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Spotify®

Brand Plan

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An Overview

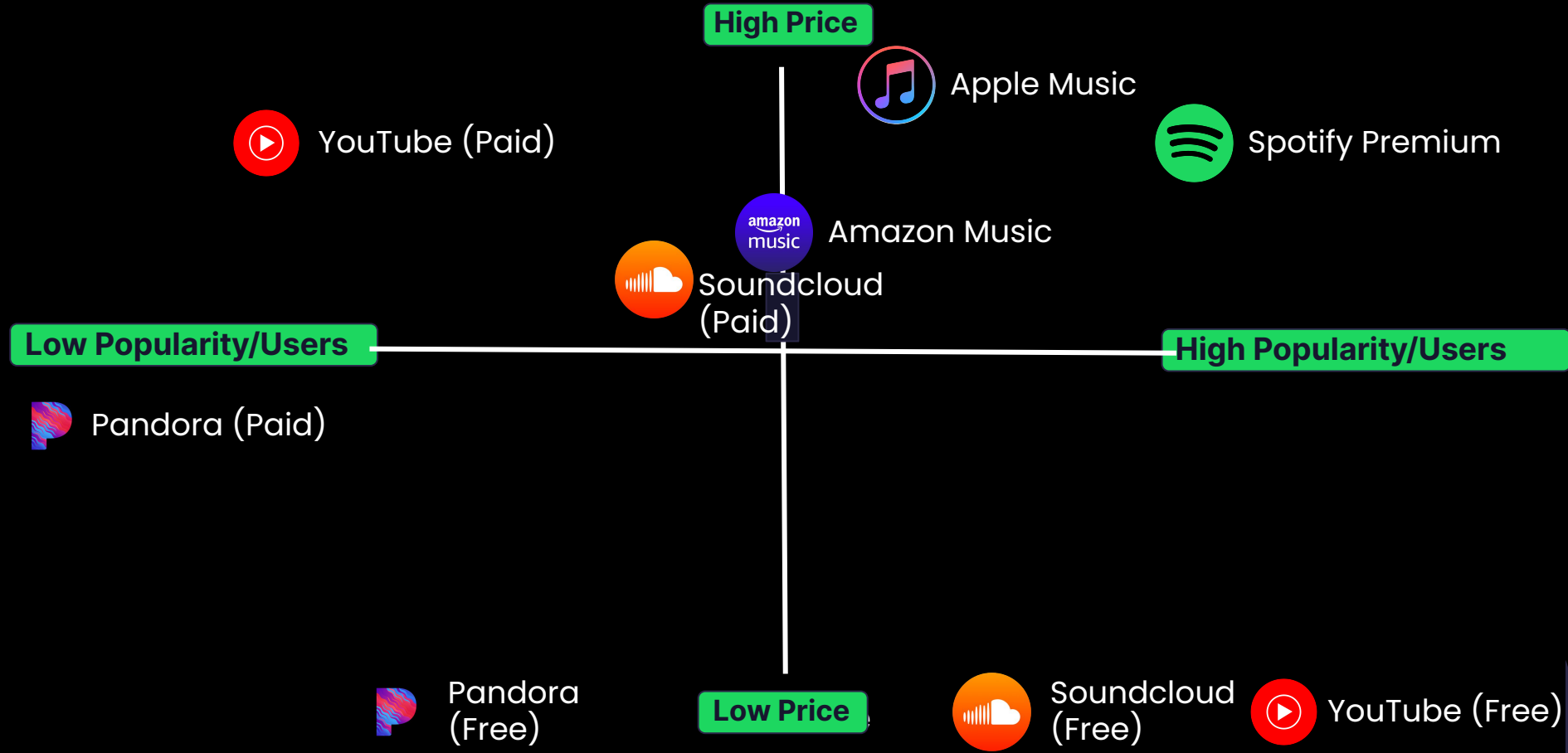


- Global leader in Music Streaming
- Negative profit margin (-6.49%)
- Prime Growth Opportunity: Convert Ad-Supported Users to Premium service
 - ◆ Spotify Premium Subscriptions = 87% Revenue
 - ◆ <50% of Spotify users have Premium
- Target the **Midlife Success** segment

Room for improvement in:

General Finances	<ul style="list-style-type: none">- €3,042m revenue Q1 2023 (14.3% ^)- Profit margin = -6.49%
Costs	<ul style="list-style-type: none">- Music rights cost = 70% of revenue- Sales/marketing = 13% of revenue
Product choices	<ul style="list-style-type: none">- 317m Ad-Supported = €329m revenue- 210m Premium = €2,713m revenue
Demographic targeting	<ul style="list-style-type: none">- 26% users 18-24- 29% users 25-34.

Spotify needs to stand out culturally.





Targeting the youth.



Ad-Supported

317 million Ad-Supported monthly active users



Premium

210 million Premium monthly active users

87% of Spotify's revenue



Younger Demographic

55% of Spotify's users globally are in the **18-34** age group



Midlife Success Segment



Many members
are in the 25-34
age group



Index: 197



Tech Savvy &
Community
Oriented



Using this to make Spotify profitable.

Attitudinal Objectives

Increase Spotify Premium ratings on personalization by 5% by the end of 2023 Q4.

Increase Spotify Premium ratings on between-user social media interactivity by 5% by the end of 2023 Q4.

Marketing Objective

Improve Spotify's profit margin by at least 6.49% by the end of 2023 Q4.

Behavioral Objectives

Convert over 47.5 million or more MAU from Ad-Supported to Spotify Premium by the end of 2023.

Improve social media engagements with Spotify Wrapped by young people aged 18-34 by at least 5% by the end of 2023.



More Premium, less ad spending.



Social Media Engagements

-Reduce advertising costs



Distinguishing Premium

-Incentivize conversions

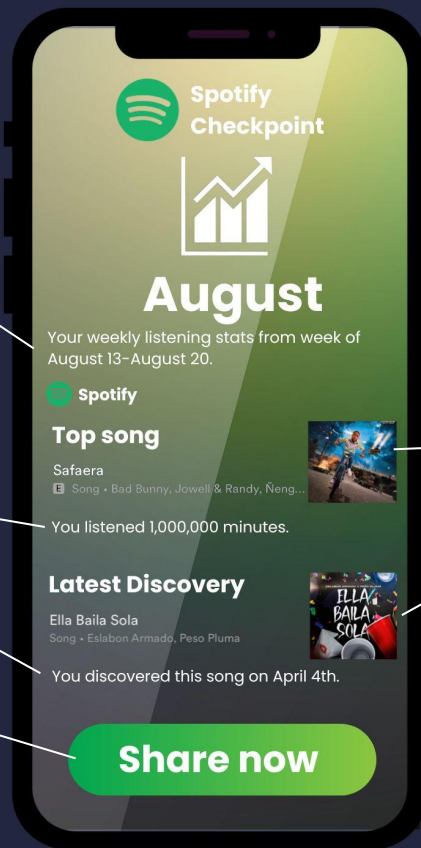
Create a Buzz every month.

Monthly

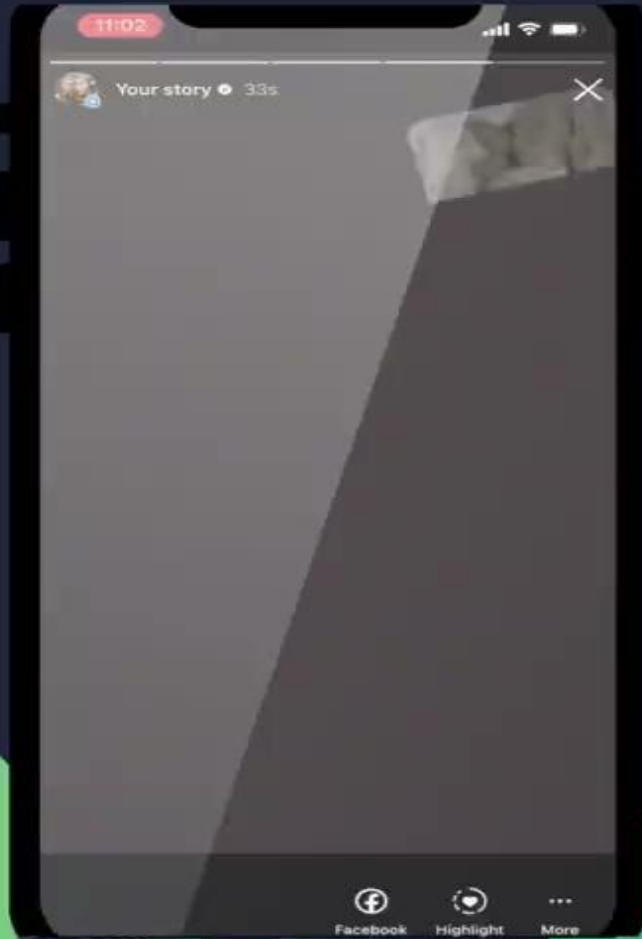
Fun facts

Shareable

Personalized
stats



Share Your Stats



TARGET INSIGHT

Humans are guided by a fundamental need for social connection.

BRAND PROMISE

An interactive community to share their love of music with, to be unique, to carve out an identity for themselves within the community

REASONS TO BELIEVE

As a platform that has historically had its finger on the pulse of personalization, connection, and inclusion, Spotify is industry-renowned for its creative prowess. With a mission to “unlock the potential of human creativity,” Spotify has become a trusted brand by millions of users, so making a promise to provide exclusive perks to Premium users will not cast doubt on users. Instead, given Spotify’s history of elevating the music experience, they will be eager to join the pack and convert to Premium.

PERSONALITY

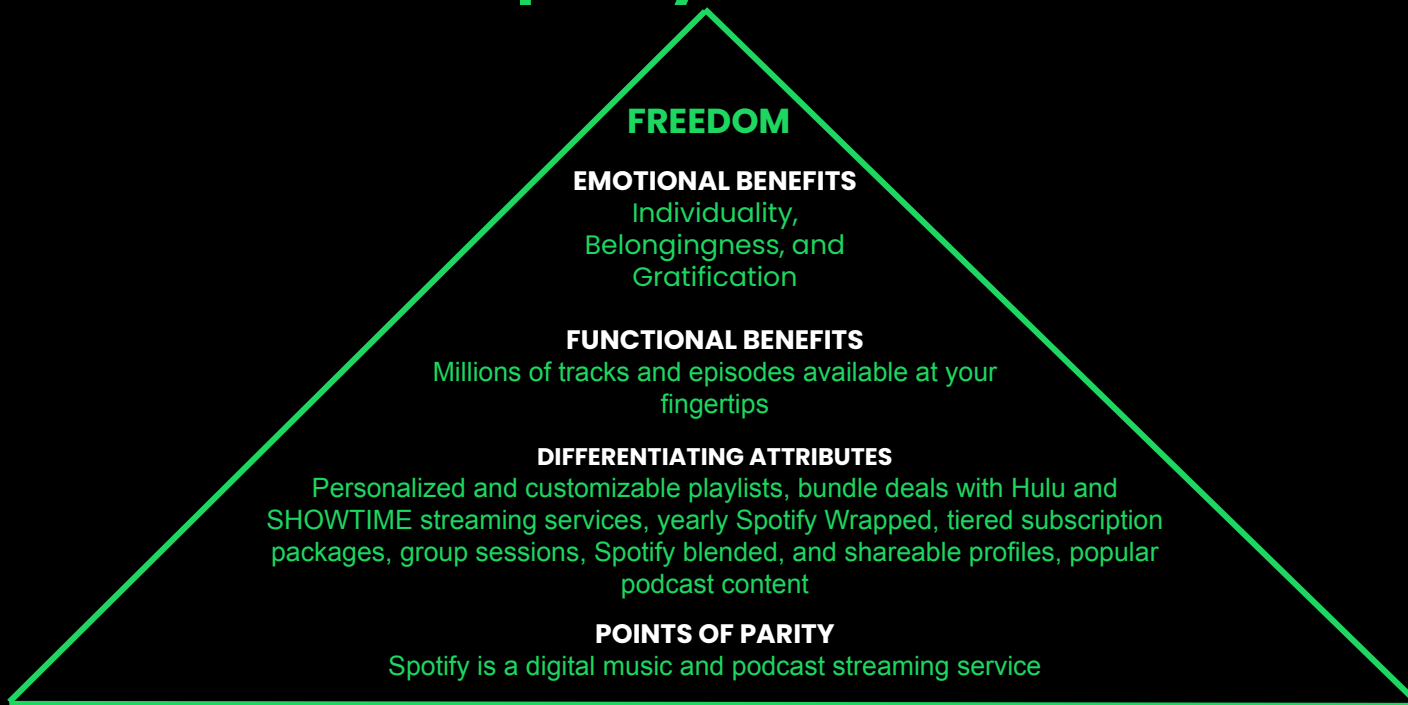
Self-confident, creative, socially-oriented, innovative, fresh

EXPERIENTIAL BENEFIT

People get to feel as though their voices are heard and that their music choices connect them to an expressive community.



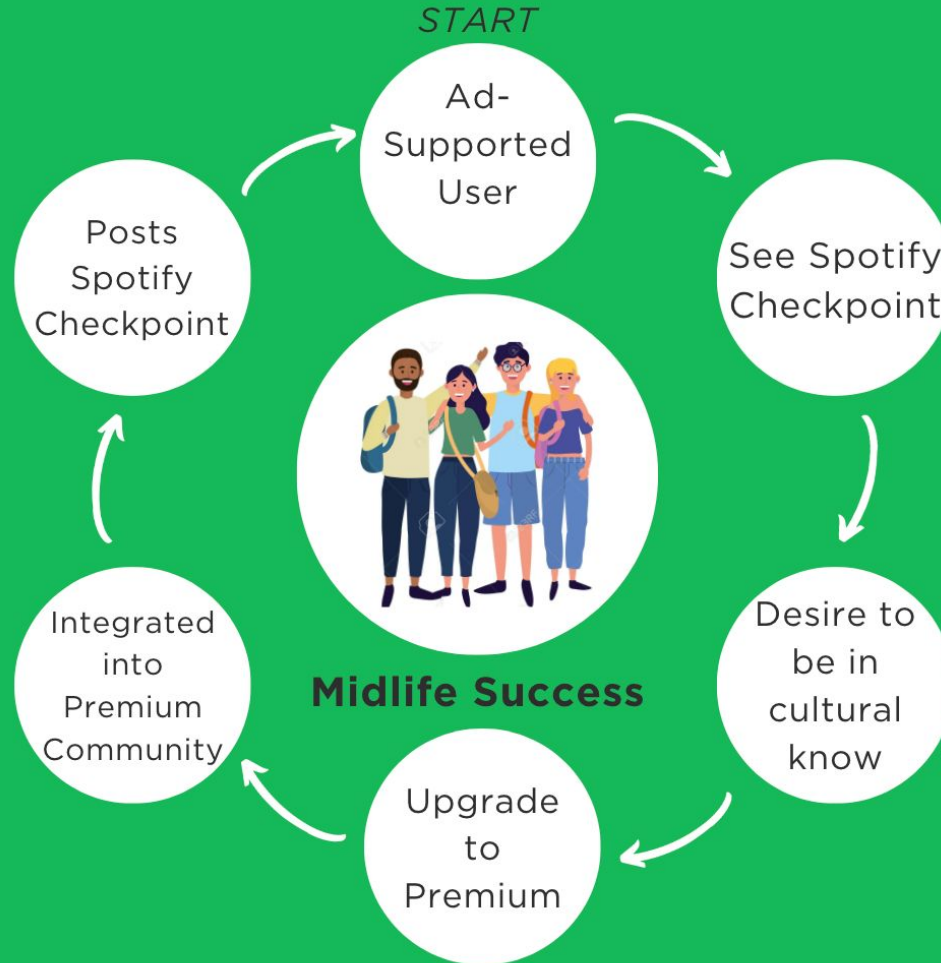
What does Spotify mean to its users?



Making Spotify a social community

For the Midlife Success consumer, who is young and tech savvy, Spotify Premium is the trendy audio streaming service subscription that offers users self-expression in community because it has a personalized user experience, “Spotify Wrapped,” popular podcast content, group listening sessions, and discovery features like “Discovery Reels”, “Smart Shuffle”, and AI DJ.

Spotify Checkpoint Consumer Journey





Thank you.

Questions?