

LISTEN UP!

*How brands can harness
the power of Spotify*

Intro

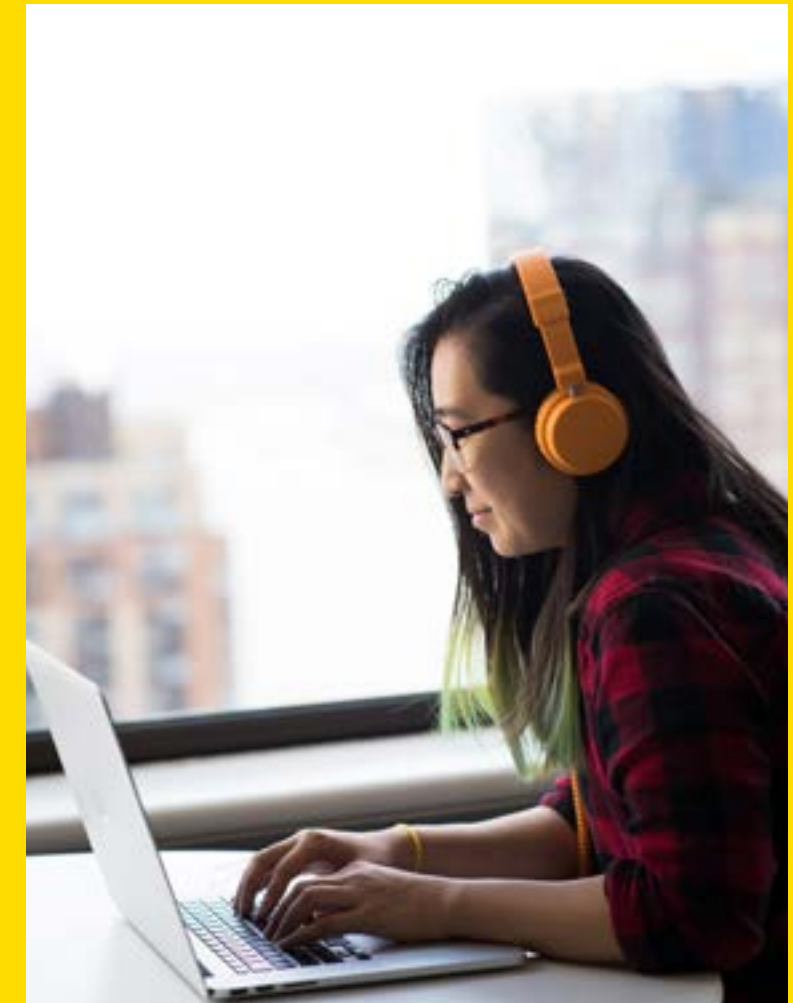
As people around the world continue to work from home and practice social distancing, businesses are looking more carefully at advertising budgets; how to land the right message, in the right setting, at the right time. Crucially, how to avoid any reference to life before lockdown – no hugs, no handshakes and absolutely no handrails.

At its most extreme, brands that are keen to pivot and be agile, are pulling what was planned and replacing it with something Covid-19 appropriate – *Unprecedented times. All in this together. New normal.*

But what happens when it's all over?

Instead of sinking time and budget into something that won't be relevant in a post-coronavirus world, brands should be thinking long-term and looking to platforms that'll help reach their audience in a meaningful way, now and in the future.

With so many of us quarantined in our homes, streaming platforms and virtual communities are a good place to start – but if we're really forward-thinking, look to audio streaming.

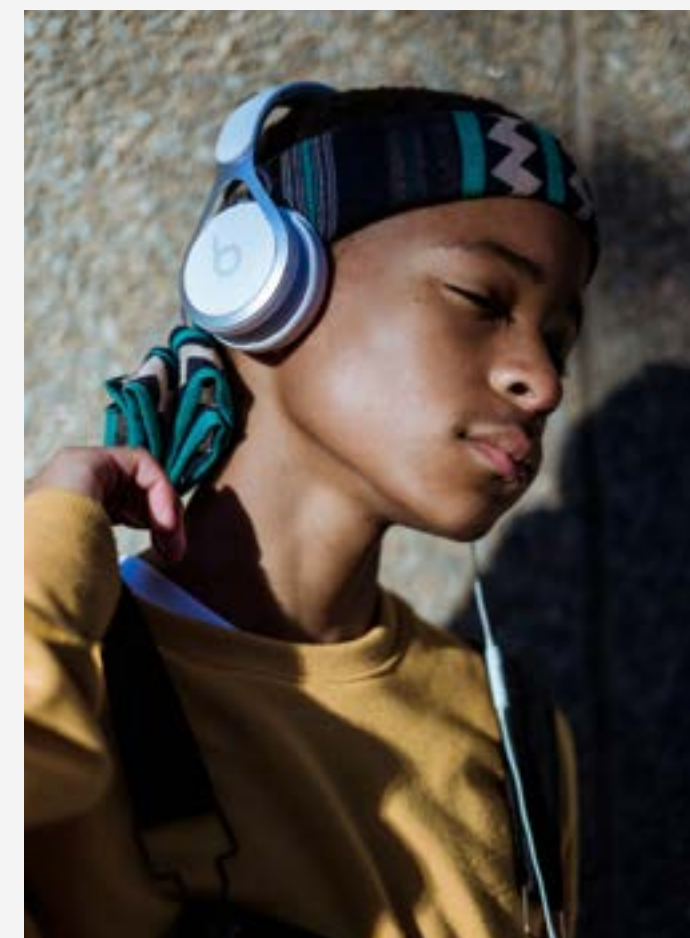


#1 WHY AUDIO

What sets music and podcasts apart from video streaming services like Netflix and Twitch (who've been growing their user bases in the millions over the past few months) is a matter of sustainability.

When free-time goes back to a more normalised level and lockdowns are lifted, it's unlikely that people will find themselves glued to their TVs in the same way.

Audio streaming is different. It's the soundtrack to people's lives – whether they're listening while running, working, commuting or cooking. Regardless of how these moments shift over time and culture, audio is and will continue to be a unique companion to these moments. For brands, tapping into these screenless moments fills key gaps in the consumer journey.



#2 WHY SPOTIFY



Despite stay-at-home orders challenging podcasts and music streaming (we're missing that me-time commute), last month Spotify saw an **11% jump** in mobile app installs, an **11% increase** in share price, and was recently named **2020's 'Most Intimate Brand'** – a good indication of people's emotional connection to the brand.

It makes sense – music is personal. And Spotify, with its 100 billion data points generated each day, does a great job at creating a unique and personalised version of the platform for each user. To use its own words, “we have 248 million audiences of one.”

So how can brands harness the power of Spotify? We've outlined a range of options for brands (and their budgets) –



#3 SELF SERVE ADS

Spotify's Ad Studio, which was expanded worldwide this month, lets brands upload a script for Spotify to transform into a fully produced audio ad with background music and a voiceover.

The expansion included an increase in the number of ad geotargeting regions from 2,000 to 180,000. If you're looking to produce locally relevant content, Spotify's geotargeting is a good way to create this type of reactive, relevant advertising without relying on physical eyeballs and foot traffic.

With a minimum spend of £250, Ad Studio is a particularly welcome platform for small businesses or charities with limited advertising budgets.

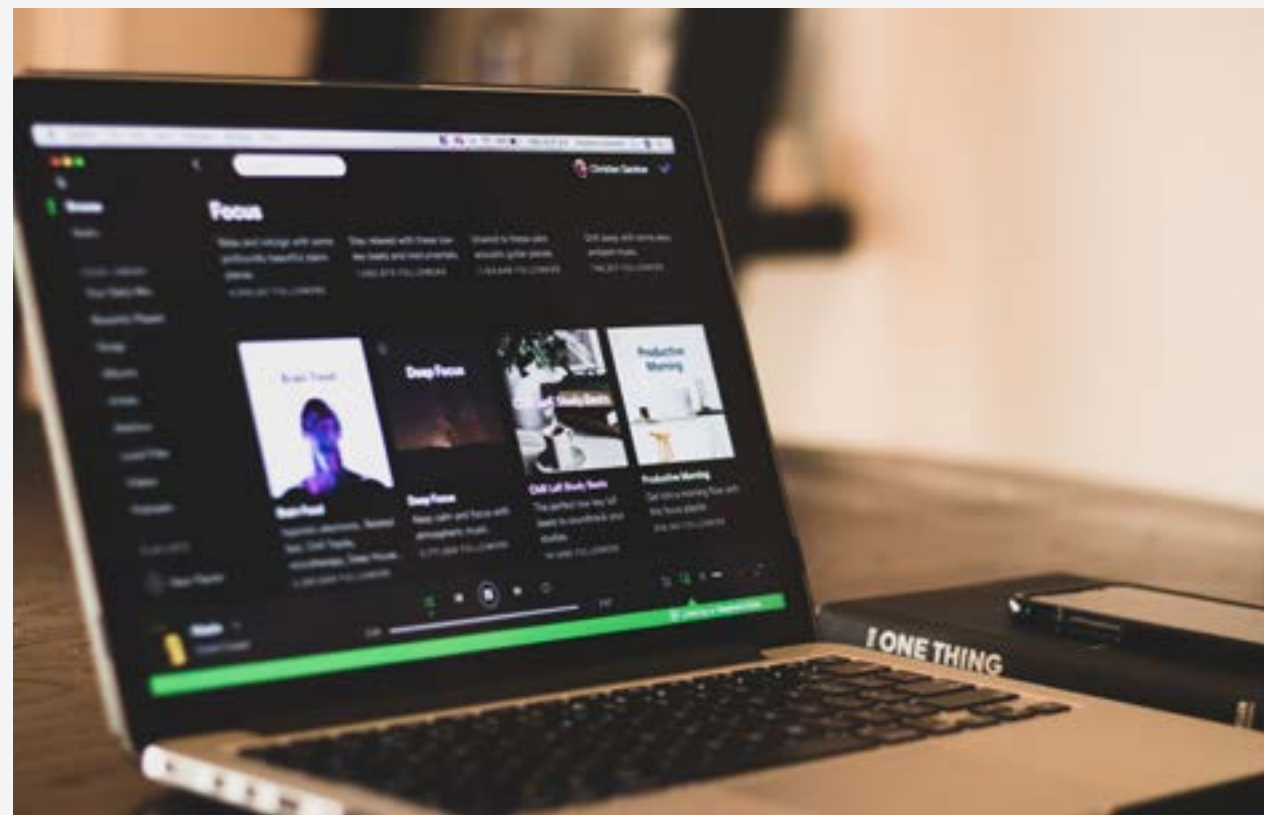
UK-based charity Samaritans ran a powerful audio campaign via Ad Studio, spreading awareness of how listening can help save a life – a strong message to deliver through audio. By keeping the ad simple, they were able to deliver their message in a strong and impactful way.





In a different approach, Snickers took its classic message, “you’re not you when you’re hungry” to a new level on Spotify. The theory: When you listen to music outside of your typical taste, “you’re not you” – so you must be hungry! Using streaming intelligence, whenever fans of certain genres listened to different music from their usual faves – they were reminded to grab a Snickers.

Both of these case studies are good examples of brands aligning brand, campaign and context to achieve cut-through with listeners.



#4 PODCASTS

At a time when Hollywood productions are being shelved, Spotify continues to build out its podcast platform.



And with a MoM increase of 69% in uploads between February and March, it looks like podcasters are thinking the same.

The lure of podcasts for advertisers is self-evident. Not only is it a way to reach usually ad-free Premium users, but podcast listeners are a niche audience – they tend to skew younger, be better educated and earn more than the average population.

Podcast advertising largely takes the form of ‘host reads,’ i.e. brand messages delivered by the host. But Spotify has recently introduces new technology – ‘Streaming Ad Insertion’ (SAI) – which uses its billions of user data points to run targeted ads inside its podcasts based on what it knows about its users – like where they’re located, what type of device they use, and their age, similarly to how the broader web operates.

Athletic brand Puma was among the sponsors to test the technology, and saw a 180% gain in ad recall from host-read ads in the podcast ‘Jemele Hill Is Unbothered,’ which is produced by Spotify Studios.

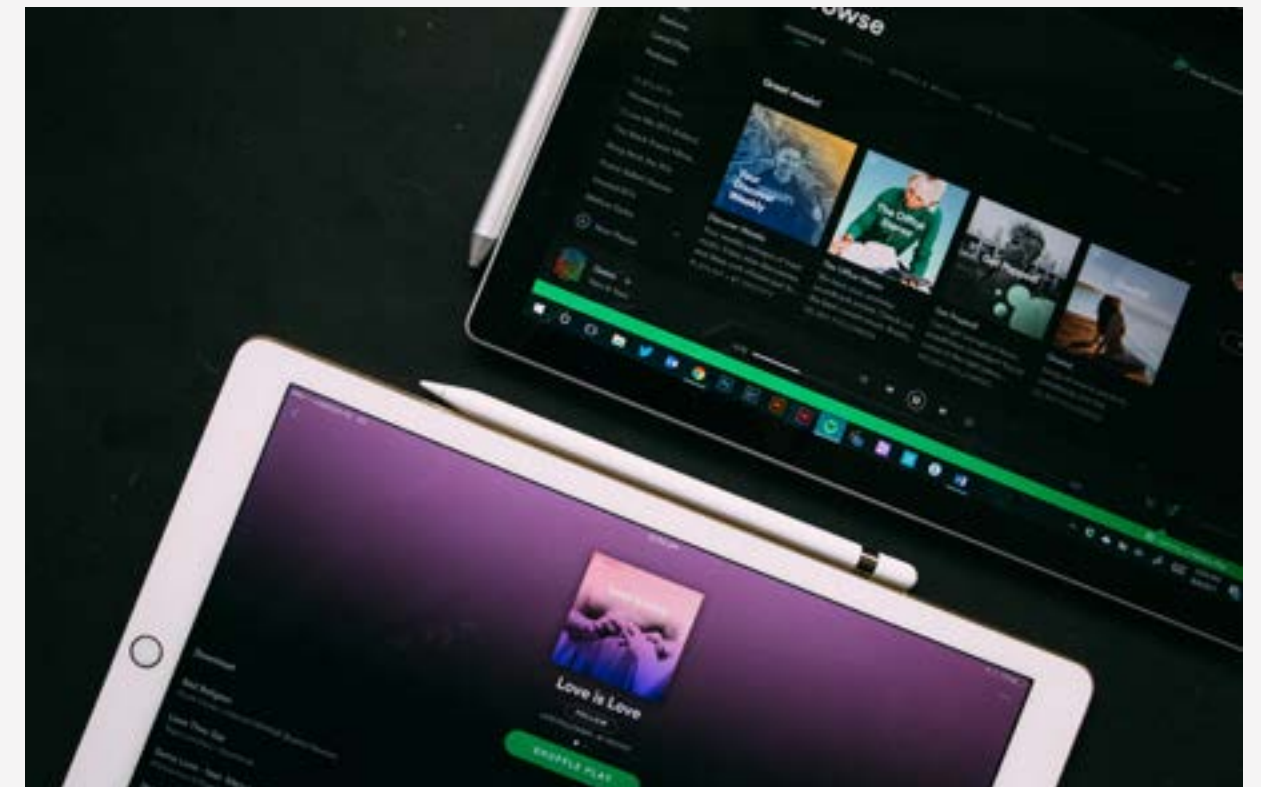
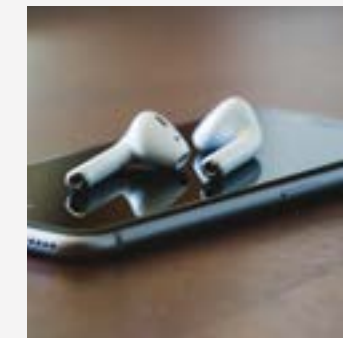
#5 CHANNELS & PLAYLISTS

Recently, we've seen a trend in fashion and beauty brands creating channels and playlists for their fans

As part of its McQueen Creators programme, the label launched a channel that features music from its past fashion shows. Similarly, Prada created an official profile to help consumers fully “immerse themselves in the brand.” Each of the seven playlists on the channel was inspired by a fictional character from the brand’s spring summer campaign.

For those with a limited budget, playlists are a no brainer. It’s free, generates easy engagement and is a useful tool for differentiation – by using music to build brand sentiment, Prada and McQueen allow consumers to access and immerse themselves in the luxury brand identity without having to buy anything.

And for those that have the budget – there’s the option of sponsoring Spotify’s crown jewels, its owned & operated playlists. Brands choose the playlist that best aligns with their target audience – whether it’s New Music Friday and Tastemakers, or students cramming for exams with Brain Food. This is a great way for brands to tap into an already loyal and engaged audience.



Conclusion

If everyone were to cancel their Spotify subscriptions tomorrow, it would actually work in the interest of brands. Picture this; if you're a household trying to cut costs and you cancel your Netflix subscription, you don't have Netflix. If you cancel your Spotify subscription, you still have Spotify's free tier. And that's where the ads are.

Right now, it's still a fairly innovative space. For the 124 million paid subscribers to its ad-free version as of the end of last year, it had 153 million users of its ad-supported tier, up 32% from a year earlier.

This fast-growing audience gives marketers a real chance at reaching both a mass listener base, as well as potentially smaller groups based on more granular characteristics. With more free-time than we're likely to get any time soon and brand costs starting at zero, there's no reason not to give Spotify a try right now.



THANK YOU.

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