

The Role of Online Reviews and Marketing Strategy in Shaping the Perceptions of Spotify Premium and Free Users: A Case Study of 2023

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ABSTRACT

This study aims to explore the role of online reviews and marketing strategies in shaping user perceptions of Spotify services, both Premium and free versions. The theories that underlie this study include the Electronic Word of Mouth (eWOM) theory and the Customer Perceived Value (CPV) theory. The eWOM theory explains how online reviews influence user decisions in choosing a service, while the CPV theory emphasizes the importance of the value perceived by users of the services offered. This study uses a qualitative method with a case study approach, where data analysis is collected through in-depth interviews and online review content. The results of the study show that positive reviews have a significant impact on increasing user trust and encouraging them to switch from free to Premium services. In addition, effective marketing strategies, such as creative campaigns and freemium models, also contribute to user decisions. As a suggestion, Spotify is advised to continue to strengthen its marketing strategy through innovation features, increase user engagement through social media, and pay attention to user feedback to improve service quality.

Keywords: Online Reviews, Marketing Strategy, Spotify, User Perception.

INTRODUCTION

The rapid development of information technology, especially the internet, has resulted in significant changes in various sectors, including the music industry (Netti & Irwansyah, 2018). One of the most prominent changes is the emergence of music streaming services, which are now the main choice in enjoying music digitally. Spotify, as one of the leading streaming platforms globally, offers excellent features such as access to millions of songs, personalized playlist creation, and two types of services: free and premium.

Spotify was founded by Daniel Ek and Martin Lorentzon in Sweden in 2006 with the aim of tackling music piracy and providing legal access for users (Ramadhinda et al., n.d.). Over time, the platform has continued to evolve its marketing strategy, including a freemium model and creative campaigns such as "Spotify Wrapped", to increase user appeal and loyalty.

In the context of the Spotify service, user perceptions of the service are strongly influenced by online reviews (eWOM) and the marketing strategies implemented. According to Chevalier & Mayzlin, the Electronic Word of Mouth theory explains that consumer reviews through digital media can influence user decisions (Holm & Günzel-Jensen, 2017), while the Customer Perceived Value theory emphasizes the importance of the value that users perceive towards a service (Holm & Günzel-Jensen, 2017).

This study aims to explore how online reviews and marketing strategies play a role in shaping users' perceptions of Spotify, and to identify the factors that influence users' decision to switch from free to premium services. Using a qualitative approach through in-depth interviews and content analysis of online reviews, this study provides deep insights into the user behavior of music streaming services in the digital age.

METHODOLOGY

This research uses a descriptive qualitative method with a case study approach. This approach was chosen because it allows researchers to explore in depth the subjective experiences of Spotify users in responding to online reviews and the marketing strategies implemented. In this study the authors used two data sources, namely:

- a. Primary Data: Obtained through in-depth interviews with 3 Spotify users (free and premium) who have been using the service for at least 3 months.
- b. Secondary Data: Derived from scientific journals, industry reports, news articles, as well as user reviews from the Google Play Store and App Store

Analyzing of Data

- a. Thematic Analysis: To categorize the data from the interviews into key themes such as service perceptions, the role of online reviews, and marketing strategies.
- b. Content Analysis: To assess the tendency of user reviews towards Spotify based on the aspects of features, price, and usage experience.

RESULTS AND DISCUSSION

This research shows that online reviews play an important role in shaping users' perceptions of Spotify. Positive reviews from social media, forums and video testimonials help users understand the benefits of the service, both free and premium. Free users find the review information helpful, while premium users use the reviews as a reference in their subscription decision.

In addition, Spotify's marketing strategies such as the Spotify Wrapped campaign and personalization features like Discover Weekly increase emotional engagement and user loyalty. These creative promotions are effective in attracting new users and encouraging existing users to switch to premium services.

The factors that encourage users to switch to premium include an ad-free experience, offline mode, and better audio quality. However, some users continue to stay with the free version because they feel that these features are sufficient and the subscription fee is not worth it. Overall, the combination of online reviews and personalized marketing strategies contributed greatly to increasing users' positive perception, satisfaction, and loyalty towards Spotify.

Table 1. Characteristics of Respondents by Age

No	Demographic Characteristics	Student		Employess	
		Total	%	Total	%
1.	Gender				
	Male	1	50	1	100
	Female	1	50		
2.	Age				
	18-20	1	50		
	21-30	1	50	1	100
	>30				
3.	Educational Qualifications				
	High School				
	Diploma	2	100	1	100
	Bachelor	145	83.8	91	90.1

Source: Processed Data

Based on the data obtained from Table 1, the frequency distribution of respondents based on age and occupation in using Spotify services is shown. Respondents with an age range of 21-30 years totaled two people, consisting of one male student and one male employee. This age range generally describes the transition phase into the workforce, where individuals begin to show a preference for efficiency, comfort, and convenience in accessing digital services, including music streaming applications.

Meanwhile, one other respondent is in the age range of 18-20 years old and is a female student. This age group tends to be more explorative, adaptive to technology, and has an interest in digital trends and interactive features offered by platforms like Spotify.

In terms of occupation, the majority of respondents in this study were students, as many as two people, consisting of one male and one female. Meanwhile, one other respondent is a male employee. Students use Spotify as a means of entertainment and support for learning activities, with a tendency to choose the free version of the service which is considered sufficient to meet their needs. In contrast, respondents who work as employees choose premium services to get more convenience when listening to music, especially when working or traveling.

This combination of age group, gender, and occupational background illustrates the variation in perceptions and preferences in using Spotify. Students show enthusiasm in exploring free features, while employees prioritize convenience and uninterrupted access through paid services. The findings suggest that age, occupation, and usage needs influence perceptions and decisions on Spotify service types.

Discussion

This research reveals that online reviews and marketing strategies play complementary roles in shaping users' perceptions of Spotify services, both free and premium versions. Online reviews serve as a key source of information that helps users understand the advantages and disadvantages of each type of service. Many users rely on testimonials and experiences of others before making a decision to use Spotify services, reflecting the importance of electronic word of mouth (eWOM) elements in their consideration process.

From the interviews with three informants-two free users and one premium user-it appears that online reviews generally create initial trust in Spotify. Free users were quite satisfied with the features available despite limitations such as ads or random playback. However, they also showed interest in the premium service after reading reviews that highlighted additional benefits such as offline features and higher audio quality.

Spotify's marketing strategies, especially creative campaigns like Spotify Wrapped, have also proven successful in shaping a personalized and enjoyable listening experience. These campaigns not only increase user loyalty, but also create a strong emotional bond between users and the platform. Through these strategies, Spotify is not only promoting its services, but also building an active and engaged user community.

In addition, collaborations with artists and technology companies and the adoption of a freemium model provide users with an initial experience and gradually encourage them to upgrade to premium services. Other factors such as ease of use, personalized song recommendations, and premium trial promotions also influence users' decision to subscribe. Overall, the combination of positive online reviews and innovative marketing strategies creates a strong and favorable perception of Spotify. This perception, in turn, encourages users to stick with the service or even switch to the premium version for a more satisfying and hassle-free experience.

CONCLUSION

This research shows that online reviews and marketing strategies have a significant influence in shaping users' perceptions of Spotify services. Positive reviews strengthen the trust of potential users and are a key factor in the decision to try or upgrade to Premium services. Innovative marketing strategies, such as the "Wrapped" campaign, as well as the freemium model, provide a personalized and engaging experience for users. Overall, Spotify's approach created high customer perceived value, strengthened user loyalty, and expanded the customer base through experiential interactions.

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