

<b>Group Number:</b>	2
<b>Client Name:</b>	Spotify
<b>Introduction to the client:</b>	
Spotify is a music and podcast streaming platform founded in 2008 in Sweden by Daniel Ek and Martin Lorentzon. It provides access to millions of songs, curated playlists, and podcasts, with both free and premium subscription options. Spotify operates as a publicly traded company, with governance overseen by a board of directors.	
<b>Market background and contextual information</b>	
<p><b>Main competitors:</b> Tencent, Apple music, Amazon music, Youtube music, Tidal, Deezer.</p> <p><b>Recent news:</b> In December 2023, just days after 2023's Spotify Wrapped launch date, Spotify's CEO announced mass layoffs that affected 17 percent of its workforce, up to 1,500 people. Also, many customers were disappointed with 2024's Spotify Wrapped. (Spotify Wrapped is a viral marketing campaign by Spotify released annually since 2016 between November 30 and December 6, allowing users to view a compilation of data about their activity on the platform over the preceding year, and inviting them to share a colorful pictorial representation of it on social media.)</p> <p><b>Market landscape:</b> Although Spotify has the largest market share (30.5%) in the music streaming industry, it is estimated that for every \$1 in revenue they generate, 75 cents goes towards artist royalties and record labels, while only 25 cents actually goes towards paying the company's operating expenses. The three major record labels: Universal Music Group, Sony Music Entertainment and Warner Music Group have a combined market share of 77% in the music industry, giving them huge monopsony power over the streaming services</p> <p><b>Pandemic affects:</b> There was an overall drop in music streaming on Spotify amid the COVID-19 pandemic compared to streaming figures before the global health crisis. On average, audio music consumption decreased by 12.5 percent after the World Health Organization (WHO) declared a pandemic in March 2020.</p> <p><b>Regulations effects:</b> In June 2023, Spotify was fined €5 million by the Swedish Data Protection Authority (IMY) for violating the General Data Protection Regulation (GDPR).</p> <p><b>Trends:</b> Podcasts and audiobooks are getting more popular. Tiktok popularity influences popular songs/ artists.</p>	
<b>Business / Organisational Objectives</b>	
<ul style="list-style-type: none"> <li>• Develop / launch a new video/live-streaming service</li> <li>• Increase revenue such that they are no longer making a loss</li> <li>• Strengthen competitive position in the broader audio entertainment market beyond music streaming</li> <li>• Increase customer satisfaction and reducing churn rates</li> </ul>	
<b>Research Aims</b>	
<ul style="list-style-type: none"> <li>• Understand the attitudes and behaviours of consumers towards: i.e. a new service of live streaming videos and concerts? Live events suggestions? (qual and quant)</li> <li>• Identify factors leading to higher customer satisfaction i.e. why they prefer spotify over other platforms? Affordability? How well does spotify capture music preferences for the curated playlists? (qual and/or quant)</li> <li>• Analyse user consumption patterns and preferences across different audio formats to identify optimal content investment allocation (quant) i.e. whether a customer consumes podcasts, music or audiobooks more regularly?</li> </ul>	
<b>What data the Business or Organisation can offer the Research Agency</b>	
<ul style="list-style-type: none"> <li>• Customer usage data</li> <li>• Subscription information</li> <li>• Engagement metrics</li> <li>• Demographic information on customers</li> <li>• Financial statements for Spotify</li> </ul>	
<b>Research Population(s)</b>	
LSE students - people who use Spotify and other music streaming platforms; former users of spotify ( those who cancelled their subscription )	