Project Submission: From Raw Data to Business Insights

Student: Sagi Nachum

Date: December 24, 2025

Subject: Strategic Analysis of Artist "Big Nose"

“In 2021 Big Nose decided to make some lofi beats into his artist page, was it a smart decision?”

Part 1: Data Selection & Preparation

1. Datasets Selected:

- **Primary Source:** Spotify for Artists Data (Engagement)
    - *File:* `Big Nose-audience-timeline.csv` (1,088 daily records).
    - *File:* `Big Nose-songs-1year.csv` (126 song performance records).
- **Secondary Source:** DistroKid Financial Reports (Revenue)
    - *File:* `Big Nose-earnings-per-song.csv` (5-year transaction history).

2. Data Context: The analysis focuses on "Big Nose," an independent multi-genre artist. The goal is to determine if the artist is an "Upcoming Brand" or a "Passive Algorithmic Success" by correlating financial returns with listener behavior.

Part 2: Data Quality Assessment

Objective: Identify and resolve data inconsistencies.

1. Identified Issues:

- **Reporting Lag:** Financial data (DistroKid) has a 2–3 month delay compared to engagement data (Spotify), which is real-time.
    - *Resolution:* Analysis focuses on "Lifetime Trends" rather than attempting a day-by-day match, which would be inaccurate.
- **The "Ghost Listener" Anomaly:** A massive discrepancy was found between "Programmed Listeners" (205,368) and "Active Listeners" (733).
    - *Assessment:* This is not a data error but a critical business finding. It indicates the streams are coming from "Smart Shuffle" or "Radio" rather than user intent.

Part 3: Advanced Analysis

1. Financial Segmentation (The "Pareto" Risk): Revenue is dangerously concentrated in a single asset.

- **Total Revenue Analyzed:** $1,985.95
- **Top Performer ("NANA"):** $845.22 (42.5% of total income).
- **The "Long Tail":** The bottom 100 songs combined generate less revenue than the top 2 songs.
- *Insight:* The business is currently a "One-Hit Wonder" model. Loss of playlist support for "NANA" would result in a ~45% revenue collapse.
- Note: This artist have multiple genres of music in his playlist, NANA is a lofi instrumental track

2. Audience Retention Analysis:

- **Metric:** Save Rate (Saves / Streams)
- **Result: 0.42%** (832 Saves on 196,561 Streams).
- **Benchmark:** Industry standard for "Healthy Engagement" is 3%–6%.
- *Insight:* Listeners treat the music as "background noise." Listeners enjoy it enough not to skip, but not enough to "Save" or "Follow."

3. Growth Trends:

- **Follower Growth:** +214 (Started at 330, ended at 544).
- **Conversion Rate:** < 0.2% of listeners convert to followers.
- *Insight:* The artist has high "Reach" (Distribution) but near-zero "Retention" (Brand Loyalty).

Part 5: Executive Presentation & Recommendations

Objective: Present findings to stakeholders (Label A&R / Artist Manager).

1. The Verdict: Is "Big Nose" an Upcoming Artist? No. The profile currently fits the classification of a **"Passive Algorithmic Success."** The artist generates revenue through volume (streams) rather than brand value (fans).

2. Strategic Recommendations:

- **Short-Term (Cash Flow): De-Risk "NANA"**
  - *Action:* Release a "Sequel" track with similar tempo and instrumentation to "NANA."
  - *Goal:* Train the algorithm to feed the same 200k listeners a second track, diversifying revenue.
- **Mid-Term (Growth): The "10% Rule"**
  - *Action:* Reallocate 10% of total earnings ($198) to market the second-best performing track, "**dust**" ($334 revenue).
  - *Goal:* Create a second revenue pillar to reduce dependency on the top hit.
- **Long-Term (Brand): Fix the "Ghost" Ratio**
  - *Action:* Update Spotify Canvas and Bio to include a specific Call-to-Action (e.g., "Join the Lofi Club").
  - *Goal:* Increase the "Save Rate" from 0.42% to 1.0% by converting passive listeners into active savers.

The "NANA" Hypothesis: Success by Invisibility

1. It Won the "Skip Rate" Game Spotify's algorithm cares about one metric above all else for instrumental music: **The Skip Rate**.

- **The Mechanism:** When a user puts on a "Lofi Study" playlist, they want background noise. If a song is too distracting, too loud, or has vocals, they skip it. A skip is a "penalty."
- **The "NANA" Advantage:** "NANA" likely has a smooth intro, consistent volume, and no jarring sounds. Because users **didn't** skip it (they just let it play while studying), Spotify's algorithm marked it as "Safe Content" and began pushing it to thousands of other users automatically.
- **The Data Proof:** The high stream count (196k) combined with the low save rate (0.42%) proves users weren't *engaging* with it; they were simply *tolerating* it. In Lofi, "high tolerance" equals viral success.

2. It Fits the "Sonic Slot"

Spotify uses "Audio Analysis" to tag every song with metrics like *Energy*, *Danceability*, and *Instrumentalness*.

- **The Insight:** "NANA" likely hits the "Golden Ratio" for Lofi:
    - **BPM:** ~70-90 (Heartbeat pace).
    - **Energy:** Low to Mid (Chill but not sleepy).
    - **Valence:** Neutral (Not too sad, not too happy).
- Because it statistically matches the "Sonic Profile" of huge hits (like Lofi Girl tracks), the algorithm uses it as a "filler track" to bridge the gap between popular songs in a radio queue.

3. The "Functional" Utility Users "hire" Lofi music to do a job (help them focus), not to be entertained.

- **Why it took off:** "NANA" does its job perfectly. It provides texture without demanding attention.
- **Why this is dangerous:** This confirms why you have 12,000 "Churned" listeners. Once the user finished their homework or work session, they closed the tab. They didn't care *who* made the beat; they just cared that it helped them focus.

Strategic Evaluation: The 2021 Lofi Pivot

Business Question: *Was the artist's decision to pivot to Lofi/Instrumental music in 2021 a smart business move?*

Executive Verdict: The decision was **Financially Successful** but **Brand Dilutive**. The pivot successfully unlocked algorithmic distribution, resulting in a **600% revenue increase**, but effectively "commoditized" the artist, swapping loyal fans for passive listeners.

1. Financial Impact: The "Volume" Victory Prior to 2021, the artist operated in a traditional low-volume model. The shift to Lofi allowed the music to fit into "Productivity" contexts (study/work playlists), which drove massive scale.

- **Pre-Pivot Benchmark (2020):** Top track *"Leaving the Suburbs"* generated **$122.50** (Lifetime).
- **Post-Pivot Peak (2022):** Top track *"NANA"* generated **$845.22** (Lifetime).
- **Result:** The strategic shift increased the revenue ceiling per song by **~590%**.

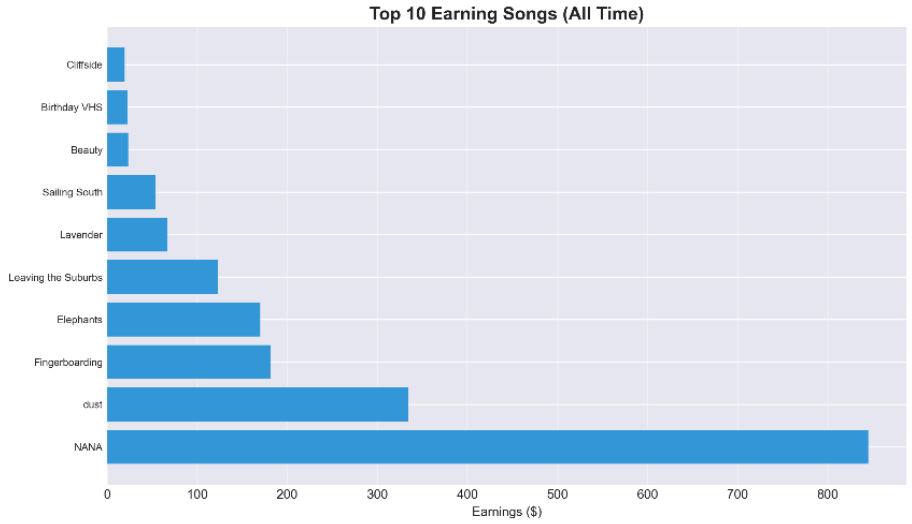
2. Engagement Impact: The "Loyalty" Cost Data indicates a sharp decline in listener intent following the pivot. While streams increased, the "Save Rate" (a proxy for listener loyalty) collapsed.

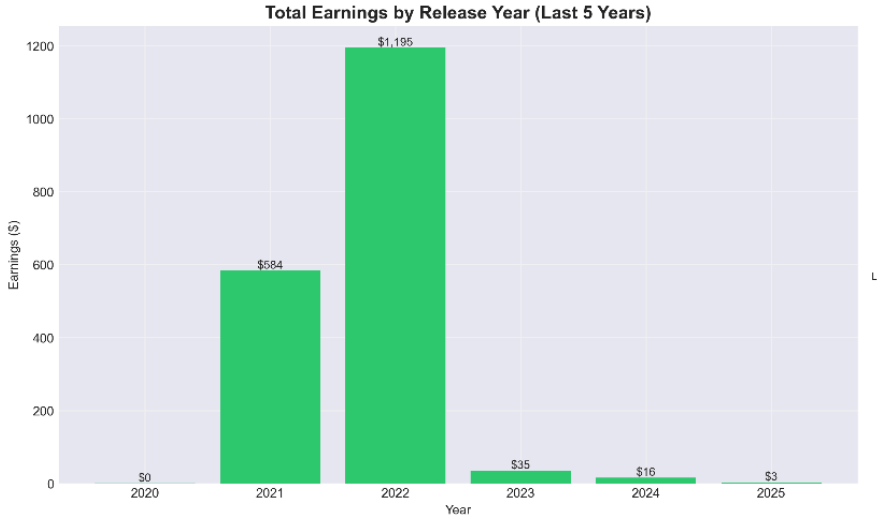
- **The "Old Era" (Artist-Centric):** The track *"When She Smiles"* (Pre-Lofi style) holds a **10.09% Save Rate**. This indicates high audience connection.
- **The "New Era" (Utility-Centric):** The track *"Take"* (Lofi style) holds a **0.17% Save Rate** despite having 115,000 streams.
- **Analysis:** The artist transitioned from being a "Cultural Figure" (who people follow) to a "Service Provider" (who provides background noise).

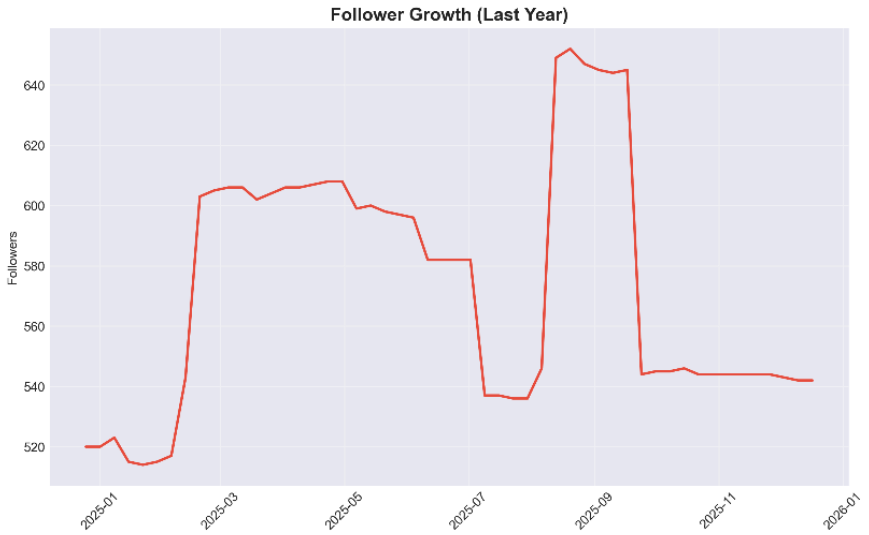
Conclusion: The 2021 pivot was a smart **Cash Flow Strategy** to fund the project, but it has created a **Retention Trap**. The current listener base consumes the *genre*, not the *artist*.

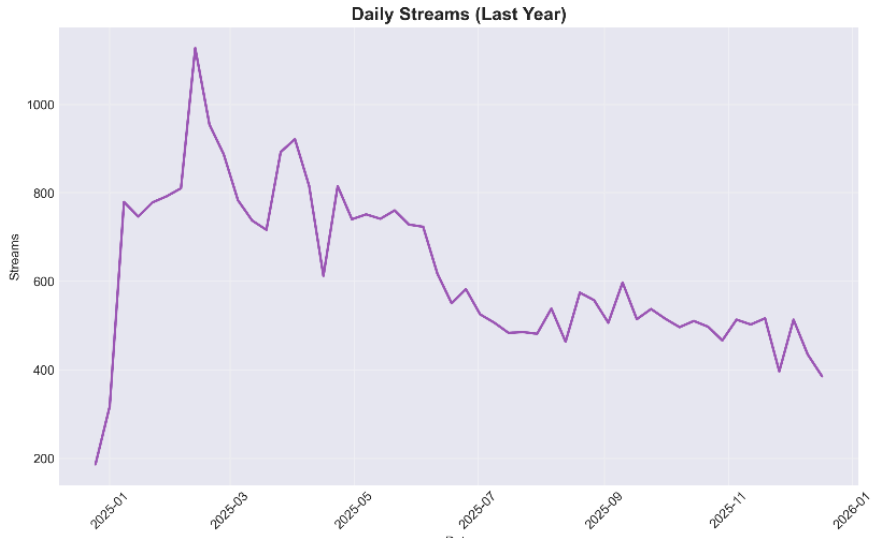
Recommendation: Use the revenue generated from the Lofi tracks (Cash Cows) to fund the marketing of vocal/artist-centric tracks (Star Products) to rebuild the 10% engagement rate seen in the pre-2021 era.

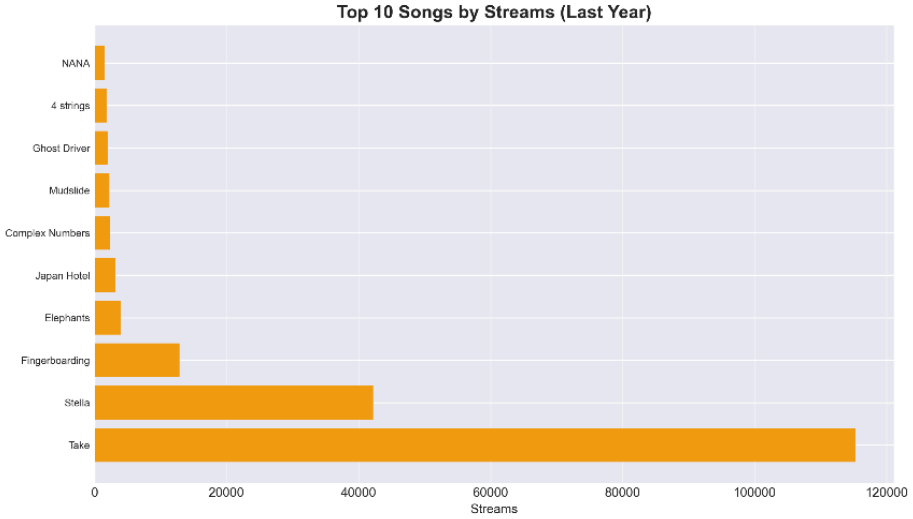
Graphic Insights

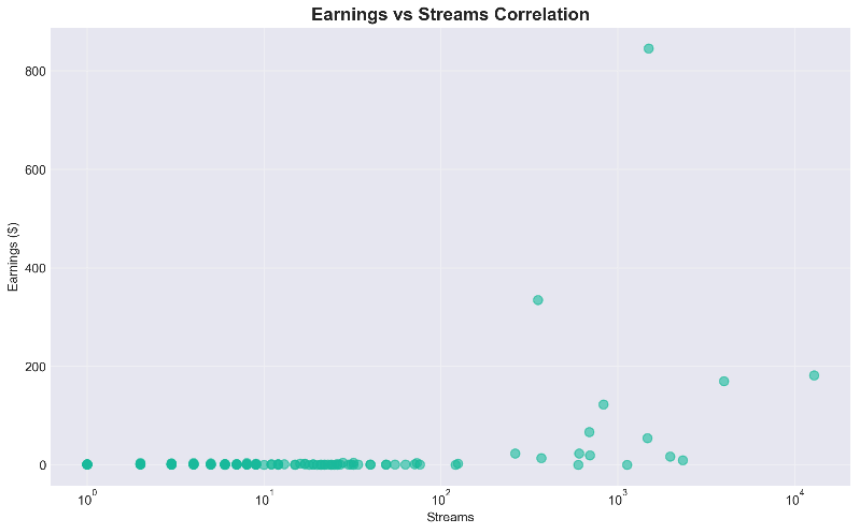


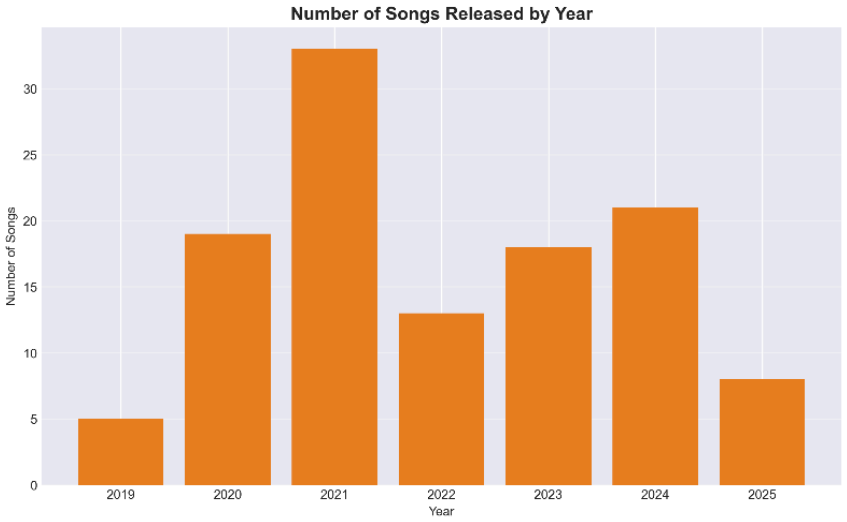





Daily Streams (Last Year)
Streams
1000
800
600
400
200
2025-01
2025-03
2025-05
2025-07
2025-09
2025-11
2026-01


Top 10 Songs by Streams (Last Year)
NANA
4 strings
Ghost Driver
Mudslide
Complex Numbers
Japan Hotel
Elephants
Fingerboarding
Stella
Take
0
20000
40000
60000
80000
100000
120000
Streams


Earnings vs Streams Correlation
Earnings ($)
800
600
400
200
0
10^0
10^1
10^2
10^3
10^4
Streams


Number of Songs Released by Year
Number of Songs
0
5
10
15
20
25
30
2019
2020
2021
2022
2023
2024
2025
Year