

Team 4

Background

Spotify is a music, podcast, and video streaming service launched in 2008, Sweden. Spotify provides users basic and ad-supported services for free, while it sells tiered premium streaming subscriptions for those who need additional features. The two significant sources of revenues are subscription fee and advertising placements to third parties. It was reported that Spotify accounted for 43 percent of streaming music subscribers and 40 percent of music streaming label revenues worldwide by 2016. As of June 2017, Spotify has over 140 million active users, and over 60 million paying subscribers.

Spotify is available across devices (smartphones, desktop, tablets) and platforms (iOS, Android, Windows, macOS) and including a web application. Users can browse or search music by artist, album, genre or discovery function. They can also create, edit and share the playlists on social media. By connecting their Spotify accounts to Facebook accounts, users can see what their friends are listening and post to Facebook.

Today, Spotify's popularity continues to grow. It is now available in most of Europe and the Americas, Australia, New Zealand, and parts of Asia. With the development of music streaming platforms, customer experience is believed to affect the Spotify's further expansion and customer loyalty, which will in turn, significantly affect the company's profitability.

Decision Problem

To establish Spotify as an engaging platform for its users, it plans on improving their experience for friend circles. Spotify's current integration with Facebook allows users to share their activities on their personal Facebook account, as well as view activities of their Facebook friends, whom they follow within the Spotify interface. In 2016, Spotify extended to Facebook Messenger to simplify collaborative playlists on Messenger as a move to simplify building playlists among multiple users. Currently, Spotify users rely on third party messaging applications to share music among their circle. We believe there is a need for a simpler way for users to share music. **Our team aims to understand how satisfied are the customers with existing ways of sharing music in Spotify and the related social features.** Based on this, a decision has to be made to either suggest changes to existing features or build a whole new feature to support the user needs. ✓

Research Problems

We draw research problems with the goal of understanding our users' interaction with the music sharing and social features, and how it impacts their satisfaction. Few research questions in this area that can help us gather more information are:

- What is the level of satisfaction of customers with different features of Spotify?
- How aware are users with various social and sharing features in Spotify?
- How do users share music with their social circles (inside and outside Spotify)? What are their motivations?
- What features do Spotify's customers value the most with respect to music sharing?
- How do customers evaluate Spotify against competitors for collaborative features?

*Nice set of
research
problems*

Secondary Research

Competitive Analysis

	Cost	Platforms	Collaborative Playlists	Social Media Integration	Radio stations Customizability	Offline playback
Apple Music	\$9.99/month \$14.99/month family account	Apple's mobile devices and watch Android devices Mac and Windows	No	No	Least flexible	Yes
Spotify	Free version with advertising Spotify Premium \$10/month	Apple mobile and desktop computer Windows Mobile and desktop Android phones, PlayStation, Roku	Yes	Yes	Least flexible	Only Premium

Amazon Prime Music	Ad-free with a \$99/year Amazon Prime subscription	Apple, Android, Windows and BlackBerry apps, Roku	No	No	-	Save songs to devices
Pandora	Free version with advertising Pandora One \$4.99/month	Apple, Android, Windows mobile Mac and PC, Roku, TiVo	No	No	Most flexible	N.A.
Google Play	Free version \$9.99/month	Apple and Android apps/browsers	No	No	Less flexible	Only with Unlimited Subscription

2 would like to see 1-2 paragraphs discussing the competitive landscape in addition to just have this table.

Industry Trends

Music Consumption

Spotify's main competitors include Apple Music and Pandora as well as Google Music and Amazon Prime Music. While Spotify, Google Play and Pandora allow users to play music with limited functionality and ads without any subscriptions, Amazon Music and Apple Music require users to purchase subscription to stream music (not considering trial period). This allows users who are not willing to pay at early stages get a first hand experience with these music streaming services. By July 2017, the number of Spotify's monthly active users has exceeded 140 million, of which 60 million are paying customers. Spotify is particularly strong with its mobile app - it has a larger audience reach than its desktop client and is one of the most popular music and entertainment apps in the United States. As of February 2017, 18 percent of Americans used Spotify on a monthly basis.

Should this belong to competition?

Music Sharing

Current trend in shared entertainment streaming in video (Twitch, Youtube Live etc) as well as music (Spotify, Apple Music, etc) streaming platforms make use of existing social networks to facilitate content sharing and develops a shared environment on top of these existing platforms. Being one of the early players to introduce the idea of collaborative music playlists, Spotify has one of the largest collection of

user curated playlists. In a survey conducted by Life Hacker to understand how people share music, Spotify's shared playlists took the top spot. (Appendix A). Spotify also introduced features which allow music sharing with friends nearby using QR codes called Spotify Codes. There is a growing trend for music sharing and Spotify has introduced features that would allow users to do this in many possible ways.

A recent development in Youtube's phone app, allows users to share videos with their Gmail contacts via internal messages. This feature has demonstrated (from Instagram's internal messaging, now Youtube) to help control the experience users have and makes it more likely they'll keep sharing more clips within the platform. Youtube being a video streaming website is not a direct competitor in this case, however this recent development has made them one of the first shared entertainment system to introduce internal messaging as a form of engagement among users. Youtube's paid music streaming app, Youtube Red could be next to receive such a transformation.

Based on users' prior experience with respect to content sharing, internal messaging is popular as a more direct method of interaction for users than developing collaborative playlists. Through this research, we hope to learn more about our user's perspective on the two features (internal music sharing and collaborative playlists).

Bibliography

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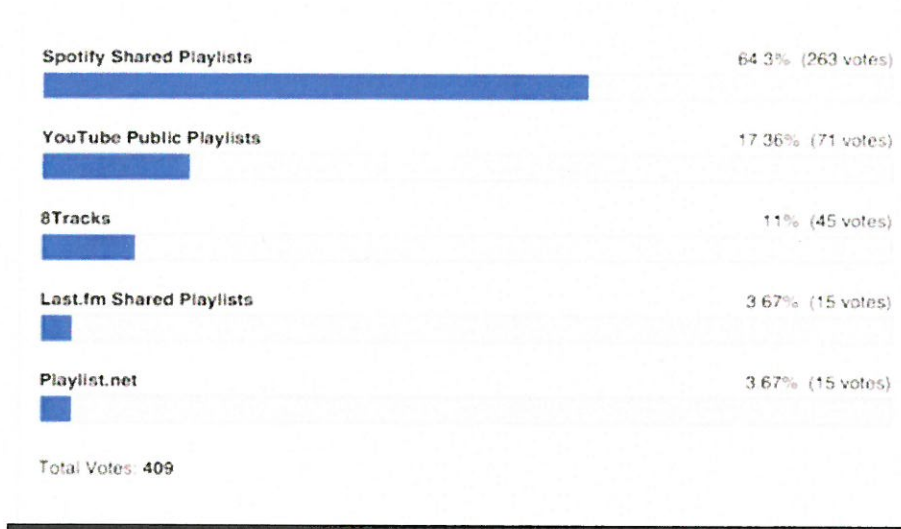
Not as rigorous
as references
as other
teams.

2 would
have liked
to see
more insightful
discussion of
recent trends
in music
sharing /
listening.

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- The 2 Spotify Charts You Need To See | MIDiA Research. Retrieved October 08, 2017, from <https://www.midiaresearch.com/blog/the-2-spotify-charts-you-need-to-see/>
- <https://lifehacker.com/five-best-ways-to-share-playlists-1720065800/1720699336>

Appendix

What's The Best Way to Share Playlists? - Edit Poll



<https://lifehacker.com/five-best-ways-to-share-playlists-1720065800/1720699336>

Lifehacker's survey results on the best way to share playlists among users.

The front end of your paper is ok though the secondary research could have been more insightful.

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