

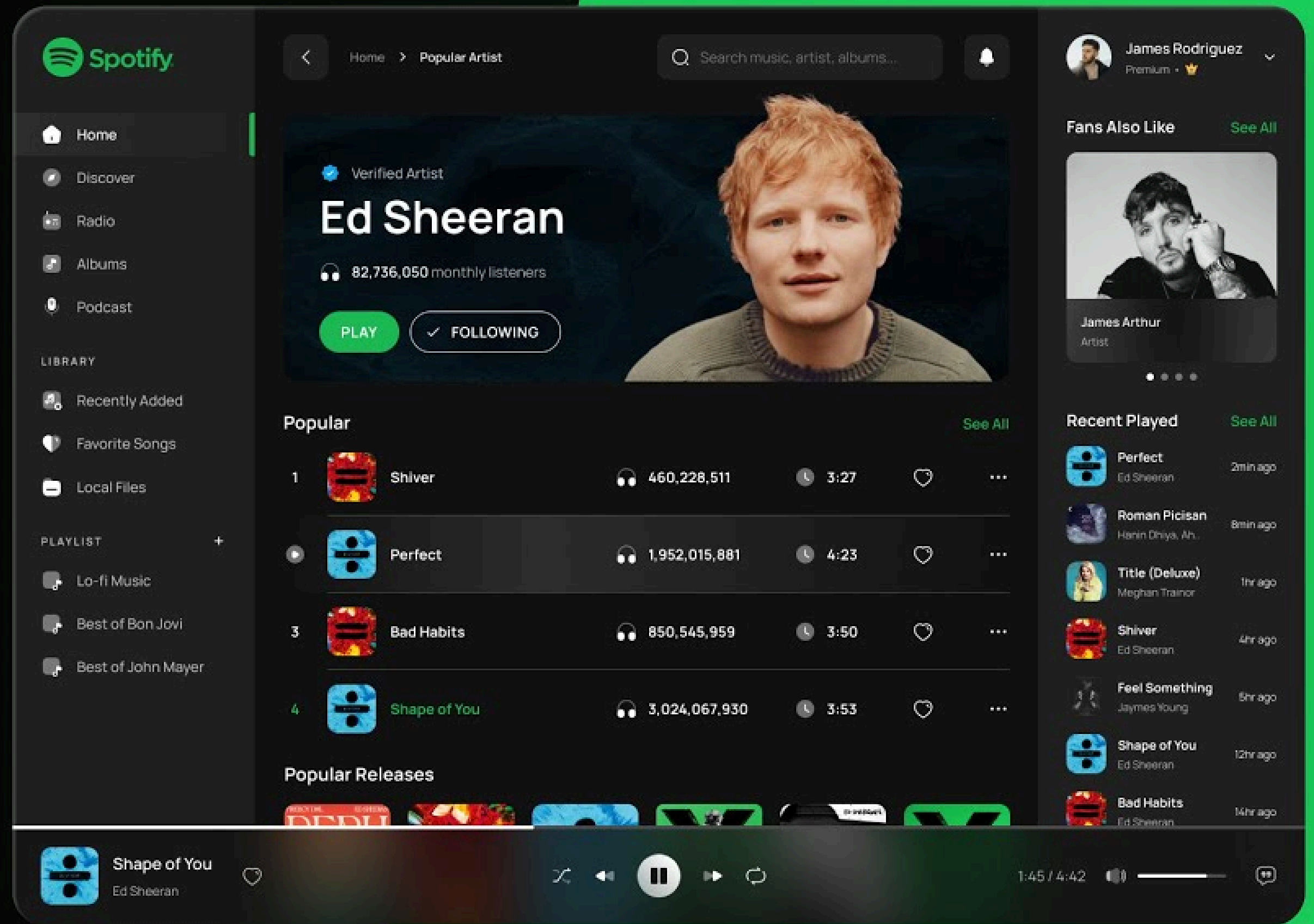
Spotify®



CRM Strategy

Final Presentation

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Agenda



Agenda



SWOT



Introduction & Background



Customer Retention Program



Segmentation

- SWOT
- Segmentation
- Customer Persona
- Competitor Analysis



Customer Persona



Competitor Analysis



CRM Strategy



Digital Strategy



Digital Strategies



Customer Experience Strategy



Acquisition Program



Retention Program



Customer Experience



Customer Acquisition Program



Industry Disruptors



Industry Disruptors



SWOT Analysis

 Agenda

 **SWOT**

 Segmentation

 Customer Persona

 Competitor Analysis

 CRM Strategy

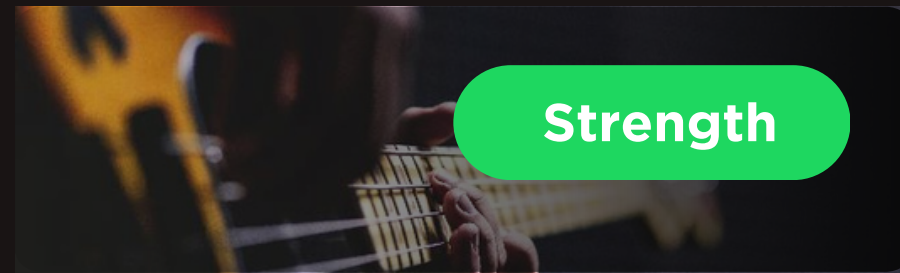
 Digital Strategy

 Acquisition Program

 Retention Program

 Customer Experience

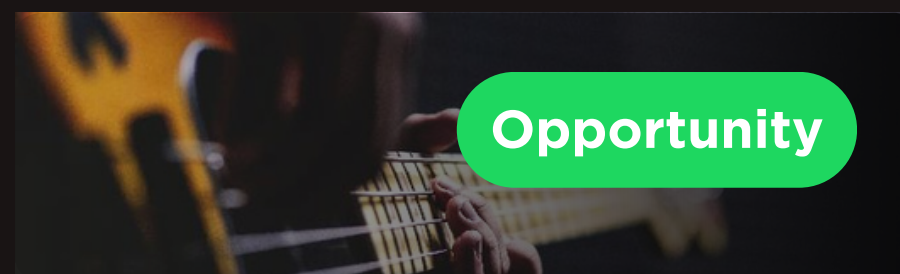
 Industry Disruptors



- Vast content library
- Personalized recommendations
- Global reach
- User-friendly interface



- Content limitations
- Artist compensation concerns
- Dependency on label agreements



- Expansion of original content
- Global market penetration
- Enhanced user engagement
- Innovative ad-supported models

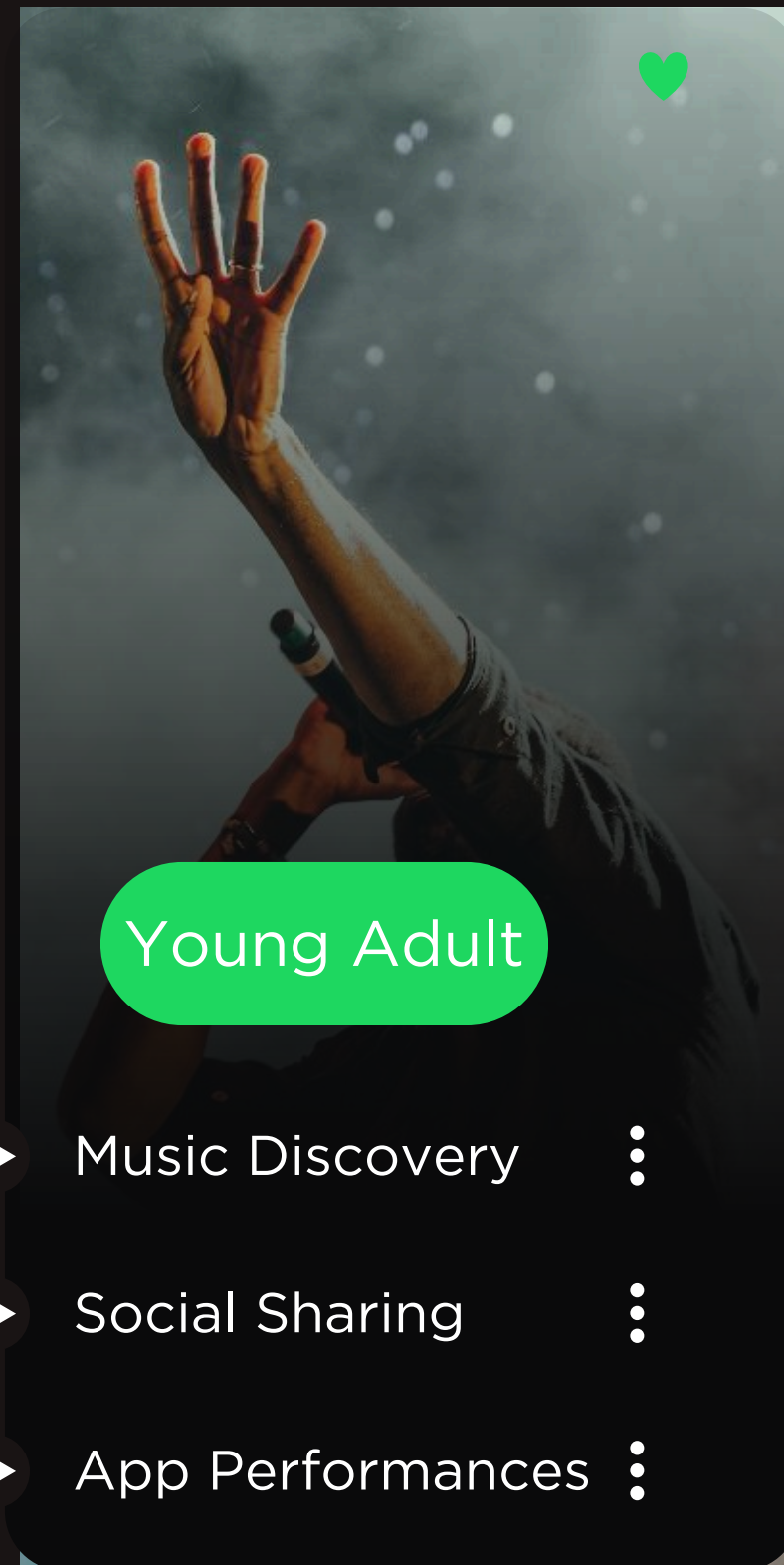


- Competitive landscape
- Regulatory changes
- Evolving consumer preferences
- Technological advancements



Segmentation

- ▶ Agenda
- ▶ SWOT
- ▶ **Segmentation**
- ▶ Customer Persona
- ▶ Competitor Analysis
- ▶ CRM Strategy
- ▶ Digital Strategy
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- ▶ Customer Experience
- ▶ Industry Disruptors



Young Adult

- ▶ Music Discovery
- ▶ Social Sharing
- ▶ App Performances



Millennials & Family

- ▶ Curated Playlist
- ▶ Family Subscription
- ▶ Friendly UI



Use Spotify for discovering new music

Interested in a wide range of music genres

Attracted to Spotify's recommendations and discovery playlists.



Current hits to nostalgic tracks

A mix of current hits, classic tracks, children's music

Millennials with Families might appreciate family subscription plans



Customer Persona

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JORDAN SMITH

21, College Student, NYC

Primarily uses a smartphone for online activities.

Comfortable with technology, often early adopters of new apps and trends.

Engages regularly on social media platforms like Instagram, TikTok, and Twitter.

Goals:

Stays informed about current trends and global issues.

Aspires to travel and experience different cultures.

Values personal growth and self-expression through music and arts.

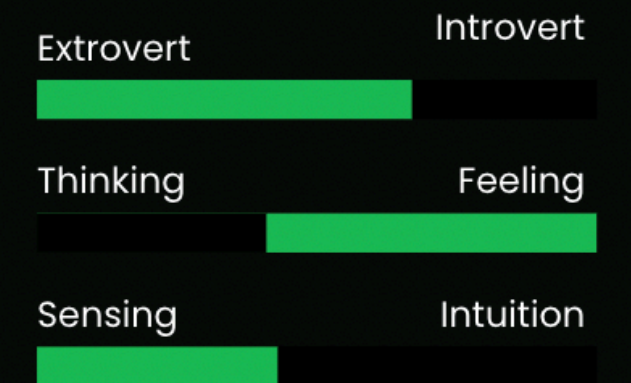
Challenges:

Budget-conscious due to being a student.

Faces stress from academic pressures and future career uncertainty.

Seeks balance between social life, studies, and personal time.

Personality



Technology



- Tech Savvy
- Smart
- Fun



Customer Persona

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EMILY NGUYEN

35, Marketing Manager, LA

Uses both smartphone and laptop for online activities.

Comfortable with technology, often relies on apps for daily tasks like scheduling and entertainment.

Active on social media but more focused on family-oriented platforms like Facebook and Pinterest.

Goals:

Aspires to maintain a healthy work-life balance.

Focuses on providing a nurturing environment for children's growth and learning.

Interested in travel and cultural experiences as a family.

Challenges:

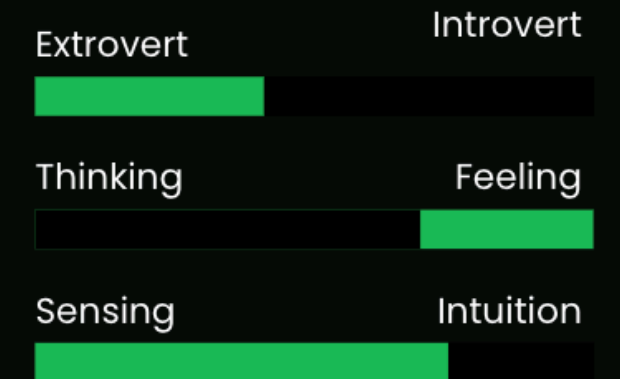
Juggles multiple responsibilities between work, home, and children.

Seeks ways to keep family entertained and engaged, especially during travel or at home.

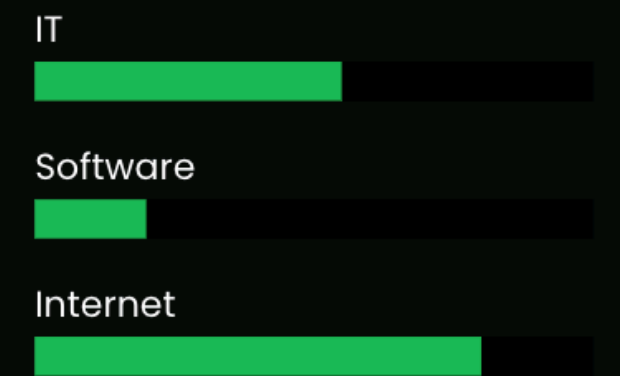
Looks for cost-effective entertainment options

- Family
- Care
- Love

Personality



Technology





Competitor Analysis

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Competitors



Spotify

Over 200 million premium users
Competition-like pricing
Free version has ads, premium version doesn't.
Pros: Discover Weekly & Echo Nest algorithms, personalization, and intuitive design
Cons: Algorithms favour famous artists, limiting niche artists.



Apple Music

Over 60 million users
Pricing: Annual subscription, no free tier, competition like pricing
Pros: early access to new music and exclusive content.
Con: Non-Apple device integration, less personalization than Spotify



Amazon Music

Estimated 80 million Prime users.
Prime Music: 2 million songs, Music Unlimited: 60 million.
Pros: Amazon integration benefits.
Cons: Amazon Music personalises by purchase history, not music taste, lacks focused music based customer service



Youtube Music

200 million unique monthly users.
Similarly priced, free version has ads.
Pros: YouTube's extensive video library and user-generated content.
Cons: music discovery & preferences require finer personalization, separate from video content, no music-specific customer support.

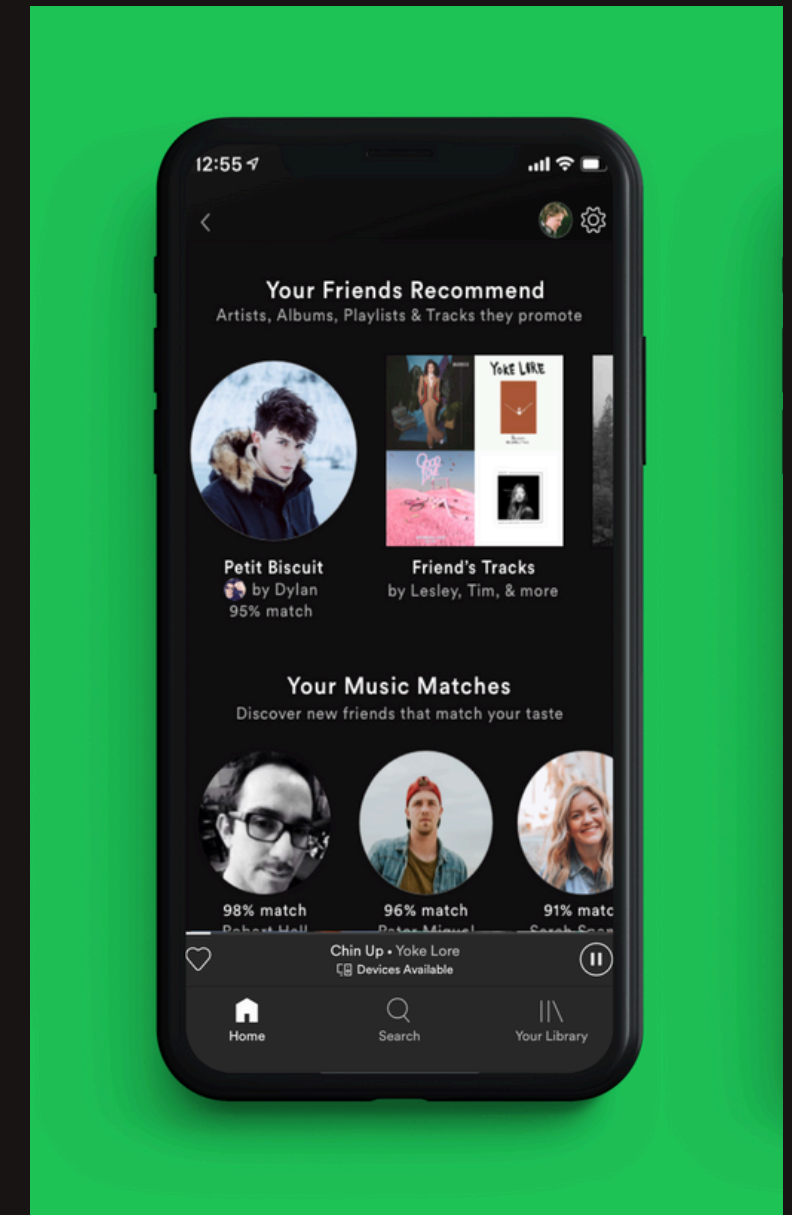


CRM Strategy

Enhanced Social Interaction

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- Spotify's current social features are basic, lacking community engagement
- Improvements: Real-time music sharing and in-app messaging can boost interaction
- More Potential: Direct song recommendations for personalized sharing



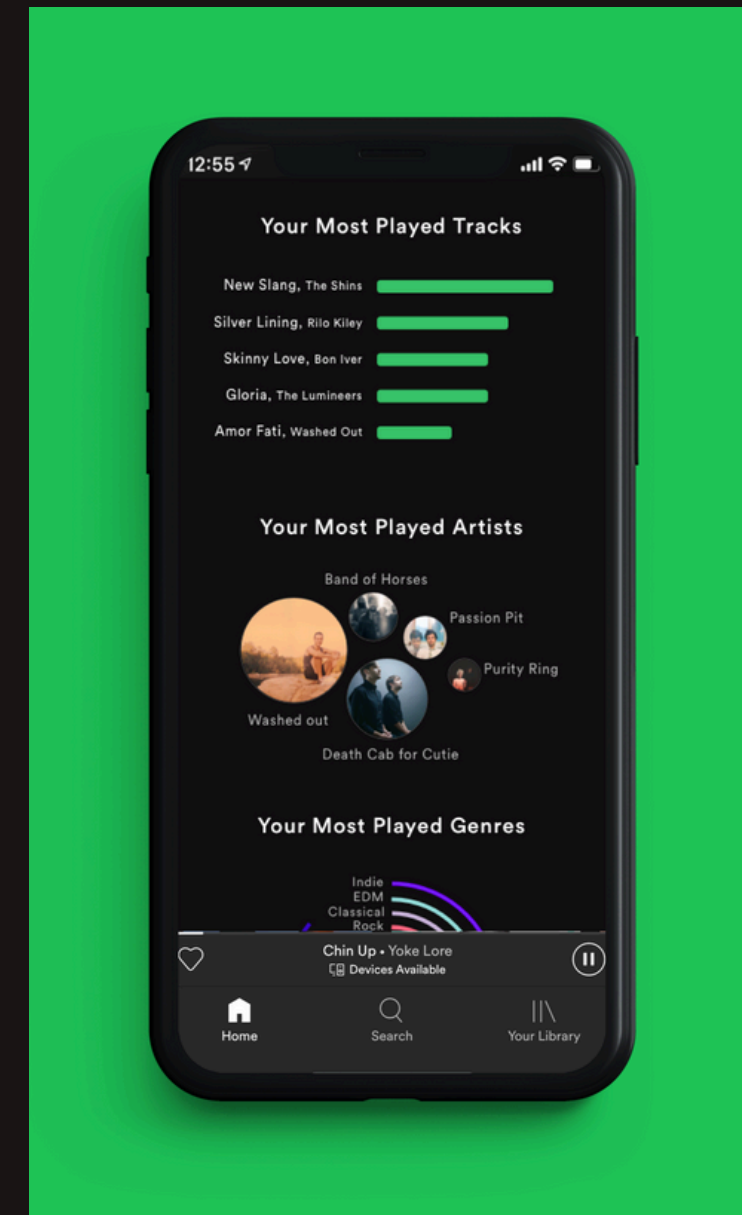


CRM Strategy

Diverse Content Discovery

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- Current State: Spotify focuses on popular music, limiting exposure to niche genres
- Improvements: Enhance algorithms to highlight emerging artists for diverse content discovery
- Potential Change: Introduce user-curated playlists to broaden music styles beyond algorithmic suggestions.





Digital Strategy

User Generated Content Campaign

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- Encourage **users to create and share their own playlists** for a chance to get featured on Spotify's homepage
- This strategy can increase user engagement and **promotes User-Centric Experience**
- Fosters a **sense of community** and encourages community building





Digital Strategy

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Industry Disruptors

Real Time Music Sharing Events

- Host **virtual listening parties** with real-time chat features, allowing users to **experience new releases together**
- This can be promoted through social media platforms, **enhancing Spotify's social interaction capabilities**
- Meet people with similar music taste



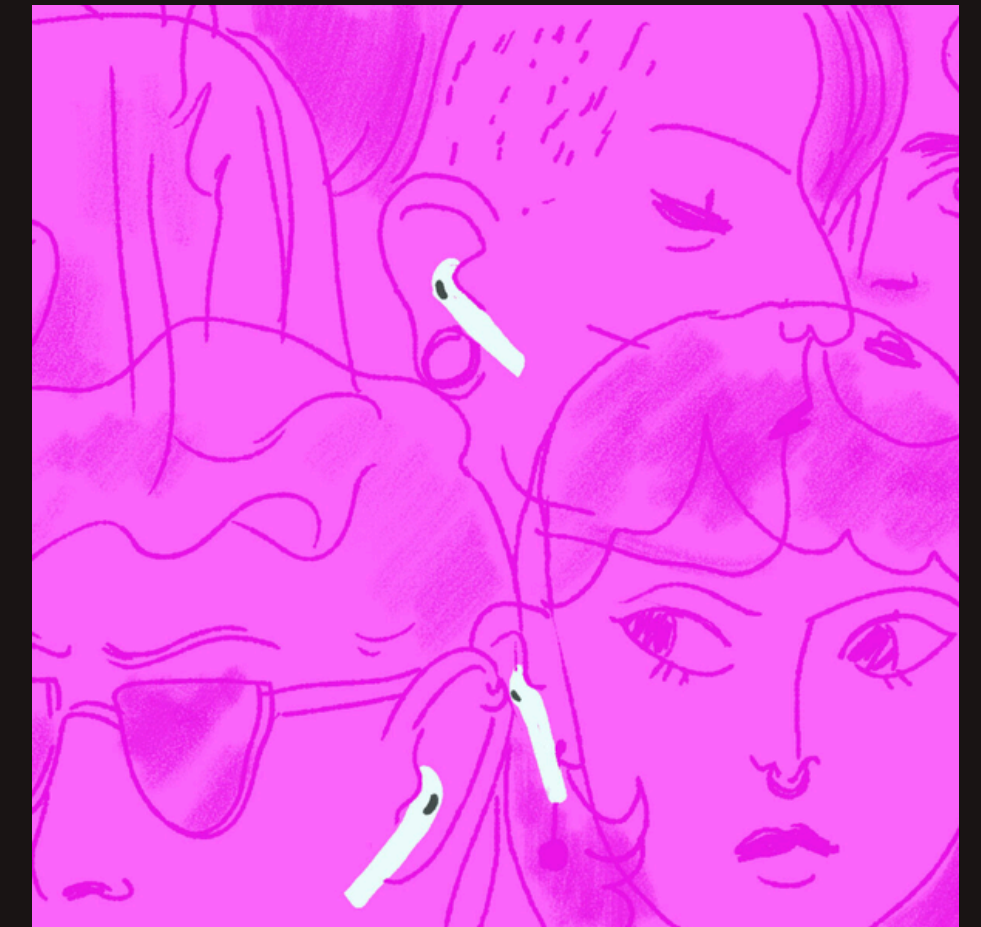


Digital Strategy

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Influencer Collabs for Niche Genres

- Partner with **micro-influencers across diverse music genres** to create playlists that **feature underrepresented artists**
- This approach **leverages the influencers' engaged followers** and creates a more diverse music discovery experience for users.





Acquisition Program

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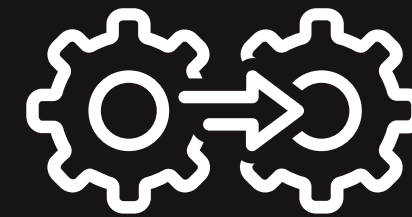
Industry Disruptors

Referral Program



Reward System

Tiered reward system where users get free one month premium subscription after 3 successful referrals



Social Media Integration

Spotify integrates a feature within the app or website that allows users to share their referral link with a single click. This could be through a "Share on Social Media" button.



Targeted Marketing Campaigns

Utilize data analytics to identify target users to engage in the referral program, based usage patterns and social media activity.

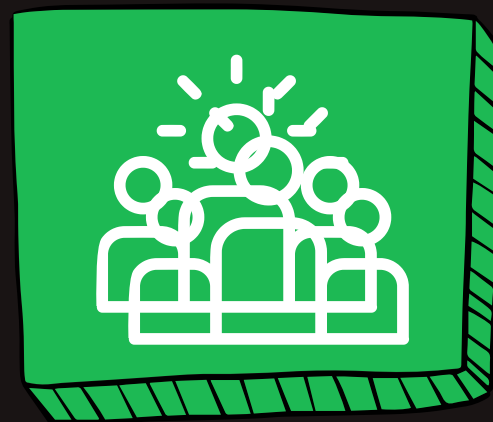




Retention Program

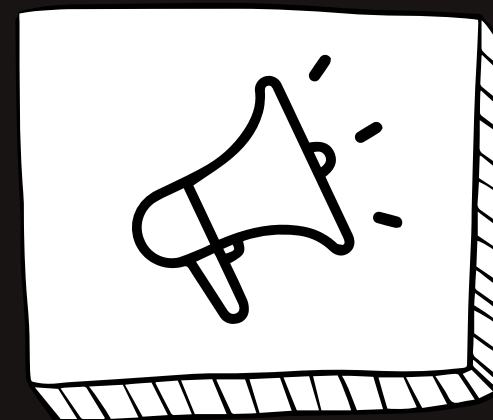
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Yearly Subscription Plan



Discount Incentive

Offer the yearly subscription at a discounted rate, such as \$100 per year, compared to the \$11 monthly fee.



Early Access

Give annual subscribers early access to new Spotify features and updates.



Premium Customer Support

Provide dedicated customer support channel for annual subscribers for quicker and more personalized service.



Customer Experience

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 **Customer Experience**

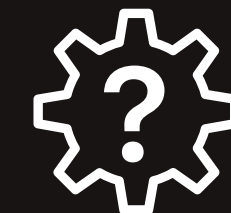
 Industry Disruptors

In-App Messaging



WHAT

- This feature allows users to **engage in discussions** about music directly within the Spotify app, fostering a **community-oriented space** for music enthusiasts.



HOW

- Dedicated Music Forums/Chats
- Real-Time Messaging



Customer Experience

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 **Customer Experience**

 Industry Disruptors

In-App Messaging



WHO

- Young, tech-savvy
- Deeply engaged in discovering new music
- Value social interactions



BENEFIT

- Enhances **social music experiences**, connecting users with like-minded individuals directly on the platform



Customer Experience

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Artist Broadcast



WHAT

- This exclusive feature grants **top listeners of an artist exclusive access to live broadcast sessions** hosted by the artists themselves within the Spotify app



HOW

- Artists share **exclusive content**, engage in **Q&A sessions**, or provide BTS glimpses
- Incorporates **live chat** functionalities for **direct interaction** between the artist and their top listeners



Customer Experience

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Artist Broadcast



WHO

- **Highly involved** in the music community, **seeking exclusive experiences** and deeper **connections** with favorite artists.



BENEFIT

- Offers an **exclusive, direct engagement platform**, rewarding loyalty and creating personal connections with admired artists.





Industry Disruptors

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Community Driven music Exploration



Platform Transformation

- Algorithm-driven model to a community-powered platform
- Curated playlists and real-time sharing features



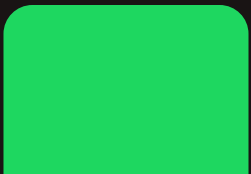
Social Music Space

- Participation and connection based on shared music tastes
- Transitioning Spotify into a social hub for music



Enhanced Personalization

- Utilizing community-curated playlists for precise data collection on user preferences
- Hyper-personalized content recommendations for increased user satisfaction

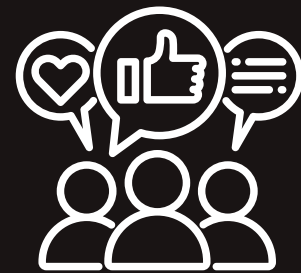




Industry Disruptors

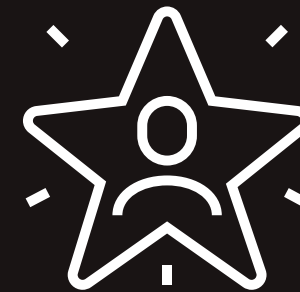
Empowering New Monetization Avenues

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Exclusive Engagement Channels

- Recognition and engagement with niche listener groups
- Offering exclusive content, merchandise, or events tailored for top fan



Artist-Fan Collaboration

- Collaborative efforts between artists and record labels using data analytics
- Exclusive releases for top fans, fostering exclusivity, artist autonomy, and financial growth



Industry Paradigm Shift

- Disruption of traditional revenue streams by leveraging data-driven engagement strategies
- Redefining artist-fan relations and revenue generation within the music ecosystem



Thank you