



Hi!  Spotify® here!



Hi! I'm Joey van den Worm

- Half Swedish/Half Dutch
- Lived 7 different countries
- Working in start ups since
- Launched Spotify in Netherlands 2010
- Living in Sweden 1.5 yrs

Agenda

1. Introduction to the world of Spotify
2. Start and Spotify Business model
3. Impact Music business
4. Focus
5. Spotify – Why Stockholm
6. Spotify in NL
7. Q&A

Hello Amsterdam Airport Area!

Introduction to the world of Spotify

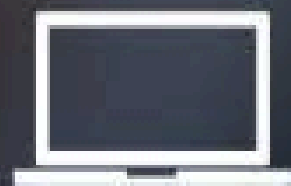
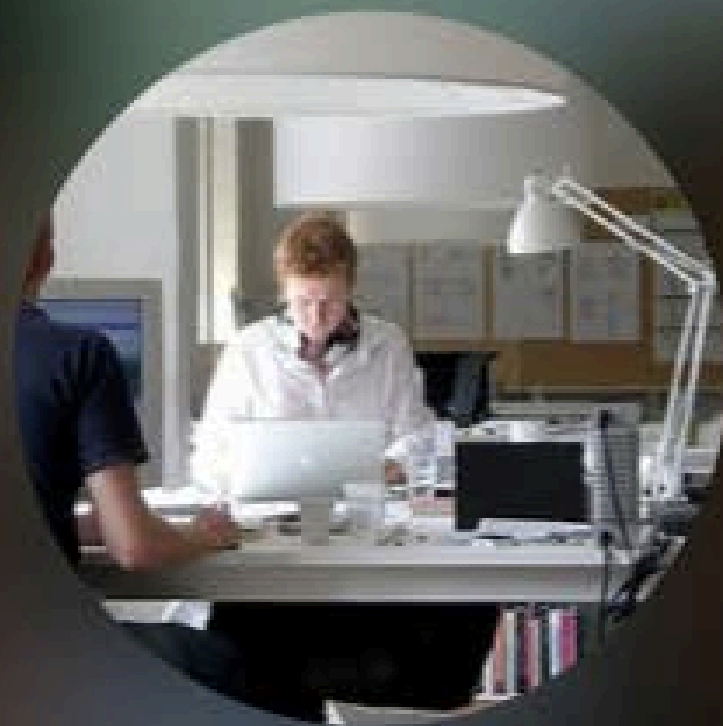


Life is better with music

Spotify brings you the **right music for every mood and moment:** the perfect songs for your workout, your night in, or your journey to work – the soundtrack to life.

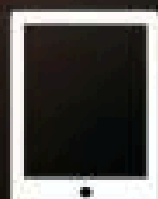
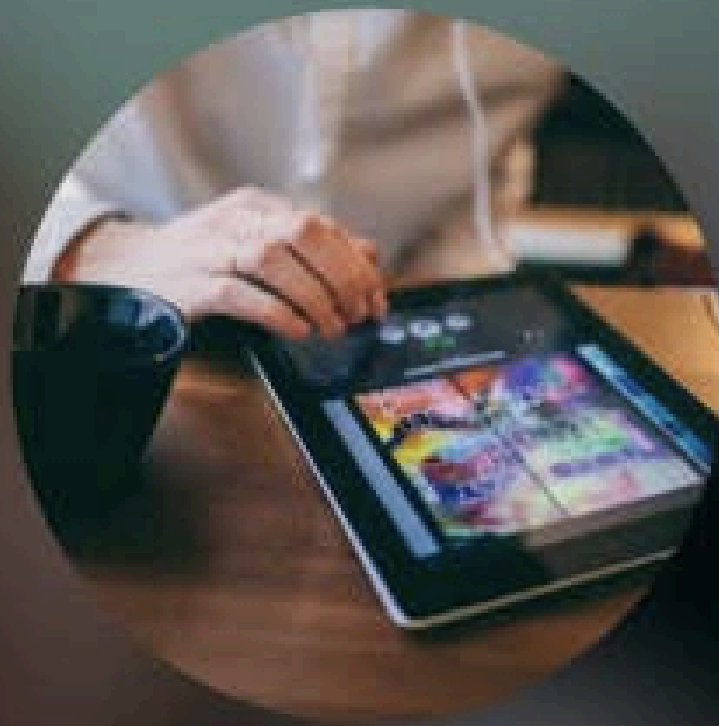


Spotify is **Always on**



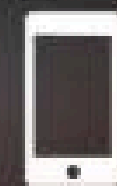
Desktop

Work, school, chores, dinner, prepare to go out, waking up



Tablet

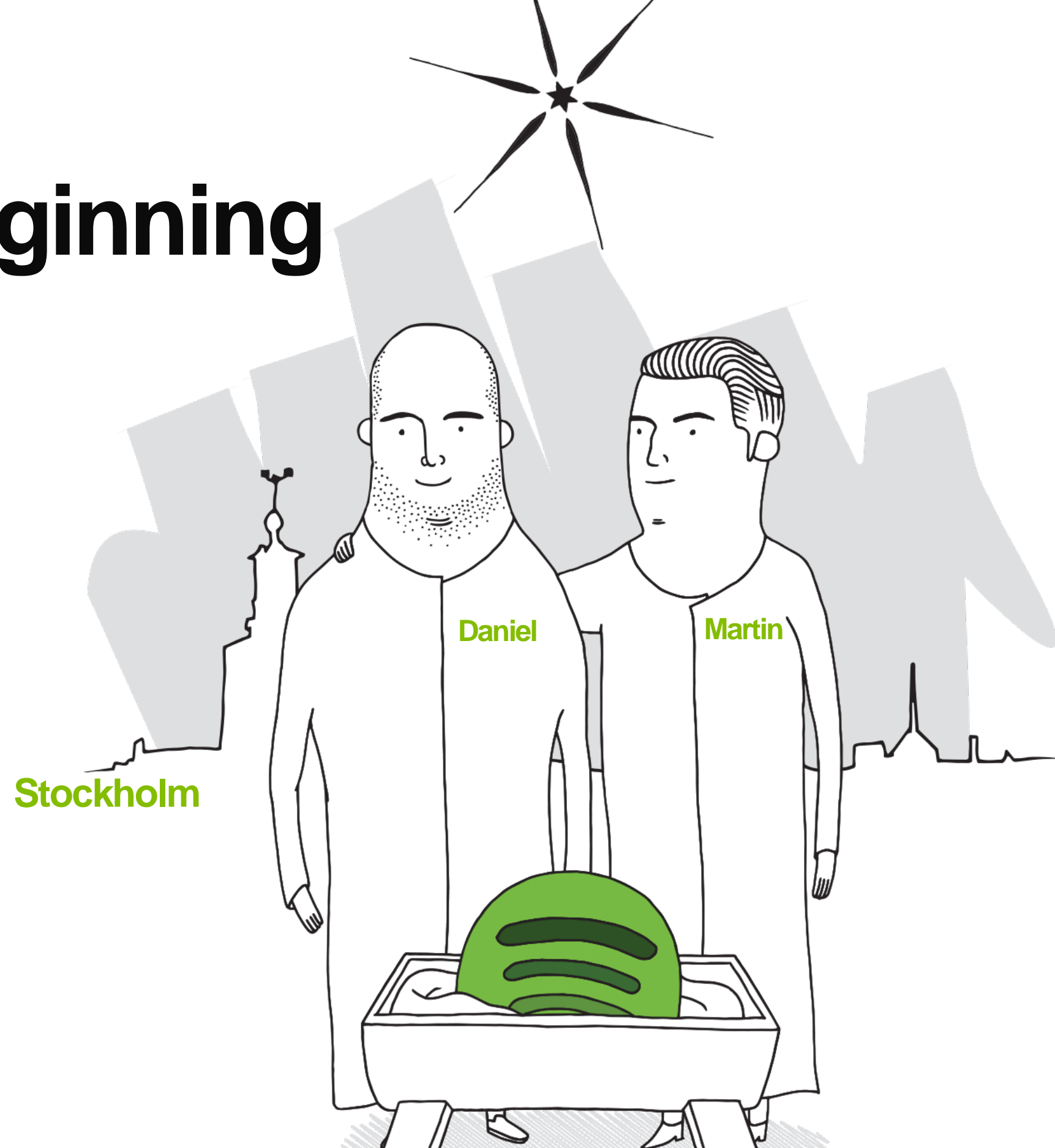
In your living room, traveling, kids in car, getting ready to sleep



Mobile

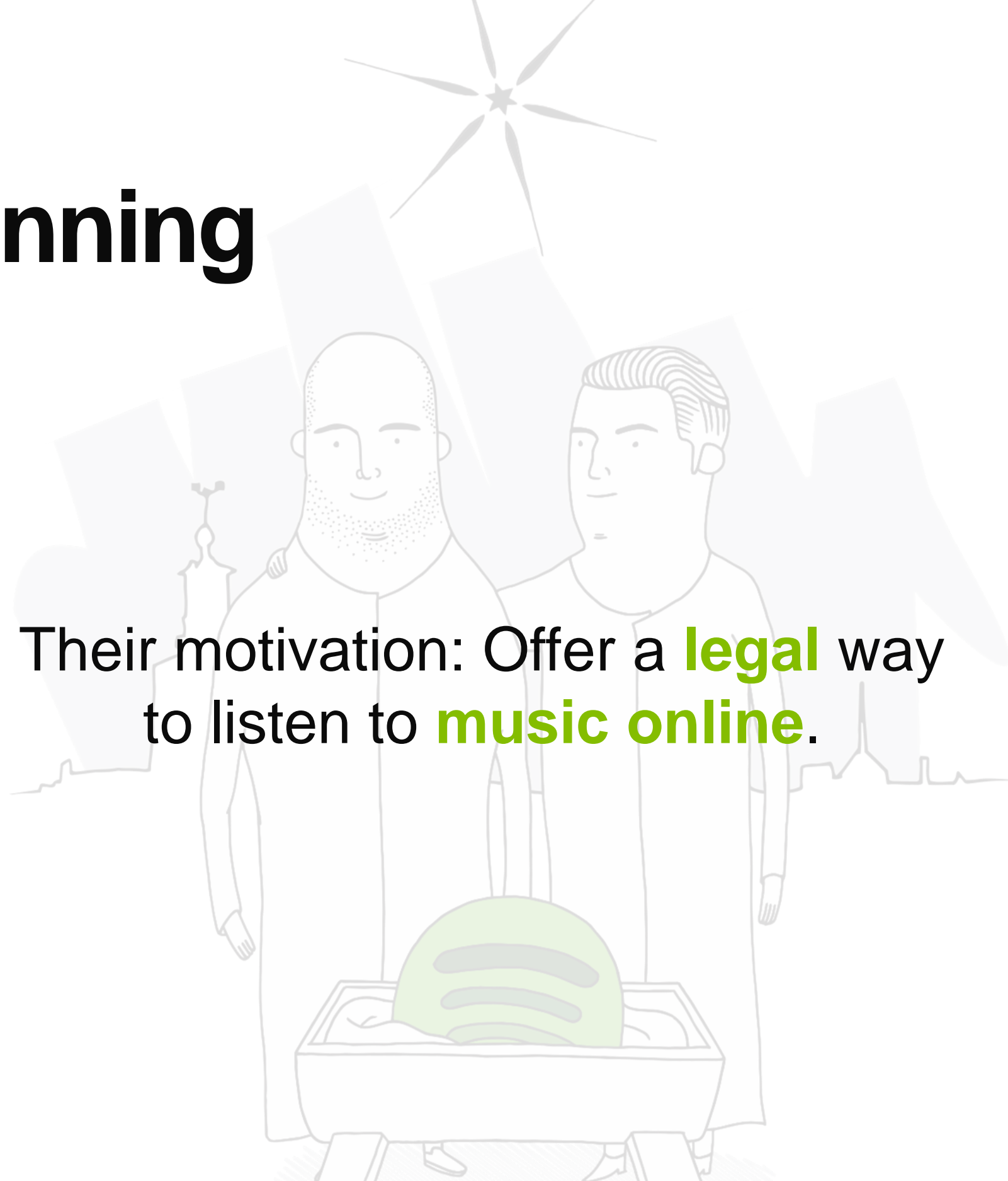
Work out, commuting, traveling, car

In the beginning



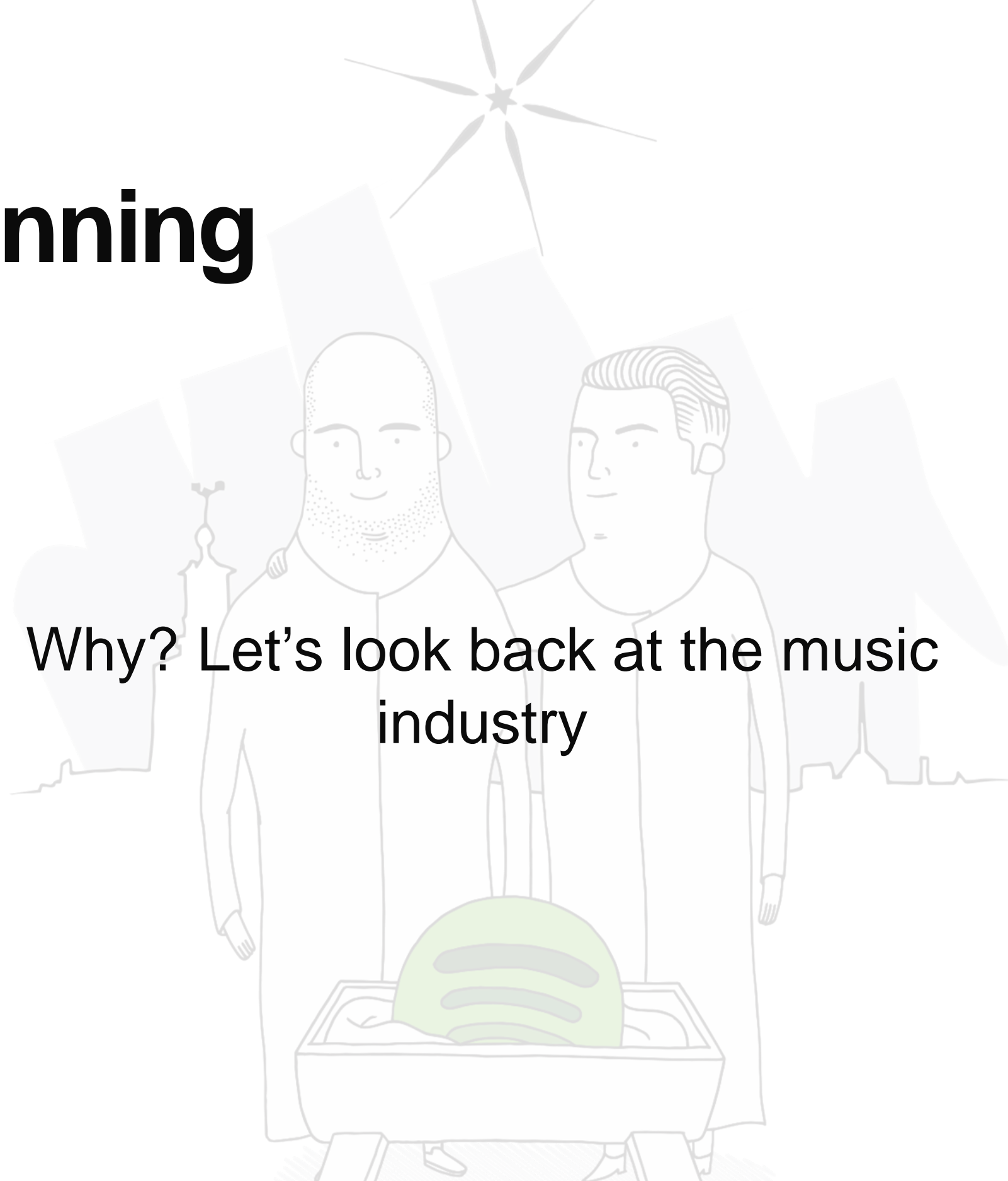
In the beginning

Their motivation: Offer a **legal** way
to listen to **music online**.



In the beginning

Why? Let's look back at the music industry



Before

Listening to the **radio** and / or
buying a **physical recording**.





Today

Consumption diversity.

From **piracy** and iTunes
downloading to **on-demand**
streaming from YouTube and
others.

Our business model – Freemium

Free

Everything you want from music.

Completely free



Listen on mobile, tablet & computer
Millions of songs — just hit play
Made possible by ads

[Get Free](#)

Premium

Your music is everywhere.

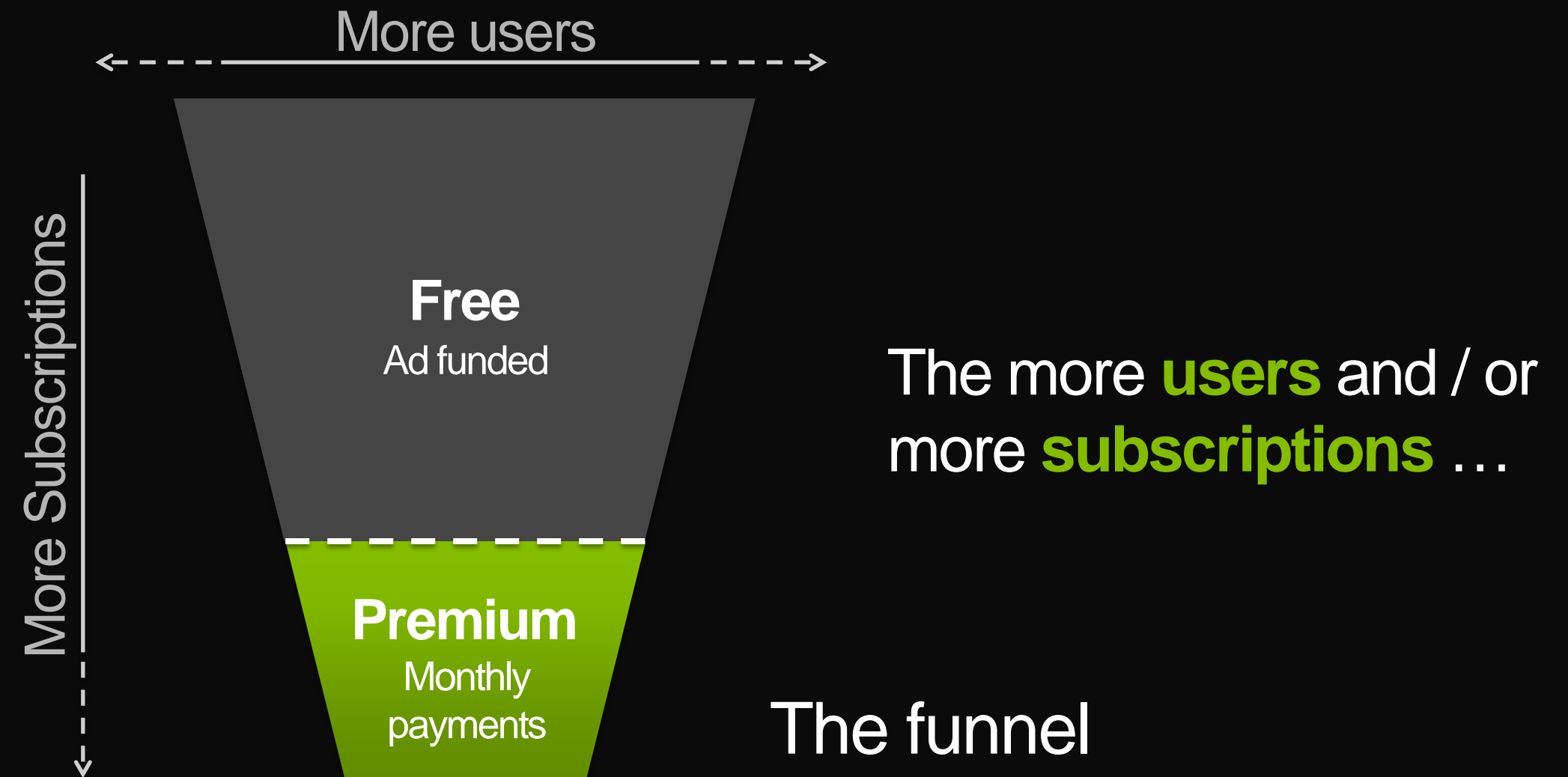
\$9.99 a month.



Play any song, anywhere
Download music & listen offline in high-quality audio
No audio ads & no commitment

[Get Premium](#)

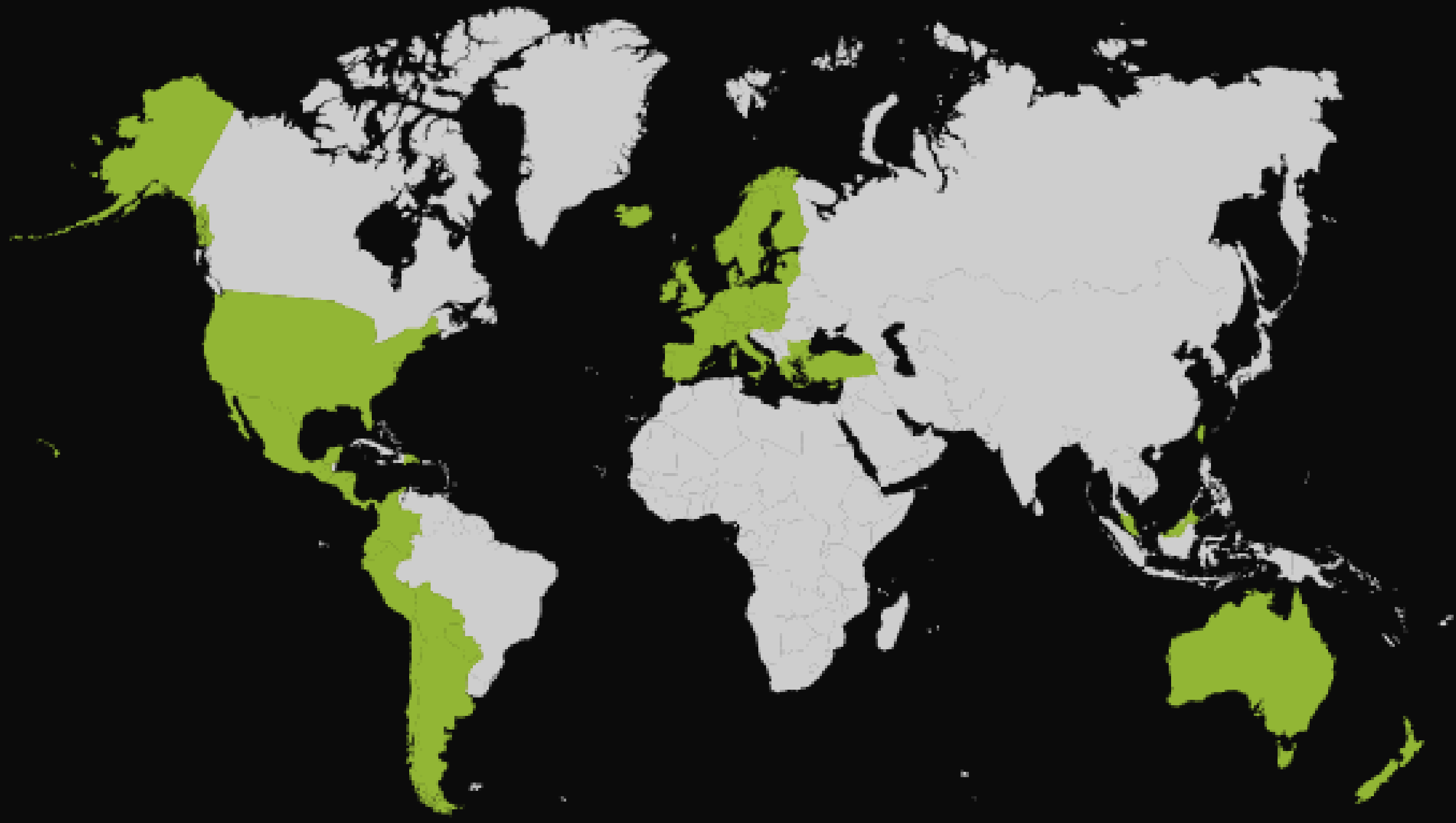
Ok. How does that work in practice?



How are we different?

	On-demand	Free	Radio	Socially Connected	Available offline	Ad Free Subscription
	●	●	●	●	●	●
		●	●			●
		●	●			
	●		●		●	
	●	●		●		
			●	●	●	●
	●				●	

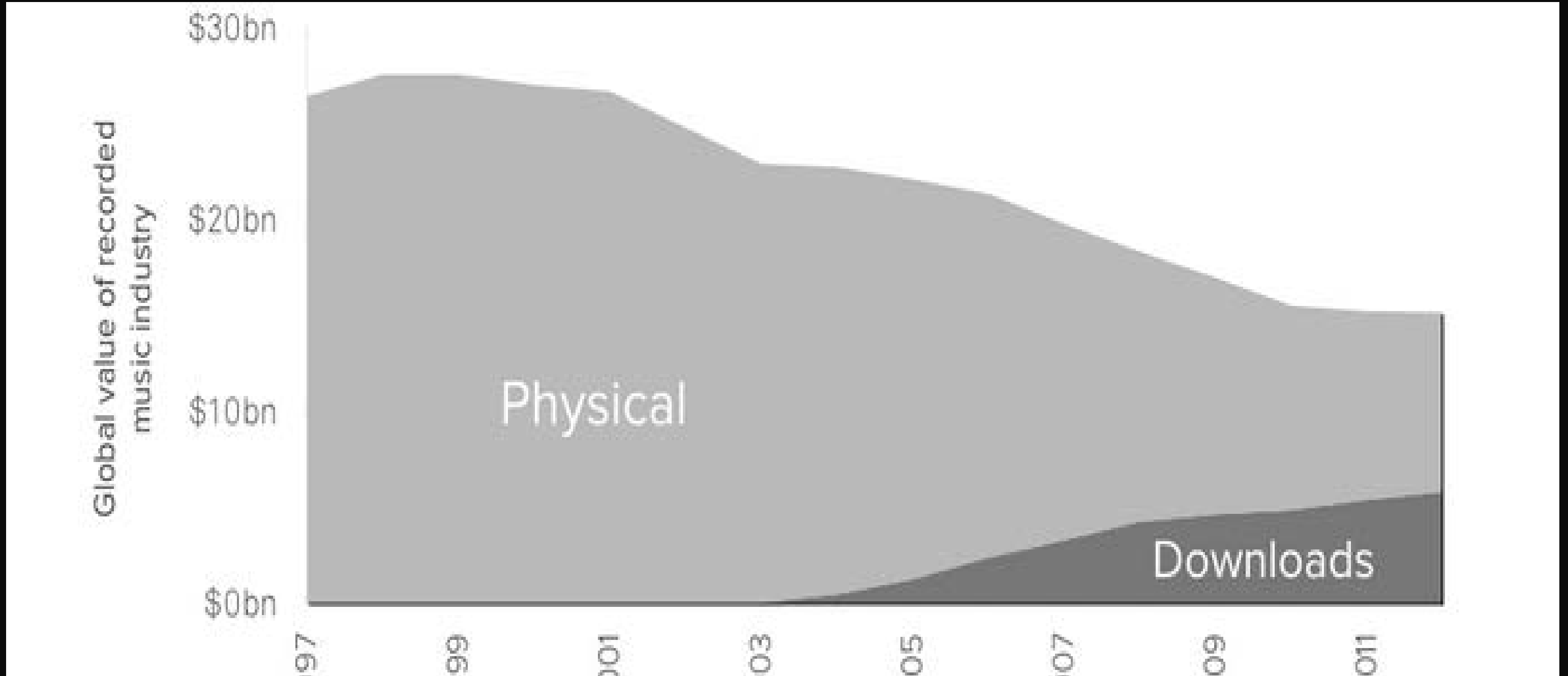
Spotify is global



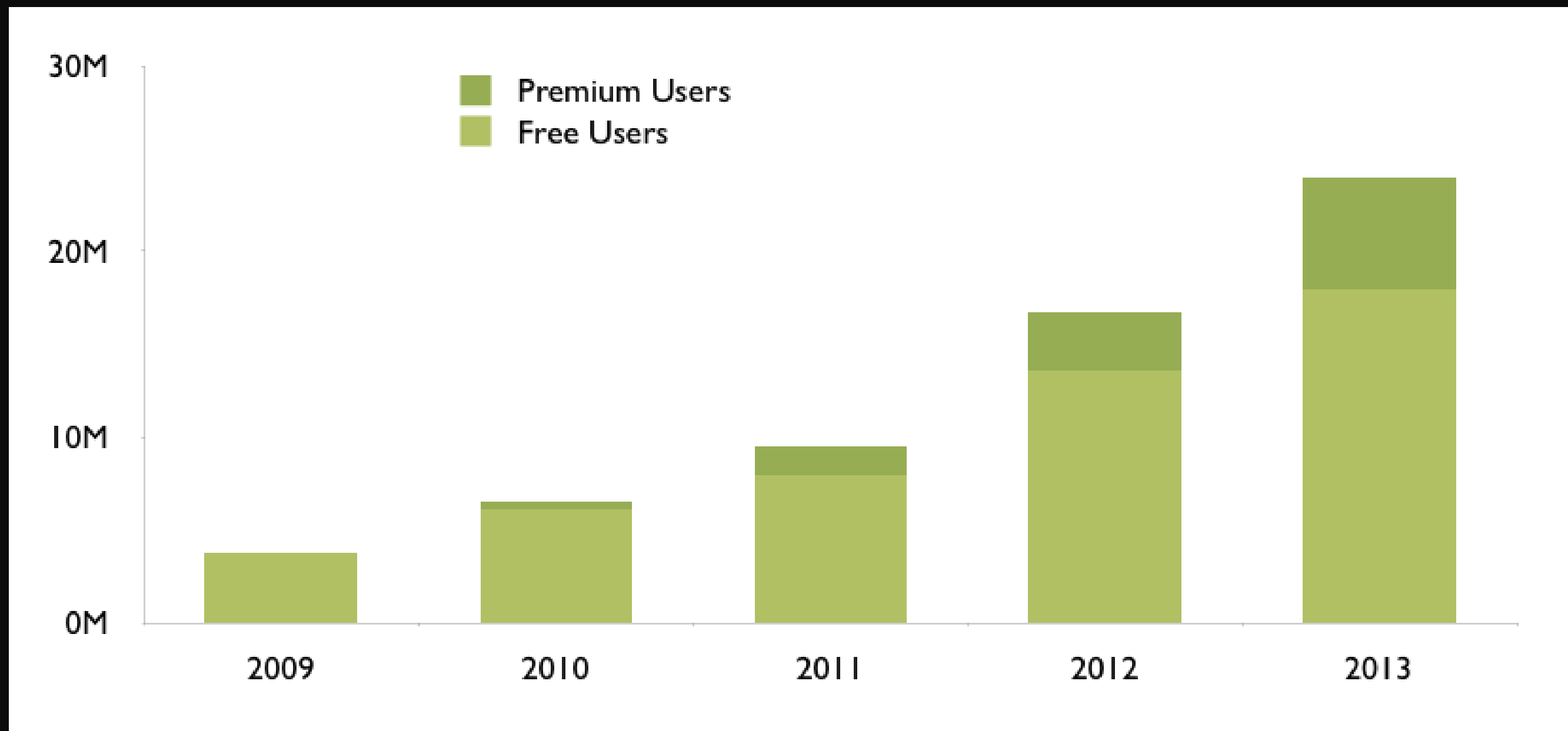
Impacting the music business



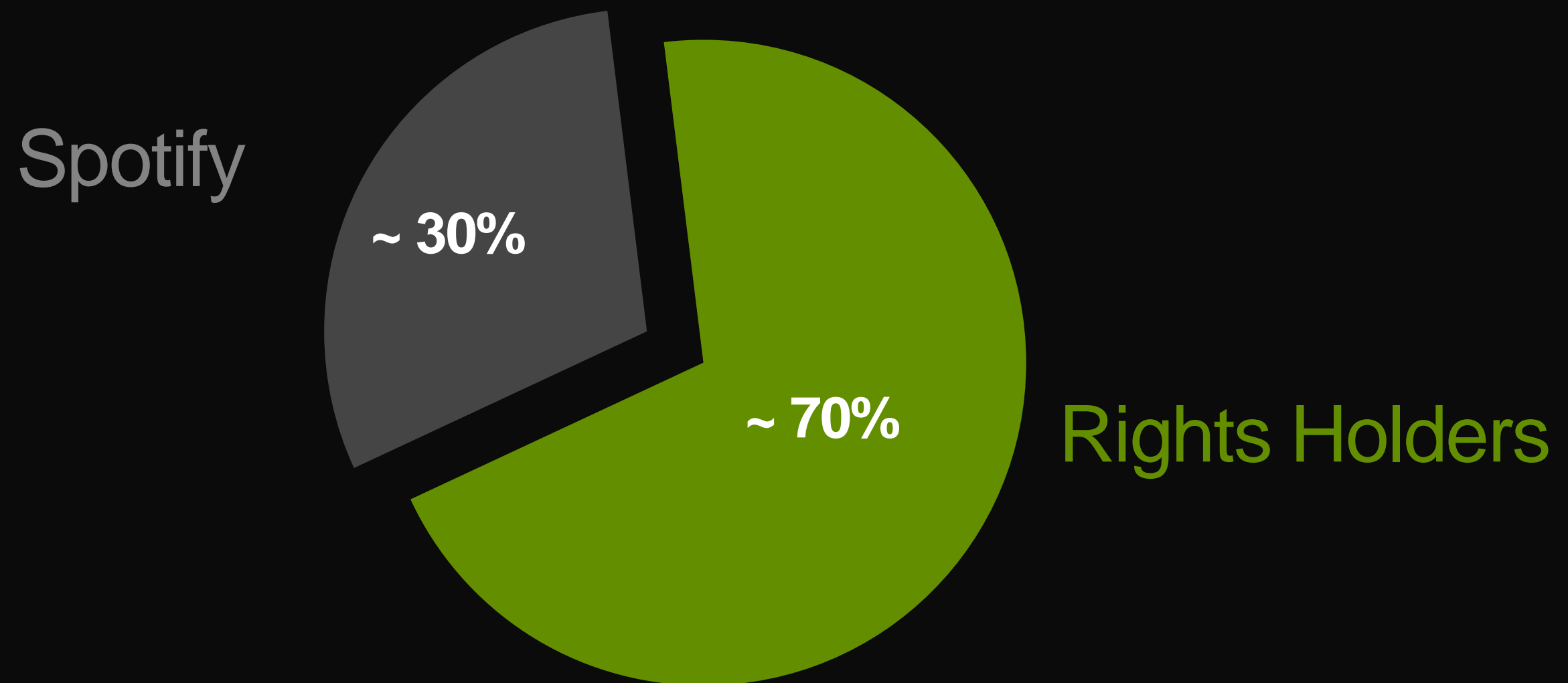
The music business trend



Spotify's trend

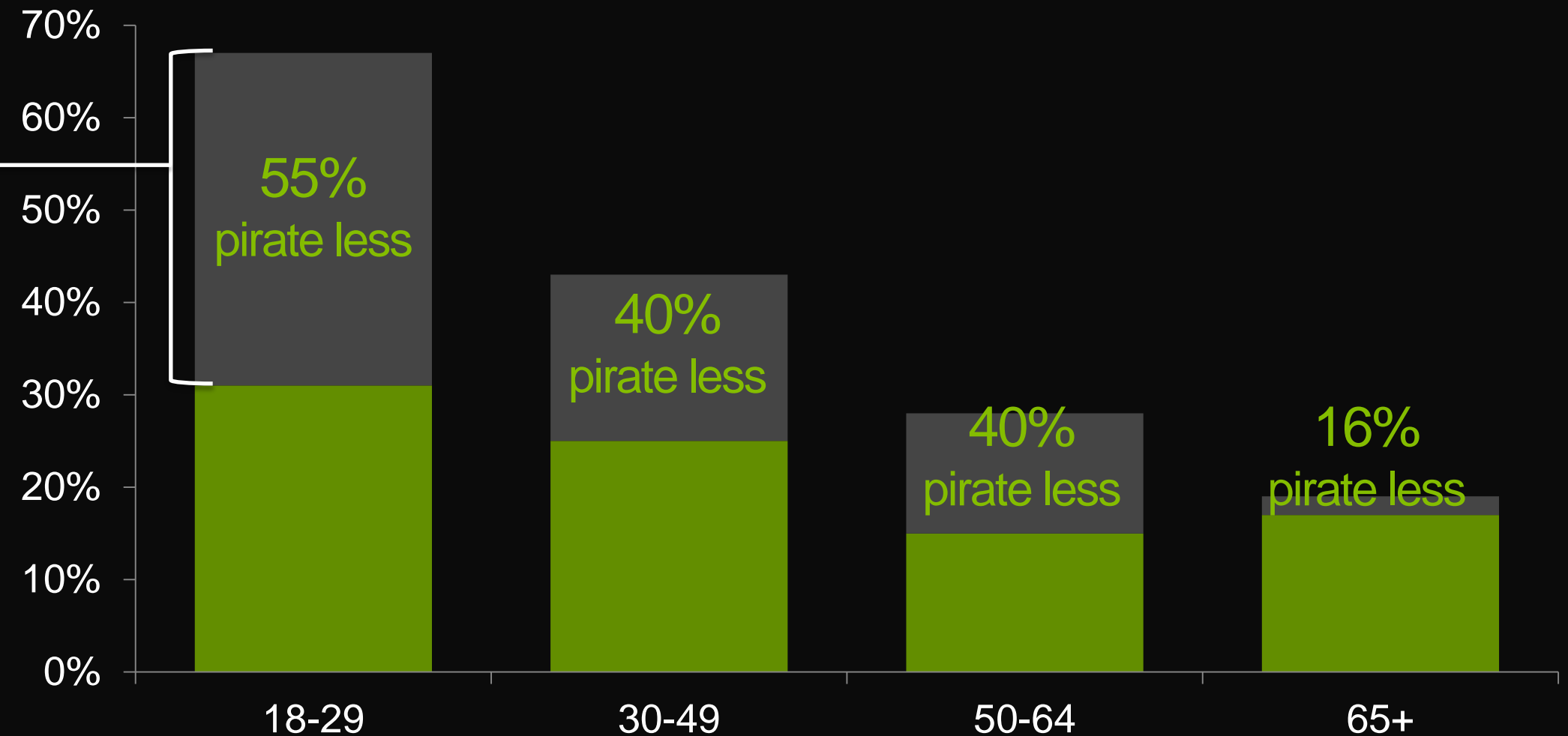


How does all of this work out in practice?



What about piracy?

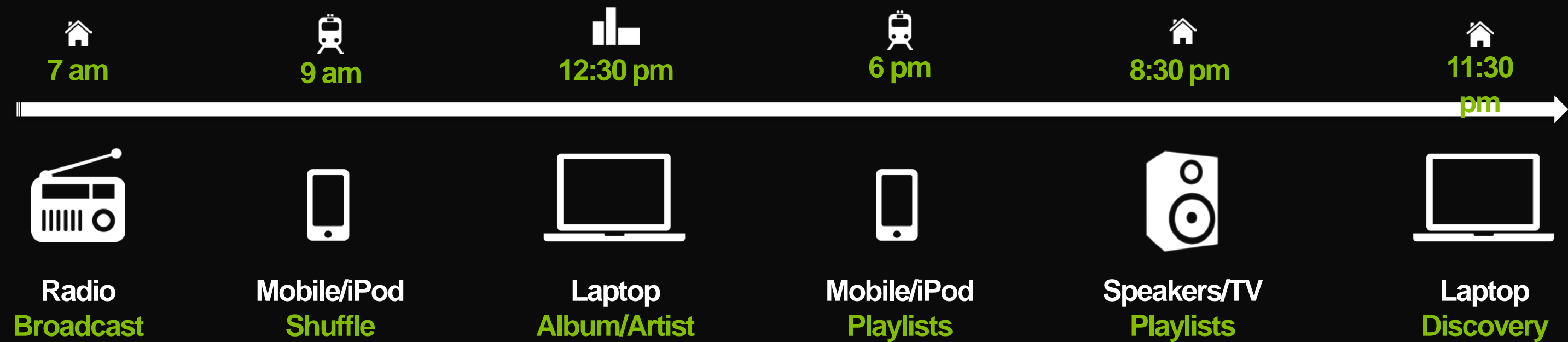
55%
of 18-29 year olds pirate
LESS when offered a
free, legal alternative



So what's next?



Music is literally part of our everyday



Music **everywhere**

Spotify gives you millions of songs at your fingertips. The artists you love, the latest hits, and new discoveries just for you – wherever you are.



2008



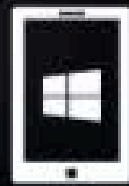
DESKTOP
ADS DEBUT ON
SPOTIFY

2009



IPHONE, ANDROID, NOKIA,
SONY ERICSSON AND
SAMSUNG SMARTPHONES

2010



WINDOWS PHONE
SONOS SOUNDSYSTEM

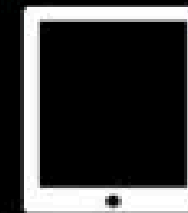
SONOS

2011



FACEBOOK
INTEGRATION

2012



IPAD
VOLVO AND FORD

2013



FACEBOOK
INTEGRATION

iPhone

This device

Livingroom speaker



ARGON
audio

NAD

LIBRATONE
360 Scandinavian™

Pioneer

 YAMAHA

REVO.

Panasonic

B&O
PLAY

BLUESOUND

DENON®

SAMSUNG

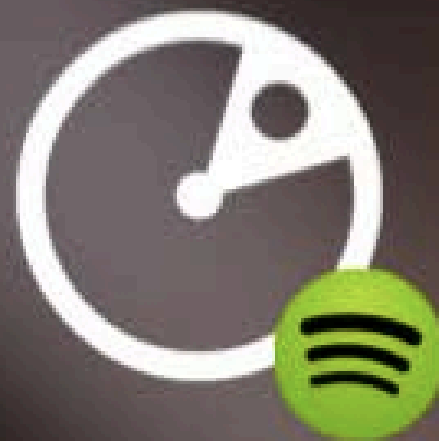
nocs

SONY®

The **Echonest**



Music Content
Understanding



Music Discovery &
Playlisting

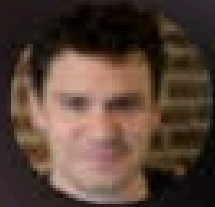


Taste Profiles &
User Insights



THE ECHO NEST DATA API

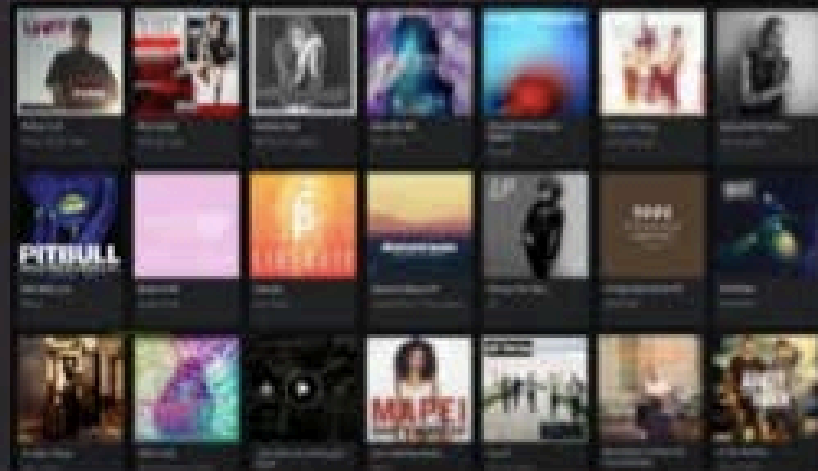
Taste Profiles



Jim Lucchese

SOMERVILLE, MA

MOST-PLAYED ARTISTS



PROFILE ATTRIBUTES

- | | |
|-------------------------|-----|
| ▶ Mainstreamness | 56% |
| ▶ Freshness | 66% |
| ▶ Diversity | 65% |
| ▶ Hottness | 57% |
| ▶ Currency | 13% |
| ▶ Discovery | 21% |

Skinny Pale
Rockers

Rocksteady

Rockabilly
etc.

Old school
hip-hop

- ▶ **Taste Profiles** record all streaming music activity including artists played, songs played, genres played, skips & bans, stars, and more.
- ▶ **Automated clustering** creates each user's "micro-genres" – clusters of similar artists.

Previous **Spotlight Artists**



SPOTLIGHT



NONONO



Foster the People



Christoper



Kim Cesarion

Spotify – Why Stockholm?



- Technology heritage – Need – Supply - Demand
- Telco/Connectivity heritage
- Strong Technical Universities
- Good quality of life – attracts good developers
- High quality of IT

Spotify – in NL



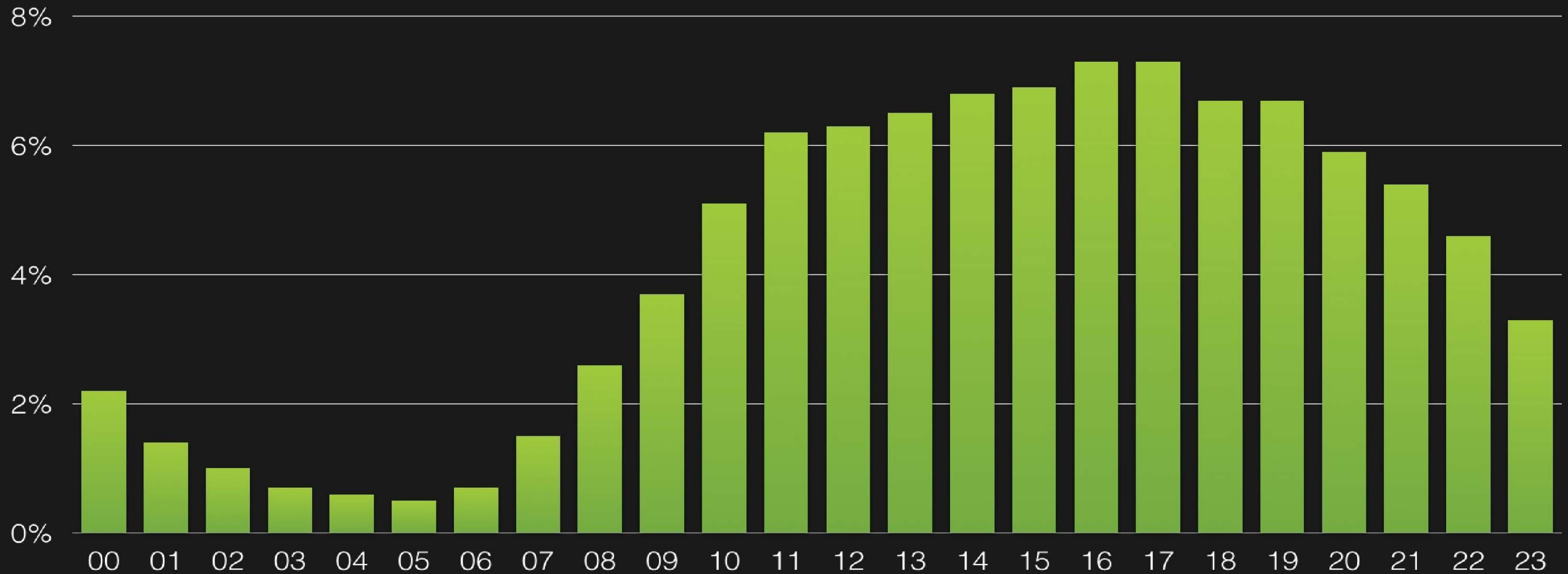
Everybody loves music in the Netherlands

- Launched 2010 May
- High smart phone penetration
- High adspend market
- Strong economy
- High adaptability to new technology



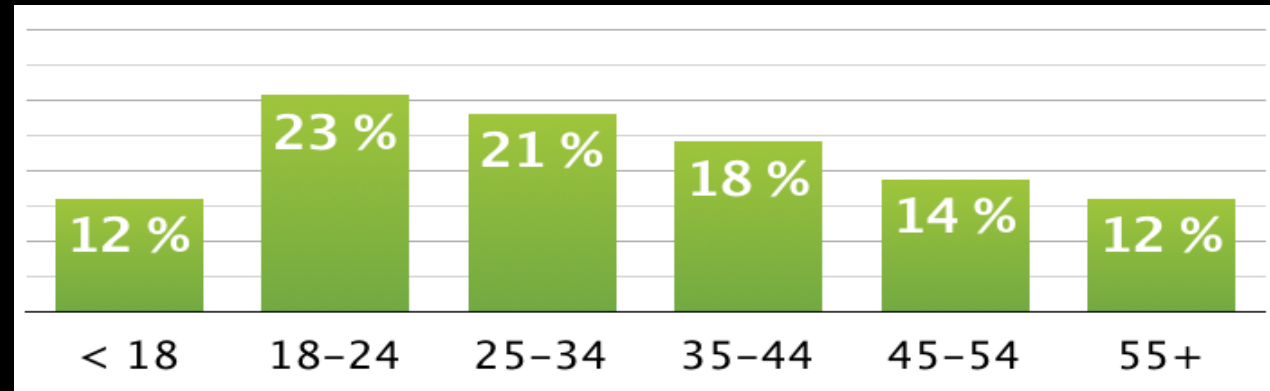
A day of Music

Spotify is listened the most during office hours.
Listening increase starts at 09u30 with a peak at 17-18h.



(weekday) April 2014 Spotify internal data

Age breakdown



1.5 million
active free users

Spotify's impact in NL

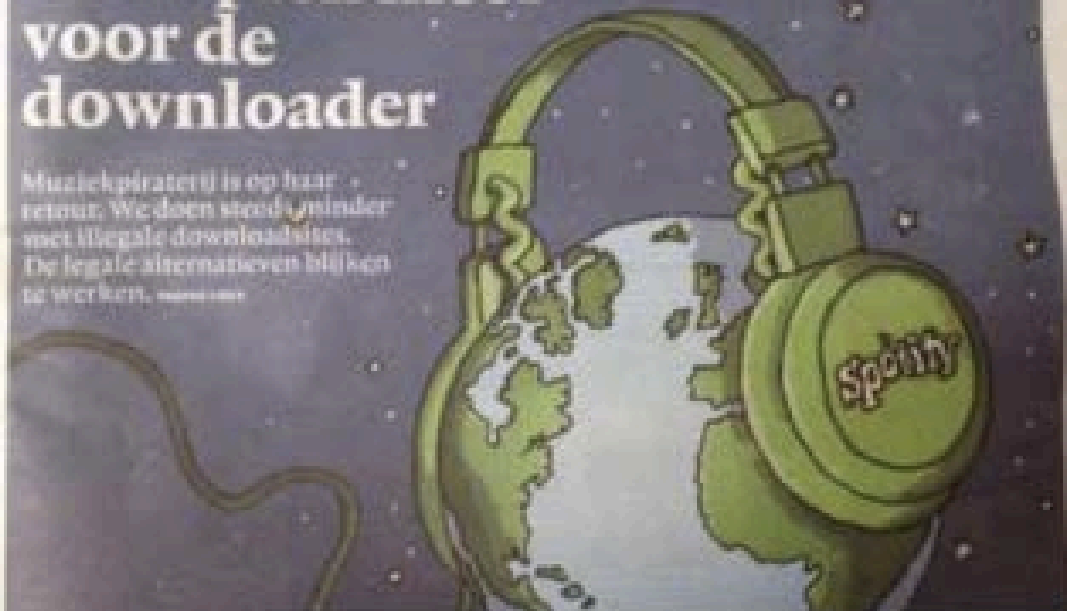


denken • Erik Jan Harmsen is 43 jaar en was moeder • Twaalfjarigen spelen snoeihout

nrc•ne

Geen plek meer voor de downloader

Muziekpiraterij is op haar retour. We doen steeds minder met illegale downloadsites. De legale alternatieven blijken te werken.



Most people only steal when they can't buy - but some just like stealing

By Andrew Orlowski, 22nd July 2013

BUSINESS MATTERS • GLENN PEPPLES

A Clear Window

New research from Spotify in the Netherlands argues that windowing music could aid piracy



Windowing is doing more harm than good, suggests a new paper by Will Page, director of economics at Spotify and former chief economist at PBS for Music. His research supports a position Spotify has been championing for a while now, and Page makes a strong case. In "Advantages in the Netherlands: Spotify, Piracy and the New Dutch Experience," Page looks at two factors that impact subscription services: piracy and windowing, the act of holding back a new release from some digital

services. Piracy is a well-known scourge on the music industry, and Spotify is recent to combat it. Windowing is a controversial practice of withholding purchases from fans who would not pay for them. The Netherlands, the world's sixth-largest music market, is typical in that many of its citizens expect just 10% of the albums they buy to be available on digital platforms. According to BitTorrent activity monitoring, making 8% of BitTorrent users account for 80% of the traffic.

"Advantages" argues that the controversial practice of windowing encourages piracy with a range of factors. One factor is the time it takes for a new release to be available on digital platforms. The deeper windowing is, the more time it takes for a new release to be available on digital platforms.

The deeper windowing is, the more time it takes for a new release to be available on digital platforms. The deeper windowing is, the more time it takes for a new release to be available on digital platforms. The deeper windowing is, the more time it takes for a new release to be available on digital platforms.

ILLUSTRATION: JULY 27, 2013

DIGITAL MUSIC NEWS

CONFERENCES CHARTS ADVERTISE ABOUT

Spotify Research: Holdouts Suffer Far Greater Piracy, Lower Relative Sales...

By Andrew Orlowski, July 22, 2013

FINANCIAL TIMES

INSIDE BUSINESS

Streaming revenues turn the tide against digital pirates

By Edgecliffe-Johnson

Spotify is Right on Ad Funded Piracy and YouTube

Research Spotify: 90% of Dutch BitTorrent users downloaded less than 16 songs in 2012

Author: Marjolein van der Heide - 19-07-2013

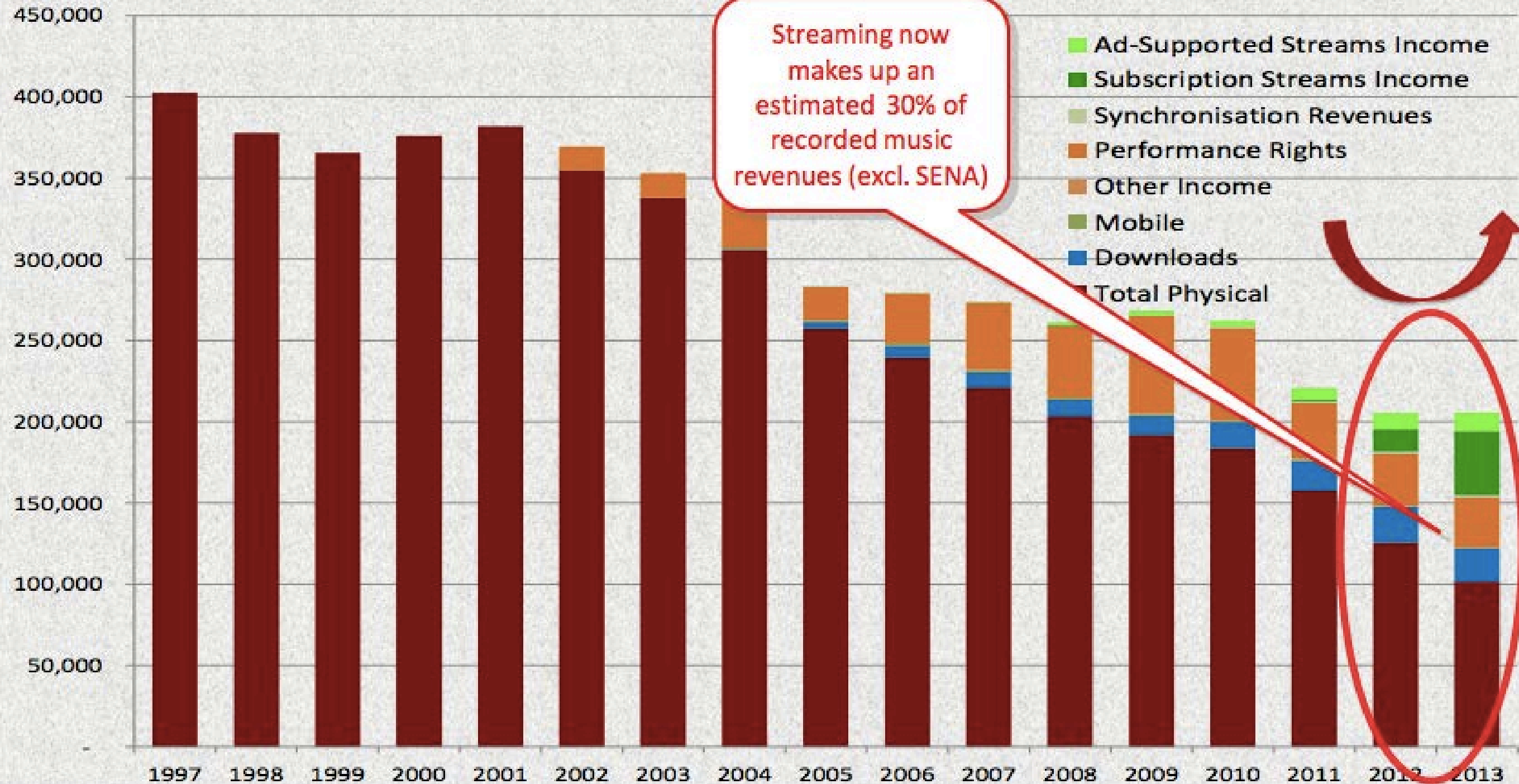
MAAK KANS OP DE LAATSTE LOWLANDSKAARTEN
GA SNEL NAAR DFC.nl/wim EN VOL DE CODE DE
TZB-349-WUG

3vor12: *'NVPI: Inkomsten uit
streaming verdubbeld in 2013'*

RTL: *'Eindelijk meer omzet voor
muziekindustrie door **Spotify**'*

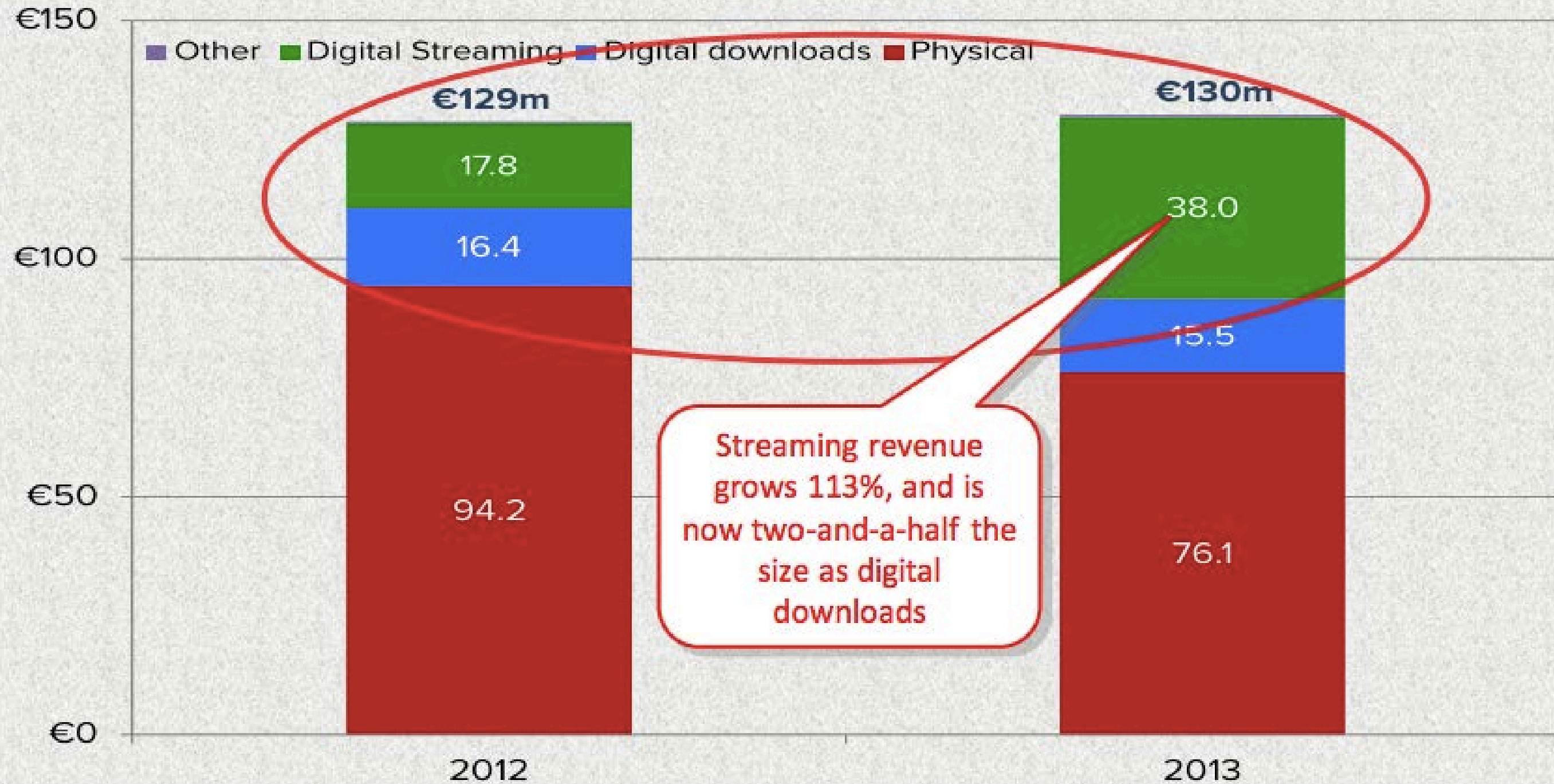
NU: *'Muziekindustrie verdubbelt
inkomsten uit **streaming** in 2013'*

IFPI Trade Value of Recorded Music in The Netherlands, USD \$000's



Netherlands Trade Income, 2012 and 2013 (€ Millions)

Source: NVPI



What can Amsterdam do to attract more start ups like Spotify?

- Build on education – IT, business for start ups, management for start ups – i.e. Agile management
- Attract a strong tech presence – Hackathons, create a reason for a tech crowd to come to Amsterdam
- Accommodate – working spaces & communities
- Encourage flexibility – working hours
- Create the need, supply and demand

Questions?



August 20, 2015

Dank je wel



August 20, 2015