

SPOTIFY



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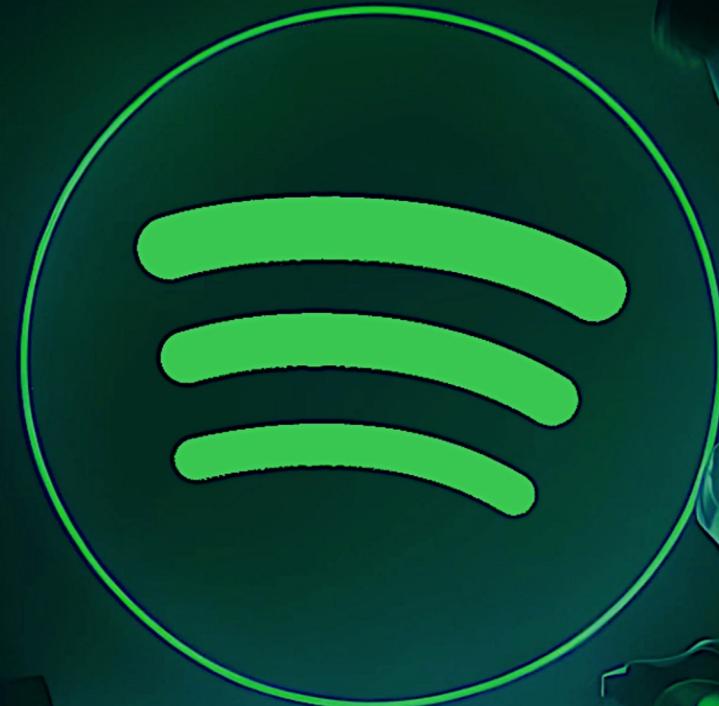


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OVERVIEW

1. Product Roadmap
2. Innovation
3. Disruptive Innovation
4. Stickiness
5. Value Creation
6. Market Strategy
7. Market Types
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PRODUCT ROADMAP

2006-2010

Features

- April 2006 - Spotify was founded in Stockholm, Sweden by Daniel Ek and Martin Lorentzon.
- October 2008 – Spotify was released in Scandinavia, United Kingdom, France and Spain as a Desktop only Interface.
- Launched an invitation-only closed beta version, allowing a limited number of users to access the platform using a Freemium Business Model.



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Acquisitions & Expansions

- Negotiated with major and independent music labels and publishers.
- Spotify offered record labels and publishers a share of revenue from subscriptions and ads, motivating them to license their music to the platform.



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Revenue

- During the initial 2 years Spotify did not make any revenue but was looking to expand its userbase.
- In 2009 the company generated a revenue of \$17.7 million.
- In 2010 the revenue grew to almost \$100 million.



PRODUCT ROADMAP

2011 - 2015

Features

- 2011 - Spotify launches Apps platform for third-party integrations and introduces Follow and Discover features for artist and friend updates.
- 2013 - Spotify Connect debuts for seamless playback across devices.
- 2015 – Spotify launched the Discover Weekly feature for personalized playlists based on listening history.

Spotify



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Acquisitions & Expansions

- 2011- Spotify acquires “The Echo Nest” for advanced music recommendation.
- 2014 - Acquisition of Seed Scientific bolsters Spotify's data analytics capabilities.
- Between 2011 and 2015 they expanded globally, launching its service in multiple countries and started offering podcasts along with music streaming.



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Revenue

- In 2012 the company generated a revenue of \$577 million.
- In 2013 the company generated a revenue of \$1.03 billion.
- In 2014 the company generated a revenue of \$1.3 billion.
- In 2015 the company generated a revenue of \$2.18 billion.

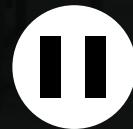


PRODUCT ROADMAP

2016 - 2024

Features

- 2017 - Launch of Daily Mix playlists combining favorite tracks and new discoveries.
- 2020 - Introduction of Group Session for simultaneous listening with friends.
- 2023 - Rollout of podcast subscriptions for creators to offer exclusive content and Integration of live events features for discovering and purchasing event tickets within the app.



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- 2016 - Acquisition of CrowdAlbum for live event content aggregation.
- **2017-2021** - Acquisitions of podcast companies including Anchor, Gimlet Media, Parcast, and The Ringer.
- 2022 - Acquisition of Nuggets.ai for enhancing recommendation algorithms.



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Revenue

- In 2016 the company generated a revenue of \$3.11 billion.
- In 2018 the company generated a revenue of \$6.04 billion.
- In 2020 the company generated a revenue of \$9.14 billion.
- In 2023 the company generated a revenue of \$13.7 billion.





Search



INNOVATION

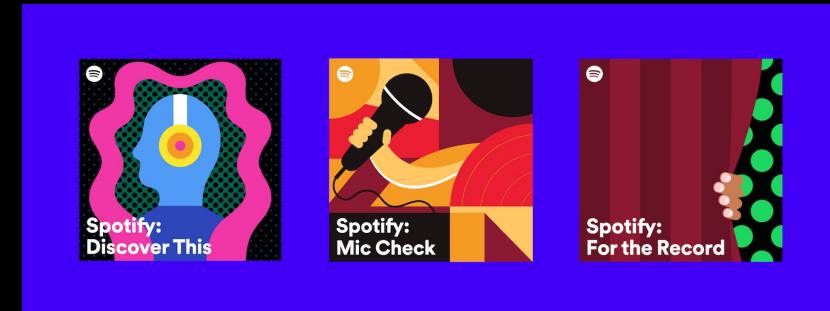
It Begins Here.



Spotify learns you better than your best friend



From Solo Jams to Social Jams
Sharing Playlists



Music that moves you? Done.
Binge-worthy podcasts? Check ✓

SEE MORE



Search



DISRUPTIVE INNOVATION

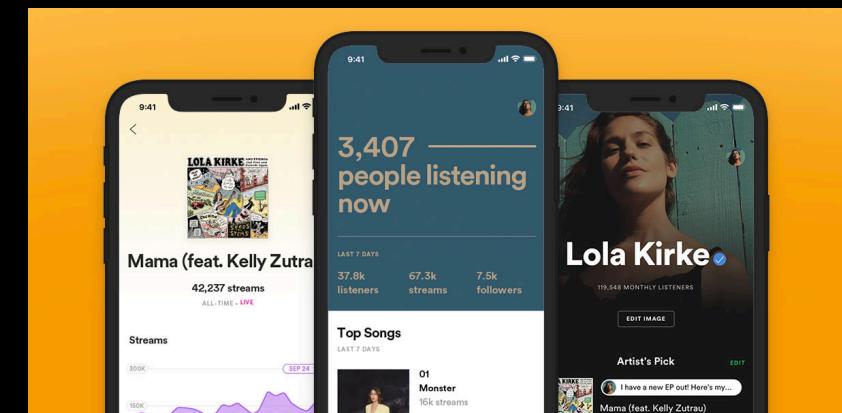
It Will Begin Here.



Challenging the traditional music industry model by offering on-demand streaming instead of ownership.



Democratizing access to music for a wider audience through its freemium model.

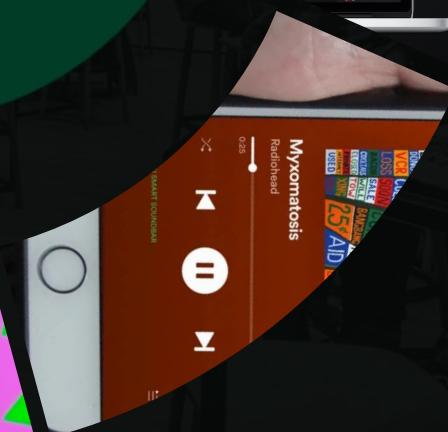


Creating a network effect where user data benefits both listeners and artists.

SEE MORE

STICKINESS

Your
Your





LEGAL ACCESSIBILITY TO MUSIC

Spotify now offers a legal and affordable platform for music lovers to enjoy their favorite tunes.

HIGH QUALITY MUSIC

Spotify offers top-notch audio quality, with tracks reaching up to 320kbps, surpassing many other streaming services and music platforms.



CROSS PLATFORM FLEXIBILITY

Spotify's Cross-Platform Flexibility lets users access their account seamlessly across multiple devices with one ID, offering a unified experience tailored to different lifestyles.

CUSTOMIZATION

Spotify allows users to personalize their profiles by selecting favorite artists and songs, which the algorithm then uses to recommend music tailored to their tastes and preferences.

VALUE CREATION

USERS

- Spotify acts as a gateway to millions of tracks and engaging content.
- Enables users to access Spotify via a single user ID across mobile, tablet, and other connected devices.
- Users can create a personalized profile by picking their favorite songs and adding them to their playlists.



CONTENT CREATORS

- They pay artists or their record labels or the rights' holder any song royalties per stream that they get from their uploaded content.
- Helps content creators grow by providing insights through real-time statistics.
- Allows artists and other content creators to build their brands on its platform.



ADVERTISERS

- They allow advertisers to place ads on its platform for a fee.
- The ad studio empowers advertisers to create ad content of different kinds to market their goods and services.
- Provides them with the tools to track the performance of their ads.



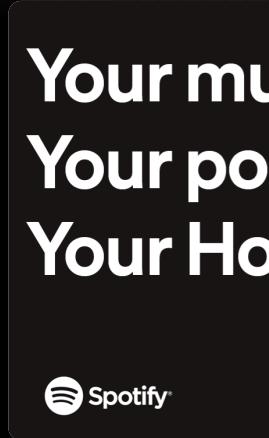
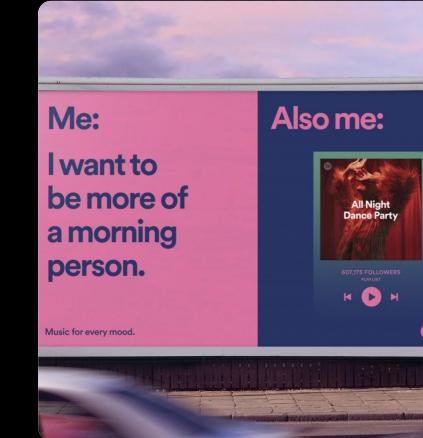
INVESTORS

- Spotify is the market leader with 550 million monthly active users and continues to expand globally.
- They are continuously innovating with different products and are consistently growing year over year.
- With Spotify's expansion into other markets like audiobooks, investors have confidence in its future growth.



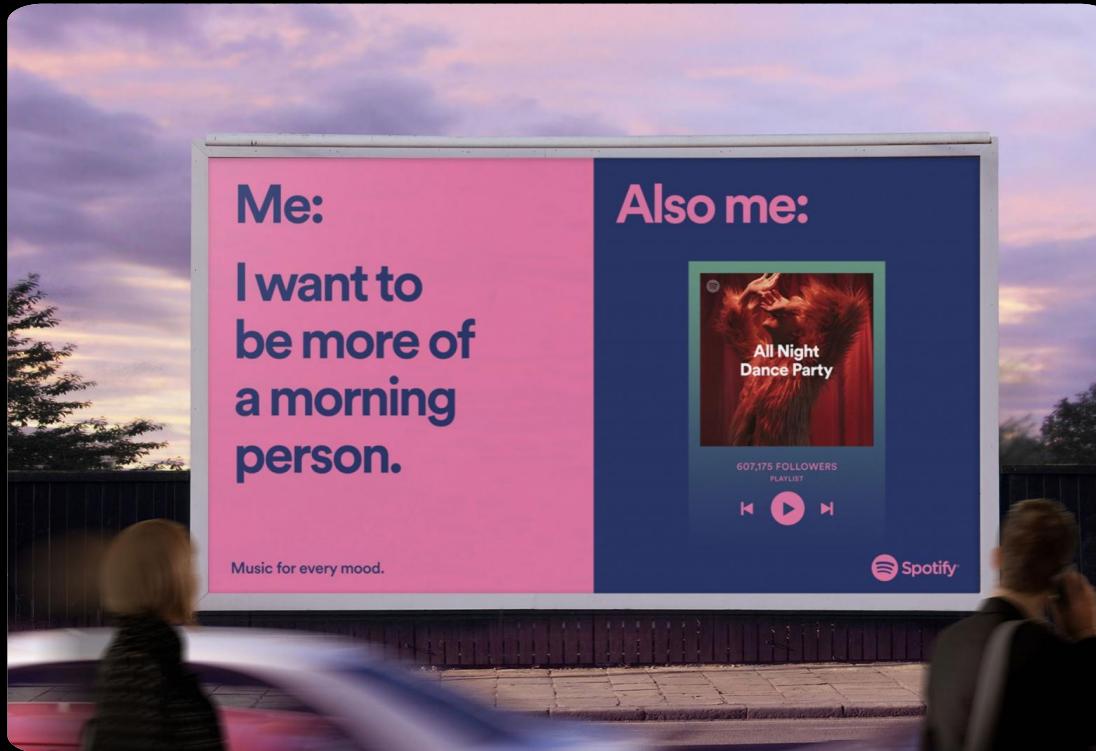
MARKETING STRATEGY

Pricing Strategy



MARKETING STRATEGY

Emotional Advertising



**Your music.
Your podcasts
Your Home.**



MARKETING STRATEGY

Personalization

Your music.
Your podcasts.
Your Home.



MARKETING STRATEGY

Brand x Artist
Collaboration



MARKETING STRATEGY



Me:
I want to
be more of
a morning
person.

- Social Media Synergy

MARKET TYPES

NEW MARKET

- The first legal way to listen to music without physical product or ownership.
- Instant, high-quality audio without any downloads (Streaming) and ability to share socially (playlists).
- Pivotal deal with Big 4 Record labels (Sony, Universal, Warner, EMI) provided a huge selection.



EXPONENTIAL MARKET

- From EU countries in 2008, US launch in 2011, SE Asia Mexico Launch 2013 to global 180+ markets in 2021.
- **2013:** 30 million users; 8 million subscribers
2024: 602+ million users; 36 million subscribers.
- Market leader in music streaming market with a 30.5% market share in 2024.



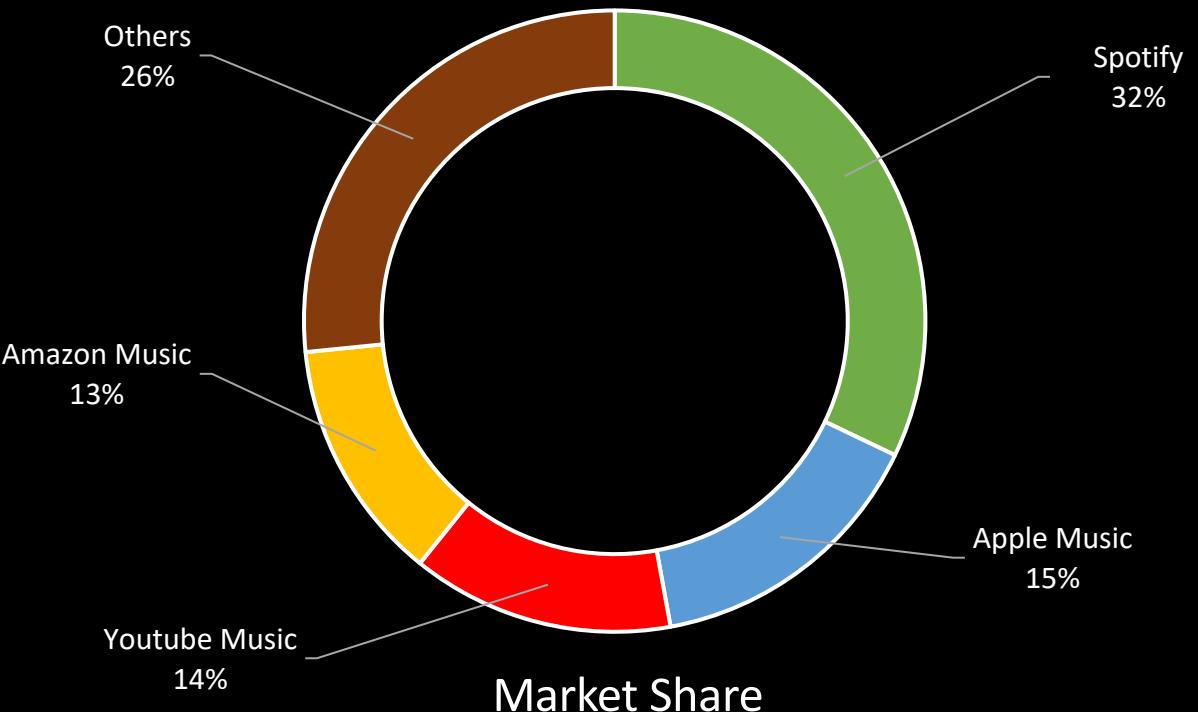
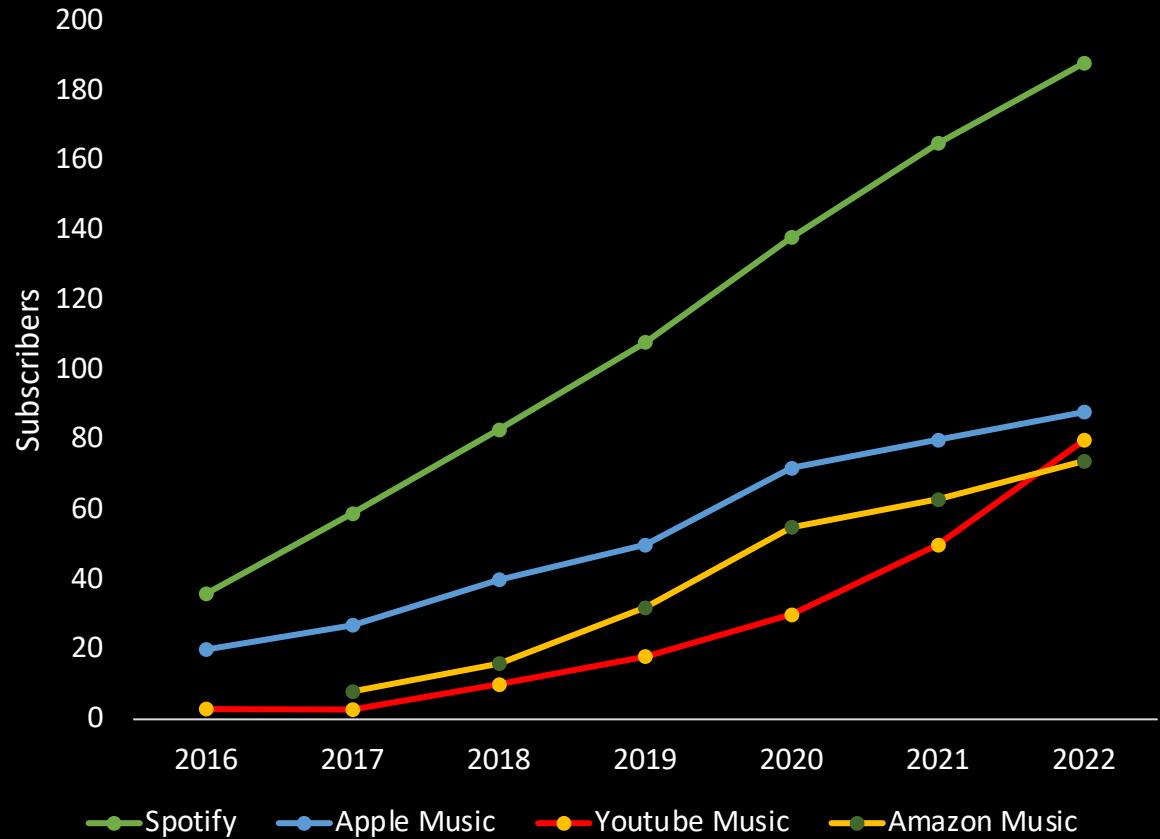
ADJACENT MARKET

- 2015: Spotify for Podcasters; exclusive podcasts and higher engagement. AI backed Voice Translation introduced in 2023.
- 2022 – Audiobooks for premium members (Australia, UK, US) Acquisition of Findaway – audiobook production company shows that Spotify plans to dominate in this growing market



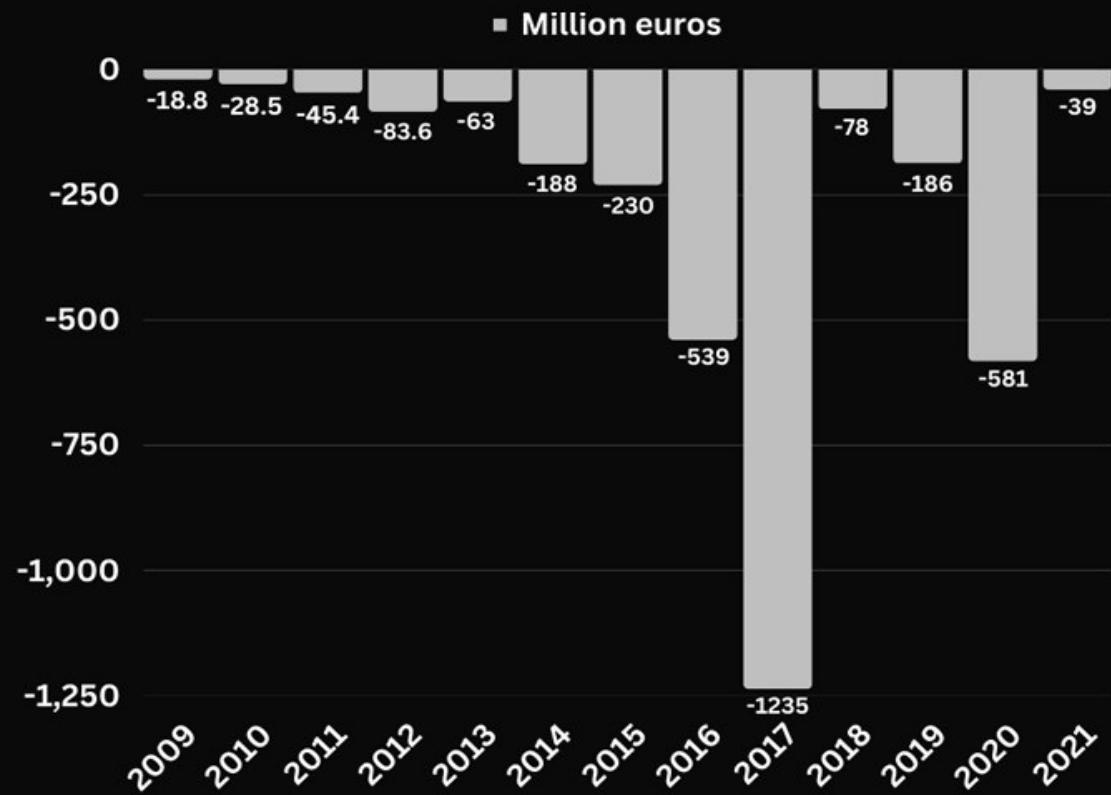


COMPETITOR ANALYSIS



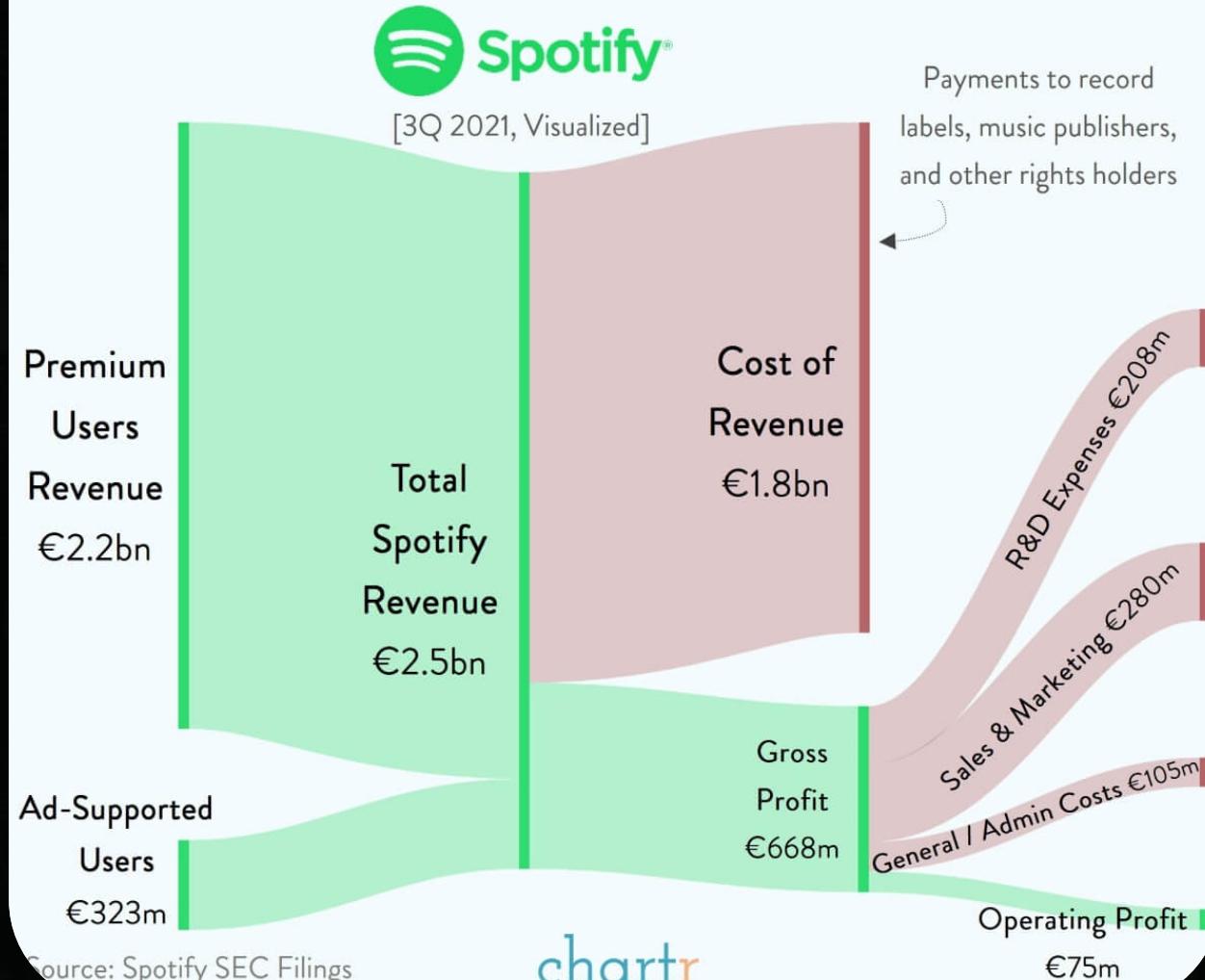
FINANCIALS

SPOTIFY PROFIT



FINANCIALS

How Streaming Giant Spotify Makes, And Spends, Its Money



FINANCIALS

Spotify Royalty System

Spotify monthly revenue

X

Artist's Spotify streams

Total Spotify streams

X

~70% to master and publishing owners

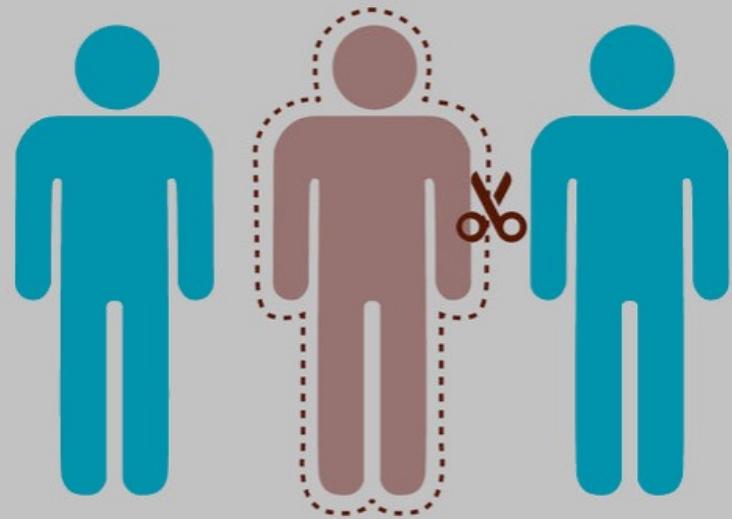
X

Artist's royalty rate

=

Artist payout

CRITICAL APPRECIATION



Launch Spotify Records
- Cut out the middlemen

Invest in Music
- Own the rights to music



CRITICAL APPRECIATION

Positive Impact

- Legalized music streaming
- Promotion of Independent/small artists
- Accessibility and Convenience



Negative Impact

- Low royalties for artists
- Decline of CD/Physical albums
- Niche music is overshadowed



Areas of Improvement

- Diversification : Smart speakers
- Platform integration: AI & Brain-computer interface
- Better Artist Relations





THANK YOU

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