**Case Study on Spotify Marketing and Growth strategies in Indian Market.**

 **Author:**

 **Prof. Sulekha Munshi Asst. Prof. AGBS, Mumbai**

 **Prof. Ajay Tekchandani Associate Prof. AGBS, Mumbai**

Spotify is the world's largest music streaming service provider. In India, Spotify is the largest audio streaming platform among international players. Since its 2008 debut, it has grown to become one of the most well-known music streaming services worldwide, attracting hundreds of millions of users worldwide. Users can access Spotify's enormous music catalogue, make playlists, find new music, and share their favorite songs and playlists with others through its free and premium subscription levels. Many platforms, such as laptop computers, smartphones, tablets, smart speakers, and other internet-connected devices are supported by the service. Spotify is riding high its smart marketing strategies. The question is will these marketing strategies make Spotify a music industry leader in India.

**India’s Growth Story:**

In the early days of its India launch, Spotify saw growth mostly in the metros. However, over the last four years, its user-base has expanded to tier 2 and 3 cities as well. “We have been expanding our presence across Indian languages. Spotify’s philosophy is that it is for everyone, so for us every user of each language is given equal importance.

Spotify India is available in 12 languages, including Hindi, Punjabi, Telugu, Tamil, Malayalam, Kannada, Marathi and Bhojpuri. “We are curating music in multiple languages and working with independent artistes and the film industries from each of these regions,” adds Batra. The goal is to have a presence in every language in the market

**Marketing Strategy of Spotify**

## Freemium Model is the USP of Spotify

The key feature of this platform is that it’s free for users only, with some ads playing between the music. It has been found that this freemium model approach has worked amazingly for Spotify because users can take benefit of free music without paying for a subscription. Spotify also made the most of this feature to promote ads in between to keep coercing the users consciously or subconsciously to sign up for premium to listen to music without any ad breaks. This unique marketing hack helped it boost its subscriber base around the world. The Freemium model worked incredibly for users as well as the platform. This is because the users are getting free music while listening to ads, which seems like a perfect two-way venture for a business.

### **A Minimalistic App Interface**

Another critical aspect of Spotify’s marketing strategy is that its user interface in the app, as well as chrome, and is entirely minimalistic, easy to understand and classy. This made it a top choice for music fans as well as performers. A more straightforward and smoother AI interface made the experience more personalized and highly user centric.

### **Connecting With Artists for Collaborations**

Spotify has close ties with the top artists of almost every mainstream industry. This provides users with a way to connect to their top artists, which leads to open live nights, another lovely way to attract more subscribers taking benefit of exclusive content! What made Spotify unique is its creator-centric approach. Batra reckons, “In India, the focus has primarily been on film, and not artiste-centric music. Our mission with Spotify India is to drive consumption and popularity of artiste-driven music,” Rahul Balan, head of music, Spotify India, says, “We are enablers of their [artiste’s] success. We always support them in growing not just on Spotify, but also on other streaming platforms and on social media. We don’t sign any exclusives with artistes.”

The platformed runs programs such as ‘Fresh Finds’ and ‘Spotify RADAR’ to help users discover new and talented artistes. Some of these programs allowed new artistes to pitch their unreleased music, and Spotify’s in-house editors picks songs that are a part of the Fresh Finds playlist, which has 30 songs. “These programs help shine the spotlight on the work of fresh artistes, and eventually help them to get bigger projects. For instance, artistes like OAFF and Kamakshi Khanna, were discovered via Spotify and are now working on film music,” adds Balyan.

### **Emotional Ads for Promotion**

Even in India, Spotify ads often focussed on a family, adding a punch of fun and emotional intensity. So, either you will find ads during Christmas, Diwali, etc. These cultural ads can popularize the [brand](https://www.simplilearn.com/elements-of-and-how-to-create-a-brand-article) better through a long-lasting impact. Putting emotions in its ads can also better transform your connection with the target audience and boost your reach internationally and locally.

### **Personalized at its Core**

Spotify’s AI interface has been conceptualized to personalize as per its users. Now, whether it’s a millennial using Spotify for podcasts or music or Gen X searching trending [Instagram](https://www.simplilearn.com/the-beginners-guide-to-advertising-on-instagram-article) music. Spotify was ready to personalize all their preferences. Strategic partnerships with artists, their labels, trending musicians, and podcasters is another way to keep things refreshed.

**Betting Big on Podcast :**

Innovation has been at Spotify’s core since it was founded in 2006. It is now expanding its audio offerings by focusing on podcasts. “Podcasts are bringing all that's good about radio into the digital world, into a complete on-demand experience, letting users choose what they want to hear,” reckons Gyllenhammar. With radio there was a radio jockey culture which took off. Now, adds Batra, “Spotify allows anyone and everyone on the platform to be a radio jockey, since you can create your own podcast about anything you feel passionate about. There’s an equal opportunity for everyone.”

Earlier, there used to be radio shows, adds, Dhruvank Vaidya, head of podcasts, Spotify India. “We’ve adopted those formats and created fiction podcasts. For instance, *Virus 2026* is a 10-episode series featuring Ali Faizal and Richa Chadha; and another fictional series, *Bhaskar Bose*, and with Paramjit Dasgupta as voice actors.” Additionally, Spotify is also working with a bunch of creators such as Ranveer Alabamia and Leeza Mangala’s on their own podcasts too. Now, one in four music listeners is a podcast listener on Spotify, claims the company.

Even on Anchor, a podcast creation tools, there are podcasts being created across 12 to 13 languages. “We realized this is a segment that has seen a lot of interest. To encourage this further, we launched a mentorship program, where we take creators through scripting, editing, sound design, marketing and finally publishing,” adds Vaidya. This program is across Tamil, Telugu, Malayalam, Bengali and Hindi. Through this, Spotify saw a lot of first-time creators across professions such as doctors and bankers, talking about a diversity of topics and mostly from tier 2 cities.

“Podcasting has been picking up pretty well in India, as more and more India-focused content is generated, and Gen Z and millennials adopt listening habits. Another trend we are picking up is the audio series market, which is one of the fastest growing segments,” adds Kumar.

Even from a marketing point of view, podcast advertising can be personalized, unlike radio, since there’s a lasting connect with the creator or podcaster, claims Vaidya. India hasn’t moved into advertising for podcasts, yet. “We have to create this market for India, with tools such as Anchor--Spotify’s erstwhile podcast creation and analytics tool-- nudging creators to start looking at podcasts as a medium to reach their audiences. Podcast creators can now use Spotify for Podcasters to create and analyze the performance of their content,” says Batra.

After so many strategies and tactics ,the question arises whether Spotify will be able to manage its growth story and how they are going to deal with competitors

**BIBLIOGRAPHY**

 [**https://www.sitecore.com/knowledge-center/digital-marketing-resources/what-is-personalization-and-how-to-approach-it**](https://www.sitecore.com/knowledge-center/digital-marketing-resources/what-is-personalization-and-how-to-approach-it)

[**https://startuptalky.com/spotify\_success\_story/#:~:text=Spotify%20was%20founded%20by%20Daniel,who%20downloaded%20pirated%20music%20file**](https://startuptalky.com/spotify_success_story/#:~:text=Spotify%20was%20founded%20by%20Daniel,who%20downloaded%20pirated%20music%20file)

[**https://thesocialshepherd.com/blog/spotify-statistics#:~:text=Most%20of%20Spotify's%20Users%20in%20the%20U.S.%20Are%20Ages%2025%2D34&text=The%20largest%20age%20group%20on,make%20up%2029%25%20of%20users**](https://thesocialshepherd.com/blog/spotify-statistics#:~:text=Most%20of%20Spotify's%20Users%20in%20the%20U.S.%20Are%20Ages%2025%2D34&text=The%20largest%20age%20group%20on,make%20up%2029%25%20of%20users)

[**https://www.goodwatercap.com/thesis/understanding-spotify#:~:text=Spotify%20leveraged%20music's%20inherently%20social,network%20with%20each%20new%20user**](https://www.goodwatercap.com/thesis/understanding-spotify#:~:text=Spotify%20leveraged%20music's%20inherently%20social,network%20with%20each%20new%20user)

[**https://www.livemint.com/industry/media/india-will-be-a-massive-part-of-spotify-biz-daniel-ek-11666897030163.html**](https://www.livemint.com/industry/media/india-will-be-a-massive-part-of-spotify-biz-daniel-ek-11666897030163.html)

[**https://twostorymelody.com/spotify-engagement-definition/#:~:text=Listeners%3A%20The%20number%20of%20people,indicates%20a%20higher%20audience%20engagement**](https://twostorymelody.com/spotify-engagement-definition/#:~:text=Listeners%3A%20The%20number%20of%20people,indicates%20a%20higher%20audience%20engagement)