The Evaluation of e-commerce organisations

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# 1 - Introduction - description 150 10%

This report evaluates the e-commerce strategies of two organisations in the business to consumer music industry. The music industry has a number of business models which include, streaming, digital downloads and buying physical copies. Streaming services like Spotify which will be explored in this report are online only, whereas stores such as HMV which is also explored in this report have both digital downloads and physical copies through their stores.

# 2 – Main body

## 2.1 - Evaluation of Organisations 400 words - 25%

### Spotify

With the growing size of streaming platforms vs physical, there is only one company that comes to mind, Spotify. Spotify is a music streaming platform who has been around since 2006 and is the most popular music streaming service. Figure 1 shows the increase in streaming subscriptions vs physical formats, which is why companies like HMV has suffered due to this shift from traditional sales to streaming services.



(Figure 1 – Sources of music, Mintel 2019)

Whilst there are alternatives to music streaming platforms such as, Amazon Prime Music, Apple Music, Google Play Music, Deezer Premium, Tidal and others, Spotify has been on the top of theses lists as being the most used. Below in figure 2 it shows which of the streaming platforms was most used in the last 3 months.



(Figure 2 – Most used paid streaming platform, Mintel 2019)

Spotify has over 217 million users.

Whilst there are different methods to analyse a company, such as PESTLE. This report will focus on using the Porters Five Forces method. Porters Five Forces is made up of:

1. The Threat of new entrants
2. The Threat of substitute products
3. The Rivalry among existing firms
4. The Bargaining power of buyers
5. And the Bargaining power of suppliers

## 2.2 - Evaluation of e-commerce 400 words - 25%

## 2.3 - Comparative analysis 400 words - 25%

|  |  |  |
| --- | --- | --- |
| Category | Spotify | HMV |
| Mission | *“To unlock the potential of human creativity by giving a million creative artists the opportunity to live off their art and billions of fans the opportunity to enjoy and be inspired by these creators”* |  |
| Vision | “*We envision a cultural platform where professional creators can break free of their medium’s constraints and where everyone can enjoy an immersive artistic experience that enables us to empathize with each other and to feel part of a greater whole.”* |  |
| Life Cycle Stage | Growth | Decline |

# 3 - Conclusion 150 words - 10%

# 4 – References

Mission Statement Academy (2019) *Spotify Mission and Vision Statement Analysis*. Available at: <http://mission-statement.com/spotify/> (Accessed 23/10/2019)

BBC News (2018) *HMV: Did streaming cause retailer to fail?.* Available at: <https://www.bbc.co.uk/news/technology-46703208> (Date accessed 23/10/19)

Riesewijk, M. (2017). ‘The Future of Spotify: Assessing Spotify’s Position by Analysing the Competition’. 27th Twente Student Conference on IT July 7th , 2017, Enschede, The Netherlands.

# 5 – Appendix

## 5.1 – Appendix 1



## 5.2 – Appendix 2