INCREASE IN AUDIO DEMAND VIA PMPS

OVERVIEW:
Spotify is one of the world's leading music streaming services with over 140 million monthly active users worldwide. It has two business models - Spotify Premium, the paid subscription service, and Spotify, the free, ad-supported service. In July 2016, Spotify launched its Programmatic Audio product, partnering with Rubicon Project to give advertisers the opportunity to buy Spotify's coveted inventory programmatically and at a global scale.

THE CHALLENGE:
Ensuring Spotify's unique and highly coveted Audio inventory can be bought programmatically and at scale, to reach the right audience in a brand-safe environment.

THE SOLUTION:
Creating localised targeted packages within Rubicon Project’s platform through the use of Spotify's age, demographic, genre and playlist targeting. This enabled Spotify to approve and automate PMP Audio deals with ease.

THE RESULTS:
Spotify launched its Programmatic Audio solution globally in July 2016 and uptake in Australia and New Zealand was immediate. Rubicon Project’s technology integration with Spotify was seamless and the results reflected the ease and efficacy with which marketers were able to purchase Audio inventory - Audio revenue grew 30% when comparing the first 4 months of 2017 with the last 4 months of 2016. Over 1 billion Spotify Programmatic Audio trades have been transacted across Australia and New Zealand on Rubicon Project’s platform. This reflects incredible growth especially when Q4 historically has higher revenue numbers than Q1 on the platform. In May 2017, Spotify recorded its highest managed revenue month on Rubicon Project’s platform, with Audio making up 70% of its programmatic advertising revenue.

METRICS:

**Revenue Growth**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth</th>
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<td>Q4 2016</td>
<td>30%</td>
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<td>Q1 2017</td>
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**Total Revenue in Region**

- Other: 56%
- Audio: 44%

**Hear-Ability**

- 100%

**Number of Deals**

- 100

Since launching Programmatic Audio mid-last year, Rubicon Project has been an exceptional partner for us in Australia and New Zealand. Their service, support and technology has made the introduction of this new offering extremely smooth, and has also given advertisers an easy, efficient and effective means of reaching consumers through our streaming platform.

Dan Robins, ANZ Head of Programmatic & Data, Spotify