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### **Background**

As technologies have evolved, physical recordings have become a thing of the past. Today, [86 percent](https://www.ifpi.org/downloads/Music-Consumer-Insight-Report-2018.pdf) of consumers are listening to music using on-demand streaming services.

Users want a music streaming platform that lets users stream songs of their choice and generates playlists based on a user’s musical preferences.

### **Problem**

Current Music Streaming Industry Size in USA

|  |  |
| --- | --- |
| **USA** | **Music Streaming** |
| Current Revenue | US$6,014m |
| Expected Revenue | Annual growth rate (CAGR 2020-2024) of 5.1%, |
| Total Users | 65.0m |
| User Penetration | 19.6% in 2020 |
| Expected User Base | 22.7% by 2024 |
| Average Revenue | US$92.51 per user (ARPU) |
| Competitors | Spotify, YouTube Music, Apple Music |

### Competitors

|  |  |  |
| --- | --- | --- |
|  | Spotify | Apple Music |
| Product Offering | Free app with subscription | Free app with subscription |
| Key features | Download songs and listen offline, create and share playlist, Radio, Get recommendations | Automatic Downloads, Limit Downloads to Optimize Storage, Get recommendations |
| Differentiate | 50 million tracks, Podcast, UI design | 60 million songs,Read Lyrics for Songs |
| Target Customers | Millennials | iPhone User |
| Distribution Channel | Website, AppStore, Smart devices | Website, AppStore |
| Paying Users | 138M worldwide | 6.5M worldwide |
| Total users | 232M worldwide | 60M worldwide |
| Revenue | $7.44 billion | $1 billion (Approx. Estimation) |
| Price | **Individual** $9.99/month  **Family** $14.99/month  **Student** $4.99/month  First 3months free | **Individual** $9.99/month  **Family** $14.99/month  **Student** $4.99/month  First 6months free |

Sources:

<https://www.statista.com/statistics/604959/number-of-apple-music-subscribers/>

### **Goals**

The goal is to design a music streaming app with recommendation system. The system will be composed of server-side components and client-side components. The server-side component will manage the database operations and algorithm. The client-side components will be graphical interfaces that are integrated into corresponding larger systems. Success would be users able to listen music from us, on the go, anytime, anywhere from our huge library and be satisfied giving us good rating and referring to others

### **Key Features**

|  |  |
| --- | --- |
| **Feature** | **Description** |
| **User accounts** | To get started, a user needs to create an account |
| **Cloud storage** | A cloud service enables data storage so that users can access their music files online |
| **Search** | This is a must to let users find songs by artist and title |
| **Library** | This is where users can collect their favourite albums and songs for quick access. |
| **Playlists** | Users should be able to create and edit playlists. |
| **Recommendations** | help to provide a personalized experience. They should be based on a user’s musical preferences. |
| **Offline availability** | lets users download songs and albums so they can listen to them without an internet connection |
| **Social sharing** | With a sharing feature, users can share playlists with friends through social media. |
| **Notifications** | With notifications, users can get news about activity of their friends and favorite artists. |
| **Upload** | This is an additional feature that your app needs if you want to let users upload their own content. |
| **Voice Support** | Build Alexa Skills to control the app via voice command |

### **Success Metrics**

### **Financial Metrics**

* 1. **Profit**: Analyse both gross and net profit margin to better understand how successful the organization is at generating a high return.
  2. **Cost**: Measure cost effectiveness and find the best ways to reduce and manage the costs.
  3. **LOB Revenue Vs. Target**: This is a comparison between your actual revenue and the projected revenue.

1. **Customer Metrics**
   1. **Number of Customers**: determining the number of customers gained and lost.
   2. **Customer Satisfaction & Retention**: customer satisfaction scores and percentage of customers repeating a purchase.
2. **Process Metrics**
   1. **Customer Support Tickets**: number of new tickets, the number of resolved tickets, and resolution time
   2. **Percentage of Product Defects**: Number of defective units divided by thetotal number of units produced in the time frame.

### **Target Market**

* Amazon Music Primary target audience are
* The Alexa Smart Device Users.
* Music fans who may not have gotten on board with streaming yet
* Teenage and Kids
* Elder People

**Total Addressable Market**

**Total population** of US: 330m

Active Music Users: 65m

Users having Amazon Echo : 53m

Assume 30% are mutual user still we have 100m total users combined

Assuming 25% market share : 25m users

Source:

<https://www.statista.com/outlook/209/109/music-streaming/united-states>

<https://www.statista.com/statistics/794480/us-amazon-echo-google-home-installed-base/>

### **Core UX Flow**

Link to the figma workflow

https://www.figma.com/file/pMEwn1SkJuhLIFWKbe3rlE/MusicApp-Mockup?node-id=0%3A1

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