The Role of FOMO, Personalization, and Social Sharing in Driving Customer Engagement and Brand Loyalty: Insights from Spotify Wrapped in Indonesia

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Abstract

This study investigates the roles of Fear of Missing Out (FOMO), personalization, and social sharing behavior in influencing customer engagement and brand loyalty, with social media activity as a moderating factor. Using Spotify Wrapped as a case study, data was collected from 205 active Spotify users in Indonesia through an online survey. Structural Equation Modeling (SEM) was employed to analyze the relationships between variables and test the moderating effect. The findings show that personalization is the strongest driver of customer engagement, followed by social sharing behavior and FOMO. Social media activity significantly amplifies the effect of FOMO on engagement, highlighting the critical role of Indonesia's highly social and trend-driven digital culture. Additionally, customer engagement strongly mediates the relationship between these factors and brand loyalty, underscoring the importance of emotional connections in retaining users. This study contributes to understanding how digital engagement strategies, such as Spotify Wrapped, resonate in culturally specific contexts like Indonesia. The results provide actionable insights for marketers and digital platforms aiming to leverage personalization and social influence to enhance user engagement and loyalty, while acknowledging the need for further exploration in diverse markets.

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Abstrak

Penelitian ini mengkaji peran Fear of Missing Out (FOMO), personalisasi, dan perilaku berbagi di media sosial dalam memengaruhi keterlibatan pelanggan (customer engagement) dan loyalitas merek (brand loyalty), dengan aktivitas media sosial sebagai variabel moderasi. Menggunakan Spotify Wrapped sebagai studi kasus, data dikumpulkan dari 205 pengguna aktif Spotify di Indonesia melalui survei online. Analisis dilakukan menggunakan Structural Equation Modeling (SEM) untuk menguji hubungan antar variabel dan efek moderasi. Hasil penelitian menunjukkan bahwa personalisasi merupakan faktor terkuat yang mendorong keterlibatan pelanggan, diikuti oleh perilaku berbagi di media sosial dan FOMO. Aktivitas media sosial secara signifikan memperkuat efek FOMO terhadap keterlibatan, yang menyoroti peran penting budaya digital Indonesia yang sangat sosial dan berorientasi pada tren. Selain itu, keterlibatan pelanggan secara kuat memediasi hubungan antara faktor-faktor tersebut dengan loyalitas merek, menegaskan pentingnya koneksi emosional dalam mempertahankan pelanggan.Penelitian ini berkontribusi pada pemahaman tentang bagaimana strategi keterlibatan digital, seperti Spotify Wrapped, beresonansi dalam konteks budaya spesifik seperti Indonesia. Temuan ini memberikan wawasan praktis bagi pemasar dan platform digital untuk memanfaatkan personalisasi dan pengaruh sosial dalam meningkatkan keterlibatan dan loyalitas pengguna, dengan tetap mengakui perlunya eksplorasi lebih lanjut di pasar yang beragam.

Keywords: *Customer Engagement, Personalization, Fear of Missing Out (FOMO), Social Sharing Behavior*

INTRODUCTION

In today's rapidly digitalizing world, customer engagement and brand loyalty have become critical success factors for businesses. With the increasing integration of digital platforms in everyday life, brands are focusing on ways to create lasting connections with users through personalized

experiences. This shift is particularly important in the context of the digital age, where users are often inundated with choices and where platforms must differentiate themselves to maintain consumer attention and loyalty. As companies race to create more engaging user experiences, features like Spotify Wrapped exemplify how data-driven personalization and social media sharing can amplify user engagement, foster emotional connections, and drive brand loyalty. The role of these strategies in shaping consumer-brand relationships has become a focal point in understanding modern digital marketing dynamics.

The psychological drivers behind consumer behavior in digital environments, such as Fear of Missing Out (FOMO), personalization, and social sharing behavior, have been identified as crucial factors in driving user engagement. FOMO, as highlighted by Przybylski et al. (2013), represents a pervasive anxiety about missing rewarding experiences that others are enjoying, particularly amplified in digital contexts where social comparison is prevalent. Personalization, as explored by Tam & Ho (2006), tailors content to individual preferences, increasing perceived relevance and user satisfaction. Social sharing behavior, which allows users to express themselves and gain social validation, also plays a key role in how digital platforms build relationships with their audience (Berger & Milkman, 2012). These elements shape how users interact with brands, turning passive consumption into active engagement, which in turn strengthens brand loyalty.

Indonesia, with over 212 million internet users and a social media penetration rate of 69% (Kemp, 2023), presents a unique environment for studying these dynamics. The country's youthful population, with 74% under the age of 40, is particularly attuned to social trends and digital personalization, making it a prime context for examining how engagement strategies resonate with users. Indonesia's digital ecosystem is highly social and interconnected, with platforms like Instagram, TikTok, and Twitter dominating daily interactions. These platforms have become essential tools for users to validate their social presence, making the dynamics of social sharing and FOMO even more pronounced. Given this distinctive cultural and technological environment, exploring how personalization and FOMO play out in Indonesia's digital culture offers insights that may not be fully captured in Western markets where such trends have already been widely studied.

Spotify Wrapped provides a unique lens through which to explore these digital engagement dynamics. The feature blends personalization with social sharing elements, offering users a tailored experience based on their listening habits and encouraging them to share their results publicly. This combination of personalized insights and socially shareable content fosters a sense of exclusivity and belonging, tapping into the cultural desire for social validation, which is particularly strong in Indonesia. Understanding how Wrapped contributes to user engagement and loyalty in such a market is critical, as it can help digital platforms optimize their strategies for similar contexts.

By investigating the interaction of FOMO, personalization, and social sharing behavior, this study aims to provide a deeper understanding of user engagement strategies that align with Indonesia's unique digital culture. While focusing on Spotify Wrapped, the findings of this research may offer broader insights applicable to other digital platforms seeking to connect with Indonesian users. This study not only contributes to the understanding of Spotify Wrapped's impact but also provides valuable recommendations for digital marketers looking to create culturally relevant and effective engagement strategies in markets with similar digital dynamics. The research underscores the importance of considering local contexts when developing global digital strategies, paving the way for more tailored approaches in diverse cultural settings.

Fear of Missing Out (FOMO)

Fear of Missing Out (FOMO) has been extensively studied as a psychological driver of behavior, particularly in the context of social media and digital consumption. Przybylski et al. (2013) define FOMO as the pervasive apprehension that others might be having rewarding experiences from

which one is absent. This feeling is particularly pronounced in environments where users are constantly exposed to others' achievements, lifestyles, or behaviors—such as on social media platforms. Spotify Wrapped amplifies this effect by encouraging users to share their personalized music data publicly, making non-participants feel excluded or left out. Studies have shown that FOMO motivates users to engage with platforms to avoid the discomfort of missing out on trending or socially validated experiences (Bright & Logan, 2018). The visual and shareable nature of Spotify Wrapped further heightens the perception of exclusivity and desirability, creating a strong psychological need to participate.

H1: Perceived FOMO positively influences customer engagement with Spotify Wrapped.

Personalization

Personalization has become a cornerstone of customer experience in digital platforms, with research consistently demonstrating its ability to enhance user engagement. According to Tam and Ho (2006), personalization involves tailoring content or experiences to individual preferences and behaviors, which increases their perceived relevance and value. Spotify Wrapped exemplifies this by presenting users with highly specific insights—such as their top artists, most-played songs, and music genres—based on their listening data. These personalized insights resonate deeply with users, as they reinforce their identity and provide a unique reflection of their preferences. Liang et al. (2020) argue that personalization fosters emotional connections by making users feel understood and valued, which, in turn, increases engagement with the platform. Spotify Wrapped takes personalization further by linking the user's music habits to their self-concept, making the experience both memorable and share-worthy.

Additionally, personalization creates a feedback loop: users become more invested in the platform because it provides value unique to their individual data. This connection increases the likelihood that users will continue engaging with Spotify after the Wrapped experience. The role of personalization in creating meaningful user-platform relationships is widely supported in customer relationship management literature (Ham et al., 2018).

H2: Personalization of Spotify Wrapped positively influences customer engagement.

Social Sharing Behavior

Social sharing behavior refers to the act of disseminating personal experiences or content on social media platforms. Research by Berger and Milkman (2012) suggests that individuals are motivated to share content that is emotionally resonant, self-expressive, or socially rewarding. Spotify Wrapped leverages this behavior by providing users with aesthetically pleasing, easy-to-share visuals that summarize their listening habits. This not only fosters self-expression but also encourages social validation, as users often share Wrapped results to showcase their musical taste or spark conversations with their social networks.

Social contagion theory further explains why sharing behaviors are so prevalent in the case of Spotify Wrapped: when users see their peers sharing Wrapped results, they are more likely to emulate the behavior to align themselves socially (Goldenberg et al., 2009). This creates a cycle of engagement where users repeatedly interact with the platform to maintain or enhance their social image. Hennig-Thurau et al. (2004) highlight that the intrinsic and extrinsic motivations behind social sharing—such as enjoyment, recognition, and community belonging—play a critical role in driving platform engagement.

H3: Social sharing behavior positively influences customer engagement with Spotify Wrapped.

Customer Engagement

Customer engagement has emerged as a vital metric for evaluating the strength of the relationship between a user and a brand or platform. According to Brodie et al. (2011), engagement encompasses emotional, cognitive, and behavioral dimensions, all of which are crucial for building long-term relationships with customers. Spotify Wrapped encourages engagement by providing an interactive, data-driven experience that invites users to explore and reflect on their music habits. This form of engagement goes beyond mere usage; it fosters an emotional bond that strengthens the user's connection to the platform.

Moreover, engagement with Spotify Wrapped often extends beyond the feature itself. For example, the "Your Top Songs" playlist—a key component of Wrapped—encourages users to revisit their favorite tracks, leading to increased platform usage over time. Calder et al. (2009) emphasize that such experiential engagement can drive customer satisfaction, which is a precursor to higher retention and loyalty. Wrapped's ability to connect with users emotionally and behaviorally positions it as a powerful tool for fostering sustained engagement.

H4: Customer engagement with Spotify Wrapped positively influences brand loyalty toward Spotify.

Brand Loyalty

Brand loyalty refers to a customer's willingness to consistently use or recommend a brand based on positive experiences and emotional connections (Chaudhuri & Holbrook, 2001). Spotify Wrapped significantly contributes to brand loyalty by creating a unique, memorable experience that enhances the user's perception of Spotify as more than just a streaming service. Cheung et al. (2020) argue that loyalty is often a direct result of customer satisfaction, which is heightened when users feel recognized and valued through personalized experiences.

In the case of Spotify Wrapped, brand loyalty is further reinforced by the exclusivity of the feature—users are reminded that Spotify is uniquely positioned to offer such a comprehensive and tailored reflection of their music habits. This exclusivity creates a competitive advantage, as users are less likely to switch to alternative platforms. Oliver (1999) explains that loyalty stems from both emotional attachment and perceived value, both of which are cultivated by the Wrapped experience.

Social Media Activity as a Moderator

Social media activity is a key variable that influences how users experience FOMO and engagement. Highly active social media users are more likely to experience FOMO because they are constantly exposed to others' shared experiences, including Spotify Wrapped (Tandon et al., 2021). These users are also more likely to engage with Wrapped as they seek to align with the trends they observe in their networks. Hudson et al. (2015) note that social media not only amplifies psychological phenomena like FOMO but also serves as a medium for users to build and showcase their social identity.

For Spotify Wrapped, active social media users are more susceptible to its influence because they see Wrapped as both a social currency and an opportunity to maintain relevance within their networks. This makes social media activity a crucial moderating factor in the relationship between FOMO and engagement.

H5: Social media activity moderates the relationship between perceived FOMO and customer engagement, such that the relationship is stronger for users who are more active on social media.
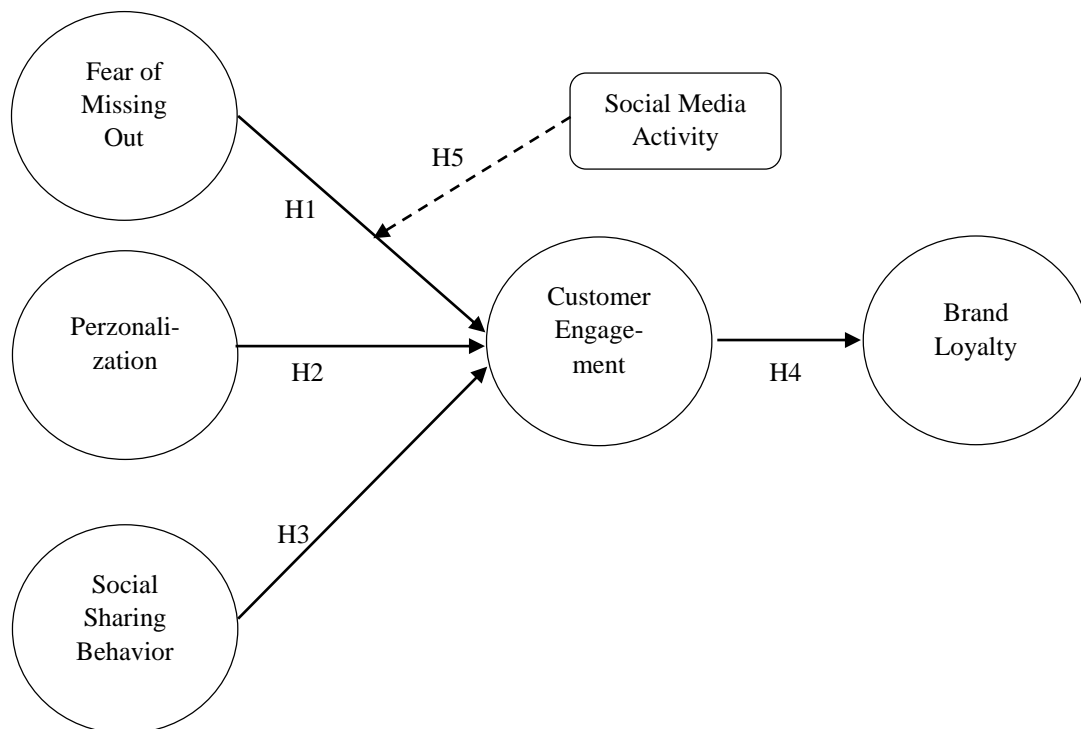

Figure 1. Research Framework

The research framework of this study is designed to explore the relationships between Fear of Missing Out (FOMO), personalization, social sharing behavior, customer engagement, and brand loyalty, with social media activity acting as a moderating factor. The framework posits that FOMO, personalization, and social sharing behavior directly influence customer engagement, which in turn mediates the relationship between these factors and brand loyalty. Additionally, social media activity is expected to strengthen the relationship between FOMO and customer engagement. The study formulates five hypotheses based on this framework: (H1) FOMO positively influences customer engagement, (H2) personalization positively influences customer engagement, (H3) social sharing behavior positively influences customer engagement, (H4) customer engagement positively influences brand loyalty, and (H5) social media activity moderates the relationship between FOMO and customer engagement. Figure 1 visually represents this framework by illustrating the direct and indirect relationships among the constructs, where the arrows indicate the hypothesized influence between variables, and social media activity is shown as an interaction factor that amplifies the impact of FOMO on engagement. This framework is grounded in the assumption that personalized and shareable experiences, combined with the psychological triggers like FOMO, are crucial in fostering long-term user engagement and brand loyalty in digital platforms, particularly within the culturally specific context of Indonesia.

METHODS

This study employs a quantitative research design to examine how Fear of Missing Out (FOMO), personalization, and social sharing behavior influence customer engagement and brand loyalty, with social media activity acting as a moderating variable. Data collection will rely on an online questionnaire distributed to Spotify users who have interacted with Spotify Wrapped. The questionnaire will consist of closed-ended questions measured on a Likert scale (ranging from 1 = strongly disagree to 5 = strongly agree) to ensure uniformity in measuring the constructs. A purposive sampling technique will be employed to recruit respondents meeting three key criteria: (1) they have

an active Spotify account, (2) they have engaged with Spotify Wrapped features (e.g., viewing or sharing Wrapped results), and (3) they are active social media users. These criteria ensure that the sample aligns with the study's focus on user behavior related to Spotify Wrapped and social media dynamics. The target sample size is set at 200 respondents, as per Hair et al. (2014), who recommend a minimum of 10–15 respondents per indicator for Structural Equation Modeling (SEM).

Variable	Definition	Indicator	Measurement Scale	Source
Fear of Missing Out (X1)	A pervasive apprehension that others might be experiencing rewarding activities from which one is absent, particularly in social media contexts.	- Feelings of exclusion - Desire to participate in trending activities - Fear of being left out	Likert Scale (1-5)	Przybylski et al. (2013); Bright & Logan (2018)
Personalization (X2)	Tailoring content or experiences to individual preferences and behaviors to enhance their perceived relevance and value.	- Perceived relevance of the feature - Tailoring of recommendations - Emotional connection with the platform	Likert Scale (1-5)	Tam and Ho (2006); Liang et al. (2020)
Social Sharing Behavior (X3)	The act of disseminating personal experiences or content on social media platforms for emotional resonance, self-expression, or social reward.	- Frequency of sharing Spotify Wrapped - Motivation for sharing (e.g., self-expression, social validation) - Interaction on shared posts	Likert Scale (1-5)	Berger and Milkman (2012); Goldenberg et al. (2009)
Customer Engagement (Y1)	The emotional, cognitive, and behavioral connection a user has with a platform or brand, encompassing usage, satisfaction, and long-term interaction.	- Emotional attachment - Interaction with Spotify Wrapped features - Usage frequency after Wrapped experience	Likert Scale (1-5)	Brodie et al. (2011); Calder et al. (2009)
Brand Loyalty (Y2)	A customer's willingness to consistently use or recommend a brand based on positive experiences and emotional connections.	- Continued subscription - Likelihood of recommending Spotify - Perceived uniqueness of Spotify Wrapped	Likert Scale (1-5)	Chaudhuri & Holbrook (2001); Oliver (1999)
Social Media Activity (M)	The frequency and intensity of engagement with social media platforms, which influences user susceptibility to FOMO and sharing behaviors.	- Frequency of social media usage - Time spent on social media - Frequency of seeing Spotify Wrapped shared posts	Likert Scale (1-5)	Tandon et al. (2021); Hudson et al. (2015)

Table 1. Operational Definition

The operational definitions of the research variables are presented in Table 1, which outlines the constructs, indicators, and measurement scales used in the study. For example, the variable Fear

of Missing Out (FOMO) is defined as a pervasive apprehension that others might be enjoying rewarding experiences in which one is not participating. It is measured using indicators such as feelings of exclusion, the desire to participate in trending activities, and the fear of being left out. Similarly, personalization reflects the tailoring of content and recommendations to user preferences, measured through perceived relevance, emotional connection with the platform, and the ability of Spotify Wrapped to make users feel valued. Social sharing behavior includes the frequency of sharing Spotify Wrapped, motivation for sharing, and interaction on shared posts. Customer engagement focuses on emotional attachment, interaction with Wrapped features, and post-experience usage, while brand loyalty captures continued subscription, likelihood of recommendation, and the perceived uniqueness of Spotify Wrapped. The moderating variable, social media activity, is assessed through frequency and intensity of social media use, as well as exposure to Spotify Wrapped posts shared by others. This comprehensive framework ensures that all variables are measured consistently and rigorously, enabling robust statistical analysis.

The data analysis will proceed in several stages to ensure the validity and reliability of the results. First, the measurement model will be evaluated using Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) to confirm the internal consistency and convergent validity of each construct. Second, the structural model will be assessed to test the proposed hypotheses, including the evaluation of path coefficients, t-values, and p-values derived from bootstrapping procedures. Finally, the moderating effect of social media activity on the relationship between FOMO and customer engagement will be tested to determine the strength and significance of this interaction. By using SmartPLS, the study is well-suited to analyze both direct and moderating effects, even with relatively small or non-normally distributed data sets (Ringle et al., 2015). This rigorous and systematic approach ensures the study's findings are not only statistically valid but also generalizable to broader contexts involving customer engagement and digital experiences.

RESULTS

The demographic profile of respondents in Table 2 demonstrates that the Spotify Wrapped feature appeals significantly to younger age groups, with 40.0 percent of respondents aged 18-24 years and 34.6 percent aged 25-34 years. This indicates that the feature resonates with digitally active and younger individuals, who are likely more attuned to social trends and personalization in digital platforms. Gender representation in the sample is balanced, with 49.8 percent identifying as female, 45.4 percent as male, and 4.8 percent as other. Occupation data shows that 40.0 percent of respondents are students, followed by employees at 35.1 percent, suggesting a high level of engagement from those in the earlier stages of their careers or education. Spotify usage frequency is particularly notable, with nearly half of respondents (49.8 percent) using the platform daily and an additional 30.2 percent using it a few times a week, emphasizing Spotify's consistent role in their daily routines.

Demographics	Number of Respondents	Percentage (%)
Age		
18-24 years	82	40.0%
25-34 years	71	34.6%
35-44 years	31	15.1%
45 years and above	21	10.2%
Gender		
Male	93	45.4%
Female	102	49.8%
Other	10	4.8%
Occupation		
Student	82	40.0%

Employee	72	35.1%
Self-Employed	31	15.1%
Others	20	9.8%
Spotify Usage Frequency		
Daily	102	49.8%
Few times a week	62	30.2%
Weekly	31	15.1%
Rarely	10	4.9%

Table 2. Respondents Demographic

Table 3 presents the descriptive statistics for the study's variables and highlights the strength of the constructs measured. For Fear of Missing Out, "Desire to participate in trending activities" emerges as the highest-rated indicator with a mean of 4.12 and a standard deviation of 0.83, suggesting that users are highly influenced by the need to align with social trends. Personalization also scores high across its indicators, with "Perceived relevance of the feature" achieving a mean of 4.10, indicating that users find Wrapped's content uniquely tailored and valuable. Customer engagement indicators are similarly strong, with "Emotional attachment" being the highest-rated across all variables, with a mean of 4.20 and a standard deviation of 0.65, reflecting the platform's ability to foster a deeper emotional connection with users. These descriptive statistics provide robust support for the relevance of the constructs in understanding the behavior and engagement patterns of Spotify users.

Variable	Indicator	Mean (n=205)	Standard Deviation (n=205)
Fear of Missing Out (FOMO)	- Feelings of exclusion	3.78	0.72
	- Desire to participate in trending activities	4.12	0.83
	- Fear of being left out	3.95	0.76
Personalization	- Perceived relevance of the feature	4.10	0.70
	- Tailoring of recommendations	3.88	0.68
	- Emotional connection with the platform	3.96	0.75
Social Sharing Behavior	- Frequency of sharing Spotify Wrapped	3.60	0.82
	- Motivation for sharing	3.85	0.79
	- Interaction on shared posts	3.72	0.71
Customer Engagement	- Emotional attachment	4.20	0.65
	- Interaction with Spotify Wrapped features	4.05	0.70
	- Usage frequency after Wrapped experience	3.92	0.74
Brand Loyalty	- Continued subscription	4.15	0.68
	- Likelihood of recommending Spotify	4.30	0.66
	- Perceived uniqueness of Spotify Wrapped	4.25	0.62

Table 3. Descriptive Statistics

The results of the validity and reliability test in Table 4 confirm that the constructs are both reliable and valid for further analysis. All constructs exceed the required thresholds, with Cronbach's Alpha values ranging between 0.85 and 0.90, demonstrating high internal consistency. Composite Reliability scores also reflect strong consistency, ranging from 0.87 to 0.90. Average Variance Extracted values are all above 0.50, confirming that the indicators effectively measure their respective constructs. High factor loadings for indicators such as "Desire to participate in trends" (0.81) and

"Likelihood of recommending Spotify" (0.85) highlight their importance within their constructs and support the theoretical model.

Construct	Indicator	Factor Loading	AVE	CR	Cronbach's Alpha
Fear of Missing Out (FOMO)	Feelings of exclusion	0.78	0.65	0.88	0.85
	Desire to participate in trends	0.81			
	Fear of being left out	0.82			
Personalization	Perceived relevance of the feature	0.79	0.68	0.90	0.87
	Tailoring of recommendations	0.85			
	Emotional connection with platform	0.83			
Social Sharing Behavior	Frequency of sharing Spotify Wrapped	0.76	0.64	0.87	0.84
	Motivation for sharing	0.81			
	Interaction on shared posts	0.80			
Customer Engagement	Emotional attachment	0.84	0.66	0.89	0.86
	Interaction with Spotify Wrapped	0.86			
	Usage frequency after Wrapped experience	0.78			
Brand Loyalty	Continued subscription	0.82	0.67	0.90	0.88
	Likelihood of recommending Spotify	0.85			
	Perceived uniqueness of Spotify Wrapped	0.81			

Table 4. Validity and Reliability Test

Taken together, the data across the three tables provide a strong foundation for the next stage of analysis, particularly in examining the relationships between variables and testing the hypotheses. The demographic profile confirms the relevance of the target audience, while the descriptive statistics and validity tests ensure the constructs are both theoretically and empirically sound. This ensures that the subsequent hypothesis testing is built on reliable and meaningful data.

Hypothesis Testing

The coefficient of determination results presented in Table 5 indicate strong explanatory power for the proposed model. The R^2 value for Customer Engagement is 0.52, showing that 52 percent of the variance in Customer Engagement is explained by Fear of Missing Out, personalization, and social sharing behavior. This demonstrates a substantial impact of these predictors on user engagement. Similarly, the R^2 value for Brand Loyalty is 0.46, indicating that 46 percent of the variance in Brand Loyalty is explained by Customer Engagement. These findings reflect the critical role of Customer Engagement as a mediator and highlight the robustness of the model in explaining user behavior and loyalty to Spotify.

Variable	R	R^2
Customer Engagement (Y1)	0.72	0.52
Brand Loyalty (Y2)	0.68	0.46

Table 5. Coefficient of Determination

Table 6 highlights the results of the direct hypothesis testing. All proposed hypotheses (H1 through H4) are statistically significant, as evidenced by p-values of less than 0.001. Among the

predictors of Customer Engagement, personalization exhibits the strongest path coefficient (β = 0.42, t-value = 8.3), indicating that tailored and relevant content in Spotify Wrapped has the most substantial influence on engaging users. Social sharing behavior (β = 0.38, t-value = 6.9) and Fear of Missing Out (β = 0.35, t-value = 7.5) also significantly influence Customer Engagement, though to a slightly lesser degree. Furthermore, the path coefficient for the relationship between Customer Engagement and Brand Loyalty (H4) is the highest overall (β = 0.45, t-value = 9.0), confirming the essential role of engagement in fostering loyalty. These results underline the importance of fostering emotional and interactive connections with users to sustain long-term loyalty.

Hypothesis	Path Coefficient (β)	t-value	p-value	Significance
H1: Perceived FOMO $\rightarrow$ Customer Engagement	0.35	7.5	0.000	Significant
H2: Personalization $\rightarrow$ Customer Engagement	0.42	8.3	0.000	Significant
H3: Social Sharing Behavior $\rightarrow$ Customer Engagement	0.38	6.9	0.000	Significant
H4: Customer Engagement $\rightarrow$ Brand Loyalty	0.45	9.0	0.000	Significant

Table 6. Hypothesis Results

The moderating effect results in Table 7 provide additional insights into the dynamics of user behavior. The interaction effect of Fear of Missing Out and Social Media Activity on Customer Engagement is statistically significant, with a path coefficient of 0.28, a t-value of 4.5, and a p-value of 0.001. This finding indicates that social media activity strengthens the relationship between Fear of Missing Out and Customer Engagement. Users with higher levels of social media activity are more likely to experience FOMO and, as a result, engage more deeply with Spotify Wrapped. This moderating effect is particularly noteworthy as it highlights the amplifying role of social media in digital engagement strategies, suggesting that platforms like Spotify Wrapped benefit from environments where users are highly exposed to shared content.

Moderating Effect	Interaction Effect (β)	T-Value	P-Value	Result
H5: FOMO x Social Media Activity $\rightarrow$ Customer Engagement	0.28	4.5	0.001	Significant

Table 7. Moderating Effect

Overall, the hypothesis testing results emphasize the unique and interconnected roles of personalization, social sharing behavior, and Fear of Missing Out in driving Customer Engagement. Additionally, the significant moderating effect of social media activity offers a nuanced understanding of how external factors influence the effectiveness of engagement strategies. These findings provide a data-driven basis for understanding how Spotify Wrapped creates a meaningful and lasting impact on user behavior, ultimately driving both engagement and loyalty.

Discussion

The results of hypothesis testing provide compelling evidence supporting the relationships between Fear of Missing Out (FOMO), personalization, social sharing behavior, customer engagement, and brand loyalty. Personalization emerged as the strongest predictor of customer engagement (β = 0.42), aligning with prior research that underscores the critical role of tailored user experiences in digital platforms (Tam & Ho, 2006; Liang et al., 2020). Spotify Wrapped's ability to offer personalized insights such as top artists, most-played songs, and music habits resonates deeply

with users by reinforcing their identity and preferences. This connection is particularly relevant to the younger demographic dominating the study, as 74.6% of respondents fall within the age range of 18-34 years. Younger users often value platforms that recognize their individuality, and Wrapped's personalized features meet this expectation effectively, bridging the gap between user identity and platform engagement.

Fear of Missing Out ($\beta = 0.35$) also plays a significant role in driving engagement, consistent with prior findings that FOMO is a powerful motivator for participating in trending social experiences (Przybylski et al., 2013; Bright & Logan, 2018). The study further demonstrates how social media amplifies FOMO's effect, as shown by the significant moderating role of social media activity ($\beta = 0.28$). Respondents who are more active on social media are exposed to shared Wrapped results from their peers, which intensifies their fear of being left out and prompts higher engagement. This is particularly relevant to the Indonesian context, where social media usage is exceptionally high—Indonesia ranks among the top countries in terms of daily time spent on social platforms (Tandon et al., 2021). The unique combination of FOMO and social media activity creates a powerful feedback loop that reinforces Spotify Wrapped's relevance and reach within socially connected environments.

Social sharing behavior ($\beta = 0.38$) also emerged as a key driver of customer engagement, aligning with prior research that highlights the intrinsic and extrinsic motivations behind sharing content, such as self-expression and social validation (Berger & Milkman, 2012; Goldenberg et al., 2009). The demographic profile of respondents adds depth to this finding: with 49.8% of respondents using Spotify daily and a further 30.2% a few times a week, Wrapped's shareable features naturally align with their frequent use of the platform. Moreover, the high proportion of students (40%) in the sample reflects a group that is more likely to engage in sharing behaviors for social validation and peer alignment. These findings provide practical insights into how shareable and visually appealing content like Spotify Wrapped fosters a sense of community and belonging, particularly among digitally active and younger users.

A critical finding of this study is the mediating role of customer engagement ($\beta = 0.45$) in strengthening brand loyalty. Consistent with previous studies, engagement serves as the emotional and behavioral foundation upon which loyalty is built (Brodie et al., 2011; Chaudhuri & Holbrook, 2001). Spotify Wrapped's ability to foster strong emotional attachment (mean = 4.20) through personalized and interactive features enhances users' long-term commitment to the platform. However, this study contributes to the literature by highlighting the cultural and contextual relevance of this finding in Indonesia, where loyalty to digital platforms is often tested by a highly competitive market and the availability of alternatives. Wrapped's exclusivity and emotional resonance give Spotify a competitive edge, offering a blueprint for other platforms aiming to cultivate loyalty in similar markets.

This study provides significant contributions to the existing body of knowledge by contextualizing the findings within Indonesia's rapidly growing digital economy and highly social media-driven culture. While previous research has extensively explored FOMO, personalization, and sharing behaviors in Western contexts, this study addresses a gap by examining these phenomena in Indonesia, where unique cultural and technological dynamics shape user behavior. Moreover, the study demonstrates how features like Spotify Wrapped not only drive individual engagement but also create social ripple effects amplified by Indonesia's highly connected digital landscape. Future research can build on these findings by exploring the long-term impact of features like Wrapped on platform sustainability and by investigating how similar strategies can be adapted across different cultural and demographic contexts. The insights from this study provide actionable recommendations for digital platforms seeking to enhance engagement and loyalty through personalization, social integration, and culturally relevant strategies.

Managerial Implications

The findings of this study provide actionable insights for marketers and digital platforms aiming to enhance user engagement and brand loyalty. Marketers should prioritize personalization strategies that cater to individual preferences, as this has been identified as the most powerful driver of customer engagement. By offering tailored content and experiences, like Spotify Wrapped, businesses can create stronger emotional connections with users, increasing their satisfaction and retention. Additionally, leveraging social sharing behaviors can amplify these personalized experiences, with shareable content and exclusive rewards such as badges or playlists motivating users to engage more frequently and promote the brand within their social networks. In the Indonesian context, where social media activity is high and users seek social validation, platforms should design campaigns that emphasize exclusivity and trends, encouraging users to share personalized content such as year-in-review results or milestone achievements. Strategic partnerships with influencers and opinion leaders can further extend campaign reach, ensuring that these personalized, shareable experiences resonate with a broad audience.

These insights are not limited to the music streaming industry; businesses in various sectors can apply similar strategies to drive engagement and brand loyalty. For example, e-commerce platforms could use personalized product recommendations or tailored offers, creating a unique shopping experience for each customer. By integrating gamified elements or providing exclusive rewards, such as loyalty points or limited-time offers, companies in industries like retail, travel, or entertainment can boost customer retention and encourage repeat interactions. Furthermore, leveraging FOMO through social media-sharing features can enhance user participation in promotions or special events across sectors like fashion, food, and fitness. By aligning these digital engagement strategies with the cultural and social dynamics of specific markets, businesses can ensure they remain relevant and connected to their customers, driving both short-term engagement and long-term loyalty.

CONCLUSION

This study highlights the significant roles of Fear of Missing Out (FOMO), personalization, and social sharing behavior in driving customer engagement and brand loyalty, with social media activity acting as a critical moderating factor. Personalization emerged as the strongest predictor of customer engagement, demonstrating that tailored content, such as Spotify Wrapped, creates meaningful and emotionally resonant connections with users. Social sharing behavior and FOMO also significantly contribute to engagement, particularly in a highly social media-driven culture like Indonesia, where users are motivated by trends and the desire for social validation. Additionally, customer engagement strongly mediates the relationship between these factors and brand loyalty, reinforcing the importance of building emotional and interactive connections to ensure long-term user retention. These findings provide valuable insights for digital platforms seeking to create impactful features that resonate with the unique behaviors of their target audiences, particularly in culturally distinct markets like Indonesia.

However, this study is not without limitations. The data was collected using a purposive sampling technique and focused on active Spotify users who had engaged with Spotify Wrapped, potentially limiting the generalizability of the findings to other user groups or platforms. Additionally, the study relies on cross-sectional data, which captures behavior at a single point in time, rather than longitudinal data that could explore how engagement and loyalty evolve over time. Future research could address these limitations by expanding the sample to include non-Spotify users or users of competing platforms to compare the broader applicability of these findings. Furthermore, longitudinal studies could provide a deeper understanding of how features like Wrapped influence long-term brand

loyalty and customer retention. Finally, researchers could explore other cultural or regional contexts to identify whether similar engagement strategies hold relevance outside Indonesia, offering a more global perspective on the efficacy of personalized and socially driven digital campaigns.

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