

Factors Affecting the Demand for Digital Music Streaming of Filipinos Residing in Metro Manila

Pauline Elizabeth Guevarra^{1*}, Karylle Nicole N. Ramilo², Ronaldo R. Cabauatan³

^{1,2}College of Commerce and Business Administration, University of Santo Tomas, Manila, Philippines

³Research Center for Social Sciences and Education, The Graduate School, University of Santo Tomas, Manila, Philippines

Abstract: This research examined the factors affecting the demand for digital music streaming by Filipinos residing in Metro Manila. Hedonic motivation, perceived price, subjective norm, and trust were analyzed to determine consumers' willingness to pay for a digital music streaming subscription. The researchers adopted a quantitative descriptive study and gathered primary data from Filipinos aged 16 to 50 residing in Metro Manila using a self-made questionnaire. A Likert Scale was utilized to measure the factors previously mentioned. Accordingly, the data-gathering procedure was mainly conducted online. Previous studies claimed that hedonic motivation, perceived price, subjective norm, and trust significantly affect consumer behavior. However, in contrast, this study stated that only three out of the four said variables were proven to significantly affect the demand for digital music streaming by Filipinos residing in Metro Manila. This study's findings can benefit companies that offer digital music streaming services, music industry players, the creative sector of the Philippines, and future researchers.

Keywords: consumer behavior theory, digital music streaming platforms, hedonic motivation, music streaming, perceived price, subjective norm, trust.

1. Introduction

The developments concerning digital technologies since the 1990s have had a crucial effect on culture, particularly music, resulting in changes in music creation, consumption, production, distribution, and promotion (Pinch & Bijsterveld, 2004; Ricardo, 2017). Digital technology has significantly accelerated the spread of music, making it easier for musicians and fans alike (Sen, 2014). As a result, music in all forms, through the years, had turned into a commodity—a way to make money that could be sold and consumed. From there, it had turned into an industry, defined as the systematic production of value (Álvarez, 2017). Music has been around for a long time and is a powerful means of connecting people. It is an unparalleled means of expressing uniqueness and crossing linguistic and cultural barriers. The music industry produces significant social, cultural, and economic advantages (Terill et al., 2015).

Music consumption initially relied on live performances. At present, music consumption through streaming services has become the norm. Pandora, iTunes Radio, iHeartRadio, Youtube, and Spotify are some streaming services that exceeded digital music sales to take the lead in the music

industry (Dov, 2017).

Tables 1, 2, and 3 are worldwide statistics of the different rampant music streaming platforms available for the public for the years 2019-2022.

A. YouTube

Table 1
 Youtube's number of users/streamers, paid subscribers, and estimated revenue for years 2019, 2020, 2021, and 2022

Year	Users or Streamers (in billions)	Paid Subscribers (in millions)	Estimated Revenue (in billion dollars)
2019	2	18	15.1
2020	2.3	30	19.7
2021	2.5	50	28.8
2022	2.6	80	29.2

Note: Non-subscribers can listen to Youtube Music

Source: <https://www.businessofapps.com/data/youtube-statistics/>

B. Spotify

Table 2
 Spotify's number of users/streamers, paid subscribers, and estimated revenue for years 2019, 2020, 2021, and 2022

Year	Users or Streamers (in billions)	Paid Subscribers (in millions)	Estimated Revenue (in billion dollars)
2019	232	108	6.76
2020	299	138	7.88
2021	365	165	9.66
2022	433	188	11.72

Note: Non-subscribers can listen to Youtube Music

Sources: <https://www.businessofapps.com/data/youtube-statistics/>

Supplementary to the tables above, Figure 1 provides relevant information regarding the time spent utilizing different media and devices in the Philippines during the third quarter of 2022 on a daily basis.

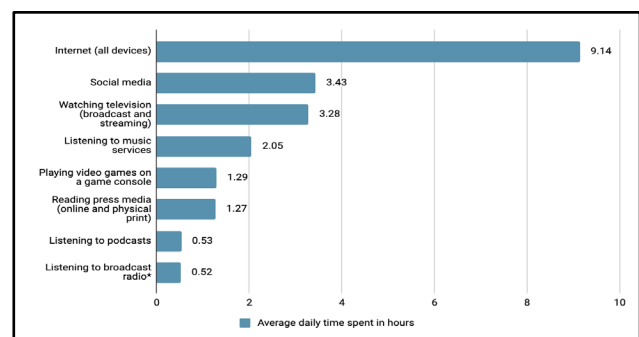


Fig. 1. Average daily time spent using various media and devices in the Philippines as of 3rd quarter 2022, by activity

*Corresponding author: paulineelizabeth.guevarra.comm@ust.edu.ph

Note: Broadcast radio does not include internet radio consumption, data were based on responses to a global survey, and the source does not specify the number of respondents.

Sources:

<https://www.statista.com/statistics/803812/daily-time-spent-using-online-media-by-activity-philippines/#:~:text=Daily%20time%20spent%20using%20various,Philippine%20Q3%202022%2C%20by%20activity&text=Internet%20users%20in%20the%20Philippines,social%20media%20was%203.43%20hours>

Based on the statistics above, the emergence of the digital era is notably evident in today's world. "A notable portion of the Filipino population uses social media frequently in addition to just exploring the web." (Statistics Research Department, 2023) As of the third quarter of 2021, the most popular social media platforms in the Philippines include TikTok and Meta platforms like Facebook and Instagram. Due to the widespread adoption of digital technology, knowing the internet usage of a nation could help the music industry to adapt to new ways and strategies to promote their line of work and be more innovative.

Given the laid-out numbers and statistics, it has been an interest for the researchers to learn more about the demand for digital music streaming services of Filipinos residing in Metro Manila. In the course of this study, the researchers would like to answer the question: "How significant are the factors namely: (1) Hedonic Motivation, (2) Perceived Price, (3) Subjective Norm, and (4) Trust to the demand of consumers towards digital music streaming platforms.

This study aims to know how significant the effect of Hedonic Motivation is to the willingness of a certain consumer residing in Metro Manila to pay for digital music streaming subscription/s. Through knowing more about this, firms will make decisions that favor their market in terms of which aspect of their service they should innovate and invest more on. Consistent with the endogenic characteristic of the independent variables of this study, this research wants to see how the Perception of a certain consumer towards price affects their willingness to subscribe to a particular digital music streaming service. By having a deeper understanding of the consumers' perception toward the price of digital music streaming services, players in the industry will be able to make an educated decision that recognizes their market's liking in terms of setting the price of their product or service. The third variable of this study is Subjective Norm which is said to be the force in an individual to conform to other people's ways, opinions, perceptions, etc. In simple terms, social influence, standards, norms, and pressure. Diving deeper into this concept can allow companies to be aware of the trends and eventually adjust to the systems consumers live by. Lastly, it is also an objective of this research to learn more about the significance of Trust to the willingness of a consumer to pay for musical streaming subscription/s. Learning more about this can help firms to value customer relationships and quality service.

In an article by Stefan Hall published in the World Economic Forum it is said that "The global music industry is worth over \$50 billion, with two major income streams. The first, live music, makes up over 50% of total revenues and is derived mainly from sales of tickets to live performances. The second, recorded music, combines revenue from streaming, digital

downloads, physical sales and synchronization revenues (licensing of music for movies, games, TV and advertising)." Since the music industry has 2 income streams: live and pre-recorded with both streams composing half of the industry's profit, we can say that pre-recorded music has a significant part on the economic standing of the industry.

Through this research, players in the music industry, particularly ones that dabble with pre-recorded music and musical streaming services will be able to use this market research to further develop and innovate their product or service. Production houses, record labels, artists, singers, songwriters and alike will benefit from this research as it addresses the factors affecting demand towards digital music streaming platforms that affect many constituents in the music industry. Given that the music industry is an element of the overall economy of the Philippines, if the music industry grows it can also help grow the economic standing of the said country. Finally, this study can be of help to other researchers that aim to study and learn more about the demand for digital music streaming platforms of Filipinos residing in Metro Manila.

This research is a study focusing on consumer behavior of Filipinos residing in Metro Manila towards recorded music. With that, this study's respondents will be limited only to Filipinos who live and reside in Metro Manila. According to a 2020 census made by the Philippine Statistic Authority, Metro Manila or the National Capital Region (NCR) has the second largest population in the Philippines next to CALABARZON. NCR is composed of 16 cities. The researchers decided to use this particular region because of 3 reasons namely, (1) Convenience—the researchers themselves resides in Metro Manila which makes it easier for them to gather data, (2) Accuracy—given the population of the research locale, according to a study on sample size, "A sample that is larger than necessary will be better representative of the population and will hence provide more accurate results." (Andrade, 2020), and lastly, (3) Influence—Metro Manila is the capital of the Philippines. With that, the business and financial capital of the said country is found at this location. Hence, the leading influencers of the country's business sector are also established in NCR. Another limitation would be the age of the respondents. (Hechanova, Ortega-Go, 2014).

This research does not reflect every single variable that affects consumer behavior towards recorded music, but the researchers chose four out of the many factors that may influence the dependent variable of this study (demand for digital music streaming platforms). The laid out variables are supported by different studies which can be seen in the literature review.

2. Review of Related Literature

A. Hedonic Motivation

Hedonic Motivation as defined by a consumer behavior study is "The fun or pleasure derived from using technology. This is attributed to the fact that an enjoyable experience and fun in using a technological-based service motivates users. Additionally, hedonic motivation such as enjoyment has been

found as an important driver of a technology's adoption since it helps to trigger a positive attitude among users. In this study, it is defined as the degree to which an individual perceives fun and enjoyment when using an online music service." (Park, 2020) It is also stated in a study about music streaming services and drivers of customer purchase and intention to recommend "Hedonic Motivation is defined as the fun or pleasure derived from using a technology." (Barata & Coelho, 2021) Consistent with this definition, "It is the degree to which a user expects enjoyment from listening to streamed music." (Chen *et al.*, 2018) In a Middle-Eastern study on digital learning, "Hedonic motivation refers to both the pleasure and/or fun enjoyed during technology use, while technology acceptance consists of an evident willingness to use technology for the activities that it was developed for." (Al-Azawei & Alowayr, 2020) With these laid down explanations of what a Hedonic Motivation is in terms of consumer behavior and digital music streaming, Hedonic Motivation can be measured in terms of the amount of utility a consumer gets from digital music streaming platforms.

Regarding the results of a consumer behavior study on the drivers of demand for technological and online services "In the consumer context, hedonic motivation has also been found to be an important determinant of technology acceptance and use." (Venkatesh *et al.*, 2012) It is also found in Barata and Coelho's study that, "Music streaming services can be considered a hedonic motivation due to the creation of leisure and entertainment for their users instead of carrying out a practical task. Hedonic motivation has been conceptualized as perceived enjoyment and is often considered a reliable predictor of technology adoption." (Barata & Coelho, 2021) Coherent with the given results, it was also instituted in a study about hedonic motivation on decisions to use online services "The testing shows that hedonic motivation has a significant effect on use behavior through behavioral intention." (Hartelina, 2020)

B. Perceived Price

"Decision of a consumer to buy a product is significantly influenced by price perception." (Albari *et al.*, 2018) "Price perception is a consumer's view of the costs associated with obtaining goods or services." (Ika Septiani *et al.*, 2020) Additionally, Kotler and Keller (2016) stated that "for customers, the perception of price conveys information about a product and has substantial importance." (Keller, 2016) With that having said, "price, therefore, plays a crucial role in deciding what to buy, especially when it comes to recurring purchases, and it also affects the decisions about which brand, product, and store to choose." (Faith *et al.*, 2014) Also, Al-Mamun and Rahman (2014) mentioned that "when determining the benefits they expect to obtain from paying for goods or services, consumers are fairly rational." (Al-Mamun, 2014)

In a study by Rifai (2015), the author found that price perception and purchase intention are positively correlated—meaning the more favorable the customer's view of price, the more likely they are to make a purchase.

C. Subjective Norm

"Subjective norms are the expectations that a significant

individual or group will endorse a particular behavior. An individual's motivation to conform to other people's opinions and their perception of social pressure from those people to behave in a certain way determine subjective norms." (Ham *et al.*, 2015) This statement is also supported by Ravis and Sheeran (2003) emphasizing that perceptions of how vital people in their lives want them to behave a certain way determine subjective norms.

Based on a study by Suki *et al.* (2011), "there was a significant and positive relationship between subjective norms and attitudes and consumers' intention" (Suki *et al.*, 2011) toward music piracy. Furthermore, a significant relationship between subjective norms and attitudes, with IT staff members' views on moral matters influencing purchase intention was found in the study of Buchan (2005). Moreover, according to Liao *et al.* (2008), attitude and subjective norms have a big impact on customers' intentions to buy digital items.

In this study, subjective norms define a person's impressions of social influence, such as the conviction that important people in their lives want them to engage in the desired activity. As emphasized by Cayaban *et al.* (2023), people's decision-making is influenced by those around them, including friends, family, coworkers, and others. Moreover, the subjective norm is defined in this study as the degree to which the consumer would like to purchase online music in the future as influenced by the people around them.

D. Trust

In this study, supported by literature related to consumer behavior through the years, Trust is defined as "faith in a firm and product and is present when a party trusts the partner's integrity and dignity." (Maia *et al.*, 2019) To expound the meaning and context of trust in a study on consumer demand, it is stated that "the willingness of a party (trustor) to be vulnerable to the actions of another party (trustee) based on the expectation that the other (trustee) will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (trustee). On social commerce platforms, consumers are trustors and firms are trustees." (Wang *et al.*, 2019)

Relative to trust is the concept of S-commerce emphasized in a study on characteristics of social commerce (s-commerce) on consumers' trust and trust performance. "S-commerce focuses not only on the sale of products and services but also on building trust among its users in order to induce buying and recommendation intentions, thus generating more sales. In fact, consumer social interactions can act as a tool to increase consumers' trust in online businesses, thereby influencing their buying decision." (S. Kim & Park, 2013). This study wanted to dive more into s-commerce because previous studies about the purchase intentions of buyers of online products and services have suggested that "Mistrust is one of the main reasons why consumers hesitate or avoid doing online purchases." (S. Kim & Park, 2013) With that, firms might consider utilizing trust-based strategies where they invest in building trust-worthy reputations through quality of service, customer relationships, etc.

It was further emphasized in a study about consumer behavior towards e-commerce, “Trust in an e-commerce environment is imperative because online consumers generally are more vulnerable to transaction risks, especially when uncertainty regarding product or service quality offered by the online sellers is present. One of the most frequent ways to reduce these risks is by creating value to increase trust between online sellers and buyers. Thus, as consumer’s demands from business change simultaneously, trust can be a tool to create long-term revenue and growth.” (Sullivan & Kim, 2018)

One of the results of studies about the demand for online services discussed that “Trust is a considered a critical element to form a long-term business relationship.” (Campbell *et al.*, 2006) “Trust is also an added variable for the technology acceptance model (TAM) increase the degree of ease associated with the use of online services.” (Chen *et al.*, 2018) In a study about music streaming and demand, it was recommended that “Music streaming services providers should continue bonding with users and potential users, focusing on their needs and creating satisfaction and trust concerning the paid versions.” (Barata *et al.*, 2021)

E. Theoretical Framework

1) Consumer Behavior Theory

Consumer Behavior Theory, also known as Consumer Choice Theory is the study of how individuals decide on what or what not to purchase. This theory states that consumers or buyers choose the best bundle (preference) of goods they can afford (budget constraint). This research would like to see how the given factors namely (1) Hedonic Motivation, (2) Perceived Price, (3) Subjective Norm, and (4) Trust affect the decision of a consumer to avail a particular music streaming service. It is said that studying the behavior of consumers makes it easier for firms, organizations, and businesses to have a direction towards growth and this would be consistent with the significance of this particular study.

“Consumer behavior is the study of how people choose, acquire, and obtain experiences, products, services, or views to understand how these actions affect consumers.” (Baeshen, 2021). Consumer behavior varies from person to person depending on the purchase choice, which is impacted by the purchasing behavior and preferences and is motivated by the psychological and social elements that influence a person's purchase decision.

Per the gathered literature regarding this study, the variables such as Hedonic Motivation, Perceived Price, Subjective Norm, and Trust should have a significant influence on the demand for digital music streaming. Consumers are most likely to purchase a product or use an online music streaming service when: First, hedonic motivation is when it provides leisure and entertainment. Second, perceived price is when the price is favorable in the consumer's view. Third, subjective norm is when consumers are convinced by the important people in their lives to engage in the preferred activity. Last, trust is when social interactions are made to increase consumer trust leading them to purchase a product.

3. Research Method

A. Research Design

The researchers utilized a quantitative type of research which entails gathering and processing numerical data. This type of research is relevant and applicable to this study as the researchers seek to observe and analyze the factors affecting consumer behavior through quantitative methods. Accordingly, the researchers used a descriptive research design to satisfy the objectives presented.

B. Subjects and Sampling Technique

In this study, the researchers adopted convenience and quota sampling under the non-probability type of sampling method. The respondents or participants of the study comprise college students, and employees, freelancers, or entrepreneurs residing in Metro Manila. Given this large number of people, it may be impossible for the researchers to reach out to each individual; hence, convenience sampling is chosen for ease of access. Moreover, concerning the respondents, the researchers set a quota of 386 respondents which were divided into two groups: [1] College Students & [2] Employed, Entrepreneurs, and Freelancers. Quota sampling is picked to represent all preferences equally.

The sample size of this study was calculated through an online sample size calculator named Raosoft (2004). With that, the confidence level was set to 95%, the response distribution was placed at 50%, and the margin of error was set to 5%—leaving us a sample size of 386.

C. Research Instrument and Data Collection

The researchers created an online survey questionnaire through Google Forms (GForms), which served as the research instrument of this study. The online survey questionnaire contains questions gauging consumer demand towards digital music streaming platforms. Before the essential purpose of the survey, a statement for the consent of the participants was present at the start of the questionnaire to signify their participation in the data collection. Rest assured, all the responses the researchers gathered were solely used to satisfy the aim of the study.

As for the data gathering, the procedure was mainly conducted online. Upon collating the responses, the researchers keyed in and organized the data through Google Sheets/Microsoft Excel.

The measurement for each independent variable of this study is divided into 4 levels: Strongly Affects, Affect, Slightly Affects, and Does Not Affect at all. Each level corresponds to a certain “score”.

D. Regression Analysis

In determining the relationship between the Demand for Digital Music Streaming of Filipinos residing in Metro Manila (dependent variable) and several factors such as Hedonic Motivation, Perceived Price, Subjective Norm, and Trust (independent variables), multiple regression analysis—ordinary least-squares (OLS) is applied and utilized in this study. Furthermore, this analysis was appropriate to interpret

the data effectively since the research also provided a 4-point Likert scale. Eviews, a software used for econometric and statistical analysis, was used for the analysis of data.

The following tests were employed to determine the effectiveness and objectivity of the multiple regression analysis:

a) Durbin-Watson

The Durbin Watson (DW) test is used to check for autocorrelation seen in the residuals of the regression model. Values of the DW always range between 0 and 4, wherein 2.0 means that there is no autocorrelation in the given sample, values 0 to less than 2.0 indicate positive autocorrelation, and values 2.01 to 4 means negative autocorrelation.

b) Breusch-Pagan-Godfrey

The Breusch-Pagan-Godfrey is a test used to diagnose if any of the model predictors are connected to the model errors and also used to check for autocorrelation.

c) Breusch-Godfrey Serial Correlation LM Test

The Breusch-Godfrey Serial Correlation LM Test is a test to check heteroscedasticity in regression model errors.

d) Ramsey's Regression Equation Specification Error Test (RESET)

This is used to test and distinguish significant non-linear relationships in the linear regression model.

E. Econometric Model

The Multiple Regression Analysis Model incorporated with the variables of this study is presented as follows:

$$y_i = \beta_1 HM + \beta_2 PP + \beta_3 SN + \beta_4 T$$

Where y_i = demand towards digital music streaming platforms of Filipinos residing in Metro Manila (Dependent Variable), β_0 = y-intercept, β_1 = slope coefficient for Hedonic Motivation, β_2 = slope coefficient for Perceived Price, β_3 = slope coefficient for Subjective Norm, and β_4 = slope coefficient for Trust

F. Research Integrity

This research will be utilizing google forms to collect data

from respondents and will only take 7-10 minutes to complete. The form of data gathering for this study is done purely online. All responses will be kept confidential and stored on a protected personal computer. All used platforms for this research are restricted to the public. Only the researchers and assigned adviser will be able to access the paper and the data gathered.

The researchers can assure that this study is free from any form of bias and that the gathered information will be used for research purposes only and nothing more.

The researchers made sure to ask for consent from participants before proceeding with the actual survey and data gathering in accordance with the provisions of RA 10173, also known as the Data Privacy Act of 2012. The participants will be able to view the answers that they submitted through the email they used to respond to the survey.

Essential information about the study including the nature of the study, objectives, sampling, and data protection are included in the research instrument that will be used for the study.

The researchers will also share the results of the study with the participants through their indicated emails. In addition, the researchers will be publishing this study through an established and honorable publication with the help of their assigned research adviser and research professor.

4. Results and Discussion

A. Presentation of Econometric Results

This study intends to analyze how hedonic motivation, perceived price, subjective norm, and trust can affect the demand for digital music streaming of Filipinos residing in Metro Manila. The data-gathering phase of this study started during the last week of October 2023 and continued until the last week of November 2023, purely online, using Google Forms. The economic tool used to analyze and interpret the results was Ordinary Least Squares to derive the required multiple regression results. In order to validate the result of the OLS Model, the researchers used more tests like the Breusch-Godfrey Serial Correlation LM Test, the Heteroskedasticity Test: Breusch-Pagan-Godfrey, and the Ramsey RESET Test.

A total of 420 respondents participated in this study. 242 (58%) were female, 174 (41%) were male, and 4 (1%) who

Table 3
Ordinary least squares

Dependent Variable: DEMAND FOR DIGITAL MUSIC				
Method: Least Squares				
Sample: 1 420				
Included observations: 420				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
Constant	0.371889	0.136359	2.727283	0.0067
Hedonic Motivation	0.414419	0.054810	7.560942	0.0000
Perceived Price	0.268059	0.055584	4.822584	0.0000
Subjective Norm	-0.021684	0.045117	-0.480614	0.6310
Trust	0.192631	0.046887	4.108438	0.0000
R-squared	0.512474	Mean dependent var	3.092262	
Adjusted R-squared	0.507774	S.D. dependent var	0.676025	
S.E. of regression	0.474291	Akaike info criterion	1.357843	
Sum squared resid	93.35515	Schwarz criterion	1.405941	
Log likelihood	-280.1470	Hannan-Quinn criter.	1.376854	
F-statistic	109.0590	Durbin-Watson stat	1.910374	
Prob(F-statistic)	0.000000			

preferred not to say. Out of the 420 respondents, 147 (35%) of the respondents were from Caloocan, 70 (17%) were from Quezon City, 60 (14%) were from Manila, 24 (6%) were from Makati, 19 (5%) were from Parañaque, 15 (4%) were from Marikina, 15 (4%) were from Pasig, 14 (3%) were from Pasay, 11 (3%) were from Malabon, 10 (2%) were from San Juan, 8 (2%) were from Las Piñas, 8 (2%) were from Mandaluyong, 6 (1%) were from Navotas, 5 (1%) were from Taguig, 4 (1%) were from Muntinlupa, 3 (1%) were from Valenzuela, and 1 (0.1%) was from Pateros.

The participants' ages ranged from 16 to 50; the majority were 21 to 25 years old, with 246 (59%) responses—66 (16%) of the respondents aged from 16 to 20 years old. There are 33 (8%) who were 31 and above and 75 (18%) who were 26 to 30 years old.

The first independent variable, "Hedonic Motivation," is significant under a 0.05 significance level because of its 0.00 p-value. With that, it is safe to reject the null hypothesis, which states that "Hedonic Motivation has no significant influence on the Demand towards Digital Music Streaming of Filipinos residing in Metro Manila."

The second independent variable, "Perceived Price," was also deemed significant under a 0.05 significance level for its 0.00 p-value. Hence, it is conclusive to reject the null hypothesis, "Perceived Price has no significant influence on the Demand towards Digital Music Streaming of Filipinos residing in Metro Manila."

The third independent variable of this study is "Subjective Norm," which has a 0.63 p-value greater than the significance level of 0.05. Therefore, the null hypothesis, "Subjective Norm has no significant influence on the Demand towards Digital Music Streaming of Filipinos residing in Metro Manila," shall be accepted.

The last independent variable, "Trust" has a 0.00 p-value under a 0.05 significance level. This means that the null hypothesis which states "Trust has no significant influence on the Demand towards Digital Music Streaming of Filipinos residing in Metro Manila," shall be rejected.

Table 4
Breusch-Godfrey Serial Correlation LM Test

Breusch-Godfrey Serial Correlation LM Test			
F-statistic	0.661489	Prob. F(1,414)	0.4165

Table 4 displays the Breusch-Godfrey Serial Correlation LM Test. "Among currently available tests for autocorrelation, the Breusch-Godfrey test (or the LM test) proposed by Breusch (1978) and Godfrey (1978) is most frequently used." (Hyun, 2010) With this test having a p-value of 0.4165 greater than the significance level of 0.05, we can conclude that no autocorrelation was found in the data.

Table 5
Heteroskedasticity Test: Breusch-Pagan-Godfrey

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	1.582560	Prob. F(1,414)	0.1780

Table 5 shows the Breusch-Pagan-Godfrey test results. This

is a test that is meant to detect Heteroscedasticity. "To analyze the performance of the heteroscedasticity test statistic as we estimated the OLS model, we used the Breusch-Pagan test." (Onifade, 2020) According to Investopedia, Heteroscedasticity is said to happen when the standard deviation of the given dependent variable, "monitored over different values of an independent variable," is unpredictable, volatile, and inconsistent. Given that the 0.1780 p-value is greater than the 0.05 significance level, we accept the null hypothesis, which states that there is no existing heteroskedasticity in the data.

Table 6
Ramsey RESET test

Ramsey RESET Test			
	Value	df	Probability
t-statistic	1.303635	414	0.1931
f-statistic	1.699464	(1, 414)	0.1931

Table 6 exhibits the results of the Ramsey RESET Test. This is used to test for specification errors because of the exclusion of pertinent variables. "Ramsey's RESET test of functional misspecification to test for omitted variables bias and help determine if the model is well specified." (Sebri, 2015) According to the given result, the p-value 0.19 is greater than the alpha 0.05, and with that, we accept the null hypothesis, stating that there is no specification error.

B. Discussion of Econometric Results

According to the results, three of the four independent variables significantly affect Filipinos' demand for music streaming services in Metro Manila: hedonic motivation, perceived price, and trust. Meanwhile, the subjective norm was the only independent variable deemed insignificant.

Hedonic motivation being a significant factor affecting the demand for music streaming services is supported by another consumer behavior study stating, "In the consumer context, hedonic motivation has also been found to be an important determinant of technology acceptance and use." (Venkatesh et al., 2012)—given that digital streaming of music is purely technological. It is said that "Music streaming services can be considered a hedonic motivation due to the creation of leisure and entertainment for their users instead of carrying out a practical task." (Barata & Coelho, 2021) Consumers find comfort, leisure, and entertainment in music streaming. Because of that, the researchers believe that hedonic motivation is one of the most significant factors affecting demand because the satisfaction a consumer gets from a service/product holds substantial value.

Another significant independent variable of this study is perceived price wherein "Price, therefore, plays a crucial role in deciding what to buy, especially when it comes to recurring purchases, and it also affects the decisions about which brand, product, and store to choose." (Faith et al., 2014) How a consumer thinks of the value imposed on a particular service or product is essential because it influences the behavior toward what a company offers. This study proves the said claim. The researchers suppose that consumers' ability to pay is relative to how the consumers think of the value of the service. If an

individual has more ability to pay, they would be more inelastic to how they perceive the price and vice versa. With that, this may be something future researchers can prove or study.

The only insignificant independent variable of this paper is the subjective norm. "Subjective norms are the expectations that a significant individual or group will endorse a particular behavior. An individual's motivation to conform to other people's opinions and their perception of social pressure from those people to behave in a certain way determine subjective norms." (Ham *et al.*, 2015) The researchers believe that this is the only variable considered to have no significant effect on demand for music streaming services because Filipinos residing in Metro Manila focus more on the quality of service itself rather than how it was marketed. Since most of the players in the music streaming industry are already prominent and well-known, promotions and publications are less important than the other three variables.

The last significant variable of the study is trust. This variable supports the claim of a study that states "Trust is considered a critical element to form a long-term business relationship." (Campbell *et al.*, 2006) and "Music streaming services providers should continue bonding with users and potential users, focusing on their needs and creating satisfaction and trust concerning the paid versions." (Barata *et al.*, 2021). Customer relationship and branding have always been factors proven to affect consumer behavior and demand. Given the results, this study supports the prior statement.

5. Conclusion and Recommendation

This study sought to determine which and how various factors affect the willingness of a consumer to subscribe to a digital music streaming platform. Results of the study revealed that the factors that presented significant effects on the demand for digital music streaming of Filipinos residing in Metro Manila (dependent variable) include Hedonic Motivation, Perceived Price, and Trust. The researchers postulate that consumers consider the satisfaction/joy they experience attributed to using and subscribing to digital music streaming platforms. Additionally, given that perceived price significantly affects the demand for digital music streaming, this could imply that perceptions of intrinsic worth and brand value guide consumers to subscribe to a digital music platform. Likewise, a positive brand reputation is effective in drawing new potential customers and retaining and building consumer loyalty, which can drive sales and revenue for music streaming providers in the long run.

The relevance of social factors can motivate individuals to take specific actions, like in this study, purchasing a particular product or service. In contrast, the Subjective Norm had an insignificant effect on the dependent variable. Hence, future research could have a more comprehensive exploration of the causes and reasons behind subjective norms' diminished influence on the willingness of consumers to subscribe to digital music streaming platforms. Future research could also consider various drivers like behavior intention, which concerns subjective norms, to understand them thoroughly.

A. Policy Implications and Recommendations

Through the analysis of our findings, this research notes relevant insights that can be essential for the growing music industry in the Philippines, especially the music streaming services providers, to understand the factors affecting the demand for digital music streaming of Filipinos who reside in Metro Manila. Consumer tastes and preferences are not constant and change over time due to evolving market conditions. With that, music streaming services providers can:

1) *Adapt to the current trends, which can pique consumers' interest*

The first independent variable of this study is Hedonic Motivation, and according to the results of this study, Hedonic Motivation significantly affects the demand for digital music streaming platforms of Filipinos residing in Metro Manila. With that, it is advisable for companies, especially those that cater to the said market, to prioritize investing in studies regarding trends and incorporate those trends into the services they offer.

2) *Improve user experiences through technological advances*

A fast-paced world requires a fast-acting company. Relative to trends are the advances that come along with it. That said, it is also recommendable for companies to be able to comply with technological and digital advancements.

3) *Produce targeted advertising or influencer collaborations for promotions*

This study also examined the relationship between the demand for digital music streaming platforms of Filipinos residing in Metro Manila and subjective norms. Considering this, producing targeted advertisements enhances customer experience as personalized communication is present. As for influencer collaborations, this would help music streaming providers to gain exposure and credibility. Word of mouth from respondent groups such as family and friends could also affect subjective norms.

As stated in the premise on the discussion of econometric Results, the researchers suppose that consumers' ability to pay is relative to how the consumers think of the value of the service. If an individual has more ability to pay, they would be more inelastic to how they perceive the price and vice versa. That said, this can be something that future researchers can investigate more on. This paper can be used to support variables, claims, results, and more.

As this study examined a limited number of factors, future research could study and explore additional influences on the demand for digital music streaming within the Philippine context. Aside from this, it would be enticing to track, say once every five years, what factors remained, what new factors would, and how these new factors could affect the demand for digital music streaming. However, conducting the study for the whole country would allow future research to observe growth and ensure the inclusion of all citizens. With this, the entire music industry, including the music industry players and service providers, would benefit. As a positive consequence, this would help the economic growth and development of the Philippines.

Furthermore, future papers can also look into the other players in the Philippines' music industry, like demand for

audio production house services, how licensing and music royalties affect the GDP of the Philippines, how music, arts, and culture affect tourism in a Philippine context, etc. The researchers believe that there is tremendous potential in the music industry, and studies like this can help develop the creative sector of the Philippines.

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