



# Unleash Spotify's Potential

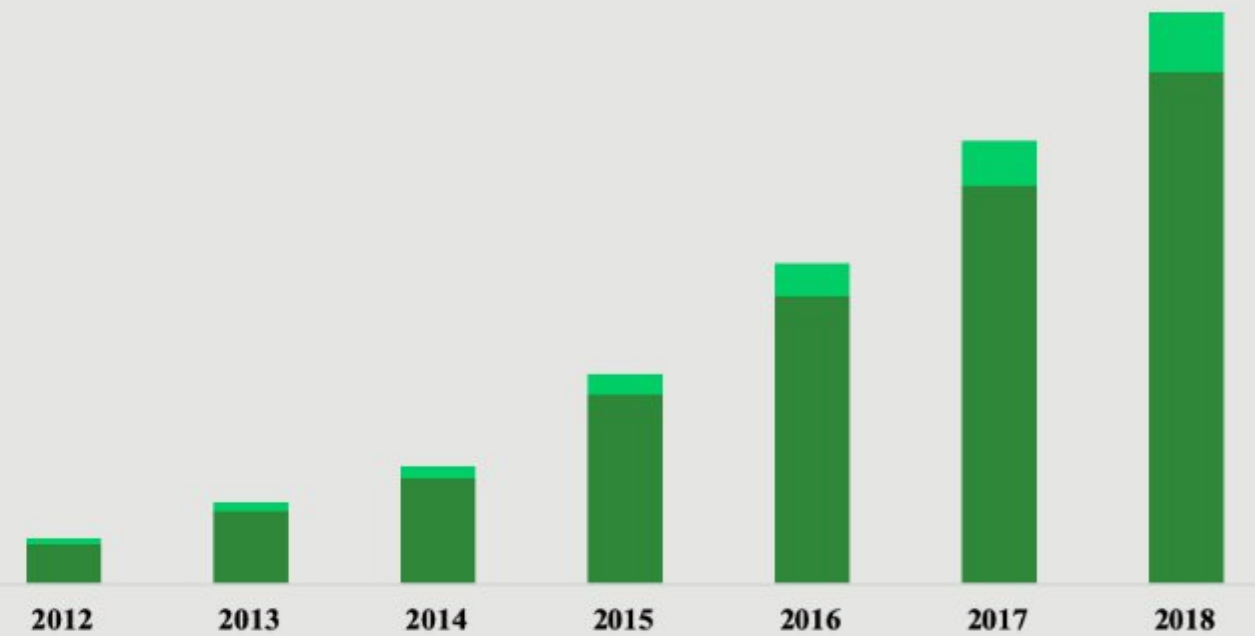
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## Overview

Spotify has had negative annual profits in its 16-year history. Recently, its premium user amount in the U.S. market has been surpassed by its biggest competitor, Apple Music. In order to sustain its current user base and attract new premium users, and thus further achieve sustainable profit growth, we recommend three areas of improvements.

Spotify's Revenue Depends More on Subscribers

■ Premium ■ Ad-Supported



Source: © Statista 2019/Spotify

## Recommendations

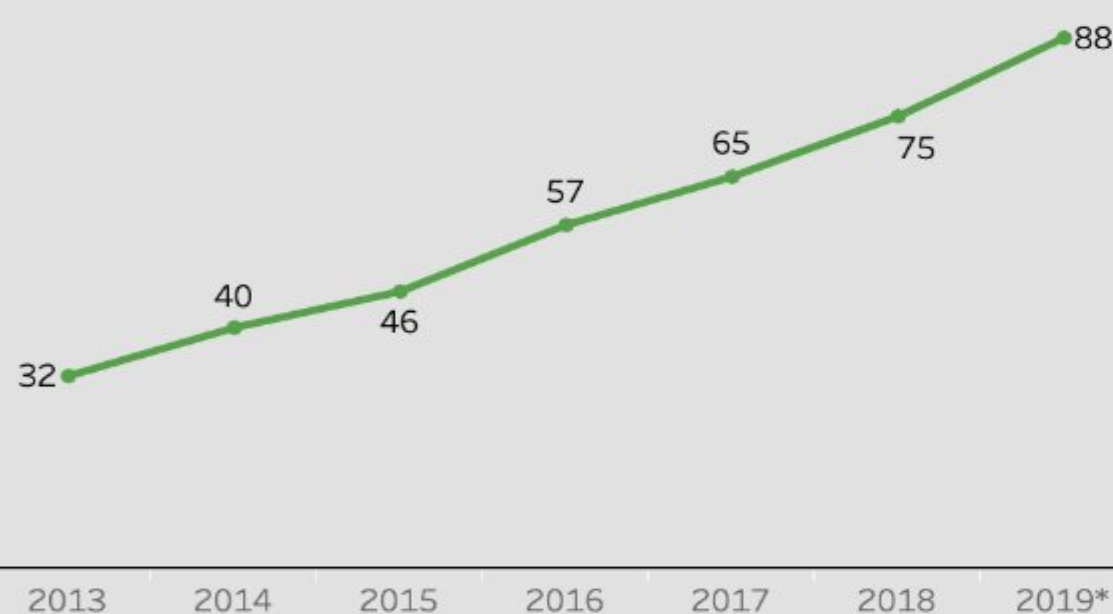
### 1 New Features

More users will be attracted if an *interactive environment is created between artists and users*:

- Introduce different levels of premium subscription options with respective packages of exclusive contents and benefits
- Create a reward system that allows users to support their favorite artists

### Podcast market has a great potential in the U.S.

Monthly listeners are shown in millions



2019 Spotify Podcast hours growth rate  
**178%**

### 2 Podcast

Spotify's unparalleled growth in Podcast and the huge potential of the Podcast market gives Spotify a favorable opportunity to continue *growing and perfecting its Podcast feature*, so as to attract new users:

- Build an integration of artists' music page and their Podcast programs
- Invite more artists to produce original Podcast contents
- Separate Podcast from the general "music genre" list
- Put in more advertising effort

### 3 Personalization

Spotify has landed 2.3 million downloads in three days after dropping "Wrapped 2019", which is a 53.3% surge compared with last year. This symbolic triumph verifies that *refining and advancing its personalized touches* is Spotify's key to win in the heated race for premium users:

- Improve the "Discover" feature in uniqueness, frequency, and adaptiveness
- Add in features of automated playlist organization
- Integrate and collaborate with social media platforms and media-services providers to construct a more well-rounded recommendation system

