BRAND IMPACT

Spotify | FOR BRANDS

HOW STREAMING

AUDIENCES ENGAGE WITH BRANDS

Spotify | FOR BRANDS

comScore

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INTRODUCTION

THE STREAMING ECONOMY
IS NO LONGER A DISTANT FUTURE—IT'S ARRIVED.

Now more than ever, the way we consume content is time-shifted, screen-shifted and on-demand. Live TV-watching and moviegoing is giving way to video-on-demand viewing. Time spent on mobile apps has grown 21% in the last year—music apps lead the way with a 79% growth surge[1]—and global revenue from music subscription and streaming platforms has grown 51%, signaling a major shift in the way people listen.[2]

These unstoppable trends mirror other seismic changes in consumer behavior: Uber is the new taxi, and Facebook is the new front page. The podcast phenomenon *Serial* wouldn't have been possible before on-demand went mainstream. In this growing access economy, marketers are faced with a new set of opportunities and challenges. How can brands reach this valuable, yet elusive audience effectively? Luckily, a picture of today's streaming consumer is emerging, and it's a promising one:

Streamers are twice as likely as non-streamers to advocate for and feel emotionally connected to brands. That's the key finding from our global Brand Impact Study, the first in a series of published studies by Spotify for Brands and comScore that will share what we know about the streaming consumer experience.

It means that the move away from traditional media consumption isn't a death knell for brand engagement. It's anything but. Streaming is the new currency of media consumption. It's the way that the world will listen to music, watch TV and more, offering unprecedented ways for people to access the content they love, and even shaping how that content gets created and distributed. The rare streaming platforms that enable brands to support this content offer a more relevant, intimate and high-quality environment to reach consumers than ever before.

Because music is one of the first industries to be transformed by the access economy, streaming music listeners are an early proxy for the future of content consumption. As the world continues to go mobile and embrace streaming, the brands that know how to leverage these platforms—how to capture the moments that matter deeply to the people listening and watching—are the ones poised to win the future.

Jeff Levick
Chief Business Officer, Spotify

1 Localytics, 2014
2 IFPI Digital Music Report, 2014

ABOUT THE STUDY

The Brand Impact Study was administered by comScore—a global leader in measuring the digital world and a preferred source for digital business analytics—and commissioned by Spotify for Brands—the platform that unlocks audience intelligence to connect brands with the streaming generation—to quantify the impact that music listening has on brands. It tackles these key questions:

- How do streamers and non-streamers listen to music and consume media?
- Are streamers more likely to be strong brand advocates than non-streamers?
- How does the way people listen to music impact their emotional connection to brands?
- How does the way they listen affect their likelihood to make positive brand associations?
- Which brand attributes and emotional connections stand out across verticals?
- How do Spotify users compare to users of other streaming music services?

A total of 4,500 respondents were surveyed from nine countries. Respondents were segmented by consumption habits and asked to share their feelings and attitudes towards over 200 brands across five verticals. The results generated brand affinity insights for each consumer segment at the country, vertical, and brand level. Please see the Methodology (page 70) for more details on the Brand Impact Study.

COUNTRIES

Australia
France
Germany
Mexico
Singapore
Spain
Sweden
United Kingdom
United States

AUDIENCE SEGMENTS

Streamers use any streaming music platform at least monthly.

Non-streamers use streaming music platforms less than monthly or not at all. This includes non-music listeners, who make up less than 1% of the total sample.

Spotify users identify themselves as using Spotify at least monthly.

Other streamers identify themselves as using an Online Music Streaming Service besides Spotify at least monthly and use Spotify less than monthly or not at all.

VERTICALS

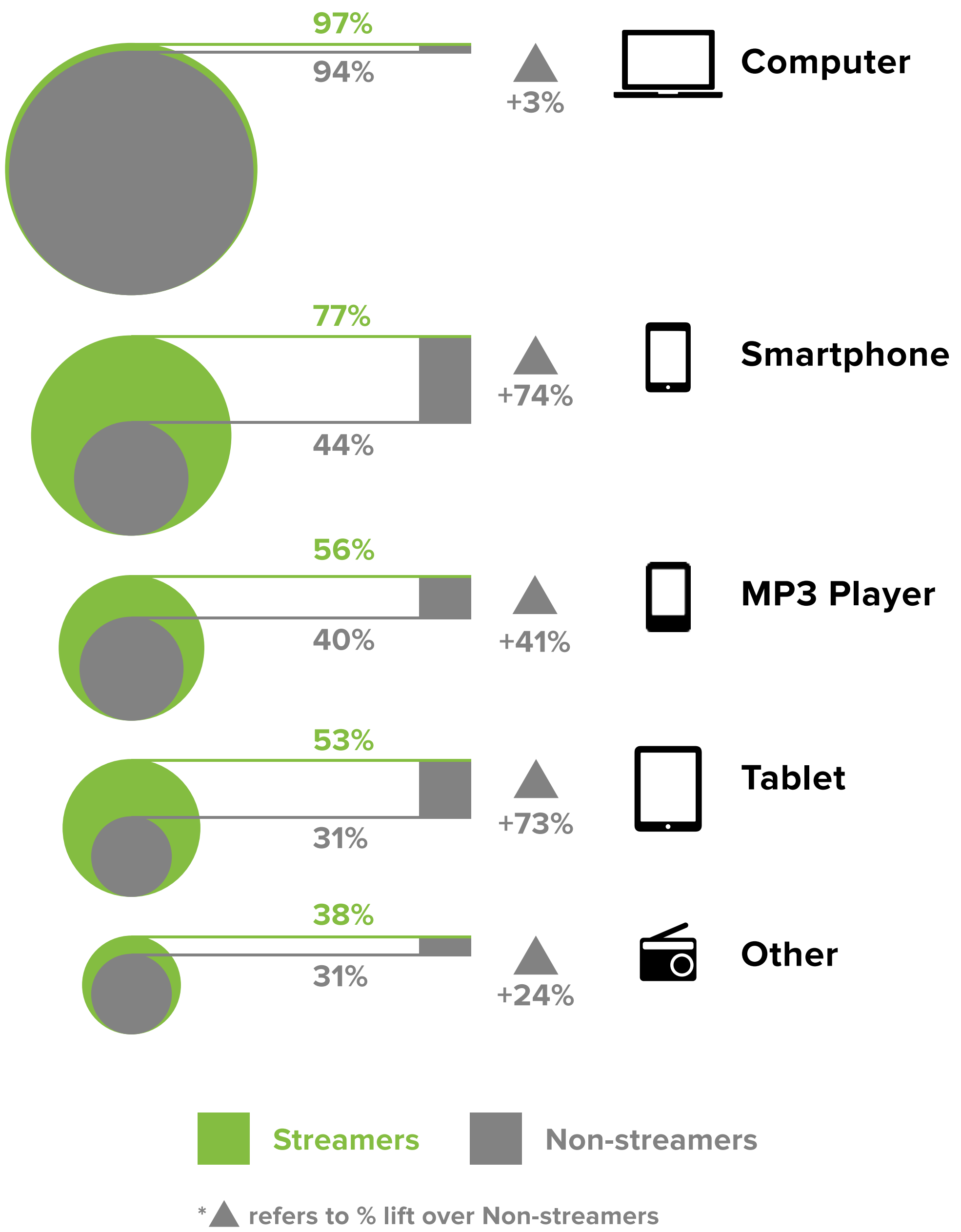
Automotive
Consumer Electronics
Mobile Phone Service Providers
FMCG (Hair Care)
Retail (Department Stores)

THE GLOBAL STREAMING LANDSCAPE

LISTENING BY DEVICE

Across the nine countries surveyed, nearly all streamers and non-streamers listen to music on a computer, but streamers are much more likely to take their music on the go, whether it's via smartphone (+74%), tablet (+73%) or MP3 player (+41%).

Which of these devices do you use to listen to music?

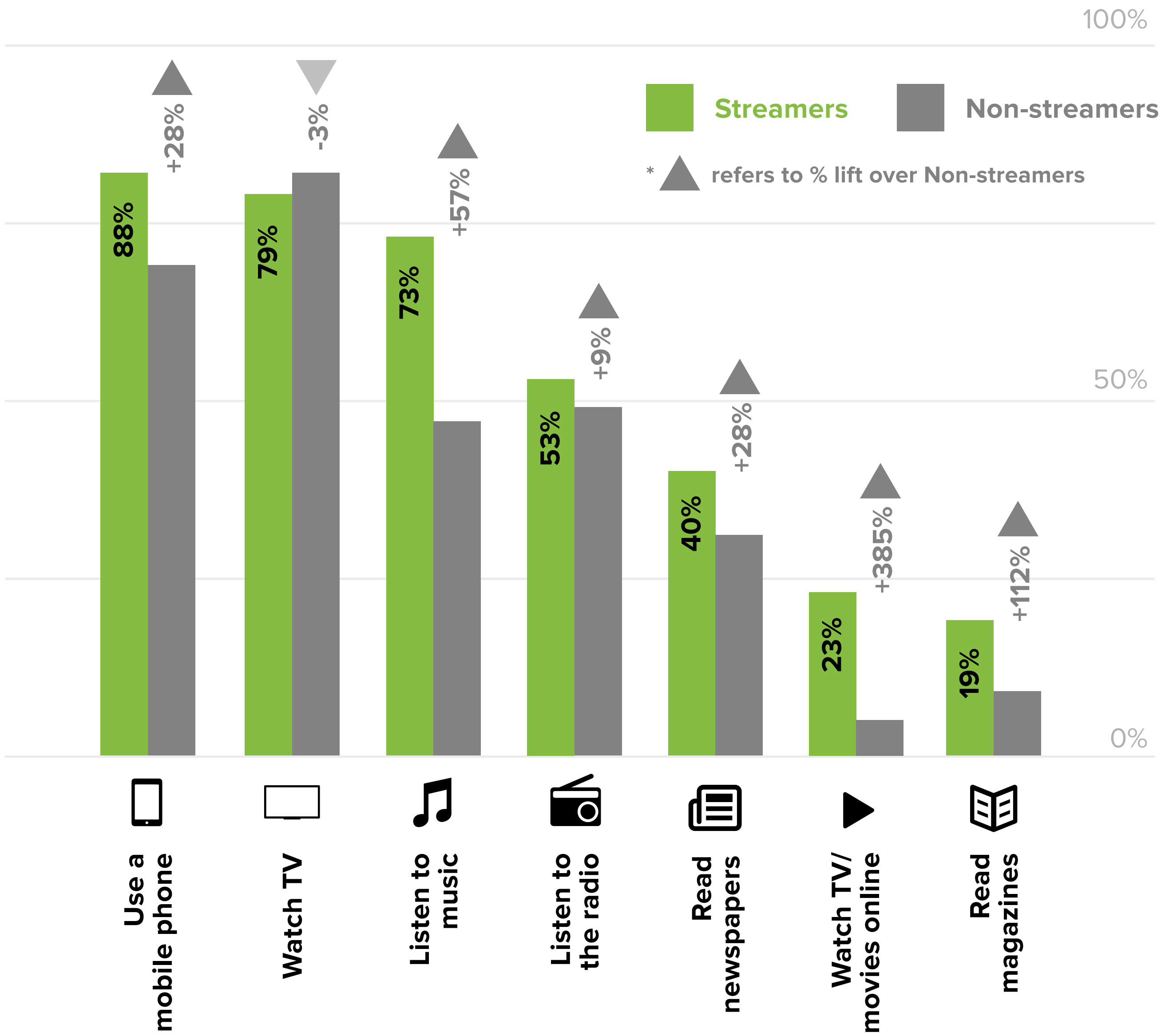


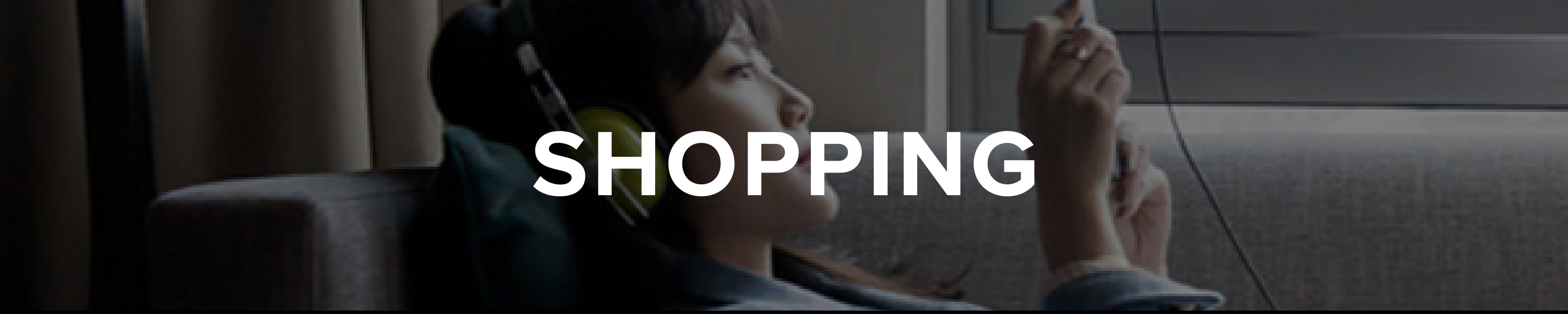
MEDIA CONSUMPTION

Streamers are 5x as likely to watch TV and movies online daily. This indicates that music streamers' consumptions habits carry over to TV and movie streaming platforms such as Netflix, Hulu, etc.

Streamers are 57% more likely to listen to music daily and over 2x as likely to read magazines daily.

Which of these media activities do you take part in daily?

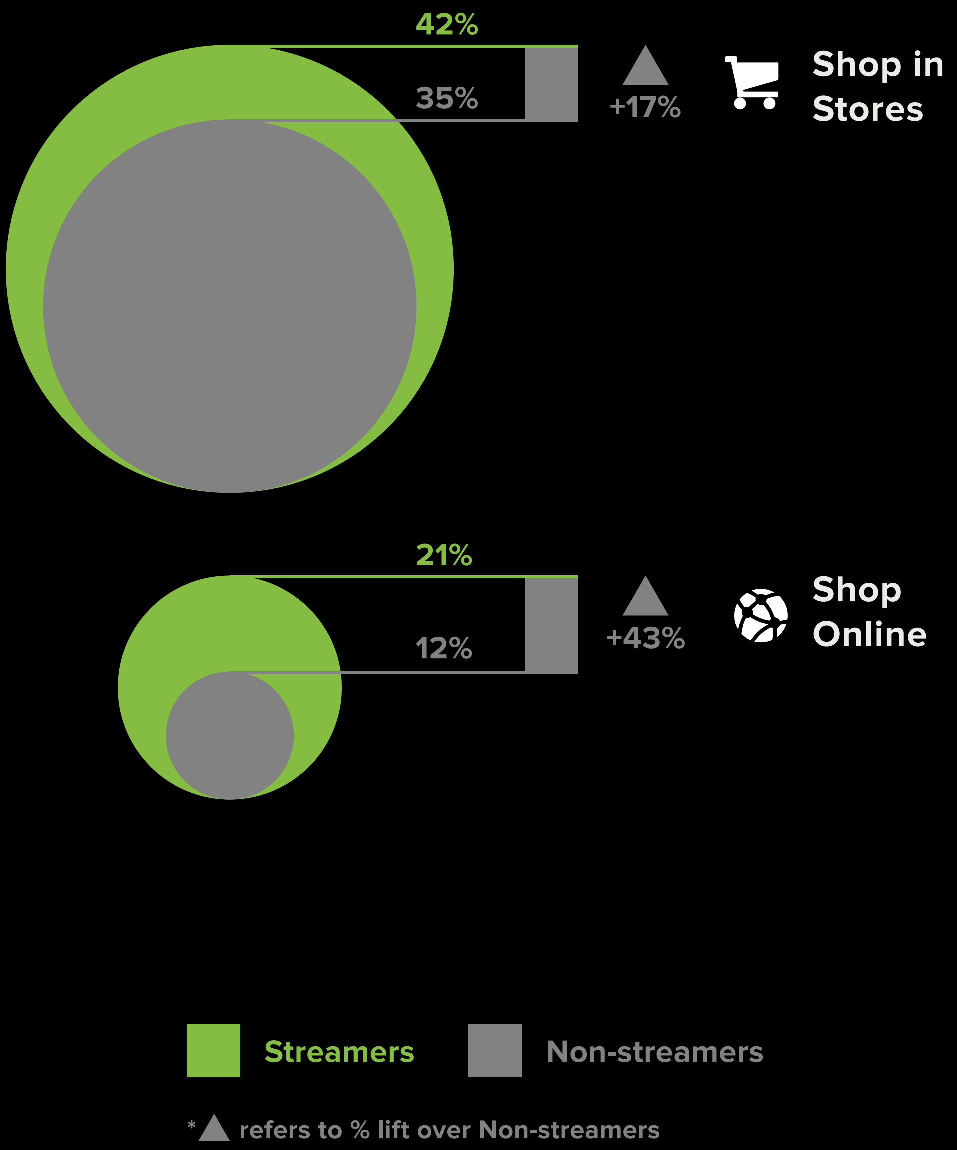




SHOPPING

Streamers are 17% more likely than non-streamers to shop in stores weekly, and over 1.5x as likely to shop online weekly.

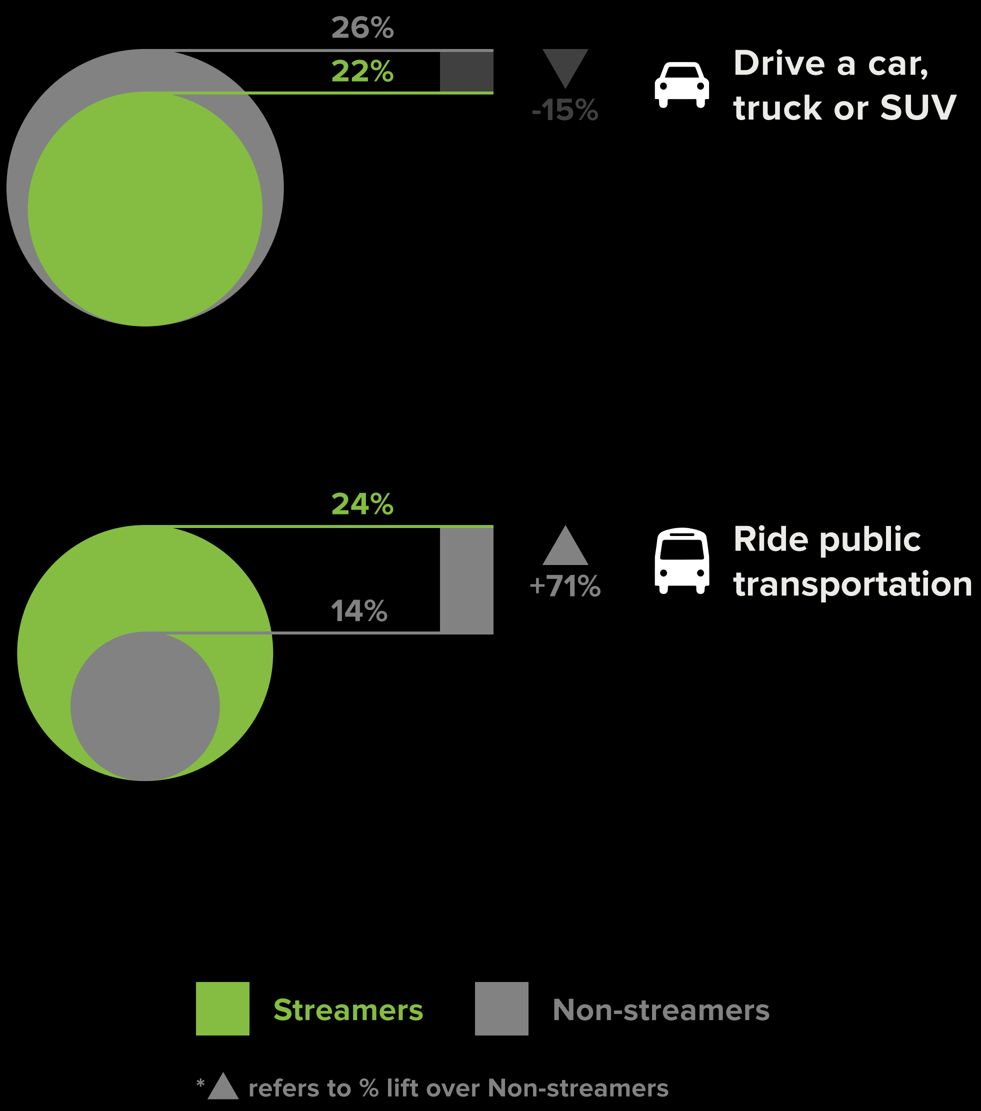
Which of these shopping methods do you use weekly?



TRANSPORTATION

Streamers are slightly less likely than non-streamers to drive a car, truck or SUV weekly. They're over 1.5x as likely to use public transportation weekly, which is likely connected to streaming services' early traction in urban cities.

Which of these transportation methods do you use weekly?

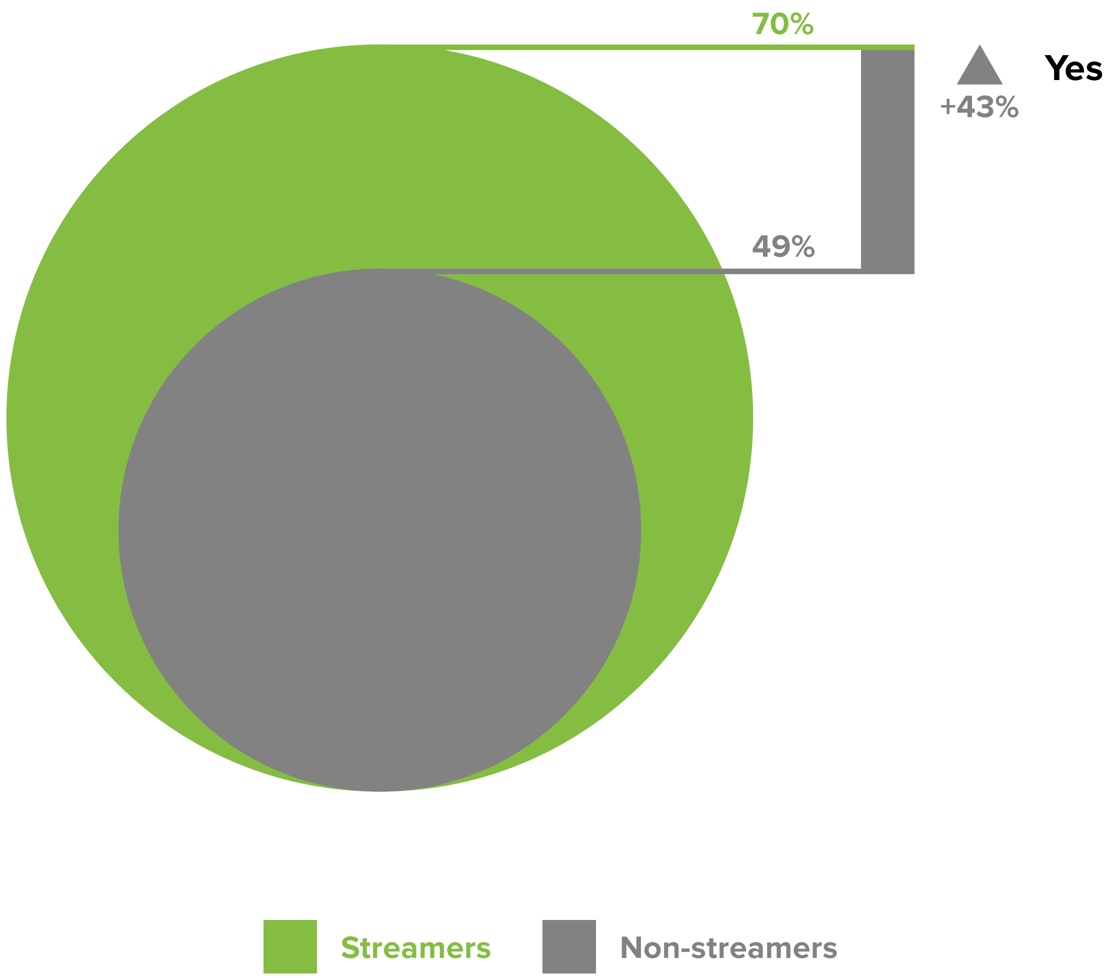


LISTENING ENVIRONMENTS

Since streamers are more apt to listen on mobile devices, it's no surprise that they're significantly more likely to listen in mobile-friendly environments.

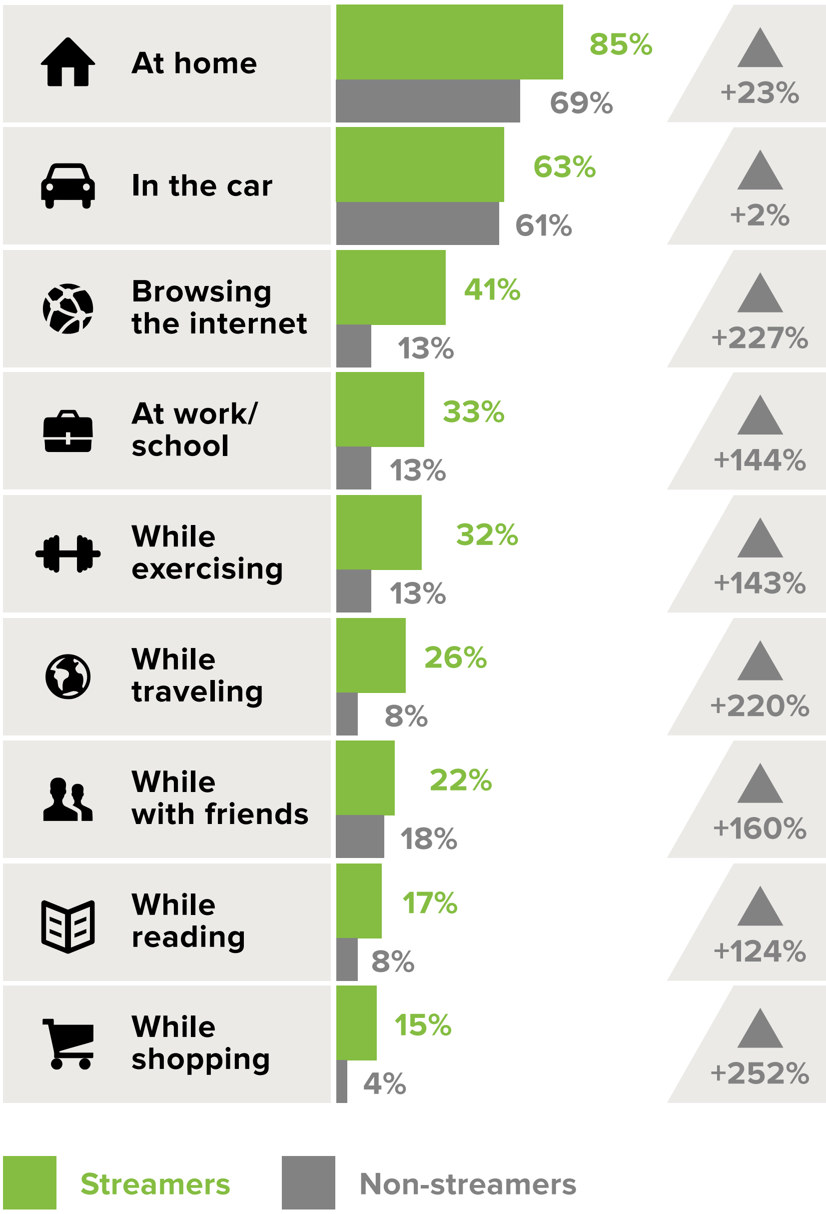
- Streamers are over 3x as likely to listen while shopping or traveling, and 2.5x as likely to listen at work, school and while exercising.
- The only scenario where streamers do not report significantly higher levels of listening is in the car, where they're only 2% more likely to listen. This is likely to increase as in-car dash integration for streaming services become more prevalent.
- Streamers are 43% more likely to listen to music while doing nothing else, indicating that they also treat listening as an activity in and of itself.

Do you ever listen to music without engaging in any other activity?



*▲ refers to % lift over Non-streamers

In the past week, where have you listened to music that you selected?



*▲ refers to % lift over Non-streamers

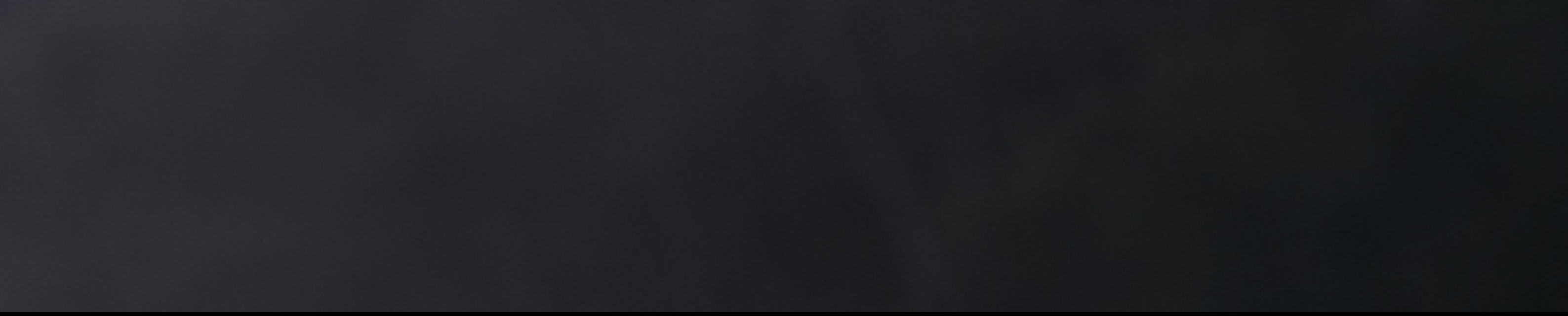
GENRES

When asked which types of music they enjoy, streamers over-indexed in 13 of 20 genres, indicating that they tend to explore a wider variety of music.

- Streamers are nearly 2x as likely to enjoy listening to hip-hop and techo/electronic/house.
- Non-streamers over-index in two genres - easy listening and country.
- Unsurprisingly, pop is the only genre enjoyed by the majority of both streamers (62%) and non-streamers (53%).

What genres of music do you enjoy?

	Streamers	Non-Streamers	▲ % Lift
Pop	62%	53%	+17%
Rock	50%	46%	+9%
Classic Rock	38%	41%	-6%
Classical	29%	27%	+10%
Dance	29%	21%	+39%
Easy Listening	28%	34%	-17%
Rap/Hip-Hop	24%	11%	+113%
R&B	23%	20%	+16%



	Streamers	Non-Streamers	▲ % Lift
Instrumental	23%	17%	+33%
Jazz	22%	15%	+41%
Alternative	21%	12%	+77%
Techno/Electronic/House	21%	11%	+91%
Reggae	20%	14%	+35%
Country/Western	19%	26%	-27%
Blues	19%	18%	+2%
Metal	19%	13%	+45%
Folk	16%	15%	+8%
Gospel	12%	12%	+0%
New Age	11%	6%	+91%
Comedy	9%	7%	+16%

BRAND IMPACT

In general, streamers are more likely to assign positive attributes to brands compared to non-streamers, regardless of brand or vertical. The following data comprise the averages of attributional data across brands and verticals.

ADVOCACY

2x

Streamers are nearly **2x as likely to be stronger brand advocates.**

EMOTIONAL CONNECTIVITY

2x

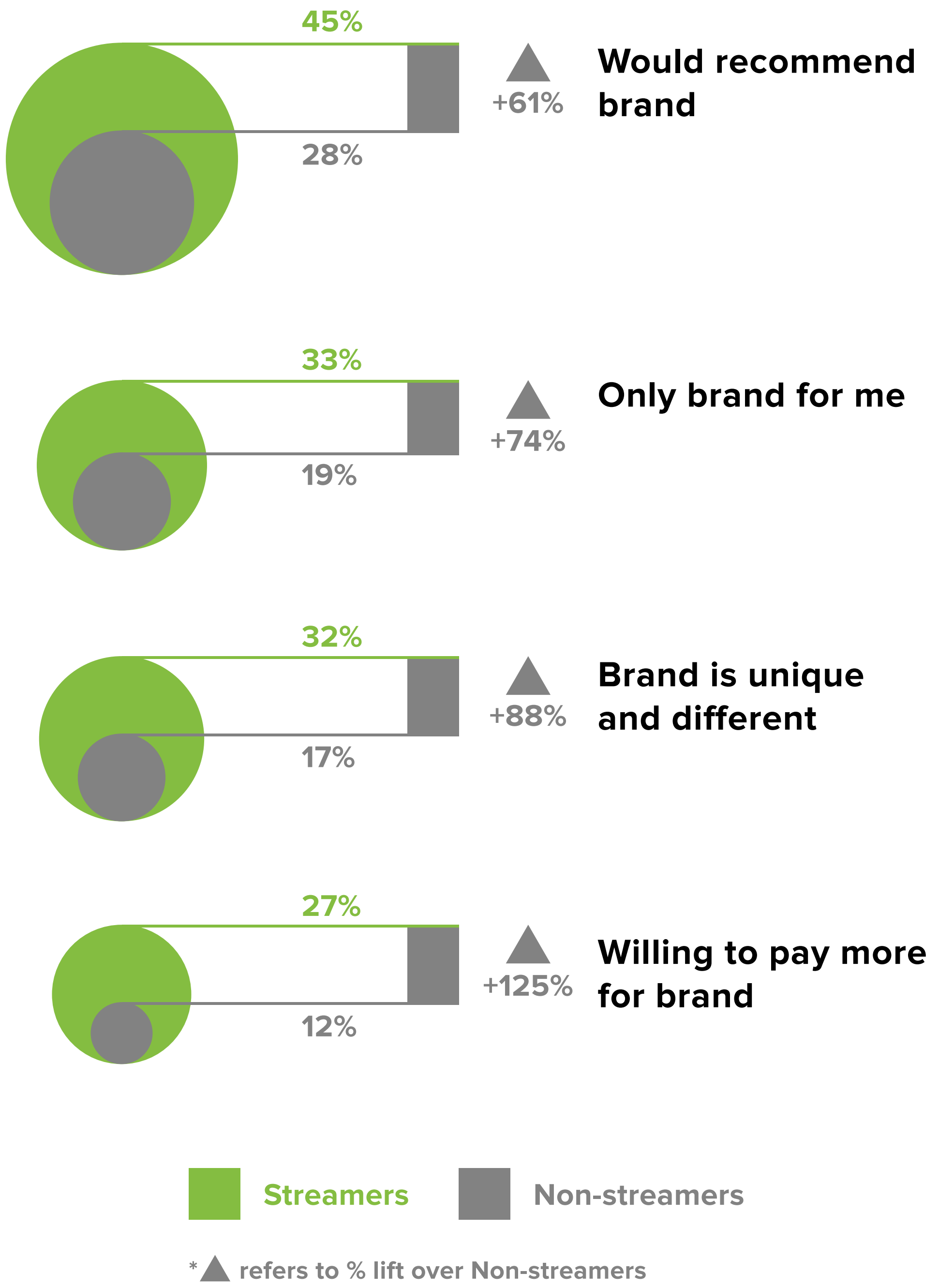
Streamers are nearly **2x as likely to feel emotionally connected to brands.**

RATIONAL ASSOCIATIONS

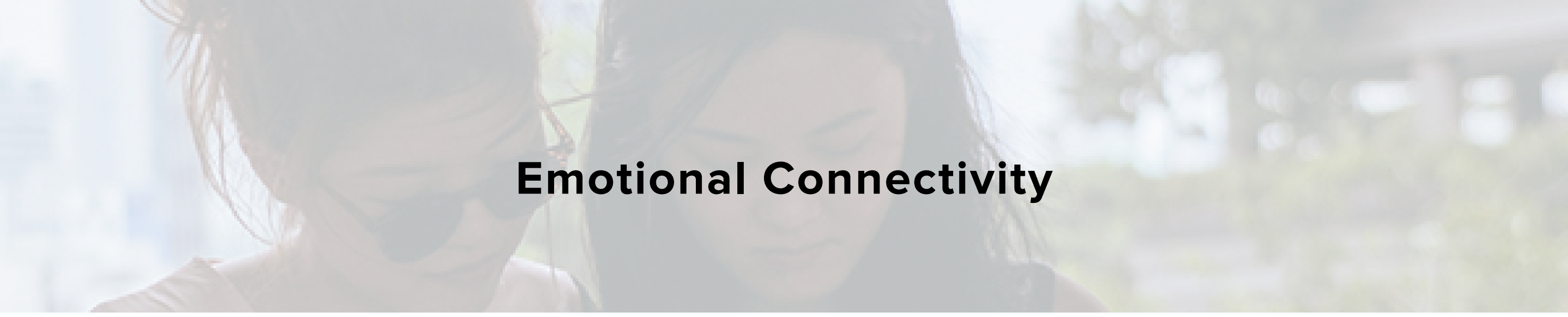
1.5x

Streamers are nearly **1.5x as likely to make positive rational associations.**

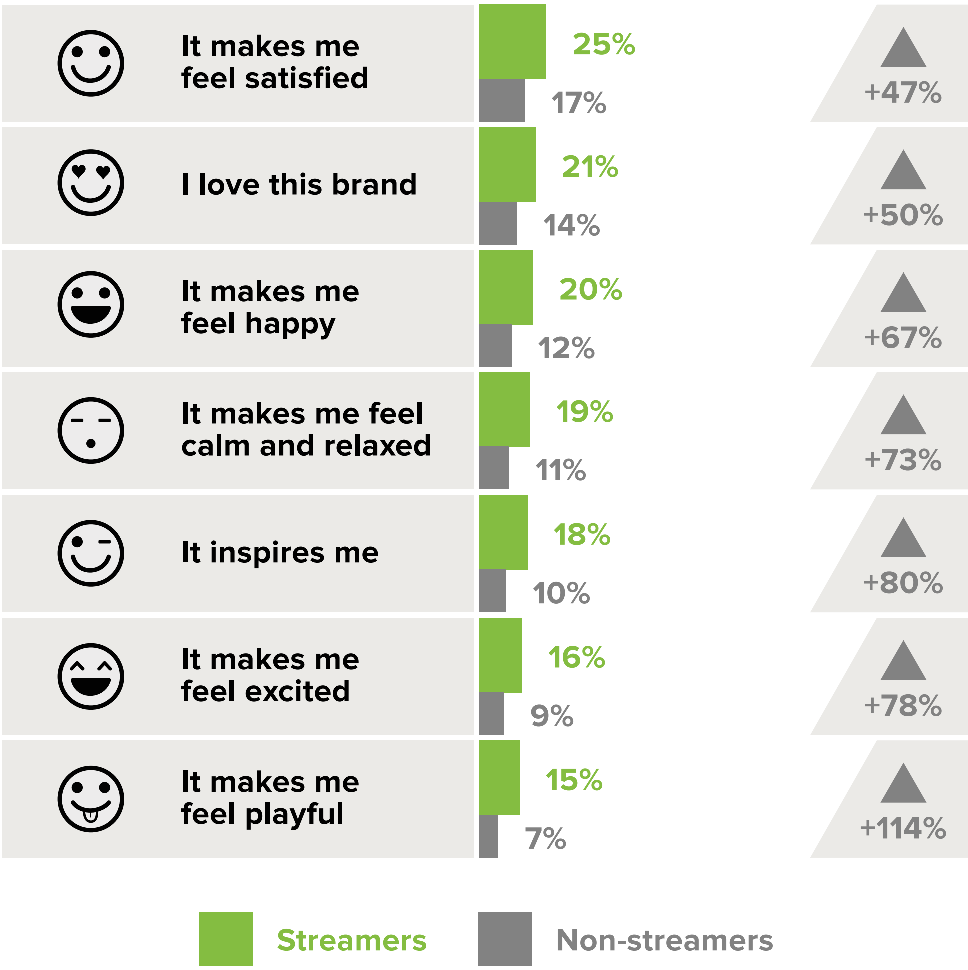
Advocacy[1]



1 Respondents answered the brand advocacy questions on a 5-point scale—the results represent the top two answers (“strongly agree” and “moderately agree”).

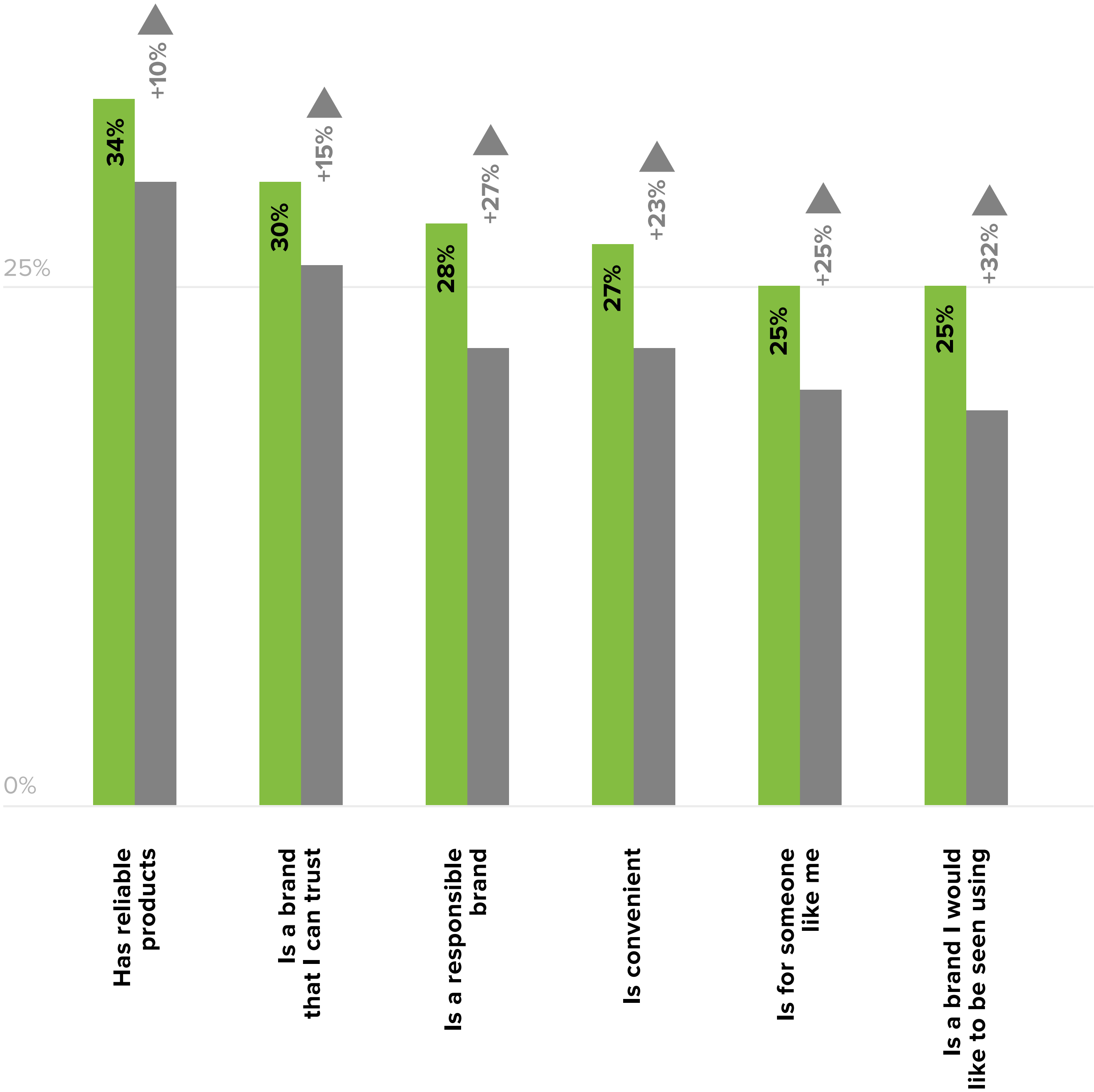


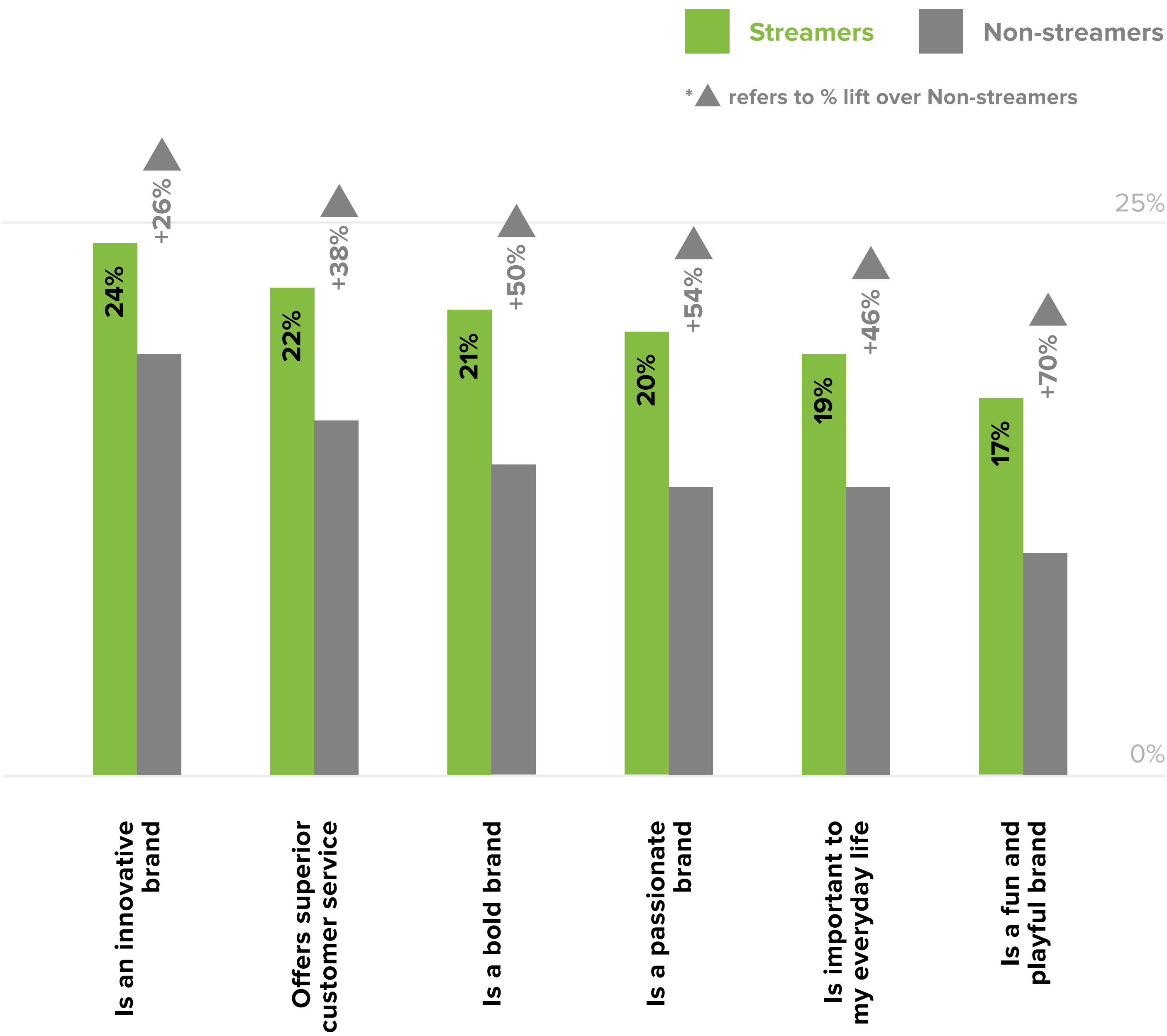
Emotional Connectivity



*▲ refers to % lift over Non-streamers

Rational Associations





Streamers
Non-streamers
* refers to % lift over Non-streamers
25%
0%
24%
+26%
22%
+38%
21%
+50%
20%
+54%
19%
+46%
17%
+70%
Is an innovative brand
Offers superior customer service
Is a bold brand
Is a passionate brand
Is important to my everyday life
Is a fun and playful brand

VERTICAL IMPACT

AUTOMOTIVE

ADVOCACY

+67%

Streamers are **67% more likely** to be automotive brand advocates. They're **2x as likely** to be willing to pay more for an auto brand.

EMOTIONAL CONNECTIVITY

+52%

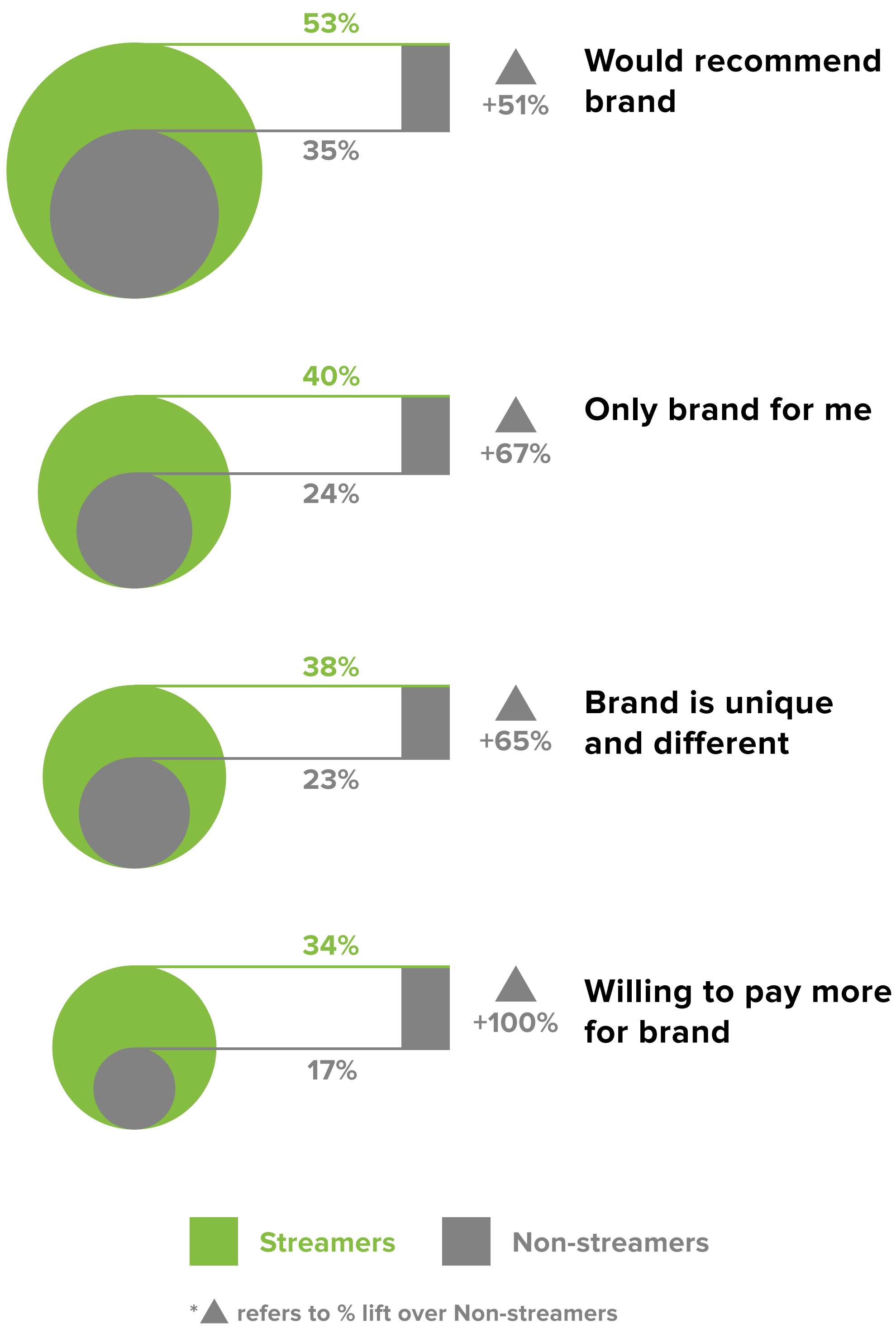
Streamers are **52% more likely** to feel emotionally connected to auto brands. They're **2x as likely** to state that the brand makes them feel playful.

RATIONAL ASSOCIATIONS

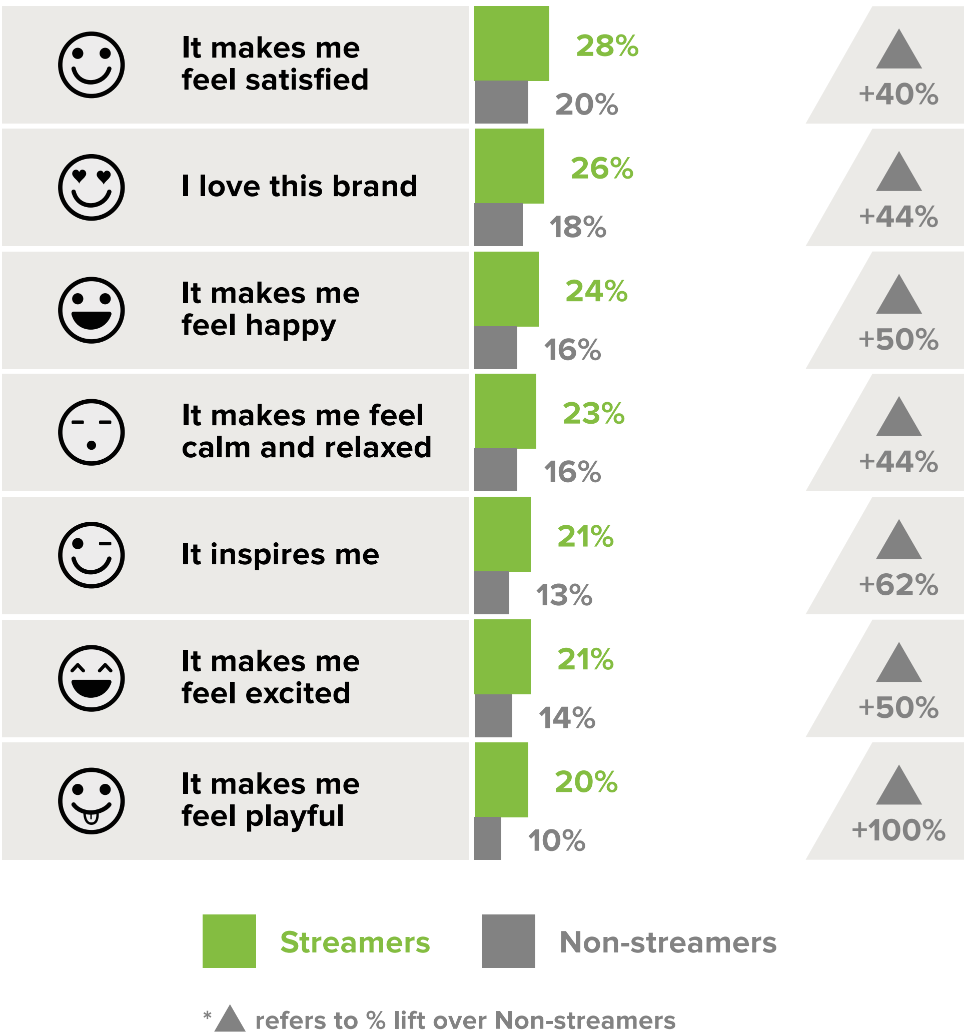
+30%

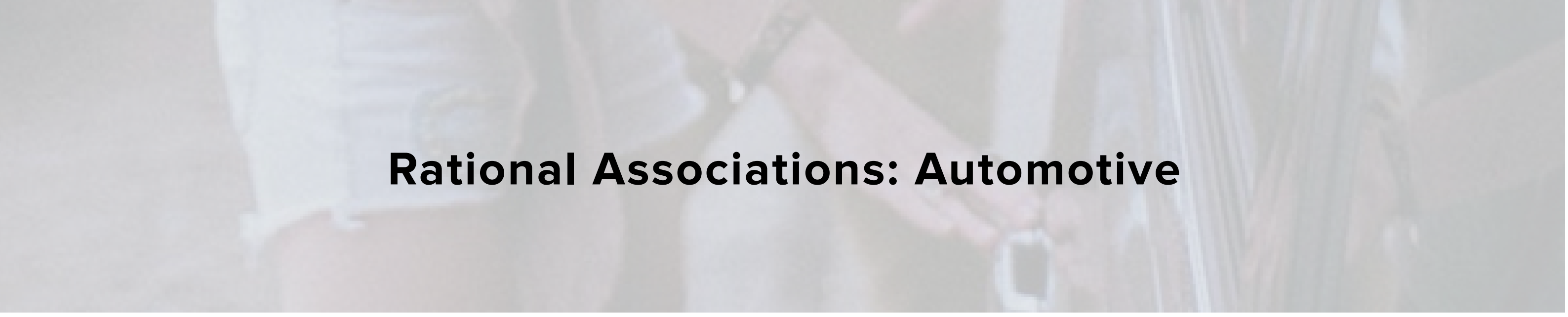
Streamers are **30% more likely** to make positive rational associations about an auto brand. They're **over 1.5x as likely** to state that the brand is important to their everyday lives.

Advocacy: Automotive



Emotional Connectivity: Automotive





Rational Associations: Automotive

	Streamers	Non-Streamers	% Lift
Has reliable products	41%	36%	+14%
Is a brand that I can trust	37%	31%	+19%
Is an responsible brand	35%	29%	+21%
Is convenient	32%	25%	+28%
Is an innovative brand	31%	24%	+29%
Is a brand I would like to be seen using	30%	23%	+30%
Is for someone like me	28%	23%	+22%
Offers superior customer service	25%	17%	+47%
Is a bold brand	25%	19%	+32%
Is a passionate brand	25%	16%	+56%
Is important to my everyday life	21%	13%	+62%
Is a fun and playful brand	21%	14%	+50%

CONSUMER ELECTRONICS

ADVOCACY

+57%

Streamers are **57% more likely** to be consumer electronics brand advocates. They're **2x as likely** to be willing to pay more for a consumer electronics brand.

EMOTIONAL CONNECTIVITY

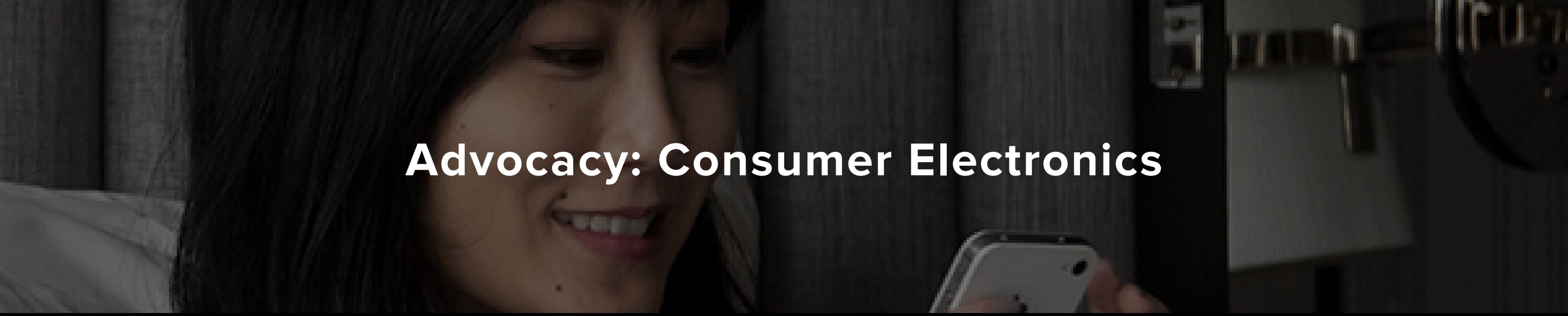
+51%

Streamers are **51% more likely** to feel emotionally connected to a consumer electronics brand. They're **nearly 2x as likely** to state that the brand makes them feel playful.

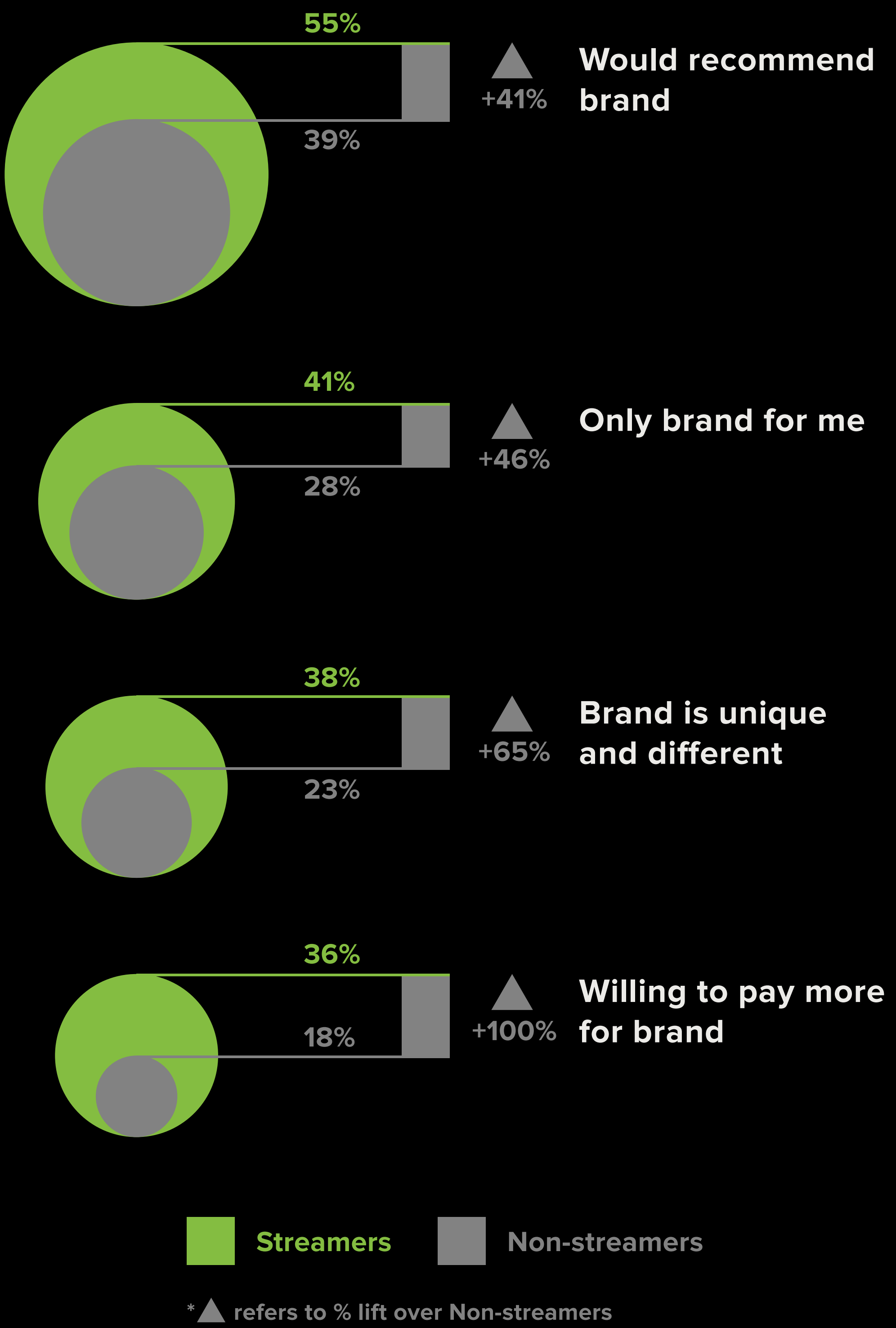
RATIONAL ASSOCIATIONS

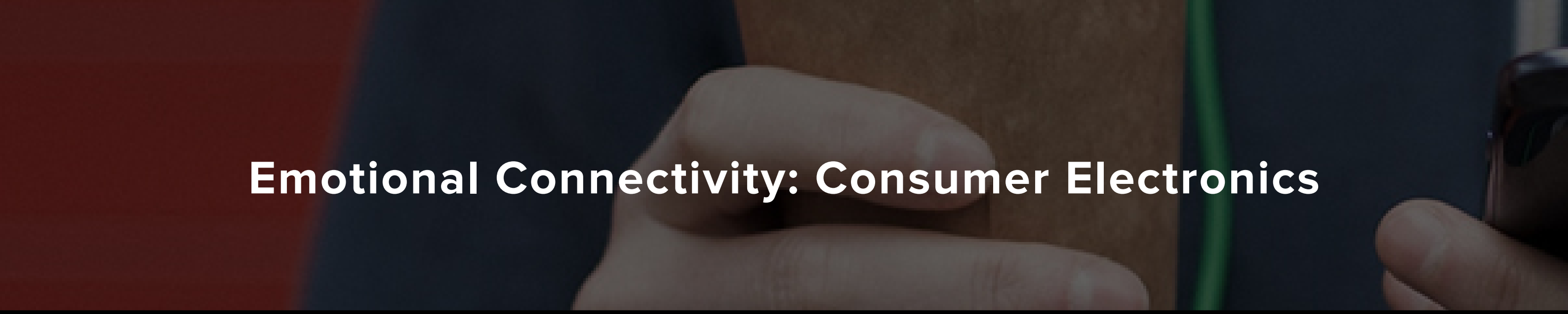
+25%

Streamers are **25% more likely** to make positive rational associations about consumer electronics brands. They're **over 1.5x as likely** to describe the brand as fun and playful.

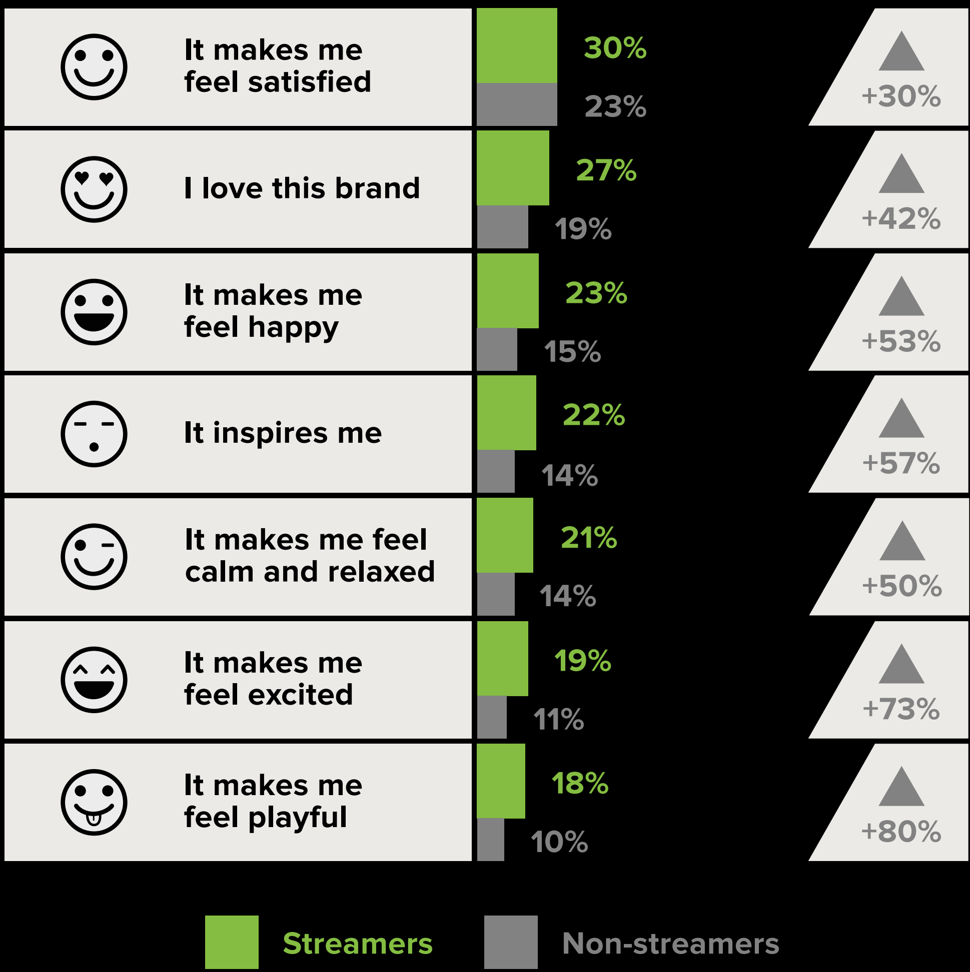


Advocacy: Consumer Electronics

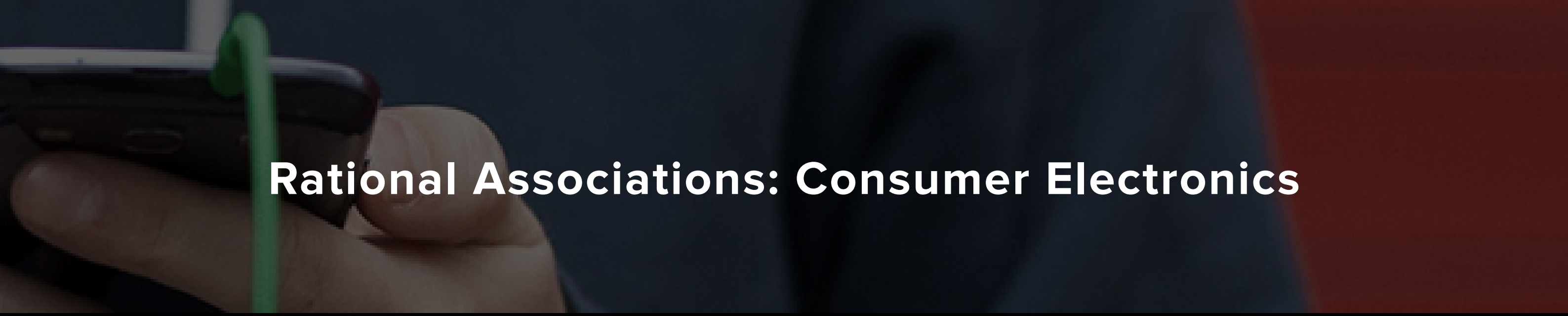




Emotional Connectivity: Consumer Electronics



*▲ refers to % lift over Non-streamers



Rational Associations: Consumer Electronics

	Streamers	Non-Streamers	% Lift
Has reliable products	40%	38%	+5%
Is a brand that I can trust	36%	32%	+13%
Is an innovative brand	31%	25%	+24%
Is convenient	30%	26%	+15%
Is a responsible brand	30%	26%	+15%
Is for someone like me	30%	25%	+20%
Is a brand I would like to be seen using	29%	23%	+26%
Is important to my everyday life	25%	18%	+39%
Is a bold brand	25%	17%	+47%
Is a passionate brand	23%	16%	+44%
Offers superior customer service	22%	16%	+38%
Is a fun and playful brand	22%	13%	+69%

MOBILE PHONE SERVICE PROVIDERS

ADVOCACY

+82%

Streamers are **82% more likely** to be advocates for mobile phone service provider brands. They're **over 2x as likely** to be willing to pay more for a mobile provider.

EMOTIONAL CONNECTIVITY

+75%

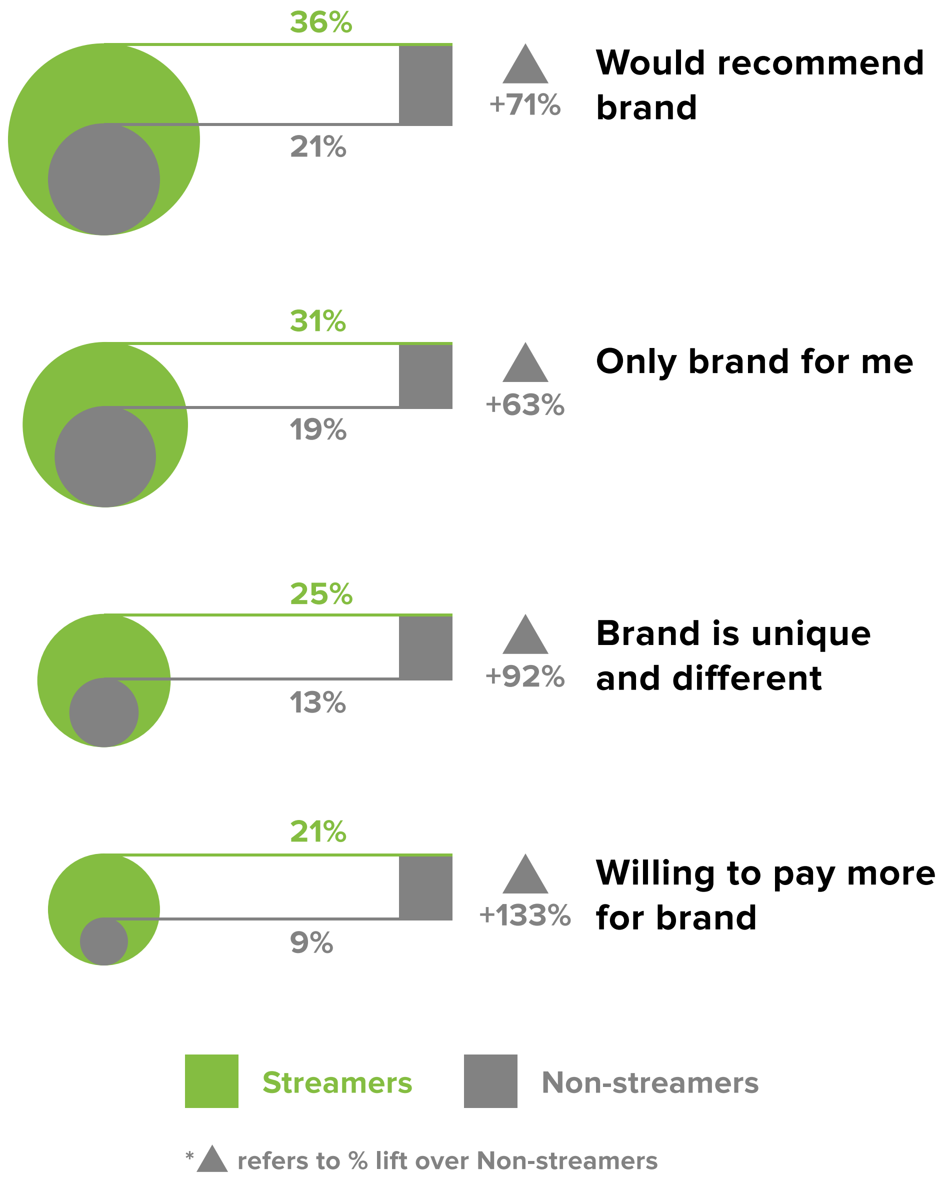
Streamers are **75% more likely** to feel emotionally connected to mobile provider brands. They're **over 2x as likely** to state that the brand inspires them and makes them feel excited.

RATIONAL ASSOCIATIONS

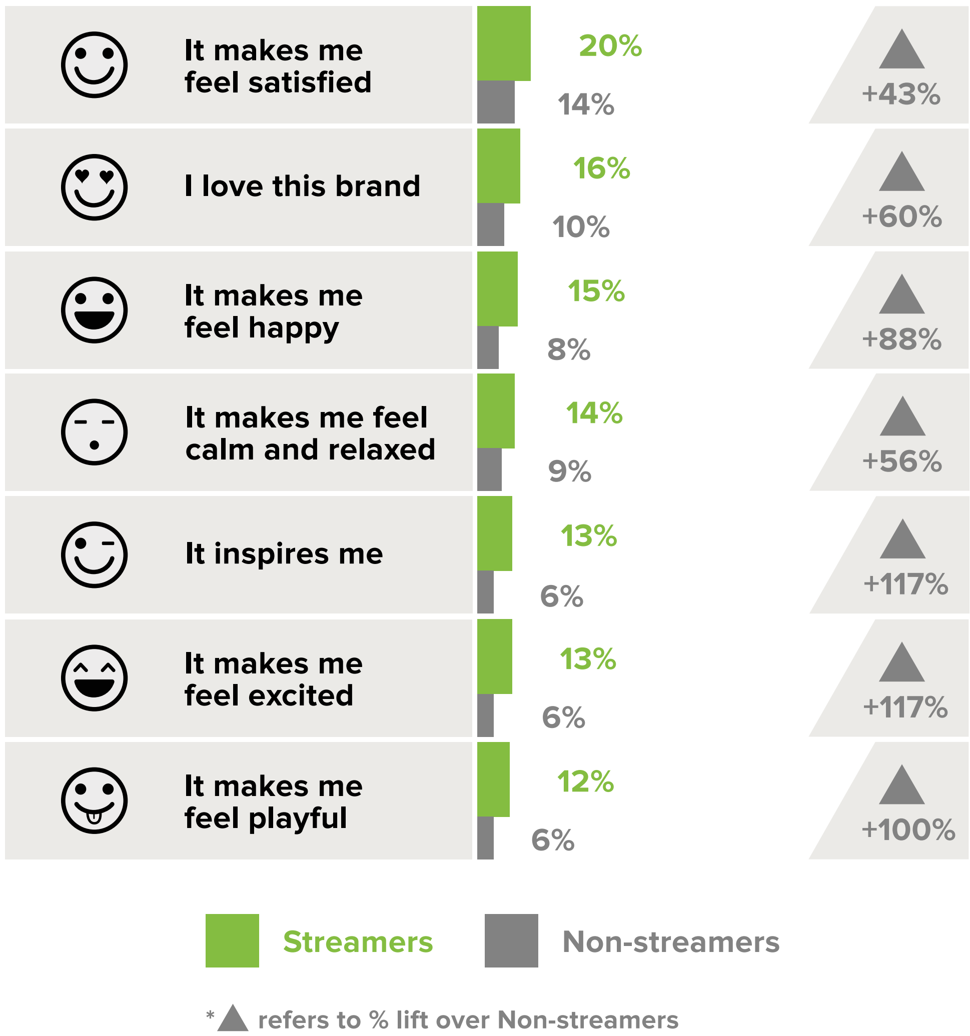
+43%

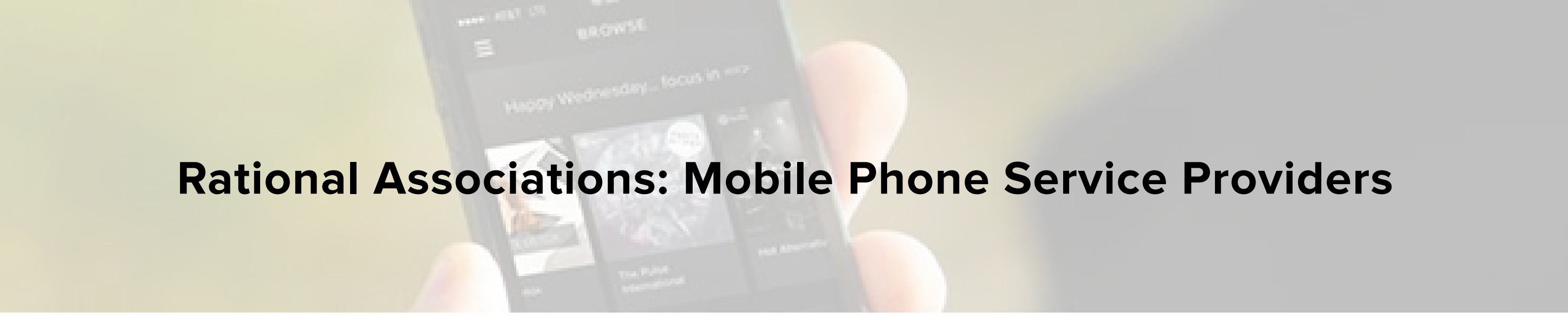
Streamers are **43% more likely** to make positive rational associations about a mobile provider. They're **nearly 2x as likely** to describe the brand as passionate.

Advocacy: Mobile Phone Service Providers



Emotional Connectivity: Mobile Phone Service Providers





Rational Associations: Mobile Phone Service Providers

	Streamers	Non-Streamers	▲ % Lift
Has reliable products	27%	23%	+17%
Is convenient	25%	18%	+39%
Is a brand that I can trust	24%	18%	+33%
Is for someone like me	23%	17%	+85%
Is an innovative brand	22%	16%	+38%
Is a responsible brand	22%	17%	+29%
Is a brand I would like to be seen using	21%	13%	+62%
Is important to my everyday life	20%	14%	+43%
Offers superior customer service	19%	13%	+46%
Is a bold brand	19%	12%	+58%
Is a passionate brand	17%	9%	+89%
Is a fun and playful brand	15%	8%	+88%

RETAIL

ADVOCACY

+80%

Streamers are **80% more likely** to be retail brand advocates. They're **over 2x as likely** to be willing to pay more for a retail brand.

EMOTIONAL CONNECTIVITY

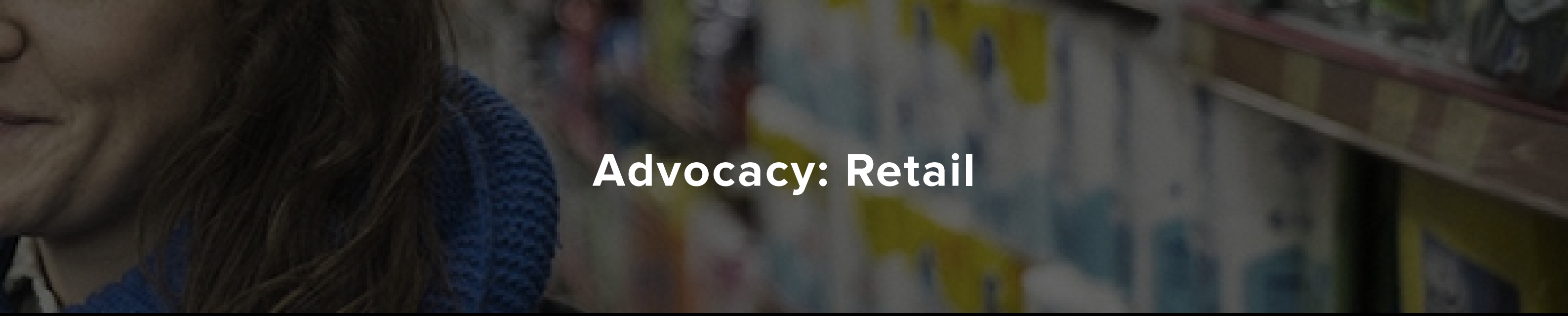
+71%

Streamers are **71% more likely** to feel emotionally connected to retail brands. They're **2x as likely** to state that the brand makes them feel playful.

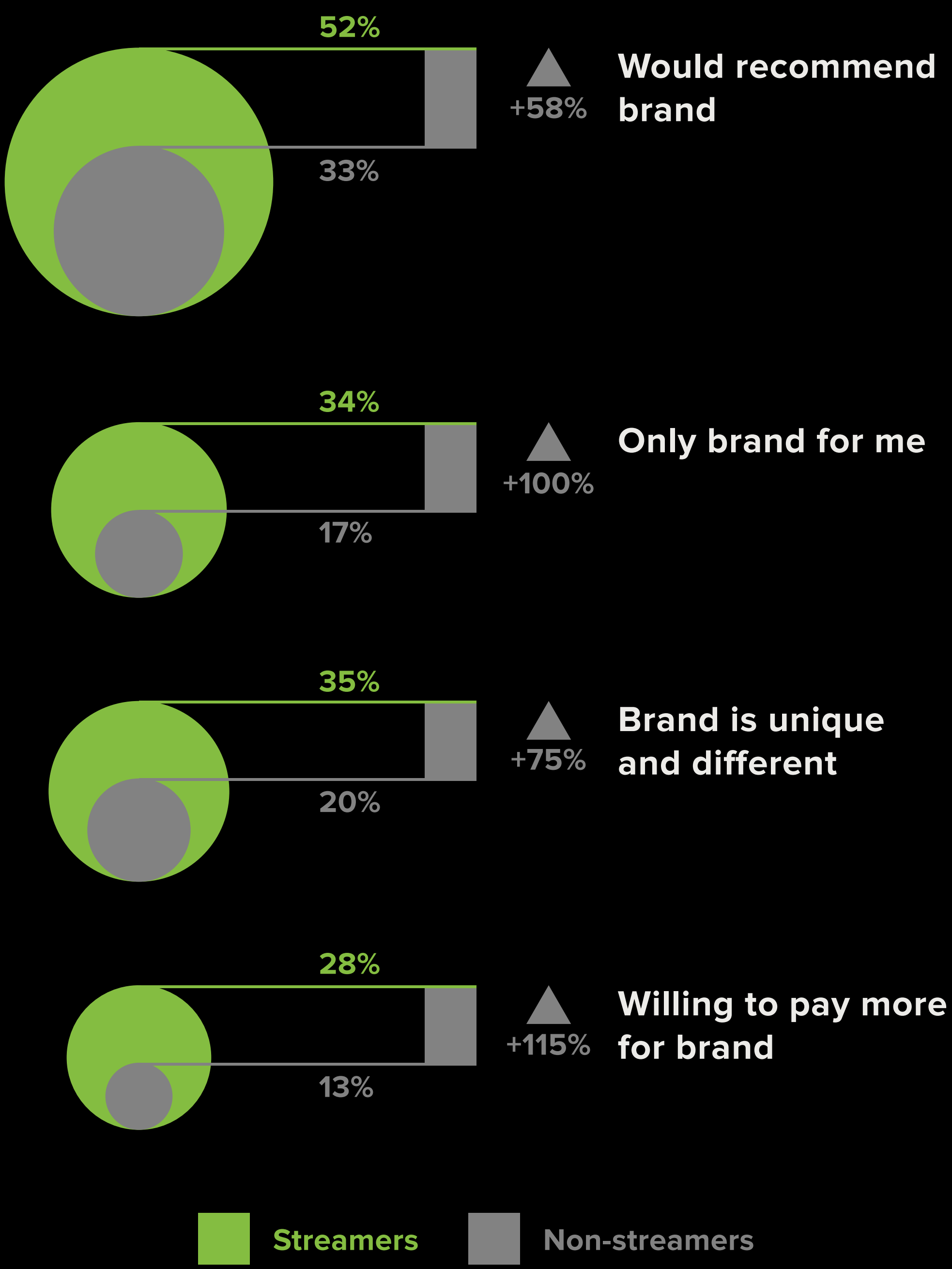
RATIONAL ASSOCIATIONS

+33%

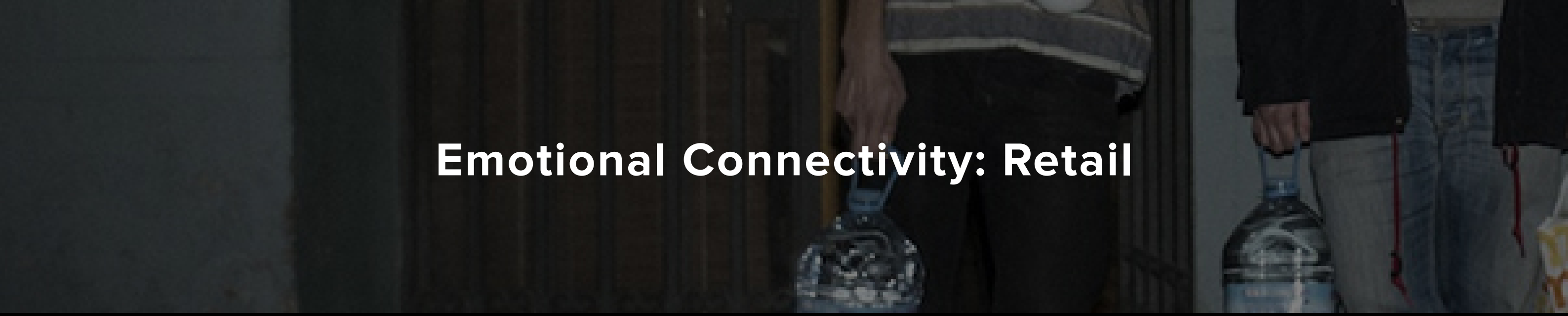
Streamers are **33% more likely** to make positive rational associations about retail brands. They're **over 1.5x as likely** to describe the brand as fun and playful.



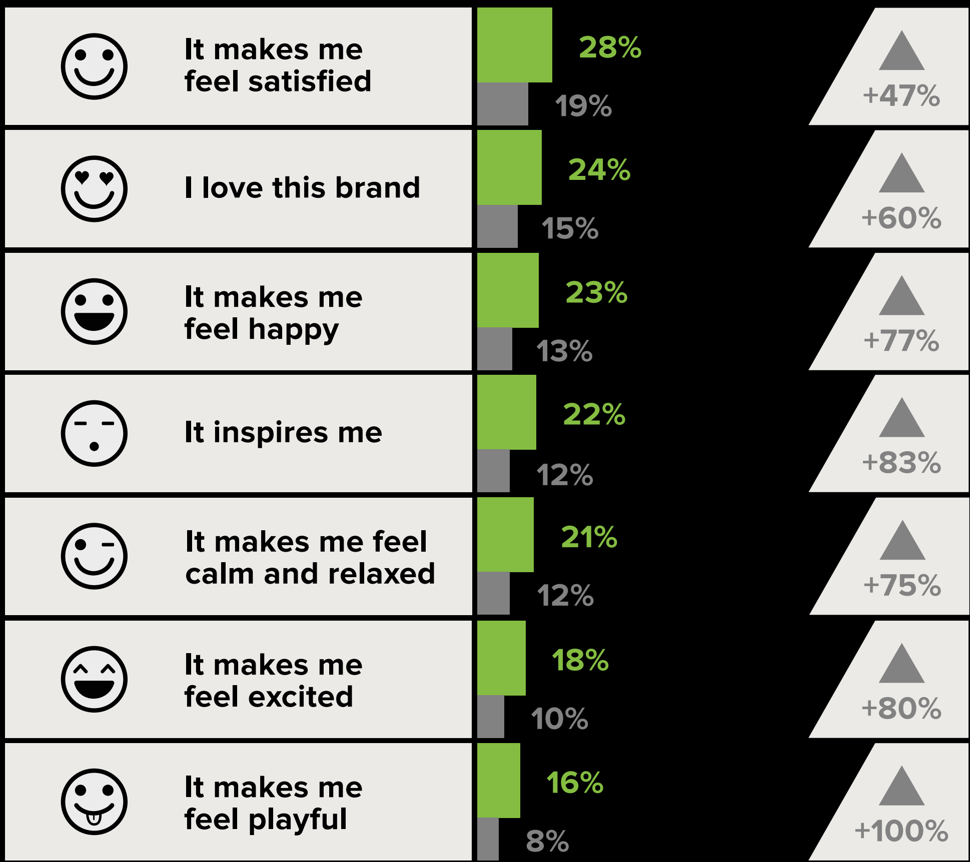
Advocacy: Retail



* ▲ refers to % lift over Non-streamers

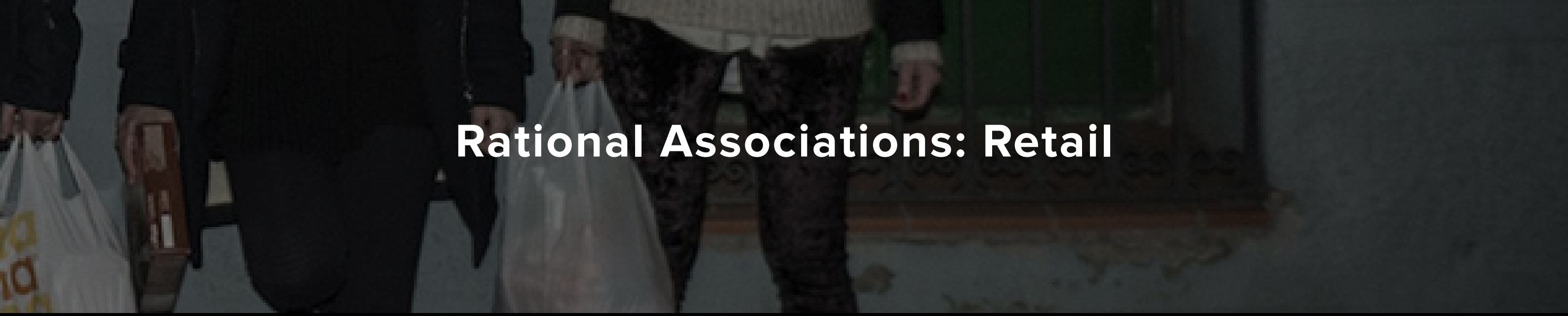


Emotional Connectivity: Retail



Streamers Non-streamers

*▲ refers to % lift over Non-streamers



Rational Associations: Retail

	Streamers	Non-Streamers	% Lift
Has reliable products	38%	32%	+19%
Is a brand that I can trust	34%	28%	+21%
Is a brand I would like to be seen using	30%	22%	+36%
Is convenient	29%	21%	+38%
Is a responsible brand	29%	25%	+16%
Is for someone like me	28%	22%	+27%
Is an innovative brand	25%	19%	+32%
Offers superior customer service	25%	19%	+32%
Is a bold brand	23%	16%	+44%
Is a passionate brand	23%	15%	+53%
Is a fun and playful brand	20%	12%	+67%
Is important to my everyday life	18%	11%	+64%

HAIR CARE

ADVOCACY

+71%

Streamers are **71% more likely** to be hair care brand advocates. They're **over 2x as likely** to be willing to pay more for a hair care brand.

EMOTIONAL CONNECTIVITY

+65%

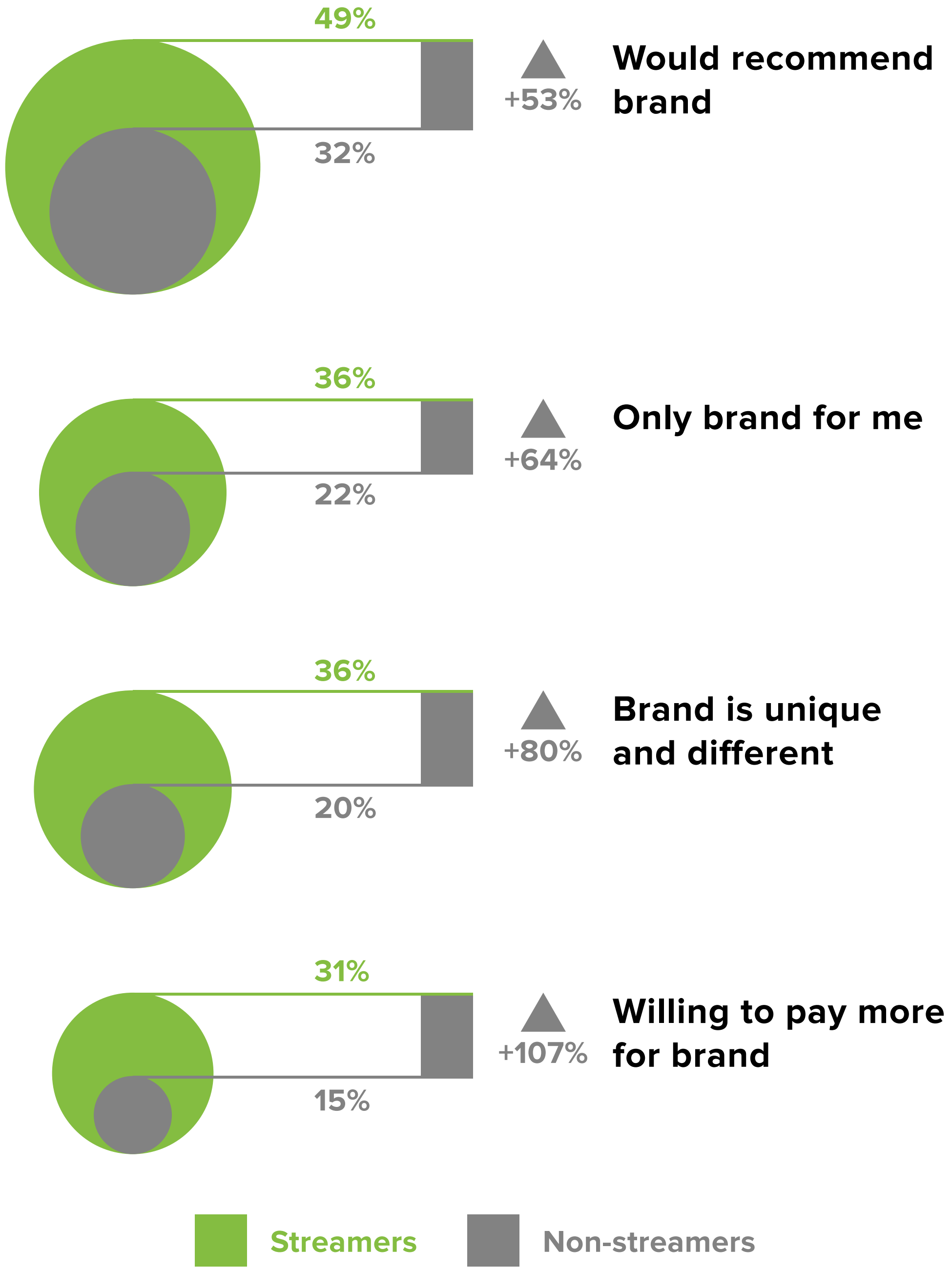
Streamers are **65% more likely** to feel emotionally connected to hair care brands. They're **2x as likely** to state that the brand inspires them, makes them feel excited and makes them feel playful.

RATIONAL ASSOCIATIONS

+21%

Streamers are **21% more likely** to make positive rational associations about hair care brands. They're **nearly 2x as likely** to describe a hair care brand as fun and playful.

Advocacy: Hair Care



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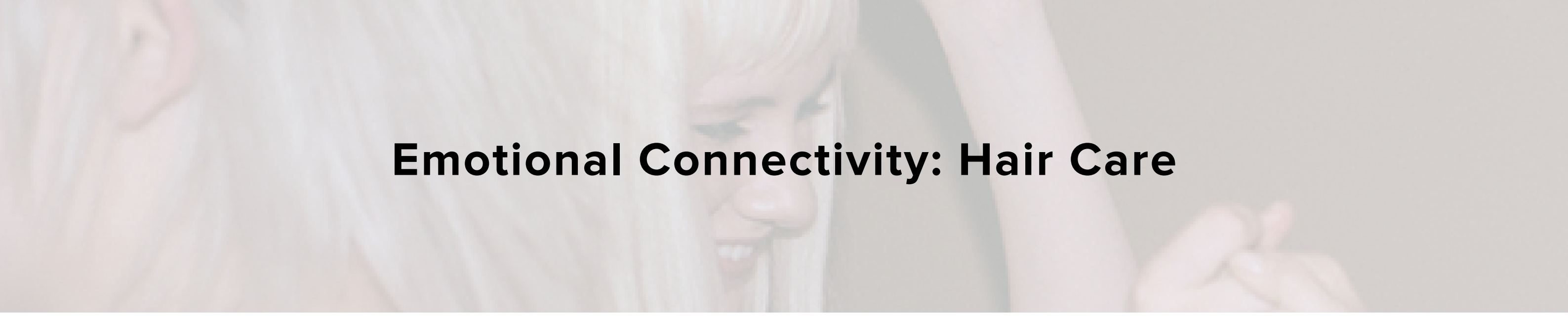
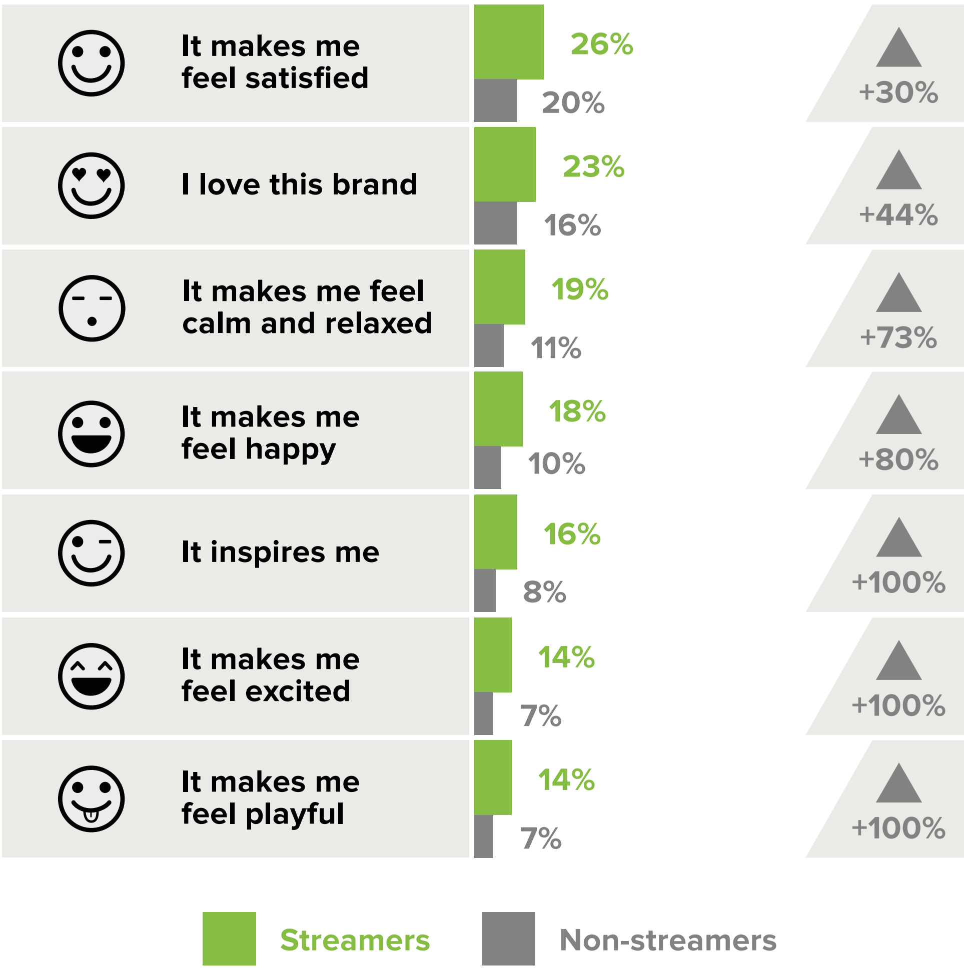


Emotional Connectivity: Hair Care

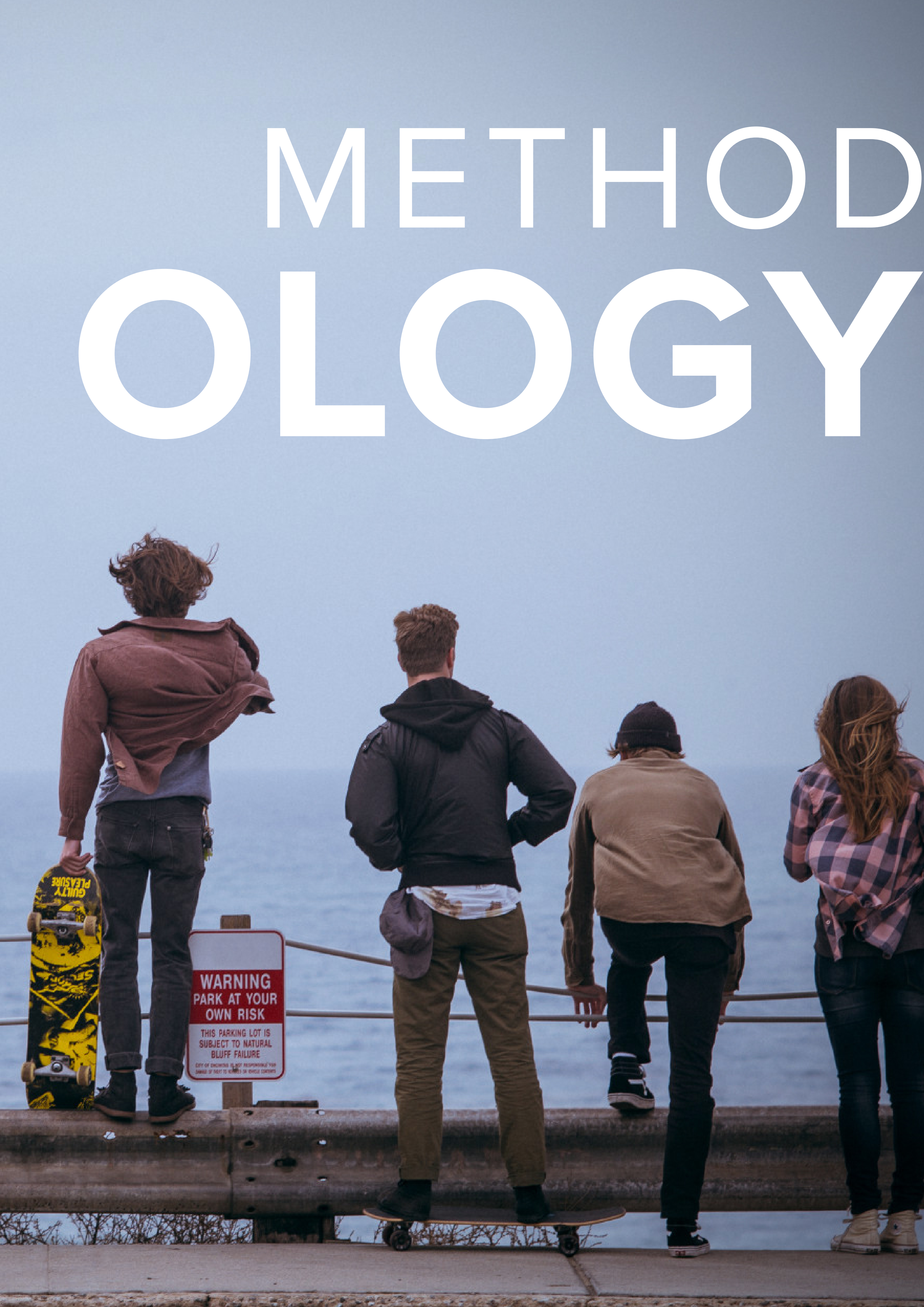


*▲ refers to % lift over Non-streamers

Rational Associations: Hair Care

	Streamers	Non-Streamers	▲ % Lift
Has reliable products	36%	36%	+19%
Is a brand that I can trust	32%	29%	+10%
Is convenient	27%	27%	+0%
Is a responsible brand	27%	23%	+17%
Is for someone like me	24%	21%	+14%
Is an innovative brand	23%	20%	+15%
Is a brand I would like to be seen using	23%	18%	+28%
Is a bold brand	21%	15%	+40%
Is a passionate brand	21%	13%	+62%
Is important to my everyday life	20%	15%	+33%
Offers superior customer service	17%	12%	+42%
Is a fun and playful brand	17%	9%	+89%

METHOD
OLOGY



THE 2014 BRAND IMPACT STUDY

COVERED 203 UNIQUE BRANDS IN FIVE VERTICALS ACROSS NINE MARKETS:

Australia, France, Germany, Mexico, Singapore, Spain, Sweden, United Kingdom and United States.

In each country, 500 respondents were asked about their usage and attitudes towards digital music platforms. Each respondent was then asked questions about brands in two of the five verticals. Verticals were randomly rotated so that 200 respondents answered questions for each vertical per country.

comScore's Media Metrix database was leveraged to determine the online demographic makeup of respondents in each country. Respondents were then weighted by age and gender to match the online makeup in each of their respective countries.

To define audience segments, respondents were asked about their usage of the following digital music services (streaming and non-streaming), customized according to their availability by country: Amazon MP3, Ampya, Beats Music, BitTorrent, Bloom.FM, DailyMotion, Deezer, Google Play Music All Access, Google Play Music (downloads), Grooveshark, Guvera, IdeasMusik, iHeartRadio, iTunes (downloads), iTunes Radio, KKBox, Last.FM, Musicload, MusicMe, Napster, Pandora, Radio.com, Rara, Rdio, Simfy, Slacker, Sony Music Unlimited, SoundCloud, Spotify, Vevo, XBox Music, Yahoo Music and YouTube.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