective discovery tools are central drivers of satisfaction and loyalty in music-streaming markets (Barata and Barata 2023; Hracs and Webster 2021)

By contrast, more “social” or ancillary features appear as relative weaknesses. Social features and, to a lesser extent, curated editorial playlists display the lowest, although still positive, mean ratings in Table 5.1, typically below the top tier of attributes. For this sample, social functionality and editorial curation therefore seem to be perceived as “nice to have” extras rather than core sources of value. Similar results have been documented in other digital-content settings, where users report intensive use of platforms but comparatively modest engagement with advanced social features (Hracs and Webster 2021).

User-experience attributes such as app UI and cross-device integration occupy an intermediate position. Their means are above 3.5 but do not reach the very top of the ranking. This indicates that respondents are generally satisfied with the interface and multi-device continuity, while still seeing some room for improvement. Considering that interface quality and frictionless cross-device use can reinforce switching costs and perceived convenience in subscription services (Tiago and Veríssimo 2014; Vivek, Beatty, and Morgan 2012), these slightly lower scores highlight an area where platforms could strengthen their competitive advantage.

Overall evaluation of brand-personality attributes

In addition to functional performance, respondents also evaluated each platform on four brand-personality traits, excitement, competence, sophistication and ruggedness, adapted from Aaker’s (1997) scale. These items capture the more symbolic and affective side of the streaming experience, that is, how “cool”, reliable, premium or robust the services feel as brands rather than just as technical utilities. Descriptive statistics for these four traits are reported in Table 5.2.

Table 5.2: Descriptive statistics for brand-personality attributes

Attribute	Mean	Std. Deviation	N
Excitement	4.11	0.64	167
Competence	3.97	0.93	167
Sophistication	3.87	0.91	167
Ruggedness	4.07	0.85	167

All mean scores lie clearly above the neutral midpoint of the 1–5 scale, indicating that music-streaming services are generally associated with positive brand personalities. Among the four traits, excitement records the highest average evaluation ($M \approx 4.11$, $SD \approx 0.64$), suggesting that users see streaming platforms as lively, dynamic and up to date with current music trends. Ruggedness also scores relatively high ($M \approx 4.07$, $SD \approx 0.85$), which can be interpreted as a perception that these services are dependable and able to "withstand" intensive, everyday use. This pattern is consistent with Aaker's (1997) original framework, where excitement-related traits are particularly salient for young, tech-oriented brands, and with recent evidence that streaming services function as reliable "infrastructure" for everyday music consumption (Barata and Barata 2023).

Competence ($M \approx 3.97$, $SD \approx 0.93$) and sophistication ($M \approx 3.87$, $SD \approx 0.91$) obtain slightly lower but still clearly positive means and, importantly, somewhat higher standard deviations. This indicates that while many respondents view major platforms as professional, premium and refined, others perceive them as more ordinary or purely functional. The greater dispersion suggests that brand-personality differentiation is less uniformly recognised across the sample compared with functional performance: users broadly agree that platforms are good at delivering music and recommendations but differ more in the extent to which they view them

as “elite”, “polished” or “expert”. This supports the idea that the emotional layer of positioning, especially sophistication, remains an area where brands can sharpen their identity and communication (Vivek, Beatty, and Morgan 2012).

Platform-specific patterns

While overall means are informative about the “average” streaming experience, they may conceal important differences between platforms. To capture these differences, a second descriptive analysis was conducted in SPSS using the Split File option by main platform, so that means and standard deviations for each attribute were computed separately for Spotify, Apple Music, YouTube Music and Amazon Music. Only these four services were retained at this stage, in line with the decision discussed earlier to exclude Deezer and Tidal from the analysis due to their very small number of users, which would not allow for reliable comparisons.

Table 5.3: Platform-specific mean evaluations (and standard deviations) of functional and brand-personality attributes

Attribute	Spotify	Apple Music	YouTube Music	Amazon Music
Value for money	4.18 (0.75)	3.56 (0.67)	4.33 (0.55)	4.27 (0.70)
Library breadth	4.53 (0.63)	3.41 (0.95)	4.93 (0.25)	4.23 (0.61)
Recommendation quality	4.36 (0.62)	3.50 (0.88)	4.67 (0.55)	4.00 (0.62)
Curated editorial playlists	4.35 (0.74)	3.47 (0.72)	3.97 (0.76)	3.73 (0.70)
Podcasts integration	4.27 (0.77)	3.44 (0.76)	4.40 (0.67)	4.05 (0.58)
App UI	3.99 (0.79)	4.13 (0.75)	3.27 (0.78)	4.45 (0.74)
Cross-device integration	4.11 (0.72)	3.97 (0.69)	3.57 (0.63)	4.00 (0.62)

Attribute	Spotify	Apple Music	YouTube Music	Amazon Music
Social/sharing features	4.30 (0.78)	3.78 (0.61)	3.67 (0.61)	3.23 (0.81)
Perceived audio quality	4.05 (0.78)	4.44 (0.62)	4.10 (0.40)	3.86 (0.56)
Excitement	4.30 (0.64)	3.97 (0.54)	3.83 (0.59)	4.00 (0.69)
Competence	4.34 (0.72)	3.97 (0.59)	2.87 (1.07)	4.09 (0.68)
Sophistication	3.98 (0.83)	4.16 (0.92)	3.17 (0.87)	4.05 (0.79)
Ruggedness	4.41 (0.70)	4.00 (0.67)	3.10 (0.66)	4.23 (0.87)

The resulting platform-by-attribute table (summarized in Table 5.3) shows that the competitive landscape is not symmetric. Consistent with industry reports, Spotify tends to perform above the sample average on discovery-related features such as library breadth, recommendation quality and curated editorial playlists, as well as on social features. This pattern reflects its long-standing positioning around exploration, personalized discovery and collaborative listening (Barata and Barata 2023; Hracs and Webster 2021). Apple Music generally scores strongly on perceived audio quality, app UI and sophistication, echoing its premium, device-integrated positioning and emphasis on sound fidelity and design.

YouTube Music often appears particularly competitive on value for money and library breadth, benefiting from the integration with YouTube's broader content ecosystem. However, users tend to attribute slightly weaker scores on "premium" personality traits such as sophistication and competence, suggesting that the service is perceived more as a highly accessible, content-rich platform than as an exclusive or high-end brand (Hracs and Webster 2021). Amazon Music typically displays a more balanced but less distinctive profile across attributes, reflecting its role as part of a wider Amazon ecosystem bundle rather than as a standalone "hero" brand with a sharply defined personality.

These platform-specific contrasts are important because they foreshadow the clusters and whitespace that will later emerge in the perceptual map: platforms that score strongly and consistently on similar attributes tend to occupy adjacent positions in the map, whereas those with distinctive strengths are pulled towards different regions of the perceptual space (Gigauri, 2019). In other words, the descriptive profiles already hint at the underlying perceptual structure that will be formalized through factor analysis in the next subsection.

Taken together, the descriptive analysis in this subsection shows that respondents evaluate music-streaming platforms very favorably overall, but with meaningful variation across attributes and brands. Functional evaluations highlight the centrality of content availability, recommendation quality and perceived value for money, while brand-personality ratings emphasize excitement and ruggedness over more refined traits such as sophistication. At the same time, the four major platforms display recognizable, if sometimes subtle, differences in their strengths and weaknesses. These patterns provide the empirical foundation for the subsequent perceptual-mapping analysis in Section 5.1.2, where the thirteen observed attributes and the platform-specific mean profiles are condensed into a smaller number of underlying dimensions and visually represented in the competitive space.

5.3 Evaluation of Features and Willingness to Pay

5.3.1 Consumer Perceptions

The analysis of consumer perceptions allows us to understand how people rate different platforms based on a set of attributes, both functional: price, service quality, ease of use, variety of offerings and emotional: trust, brand image, overall experience.

A brand's positioning in the digital market is influenced by users' interpretation of its distinctive characteristics rather than its actual performance. The analysis of the results reveals that perceived service quality and ease of use are primary factors influencing customer choice during acquisition. In contrast, brand reputation, clarity of terms of use and continuity are key elements for retention. Platforms that are being perceived as dependable and transparent in their value proposition are linked to competence and solidity, while those more price-oriented are seen as less distinctive but more inexpensive.

A brand-specific conjoint analysis was conducted to verify the consistency between stated perceptions and actual consumer preferences. This analysis estimated the relative importance of each attribute in the decision-making process and identified the most appreciated combinations of characteristics in the reference sample. This method quantifies trade-offs between price, functionality, and quality of experience. It provides an empirical picture of perceived value. The differences in competitive positioning between the main music streaming platforms are demonstrated.

5.3.2 Quantitative Evaluation of Characteristics and Willingness to Pay

The conjoint analysis experiment, which was conducted with a sample of 77 respondents, aimed to estimate consumer preference and to measure their willing to pay for premium features offered by the main music streaming services.

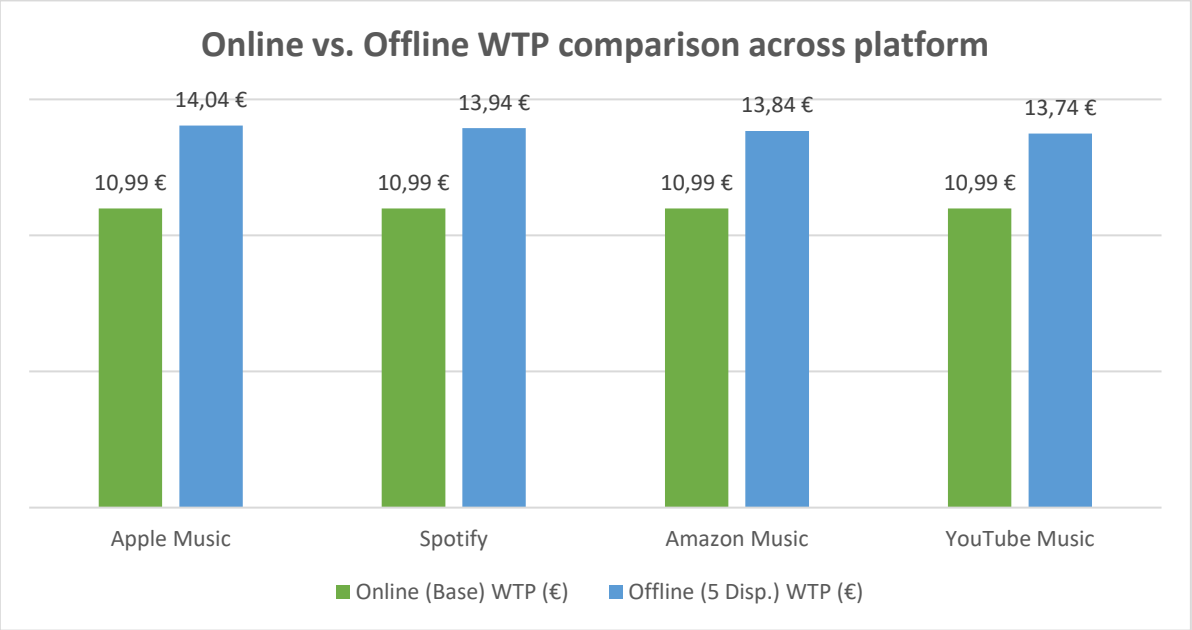
The model showed a good level of alignment with the data (McFadden's pseudo-R^2 = 0.79), which confirmed the internal consistency of the responses and the strength of the resulting estimates. Analysis of the relative importance of the attributes revealed that respondents' decisions were primarily influenced by four factors: price (ranging from 27% to 38% depending on the brand), offline download capability (around 22%), exclusive content (up to 26%), and social features and bundle integration (between 10% and 20%).

While our European sample values offline at €2.75–3.05 incremental WTP, US conjoint analysis estimates $14.40/month (~€13.30) total for algorithm recommendations, playlist creation, social features, and offline access (Jones 2020).

The results indicate that price sensitivity remains a pivotal driver, yet they also reveal that features that enhance the user experience considerably influence perceived value and purchase intent.

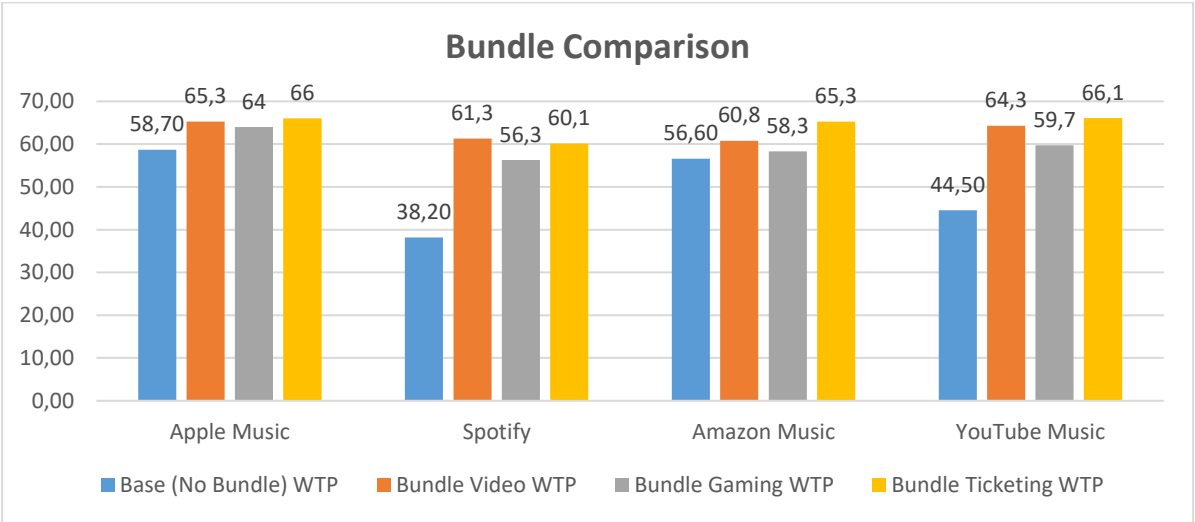
It is indicated by the results that price sensitivity remains a pivotal driver, yet it is also revealed by them that perceived value and purchase intent are considerably influenced by features that enhance the user experience. To provide a more intuitive view of this effect, Figure 5.3 compares the average willingness to pay for the base online subscription. It also compares this with the configuration that includes offline downloads. These can be used on up to five devices across the four main platforms. The chart shows how the offline feature increases total WTP by about €2.75–€3.05 per month, suggesting that multi-device offline access is seen as a valuable premium benefit.

Figure 5.3: Value of Offline Download



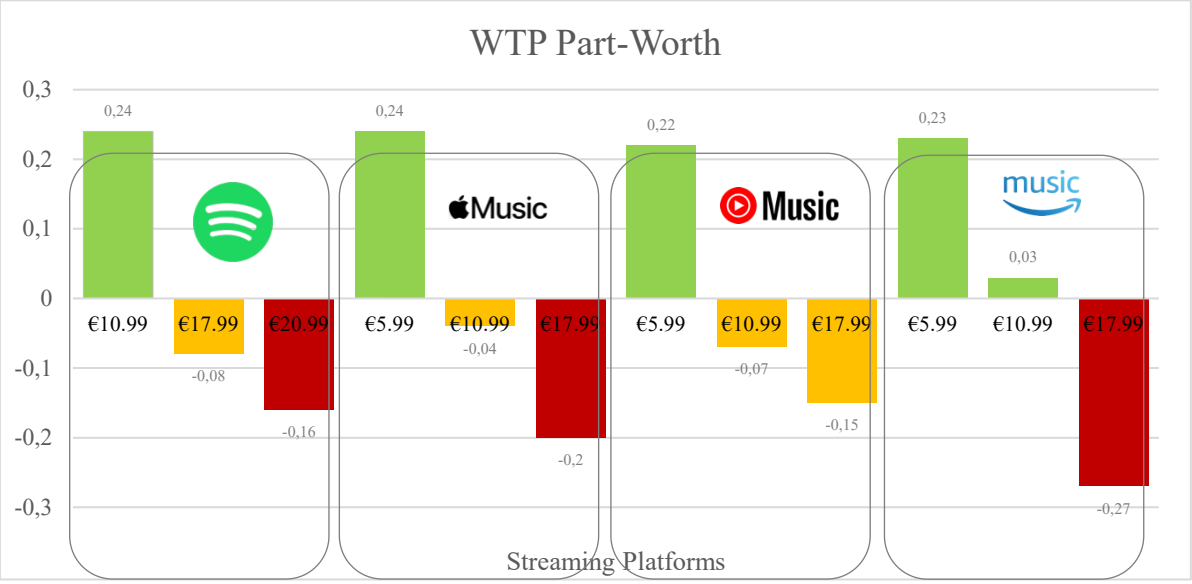
To complement this analysis, Figure 5.4 shows the average willingness to pay for various bundle combinations (no bundle, video streaming, gaming platforms, and ticketing platforms) across the four streaming services. The chart illustrates how bundle promotions consistently lead to an increase in total WTP compared to the base subscription. Notably, ticketing and video bundles result in the most significant uplift, particularly for Spotify and YouTube Music.

Figure 5.4: Bundle comparison of average WTP for base subscription, video, gaming and ticketing bundles across Apple Music, Spotify, Amazon Music and YouTube Music.



Consumer preferences, as indicated by part-worth utility analysis, are for configurations that offer affordable prices, no advertising, and availability on multiple devices. Price increases that exceed the €10.99 per month threshold reduce the likelihood of selection, while advantageous utilities primarily originate from low and medium price brackets, with a significant deterrent effect at higher levels. Figure 5.5 illustrates the average part-worth utilities for each price level, demonstrating the significant drop in appeal associated with the highest price tier.

Figure 5.5: Comparison of the Willingness-To-Pay Part-Worth for Spotify, Apple Music, YouTube Music, and Amazon Music based on price



Interpretation of results

Overall, the results indicate that customer choices in the music streaming market are driven by a balance of economic rationality and the pursuit of quality. Price continues to wield significant influence; nevertheless, the salience of attributes that enhance fluidity and emotional engagement with the platform is progressively escalating. According to most studies (Aaker 1991), brand trust, ease of use, and consistency of experience influence willingness to pay as

much as practical features do. Offering superior perceived value based on a consistent, fluid and high-quality experience is just as important as having competitive pricing policies.

5.4 Barriers to Switching and Loyalty

5.4.1 Switching Drivers and Implicit Costs

The phenomenon of changing user preferences and the duration of their stay on a given platform is influenced by a number of factors. These factors include both obvious and hidden costs. They also include psychological and cognitive factors. These factors are not immediately visible. The behavior of users who remain can be explained by the concept of "consumer inertia" (Polites and Karahanna 2012), according to which the familiarity and the comfort of use of a product or a service are considered to be decisive factors that prevail over the search for potentially more advantageous alternatives. In the sample we examined, the main reasons people didn't switch to a different platform were fear of risk and the belief that the experience would get worse. Psychological and implicit costs that make people reluctant to change, even when faced with more attractive economic offers, are created by familiarity with the interface, the creation of personalized playlists and the history of preferences.

However, conjoint analysis shows that price has a greater influence than psychological factors. This is the case for explicit factors. The estimated importance values suggest that price alone accounts for 27–38% of the variation in user choices. This depends on the platform. It is more than just one psychological factor. This suggests that cost reductions proposed by competitors are the main obstacle to transformation and that customer loyalty is affected by these reductions.

The implicit cost of change, such as the time required to learn a new interface or the uncertainty regarding the catalog, must be offset by an increase in perceived utility. Such a compensation is quantified by the WTP: for a user to be convinced to change their platform, not only must the psychological barriers be overcome by the competitor, but a package that adds a net functional

value equal to or greater than that which the user is willing to pay for their current status must be offered by the competitor. Our analysis indicates that people would be willing to pay around €2.5-3 per month above the base price to abandon the current platform and switch to a new solution without advertising and with active offline features, confirming that only a significant increase in perceived utility can offset the implicit and psychological costs of change. In this context, a wide range of content is offered, and this acts as a non-economic barrier to entry: a new entrant must at least match this value in terms of benefits in order to be perceived as a viable option; otherwise, a competitive advantage is held by the existing platform, which will have to be offset by the competitor by reducing prices.

5.4.2 Loyalty Factors and Implications

In a market where prices are the primary factor influencing decisions, loyalty cannot be confined to economic considerations. Loyalty is built on perceived utilitarian value. Investments should be made in the consistency and continuity of the user experience, the transparency of the service, and the constant quality of functional attributes by platforms that aim to consolidate loyalty (retention). It has been indicated by WTP that these characteristics are considered standards of value, and in their absence, significant disutility is generated, and alternatives are sought by the user.

In our reference group, loyalty stems primarily from a balance of competitive pricing and variety and quality of offerings. This is in line with the results of the conjoint analysis and the empirical literature on digital platforms, which suggest that deep brand attachment is not a primary driver of loyalty. This view is confirmed by the finding that loyalty is not rooted in a deep emotional bond (unmeasured brand loyalty) but in a dynamic relationship between user and platform. In this relationship, the optimal combination of price and functional utility (primarily content variety) is the main lever for ensuring sustainable retention.

6 Discussion

6.1 Theoretical Implications

The application of conjoint analysis to music streaming platforms confirms and expands established theories on consumer choice and the adoption of digital technologies. The results demonstrate that users' decisions are influenced by a balance of economic rationality, primarily price sensitivity, and psychological inertia. The potential for personalization, along with convenience and familiarity, can lead to significant implicit costs, which can prevent individuals from switching to a new platform even when the economic benefits are apparent. Moreover, the analysis enables us to calculate the relative importance of the main attributes. Price is found to be the dominant explicit driver in the propensity to switch, with values ranging from 27% to 38%, depending on the brand examined. These results corroborate models describing digital consumer behavior as arising from multi-attribute functions, where economic and experiential elements intertwine to form perceived value. The study also confirmed that people are only willing to pay for additional features (such as no advertising or offline mode) if they perceive the utility of these features to be high. People will only pay more if the benefits are clearly greater than the costs, both economic and implicit. In summary, in order to effectively model behavior in the digital market, both functional and psychological variables must be considered.

6.2 Managerial Implications

General strategic framework:

From a managerial perspective, the results of the conjoint analysis offer existing market players and new entrants’ clear strategic guidance. The evidence gathered offers valuable insights into loyalty management and acquiring new users. As price is the most important factor for users, platforms need to monitor competitors' pricing policies. Nevertheless, it is an erroneous

supposition to assume that loyalty can be engendered by competition based solely on price. The analysis showed that loyalty is not only based on economic benefits, but also on consistency, transparency and reliability of the user experience, which is why it is so important for businesses to ensure that these factors are taken into consideration when designing their customer experience strategy. Platforms that have already been established and want to make their users more loyal need to invest in consistency and continuity of experience. This can be achieved through transparent, trust-based communication. Medium- to long-term loyalty is primarily based on transparency, reliability, and perceived value. Platforms should prioritize personalized offers. They should also prioritize free trials. And they should prioritize continuous functional innovations. This will minimize perceived barriers for users.

Spotify

The results of the conjoint analysis suggest that, as the market leader, Spotify should focus on two key areas: leveraging its strong brand recognition and enhancing its personalization capabilities. The platform's recommendation algorithms and curated playlists are held in high esteem by users. As Spotify's marketing manager, my main goal should be to keep the premium price by proving it's worth through exclusive podcasts, enhanced audio quality and cutting-edge personalization. Rather than competing on price, Spotify should consolidate user loyalty by continuously improving the user experience and offering exclusive content. Investing in differentiation beyond price is crucial: exclusive partnerships and AI-driven discoveries must be presented as reasons to stay on Spotify, not just to switch to the platform. Furthermore, to maintain brand leadership, it is essential to strengthen trust and transparency by communicating clearly about data privacy and the benefits of personalization.

Apple Music

The so-called 'lock-in effect' due to the Apple ecosystem is beneficial for Apple Music, but analysis shows that this alone is not enough to guarantee lasting loyalty. As the marketing

manager of Apple Music, the strategy should recognize that integration into the ecosystem is added value, but that users need additional reasons to choose and stay on the platform. Pricing policy should be strategically aligned with, or slightly differentiated from, Spotify's, particularly for users outside the Apple ecosystem. Barriers to switching must be overcome by clearly communicating unique features such as lossless and spatial audio with Dolby Atmos, thereby reducing the perceived risk for potential switchers. At the same time, it is essential to focus on the users of the Apple ecosystem and highlight the benefits of an integrated and continuous experience across all Apple devices. In order to acquire new users, free trials should be offered that are longer than the standard three months, and a personalized onboarding process should be provided to help overcome the psychological barriers to switching. The key to staying competitive is to keep innovating, and that means focusing on features that set Apple Music apart from Spotify and make it clear what the added value is.

YouTube

Although YouTube Music enjoys a unique advantage thanks to its vast video library, it faces significant switching barriers and lower perceived value among users. As YouTube Music's marketing manager, your strategy should focus on content differentiation. The marketing communications team should focus on the fact that YouTube Music is the only platform where you can discover new music through video. The pricing strategy must take into account that users are willing to pay less for YouTube Music than for other similar services, which is an important factor to consider. It is vital to decrease the apparent risk for new users by highlighting the incorporation of music and video content as a distinctive innovation and employing a customized onboarding process and free trials to overcome reluctance to switch. The partnership strategy should focus on collaborations with music producers and artists. The aim is to provide exclusive video content that adds tangible value and sets the platform apart.

Amazon Music

Amazon Music has the lowest willingness to pay among the analysed platforms, indicating lower perceived value differentiation. As Amazon Music's marketing manager, your strategy should focus on positioning the brand based on the value it offers, rather than competing directly with Spotify or Apple Music on premium features. Integration with Amazon Prime should be leveraged, and aggressive offers should be used to position the brand as a value-oriented option, which will be more effective than premium positioning. The advantages of integrating with Alexa devices and the smart home ecosystem should be emphasized as practical innovations that reduce inconvenience and deliver real benefits in everyday life. When it comes to acquiring users, the key priority should be to remove barriers to switching through extended free trials and clear communication of the benefits of integration with Alexa. The acquisition efforts should be cantered on existing Prime members and users of smart home devices. Finally, rather than competing directly with Spotify on every front, niche positioning as a smart home–first music platform may be a more effective strategy.

Cross-platform insights

Analysis of user spending habits revealed that, across all platforms, users are willing to pay an extra €2.50 to €3.00 per month, representing a 15-20% increase on the base price, for configurations that include active offline mode and no advertising. This information is crucial for all operators in the sector. It is crucial for all platforms to ensure that their premium offerings clearly communicate the value of ad-free listening and offline mode, as these have been proven to be key factors in choice. Research has shown that the perceived usefulness of a feature is crucial to justifying premium pricing, so transparency about features is essential. To turn this willingness to pay into actual revenue, platforms need to communicate the benefits of features clearly and compellingly. Furthermore, it should be noted that barriers to switching are primarily psychological, relating to perceived risk rather than economic factors. Transparent

communication, trial periods and clearly explained innovative features are more effective than price competition for building sustainable customer relationships.

6.3 The Psychology of Design: How UI Builds Habits

The empirical data gathered in Chapter 5 established that user interface (UI) design is a significant, measurable component of platform perception. Specifically, App UI Intuitiveness (loading 0.68) and Cross-device Integration (loading 0.62) load substantially onto the Brand Experience and Technical Sophistication dimension (Component 1) in the factor analysis. This relationship is visually represented in the perceptual map (Figure 5.2 in Chapter 5), where the attributes' high factor loadings confirm they are the strongest markers of that latent dimension.

As a reminder the numerical value in the parentheses (e.g., loading 0.68) represents the factor loading, which is the correlation coefficient between the measured attribute and the underlying latent dimension; a higher value confirms that the attribute is a stronger, more representative marker of that perceptual dimension. However, the strategic significance of these factors extends far beyond mere technical utility. To fully account for the enduring competitive advantage of platforms like Spotify - which manages to lead the market despite price increases - it is essential to interpret the UX/UI not as a collection of static features, but as a dynamic psychological tool engineered to convert occasional use into ingrained, habitual loyalty. This perspective links the measured perceptual attributes directly to the process of Lock-in and provides a behavioral foundation for the high willingness-to-pay (WTP) exhibited by engaged users.

6.3.1 The Hook Model: Engineering Customer Lock-in

The transition of a user's relationship with a service from a conscious, economically rational choice to a deeply ingrained, automatic routine is a systematic process that can be modeled. Nir

Eyal’s Hook Model provides a powerful framework for this, describing an iterative four-step psychological pattern - Trigger à Action à Variable Reward à Investment - that is intentionally woven into the product experience to establish user habits.

This model explains how platforms effectively bypass constant external marketing efforts, shifting the engine of customer retention from intermittent promotional spending to internal, psychological drivers of continuous, unprompted engagement. The cumulative effect of the Hook Model is to transform the initially assessed economic value into a form of psychological inertia, thereby reducing churn and boosting the perceived value necessary to justify premium pricing.

The platform's design actively guides the user through this four-step sequence repeatedly:

The sequence begins with the Trigger, the initial cue to engage. Triggers can be external, such as a platform notification announcing a new album release, a social media post shared by a friend, or a targeted email marketing communication. Yet, the most potent triggers are internal, arising from the user's emotional states or daily routines - such as the psychological need to regulate boredom, alleviate stress, accompany a commute, or establish a background ambiance. The ultimate goal of the interface design is to establish the streaming app as the immediate, automatic solution that users turn to when experiencing these common emotional states, thereby making the app an indispensable piece of daily psychological infrastructure. Following the cue is the Action phase, which is fundamentally predicated on reducing friction and cognitive effort to the lowest possible threshold.

The high perceived App UI Intuitiveness reported by respondents serves a vital function here by minimizing the time and mental energy required to engage. The desired action is the simple, habitual behavior of opening the app and instantly clicking "Play" on an algorithmically generated list (such as "Discover Weekly"), starting an AI DJ feature, or seamlessly resuming playback on a new device through Cross-device Integration. This low-effort action is crucial

because, according to principles of behavioral economics, habits are formed fastest when the required action is executed with the least amount of conscious thought.

The next step is the Variable Reward, which is the engine that generates functional dependence and keeps the user returning. Unlike predictable rewards, the variability in the music streaming context, the element of uncertainty and surprise inherent in discovering a novel track that perfectly aligns with one's taste, or finding an unexpected video in a playlist—releases a surge of dopamine. This instantaneous, personalized delivery of unexpected content ensures the experience is intrinsically rewarding. Since the variable reward (the personalized recommendation) is unique to the data profile accumulated on that specific platform, it functions as a critical element of functional dependence that cannot be easily replicated by a competitor, solidifying the platform's long-term retention potential.

The final and most crucial step for retention is the Investment. This stage captures the effort a user voluntarily inputs into the platform that increases the personal value they derive from the service while simultaneously creating a disincentive to switch providers. Investments are measurable actions that accumulate value, such as explicitly training the AI by liking or excluding songs, creating collaborative playlists for social functions, curating a personal library, and following specific artists. This self-generated "Consumption Capital"—the history of preferences and customized settings—is an intellectual, procedural, and relational cost that the user would inevitably lose by switching. This accumulated investment directly quantifies the strength of the Lock-in effect and the implicit switching costs measured by the presence of the "status quo" option in the Choice-Based Conjoint (CBC) analysis.

6.3.2 Passive vs. Active UX: The Dual-Consumption Model and Perceptual Positioning

The strategic success of the market leader, as evidenced by Spotify's positioning in the upper-right quadrant of the perceptual map, stems from its capacity to simultaneously facilitate two

distinct modes of music consumption, catering to both the utilitarian and hedonic dimensions of user attitude. This dual-mode design minimizes the user's need to multi-home and directly addresses the risks of Subscription Fatigue in saturated markets. The Passive ("Lean-Back") UX: Maximizing Utility and Discovery.

This mode is purely algorithmic and convenience-focused, designed to minimize user decision-making effort and friction, consistent with the utilitarian source of attitude. The user largely delegates curatorial control to the algorithm. This approach is highly effective because consumers often use music streaming as a complement to other activities, such as driving or exercising, making the demand for an effortless experience paramount. This mode reinforces the daily habit loops of the Hook Model.

This Lean-Back consumption style strongly aligns with the Content Value and Discovery dimension (Component 2), where platforms are valued for Recommendation Quality (loading 0.79) and sheer Library Breadth (loading 0.85). YouTube Music excels here due to the integration of its massive content ecosystem, positioning it high on this axis. However, the lack of a complementary "Lean-Forward" experience limits its ability to escape its "content-rich but brand-weaker" perception. The Active ("Lean-Forward") UX: Fostering Identity and Emotional Investment.

Conversely, the Active UX model requires conscious user engagement, positioning the user as an active curator or participant. This experience is associated with high-value actions, such as interacting with exclusive content (live shows, original podcasts), manually searching for niche tracks, and utilizing advanced features like high-fidelity or spatial audio. This more intensive consumption style is highly correlated with the Brand Experience and Technical Sophistication dimension (Component 1). It captures the hedonic source of attitude - the affective and symbolic responses represented by the brand personality traits of Sophistication (loading 0.79) and Competence (loading 0.74). The Active UX satisfies higher-order psychological needs,

such as the social need and the esteem need, by facilitating the accumulation and sharing of social currency through music knowledge and curated playlists. Apple Music's strong position on this axis reflects its premium, design-oriented ecosystem, where the Active UX is highly valued.

Spotify's capacity to seamlessly integrate both the Lean-Back utility of discovery with the Lean-Forward investment of curation allows it to minimize the trade-off inherent in the digital market and maintain its balanced leadership position, maximizing user Consumption Frequency and strengthening its justification for premium pricing in the face of competitive threats. This mastery of the dual-mode consumption model proves that, in a mature market, UX strategy is retention strategy.

7 Conclusion and Recommendations

7.1 Summary of Results

The research showed that consumer decisions in the music streaming sector are influenced by a combination of economic factors. These factors include price sensitivity. The research also showed that psychological factors influence consumer decisions. Examples of psychological factors are inertia and habit. Empirical results confirmed that price is the main explicit factor influencing propensity to switch platforms, accounting for 27–38% of relative importance in choices depending on the brand. However, users are willing to pay a surcharge of around 2.50-3€ per month for additional features, such as active offline mode and the elimination of advertising. The perceptual map shows that Spotify is perceived as a well-rounded platform with solid user experience and content value. YouTube Music is seen as excelling in terms of content breadth and value, while Apple Music is perceived as premium due to its brand and technical quality. Amazon Music is positioned more centrally and less distinctively. On the whole, it can be stated that the services have attained a satisfactory level of satisfaction; nevertheless, it is also true that there are still many discrepancies in preferences and perceptions regarding the various services.

7.2 Theoretical Implications

Integrating both functional variables (price, variety of offer, technical quality) and psychological variables (habit, familiarity, perceived risk) into digital choice models is useful, according to the research, at least in theory. The S-O-R framework suggests that the overall perception of streaming services is the result of a combination of factors. On the one hand,
there are the functional stimuli, which include technical and economic attributes. On the other hand, there is brand experience, which encompasses image, sophistication and reliability. Conjoint analysis revealed the relative importance of each attribute and confirmed that behavior

in the digital market is influenced by multiple factors, including economic and experiential elements.

7.3 Managerial Implications

In terms of management, the results suggest that competition can no longer be based solely on expanding the catalogue. Content is consolidating. This requires companies to differentiate themselves. They should invest in the user experience. This includes the user interface and integration between devices. They should also invest in transparency, premium features and personalization through recommendation algorithms. It is vital to clearly convey the advantages of premium features (e.g., offline capability and absence of advertising) and methodically address psychological obstacles to change. Free trials, transparency, and ongoing innovation decrease the perceived risk of switching, thereby fostering loyalty. Willingness to pay extra for ad-free services indicates clear segmentation. This, along with differentiated pricing, increases monetization capacity.

7.4 Research Limitations and Potential for Future Studies

Like other studies, there are some limitations in our research which need to be considered. The first limitation concerns the sampling strategy. As noted, the sample was recruited primarily through convenience sampling via social networks, resulting in a demographic profile heavily biased towards younger generations (Gen Z and Millennials) and residents of Southern Europe (Portugal and Italy). While this demographic represents the "lead users" of digital technology, the findings may not fully capture the perceptions of older demographics with different consumption habits or other European markets. Future studies should aim to address this by employing stratified random sampling to include a more diverse age range and a broader geographical scope across Europe, thereby verifying if cultural or generational differences significantly alter brand perception.

Secondly, the study relies exclusively on self-reported data, which introduces potential subjective bias and the well-known "intention-behavior gap." There is often a discrepancy between what consumers state they value (e.g., rating "High Audio Quality" as excellent) and their actual usage behavior. To overcome this, future research could extend the survey methodology by integrating behavioral data (e.g., actual usage logs, screen time statistics) or conducting experimental tests (e.g., A/B testing of interfaces). This mixed-method approach would allow researchers to validate whether high perceptual scores truly translate into sustained user engagement.

From a methodological perspective, the two-factor solution explained 50.36% of the total variance. While this meets the acceptable threshold for exploratory research in social sciences (Hair et al. 2019), it also reflects a deliberate methodological trade-off. Standard factor reduction procedures often suggest eliminating attributes with lower communalities to artificially boost total explained variance. However, in this study, a decision was made to retain all 13 attributes to preserve the theoretical integrity of the proposed "Utilitarian - Hedonic" framework. Excluding lower-loading attributes (e.g., potentially "Social/Sharing Features") would have compromised the comprehensive coverage of the consumer experience model. Thus, the moderate variance explained is acknowledged as a necessary cost of maintaining a holistic attribute set, rather than optimizing solely for statistical metrics. Future research, however, could refine this instrument by conducting a pre-study item reduction phase to identify more statistically potent indicators before the main survey.

Finally, the results may be influenced by the "Ecosystem Halo Effect." Given the high proportion of iOS users (79%) and Apple Music subscribers in the sample, the high scores for Apple Music on attributes like "Sophistication" may stem from a general affinity for Apple hardware rather than the service itself. Additionally, the analysis treated all users as a homogeneous group, potentially masking differences between Freemium and Premium

segments. Future research should specifically analyze these differences by conducting multi-group comparisons (e.g., iOS vs. Android, Free vs. Paid) and investigating the role of ecosystem integration, such as smart home connectivity and bundled services as a primary driver of retention rather than just a feature.

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