



# Saavn



Millions of songs, for **free**, from latest hits to greatest classics.



Browse, search, and create unlimited **playlists**.



Or enjoy **curated playlists** from our expert editors.



Vithika Agrawal  
October 4, 2016



# Table of Contents

Sl. No.	Section	Page
<b>1</b>	<b>Company Overview</b>	<b>3</b>
	1.1 About Saavn	4
	1.2 Product Overview	5
	1.3 Competitive Landscape	6
<b>2</b>	<b>Sector Overview</b>	<b>7</b>
	2.1 Smartphones	8
	2.2 Samsung is the leading vendor of Smartphones	9
	2.3 Key forces driving market competition	10
	2.4 Trends in the market	11
	2.5 Influence of Chinese OEMs	12
<b>3</b>	<b>What I love about Saavn</b>	<b>14</b>
<b>4</b>	<b>Case Study: Increase the user base</b>	<b>19</b>



# Company Overview



# About Saavn

## Radio

- Saavn is the leading streaming service for Indian, Bollywood and International music content
- Attained over 7 million music copy rights and has over 13 million Monthly Active Users
- Combines internet radio and on-demand music services and offers other features like sharing music playlists
- Works on “Fremium” model
  - 75% revenue from Ads
  - 25% from subscription users

## Music

- Saavn’s strategic partners include Shazam, Twitter, Apps for iOS, Android and Chrome
- There are many other partnership deals that Saavn has signed which include:
  - Creative collaboration with Ranbir Kapoor in 2014
  - Launched a podcast titled Trial by Error: The Aarushi files and Miss Malini



# Product Overview

Saavn primarily offers four products to its end users: Saavn.com, Saavn music for Android, Saavn music for Chrome and Saavn music for iPhones.

These products provide many features to its users which are described as follows:

## **Online streaming**

Provides online streaming of music

## **Saavn Pro**

Saves data

High quality music offline

Ads free

Subscription based paid service

Portable across platforms

## **Saavn Radio**

Provides permanent stations like Chartbusters etc and seasonal stations like Shaadi mubarak

## **Saavn Social**

Follow the playlists of artists and celebrities

Tag, follow, chat and share playlists with your friends



# Competitive Landscape

There are presently three major competitors of Saavn in the market: Gaana, Hungama and Wynk. Out of the three, Gaana is the closest competitor of Saavn due to its wider song library and availability at various platforms.

Saavn	
Points	Impact
<b>UI:</b> User friendly and easily accessible mobile and desktop UI. For e.g. Language options are readily available on the top of the desktop UI	+++
<b>Location availability:</b> Available in many locations across the world	++
<b>Investors:</b> Raised USD110mn in four rounds of funding from 9 investors	++
<b>Content features:</b> It includes: <ul style="list-style-type: none"><li>■ Creating playlists + Pre-built playlists</li><li>■ Expert curated recommending</li><li>■ Like/Dislike Songs</li><li>■ Replay songs</li><li>■ Rewind/Fast forward songs</li><li>■ Unlimited skips</li></ul>	+++

Gaana	
Points	Impact
<b>UI:</b> UI is a little complex for mobile as well as desktop UI. In order to change the language of the music, user first needs to find the settings button and this involves four click step.	+
<b>Location availability:</b> Available only in India, US and United Kingdom	+
<b>Investors:</b> Raised undisclosed amount in 1 Round from 1 investor	+
<b>Content features:</b> It includes: <ul style="list-style-type: none"><li>■ Creating playlists + Pre-built playlists</li><li>■ Expert curated recommending</li><li>■ Like/Dislike Songs</li><li>■ Replay songs</li><li>■ Rewind/Fast forward songs</li><li>■ Unlimited skips</li></ul>	+++



+++	High Impact
+	Low Impact



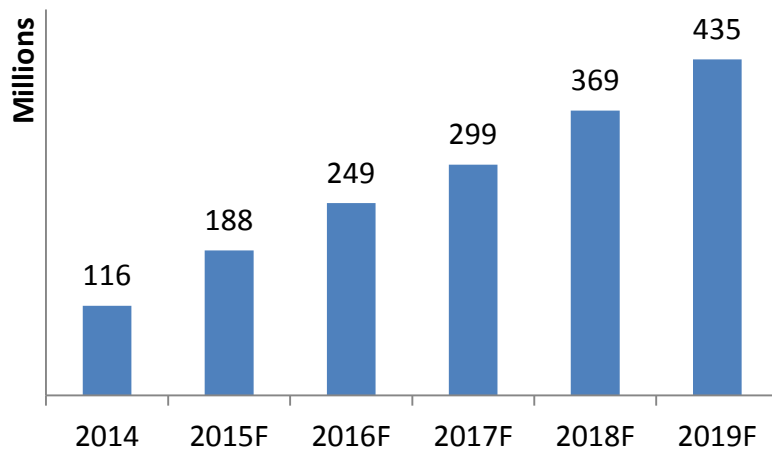
# Sector Overview



# Sector Overview – Smartphones

- Smartphones are the largest segment of mobile phones in India, accounting for 83.3% of the market's total volume
- It had a total sales of 110 million units in 2015. The key leading companies in this market are Karbonn mobiles, Lava International, Micromax and Samsung
- The underlying foundation of the digital media Industry is based primarily on Smartphones and no of internet users
- India has become the second largest country in terms of number of internet users

**Number of Internet enabled Smartphones in India**



Internet enabled Smartphones are expected to grow at CAGR of 30% and reach 435 million by 2019.

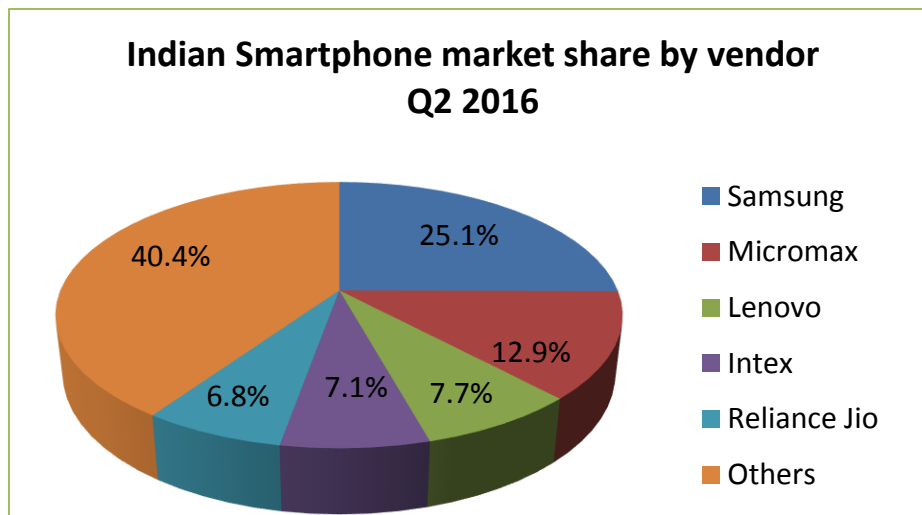
Growth is due to:

- Increasing investments by Telco operators in data infrastructure
- Falling Handset prices
- Growing middle class population
- Increase in screen size and quality of display
- Improving quality of curated online content





# Samsung is the Leading Supplier of Smartphones



- CAGR of the Indian mobile phone markets, by volume, in 2016-2020 is predicted to be 14.5%
- Samsung is reportedly the top vendor in Q2 2016 with 25.1% market share
  - J-series devices of Samsung continue to lead the market
- Micromax is second top vendor with 12.9% market share
  - New launches of Canvas 6 series and Yu Unicorn helped Micromax strengthen its position
- Overall, China based vendor shipments have grown by 28% over the previous quarter with Lenovo, Vivo, Xiaomi, OPPO and Gionee contributing to the growth
  - China based vendor, Lenovo, shipped more than a million units while the emergence additional three vendors joining the million shipment bandwagon in this quarter
  - Xiaomi's Redmi Note 3 majorly contributed to the Xiaomi's total shipment in Q2 2016



# Key Forces Driving Market Competition

## Buyer Power

- In India, since the buyers are large, they are able to negotiate contracts and thus contribute to down pricing of Smartphones. This increases their buying power which further leads to more and more manufacturing of Smartphones. Presently, budget manufacturers like Micromax are giving tough competition to traditionally dominating companies like Samsung.

## Supplier Power

- The trends for the Smartphones have strengthened the supplier power since more complex parts require rare earth materials for the production. Also, the manufacturers are heavily reliant on the quality and efficiency of the software and the products. Because of this complex supply chain, some of the players have also started working as suppliers.

## Rivalry

- The introduction of smart phones have added competitive dimension, with those using the Android operating system (Samsung, Xiaomi) benefitting and establishing themselves as major players. Apple doesn't enjoy the same degree of success in Indian market as in the overseas market.

## New Entrants

- The new entrants in the market such as Xiaomi have successfully challenged the dominance of global incumbents overtaking Samsung in terms of device shipments in 2014. Xiaomi has entered the Indian market, operating an online retail store in the country, and, in April 2015, the company announced that its products would be sold by a number of other online and offline retail outlets in India.

## Substitutes

- One of the possible substitute are laptops which offer many features that mobile phones are marketed on, such as internet access, video calling etc. However the threat is minimal. Tablet computers could be seen as a substitute for smart phones but large screen smart phones also negate that threat.



# Trends in the Market

## Increasing Internet Connectivity

- Increasing investments of telecom operators in data infrastructure
- Faster internet penetration in rural areas
- More businesses are coming online to connect and transact with consumers

## Increasing Shift to Mobile App Platforms

- E-commerce shifting to Mobile App Platforms
- Growing number of transactions through Mobile Apps
- 80% traffic and 60% of E-commerce company's sales through Apps

## Increasing Digital Media Advertising

- Digital media advertising grew 44.5% in 2014
- Faster growth rate than any other advertising category
- Digital Ad spends are increasing across the board

## Decreasing Sales of Tablets

- Decline in tablet market to 7.2% y-o-y from 52.5% in 2013
- Rich features and competitive pricing of Phablets



# Influence of Chinese OEMs

- India accounts for 11.8% of Asia-Pacific mobile phones market value whereas China accounts further for 44.9% of the Asia-Pacific market
- Chinese smart phone brands, with four to five percent of market share few years ago, now has cornered one fifth of the domestic market. These brand includes name such as Lenovo, Xiaomi, Gionee, Vivo and Huawei, among others.



Reasons for the influence of Chinese in the market:

- Holds less inventory which help them control costs
- Strategic marketing of their brands have helped establish them in the competitive market
- Production lines are effectively setup in their home system
  - Only have to bear the cost of shipping to the India



# What I <3 about Saavn



# What I LOVE about Saavn

Music on Demand

Personalization

Culture at Saavn

Socializing Saavn

Exclusive Content



# What I LOVE about Saavn

## Music On Demand

- Providing music on the go, is an amazing concept around which Saavn's model is built
- Instead of waiting to download a file, a user can access music where ever and whenever they want
- Innovative concepts like live streaming, audio chat shows etc are giving users varieties of non-music contents

## Personalization

- Provides users browse and discover music depending upon their mood and the kind of music they want to listen
- Users can create their own playlist and even have a choice to listen to various radio stations where they can stream music without the hassle of changing it every time.
- Interface of the app is very user friendly
- Go pro feature lets the user listen to the music offline without ads



# What I LOVE about Saavn

## Socializing Saavn

- Saavn's social layer provides users to follow friend's profiles, playlists and what they are listening to
- Music always connect people and has a way of touching you. To substantiate this belief into reality is one of the things I like about Saavn

## Exclusive Content

- Saavn provides unique contents to the users whether it is collaborating with Neha Dhupia for an audio show or providing online entertainment platform with shows like Aarushi files or Miss Malini





# What I LOVE about Saavn

## Culture at Saavn

- Music is my passion. Music soothes and acts as a stress busters to people.
- Most appealing aspect of Saavn to me is the opportunity to contribute to change the landscape of music industry
- Culture of creating and sharing beautiful music and working with passion is inspiring and something I like about Saavn



# Case Study



# Case Study

## Increase the User Base and Profitability

**Hypothesis:** Let us suppose there are 100 users of Saavn. Out of these hundred users, 70 users listen to music and 30 users listen to the non-music contents such as talk shows, radio shows etc.

**To analyze:** Where can we invest more in order to increase the user base as well as profitability

**Points that we need to take into consideration:**

- Number of hours that a user spends on exploring non-music content as well as music content
- Assess the cost of acquiring the copyrights of music content v/s cost to host a talk show
- Revenue generated from the music content v/s non-music content

**Analysis:** Let us suppose that the cost of acquiring the copy rights is Rs 1000 and the cost of hosting a talk show is Rs 200. Also, the revenue from the streaming of music content is Rs 1200 and revenue from hosting a talk show is Rs 500. Total profits from musical content is Rs 200 even though the revenue is greater and the total profits from hosting a talk show is Rs 300.

Here we are assuming that the people are spending more time on exploring non-music content than the musical content.

**Conclusion:** In this case, we should host more talk shows periodically, in order to generate more profits. Also, since the trend shows that users are exploring more non musical content, we can attract these users to our platform by hosting these shows.