

## **CHAPTER II**

### **SPOTIFY PREMIUM FEATURES**

Technological developments have made it easier for us to listen to music online without purchasing CDs or listening on the radio. Aside from that, users can select different types of songs from various genres. With the various features offered by Spotify Premium, users can enjoy the various advantages of Spotify Premium. This chapter discusses Spotify features in depth.

#### **2.1 Spotify Premium Subscription Fee**

To enjoy Spotify Premium services, Spotify offers several subscription packages for its users, the first is Mini package which only requires one payment for one account at a price of IDR 2,500 per day. The advantage of subscribing to the Mini package is that users can listen to ad-free music on their smartphone and can download 30 songs on one mobile device. The second is Individual package at a price of IDR 54,990 per month for one account with the benefit of listening to ad-free music and being able to download 10,000 songs per device on 5 devices. The third is Duo package at a price of IDR 71,490 per month for two people living in the same house with the benefit of listening to ad-free music and downloading 10,000 songs per device on 5 devices per account. The fourth is Family package at a price of IDR 86,900 per month which can be used by up to 6 family members living in the same house and gets the benefits of blocking explicit music, listening to ad-free music, and downloading 10,000 songs per device on 5 devices. The last one is Student package at a price of IDR 27,500 per month for one special student account and the benefit is that users can subscribe to Spotify Premium at a 50 percent discount for up

to 4 years. The premium package mentioned also has more features that only Spotify Premium users get, such as downloading music offline, enjoying songs without ads, unlimited skips, and better audio quality. There are several ways to pay for Spotify Premium services, namely using a credit or debit card, prepaid card, PayPal, gift cards, and paying with credit.

There are several music streaming platforms that are often used by Indonesian people, and each has different monthly subscription fees, this depends on the features offered. Langit Musik is a music streaming platform in Indonesia with the cheapest subscription packages starting from IDR 4,400 to IDR 22,000 per month. Next, there is Spotify with a subscription price range starting from IDR 27,500 to IDR 86,900 per month. Then, YouTube Music has a subscription price of IDR 24,990 to IDR 75,000 per month. The next position is Resso, which has subscription packages starting from IDR 29,000 to IDR 79,000 per month. Then, Apple Music offers a subscription package at a price of IDR 35,000 to 85,000 per month. Then, Joox provides a subscription package for IDR 49,000 to IDR 59,000 per month. The Amazon Music subscription fee is IDR 149,580 per month. And finally, there is the music streaming platform Deezer which offers a subscription fee of IDR 219,000 to IDR 319,000 per month with the most expensive subscription fee in Indonesia.

## **2.2 Advertising in Spotify**

Spotify is known as a music platform that has various creative advertisements such as the advertisement " Roti dan selai, bunga dan kumbang, romeo dan juliet" which often appears when Spotify Free users are listening to music. Apart from that, Spotify Premium

users will not be disturbed by these advertisements while listening to songs, but Spotify Free users will get advertisements after going through 6 songs or listening to songs for an hour without stopping.

There are five types of advertising on Spotify, namely audio advertising, display advertising, video advertising, podcast advertising, and sponsored playlists. Audio advertising on Spotify is 15 to 30 seconds long with a clickable accompanying image displayed for the duration of the ad. Audio advertising cannot be closed or shifted so that it requires listeners to receive the advertising message. Furthermore, display advertising displays immersive and clickable ads. Every time a Spotify Free user opens the Spotify application, an overlay ad will appear and direct the viewer to the advertised brand if clicked or tapped. In addition, there is a video advertising that is shown to users on mobile or desktop devices when the Spotify application is in focus with a duration of 15 to 30 seconds. Video advertising messages are shown to listeners during commercial ad breaks, and there are accompanying images that can be clicked on. Then, there are advertising podcasts that can reach listeners to get involved in the advertising topics presented. Lastly, sponsored playlists, where the brand will appear in a large header image above a specific playlist that aligns with the specific music tastes of the target demographic.

### **2.3 Spotify Audio Quality**

To get a good and enjoyable music listening experience for listeners, Spotify created an audio quality feature where listeners can adjust the level of audio quality. Spotify has a variety of device-friendly audio quality options for Spotify Free and Spotify Premium. The audio quality on Spotify Free on the web player is AAC 128kbps while on Spotify

Premium it is AAC 256kbps. Apart from that, there are 4 levels of audio quality in Spotify Free on desktops, mobile phones and tablets, namely Automatic which is adjusted to the network connection, Low is equivalent to around 24kbps, Normal is equivalent to around 96kbps, and High is equivalent to around 160kbps. The difference in the audio quality of Spotify Premium and Spotify Free on desktops, cellphones and tablets is that Spotify Premium has a very high level, namely the equivalent of around 320kbps. Then, the podcast audio quality has a bitrate of around 96kbps on all devices except web players which have a quality of 128kbps. Users can choose the audio quality, to listen to finer details they can increase the audio quality, while to save data they can reduce the audio quality.

Apart from that, Apple Music has more advantages than Spotify in terms of audio quality features. Apple Music provides a minimum audio quality limit of 256kbps and can soar up to Lossless and Hi-Res Lossless audio versions up to 24-bit/192kHz or the equivalent of more than 9,000kbps. This makes Apple Music's audio quality much clearer, more detailed and louder than Spotify. However, when compared to YouTube Music, Spotify has superior audio quality. For premium users, Spotify audio quality can reach up to 320kbps while Youtube Music audio quality can only reach up to 256kbps.

## **2.4 Spotify Download Feature**

The music download feature on Spotify is only available to users who subscribe to Spotify Premium. This feature allows users to download albums, playlists and podcasts. Meanwhile, in the free version, users can only download podcasts. Users can download up to 10,000 songs on each device, maximum 5 devices. Moreover, users must activate the internet connection once every 30 days to keep downloading results.

The advantage of downloading music first is that users get offline access which allows them to listen to songs without being connected to an internet connection. Second, downloading music is useful when traveling, especially if the user is in certain places where cellular networks or Wi-Fi cannot reach it. Third, downloading music can help manage data usage and internet quota.

## **2.5 Spotify Unlimited Skip Feature**

The unlimited skip feature in Spotify makes it easy for users to skip as many songs as they like and can choose any song they want to hear. However, this only applies to Spotify Premium users. Meanwhile, Spotify Free users can only skip a maximum of 5 songs and then get an ad for 15 to 30 seconds. This unlimited skip feature provides advantages for Spotify users, such as giving users control over selecting their favorite songs.

Spotify has 515 million monthly active users globally. This figure rose 5 percent compared to the previous quarter and 22 percent compared to the previous year. However, the majority of Spotify users are free users. And only 40 percent of users want to pay the Spotify Premium subscription fee. Spotify's paid users decreased from Q1 2019 which had premium users of 46 percent, then fell to 45 percent in Q1 2020. Then, it fell again to 44 percent in Q1 2021 and 43 percent in Q1 2022. In the previous quarter, premium users fell to 42 percent to 40 percent.