



Spotify

Rhythm Therapy

**VIRTI
SHETH**

Strategist

**HARDIK
SHAH**

Strategist

**KHUSHALI
RATHOD**

Strategist

**NEHA
KUMARI**

Strategist

**DHVANIL
SHAH**

Strategist



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ABOUT US



We have developed strategic plans that will help improve Spotify's profitability. We analyzed existing business strategies and practices to provide recommendations for improvements.

Business Model

Spotify operates under a freemium business model (basic services are free, while additional features are offered via paid subscriptions). Spotify generates revenue by selling premium streaming subscriptions to users and advertising placements to third parties.

Our Company

Spotify is a digital music, podcast, and video service that gives you access to millions of songs and other content from creators all over the world.



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01 CHALLENGES

02 TUNING STRATEGIES

03 UNVEILING THE HARMONY



Challenges

Huge number of advertisements

Customer Retention

No lyrics based song search

Cross-country playlist challenges

Tuning Strategies

Diversify

- More service offerings
- Music Events
- Concerts

Customer Retention

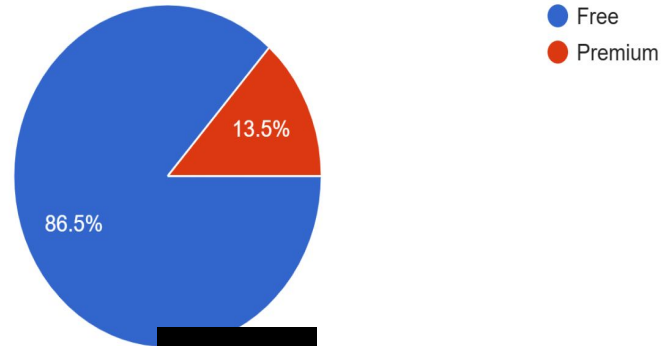
- Increased Number of Skips(Free users)
- More downloads (Free users)
- Less interruption (Free users)

Additional Features

- Lyrics based search
- Third party integration
- Global playlist access

If you use Spotify, which version are you currently using or would like to use?

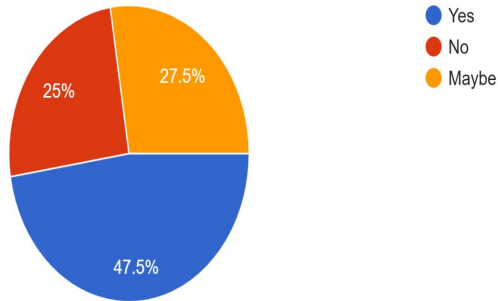
37 responses



GOOGLE FORM

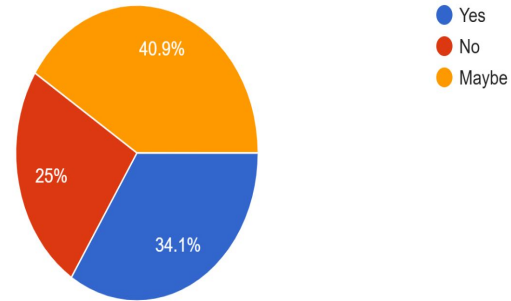
If you did not select spotify above, would you switch to spotify, if you are offered discounts on concerts, offers on merchandise, music recognition?

40 responses



If you are a free user, would you switch to premium version, if you are offered discounts on concerts, offers on merchandise, music recognition?

44 responses



Stage	Awareness	Consideration	Conversion	Retention	Advocacy
User Action	User hears about Spotify through social media ads featuring exclusive content and artist collaborations.	User visits the Spotify website and browses the features of both free and premium subscriptions.	User decides to sign up for the premium version after the free trial.	User utilizes Spotify daily for music and podcasts, interacts with community features.	Satisfied user shares playlists with friends and promotes Spotify on social media.
Pain Points or Questions	User wonders what makes Spotify different from other streaming services and what the free version offers.	Concerns about the number of ads in the free version and the benefits of upgrading to premium.	Is the premium price justifiable? What if I don't like it after a few months?	How can Spotify continue to provide value month after month?	How can I share my great experience with others? Are there benefits to doing so?
Emotions	😍	😊	😊	😍	😍
Opportunities and Solutions	<ul style="list-style-type: none"> - Showcase the wide range of music and podcasts available on Spotify. - Highlight unique features like Spotify Connect and the ability to create and share playlists. 	<ul style="list-style-type: none"> - Offer a free trial of the premium version to experience ad-free listening and offline playback. - Provide a detailed comparison chart showing the benefits of free vs. premium. 	<ul style="list-style-type: none"> - Provide flexible subscription plans and easy cancellation policy. - Showcase testimonials and case studies of satisfied premium users. 	<ul style="list-style-type: none"> - Regular updates with new features and content, personalized music discovery algorithms. - Engage users with Spotify-exclusive events and merchandise offers. 	<ul style="list-style-type: none"> - Implement a referral program that rewards users for bringing friends to Spotify. - Create community-driven events where users can share their music tastes and meet others.



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Users

Premium Users

295 million of Spotify
Subscribers are premium
users



Age Demographics

18-35-year-olds make up
the majority of Spotify
user base



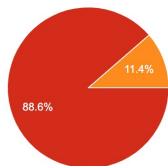
Gender Breakdown

58% of Spotify users
are men



Please select your age group

44 responses



● 0 - 18
● 19 - 30
● 31 - 45
● 45 +



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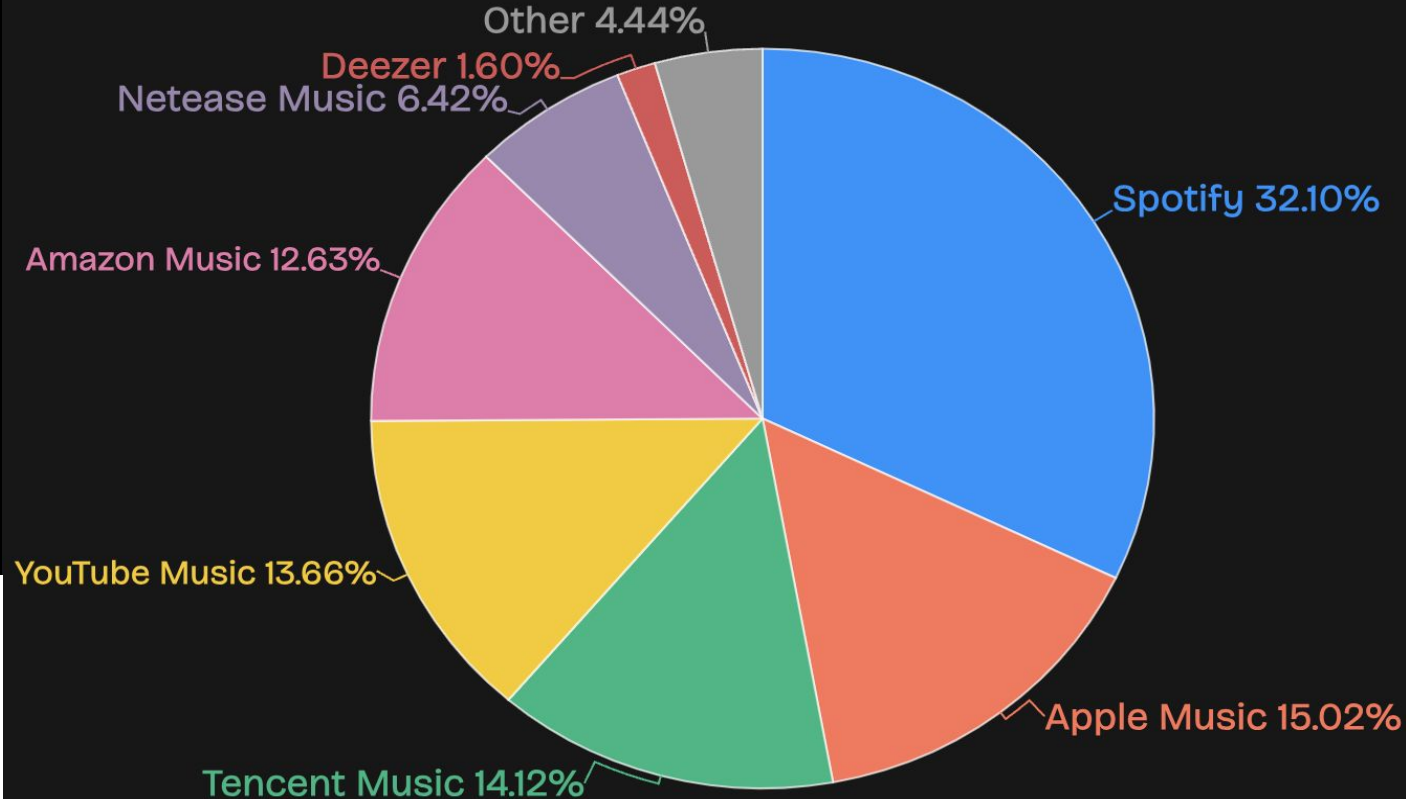
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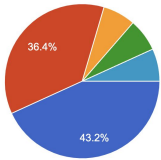
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Competitor Analysis



Which application do you use most often to listen to music?

44 responses



● Spotify
● YouTube Music
● Apple Music
● Amazon Music
● Tidal
● Other



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Geographic Distribution of Premium User



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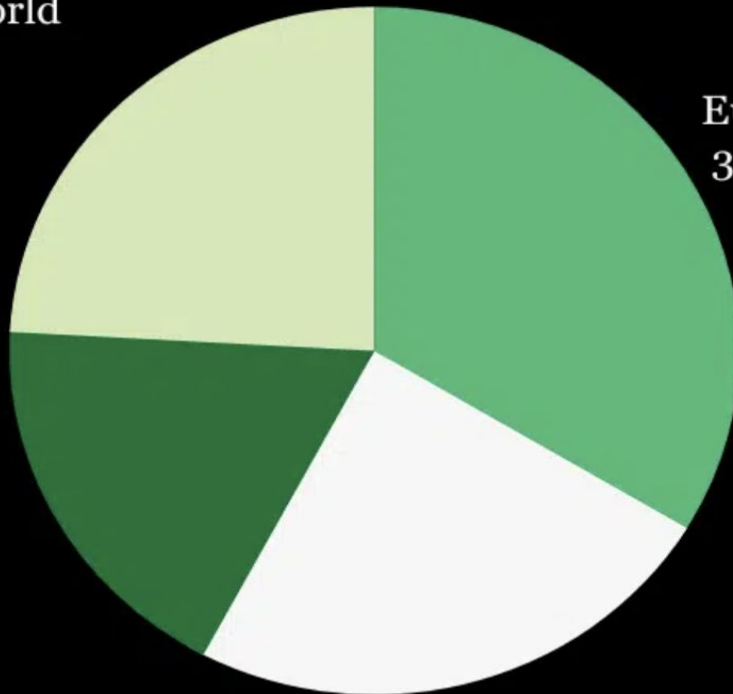
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Rest of the World
24.1%

Europe
33.6%

LATAM
18.1%

North America
24.1%





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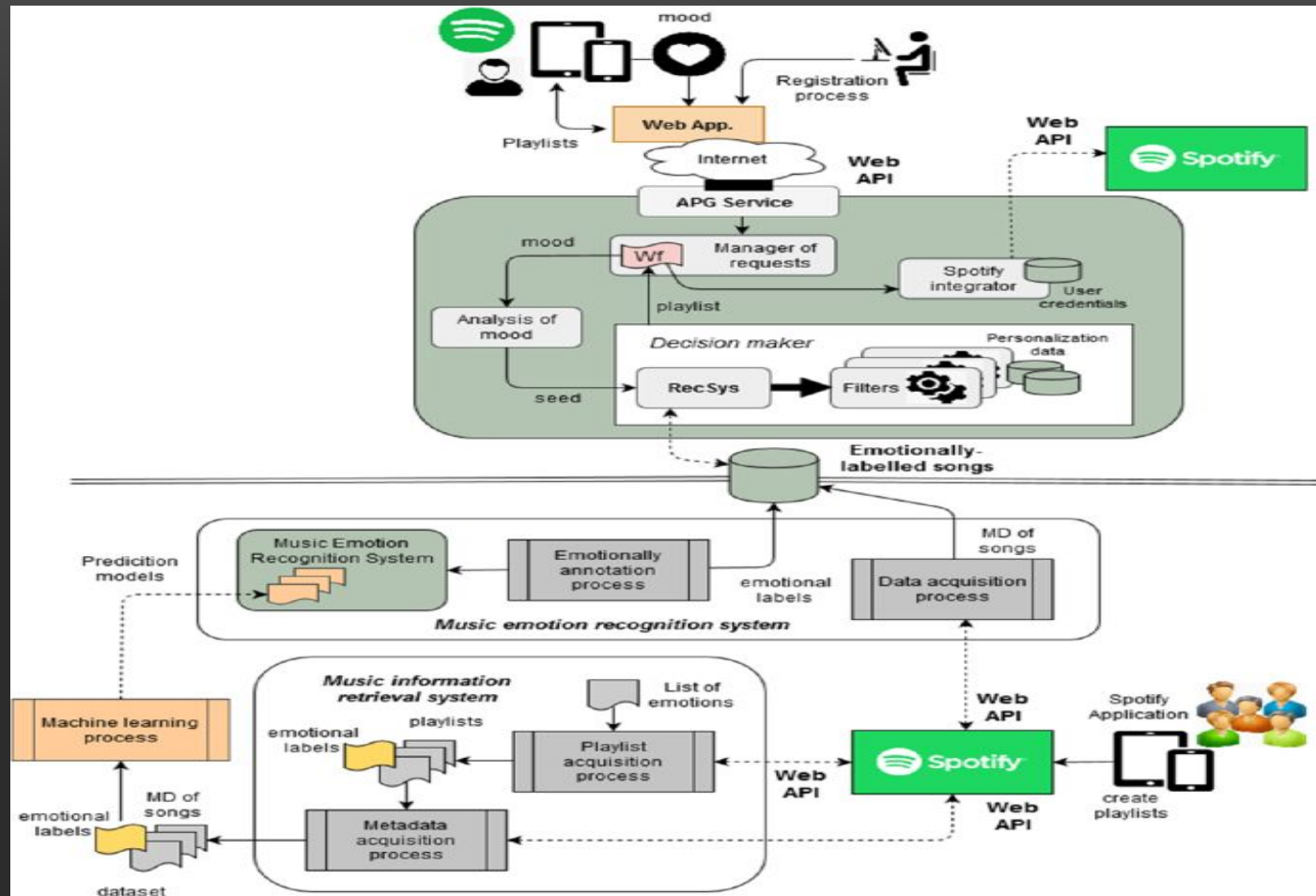
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Objective 1



Increase paid users

Key features:

1. Offer a promotional discount.
2. Launch marketing campaigns highlighting exclusive benefits.

Result:

1. Increase Premium subscriptions by 30%.

Owner: Chief Marketing Officer (CMO) and Chief Revenue Officer (CRO)

Objective 2



Pertain paid users

Key features:

1. Introduce premium -exclusive features like early access to tickets for concerts and exclusive releases
2. Implement personalized content recommendations and music recognition

Result:

1. Decrease churn rate among paid users by 10%.
2. Achieve a customer satisfaction score of 9/10.

Owner: CCO (Chief Customer Officer) and CMO (Chief Marketing Officer)

Objective 3



Increase revenue sources

Key features:

1. Develop partnerships with event organizers and merchandise vendors,
2. Explore advertising partnerships to enhance ad relevance.

Result:

1. Launch at least three new revenue streams related to live events and merchandise.
2. Increase partnership-driven revenue by 20%.

Owner: Chief Investment Officer (CEO) and Chief Revenue Officer (CRO)

Objective 4



Enhance Free Value

Key features:

1. Improve song queueing and skipping functionality.
2. Modify ad presentation for better control and introduce reward-based ad.

Result:

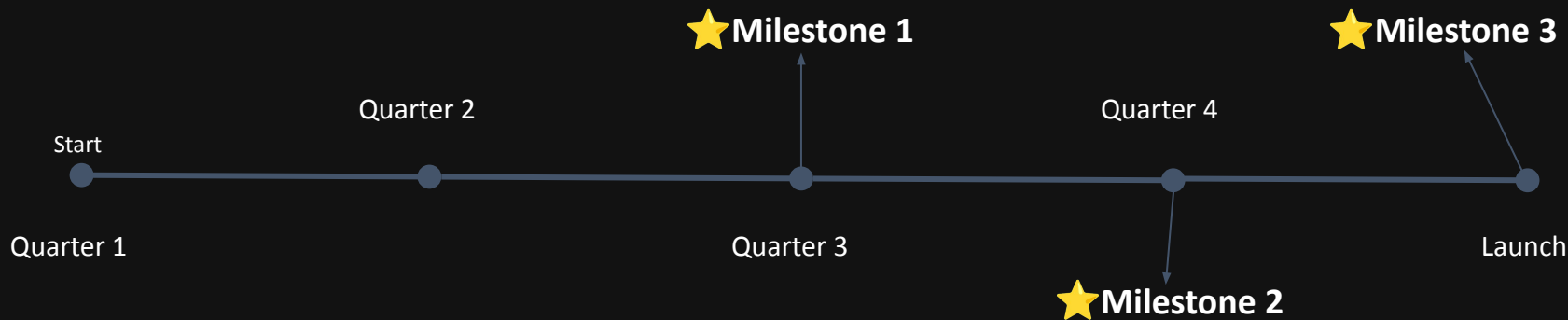
1. Enhance user engagement of the free version by 25%.
2. Improve satisfaction scores by at least 10% for free users.

Owner: Chief Marketing Officer (CMO) and Chief Revenue Officer (CRO)

Product Roadmap

Phase	Quarter	Weeks	Activities
Planning and Research	Q1	Weeks 1-4	- Conduct market and competitive analysis focusing on user limitations and desires. - Gather customer feedback, especially regarding song skips, playlist availability, and audio quality.
		Weeks 5-8	- Analyze feedback for developing a better ad model and playlist accessibility. Develop business cases for advanced AI-driven search and music recognition for premium users.
		Weeks 9-12	- Define technical and business requirements for implementing the identified solutions, such as increased song skips and global playlist access.
Design and Prototyping	Q2	Weeks 13-16	- Design user interface enhancements based on gap analysis, focusing on free user limitations and premium feature expansions. - Prototype new features such as music recognition and advanced search capabilities.
		Weeks 17-20	- Validate prototypes with user groups, focusing on usability and satisfaction improvements. - Refine designs based on feedback, emphasizing improved functionality for both user types.
		Weeks 21-24	- Finalize design and prepare for development. - Plan the development of an improved audio quality feature for free trials and better playlist management across countries.
Development and Integration	Q3	Weeks 25-28	- Start development of the new features including AI-driven search, music recognition, and enhanced control over ads. - Integrate these features with the existing Spotify infrastructure.
		Weeks 29-32	- Continue development, focusing on seamless integration and user experience. - Engage with functional groups to ensure alignment and support for new features.
		Weeks 33-36	- Begin comprehensive testing of all new features. - Prepare for initial MVP releases and gather internal feedback.
Testing, Change Management, and Launch	Q4	Weeks 37-40	- Conduct final usability and performance testing. - Implement change management strategies, including training sessions for internal stakeholders and support teams.
		Weeks 41-44	- Finalize launch plans, focusing on marketing campaigns tailored to highlight the new and improved features. - Ensure all systems are ready for a smooth rollout.
		Weeks 45-46	- Launch the new features publicly. - Monitor performance and user feedback actively. - Begin immediate post-launch support and make necessary adjustments.

Product Roadmap



Milestone 1: Release MVP 1 – Beta versions for new song skip limits and improved playlist accessibility.

Milestone 2: Release MVP 2 – Full feature set ready for internal testing, including AI-driven search and music recognition.

Milestone 3: Final Release – Official launch of all new features and campaign rollout, focusing on both free and premium user enhancements.



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Gap Analysis

Aspect	Current State	Future State	Impact
Limit on Song Skips	Free users have a limitation of only being able to skip six songs per hour.	Increase the limit to ten skips per hour for free users by watching Ads.	Enhanced user satisfaction and potentially increased ad exposure, benefiting Spotify's revenue from free users.
Playlist Availability Across Countries	Users lose access to their playlists when they move to other country	Playlists remain accessible globally, even after changing countries.	Improved user experience and retention, particularly for users who travel or relocate frequently.
Audio Quality Upgrade for Free Trials	Basic audio quality for free users with no option to experience higher quality without a subscription.	Offer a 60-minute per month free trial of the highest audio quality.	Allows free users to experience premium features, potentially leading to increased conversion rates to paid subscriptions.
Song Shuffle Restriction	Free accounts can only listen in shuffle mode and cannot play songs on demand.	Remove shuffle-only restriction for a limited number of hours daily	Greater user control over music playback enhances overall satisfaction and might increase the likelihood of upgrading to a paid subscription.



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Gap Analysis

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Aspect	Current State	Future State	Impact
Advanced AI Search Optimization	Functional search capability but limited personalization.	Implement an advanced AI-driven search engine for optimizing search results based on user behavior and preferences.	Improved search accuracy and personalization, enhancing user experience and increasing engagement.
Music Recognition Feature	No inbuilt feature for music recognition.	Introduce a music recognition feature within the Spotify app.	Reduces the need for external apps like Shazam, improving user retention and enriching the music discovery experience.
Exclusive Merchandise and Special Invites to Spotify Concerts	Limited engagement with users beyond the digital platform.	Offer exclusive merchandise and special invites to concerts for paid subscribers.	Enhances brand loyalty and community engagement, potentially increasing subscriber retention and attracting new premium users through unique offers.
Exclusive Music Content after Collaboration with Artists	Occasional exclusive content available.	Regular release of exclusive music content after collaboration with artists, available only to paid subscribers.	Strengthens the value proposition for premium subscriptions, encourages new sign-ups, and enhances existing subscriber satisfaction through unique, exclusive content.



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Value Chain Analysis

Firm Infrastructure: Corporate Governance, Financial Management

Human Resource Management: Recruitment, Training & Development, Employee Engagement

Technology Development: R&D, Data Analytics, Security

Procurement: Technology Procurement, Licensing Negotiations

Inbound Logistics

Content Acquisition

Content Aggregation

Operations

Platform Development

Content Management

Content Delivery

Outbound Logistics

Content Distribution

Content Accessibility

Marketing & Sales

Brand Marketing

Sales Channels

Customer Acquisition

Service

Customer Support

User Engagement

Premium Services

Margin



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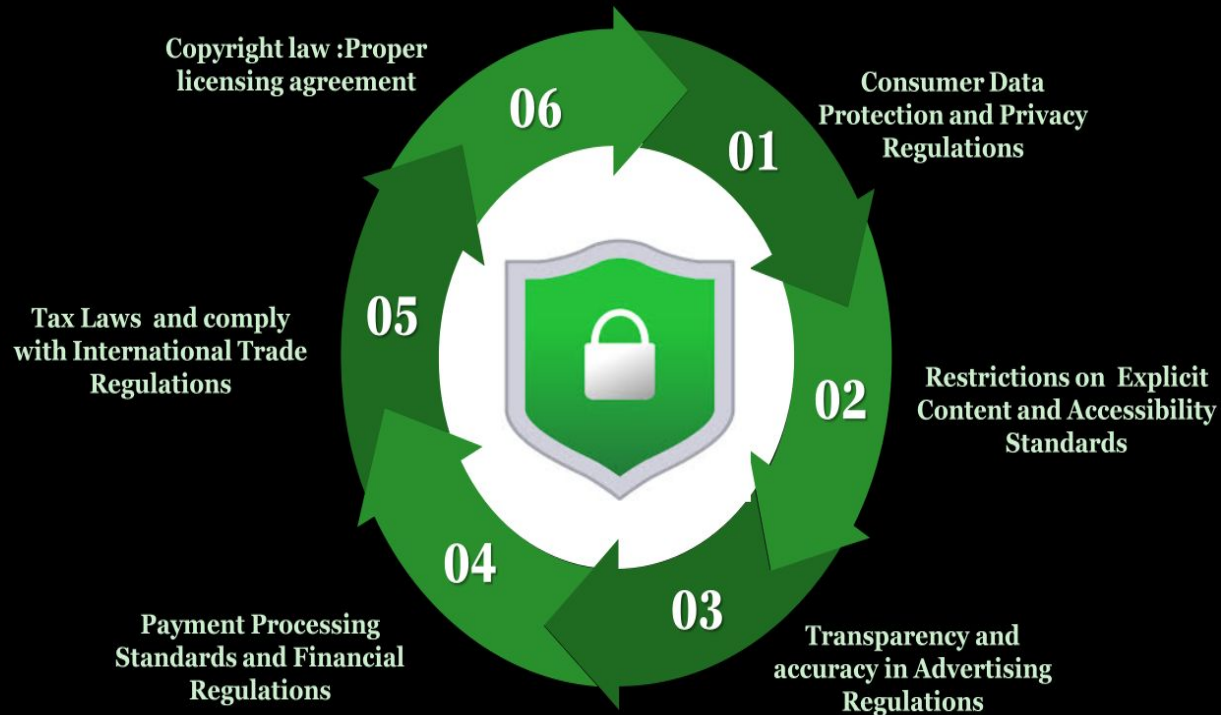


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Security Regulations



RISKS AND MITIGATION

Competition risk:

- **Continuous innovation**
- **Differentiation.**
- **Secure licensing agreement**



Cybersecurity and Privacy Risk:

- **Strong encryption and intrusion detection**
- **Employee training and audits**

Technology Risk:

- **Reliable and scalable hardware**
- **Disaster recovery plan**

Regulatory and Legal Risk:

- **Regulatory compliance teams**
- **Advocate for policies that benefit broader streaming music industry**

A  OF
THANKS

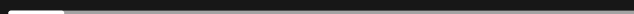


Despacito

Luis Fonsi, Daddy Yankee



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