ENHANCING LISTENING EXPERIENCE

Milestone 3- Product Note

Enhance user interaction to **increase time spent** and listener engagement on Spotify, **driving revenue** growth.

Team: Product Management
Contributors: Aditya Kumar
Status: Brainstorming
Resources Used: Milestone 2, User Research, Survey

Problem Definition

- **What is the problem?**
  Many users in the 18-24 age group find Spotify Premium expensive, are unaware of student discounts, and don't see enough value in upgrading due to ad tolerance and content satisfaction.
- **Who is facing the problem?**
  Indian users aged 18-24, especially students and early-career professionals, who perceive Spotify Premium as costly and lack awareness of its benefits.
- **What is the business value that will be unlocked by solving the problem?**
  Increasing awareness and perceived value of Premium can drive higher conversions, boosting subscription revenue and user retention.
- **How will the target users benefit if the problem is solved?**
  Users will gain affordable access to ad-free music, offline playback, and exclusive features, enhancing their overall listening experience.
- **Why is it urgent to solve this problem now?**
  Competitors like YouTube Music and Wynk are capturing price-sensitive users, and improving Premium adoption now can strengthen Spotify's position in the Indian market.

Goals:

Develop strategies to improve Premium conversions by leveraging ads, affordability, and feature awareness to maximize time spent and listener engagement.

High-Level Goals:

1. Increase Premium Conversion Rate by optimizing ads and pricing perception.
2. Boost Student Plan Awareness to drive adoption among price-sensitive users.
3. Maximize Listening Time by enhancing content engagement and feature usage.
4. Reduce Churn by strengthening Premium's perceived value.

Measurable Metrics:

Functional (Enhance Ad Impact & Feature Awareness)

- Premium Conversion Rate – Increase in free-to-paid upgrades.
- Student Plan Adoption Rate – Growth in ₹59/month plan sign-ups.
- Average Listening Time – Increase in time spent per user.
- Ad Engagement Rate – Interaction with targeted ad campaigns.

Non-Functional (Monitor Subscription & Engagement Impact)

- Ad-Driven Conversion Rate – Percentage of users upgrading after ad exposure.
- User Awareness Score – Improvement in awareness of Premium benefits.
- Retention Rate – Increase in long-term Premium subscribers.
- Feature Usage Rate – Adoption of exclusive Premium features (offline playback, high-quality audio).

Importance of Metrics:

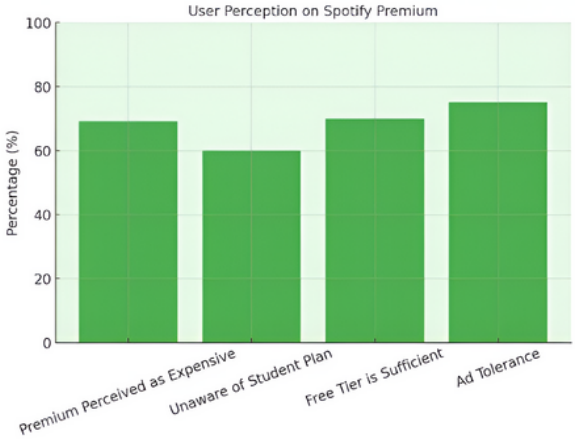
1. Optimize Ad Strategy for Conversions
2. Enhance Feature Awareness & Adoption
3. Improve Listener Engagement & Retention

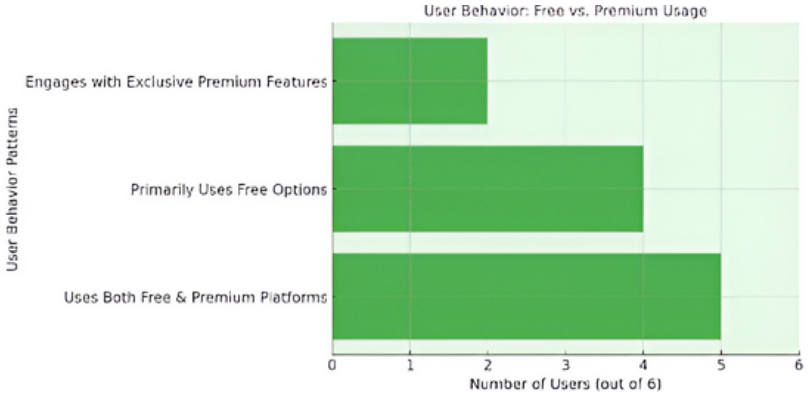
Non-Goals

This project does not include changes to Spotify's pricing models or subscription plans, nor does it address content licensing or copyright concerns. Additionally, UI customization, such as altering themes, colors, or layouts, is outside the scope of improving user engagement through compelling features.

Validation of the Problem

69% of users perceive premium pricing as expensive, particularly for students and early-career professionals, with **70%** unaware of the ₹59/month **student plan**. Additionally, **70%** of respondents find the **free tier sufficient**, and **75% tolerate ads**, reducing their incentive to upgrade.





Understanding the Target Audience

User Segment: Heavy Free Tier listeners who spend over 2 hours daily on the platform.

User Persona
Name: Raju
Age: 22
Profession: College Student
Location: Delhi
Listening Habits:
1. Listens to music during commutes and work hours.
2. Finds premium subscriptions expensive and lacks regional music variety. .

Pain Points:
Repetitive ads disrupt the listening flow.
Limited skips and shuffle-only mode.
Lack of personalized recommendations and regional content.

Proposed Solutions

1) Increase Awareness of Student Discount & Premium Features

- Targeted in-app, email, and social media campaigns to promote the ₹59/month student plan and key Premium benefits.
  Impact: Addresses affordability concerns and boosts conversions.

2) Flexible Subscription Options

- Introduce short-term plans (e.g., ₹29 for 7 days) to reduce commitment fears.
  Impact: Encourages trial without long-term auto-debits.

3) Limited-Time Premium Trials

- Offer free 7-day trials after frequent usage to showcase Premium benefits.
  Impact: Increases perceived value and retention.

Chosen Solution

✅ **Increase Awareness of Student Discount + Flexible Subscription Options**

Why? Directly tackles affordability, awareness gaps, and commitment concerns.

Key Features:

✓ **Targeted marketing for student discounts.**
✓ **Weekly Premium plans for flexibility.**
✓ **Clearer subscription details in-app.**

Metrics to Gauge Success/Failure	Launch Readiness Key Milestones	Launch Checklist
?**Key Performance Indicators (KPIs):** • Premium Conversion Rate (%) • Student Plan Adoption Rate (%): • Trial-to-Paid Conversion Rate (%) • Churn Rate (%): Reduction in users canceling Premium subscriptions.	**Timeline for Execution:** Feature Concept Finalization: Week 2 Prototype Development: Week 4 Targeted Awareness Campaign Planning: Week 6 Beta Testing with Selected Users: Week 8 Iteration and Refinement: Week 10 Full-Scale Launch: Week 12	**Pre-Launch Essentials:** • Technical Readiness • UI/UX Design • Marketing & Communication • Monitoring Tools • Legal & Compliance

Experimentation Plan

- Pilot Testing: Small user group tests for awareness campaigns & flexible plans.
- A/B Testing: Compare conversion rates between exposed & non-exposed users.
- Iterative Improvements: Adjust messaging & pricing visibility based on feedback.
- Gradual Rollout: Phased expansion across regions.
- Post-Launch Monitoring: Track adoption, conversion, and churn rates.

Technology Involved

- Subscription & Credit System
- Ad Engagement Tracking
- Personalized Promotion Engine
- Analytics Dashboard
- Analytics and Insights.

Open Questions & Decisions Taken

Open Questions:

- How to effectively increase awareness of the student plan?
- What's the ideal duration for short-term subscriptions?
- How to balance affordability with revenue impact?

Descoped Elements:

- Ad-skipping rewards (not a major pain point).
- Exclusive feature enhancements (low engagement).

Trade-offs Made:

- Prioritized awareness campaigns over feature additions.
- Focused on short-term plans instead of deeper discounts.