Spotify BRD

Project Title: Enhancing User Engagement and Listening Duration for Spotify.

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1. **Executive Summary Snapshot:**

   > This project focuses on **improving user engagement & increasing average listening time in sessions for Spotify India**. As music streaming grows in India, Spotify aims to capture market share and expansion by enhancing user engagement and listening time. Improving these metrics helps Spotify outperform competitors like Gaana, Jiosaavn, Apple Music, Youtube music which comes along with their other product ecosystem, strengthen its market position, increase revenue, boost retention, grow its user base and content artists, and promote itself as a fast-growing music streaming platform.

2. **Project Description:**

   > Spotify is trying to gain market share in India's music streaming field but faces constant challenges from strong competitors, ad fatigue, strict government regulations, and copyright infringements. These issues result in low revenue and shorter user sessions than expected due to an ineffective recommendation engine, multiple ads for free-tier users, a complex user experience with difficult onboarding, with limited features/restrictions for free-tier users.

3. **Project Scope:**

   In-Scope:

   - Analyzing user requirements to enhance audio engagement duration in the Indian market.

   - Analyzing competitors' strategic approaches and business models, including recommendations and considerations of regional contexts.

   - Optimize the user journey to ensure a seamless onboarding experience.

   - Analyze engagement metrics to correlate product outcomes with key business performance indicators.

   - Enhancing Spotify's market value through the promotion of regional artists.

   - Incorporating the latest podcasts and audiobooks to broaden the diversity of platform content.

   Out-Scope:

   - Challenges related to global engagement beyond the Indian market.

   - Compliance with governmental regulatory frameworks.

   - Issues pertaining to platform infrastructure.

   - Deficiencies in Internet connectivity and user interface usability.

   - Establishing artist compliance standards and policies for the onboarding of music and related content.

4. **Business Drivers:**

   - **Expand market share within the Indian sector:** Expanding market share enhances the user base, thereby increasing revenue and the ratio of paid customers. An expanded user base further amplifies monetization potential and elevates brand recognition, facilitating more effective marketing and promotional activities.

   - **Enhance ARPU:** An increase in ARPU directly contributes to overall revenue expansion. As revenue generated per user rises, it accelerates total revenue growth and positively impacts long-term profitability.

   - **Increase Average Session Duration:** Enhancing the average session duration results in customers engaging with the platform for extended periods, thereby increasing the likelihood of conversion to premium subscription tiers. Additionally, prolonged usage on the application, including the free tier, augments advertising revenue and fosters customer loyalty.

   - **Minimize Churn Rate:** Reducing the churn rate enhances customer retention, elevates user engagement, and decreases the effective CAC over time. Additionally, it strengthens user loyalty and increases the LTV over it.

- **Elevate retention and Conversion:** Elevating retention and conversion rates significantly contributes to revenue growth by improving CSAT, strengthening subscription conversions ratio of free-to-paid user ratio.

- **Refine and Optimize the Recommendation Engine:** Enhancing engine functionality optimizes the onboarding process for new users and enables the engine to provide a tailored experience, thereby improving retention rates and minimizing churn rate.

- **Optimizing User Journey:** Optimizing the user journey ensures a seamless onboarding experience and reduces dropout rates. By refining each touchpoint, users are guided intuitively through the platform, improving satisfaction and minimizing early attrition.

5. **Current Process:**

- **Current Flow:**
   - Upon user authentication, the selection of artists is presented with limited representation of regional performers.
   - The homepage features generic mixtapes that incorporate both regional and global content.
   - Users on the free tier experience restricted feature availability and are subjected to unskippable, intrusive advertisements.
   - Playlists exhibit a lack of enhancements and contain redundant content.
   - Users are currently unable to purchase subscriptions via mobile devices and are required to access the web version to upgrade to premium status.

- **Pain Points:**
   - Delayed identification of regional user preferences.
   - Inability to upgrade to premium subscription via mobile platforms.
   - Recurrent repetition of playlist content.
   - The free subscription tier restricts access to full feature functionality, and aggressive monetization strategies adversely impact session duration.

6. **Proposed Process:**

- Facilitate rapid integration of recommendations during initial user sessions.

- Incorporate regional artists and culturally relevant content as part of the onboarding process.

- Minimize barriers for free-tier users to enhance session duration and engagement.

- Offer contextualized playlists and curated mixtapes tailored to user preferences.

7. **Functional Requirements:**

   - **Critical:**
     - The system must optimize its recommendation engine within the initial sessions to enhance performance.
     - It is imperative that the system accurately identifies and maps user journey pain points.

   - **High:**
     - The system shall monitor user interactions with curated playlists.
     - The system shall generate playlists or mixtapes tailored to regional user preferences.

   - **Medium:**
     - The system shall record snapshots of demographic and contextual data.
     - The system shall support interoperability across devices within the platform ecosystem to enhance operational efficiency.

8. **Non-Functional Requirements:**

   - Ensure compliance with the regulatory requirements established by the Government of India.

   - Adhere strictly to copyright laws and licensing agreements in collaboration with music companies and artists.

   - Maintain operational functionality in regions with low-limited bandwidth availability.

   - Should be capable of scaling to accommodate millions of daily streams without experiencing latency.

   - Implement industry-standard encryption for user data, authentication, and transactions.

9. **Assumptions and Constraints:**

   - **Assumptions:**
     - User session duration is expected to increase following the optimization of region-specific content.
     - Metrics for DAU/WAU and MAU are projected to show improvement.
     - User retention rates will enhance, accompanied by a reduction in churn rate.

- Users on the free tier are anticipated to exhibit greater tolerance for advertisements and feature limitations.
- The conversion rate from free to paid subscriptions is expected to increase contingent upon user satisfaction during sessions.

- **Constraints:**
  - Restricted engineering capacity within the India-based team.
  - Compliance with prevailing governmental norms and regulatory requirements.
  - Adherence to contractual obligations with music companies and compliance mandates pertaining to artists.
  - Restricted to collaborations within leading sectors, competitors integrate their offerings. For instance, Jiosaavn is bundled with Jio telecom services bundle.

10. **Success Criteria & KPIs:**

- **Goal:** Enhance the average TSL as well as user engagement and interaction metrics throughout the platform.
- **Primary KPI:** Average TSL per Active User
- **Supporting KPI:**
  - DAU/MAU Ratio (Engagement Frequency)
  - Average Sessions per User (Engagement)
  - Average Session Length per User (Depth of Engagement)
  - Session Completion Rate (Content Engagement)
  - Skip Rate (Content Relevance Indicator)
  - Recommendation CTR (Discovery & Personalization)
  - Search-to-Play Conversion (Content Discoverability)
  - User Retention (D7 / D30)
  - Free-to-Premium Conversion Rate (Monetization)
  - Playback Failure Rate (Technical Quality Metric)
  - App Open Through Notification CTR (Re-engagement)

11. **Timeline & Milestones:**

- **Week 1: Project Kickoff & Scope Definition**
  - Align on overall business objectives and success criteria.
  - Define project scope, boundaries, and expected outcomes.
  - Identify primary KPIs (TSL, DAU/MAU, CTR, session duration).
  - Map stakeholders, roles, and communication cadence.

- Document assumptions, constraints, and dependencies.
- **Week 2–3: Research & Diagnostic Analysis**
  - Conduct user research to understand listening behavior and drop-off moments.
  - Analyze engagement metrics like skip rates, session length, retention, and frequency.
  - Benchmark competitor experiences (Gaana, JioSaavn, YT Music, Apple Music) to identify best practices.
  - Review current Spotify user journey to detect friction points.
  - Consolidate insights and validate the root causes impacting Time Spent Listening.
- **Week 4: Solution Ideation & Prioritization**
  - Generate potential product, UX, and recommendation-engine enhancements.
  - Evaluate ideas for feasibility, business value, and alignment with user needs.
  - Prioritize options using an Impact–Effort or RICE framework.
  - Finalize top 3–5 solutions for prototyping and experimentation.
  - Document rationale and expected outcome for each shortlisted idea.
- **Week 5: Prototype Development & UX Design**
  - Create user flows, wireframes, and low/high-fidelity designs.
  - Ensure designs focus on reducing friction and improving engagement.
  - Validate designs with internal teams or a small user subset.
  - Incorporate feedback to refine prototypes before development planning.
  - Finalize the UX specifications for experimental features.
- **Week 6: Technical Planning & Readiness**
  - Define technical requirements, APIs, and data pipeline updates.
  - Assess engineering feasibility and identify potential tech or resource risks.
  - Finalize effort estimates and sprint breakdown.
  - Align engineering, design, and data teams on dependencies and timelines.
  - Prepare the environment and datasets required for testing.
- **Week 7: Controlled Experimentation & Testing**
  - Deploy selected features into controlled A/B test environments.

- Track performance metrics such as TSL uplift, CTR, session duration, and engagement depth.
- Monitor early user behavior and identify unexpected friction.
- Gather data continuously to validate or challenge solution hypotheses.
- Document initial observations for interpretation in Week 8.

- **Week 8: Evaluation, Insights & Recommendations**
  - Analyze A/B test outcomes against defined KPIs.
  - Identify which solutions delivered measurable improvement in user engagement.
  - Compile insights, learnings, and business impact findings.
  - Recommend rollout strategy, iterative improvements, or further experiments.
  - Deliver the final report to stakeholders and close the project phase.

12. **Stakeholders:**

Sr.No	Stakeholder	Role in project
1.	PM	Establishes product strategy, aligns with organizational objectives, and prioritizes feature requirements.
2.	BA	Collects and analyzes requirements, documents BRD, and facilitates alignment between business stakeholders and technical teams.
3.	Engineering Manager	Responsible for overseeing technical feasibility assessments, architectural decisions, and delivery scheduling.
4.	Backend Engineering Team	Develops APIs, backend business logic, and data pipelines to facilitate engagement tracking.
5.	Frontend / App Dev Team	Implements user interface and user experience enhancements, session tracking, and features to improve user engagement.
6.	AI/DS/ML Team	Optimizes recommendation algorithms and conducts analysis of engagement metrics.
7.	Analytics Team	Defines KPIs, constructs dashboards, and monitors success metrics.
8.	QA / Testing Team	Conducts functionality testing, ensures product quality, and validates tracking accuracy.

Sr.No	Stakeholder	Role in project
9.	Marketing / CRM Team	Designs notification systems and re-engagement strategies to optimize app open CTR.
10.	UI/UX Designers	Enhances overall user experience, improves feature discoverability, and optimizes user engagement workflows.

13. Glossary:

Sr.No	Term	Full Form / Meaning
1.	DAU	Daily Active Users
2.	WAU	Weekly Active Users
3.	MAU	Monthly Active Users
4.	TSL	Time Spent Listening
5.	API	Application Programming Interface
6.	KPI	Key Performance Indicators
7.	CTR	Click Through Rate
8.	UI/UX	User Interface & User Experience
9.	CSAT	Customer Satisfaction
10.	LTV	Lifetime Value
12.	CAC	Customer Acquisition Cost
13.	ARPU	Average Revenue Per User

14. References:

Spotify Q3 2025 Earning Update Report (FY25)

Spotify Financial Reports (FY23)

SQMagazine Spotify user statistics (2025)

Spotify Investor Day Report (FY22)

KPI Tree