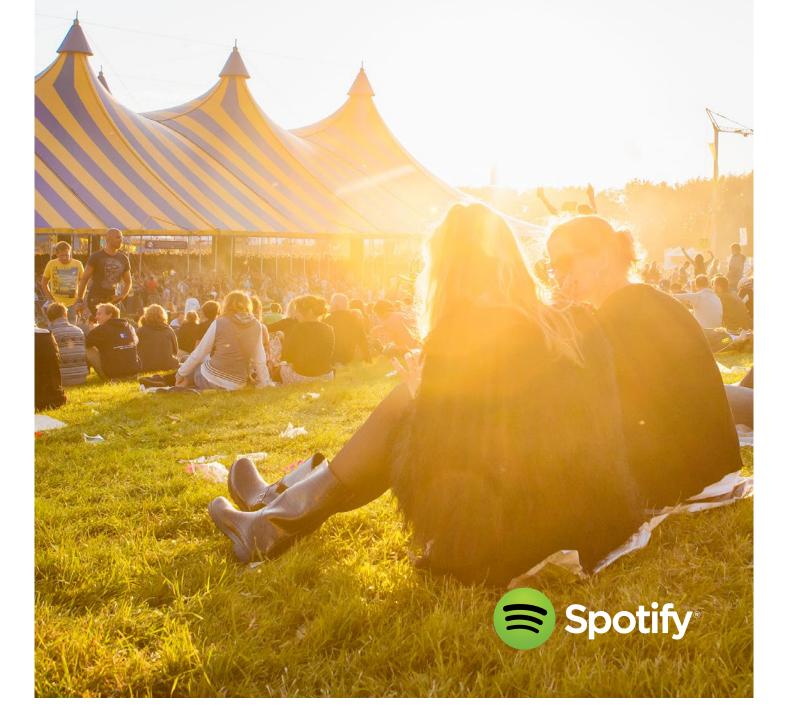
Adventures in the Lowlands

Best practice for Spotify, social media and festivals.





Contents

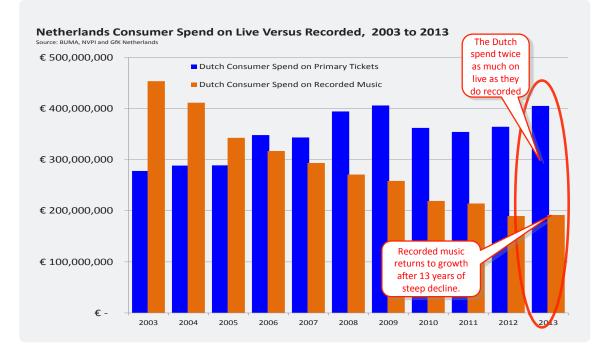
- 1. **Festivals, streaming and social media** Filling a knowledge gap
- 2. **Spotify's Impact at Lowlands: before, during and after** Surveys show that over two thirds of Lowlands festival goers have Spotify
- 3. Getting to know how fans get to know you, on Spotify First Aid Kit win the crowd over, afterwards
- 4. **Social waves from the crowd** A meaningful measure of instant gratification
- 5. **Book ahead** How to make the best use of Spotify for fans, bands and promoters



Festivals, streaming and social media

Filling a knowledge gap

'Go fishing where the fish are', once remarked marketing guru, Vanessa Bakewell, of Facebook. It's no surprise that the fish, or the big money, has shifted from recorded music to live performance in the past decade. But the sheer extent of that shift has rarely been calculated. The chart below lays out what happened in The Netherlands: consumer spend on recorded music has halved since 2003, with live music now capturing twice the amount spent on CDs, downloads and streaming.



SPOTIFY'S SUCCESS in the Netherlands is well known. It is widely considered one of the first non-Scandinavian success stories. Spotify now reaches over one in ten of the Dutch population. Its successful partnership with the country's main telco, KPN, helped the Dutch recorded music industry return to growth in 2013, after thirteen years of steep decline.

So it's timely that we consider the role Spotify has in the growing blue bars of live music, as well as its primary role in restoring those orange bars of recorded music.

TO DO THIS, WE TEAMED UP with Eric van Eerdenburg and the Mojo Netherlands team, and independent consultant Chris Carey, and went about filling a knowledge gap: for all the talk about streaming, social media and festivals, there is little knowledge or best practice on how to apply and interpret the wealth of data produced. We should stress from the get-go that this work respects privacy: it's not about turning festivals into 'big brother' territory, but simply using data effectively to help both bands and fans.

A deep dive into the Lowlands festival, which took place on 15-17 August 2014, makes a lot of sense. Spotify is big in Holland, and Lowlands is one of the country's biggest festivals. Moreover, Lowlands has a reputation for breaking bands, as opposed to booking bands that have already broken.

This study leaves no stone unturned, incorporating analytics from Facebook, Next Big Sound and chart company, GfK Netherlands, to establish a best practice for the live and recorded music industry. File under a lesson in the learning curve.

Spotify's impact at Lowlands: before, during and after

Survey evidence shows two thirds of Lowlands festival goers use Spotify

Most festivals run market research after the event, to understand their audience and the experience they had. Some extend their research to look at what happens prior to the event. We wanted to raise the bar with the insights produced for Spotify and Lowlands to understand how people used Spotify (and streaming services) before, during and after the festival. To do this, we conducted two surveys: a conventional Mojo Concerts survey and a bespoke Spotify survey. The respondents for each ranged between 1,500 and 2,000, making it statistically robust.

SPOTIFY'S BESPOKE SURVEY was complemented by Mojo's own analytics in producing the headline: over two thirds of the people at Lowlands use Spotify. What's more, just over half subscribe to the Premium service. To dig deeper, what raised most eyebrows was Spotify's consistent appeal across all demographic groups, with more than half of over 55's using streaming services.

	Spotify Findings	Mojo Findings
Before	70% of Spotify users discovered new bands through Spotify.	Website leads pre-festival (74%), followed by Facebook (49%).
During	People kept their focus on the festival, with only 1 in 3 using Spotify.	65% of festival fans used the Lowlands app on-site.
After	48% listened to bands they had missed.	72% of attendees plan to come back next year.
Takeaway	Spotify enhances and prolongs the overall festival experience, and encourages discovery of new music.	Almost 90% had a smart phone on-site, offering us new chances to connect with the audience.

The table below outlines the key unique findings of both surveys.

CRUCIALLY, 70% of Spotify-using attendees used the service to check out new bands before the event. Fans use Spotify to work out who they want to see, giving smaller bands a better chance of a bigger audience at the event.

What happened after Lowlands is even more striking: festival goers used Spotify to relive their experiences, with 79% listening to bands they'd seen at the festival. And

over half listened to bands they missed at the festival, meaning further opportunities for discovery. Finally, over two thirds of survey respondents agreed that Spotify enhanced their enjoyment of Lowlands.

THE CONCLUSION? As common sense had already told us, Spotify is good for festivals. What we hadn't expected was the sheer scale of penetration and usage.

Spotify's Best Practice Tip: Surveys

Surveys are a great way to get an understanding of an audience, and technology is making them much easier to do. Here are three tips when designing a survey:

- + Firstly, think about what decisions you're going to make based on the answer.
- Secondly, think about how you want to explore that answer (age, gender, Facebook user, music fan etc.) and ask additional questions to give you that information.
- Thirdly, it is really important to ask very specific questions. If the respondent might have misunderstood the question, you won't know how reliable the data is.

A word of caution on interpretation: interpret your results in context. For this study, it's important to note that we spoke to Lowlands festival goers, who are great for understanding Lowlands but are NOT representative of the Dutch population at large.



Getting to know how fans get to know you, on Spotify

First Aid Kit win the crowd over, afterwards

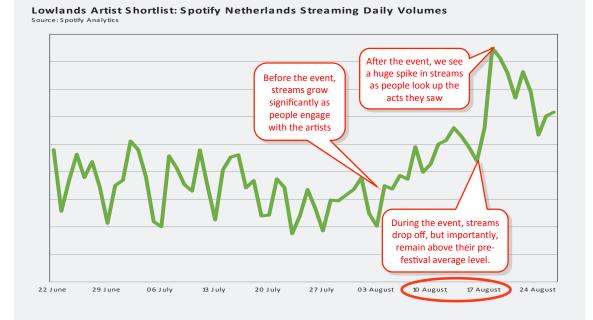
For this Lowlands deep dive, we analysed the impact that playing the festival had on various artists' Spotify streams. We looked at the rise of streams within the Netherlands, before, during and after the event.

We also looked at the number of people streaming to determine whether each band increased their fan base, or simply the engagement of their existing fans. To do this, we selected a representative cross-section of the festival line-up, including big-name acts like Imagine Dragons, and smaller artists like Luke Sital-Singh and Boy & Bear.

Artists who made the shortlist

From the main stage: Imagine Dragons, Sam Smith and Stromae. **Elsewhere on the bill:** Jett Rebel (Netherlands), Boy & Bear and Chet Faker (Australia), Die Antwoord (South Africa), First Aid Kit (Sweden), Gesaffelstein (French), The Neighbourhood (USA), and from the UK: Jungle, Luke Sital-Singh, Nick Mulvey, Royal Blood, The Acid and You Me At Six. (The higher proportion of UK artists reflects the fact that last year, one in four albums sold in Holland were British: a real UK export success story!)

THE CHART BELOW captures Spotify Netherlands streaming volumes for these sixteen bands. The axis has been removed to respect commercial nature data, but the spikes tell a clear 'festival bounce' story in three stages.



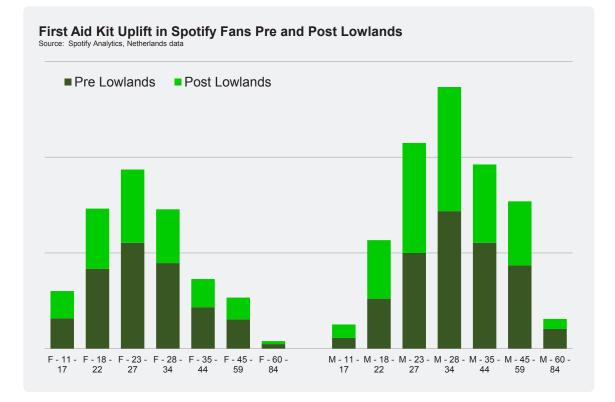
Spotify's Best Practice Tip: Measuring Uplift

It can be hard to isolate the impact of a single event. A common mistake is to overlook the many other moving parts that influence the data (release schedule and marketing budget to name but a few). To help control for this, you can examine whether the uplift is unexpectedly seen in other territories. For example: spikes outside the Netherlands would suggest that a rise in streams isn't driven by Lowlands alone.

The other approach you can apply is to look at relative growth rates, rather than absolute numbers. This means that an artist growing at 15% each week in the build up to an event is held to a higher standard than someone growing at 2% or someone not growing at all. This helps spot meaningful changes when dealing with artists who have large fan bases.

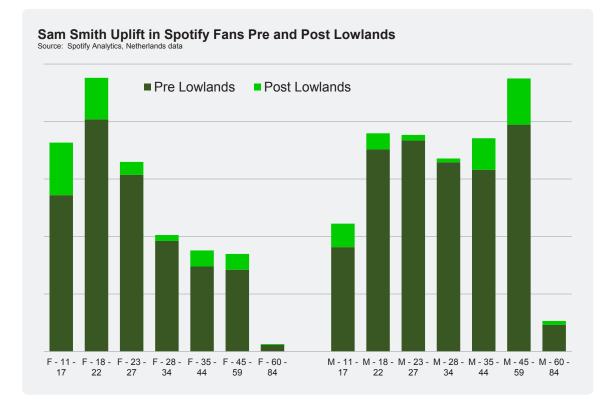
WHEN IT COMES TO picking winners, Swedish female folk duo First Aid Kit took the prize convincingly. Their streams more than doubled (up 135%) in the two weeks following the festival. That's a serious spike in both absolute and relative terms. Interestingly, the number of people listening to them shot up by 80% in the same time period, suggesting they really found a new audience (as well as new engagement) in The Netherlands.

The chart below suggests that the uplift in Dutch streamers of this Swedish act was evenly spread across age and gender.



Out of the many major acts at Lowlands festival, it was Sam Smith whose Spotify success story stood out in both streams and sales. UK-based Sam Smith saw a 22% jump in weekly Dutch streams after Lowlands, and was also ramping up streaming prior to the event. He saw a 14% gain in new listeners – significant given he was already mainstream.

The chart below captures his uplift in Spotify fans by age and gender, with a notable rise in male and female teens. This uplift in activity fed through into both streams and sales, with the former generating more revenue than the latter.



Spotify's Best Practice Tip: Interrogating Data

Artists and managers can increasingly use the analytical capabilities of companies like Next Big Sound, Music Metric and Buzz Deck to measure and overlay the impact of advertising campaigns and other promotional activities on artist streams, sales and social activity. The natural question to ask is about the volume of activity (streams) generated.

The next level of insight is to start thinking about the volume of people who are generating those streams. There is a tremendous difference between 10,000 artist streams being generated by 500 crazed fans and 10,000 streams coming from 5,000 people listening twice each.

Data volumes mean that this isn't always easy to do, even for the experts, but over the medium term the next wave of analytics will take us beyond this top line data and into much more detailed analysis.



Social wave from the crowd

A meaningful measure of instant gratification

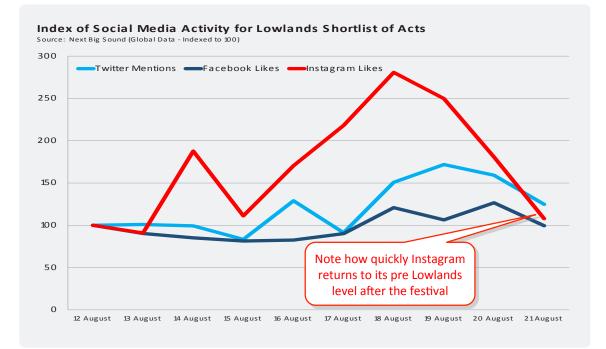
Streaming and sales are only part of the puzzle for bands and managers navigating this new landscape. Social media might not pay the bills directly, but it can help, because its effect is more immediate. In an age of instant gratification, this can no longer be ignored.

The chart below tracks global Facebook, Twitter and Instagram activity related to our sixteen artists, before, during and after Lowlands. Caution is required as global data could include noise from marketing activities in other markets, but we can be confident that the daily activity here relates to their only festival performance on the weekend. Before

interpreting social activity, recall that metrics have different values depending on the question you're asking. Taking Facebook as an example: if you're measuring the impact of a recent press campaign, the 'talking about' numbers and new like rates are much more meaningful than the total.

WHAT THE DATA TELLS US is that the biggest social wave came from Instagram, with a dramatic jump, almost trebling its pre-Lowlands level. Twitter shows a small spike before the event, and Facebook captures traction afterwards.

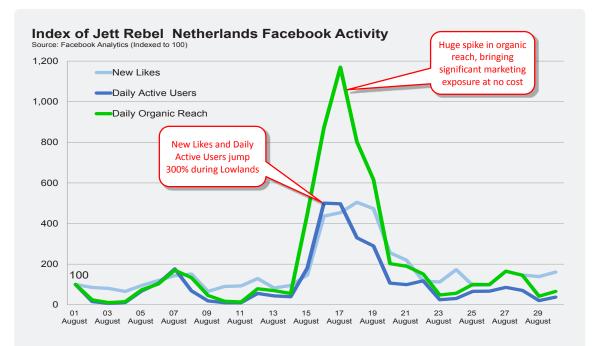
The role of Instagram at festivals is intuitive but often overlooked, and it should come as no surprise how quickly it subsides after the event, whilst Twitter and Facebook sustain their new levels for a longer time.



WE CAN ALSO USE social media to dive deep in to another of the festival success stories – local Dutch artist Jett Rebel. Spotify analytics showed a large boost around the festival, with his Dutch streams jumping 45% after the event. Interestingly, the number of people listening only grew 10%, suggesting his festival appearance did an excellent job of reengaging fans, but didn't necessarily gain him many new fans on Spotify.

But while his streaming story seems to be one of re-engagement, his social story points to new fans and massive exposure. Working with analysts at Sony Music Entertainment Netherlands, we were able to isolate his Dutch Facebook activity. Interestingly, around the festival we see a significant uplift in three key metrics: new likes, active daily users (people engaging with the artist) and organic reach (the number of people who saw his content).

The boost in new likes on Jett Rebel's page suggests that he did grow his online fan base significantly, aided by the massive increase in organic reach.



Spotify's Best Practice Tip: Social Media

Not all metrics are created equal. When looking at social stats, engagement over time can be a much more valuable metric than a one off activity. As such, looking at metrics like talking about and active users can be more telling than simply looking at likes.

In terms of tips, having standard questions that you consistently ask for each of the artists you analyse can be very helpful. The consistency naturally creates a feedback loop whereby you learn which approaches are most effective for which kinds of artists. This is preferable to starting with a blank sheet of paper every time you analyse artist performance.



Book ahead

How to make the best use of Spotify for fans, bands and promoters

The Lowlands story didn't finish on the 17th August 2014. Recall, this festival is especially well known for the discovery of new bands, and developments since justify this reputation. Emerging acts like Die Antwoord, Jungle and First Aid Kit have seen a significant increase in bookings as a result of the festival exposure.

Jett Rebel has seen notable demand for his Heineken Music Hall (HMH) show and Imagine Dragons have booked their first Arena show in the Netherlands. Amongst other local Dutch success stories, Kensington have sold out HMH and Typhoon have sold out their theatre tour.

LOWLANDS, like so many other festivals across Europe, have always been and always will be great places to discover new bands. Nothing new there. But with Spotify reaching critical mass in many key festival markets, there is so much more knowledge being built, and so much less guesswork. This knowledge positively affects fans, bands and promoters.

Take First Aid Kit as a case in point. Our own analytics tell us that their Dutch fan base exploded after the festival. Did the band realise this at the time or did they just acknowledge a lengthy round of applause before moving on to the next field? Did Lowlands director Eric van Eerdenburg realise that First Aid Kit would be the surprise success story of his festival? Thanks to this work, he does now.

AS STREAMING GATHERS momentum across Europe, better data analytics will follow, making festivals even more successful for fans, bands and promoters. It's plausible to see a self-perpetuating growth story: the more festivals that make greater use of streaming, the more success stories will emerge as more unknown bands get discovered.

This opens up an exciting new chapter for everyone who enjoys standing in fields in the summer, no matter how muddy. \mathbf{x}



Sources and notes

Spotify internal data Facebook Regional Data Next Big Sound social media data sets GfK Netherlands sales data Mojo Netherlands data

Privacy

Spotify, Mojo Netherlands and Next Big Sound respect privacy. Personally identifiable information has not been used in this analysis. Similarly, in many charts, the Y-axis labels have been removed to respect the label and artists' commercially sensitive data.

Disclaimer

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Photo Credits: Lowlands: Bart Heemskerk. First Aid Kit: Neil Krug. Jett Rebel: Soesja Leugs.



For those who had any doubts – and unfortunately there are still many who have doubts
– this report shows how Spotify, artists and festivals (or live music in general) push each other. How people use Spotify. How necessary it is for artists and record companies to fully embrace the platform in their careers.

How useful it is to fully integrate Spotify in the promotion of our events. Spotify is where the music fans are. The accessibility of music unknown to a potential fan is under their thumb in their smart phones. We only have to persuade them to push the button...

Eric van Eerdenburg Lowlands Festival Director

