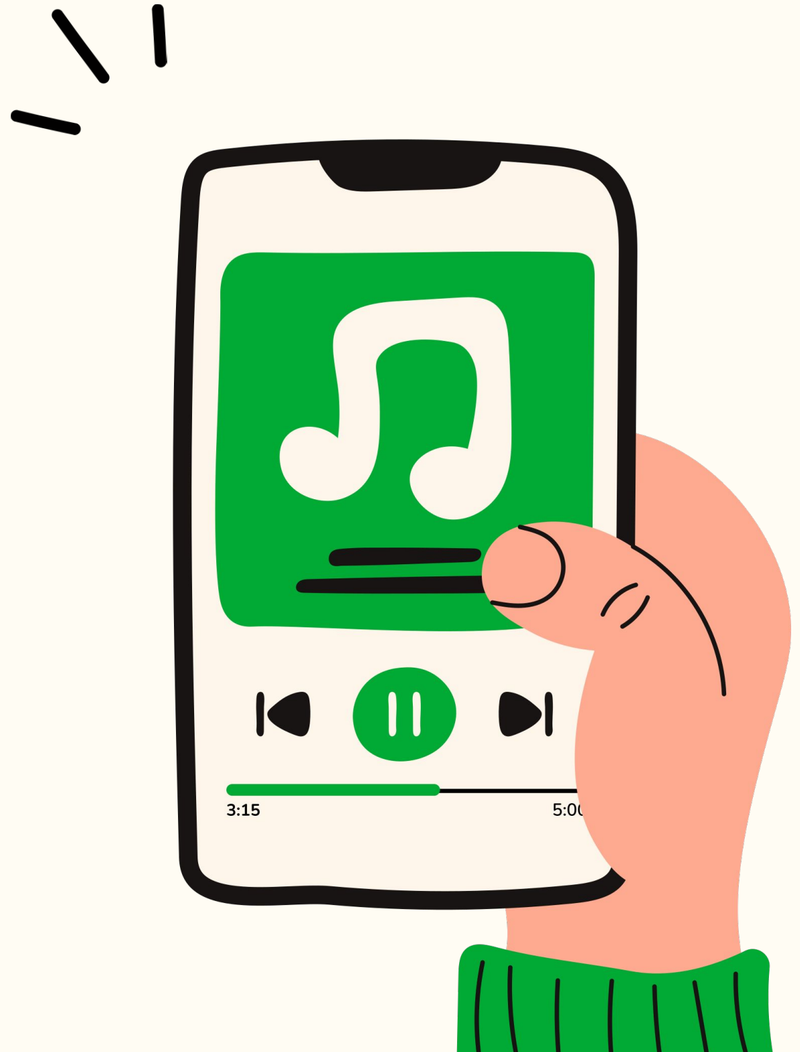
HOW DO WE DO PRODUCT @SPOTIFY?

#AOTB2024

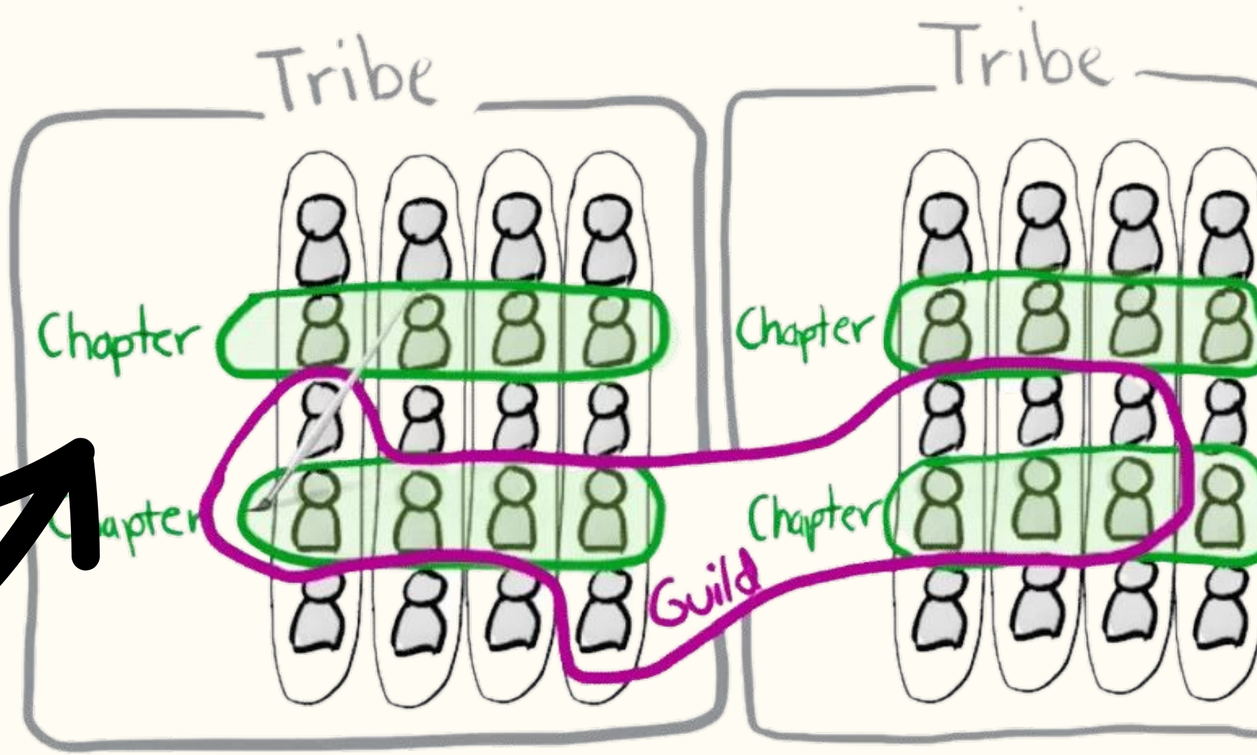


WE SHARE BECAUSE WE CARE, THANKS FOR YOUR FEEDBACK 😘

7%
3%

How come so much success?

Of course, we have a model



… but guess what,
this whole squads, chapters, tribes etc. thing has very little to do with our success.

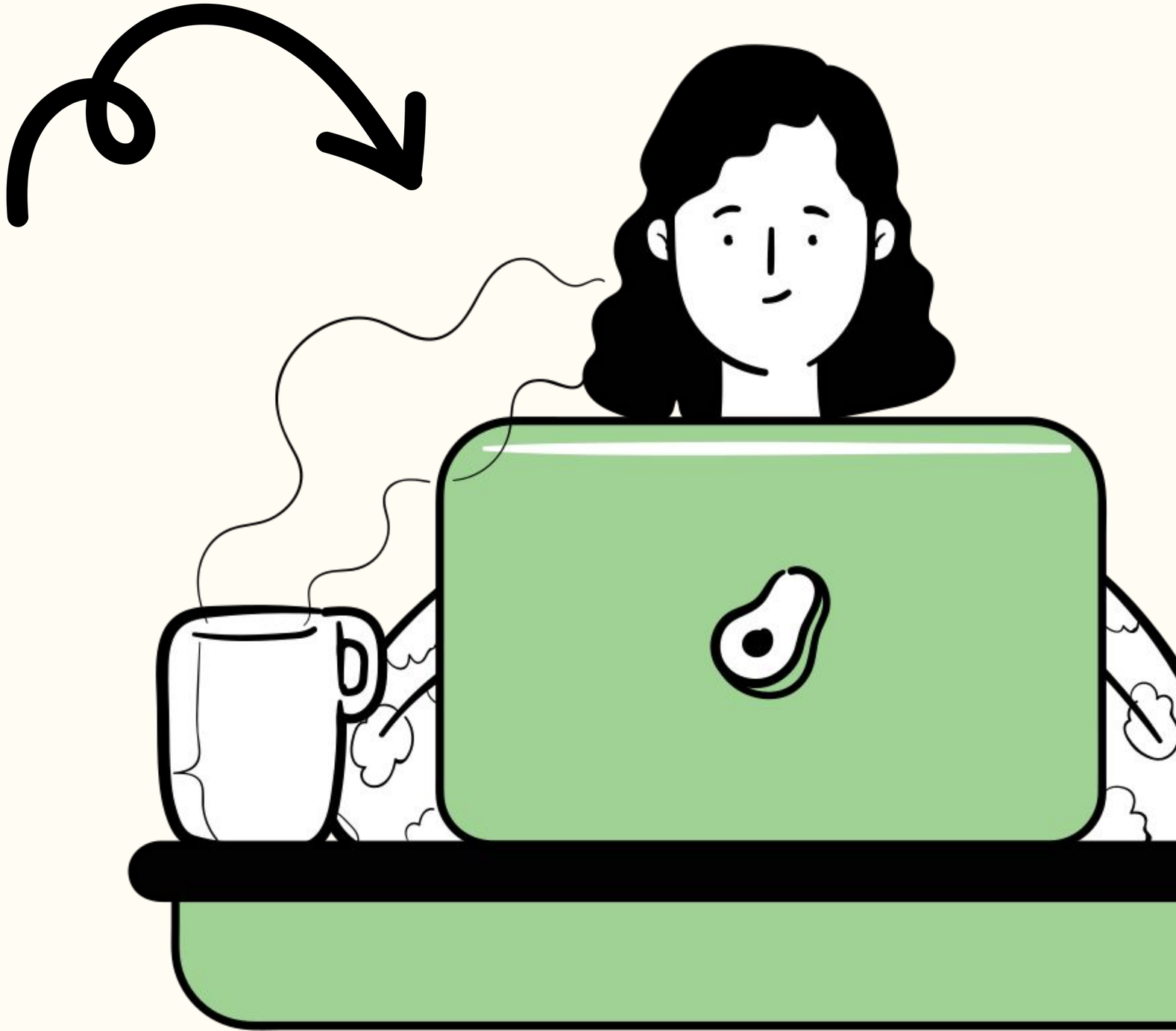
HEJ!

RACHEL DUBOIS

SENIOR AGILE & PRODUCT COACH

Spotify® AIRBUS NATIXIS pôle emploi

Let’s follow Anna, she is PM in CoreX, in a team in charge of the Sign in



- Daily sync on slack
- Checks the data on Backstage : MAU, acquisition %, churn %, with a special focus on the new market we just launched in LATAM
- Short team convo on Gmeet

- Reminds everyone our Mission
- Recalls our goal for this year => our North Star
- Walk us through our Strategic OKRs for this year
- Give updates on our performance so far
- Pre-Planning season => Updated 1 Prio board

Spotify

Spotify Internationalization: Act Global, Think Local

The Bet

This multi-quarter Bet will focus on localization of the Spotify platform to drive MAU & Subs in five key markets (India, Japan, Indonesia, Brazil and Egypt). We will scale any successful solutions to other markets.

How Does This Support Our Strategy?

2022 Company OKR: Transform our music business to align with our Platform future by reinventing the free tier and subscription business model

Some Ways We'll Do This:

- Reflect the local culture and language in our user experience
- Enable culturally relevant recommendations across surfaces and our user experience
- Present a flexible, culturally relevant user experience
- Make Spotify easier to use and understand
- Celebrate local culture

Targeted Impact:

- Increased MAU and Subscriber retention

Visit the Q1 Company Bets Review Deck for more details.

Reinvent Free

The Bet

This Bet aims to bring Spotify back as a leader in music innovation, make our free tier the best-in-class and become the first-choice partner for creators and new listeners (particularly among Gen Z).

How Does This Support Our Strategy?

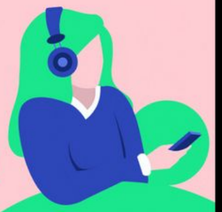
2022 Company OKR: Transform our music business to align with our Platform future by reinventing the free tier and subscription business model.

Some Ways We'll Do This:

- Continue to test different Free experiences for free users in key markets
- Validate that we can retain the perceived value of Premium and continue to grow it
- Test video alongside music in foreground creations
- Create opportunities for self-expression, social interaction & community building in the Free product
- Optimize content & channel mix in performance marketing
- Attract Gen Z through creators by building hype around new releases
- Introduce age-based content filters on Home to enable the right content mix for Gen Z users

Targeted Impact:

- Drive 19M MAU



Visit the Q1 Company Bets Review Deck for more details.

The Exclusive Flywheel (Part 2)

The Bet

Show that we are on a path to profitable, differentiated growth using our Original and Exclusive (O&E) Podcast Content. Part 2 of the bet will focus on acquisition of new audiences, engagement of existing audiences, conversion to premium and monetization.

How does this support our strategy?

2021 Company OKR: Prove that we are on a path to profitable, differentiated growth with the Podcast exclusive flywheel.

Some ways we'll do this

- Acquire new O&E audiences using Off Platform Marketing (inc. WoM, ACM & SEO)
- Engage existing audiences on platform through building new promotional surfaces, cross promotion and more
- Learn more about how to convert O&E users to premium subscribers
- Increase monetization
- Develop the LTV metric and drive actionable insights through research

Forecasted impact:

- Drive 5M Search First Plays with O&E Content
- 10% of MAU to come from O&E listening by the end of 2021
- Contribute €60M to LTV in 2021
- Deliver >€125M in Podcast Ad Revenue

Visit the 2021 Q1 Company Bets Review deck for more details.

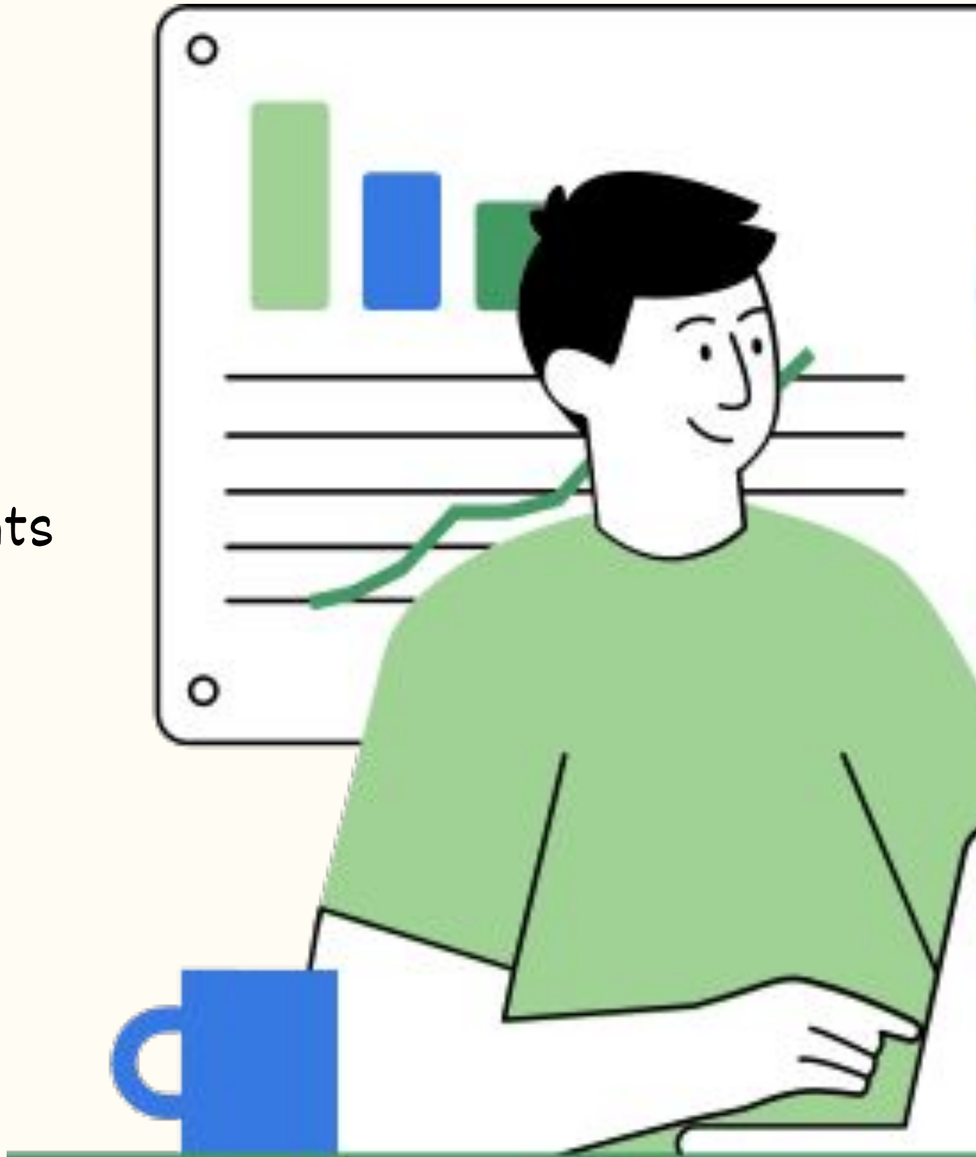
... and answer some tricky questions from folks

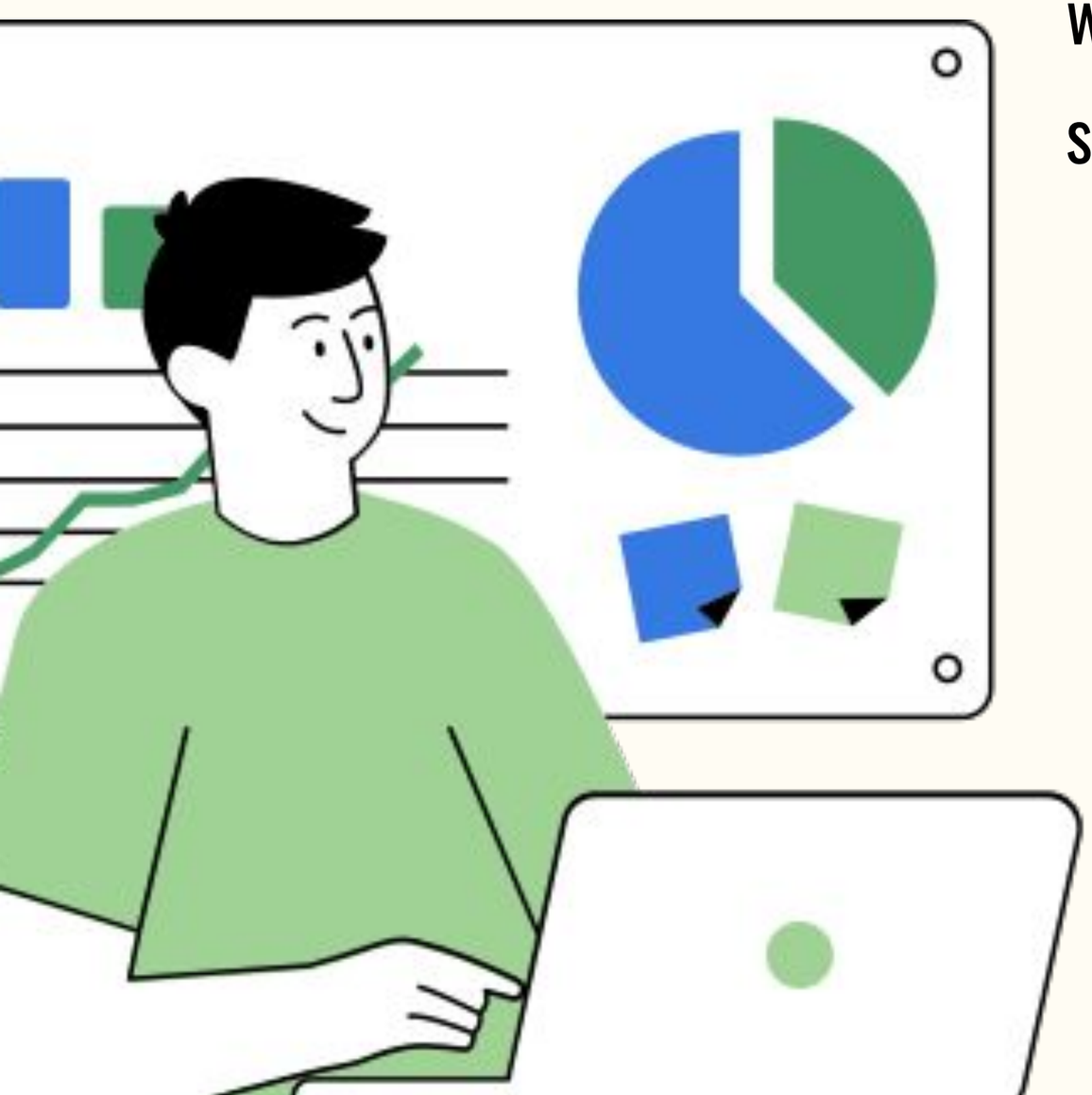
Spotify

Can we increase the amount of registrations by improving the signup form so that more people who try to sign up successfully complete it ?

First things first ! What do we know about it?
Start gathering all the data we have,
and analyze it to see if they can find patterns and useful insights

- Quantitative data
- Insights from qualitative research
- Benchmarking
- Trend research
- ...





After few days working on the data, team comes up with strong insights on what might be blocking some users to register :

- 31 000 users daily press e-mail sign up but fail
- 75% of these users did interact with our form field
- That's 23 000 users daily who fail because they struggle to fill in our form
- The users who fail have 8 errors in average.
- With our current instrumentation, we can't distinguish that any of our 5 input fields would cause more friction than others.

They want to understand better how and why, to grasp customers intent :

- Contact Customer Support and review complains
- Interview end-users and run 2 focus group sessions (panel + control panel)
- Run recorded observations sessions
- Capture customers' intent with the **job to be done** framework

If user makes an error, it is only pointed out after Sign up-button is pressed.

Picking a username is hard, since so many are already taken.

Some users mix sign up with login.

The heavy visual impression with 5 input fields might seem like a lot to commit to.

There is no information provided why the information is needed and how it’s used.

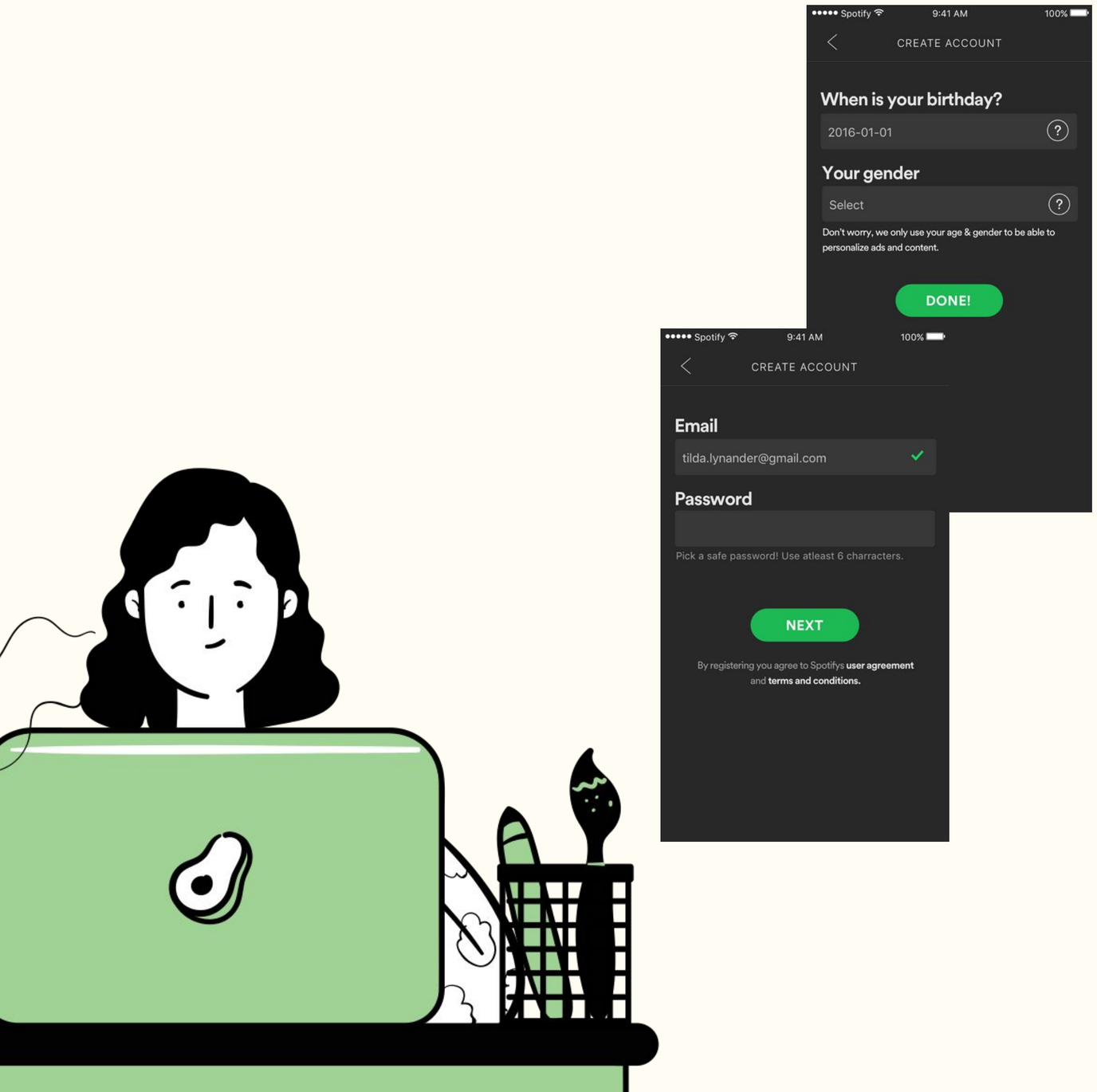
A brainstorm worksession is organized by the whole team :

- Transform problems into opportunities using the **“How might we.. ?”**
- Map all the opportunities into a Tree to visualise better the options
- Prioritize the most juicy problems using data

How might we better support the form filling through guidance and error checks?

How might we eliminate the perception of “too many fields to complete”?

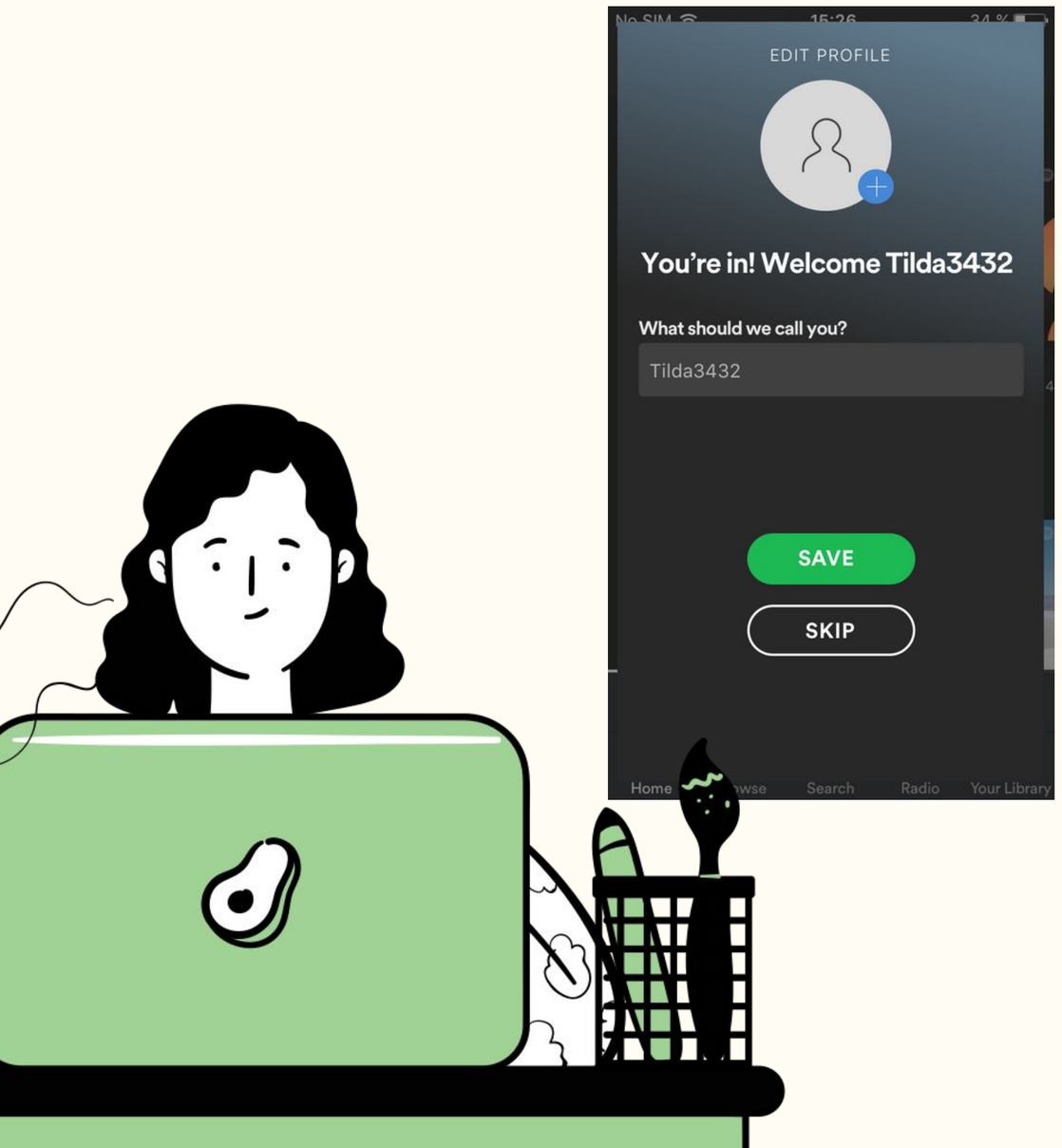
How might we better explain why the information is gathered and how it’s used?



Incremental input

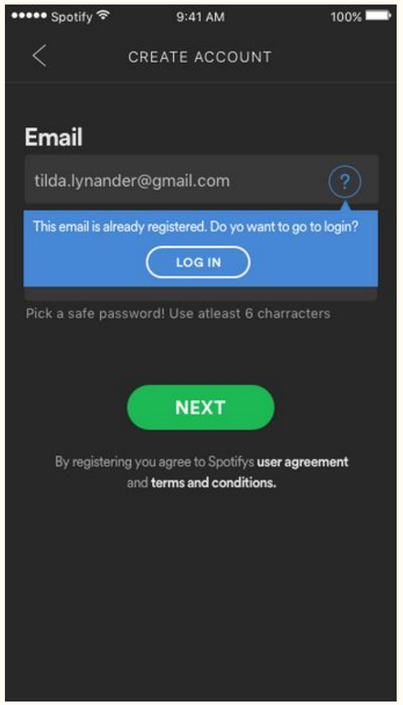
If we have incremental form field input the amount of users who fail will decrease because of 1) perceived ease of use 2) convenience of faster feedback loops.

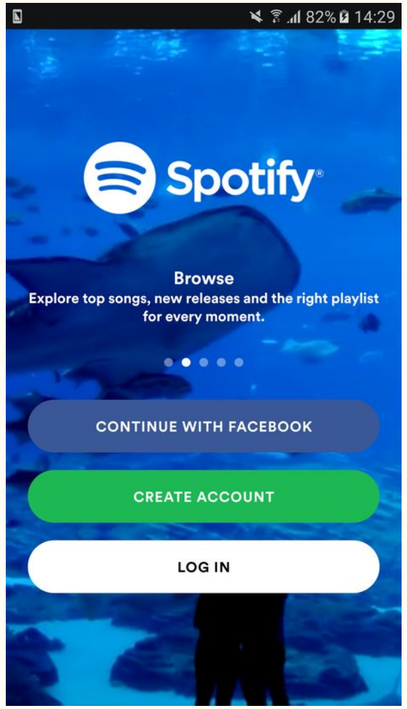
Users have several errors on average. Our five fields do not even fit without scrolling on the small devices on the markets. We have no space for guidance & messaging.



Take away username

If we take away username as a mandatory field from the sign up flow the amount of users who fail will decrease because we have eliminated a common error-pitfall.

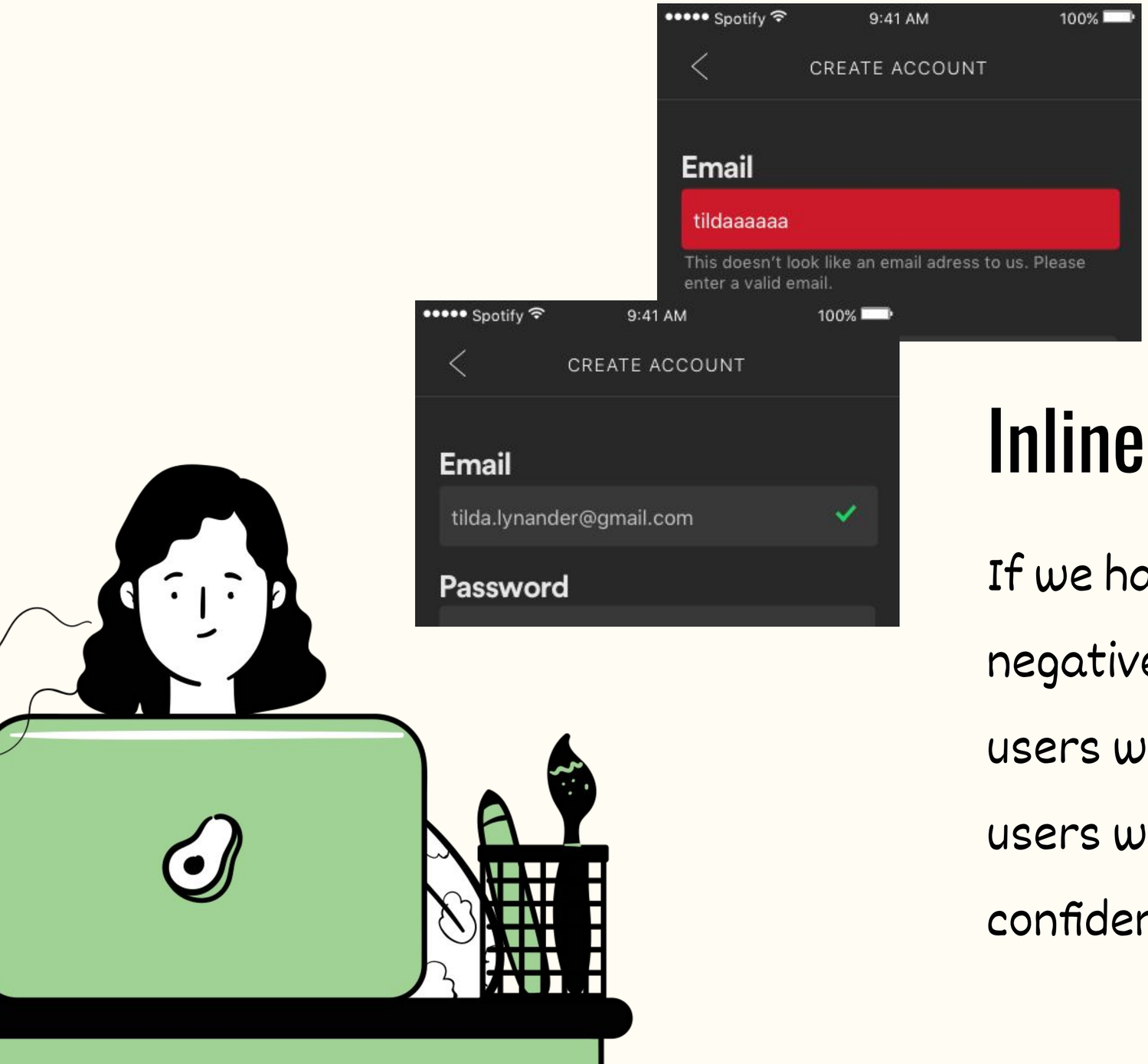




Smart links to login

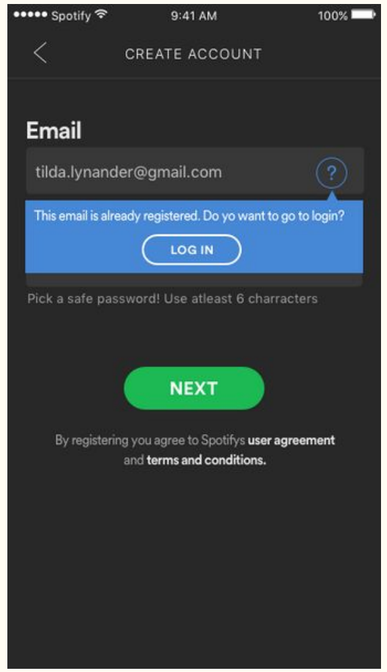
If we provide users that fill in an existing email with a link to login, the failed signup attempts will decrease because existing users gets guided to the right path.

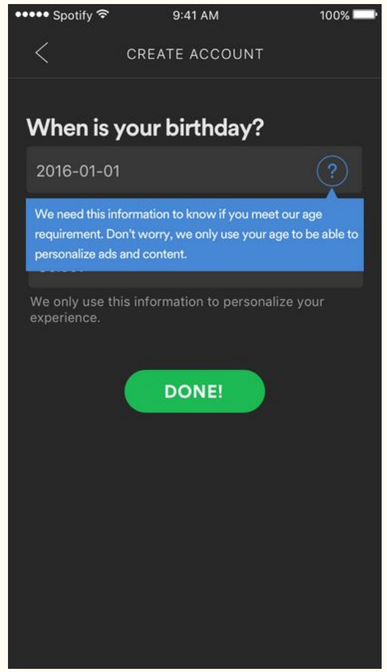
Also by providing “Continue with Facebook” button already on first level of the app, users who don’t remember if they have an account or not, can proceed with fb either by logging in or signing up.

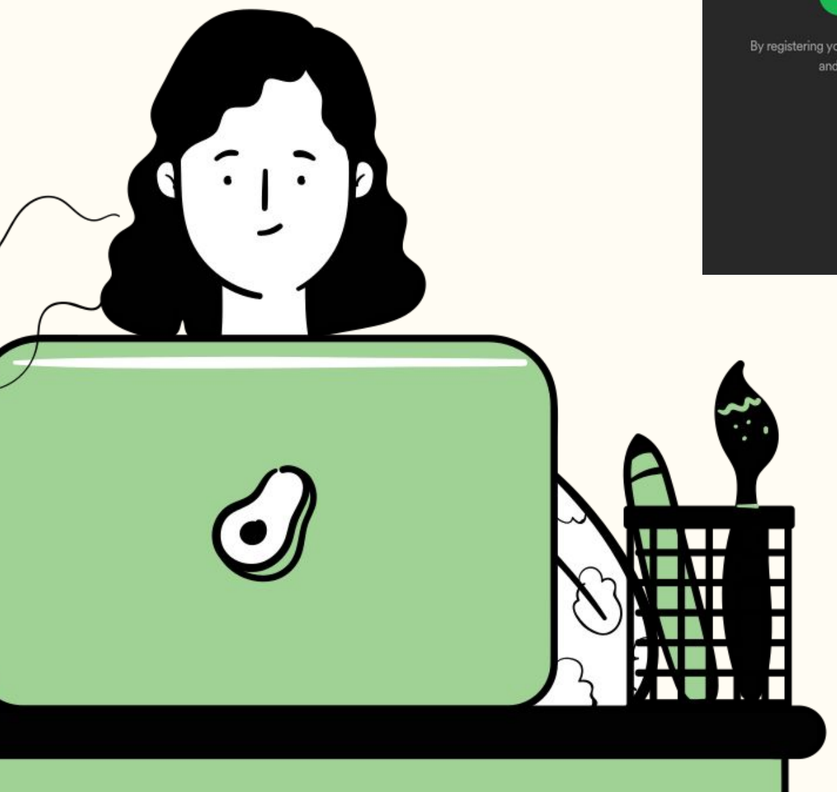


Inline field validation

If we have instant positive and negative field validation less users will fail to sign up because users will be more informed and confident if facing errors.





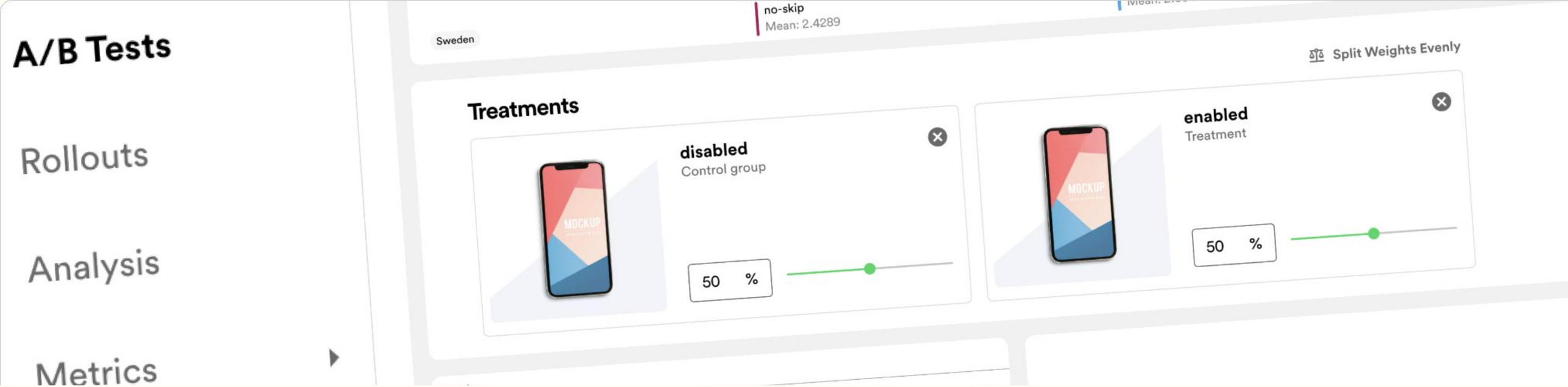


Input field justification

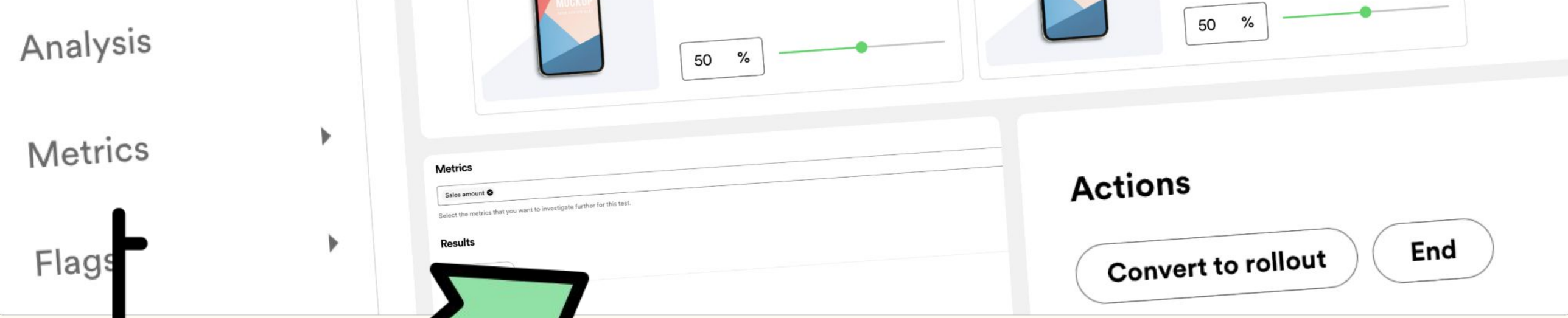
If we are transparent with why we require age & gender information age & gender error will decrease because we will build trust with the users.

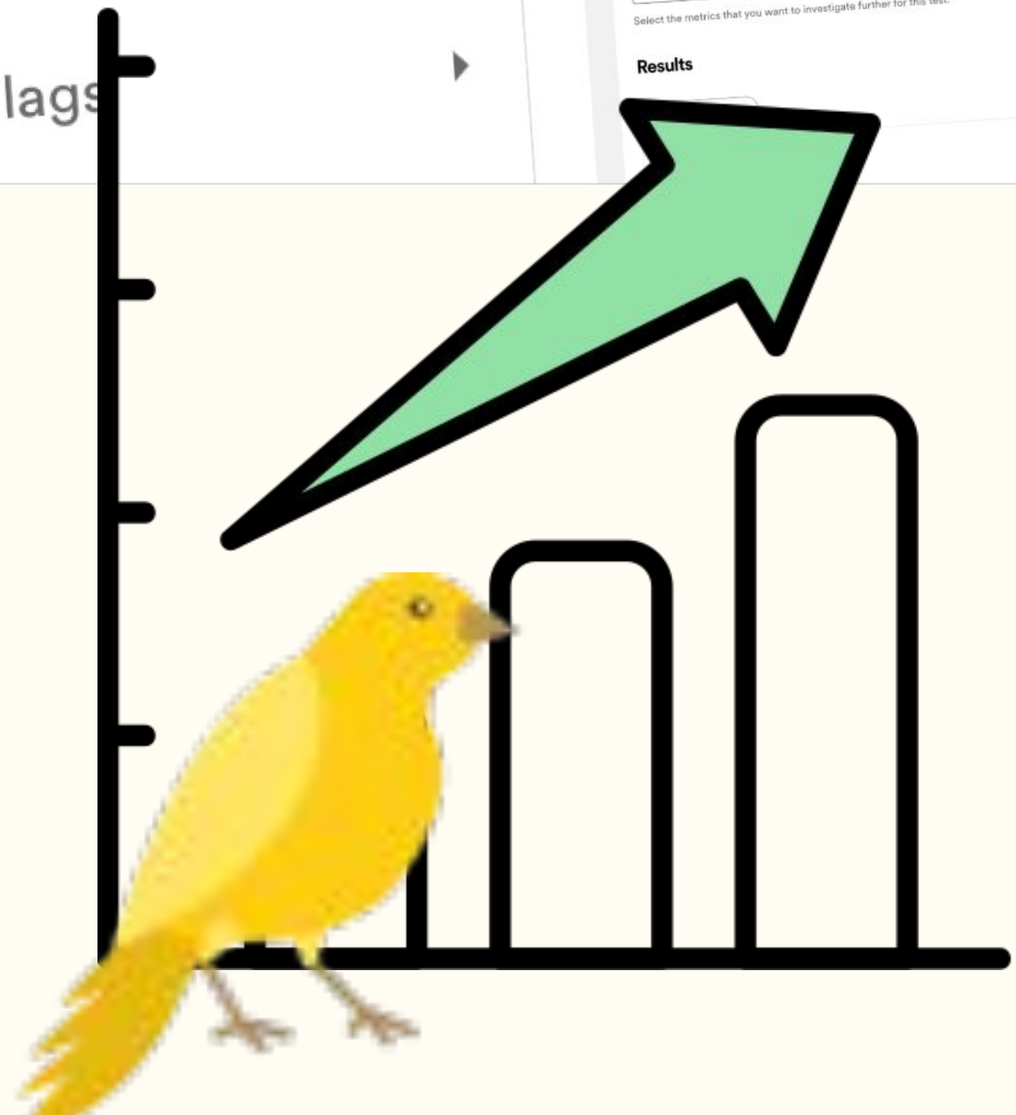
Getting things done!

- Team bets on some of the options they identified
- Team design, develop and test alternative versions of the registration funnel - all under feature toggling
- To increase quality they use Spotify Design System ENCORE
- The new features and variants are shipped in the weekly release on friday.



- Team configure an A/B testing campaign to test their hypothesis, and launch the campaign to run for 1 week on CONFIDENCE platform
- For each of the alternate version they have a control panel that is similar as sample composition, so that they have a reference to compare . At the end of the week, they analyse results.
- They formulate their experiment in a **"if CHANGE then EFFECT because RATIONALE"**





THE TEAM DECIDES TO VALIDATE SOME OF THEIR CHANGES AND ACTIVATE A PROGRESSIVE ROLL OUT TO THE USER BASE : FIRST 0,5% THEN 3% THAN EVERYONE

AFTER FEW DAYS
OF BEING ROLLED OUT,
TIME TO CELEBRATE !!!

Did we increase registrations?

Yes, we did!

With +2.43% per day.

By comparing the Test cell A with Control 1: Current state, we observed a statistically significant uplift in Regs with 2.43%.

Did we impacted login?

Yes, in a good way ! ;-)

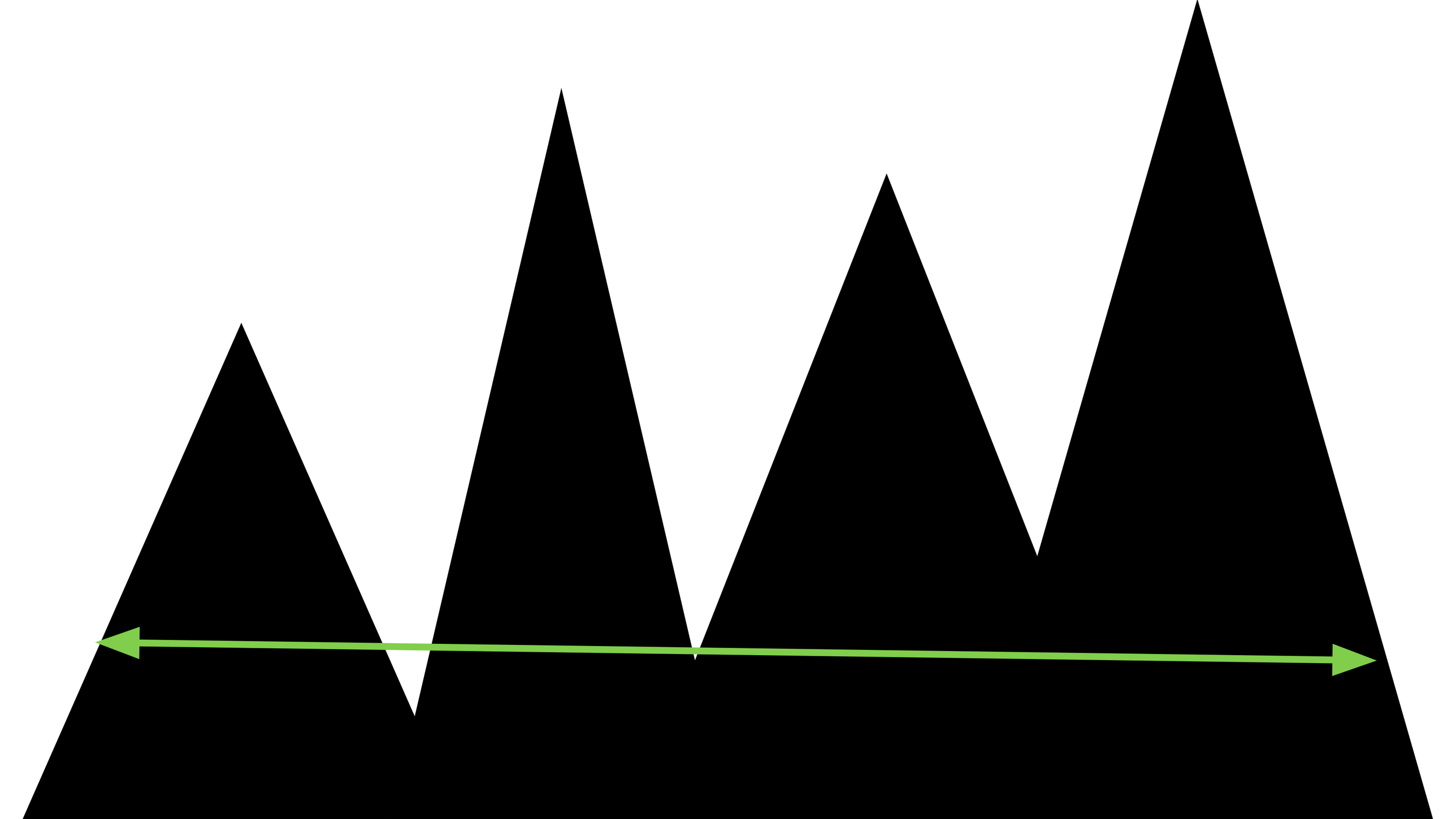
By comparing Test cell with Control 1: Current state, we observed a statistically significant increase with 2.56% of users that successfully logged in.

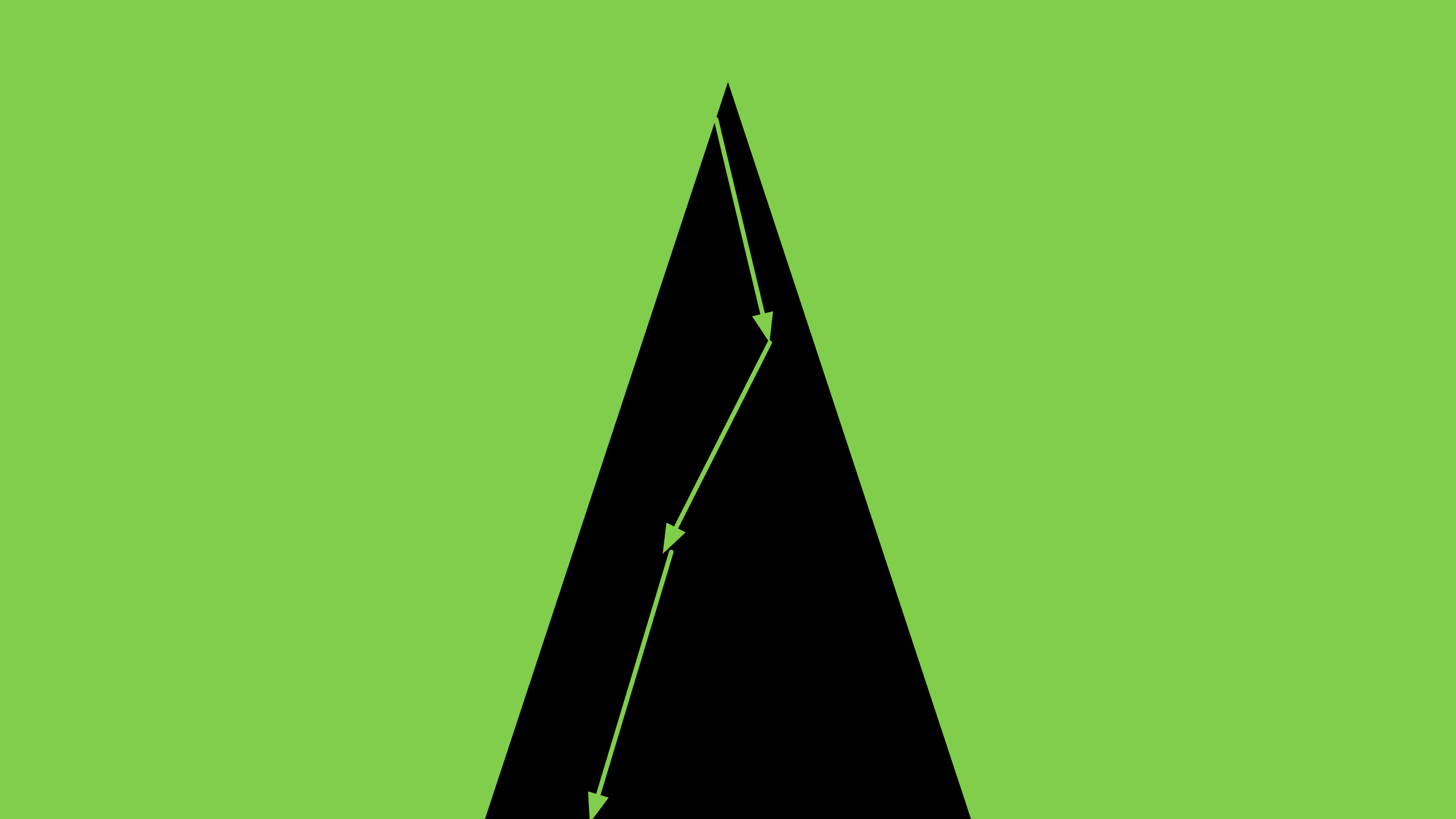
we did not talk about ...

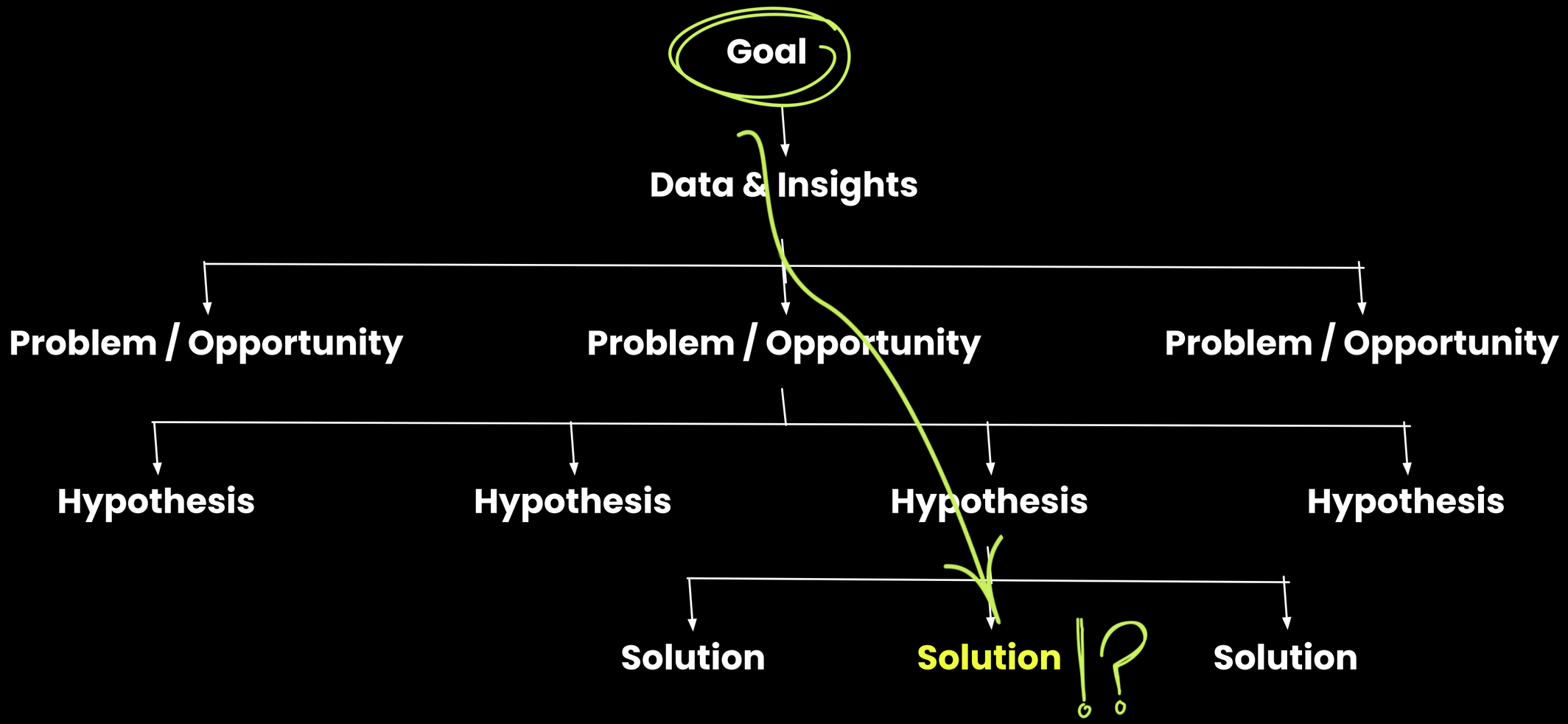
- ❎ squads, tribes, chapters and guilds
- ❎ product owners
- ❎ scrum masters
- ❎ backlogs
- ❎ sprints

... basically nothing about agile frameworks per se

Goal
Data & Insights
Problem / Opportunity
Problem / Opportunity
Problem / Opportunity







The thoughtful execution framework

Goal

Increase consumption of personalized playlist recommendations for new users.

Data & Insights (examples)

- "It takes too long until personalized recommendations are served to new users."
- "It's not clear why certain playlists are being recommended."
- "Users that stream personalized playlist recommendations are more likely to retain."

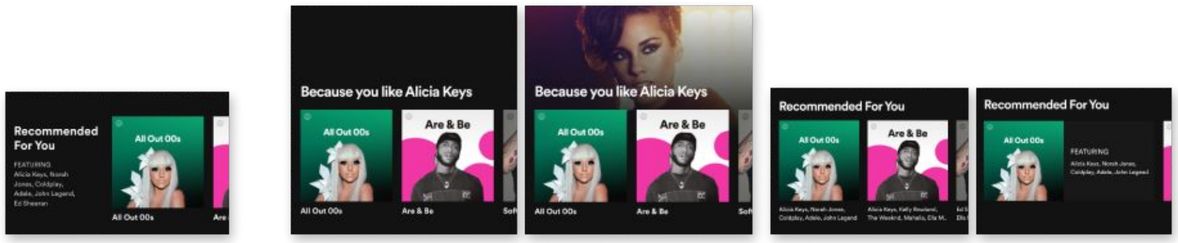
Opportunities

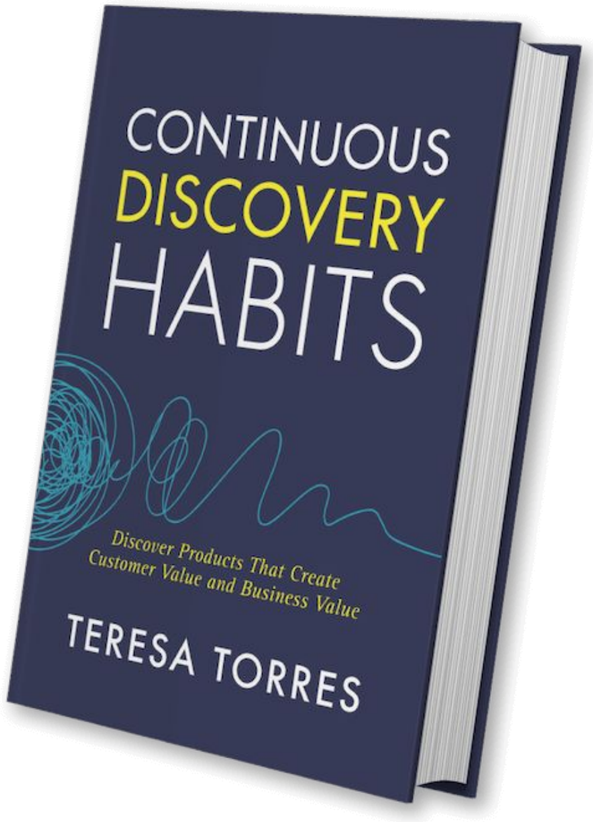
- How might we capture taste signals of new users efficiently?
- **How might we better explain why certain playlists are recommended to the user?**
- How might we best choose which playlists to recommend based on user's taste signals?

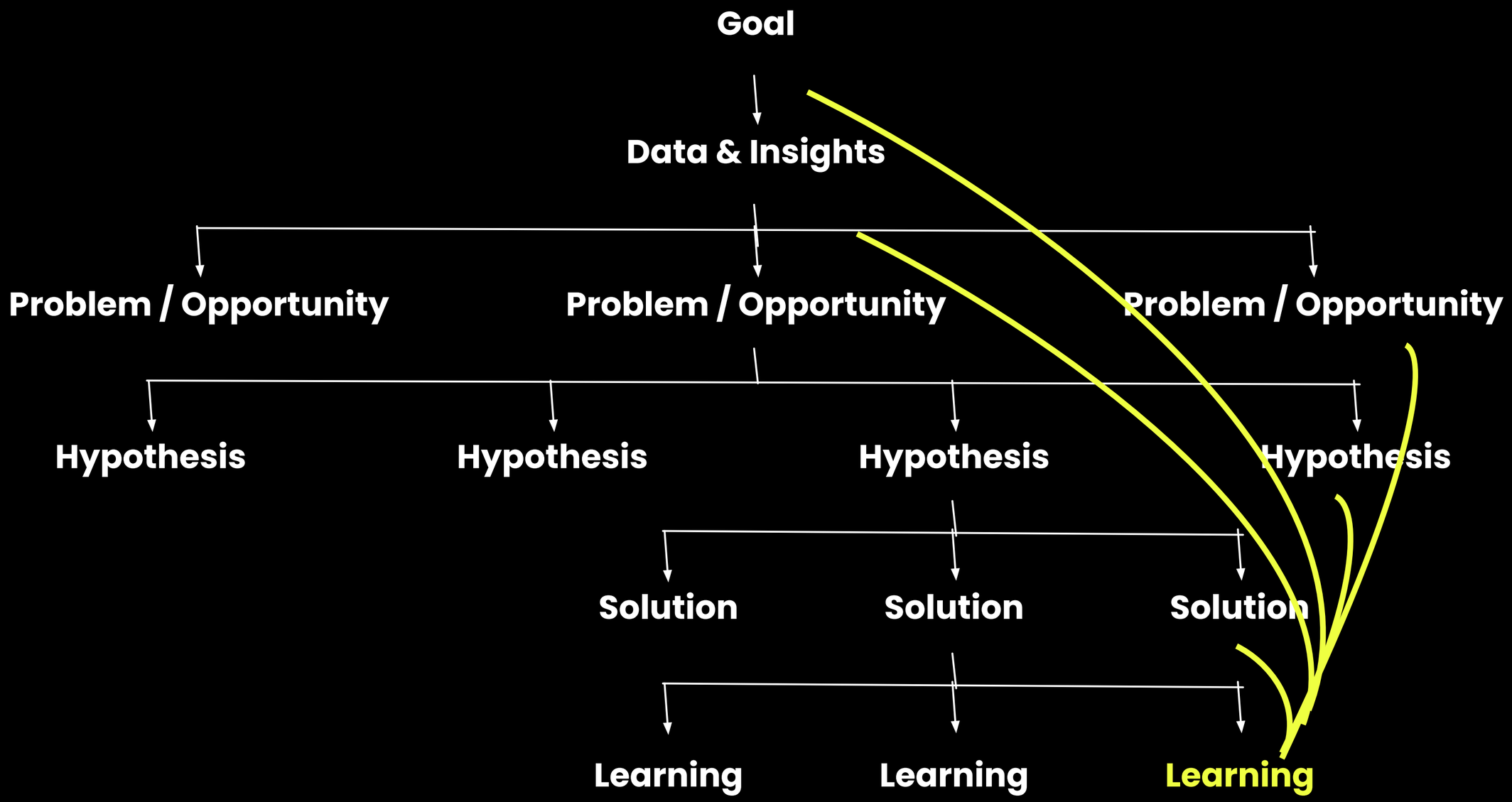
Hypotheses

- Using genres as anchors to playlists will lead to more streams.
- **Using artists as anchors to playlists will lead to more streams.**
- Using songs as anchors to playlists will lead to more streams.

Solutions



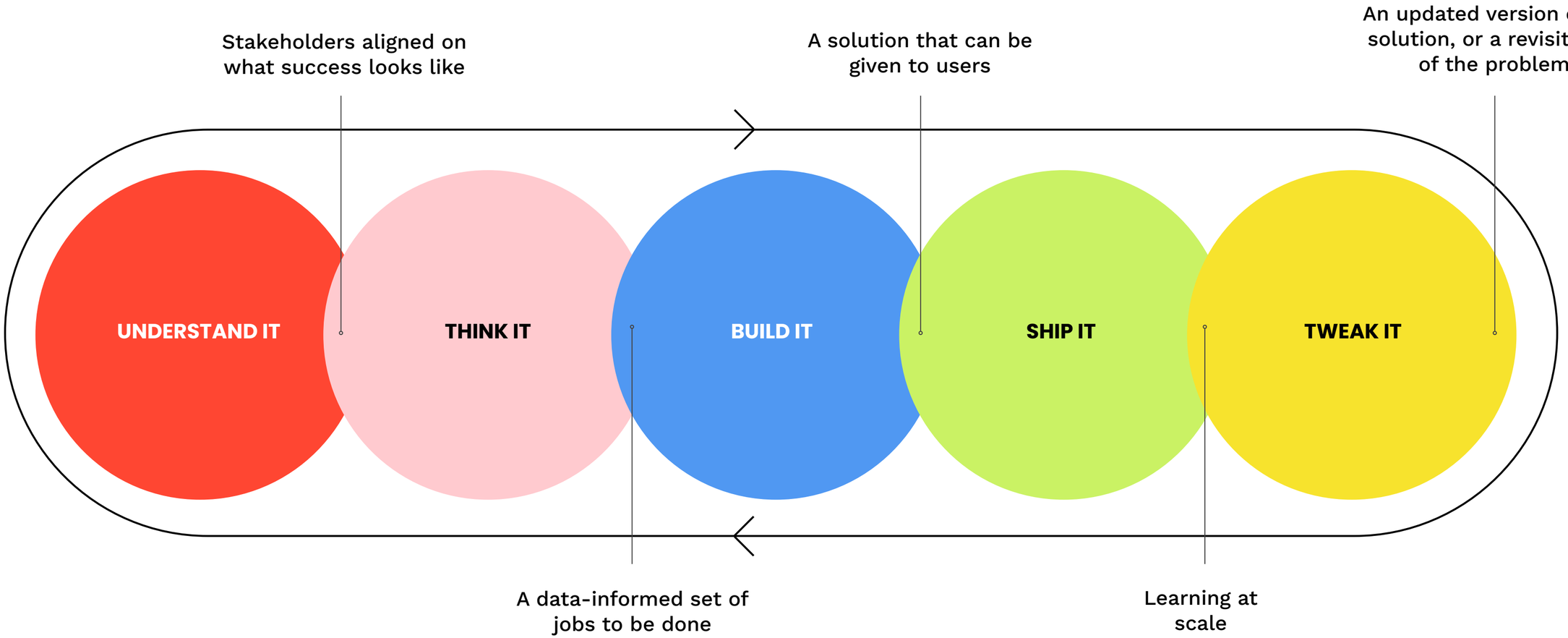



Goal
Data & Insights
Problem / Opportunity
Problem / Opportunity
Problem / Opportunity
Hypothesis
Hypothesis
Hypothesis
Hypothesis
Solution
Solution
Solution
Learning
Learning
Learning

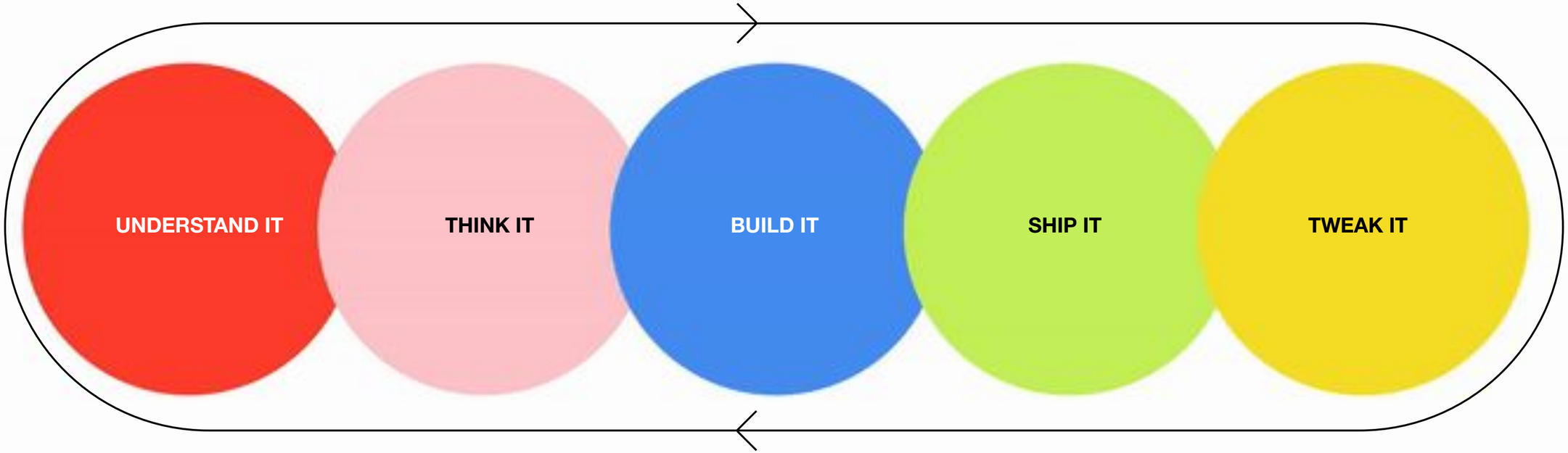
(aka disprove or polish
to greater customer experience)

The Scale.

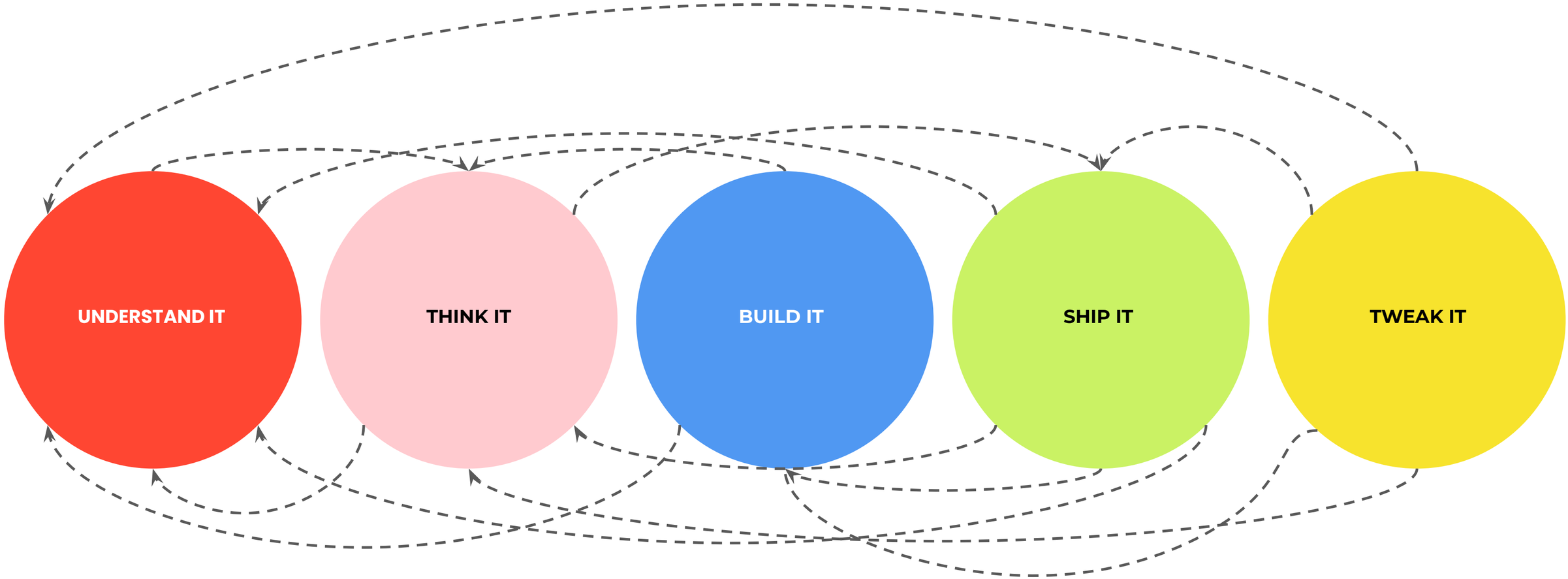
5 Steps, 5 goals.

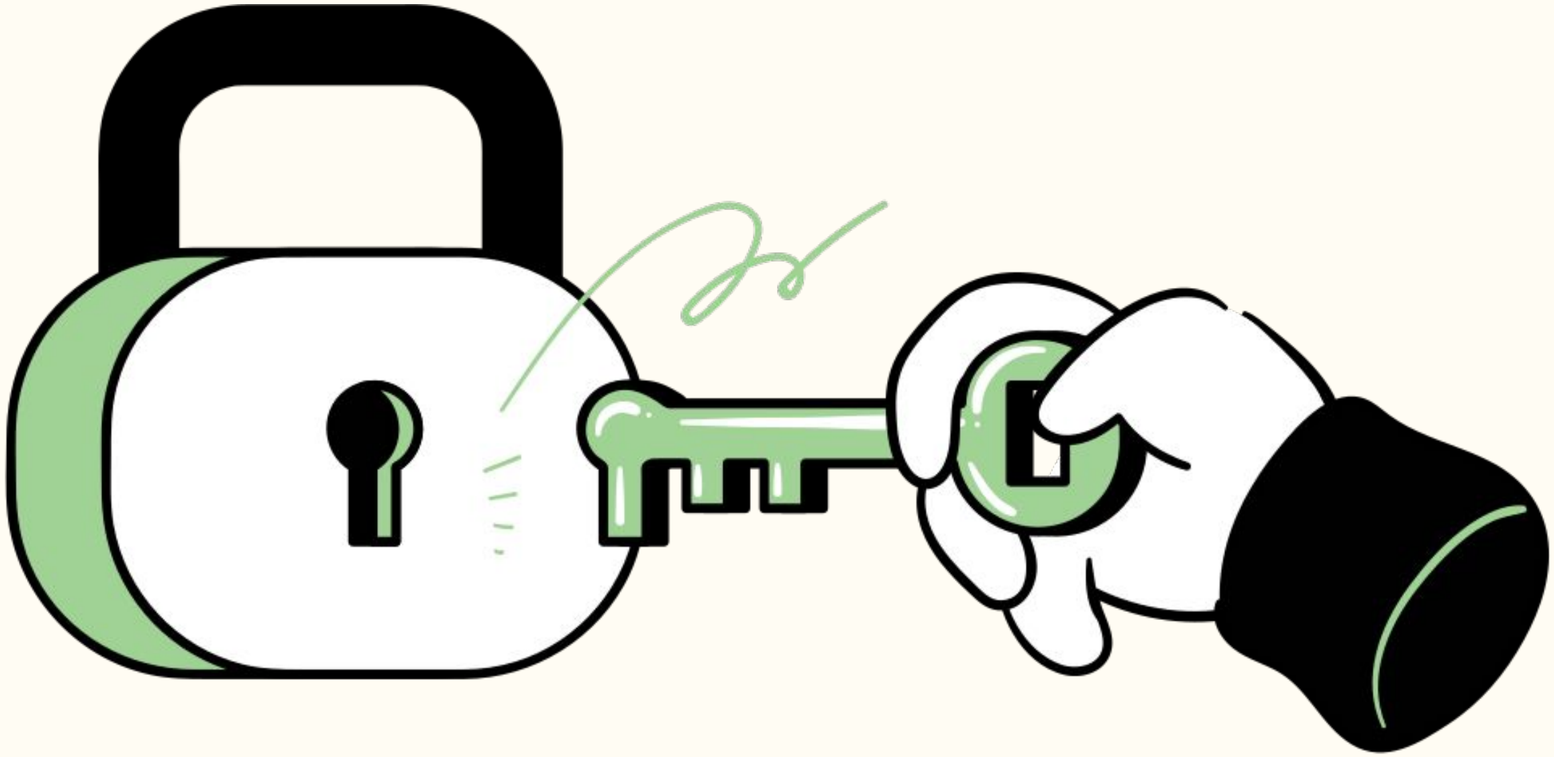


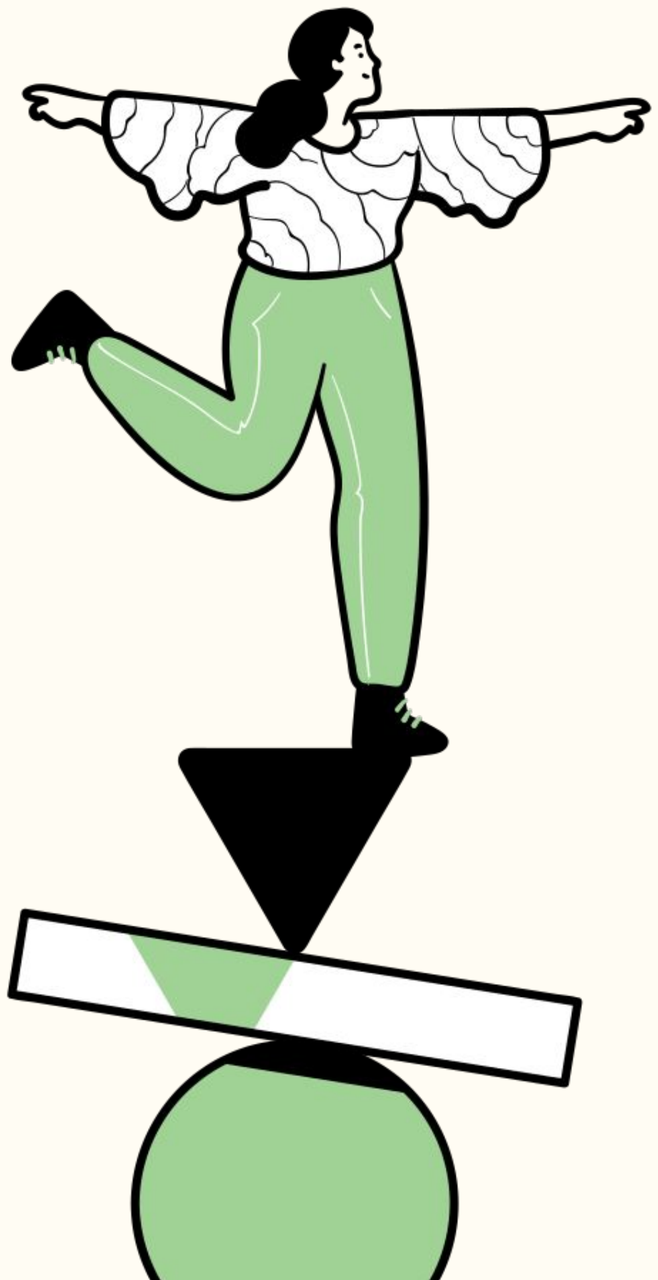
There is no “one fits all’ …



It is not a 1 way





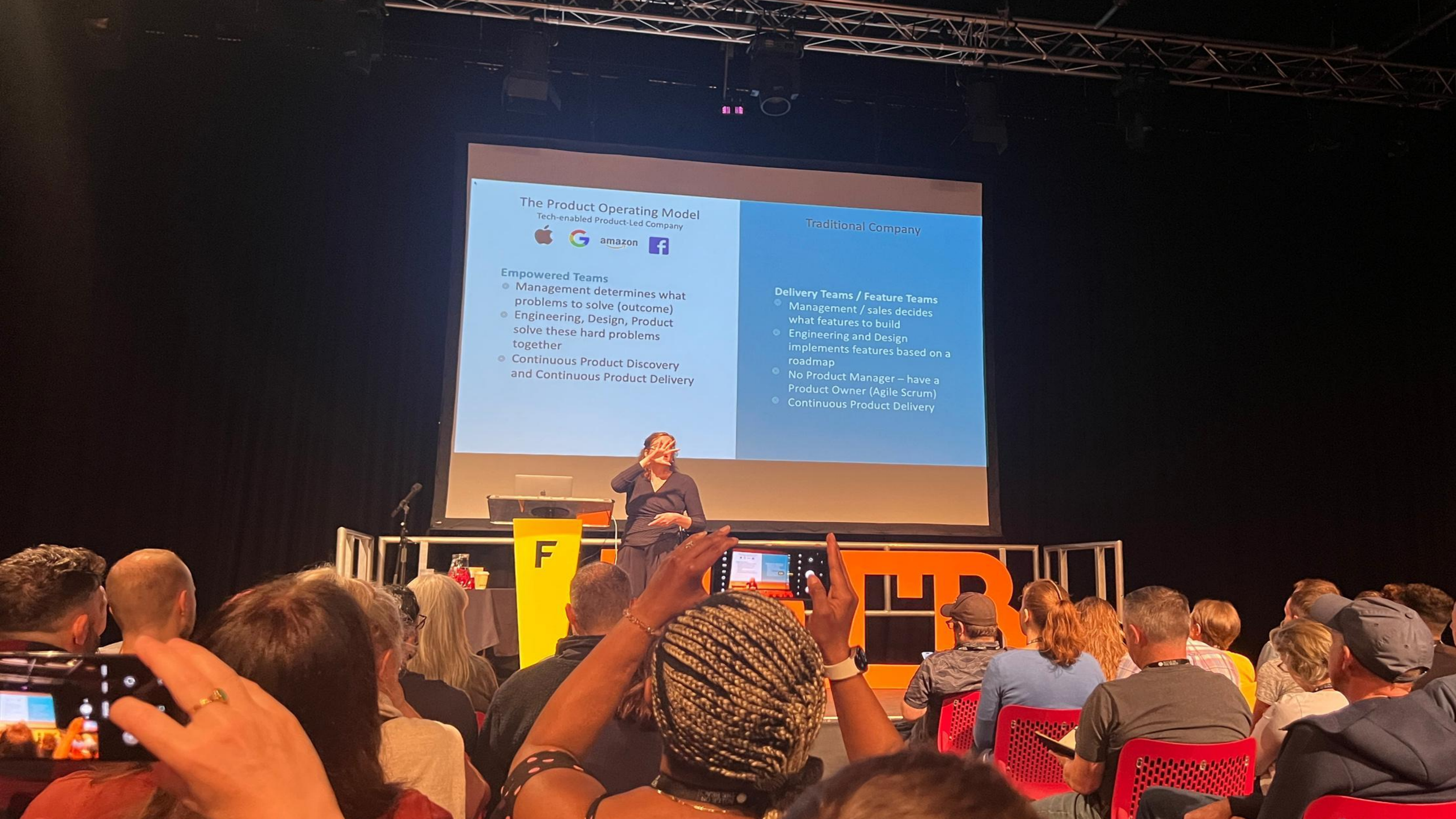


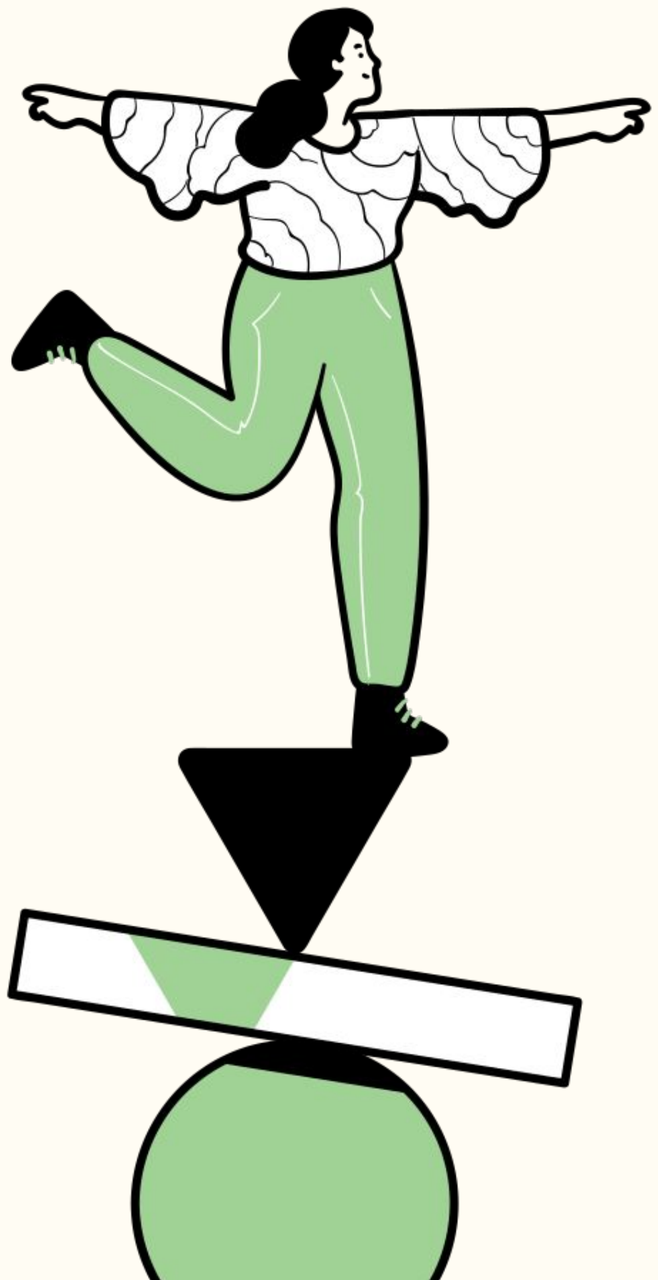
Why is Spotify succesful?

01 Data driven Product company

02

03


The Product Operating Model
Tech-enabled Product-Led Company
amazon
Empowered Teams
Management determines what problems to solve (outcome)
Engineering, Design, Product solve these hard problems together
Continuous Product Discovery and Continuous Product Delivery
Traditional Company
Delivery Teams / Feature Teams
Management / sales decides what features to build
Engineering and Design implements features based on a roadmap
No Product Manager – have a Product Owner (Agile Scrum)
Continuous Product Delivery



Why is Spotify succesful?

01 Data driven Product company

02 Aligned Autonomy

03 Trust @scale

“move to the left”

Janet said

Tips for product managers who want to move further to the left

1. Focus on vision / strategy
- Stay focused on opportunities to solve problems that move you closer to your vision.
- Don't just react to what customers want now
- If your org does not have one, go create it.

2. Mindset shift:
- Outcomes over outputs.
- Focus on the why – why are you building this

3. Data Not Opinions:
- Data will bring more credibility to encourage the organization to take the risks.

4. Talk to bosses about what success means:
- Define metrics for when you are done.
- Come to meeting with data.

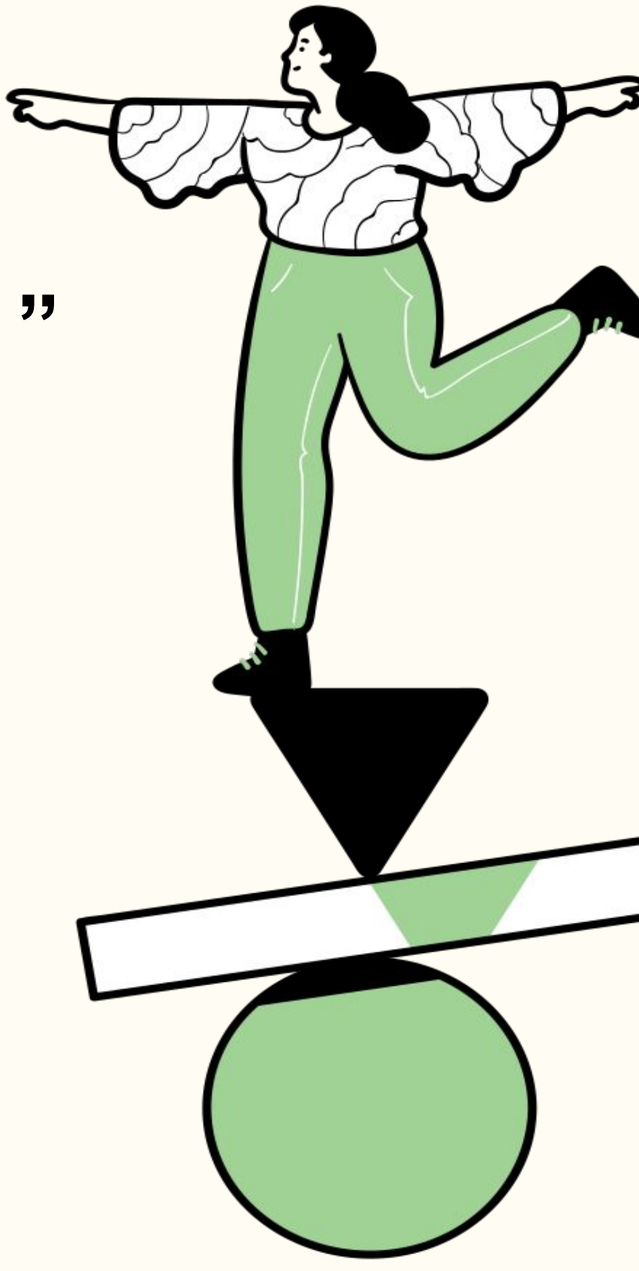
5. Empowered Teams = accountable
- Product trio must develop trust

6. Set success criteria before launch:
- Iterate until you reach it.
- Success is not shipping a feature

7. Involve engineering earlier:
- Engineering is a 1st class member of the team.

8. Engage with your executives
- Share (at least every week) what you've learned last week and what you are planning to test next week.
- The more execs understand, the more they will step back and let teams execute.

- ➕ Don’t get paralyzed by “not having enough data”
- ➕ What is the smallest thing you can create ?
- ➕ Go beyond MVP and perfect-in-first-attempt
- ➕ Communication and transparency holds accountability and fuels trust



“Yeah, but...”

Also :

not company needs to be Spotify or a Product Company ;-)

DO YOU HAVE QUESTIONS?

Your turn !

WE SHARE BECAUSE WE CARE, THANKS FOR YOUR FEEDBACK 😘

Tack!

to Paul, to all the Event crew and all the sponsors

And to yall !