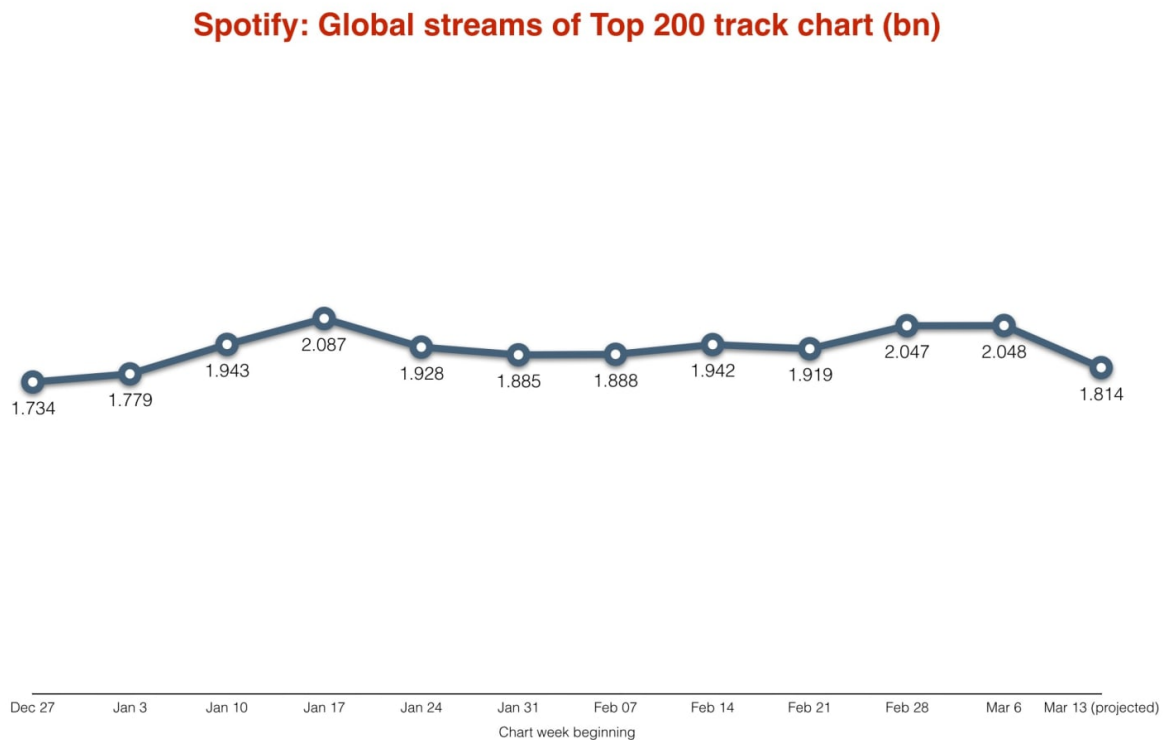


Behavioral Rigidity and TAM

Self-isolation from COVID-19 may be causing a decline in streaming on Spotify per an [article from Quartz](#). This chart from [Music Business Worldwide](#) shows the drop:



Source: Spotify chart data / MBW calculations

It may be that overall Spotify streams are not down, despite the streams of top 200 singles being down in multiple countries. Perhaps Lil Uzi Vert doesn't feel like the appropriate soundtrack for the end of days and people have started listening to Wagner's *Götterdämmerung* and other apocalyptic back catalog fare.

But I wouldn't be surprised if Spotify streams really were down. When we speak about the total addressable market (TAM) for products, we don't speak often enough about the behavioral or habitual TAM. But it matters.

I wouldn't be surprised if some analyst at Spotify, looking at the listening patterns by time of day, realizes that many people are no longer doing long commutes to and from work, no longer popping in their favorite pop playlist

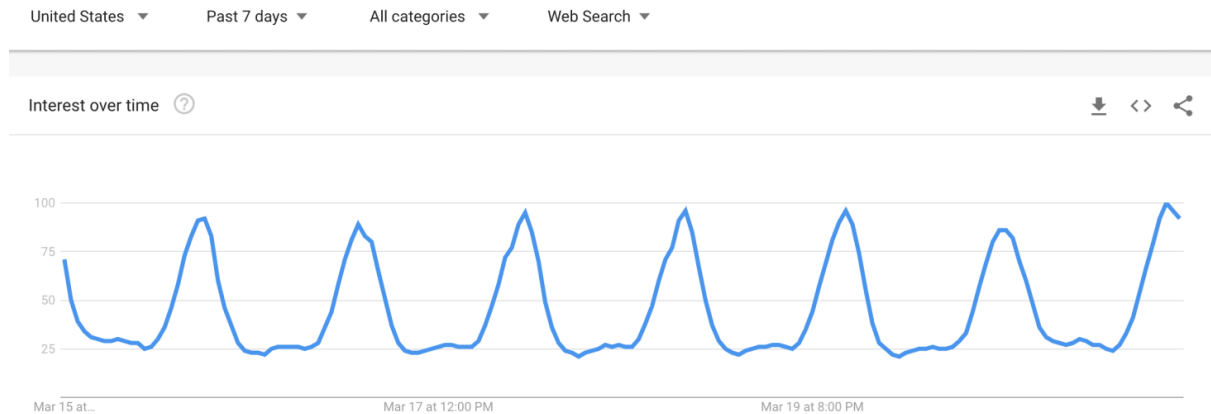
for a session at the gym, because they're all cooped up at home. Because of that, a chunk of time they had been allocating to listen to Spotify has been subbed out for whatever it is people do when they're at home and not commuting or working out.

In theory, we've created a surplus of consumer attention which you might hypothesize to be a rising tide for all media boats. You might say that since Spotify can stream over your phone, it's TAM is almost all your waking hours. In actuality, it's not, and understanding the behavioral overlay of TAM on one's daily routine matters as a product manager.

To take the Spotify example, understanding which contexts people listen to music in helps prioritize efforts like integration with car radios, helps to anticipate the effect of devices like AirPods and self-driving cars on their usage volume and frequency. I mean, Spectacles from Snapchat have mostly been a dud to date, but I can at least understand the impulse to shift the Snapchat camera from the phone onto one's face to increase behavioral market share.

When you analyze the rise of YouTube vloggers and TikToks shot in the bedrooms of teens across the U.S., you won't have a complete picture of the TAM without understanding just how much discretionary time teens have each night in their bedrooms.

I often speak of the behavioral rigidity of humans, how much we're creatures of habit. Analyze enough human behavior at large enough sample sizes and we look like ants marching in formation in our predictability. For example, here's some trivia. This is the Google Trends graph for a search term in the U.S. over the past 7 days. You can look at it over any 7 day period and it looks like this, with the peak search volume occurring at 1 am PT, 4 am ET, without fail. What search term is it? Answer in the next issue, or you can email me your guess.



At an Amazon all-hands meeting decades ago now, someone asked Jeff Bezos what change in the world at that time would most boost Amazon's business. He gave an answer that I'll always remember because it was so bizarre: "an always-on computer." Computers at that time, he noted, took too long to boot up. This was the late '90s when most people ran Windows on their personal computers. Many kids today don't remember a time when you'd turn on your computer and then go do something else for a few minutes while the thing booted up. If the world had a computer that turned on instantly, like a light switch, more people would spend time online, Jeff noted, and that would mean they'd shop more with Amazon.

At the time, I thought that was quite a stretch. In hindsight, he was just asking for the iPhone, the always-on computer which I seldom turn off. It did change the world. Can you imagine if, to check Instagram or Twitter, you had to wait a minute or two for your phone to boot up? Bezos had a sense, even then, of the magnitude of impact reducing some level of upstream friction might have on the business.

If you're a product manager whose business has seen a big shift in usage during this mass self-isolation, dig into the numbers by time of day and location and try to understand what happened. It's rare to have such a mass natural experiment in shifting human behavior, it will be a gold mine of insight. Let me know what you find!