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New Media Advertising

**Spotify – “Thanks 2016, it’s been weird.” Campaign**

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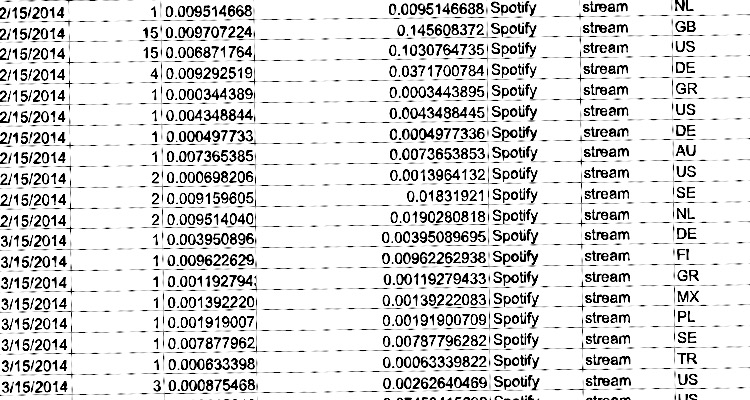
**Brand/Company Overview**

Spotify is a music streaming service that is available on multiple platforms, including Android and IOS. Daniel Ek and Martin Lorentzon founded the company in 2006. The two founders put together a team under the name of Spotify AB in Sweden and searched for investors during the early stages of the concept. The name is a combination of the words “spot” and “identify”. As of today, Spotify has offices in over 20 countries and is available in various regions.

In 2008 the first Spotify application was launched. Paid accounts were available to the public, while free accounts were open by invitation only. The application aimed to allow users to stream music from a wide set of artists. Spotify accomplished this by forming deals with top record labels. Spotify pays artists royalties based on the amount of streams a particular catalogue of music gets, instead of a set fee that artists usually receive when an album or song is purchased. In 2009, Spotify opened up services for people in the United Kingdom. There was a brief scare in 2010 when several anti-virus companies incorrectly marked Spotify as a Trojan virus. Once everything was resolved, Spotify was launched in the United States in 2011, four years after it’s initial start.

The service further improved in 2014 when Spotify removed listening caps and play restrictions on free accounts. Most revenue from free accounts comes from advertising. Currently, there are about five advertisements per hour of music streaming that free users must tune into. Paid subscribers, on the other hand, are not subject to streaming interruptions and are offered better sound quality. Those who pay monthly for the service are still prone to be in contact with sponsored playlists and other more subtle advertising messages. The company further pushed itself through the creation of a family plan and student discounts. More recently, Spotify has acquired a variety of companies under its main blanket, for example Seed Scientific, to further research consumer trends and the discovery of new music.

In the past, there have been a few controversies associated with the streaming service. Several artists have spoken out against the idea of music streaming and have claimed that they are not being compensated enough. Artists that have spoken out include Patrick Carney of the Black Keys and David Byrne of talking heads. Most notably, Taylor Swift pulled her entire catalogue from the site in favor of pushing her album and song sales. In response, Spotify has claimed that research suggests that music streaming has caused piracy to subside in recent years. Other artists agree that a lot of the royalties are shared with Spotify and their labels before it reaches them, but that the exposure of the streaming service compensates for that, along with tour sales. Below is an example of an earning spreadsheet by an artists streaming on Spotify:

 Figure 1. (Resnikoff, 2016).

Today, Spotify has 100 million active users with fifty percent of them being paid subscribers. The company is a strong competitor of Apple and Tidal, and although has faced criticism, has been defended by several outlets in the past. BBC Music Week editor Tim Ingham wrote: "Unlike buying a CD or download, streaming is not a one-off payment. Hundreds of millions of streams of tracks are happening each and every day, which quickly multiplies the potential revenues on offer – and is a constant long-term source of income for artists." In 2016 Spotify launched it’s largest campaign to date titled, “Thanks 2016, it’s been weird.”

**Campaign Overview**

Spotify’s 2016 campaign was touted as the company’s largest campaign to date. 2015 saw the success of “Your Year in Music”, a playlist curated by Spotify that included the most played songs of each individual user. Spotify once again relied on their analytics and research on user data for their 2016 campaign. The campaign was primarily centered on out-of-home advertising. Several billboards were erected in various countries, making the campaign an international effort by the company. Countries where the campaign ran included the United States, United Kingdom, France, Germany, Mexico, and in another nine markets. Research on groups of users and several users in particular was put into use. The massive billboards included quotes such as, "Dear person who played 'Sorry' 42 times on Valentine's Day, what did you do?" and "Dear 3,749 people who streamed 'It's the End of the World as We Know It' the day of the Brexit vote, hang in there."

 Figure 2. (AdAge, 2016).

The campaign created buzz due to its interesting, conversational tone and use of user data in a fun and creative way. The quotes were also localized, so the quotes about certain users were displayed near their location. The campaign ran from November until December 2016. Spotify’s in-house design team came up with the idea and execution, according to AdAge.

One of the main objectives for the campaign was to promote the Spotify service. Spotify wanted to be at the forefront of people’s minds, so that when they were looking to switch to a music streaming service, they were first choice. The campaign also rolled out at the end of the year, a time that Spotify knows is used to purchase gifts. Spotify used this opportunity to remind people that they should get that paid subscription starting the new year, or gift a friend or loved one a subscription. Spotify also rolled out an additional fitness feature. The feature creates a custom playlist for those who are exercising based on their pace. The music is meant to go at the same tempo. Most people create fitness goals at the beginning of the year, and so Spotify certainly tried to capitalize on this.

Another objective included enhancing client engagement. Spotify chose a fun method to highlight the data they had on their customers. Clients were able to feel engaged by the campaign because Spotify made them feel like they were a part of the conception and creation of the message. The quotes were also quirky, funny, and relatable, further pushing Spotify to be considered in the same way. Spotify took relatable approach, which resulted in people feeling like they were a part of the brand and could also relate to it.

Spotify also wanted to stress it’s brand message. The company boasts one of the largest digital music libraries available and allows their paid subscribers to listen to unlimited music streams. They highlighted these features through the quotes used on their billboards. Their service also works to make people’s lives easier and keep them connected to their favorite music. Through the experiences depicted on the billboard quotes, Spotify further emphasized their brand message.

 Figure 3. (AdAge, 2016).

The main creative strategy centered on unique user data that emphasized their listening habits in an original way. All quotes featured the tagline “Thanks 2016, it’s been weird.” Spotify CMO Seth Farbman told Creativity a little bit more about why they chose the creative direction they did when he said, “There has been some debate about whether big data is muting creativity in marketing, but we have turned that on its head," he added. "For us, data inspires and gives an insight into the emotion that people are expressing." The ads were also monochromatic and featured a strong color palette throughout.

As for the assessment of the campaign, several advertising specialists listed the campaign as one of the bests from 2016. The campaign was overall successful because it created buzz in social media and was mentioned heavily on various news outlets. It was also during a time when the company was looking to go public, so the positive consumer reaction along with an increase in sales helped the company in the long run. The campaign was also hyper-localized, which created a more relatable and personal overall feel for the company, further improving it’s image. Spotify created a memorable moment through their out-of-home campaign by catching viewers while out and about, and creating a positive moment when reading the data driven quotes.

**New Media Platforms**

Although the campaign focused mainly on out-of-home advertising, primarily billboards, towards the middle of the campaign Spotify also rolled out individual emails to customers on their own personal use of the application, along with digital and social ads.

Spotify used mobile advertising as one of their new media platforms. The playlists of users most listened to songs that year were supplied on the mobile and online Spotify apps. Other quotes and promotions were made available on different social media platforms, as well as the Spotify website and mobile platform.

The hyper-localized ads also allowed Spotify to participate in location-based marketing. The advertisements were super targeted, some even mentioning specific neighborhoods in which they were placed.

Email was also used to send clients their specific Year in Music playlists, along with promotions and other memorable user data quotes. New advertising played a heavy role as a component to the overall campaign. While the idea behind the campaign was innovative and used new mobile and web technologies to gain insight on customers, the overall emphasis was put on a traditional medium. Although the out-of-home strategy was traditional, the new media approach was used to further push the campaign to new heights.

Following the success of the 2016 campaign, Spotify then rolled out a similar campaign in 2017 that featured various artists reacting to playlists in which their songs had been placed. Once again, Spotify compiled user data to relate to consumers in a fun and interesting way. This time around the information was displayed in promotional videos that featured various artists.

 Figure 4. (AdWeek,2017).

As for recommendations, Spotify did a good job in their follow up campaign by going in a more digital direction. A lot of the buzz that their 2016 campaign created was emphasized online by people who took pictures of the billboard ads and then shared them on social media and other internet sites. Moving forward, Spotify should aim to create an even more interactive approach. They’ve already succeeded in improving their image through the ingenious approach they’ve taken with their campaigns, but now it’s time to invite their clients even further and make them feel like they would enjoy standing behind the company.

One of the next steps for future campaigns should be native advertising. Spotify should aim for a more integrated approach. Sponsored articles with websites that cater to their target audience should be put into use. Snapchat has an interesting article feature that enables users to read “stories” by different websites. A sponsored story by Spotify could go a long way. Many of the heavier music listeners are between the age ranges of 18 and 35 years old. Research has shown that people in that age bracket listen to music the most and have the most varied music tastes.

Also recommended is an augmented reality advertising strategy. Sponsored Snapchat filters and other augmented reality strategies could be beneficial to the company. A move away from a static billboard message into a more interactive approach would be best.

One of the strongest strategies that Spotify can rely on is making their overall advertising more interactive. While the idea behind the user data quotes is innately interactive, they wouldn’t exist without their client’s participation, Spotify needs to make a move towards making people feel included even after the creation of the ads. Sweepstakes and competitions are a great way to do this. With the use of their website, Spotify can encourage users to participate and take an active role while the campaign is rolling. Every year Spotify rolls out a list of the most listened to artists and streamed songs. It would be interesting to see if the company can take a more “music awards” approach. Users could vote among the top Spotify artists of that year and participate in crowning who they believe is the best. Spotify could offer to play their music during voting, further showing people how their service works.

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