

## **THE INFLUENCE OF PERCEIVED VALUE, PERCEIVED EASE OF USE, AND SERVICE QUALITY ON CUSTOMER LOYALTY MEDIATED BY CUSTOMER SATISFACTION: A STUDY OF JOOX MUSIC STREAMING**

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### **ABSTRACT**

The rapid digitalization of the entertainment industry has transformed how consumers perceive, engage with, and remain loyal to music streaming platforms. This study investigates the influence of perceived value, perceived ease of use, and service quality on customer loyalty, with customer satisfaction as the mediator, within the context of the JOOX music streaming application in Indonesia. Integrating the Technology Acceptance Model (TAM), SERVQUAL, and Perceived Value Theory, this research develops a comprehensive framework that captures both cognitive and experiential dimensions of user behavior in freemium digital ecosystems. Employing a quantitative approach with Partial Least Squares– Structural Equation Modelling (PLS-SEM), data were collected from 260 active JOOX users representing Millennial and Generation Z cohorts. The findings reveal that perceived value, ease of use, and service quality each exert significant positive effects on customer satisfaction, which in turn strongly predicts loyalty intention. Furthermore, customer satisfaction demonstrates a mediating role, linking user perceptions to behavioral loyalty. The study extends existing digital loyalty literature by empirically validating an integrated theoretical model in an under-researched Indonesian context. Practically, it offers strategic insights for platform managers seeking to enhance user retention through superior service quality, simplified usability, and value-driven engagement. These results provide a timely contribution to understanding loyalty formation in technology-enabled business ecosystems.

**Keywords:** Perceived Value, Ease of Use, Service Quality, Customer Satisfaction, Customer Loyalty, PLS-SEM, Digital Business, Freemium Model, JOOX.

### **INTRODUCTION**

Music streaming platforms have transformed consumer behavior globally. In Indonesia, JOOX launched in 2015 and initially led the market, but later lost ground to Spotify and YouTube Music. This shift reflects the evolving expectations of users regarding personalization, usability, and service performance (Li et al., 2025).

Previous studies (Sae-Tae & Wang, 2024; Yum & Yoo, 2023) confirm that perceived value, service quality, and ease of use strongly influence satisfaction and loyalty in digital services. However, most research focuses on Western or global platforms, leaving a gap in understanding Southeast Asian freemium ecosystems.

To address this gap, this study integrates three theoretical perspectives: TAM, SERVQUAL, and Perceived Value Theory to develop a comprehensive loyalty model. The objective is to determine the direct and indirect effects of perceived value, perceived ease of use, and service quality on customer loyalty, as measured by customer satisfaction among Indonesian JOOX users.

### **METHOD**

This study applied a quantitative causal design. The population comprised active JOOX users from Indonesia belonging to Millennials and Generation Z, as they represent the most dominant digital consumers. Using purposive sampling, data were collected via an online questionnaire distributed through social media.

A total of 260 valid responses were obtained. Each construct was measured using a five-point Likert scale (1 = strongly disagree; 5 = strongly agree) adapted from validated instruments: Perceived Value (Sweeney & Soutar, 2001), Perceived Ease of Use (Davis, 1989), Service Quality (Parasuraman et al., 1988), Customer Satisfaction (Oliver, 1980), and Customer Loyalty (Oliver, 1999).

The data were analyzed using PLS-SEM (Smart-PLS 4), which is suitable for predictive and exploratory research models. The measurement model was tested for reliability (Cronbach's  $\alpha$ , CR) and validity (AVE, HTMT). The structural model assessed the path coefficients,  $R^2$  values, and significance using 5,000 bootstrap resamples.

**Table 1. Respondent Demographic Profile (n = 260)**

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	129	49.2
	Female	131	50.8
Age	<18 years	20	7.6
	18–24 years	130	50.4
	25–34 years	93	35.5
	35–44 years	17	6.5
Occupation	Student	112	43.8
	Private employee	84	32.3
	Freelancer/Other	64	24.6

Source: Primary data processed (2025)

## RESULTS AND DISCUSSION

### Measurement Model Evaluation

All constructs achieved high internal consistency: Cronbach’s  $\alpha$  (0.828–0.940) and Composite Reliability (0.886–0.957). The Average Variance Extracted (AVE) values exceeded 0.50, confirming convergent validity. Discriminant validity was supported as all HTMT ratios were below 0.85.

**Table 2. Correlation Matrix and Discriminant Validity**

Variable	PV	PEOU	SQ	CS	CL
Customer Loyalty (CL)	0.921				
Customer Satisfaction (CS)	0.795	0.834			
Perceived Ease of Use (PEOU)	0.145	0.180	0.850		
Perceived Value (PV)	0.516	0.624	-0.031	0.812	
Service Quality (SQ)	0.484	0.590	-0.032	0.473	0.809

Note: Diagonal values =  $\sqrt{AVE}$ ; all correlations significant at  $p < .001$ .

### Structural Model Results

The model explained  $R^2 = 0.545$  for Customer Satisfaction and  $R^2 = 0.632$  for Customer Loyalty, indicating strong explanatory power. All hypothesised paths were significant at  $p < 0.001$ .

**Table 3. Path Coefficient and Hypothesis Testing**

Hypothesis	Relationship	$\beta$	t-value	p-value	Result
H1	Perceived Value $\rightarrow$ Satisfaction	0.449	10.477	<0.001	Significant
H2	Perceived Ease of Use $\rightarrow$ Satisfaction	0.206	4.803	<0.001	Significant
H3	Service Quality $\rightarrow$ Satisfaction	0.385	9.145	<0.001	Significant
H4	Satisfaction $\rightarrow$ Loyalty	0.795	43.221	<0.001	Significant
H5	Perceived Value $\rightarrow$ Satisfaction $\rightarrow$ Loyalty	0.357	9.792	<0.001	Significant
H6	Perceived Ease of Use $\rightarrow$ Satisfaction $\rightarrow$ Loyalty	0.164	4.825	<0.001	Significant
H7	Service Quality $\rightarrow$ Satisfaction $\rightarrow$ Loyalty	0.306	8.889	<0.001	Significant

These results confirm that perceived value, ease of use, and service quality significantly influence satisfaction, which partially mediates their impact on loyalty.

Figure 1. Theoretical Framework



An integrated conceptual model showing that perceived value (PV), perceived ease of use (PEOU), and service quality (SQ) positively influence customer satisfaction (CS), which subsequently affects customer loyalty (CL). Satisfaction mediates the relationships among antecedents and loyalty.

### Discussion

Findings align with TAM and SERVQUAL literature, demonstrating that satisfaction acts as the psychological bridge linking evaluative perceptions to loyalty (Oliver, 1999; Yum & Yoo, 2023). In the JOOX context, users perceive high satisfaction when emotional value and system usability converge with responsive service. This aligns with Sae-Tae & Wang (2024), who observed that perceived value strongly drives satisfaction in freemium music apps.

Managerially, the results suggest that personalization, ease of navigation, and consistent service quality are key levers for rebuilding user trust and loyalty in competitive streaming markets.

### CONCLUSION

This research empirically validates that perceived value, perceived ease of use, and service quality significantly influence customer satisfaction, which in turn enhances loyalty among JOOX users. Customer satisfaction serves as a partial mediator connecting evaluative perceptions with behavioral commitment.

**Theoretical Contribution:** Integration of TAM, SERVQUAL, and Perceived Value Theory offers a unified framework for understanding loyalty in freemium digital ecosystems.

**Managerial Implication:** JOOX should prioritize emotional engagement, ease of use, and reliable service to strengthen loyalty and mitigate user attrition.

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