

SIM 15/16 – T2.2

How Spotify Builds Products

Miguel Tavares Coimbra

Music for everyone.

Spotify is now free on mobile, tablet and computer. Listen to the right music, wherever you are.

[Download Spotify](#)[Go to Web Player](#)

Some fast figures

- Paying subscribers: Over 6 million
- Active users: Over 24 million*
- Ratio of paying subscribers to active free users:
Over 20%
- Revenue paid to rights holders since launch: \$1bn
- Number of songs: Over 20 million**
- Number of songs added per day: Over 20,000
- Number of playlists: Over 1.5 billion created so far
- Available in 56 markets

Source: <http://press.spotify.com/pt/information/> [May 2014]

Paradox

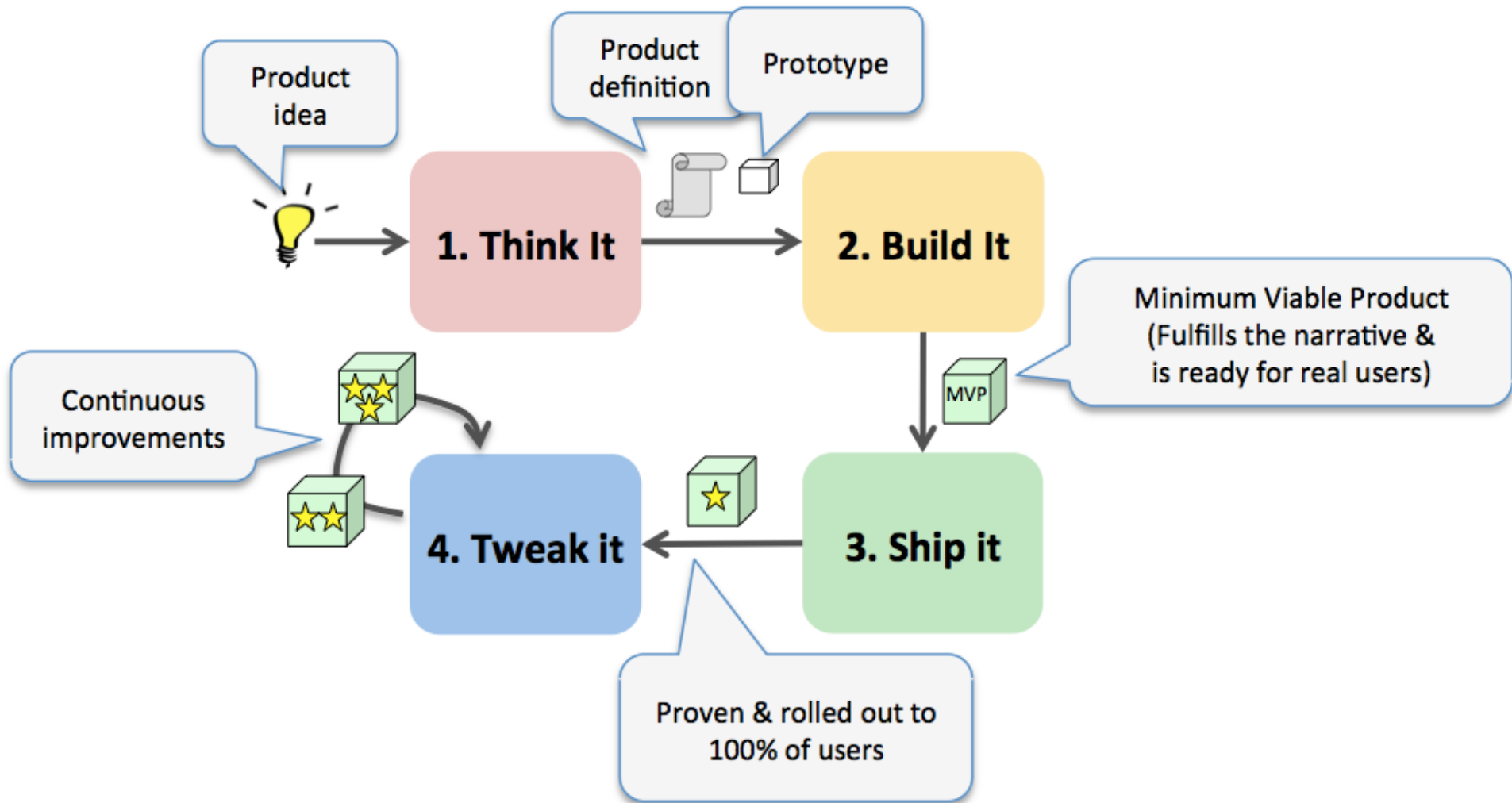
- “Successful companies like Spotify only want to deliver products that people love. But they don’t know if people love it until they’ve delivered it.
- So how do they do it?”

Henrik Kniberg, “How Spotify builds products”, Jan 2013

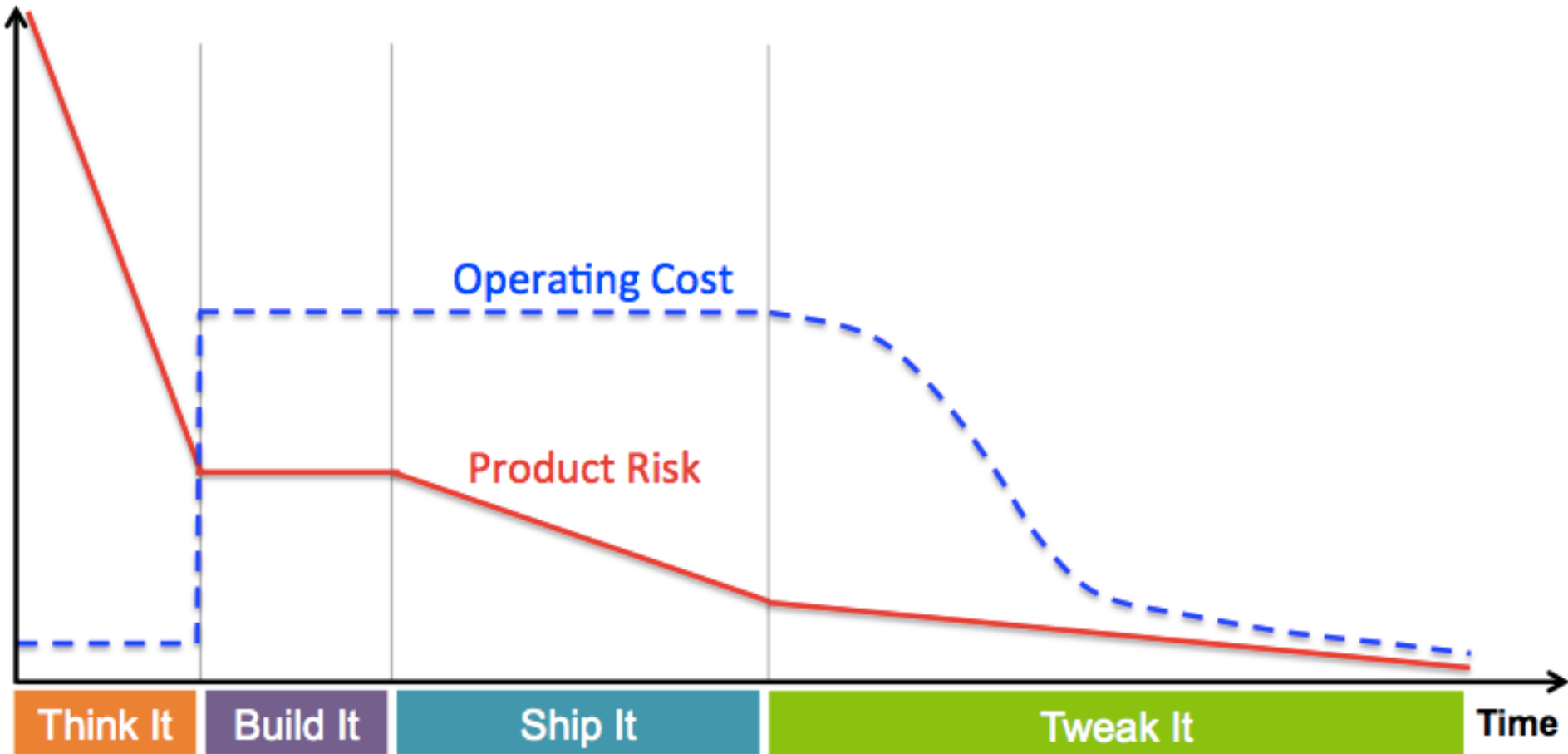
Spotify: Core Philosophy

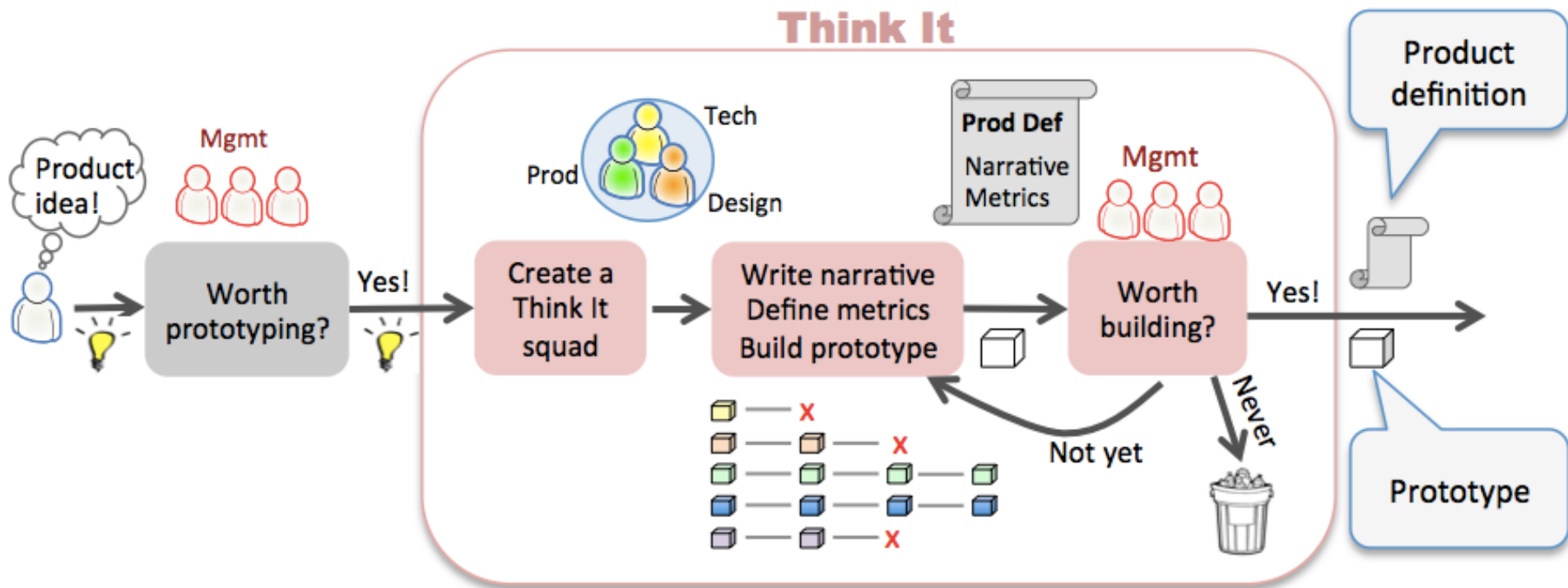
- We create innovative products while managing risk by **prototyping early and cheaply**
- We don't launch on date, we **launch on quality**
- We ensure that our products go from being great at launch to becoming amazing, by **relentlessly tweaking after launch**

- **Think It** = figure out what type of product we are building and why.
- **Build It** = create a minimum viable product that is ready for real users.
- **Ship It** = gradually roll out to 100% of all users, while measuring and improving.
- **Tweak It** = Continuously improve the product. This is really an end state; the product stays in Tweak It until it is shut down or reimagined (= back to Think It).

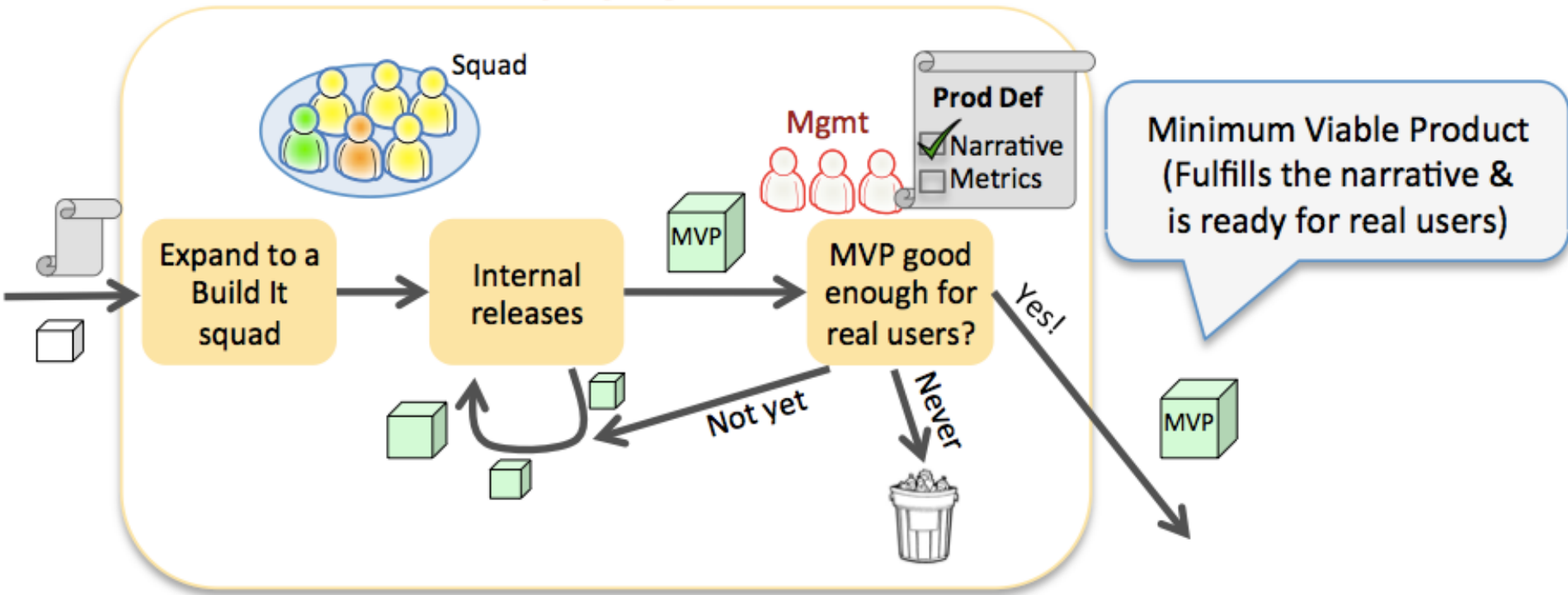


Why 4 stages?





Build it

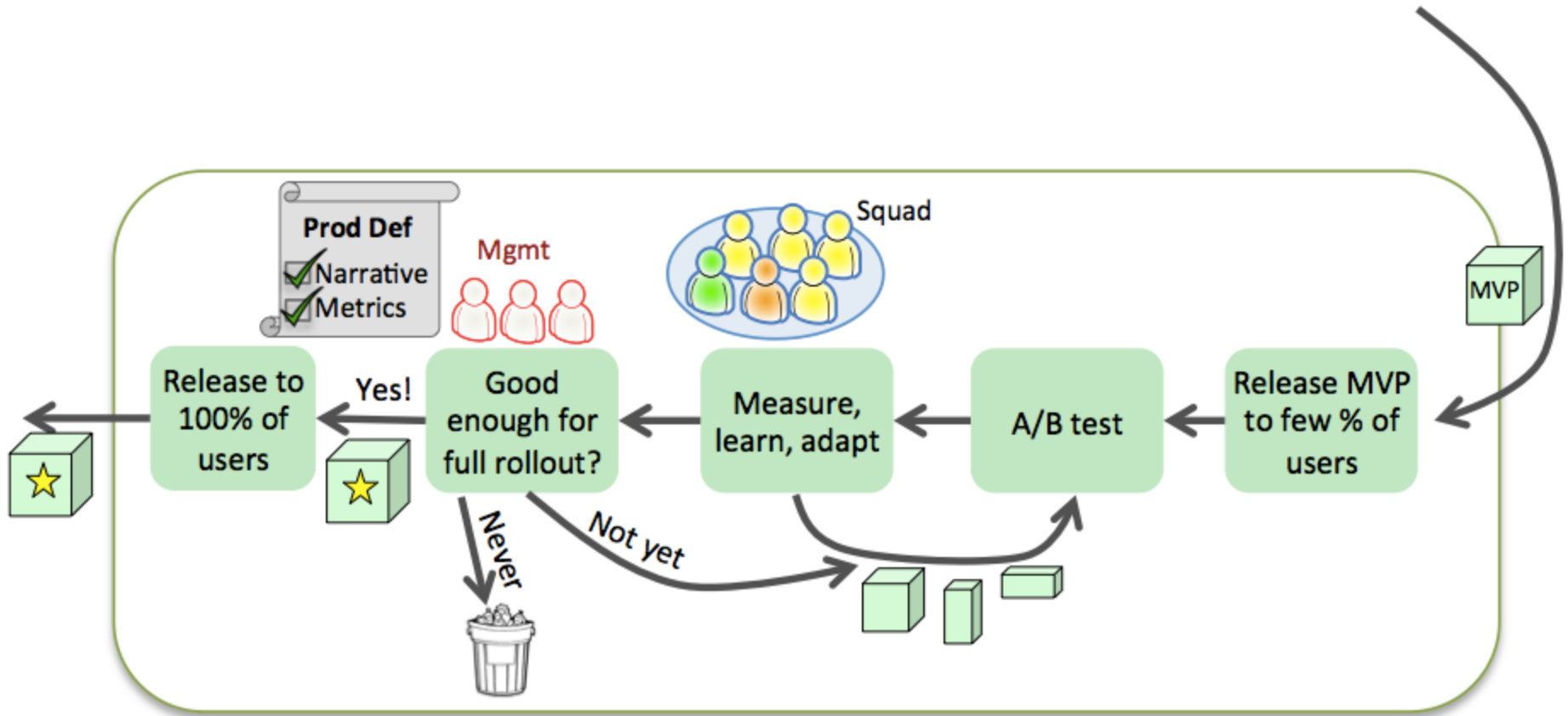


Unusable product (embarrassing)

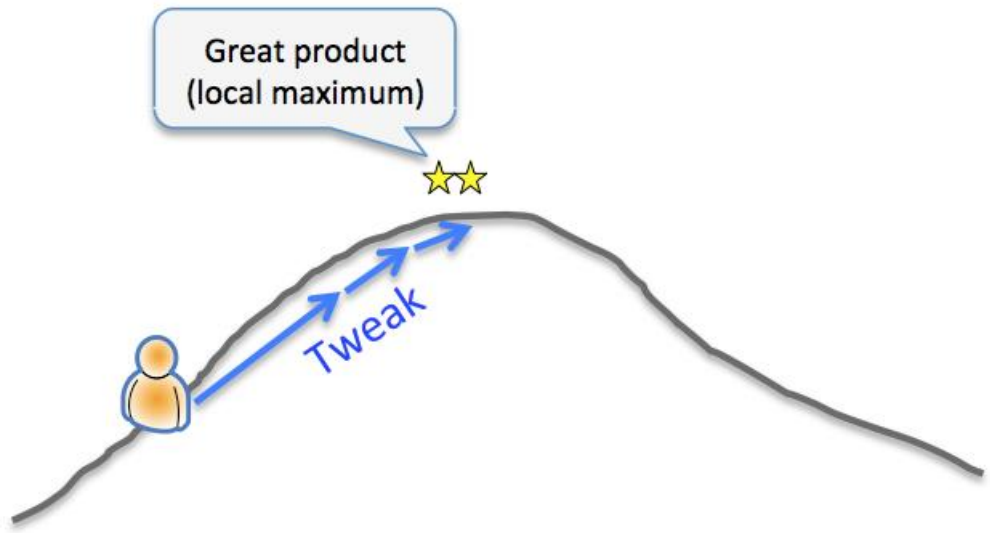
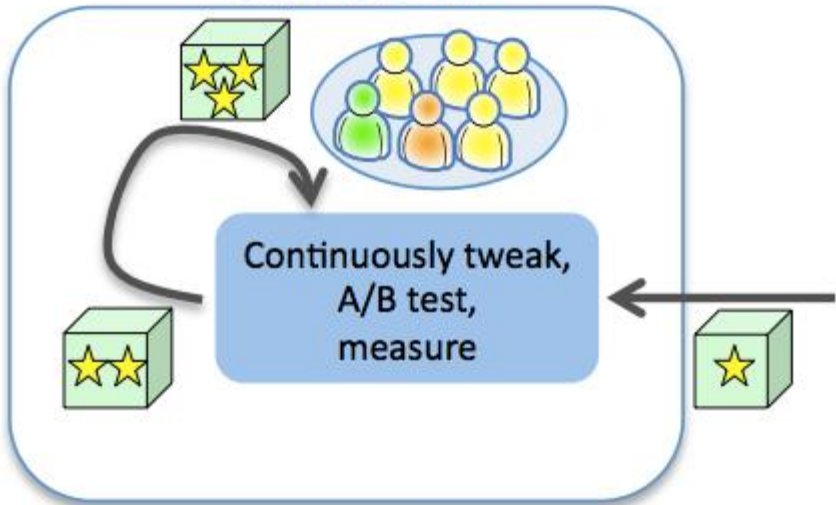
Minimum Viable Product (loveable but limited)

Complete product (expensive)

Ship It



Tweak it



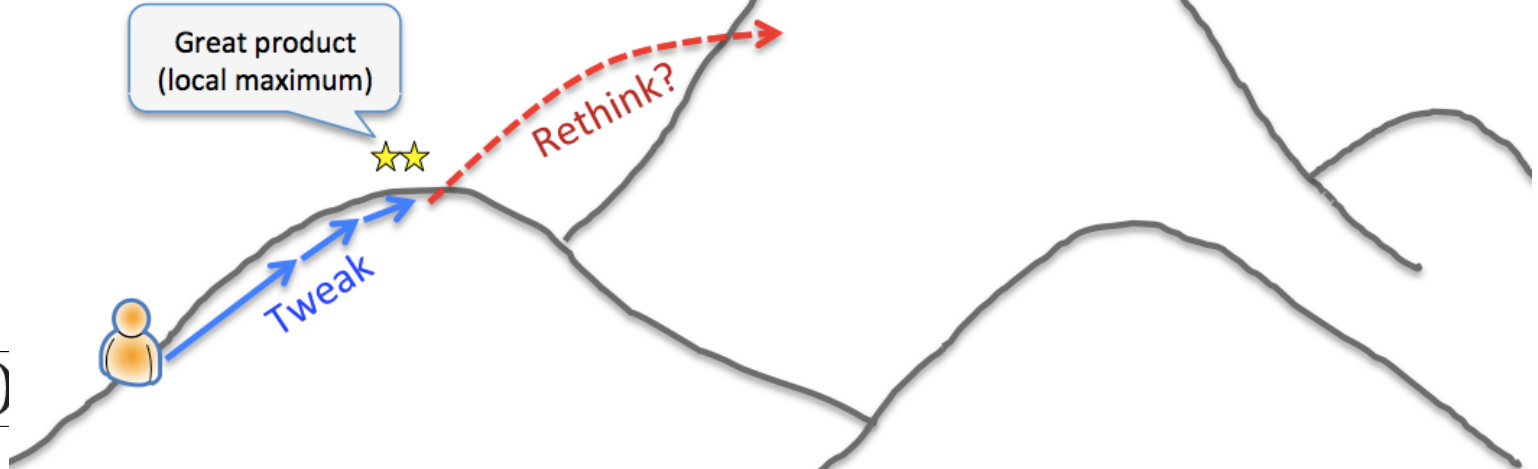
Totally Awesome product!
(global maximum?)




Great product
(local maximum)



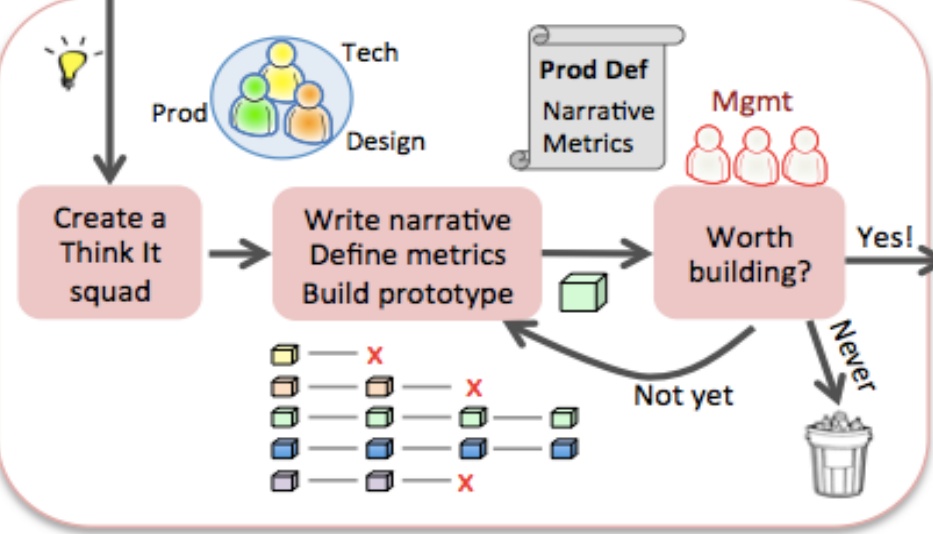
Rethink?



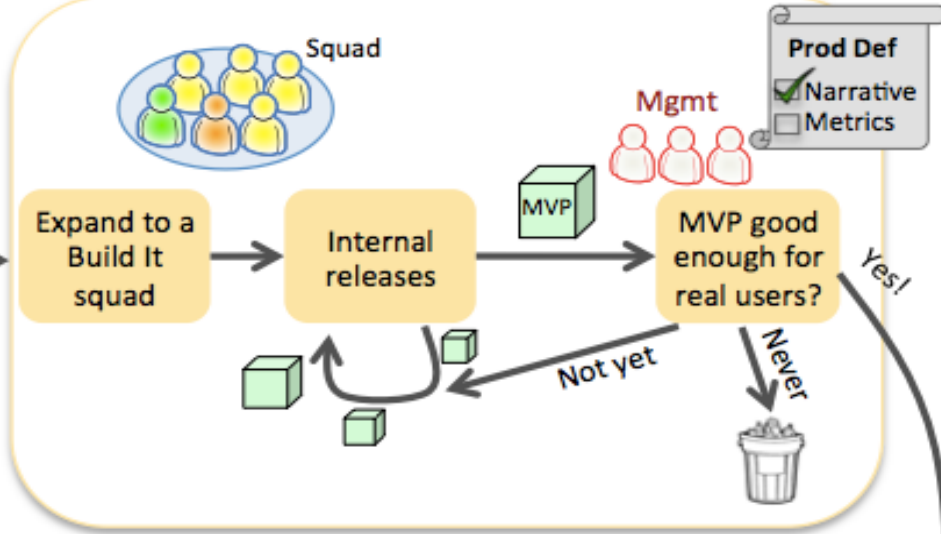


Worth prototyping? 

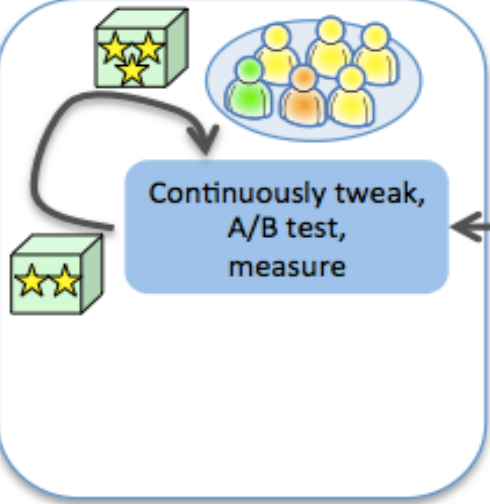
Think It



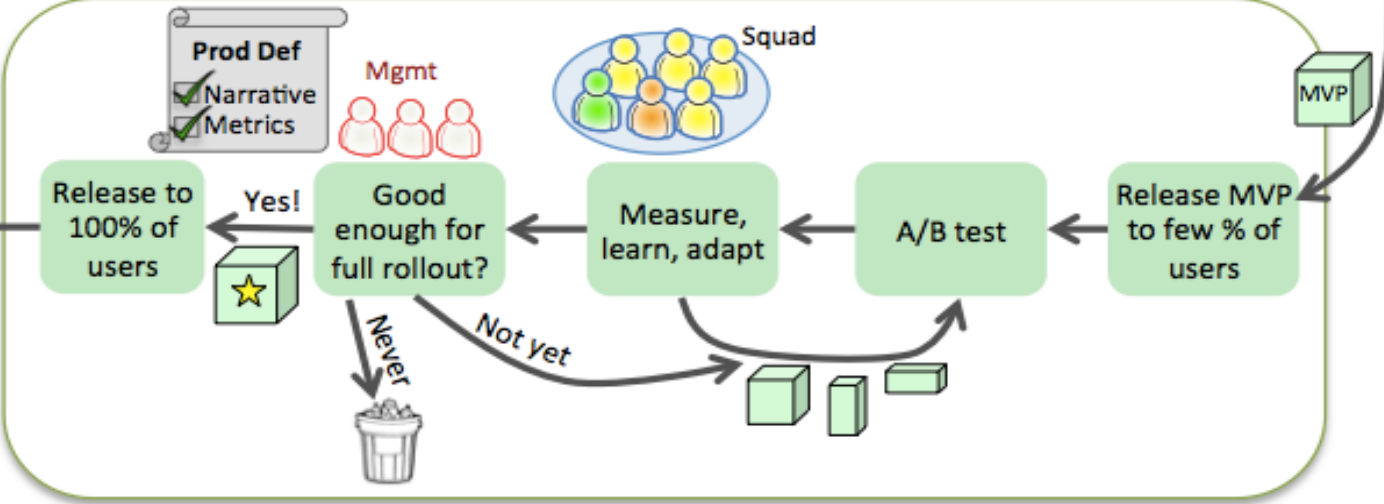
Build it



Tweak it



Ship it



Acknowledgements

- Henrik Kniberg
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- <http://www.crisp.se/henrik.kniberg>

Henrik Kniberg, “How Spotify builds products”, Jan 2013