

# EXPLORING ANTECEDENTS AND CONSEQUENCES OF SERVICE CO-CREATION WITHIN SUBSCRIPTION BASED MUSIC PLATFORMS: AN INTEGRATED APPROACH

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## EXTENDED ABSTRACT

Over the past two decades there have been significant changes to the music industry which led to downloading, file sharing and the introduction of subscription based music platforms. These changes have caused music platform companies to compete for market share by providing the highest quality service offerings. These music platforms have gradually gained much popularity because of their growing influence on our daily lives. Nevertheless, much of the literature on music platforms is revenue - centric, while little work addresses the concept of service co-creation values. The notion of value co-creation (Prahalad & Ramaswamy, 2004) posits the co-creation between the service provider and the customers in online contexts. Additionally, an increasing body of research discovers value co-creation in services, yet our knowledge about what the value is and how it is co-created in subscription based music platforms is still scarce. The literature relating to impulsive listening behavior is even more underdeveloped. To the best of our knowledge, impulsive listening behavior has not been examined. Therefore, our study aims to fill the knowledge gap by investigating customer experiences on music platforms. Drawing upon DeLone and McLean's IS Success Model (DeLone, & McLean, 2003) and Service Dominant Logic (Vargo & Lusch, 2004), we propose a comprehensive model to examine factors which promote artists' popularity and encourage customers to listen to music impulsively and stick to subscription based platforms. Measurement items of all 9 constructs (service quality, system quality, information quality, economic value, enjoyment value, relational value, impulse listening, artist popularity, customer loyalty) were adapted from previously validated instruments to ensure content validity of our survey questionnaire. All items employed a seven-point Likert-type scale (1= strongly disagree; 7=strongly agree). A pilot test through online survey was conducted with 32 participants who had used a subscription based music platform in the last six months, and some items were refined, based on respondents' feedback and results. The internal consistency of all measures was assessed by calculating Cronbach's alpha. All Cronbach's alpha values yielded acceptable results (>0.7). Subsequently, the empirical data of main survey was collected via an online survey method. The survey was distributed through Amazon Mechanical Turk in August 2016. Through the initial screening question of the questionnaire, we were able to target

only individuals with experience of participating in any subscription based music platform. A total of 532 valid responses remained after deleting invalid questionnaires with missing items. The research model was analyzed with SmartPLS using partial least squares (PLS), because PLS has less restriction on variable distribution (Hair et al., 2011). The measurement model was confirmed using three main criteria: internal consistency, convergent validity and discriminant validity. Consequently, Harman's one-factor analysis was performed to check if data have common method bias. The results indicated that no single factor accounted for >50% of variance, suggesting that common method bias may not be a serious problem. The significance of the paths in the model was tested using a bootstrap resample procedure with 5000 re-samples. 13 of 17 hypotheses were supported. The effect of impulsive listening on artist popularity was the strongest, followed by the impact of enjoyment value on customer loyalty. On the contrary, the impulsive listening was not found to affect customer loyalty. Our findings extend service research by the application of IS success model and service dominant logic to explore determinants that affect impulsive listening behavior, artist popularity and customer loyalty in relation to subscription based music platforms. This study also offers practical insights into music service providers. Our proposed model provides a useful theoretical foundation for further research on digital service adoption.

**KEYWORDS:** Subscription based music platform, Service Dominant Logic, IS success model, impulse listening, customer loyalty

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