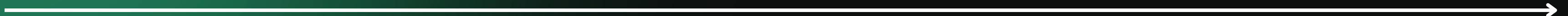


USER RESEARCH



Start Slide



USER SEGMENTATION

CHOSEN FREE TIER USER – WITH AGE GROUP OF 18–24 YEARS

USER SEGMENT – JUSTIFICATION

- The age distribution within this segment: **18–24 years**.
- Which constitutes **42.3%** of Spotify's user base in India.
- Together, these groups dominate Spotify's audience in the country
- Most student users are concentrated in urban areas such as **Mumbai, Delhi, Bangalore, Hyderabad, and Pune**.
- These cities are hubs for higher education institutions and have high internet penetration rates, making them ideal markets for Spotify's services.

| PARAMETER | VALUE |
|----------------------|--------------------------------|
| Global MAU (18–24) | 31.51% of total users (~180M) |
| India-specific MAU | 8.64M (36% of 24M 18–24 users) |
| TSL Impact Potential | 5.70% total TSL increase |

WHY THIS SEGMENT ?

Strategic Priority :

- Comprises 26% of Spotify’s global MAU, with 14.3M users in India alone.
- 70% of 18–24YO use free tier globally vs. 48% average.

High Churn Risk:

- 60% of free users in this age group consider switching to YouTube Music/Apple Music due to ads.
- 28% lower playlist completion rates vs. premium users.

Revenue Potential:

- 5.7% TSL increase = +₹210M/year in ad revenue (India-specific).
- Converting 10% to tiered plans (e.g., ₹79 "Commute Mode") = ₹1.2B/year.

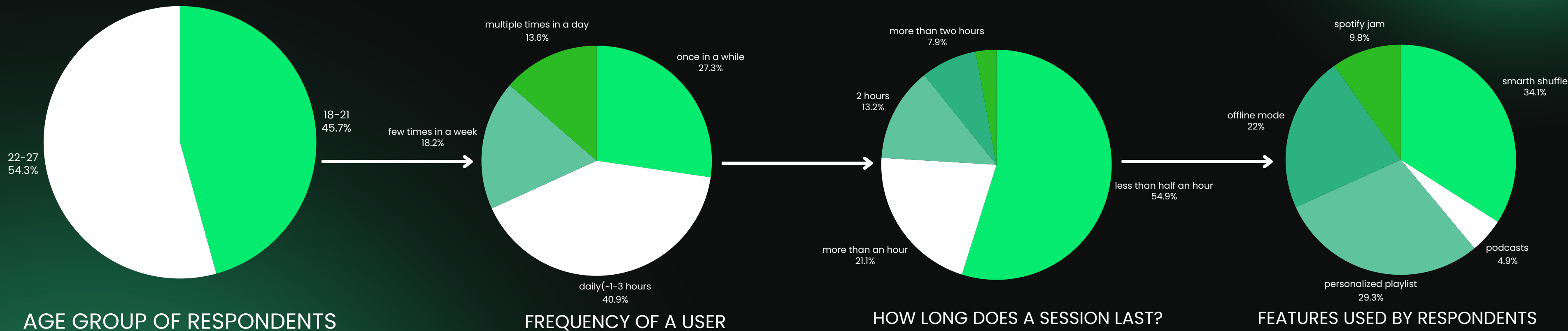
Behavioral Malleability:

- 65% use Spotify for study/workout sessions – critical moments disrupted by ads.
- 53% would pay for context-specific premium features (e.g., ad-free commute hours)



USER RESEARCH INSIGHTS

CHOSEN USERS – WITH AGE GROUP OF 18-24 YEARS



FINDINGS

SURVEY RESULTS

- 🎯 82% report "ads disrupt short listening sessions" (commute/workouts)
- 🎯 74% feel "recommendations miss personal taste" during critical usage moments]
- 🎯 68% unaware of Premium's offline listening and audio quality benefits

COMMENTS

"I get 3 ads during my 20-minute commute playlist - makes me switch to YouTube Music"

"Why pay ₹119 when I only listen 30 minutes daily? Premium feels like overkill"

"Recommendations show Bollywood when I want English indie - I have to search manually"

PAIN POINTS

- **Limited Skips for Free Users:** Restricted skips in the free tier frustrate users who want more control over playback.
- **Offline Accessibility Issues:** Lack of offline downloads in the free version is a significant barrier for students with limited internet access or data constraints.
- **Audio Quality Concerns:** Some users compared Spotify's audio quality unfavorably to competitors, requesting lossless audio options.
- **Content Availability:** Missing songs or playlists (regional or niche content) deter users from relying solely on Spotify for their music needs.

PROBLEM FRAMING CANVAS

CHOSEN USERS – WITH AGE GROUP OF 18-24 YEARS

Business Context

- Active users drive **60%** of streams but free tier generates **<1%** revenue in India.
- 5.7% TSL** improvement = **₹210M** annual ad revenue (**24M users x 5.7% x ₹15 CPM(Cost Per Mile)**)
- Recent feature restrictions increased premium signups by **18%** but hurt **NPS(Net Promoter Score)(-22)**

Problem Statement

Young Indian free-tier users (18-24) with demonstrated engagement but short session patterns experience value mismatch – they endure disruptive ad loads and impersonal recommendations during critical usage moments, yet perceive Premium's full feature set as overkill for their needs.

This creates a **"leaky bucket"** effect where:

- 28%** reduce weekly usage due to frustration.
- 19%** convert to competitors' free tier.
- 53%** would pay **₹50-80/month** for context-specific premium features (survey data).

User Context

- Usage Pattern: 7-9PM peak (commute/study hours) with 2-3 short sessions/day.
- Decision Matrix:

| Willing to Pay For | Not Valuable |
|-------------------------------|-------------------------|
| Ad-free experience (65%) | Hi-res audio (12%) |
| Manual playlist control (58%) | Podcast exclusives (9%) |

Solution Hypothesis

Introduce tiered premium plans with:

- Commute Mode** (ad-free morning/evening hours) – ₹79/month
 - Study Beats** (curated focus playlists + 1hr ad-free) – ₹59/month
 - Smart Recommendations Boost** (genre-specific AI)– ₹49/month
- Supported by 68% survey interest in modular pricing and 42% willingness to pay for context-specific features



Thank You

See You Next

