General Market Research – Radio Apps, Music Streaming Apps

Spotify – [ <https://www.similarweb.com/website/spotify.com#overview> ] [ <https://expandedramblings.com/index.php/spotify-statistics/#.Wd9tCVtSybg> ] – Ranked 3rd Arts & Entertainment Apps, #186 in global internet traffic. 52% of traffic occurs on phone devices.  
[ <http://www.billboard.com/articles/business/7833686/spotify-2016-losses-financial-results-revenue> ] – Spotify revenue over $3 billion BUT net loss of $220 million due to royalties and other complications

Shazam – worth over $1 billion since 2015 – only started being profitable after 2016   
[ <https://expandedramblings.com/index.php/shazam-statistics/#.Wd9uE1tSybg> ] Most money is generated from investors, advertisement & referrals to other music services  
[ <https://www.musicbusinessworldwide.com/profitable-shazam-lost-21m-last-year-as-revenues-slipped/> ]

Soundcloud – Valued at ~ $800 million BUT losses of $20-30 million every year. Supports free usage with ads, paid subscription with no ads, or content creator subscription packages

Pandora -Available only in the US, 2012 revenue of $70.6 through ads and $10.2 through subscriptions – 3 million paying subscribers. In 2016 $1.39bn gross revenue and $343m net loss, $1bn in ads, $225.8m in subscriptions

The general trend here is that music streaming apps have a general net loss when it comes to revenue, however that does not mean that the apps are unsuccessful or that they are losing money (although technically they are)

Spotify, being the biggest streaming service currently, makes over $3bn each fiscal year, although had a net loss of $220m. This is because the business model of the company is currently not suited to the size of the market. Spotify has to pay very high royalties due to the ‘access on demand’ side of the service, and still has a high number of free users.

On the other hand, Shazam is the only company listed above and one of a select few music services that has a positive net revenue or is very close to one. Shazam’s business model is interesting in that it takes advantage of its limitations in order to make more money. In order to avoid having to pay a lot of royalties, music is limited to short clips (20-30s long), and instead Shazam makes its money through advertisement and also through the referral of the user to other streaming services.