

# SPOTIFY UPDATE

A woman with blonde hair, wearing a black hat, sunglasses, and a black jacket, is sitting and looking at a smartphone. The background is blurred, showing a city street.

AN UPDATE ON HOW CANADIANS  
ARE ENGAGING WITH SPOTIFY

May 2021

“MARKETERS SPEND  
HALF A TRILLION  
DOLLARS A YEAR ON  
ADVERTISING. THERE  
IS  
INCONTROVERTIBLE  
EVIDENCE THAT THEY  
ARE ALARMINGLY  
OUT OF TOUCH WITH  
THE PEOPLE THEY  
ARE TRYING TO  
INFLUENCE.”

In an update to the 2017 Ad Nation Study, Ipsos Canada in partnership with thinktv once again looked at Canadian and Industry perceptions of advertising and media.

Ipsos asked Canadians about their media usage and attitudes towards advertising. They then posed those same questions to members of the advertising community, while also asking them to state how they thought the Canadian public would respond.

It’s not surprising to find those of us in “adland” have radically different lifestyles and media consumption habits compared to the general public, including a much larger online footprint, particularly when it comes to social media.

This is particularly true when it comes to understanding the role of Spotify and personal music as it relates to Canadians’ consumption of digital music.

“THE BIGGEST RISK FOR AM/FM RADIO IS THE 26-YEAR-OLD PLANNER WHO LIVES IN NEW YORK OR CHICAGO AND DOES NOT COMMUTE BY CAR AND DOES NOT LISTEN TO AM/FM RADIO AND THUS DOES NOT THINK ANYONE ELSE LISTENS TO AM/FM RADIO.”

**Colin Kinsella, the CEO of Havas Media North America**

When it comes to audio specifically, Marketing and Advertising professionals have a much closer relationship with services like Spotify than the Canadian consumer, and in fact, overstate how much time Canadians engage with that audio platform vs. AM/FM Radio. When it comes to gadgets, while 58% of Canadian marketers and advertisers have "smart speakers" in their homes, only 19% of Canadian consumers do. <sup>1</sup>

Canadian advertising professionals are not unique. In fact, across Australia, the UK and the U.S., similar results have been found. Those of us in marketing and advertising need to remember our behaviours and consumption habits are not those of the typical consumer.

[Get the thinktv study here](#)

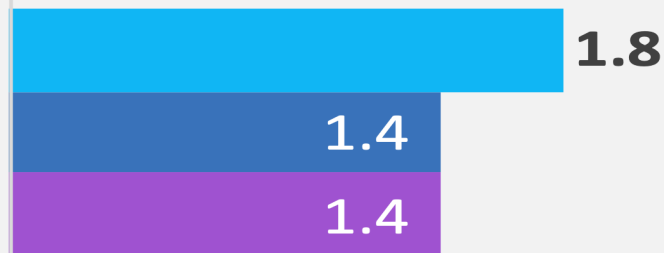
# CANADIANS SPEND MORE TIME WITH AM/FM THAN WE THINK

Canadians spent 29% MORE time with AM/FM Radio than the Industry thinks

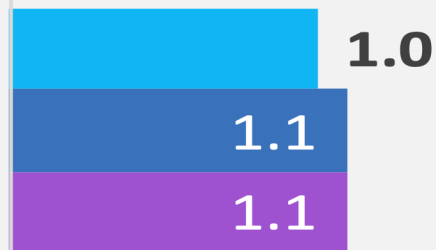


■ Canadians ■ Industry ■ Industry Perspective

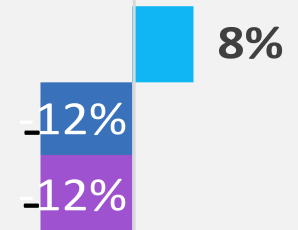
Estimated Time Spent with Radio hrs/day



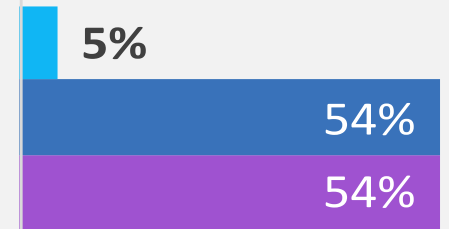
Estimated Time Spent with Podcasts hrs/day



How do you think the COVID-19 pandemic has impacted the time spent on an average day listening to the radio? Net increase equals Increase minus Decrease



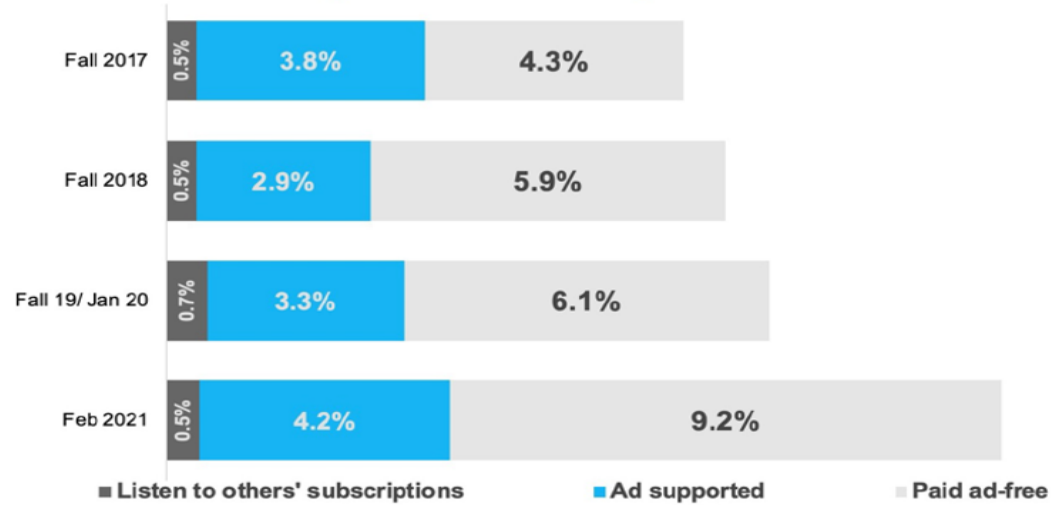
How do you think the COVID-19 pandemic has impacted the time spent on an average day listening to podcasts? Net increase equals Increase minus Decrease



## DURING COVID, CANADIANS SPENT 8% MORE TIME WITH AM/FM RADIO

While those in the advertising industry believe Canadians spent 12% less time with AM/FM Radio

Source: . Ad Nation 2020, Ipsos Canada, thinktv

Daily Spotify Listeners  
among all Canadians aged 18+

Source: ROTM 2021 F13. Overall, thinking of all locations, how often, if ever, would you say you listen to Spotify? F16a. You mentioned listening to Spotify. Which of the following best describes your Spotify subscription? Base: Canadians 18+, Fall 2017 (n=3,452) Fall 2018 (n=3,505) Fall 2019 (n=4,000) Feb 2021 (n=2,001)

*“When you look at the landscape overall, and you think about something like radio, the truth is the vast majority of the minutes that are being spent on radio today haven’t yet moved online.”*

Daniel Ek, Founder, CEO of Spotify

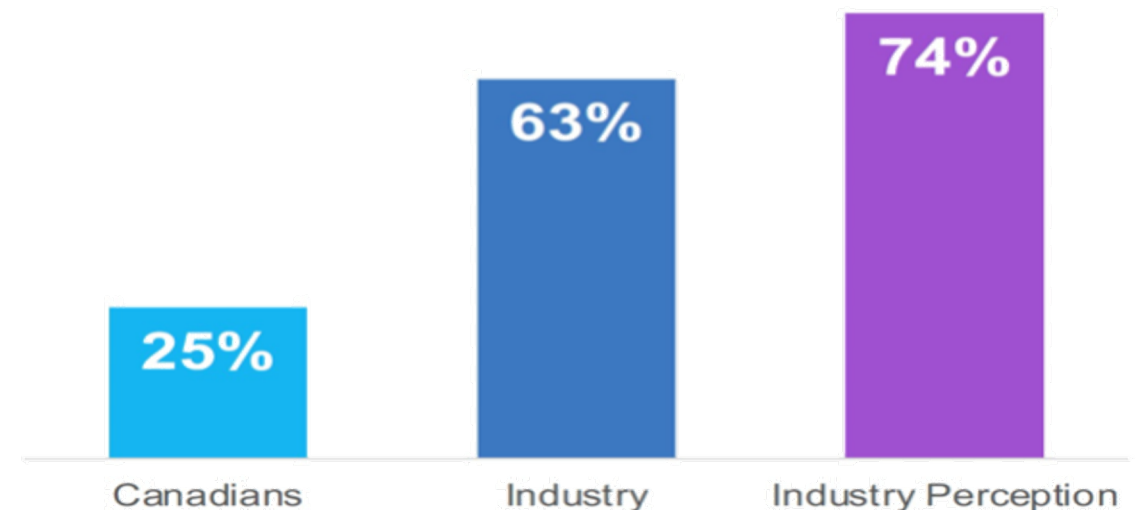
SPOTIFY GROWTH COMING FROM  
AD-FREE USERS

Since 2017 Spotify’s ad-free users has more than doubled, while the ad-supported is essentially flat<sup>1</sup>

CDNS DON’T USE IT AS MUCH  
AS THOSE IN MARKETING THINK

Those in advertising and marketing overestimated how many Canadians use the app by 300%<sup>2</sup>

## Used the Spotify App in the Past Month



Source: . 2. Ad Nation 2020, Ipsos Canada, thinktv

According to the 31,000 Canadians surveyed by Numeris, it's AM/FM Radio that's reaching them. And it's ads on Radio they're hearing and paying attention to.

Spotify reaching more listeners than radio in CA<sup>1</sup>

6.9 million, 26% of Canadians 18+<sup>2</sup> listen to Spotify weekly<sup>4</sup>

More than 2 in five Canadian adults (16-64) listen to Spotify on a weekly basis or 40%<sup>1</sup>

86% of Canadians 16-64 Listened to AM/FM Radio past 7 days<sup>2</sup>

Across the country, Spotify Free specifically reaches more than one in four adults weekly in major markets<sup>1</sup>

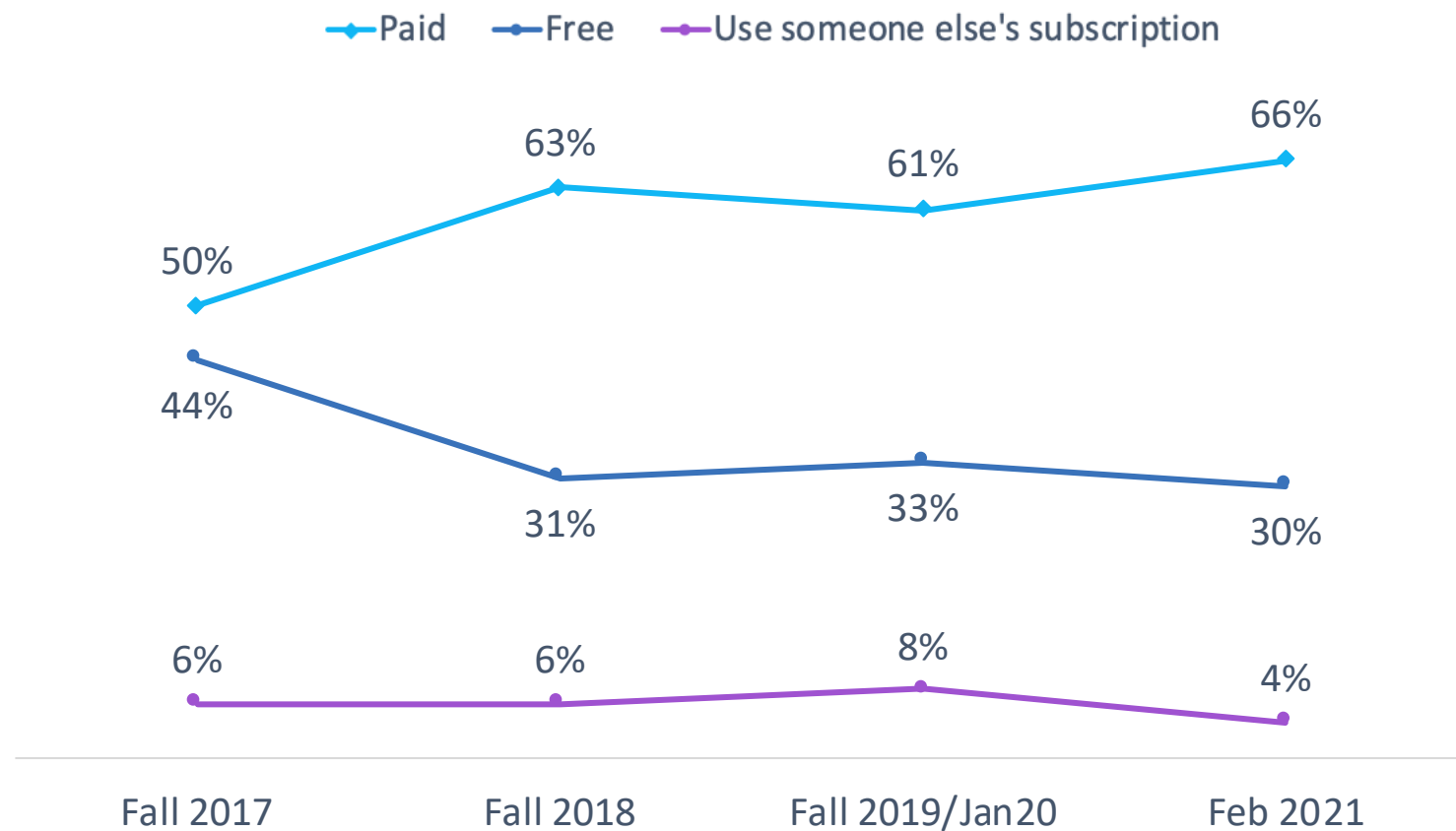
In the past 7 days, 2.1 million, 7% of Cdns. 18+ listened to ad-supported subscription of internet only music<sup>3</sup>

1 in 4 Spotify Free users explicitly say they "pay more attention" to advertising on Spotify than on radio<sup>1</sup>

63% of Cdns 18+ are paying attention to what's being said between songs on AM/FM Music Stations, while streaming stays in the background<sup>4</sup>

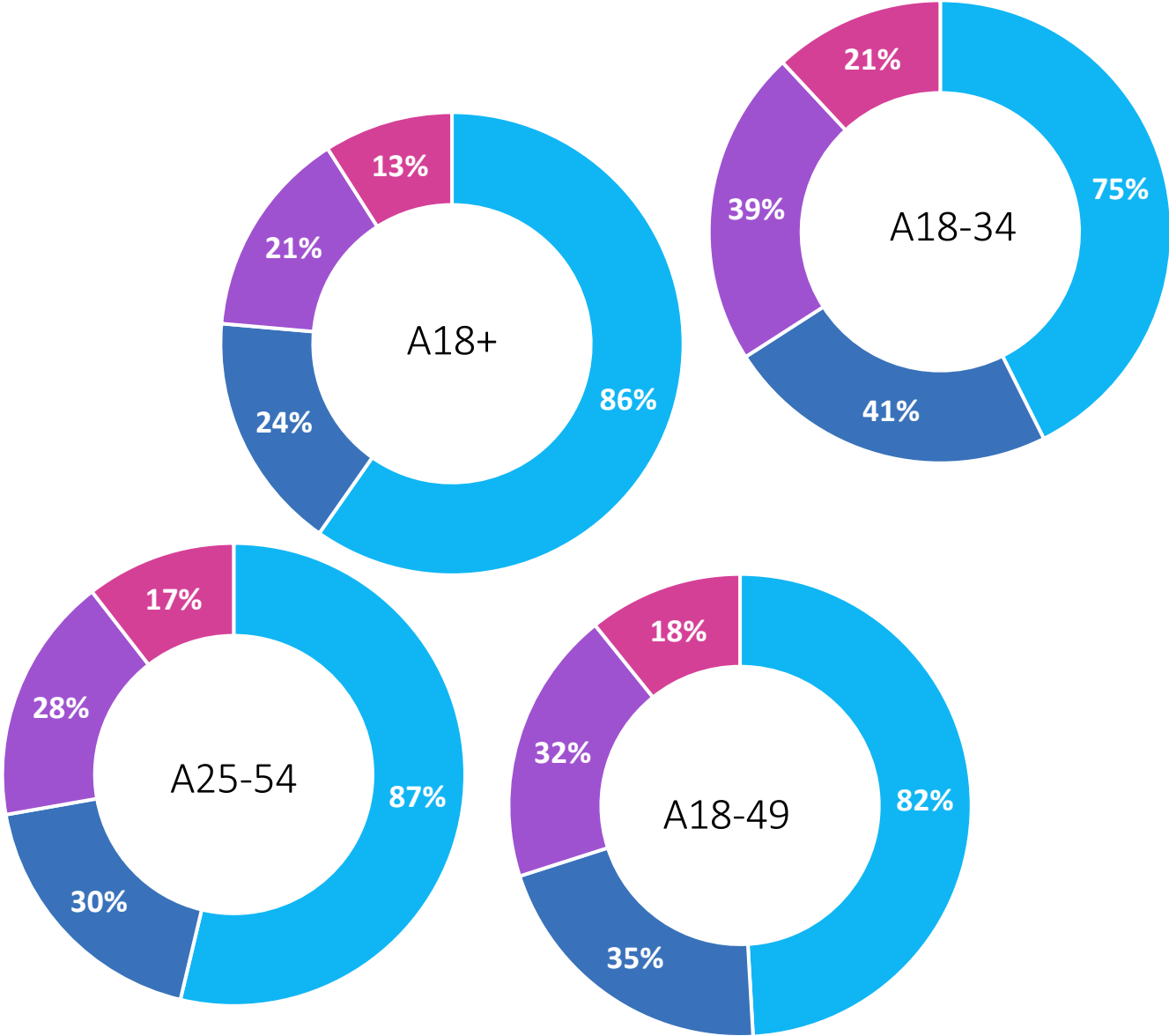
# GROWING % OF SPOTIFY DAILY USERS ARE USING THE AD-FREE SERVICE

Of the 13,9% who use the app daily, the gap between daily listeners with paid and free Spotify subscriptions has widened—2/3 of daily subscribers don't hear ads





RADIO REACHED  
3X MORE A25-  
54 IN THE PAST  
7 DAYS THAN  
INTERNET ONLY  
MUSIC SERVICES



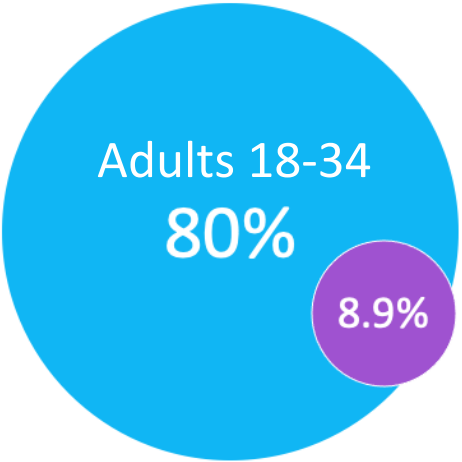
AM/FM Radio | Free ad-supported music streaming services |  
Internet Only Music Service ( ie Spotify) | Podcasts



# SPOTIFY DELIVERS LITTLE EXCLUSIVE REACH

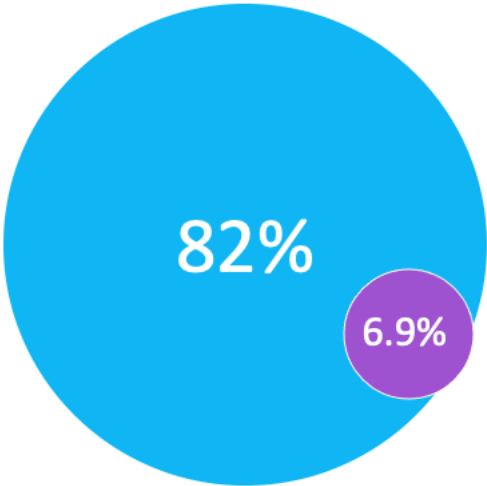


Most daily listeners to ad-supported Spotify also report listening to AM/FM Radio “on a typical weekday”



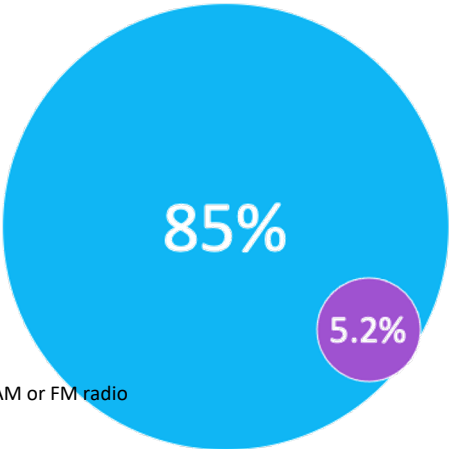
0.79%  
exclusive  
reach

Listen to some AM/FM Radio on  
“a typical weekday”



0.45%  
exclusive  
reach

Listen to ad-supported  
Spotify daily



0.47%  
exclusive  
reach

Source: ROTM 2021 E1. Thinking of all the time you may listen at home, in the car, or at work, how much time in total do you spend listening to AM or FM radio stations during a typical weekday? F13. [Spotify] Overall, thinking of all locations, how often, if ever, would you say you listen to: F16a. You mentioned listening to Spotify. Which of the following best describes your Spotify subscription? Base: Canadians 18-34 (n=586), Daily listeners to ad-supported Spotify; 18-34 (n=86); 18-49 (n=110); 25-54 (n=99)

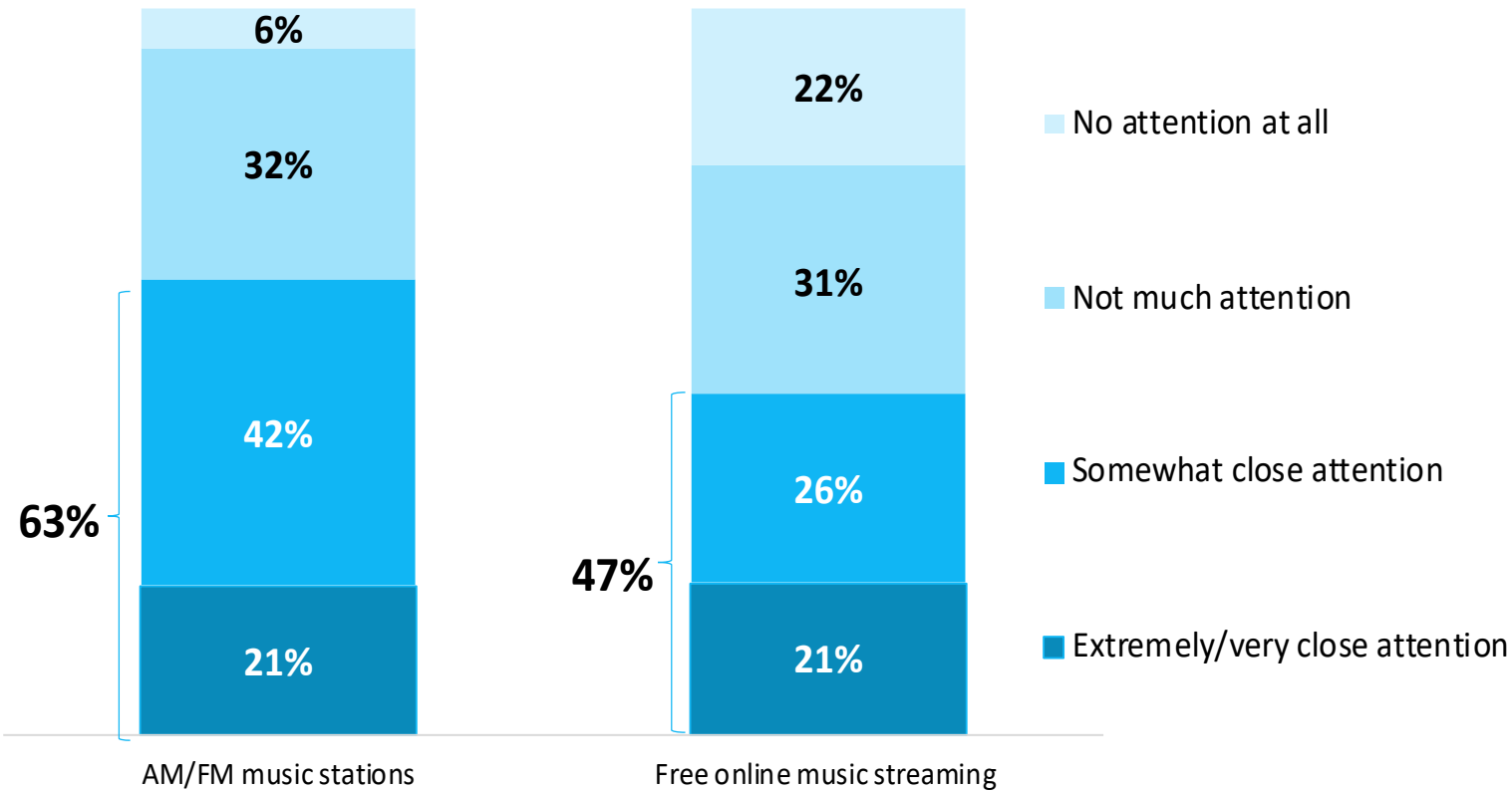


# ATTENTION GAP BETWEEN AM/FM AND FREE MUSIC STREAMING



People listen differently to AM/FM music stations than free music streaming. They are more likely to listen to what’s between the songs on AM/FM, while streaming stays in the background.

Q. How much attention do you pay to what is being said between the music on the following?  
(among users of each media)



# ADS ON SPOTIFY ARE LARGELY IGNORED.

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Affluent and educated Canadians are more likely to pay a monthly fee to avoid ads on Spotify

Daily Spotify listeners who choose paid ad-free vs. ad-supported Spotify subscription

65%

A18+

65%

A18-34

71%

Homes with HHI  
100K+

65%

University  
Grads