




YT Music



Spotify



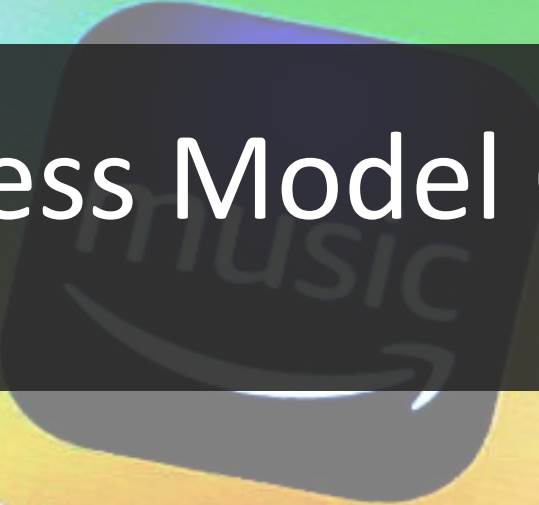
TuneIn



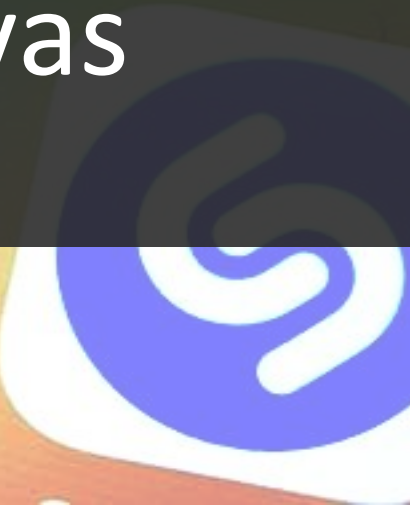
Music

Business Model Canvas

Group 9



Amazon Music





MUSIC

VS



Spotify[®]



Spotify is a music and podcast streaming platform developed by Swedish company Spotify AB

Spotify is a freemium service; basic features are free with advertisements or automatic music videos, while additional features, such as improved streaming quality are offered via paid subscriptions.

Launched on 7 October 2008, it is currently available in 79 countries and regions throughout the world.



Business model canvas



Key partners



- Record companies (giants)
- Independent musicians
- Advertisers
- Financial Gateways (VISA, Mastercard, e.g.)
- Right holders

Key activities



- Platform development
- Management of music library
- Marketing
- Finance/ Accounting
- Content acquisitions
- Contract negotiations

Key resources



- Huge music data
- Customers' data
- Employees
- Algorithms, Big data, AI
- Online platforms

Value propositions



For listeners

- Portable access to millions of music anywhere, anytime
- High quality music files
- Cost effective music streaming platform/ free(Ads)

For Artists

- Online free releasing platform without contracts needed
- Revenue sources and platform for artists (including indy)

For Firms

- Effective advertising platform
- Big data

Customer relationships



- Automated Service (Listeners)
- Co-creation (Artist)
- Personal Assistance(Firms)
- Self-service

Channels



- PC software program
- Mobile application
- Website
- Online platforms
- Social media

Customer segments



- Listeners (Free Users, Subscribers)
- Artists
- Firms

Cost structure

- Contract with major record
- Salaries
- R&D expense
- Marketing cost
- Independent Artists
- Special Event
- Distribution cost
- Music Royalties
- Taxes



Revenue streams

- Subscription fee
- Advertisement





**Value
Proposition**

Spotify For *LISTENERS*



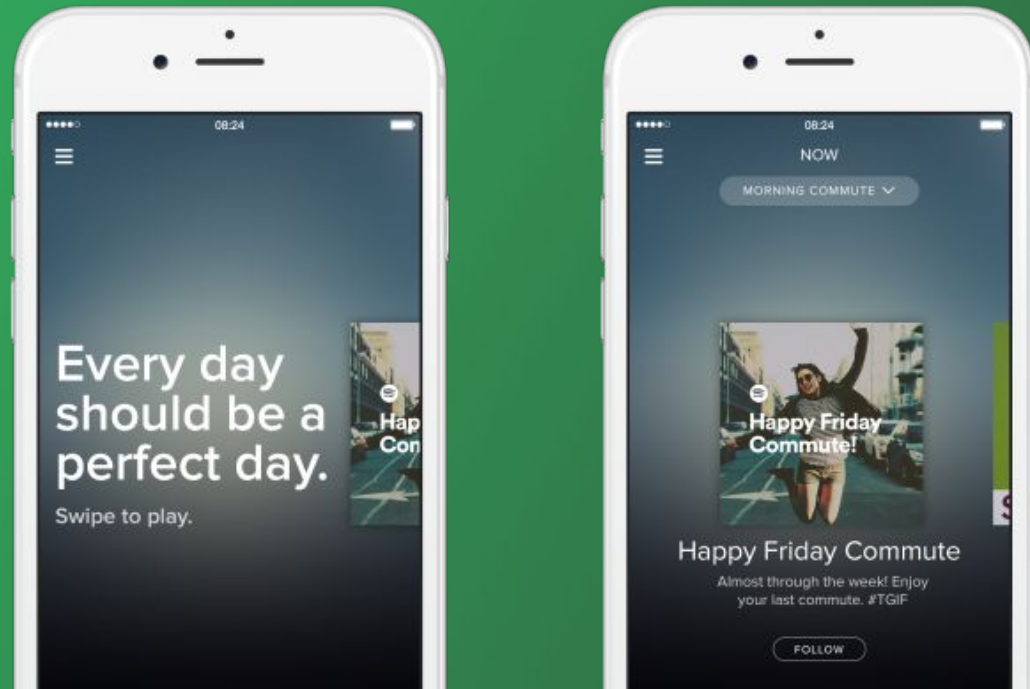
LISTENERS

- Music streaming platform with huge database of music
- Superb quality music for streaming
- “Freemium” system business model
- Access to millions of music on phones and computer anytime, anywhere
- cost effective or free platform
- Data personalisation

Spotify uses a ***FREEMIUM*** business model.

FREE

- Free basic service while additional features are paid
- streaming without paying, advertisements(interruptions)
- shuffle-only access

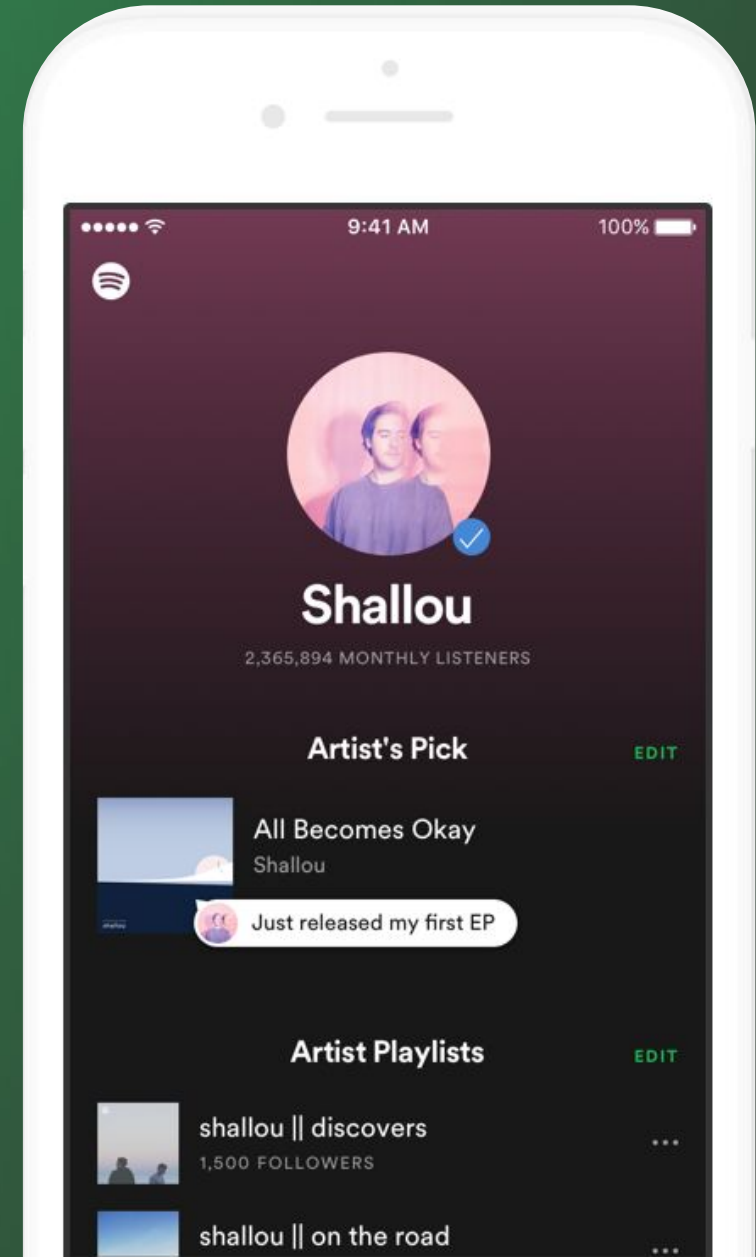


PREMIUM

- Advertisements removed
- Provided options to listen to music offline
- High quality tracks

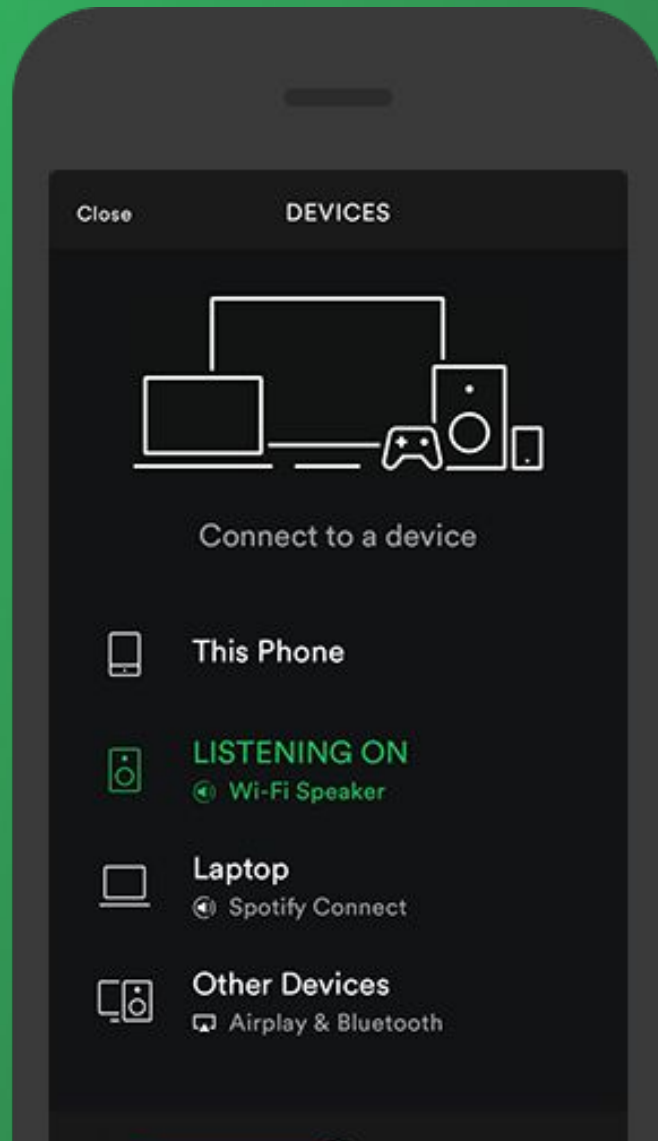
Spotify for Artists

- Online releasing platform to release singles without contracts with official records
- Constant revenue sources for every time listeners listen to the song (depend on popularity)
- Promoting platform for (mostly) independent artists



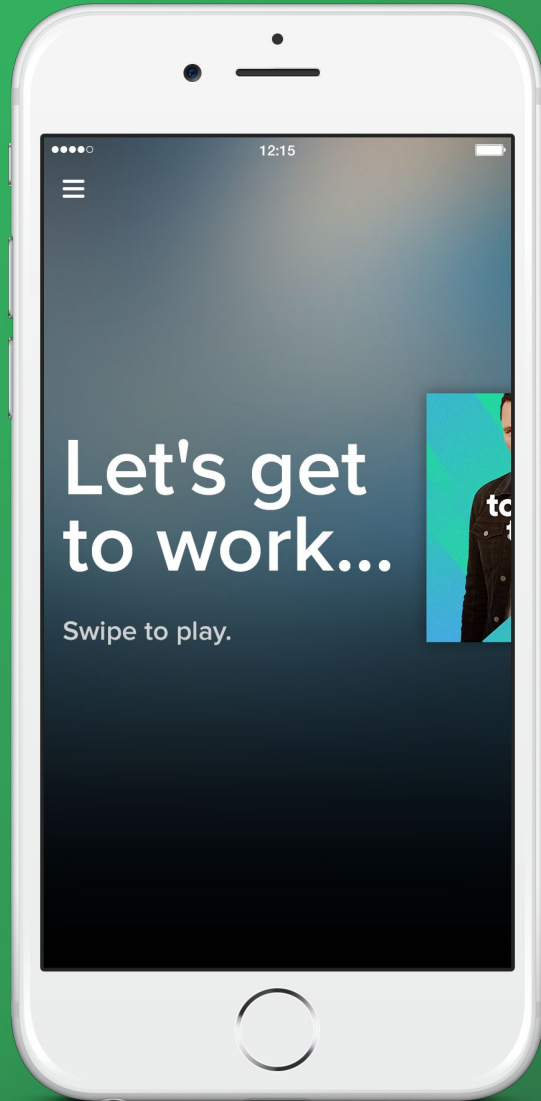
Spotify for Firms

- Ability to reach free users of spotify which is a huge base
- Effective advertising platform
- Ability to use the emotional manipulation of music





COST SIDE



Key Partners

- Record companies(giants)
- Independent musicians
- Advertisers
- Financial Gateways(VISA,Mastercard, e.g.)
- Right holders
- Cloud providers(e.g. Google)

Key Resources

- Online platforms
- Music database/ User info.
- Employees
- Artists base
- Contracts
- Algorithms, Big data, AI

Key Activities

- Platform development
- Management of music library
- Marketing
- Finance/ Accounting
- Content acquisitions
- Contract negotiations

COST

- Contracts with major records
- Salaries
- R&D expense
- Marketing cost
- Independent Artists
- Special Events
- Distribution cost
- Music royalties
- Taxes





**REVENUE
SIDE**

Customer Relationships

- Automated Service (Listeners)
- Co-creation (Artists)
- Self service (Artists)
- Personal Assistance (Advertisers)

Channels

- PC software program
- Mobile application
- Website
- Online platforms
- Social media

Customer Segments

- Listeners (Free Users, Subscribers)
- Artists, records, indy artists
- Advertisers



REVENUE

- Subscription fee
- Advertisement





Apple Music is a music and video streaming service developed by Apple Inc.

Users select music to stream to their device on-demand, or they can listen to existing, curated playlists. The service also includes the Internet radio station which broadcasts live to over 100 countries 24 hours a day.

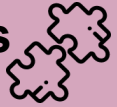
The service was launched on June 30, 2015 in over 100 countries worldwide.

The Apple Music logo is displayed in white against a dark background. It consists of the Apple logo (a silhouette of an apple with a bite taken out) followed by the word "MUSIC" in a large, bold, sans-serif font.

Business model canvas



Key partners



- Record companies
- Music artists
- Financial Gateways (VISA, Mastercard, e.g.)

Key activities



- Marketing
- Hardware and software design
- Contract negotiations
- Financial/ accounting
- Content acquisitions

Key resources



- Employees
- Hardware & software
- Music data
- Customer data

Value propositions



For subscribers

- Various types of music in one place
- Customized music playlists
- Top chart
- Multiple devices
- Legal and inexpensively to access
- Experience many kinds of media

For artists

- Revenue sources and platform for artists

Customer relationships



- Switching cost
- Love/dislike track
- Promotion
- Co-creation

Channels



- iTunes Store
- www.apple.com
- Apple Store
- Application

Customer segments



- Mass market
- IOS Users
- Artist

Cost structure



- Marketing and administrative cost
- R&D cost
- Salaries
- Taxes
- Contract fee
- Independent artist

Revenue streams



- Subscription fee

Value Proposition





For You



For subscribers

- Various types of music in one place
- Customized music playlists
- Top chart
- Multiple devices
- Legal and inexpensive to access
- Experience many types of media

For artists

- Revenue sources and platform for artists

COST SIDE



Key partners

- Record companies
- Music artists
- Financial Gateways (VISA,Mastercard)

Key resources

- Employees
- Hardware & software
- Music data
- Customer data

Key activities

- Marketing
- Hardware and software design
- Contract negotiations
- Financial/ accounting
- Content acquisitions



Apple Music for Artists



COST

- Marketing and administrative cost
- R&D cost
- Salaries

- Music royalties
- Taxes
- Contract fee



REVENUE SIDE

vodafone UK 16:11 86%



Music



Beats Music



iTunes Store



Customer Segments

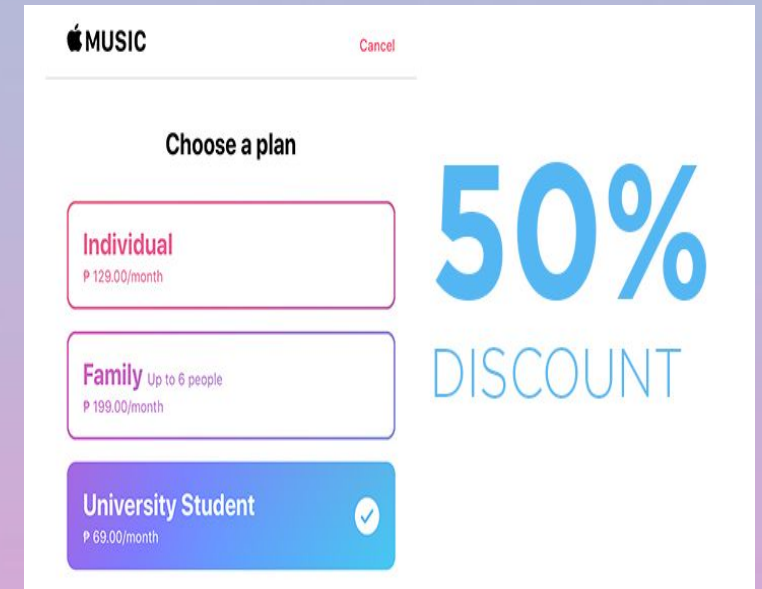
- Mass market (subscribers)
- IOS users
- Artist

Channels

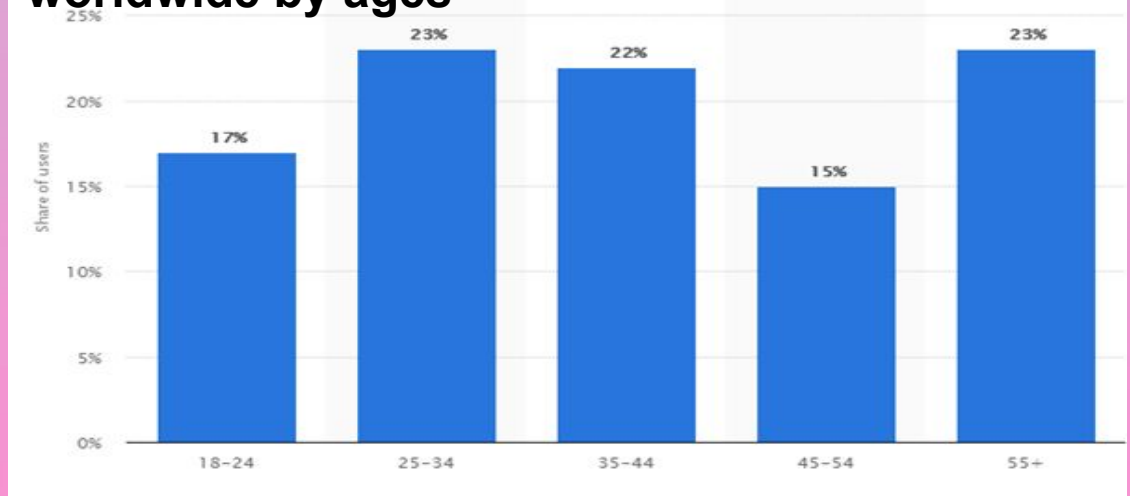
- iTunes Store
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Customer Relationships

- Switching cost
- Love/ dislike track
- Promotion
- Co-creation

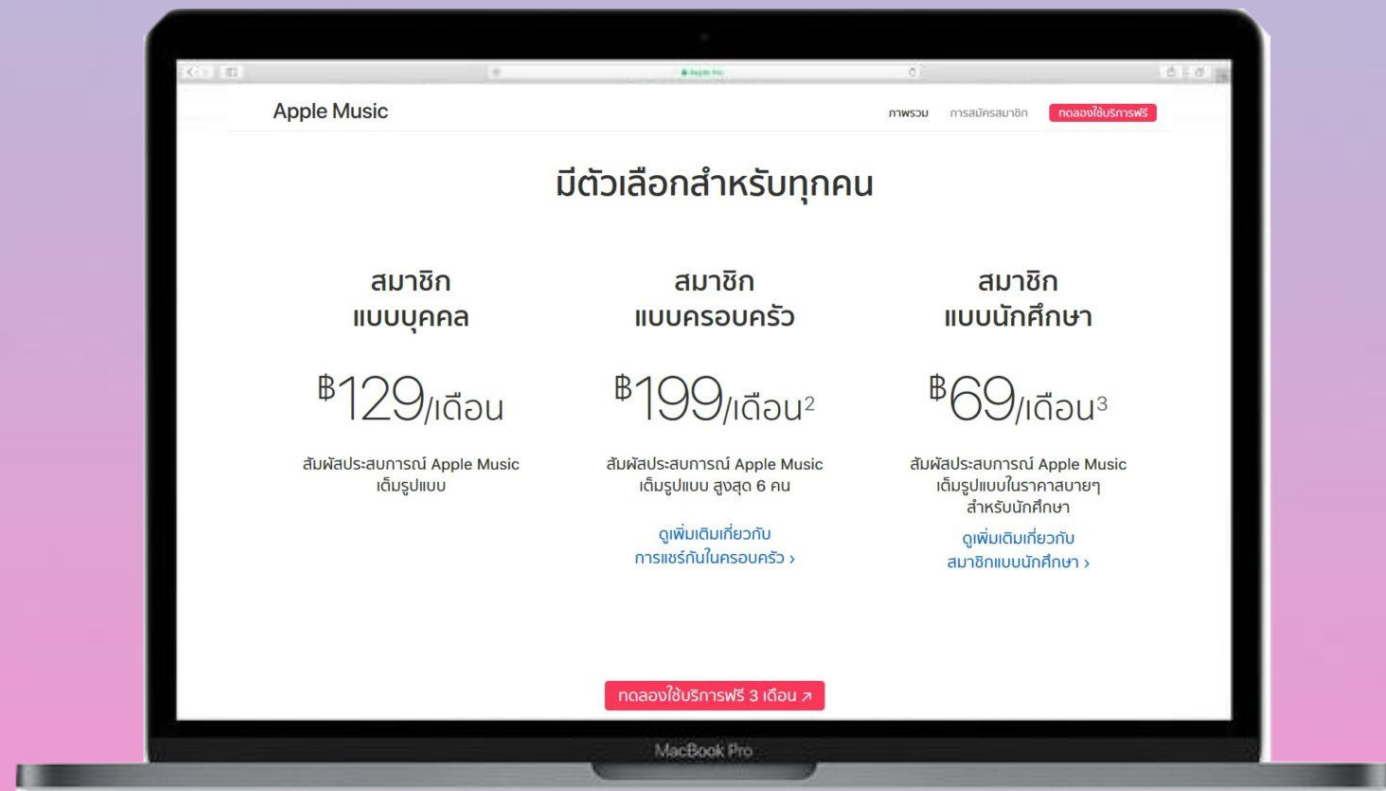


Number of Apple music users worldwide by ages



REVENUE

- Subscription fee



The background features two large, solid green shapes that resemble the top and bottom halves of a stylized letter 'A'. These shapes are positioned on the right side of the frame, with their left edges tapering towards the center. The rest of the background is white.

COMPARISON





Value proposition



For listeners

- Free music streaming platform(with ads)
- High quality music files
- Personalized music curation

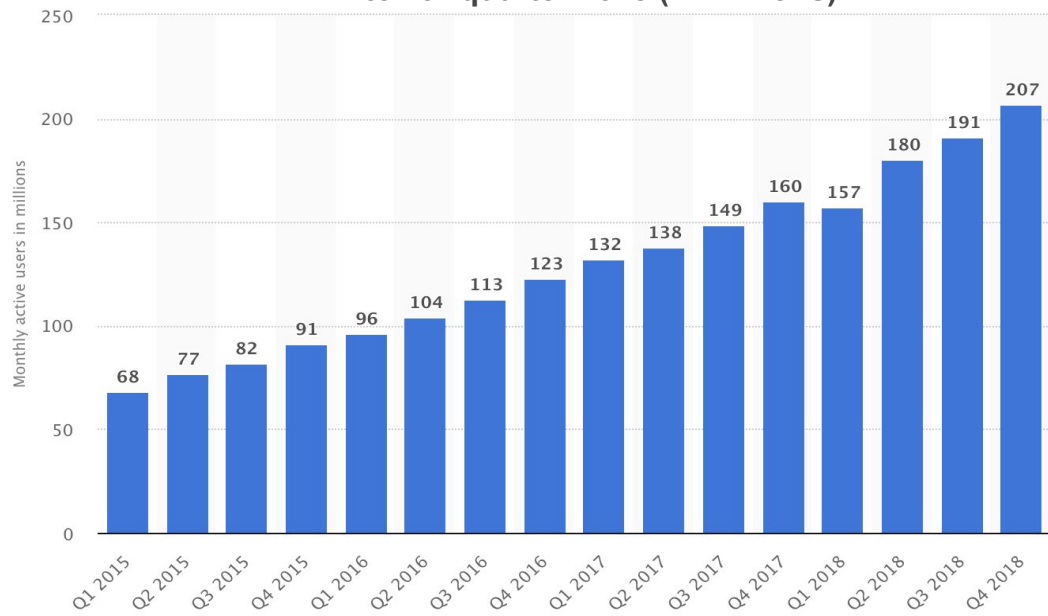
For Firms

- Effective Advertising platform
- Big data available for firms

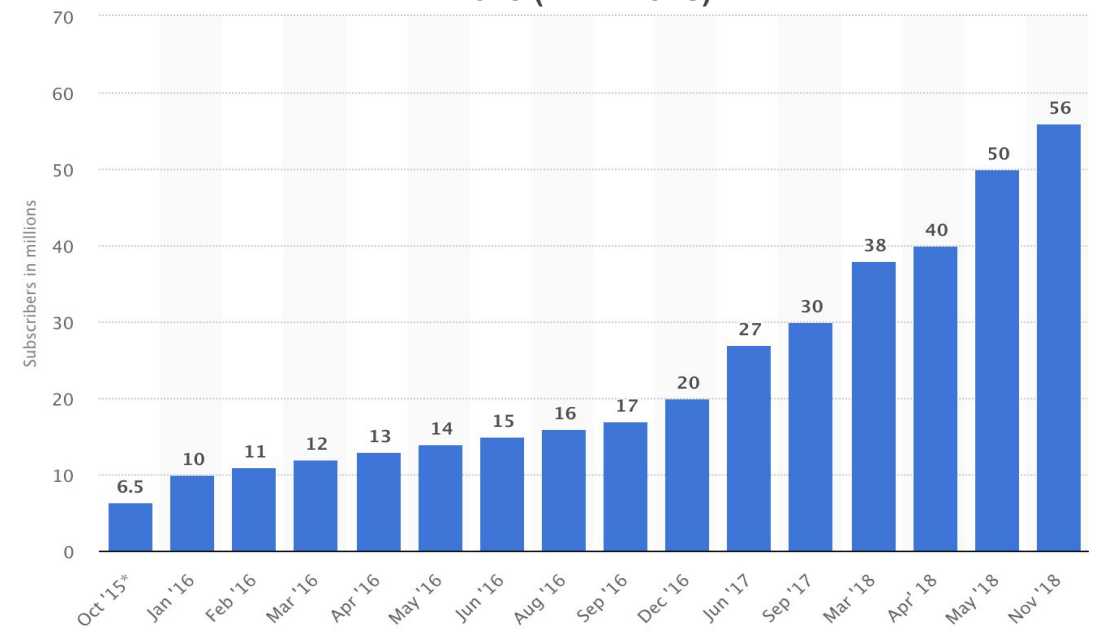
		
Key Partners	<ul style="list-style-type: none"> ● Advertisers ● Cloud providers 	
Key Resources	<ul style="list-style-type: none"> ● Algorithms, Big data, AI ● music curators. 	<ul style="list-style-type: none"> ● Hardware & software
Key Activities	<ul style="list-style-type: none"> ● Management of music library 	<ul style="list-style-type: none"> ● Hardware design
Cost	<ul style="list-style-type: none"> ● Special Events 	-

		
Customer Segments	<ul style="list-style-type: none"> ● Firms ● Mass market listeners 	<ul style="list-style-type: none"> ● IOS Users only
Channels	<ul style="list-style-type: none"> ● PC software program 	<ul style="list-style-type: none"> ● iTunes Store
Customer Relationships	<ul style="list-style-type: none"> ● Automated Service (Listeners) ● Co-creation (Artist) ● Personal Assistance(Firms) ● Self-service 	<ul style="list-style-type: none"> ● Automated service ● Co-creation
Revenue	<ul style="list-style-type: none"> ● Advertisement 	-

Number of Spotify monthly active users (MAUs) worldwide from 1st quarter 2015 to 4th quarter 2018 (in millions)



Number of Apple Music subscribers worldwide from October 2015 to November 2018 (in millions)



Global Streaming Music Subscription Market H1 2018

Global Streaming Music Subscription Market, H1 2018 (All Revenues Are Label Trade Values)

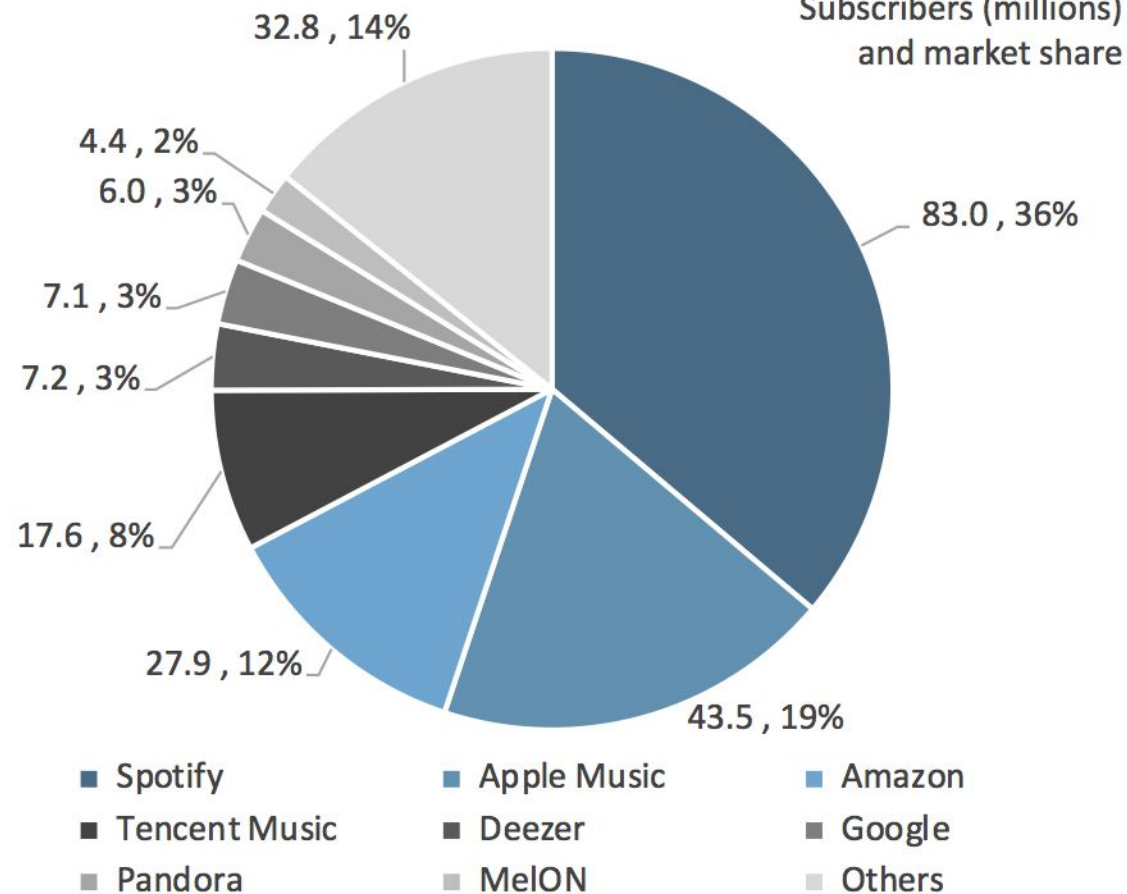
MUSIC SUBSCRIPTION REVENUE BY SERVICE

Revenues in millions USD



MUSIC SUBSCRIBERS BY SERVICE

Subscribers (millions) and market share



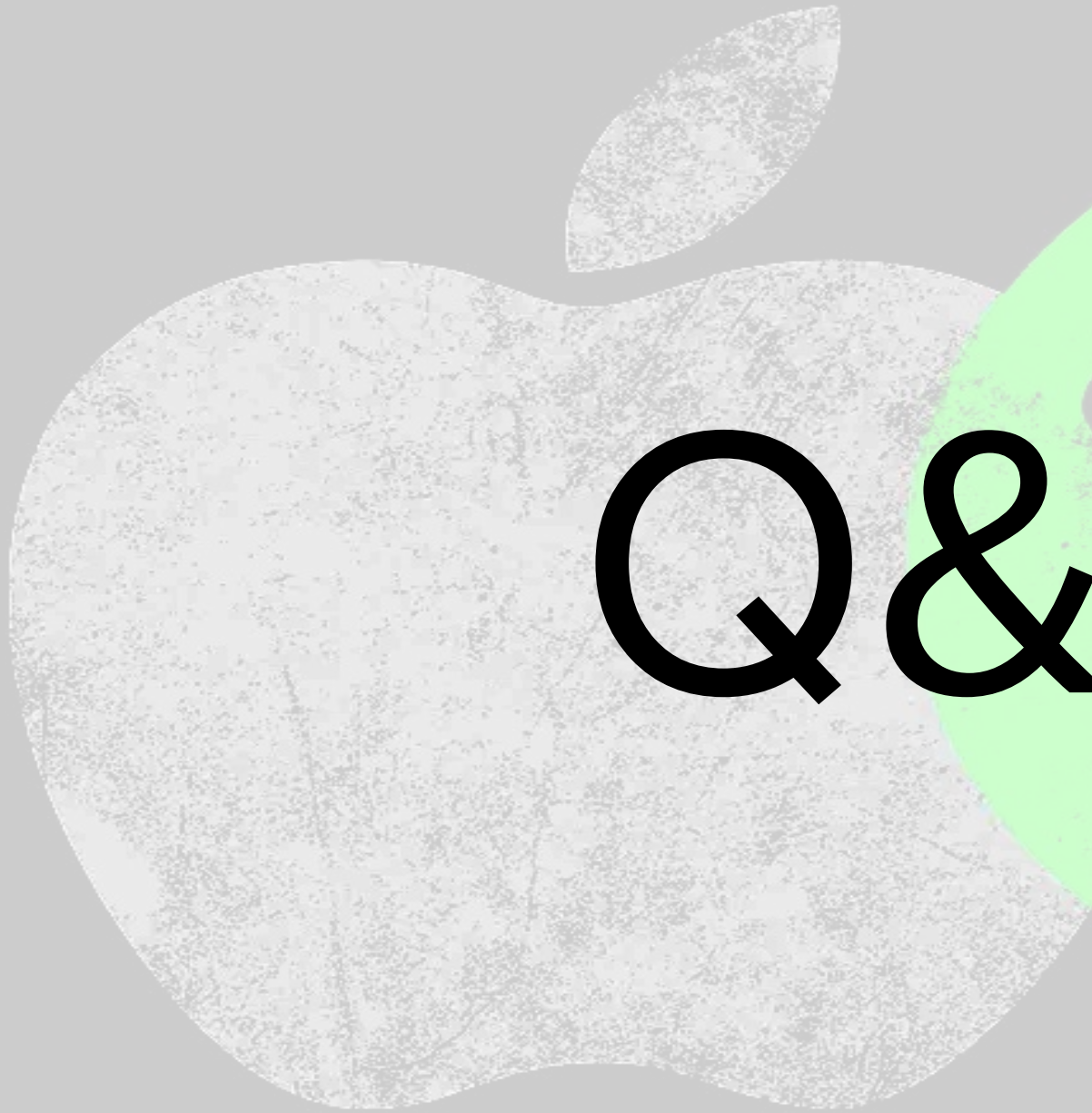
MUSIC SUBSCRIPTION MARKET METRICS

229.56m Music Subscribers H1 2018

\$3,498m Music Subscription Revenue H1 2018

Source: MIDiA Research Music Subscriber Market Share Model 09/18





Q & A