

Spotify (SPOT) Mention frequency surrounding Spotify continues to outpace competitors

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Twitter mention frequency for Spotify is up meaningfully Y/Y and Q/Q. Spotify's share of conversations around audio streaming services continues to show positive momentum, while we found declining interest in Pandora (P). Given our analysis of Y/Y and Q/Q trends, we believe the increase in mention frequency will be positive for Spotify in FQ2, while the data on Pandora casts a more negative outlook. As on-demand streaming continues to take share of total audio consumption, our mention frequency analysis shows Spotify had increased its share over all other major competitors, while Pandora's share declined.

- Y/Y Twitter mention frequency is up double-digits for Apple Music, Google Play, Amazon Music, Tidal, and Spotify.** Y/Y Twitter mention frequency for ["apple music"], ["google play"], ["amazon music"], ["tidal"], and ["spotify"] is up 54%, 43%, 37%, 24%, and 14%, respectively. We believe that tags demonstrating a high level of relative change Y/Y (>25%) can be suggestive of directional movement in consumer interest and/or associate company key performance indicators (KPIs). The tag ["tidal"] has been curated to eliminate mentions that do not pertain to the music streaming service.
- Y/Y Twitter mention frequency is down double-digits for SoundCloud and Pandora.** Y/Y Twitter mention frequency for ["soundcloud"] and ["pandora"] is down 15% and 58%, respectively. The tag ["pandora"] has been curated to eliminate mentions that do not pertain to the music streaming service.
- Y/Y Twitter mention frequency is up meaningfully for Spotify's podcasts and subscription plans.** Y/Y Twitter mention frequency for [podcast + "spotify"] and [plan + "spotify"] is up 101% and 37%, respectively.
- Q/Q Twitter mention frequency is up double-digits for Apple Music, Google Play, Tidal, and Spotify.** Q/Q Twitter mention frequency for ["apple music"], ["google play"], ["tidal"], and ["spotify"] is up 40%, 11%, 123%, and 14%, respectively. Mention frequency for Tidal spiked in FQ2 after Beyoncé and Jay Z released their collaborative album exclusively on the platform. This results in an inflated Q/Q increase for the tag ["tidal"]. However, we believe much of the chatter indicated that fans would not be switching to Tidal to hear the album, and two days later the album was released on Spotify and Apple Music.
- Q/Q Twitter mention frequency is down for SoundCloud, Amazon Music, and Pandora.** Q/Q Twitter mention frequency of ["soundcloud," ["amazon music"], and ["pandora"] is down 2%, 11%, and 37%, respectively.



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- **Q/Q Twitter mention frequency is up for Spotify subscriptions, Spotify Premium, and Spotify's partnership with Hulu.** Q/Q Twitter mention frequency for ["subscribed" + "spotify"], [premium + "spotify"], and ["hulu" + "spotify"] is up 26%, 17%, and 15%.

BACKGROUND

- **Popularity of streaming audio increases.** A 2017 year-end report from Nielsen showed that on-demand streaming accounted for 54% of total audio consumption (excluding radio), marking the first year that on-demand audio has accounted for the majority of total audio consumption.
- **Spotify holds the largest share of conversations among top streaming platforms.** Mentions of ["spotify"] outpace ["apple music"], ["tidal"], ["soundcloud"], and ["pandora"] by accounting for 57% of the total mention frequency of the top streaming services for the year ended June 30, 2018 (see Figure 5).
- **Spotify's share of mention frequency is increasing.** Mentions of ["spotify"] accounted for 54% of chatter surrounding streaming services in FQ2 '17. In FQ2 '18 Spotify's share increased to 57%. Over the same time, mention frequency of ["pandora"] decreased from 9% of the total chatter to 4% (see Figures 6 and 7).

FIGURE 1: FQ2 TWITTER TAG DATA – STREAMING SERVICES

TAG	APPROXIMATE MENTIONS	Y/Y CHANGE IN MENTION FREQUENCY	Q/Q CHANGE IN MENTION FREQUENCY
“apple music”	215,000	54%	40%
“google play”	59,000	43%	11%
“amazon music”	4,000	37%	-11%
“tidal”	103,000	24%	123%
“spotify”	786,000	14%	14%
“soundcloud”	173,000	-15%	-2%
“pandora”	62,000	-58%	-37%

Source: TickerTags

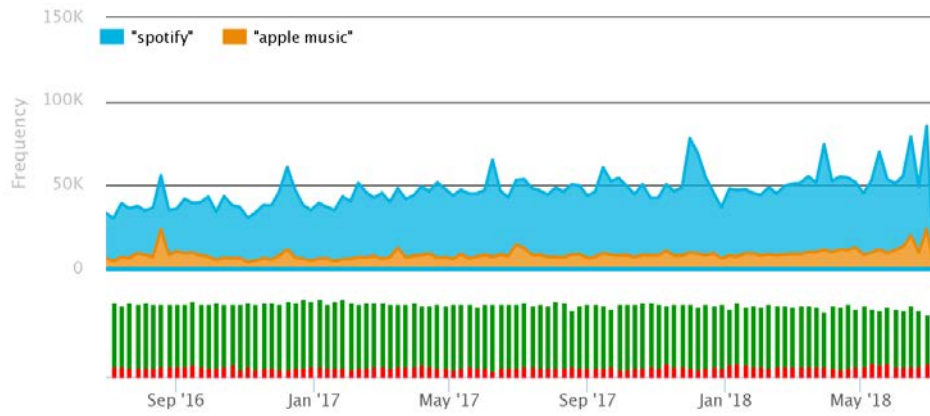
FIGURE 2: FQ2 TWITTER TAG DATA – SPOTIFY PRODUCTS

TAG	APPROXIMATE MENTIONS	Y/Y CHANGE IN MENTION FREQUENCY	Q/Q CHANGE IN MENTION FREQUENCY
podcast +“spotify”	3,600	101%	-5%
plan +“spotify”	2,300	37%	-5%
“subscribed” +“spotify”	300	20%	26%
premium +“spotify”	33,000	-6%	17%
“hulu” +“spotify”	3,900	N/A	15%

Source: TickerTags

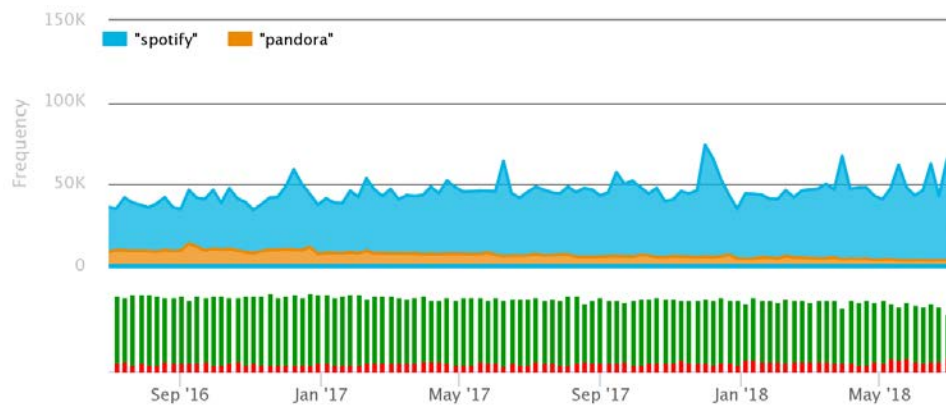
As a minimum barometer of reliability, the volume of estimated quarterly tag mentions on Twitter (different from normalized tag frequency) should be no less than 1,000. Tags with quarterly mention volume of less than 1,000 should be viewed with caution. Estimated Twitter mention volume is deduced by applying a 10x multiplier on the tag’s volume of mentions originating from Twitter’s Decahose. Twitter’s Decahose comprises approximately 50 million tweets daily.

FIGURE 3: TWITTER MENTION FREQUENCY OF ["SPOTIFY"] AND ["APPLE MUSIC"]



Source: TickerTags

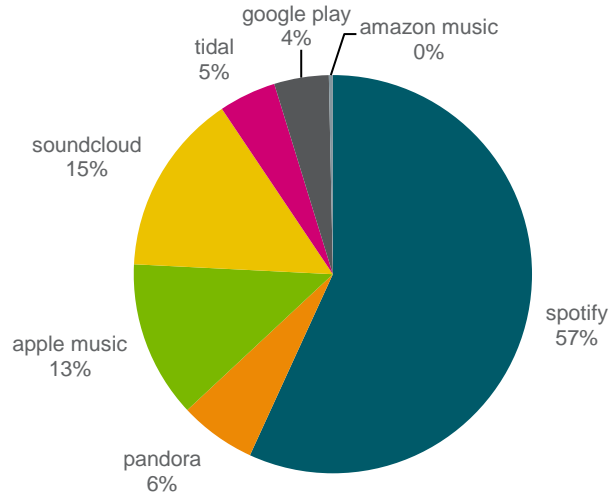
FIGURE 4: TWITTER MENTION FREQUENCY OF ["SPOTIFY"] AND ["PANDORA"]



Source: TickerTags

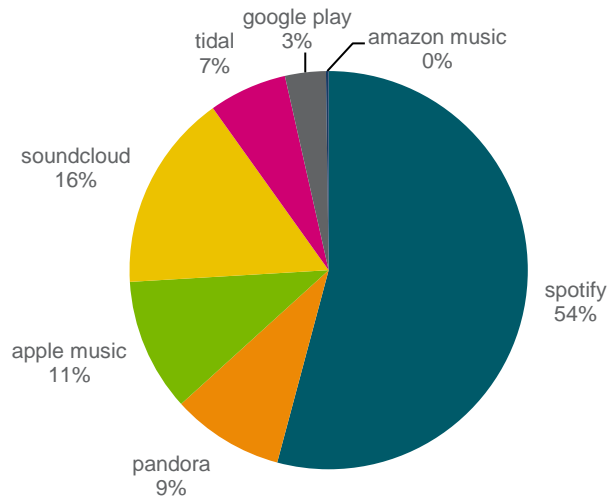
The charts above quantify Twitter mention frequency and sentiment around the relevant mentions over time. We define mention frequency as a normalized measure of tag mentions compared to the total number of relevant messages across Twitter.

FIGURE 5: TWITTER MENTION FREQUENCY BREAKDOWN OF MUSIC STREAMING SERVICES FROM JUNE 30, 2017 - JUNE 30, 2018 (FQ2 17 - FQ2 18)



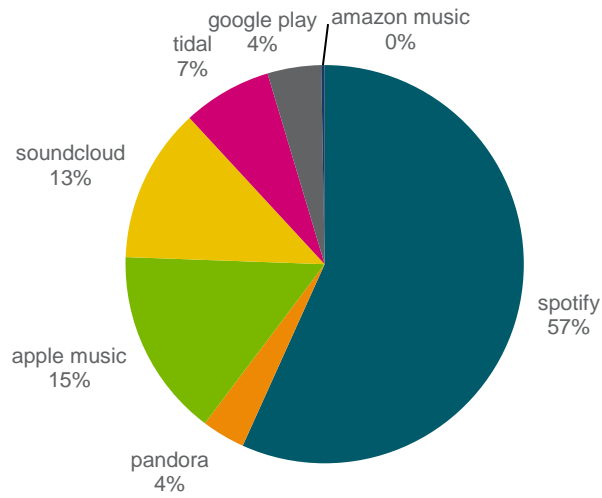
Source: TickerTags

FIGURE 6: TWITTER MENTION FREQUENCY BREAKDOWN OF MUSIC STREAMING SERVICES FROM APRIL 1, 2017 - JUNE 30, 2017 (FQ2 17)



Source: TickerTags

FIGURE 7: TWITTER MENTION FREQUENCY BREAKDOWN OF MUSIC STREAMING SERVICES FROM APRIL 1, 2018 – JUNE 30, 2018 (FQ2 18)



Source: TickerTags

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ABOUT TICKERTAGS

TickerTags maps the digital ecosystem and recognize insights in everyday conversation. With approximately 1 million tags mapped to nearly 3,000 public and private companies, TickerTags maps and monitors the multitude of tangible and intangible business drivers that move and influence companies and markets. Structuring alternative data for the investment industry is often a laborious, resource-intensive and time-consuming exercise. As a leading word mention frequency investment tool, TickerTags converts conversation activity into investment insight that is useful for investment analysis.

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ABOUT M SCIENCE

M Science is a data-driven research and analytics firm, uncovering new insights for leading financial institutions and corporations. Founded in 2002, M Science is revolutionizing research, discovering new data sets and pioneering methodologies to provide actionable intelligence. Our research teams have decades of expertise working with massive amounts of unstructured data in near real-time to discern critical insights that help clients make more informed decisions. We combine the best of finance, data and technology to create a truly unique value proposition for both financial services firms and top corporations.

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REFERENCES

On May 31, 2018, M Science LLC acquired substantially all of the business of TickerTags, Inc. Prior to this date, reports were prepared and distributed by TickerTags, Inc.

Mention frequency is derived from the total number of tag mentions divided by the number of total mentions. This is represented as tag mentions per 100 million total mentions. If total mentions fail to meet 100 million mentions in a period, then the data is scaled.

Data reflects English language messages excluding messages suspected to be spam and messages deemed NSFW. Organic mentions reflect tag mentions excluding retweets and tweets containing hyperlinks.

As a minimum barometer of reliability, the volume of estimated quarterly tag mentions on Twitter (different from normalized tag frequency) should be no less than 1000. Tags with quarterly mention volume less than 1000 should be viewed with caution. Estimated Twitter mention volume is deduced by applying a 10x multiplier on the tag's volume of mentions originating from Twitter's Decahose. Twitter's Decahose comprises approximately 50 million tweets daily. The context of 300 representative Tweets for comparable periods has been reviewed and has been found to be contextually similar.