



## SPOTIFY GETS ONE STEP CLOSER TO RADIO WITH ANCHOR

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Spotify has launched a new audio experience that combines music and talk content using Anchor, a free all-in-one-platform that gives users the ability to create, distribute and monetize their podcasts. Creators can mix talk with music tracks from Spotify's 60 million-plus song catalog for an on-demand radio experience.

Since podcasters will be creating content through Spotify's technology and music licensing deals, they don't have to worry about copyright laws and royalty payments. Spotify Premium listeners will hear full tracks as part of these shows while those with the free tier will hear 30-second music previews.

To showcase the potential for creativity with this new show format, Spotify has launched seven original shows that use the Anchor feature. Spotify acquired Anchor in Q4 2019.

Doron Dinovitzer, VP of digital at Horizon Media, says this new capability is "a nudge toward reinventing content-specific channels akin to terrestrial radio and satellite stations."

But unlike traditional stations, Dinovitzer says, Spotify has one big difference.

"[It has] the injection of audience data and ability for creators to engage directly with their listeners, through new in-app or poll formats." With podcast listening skewing younger – Gen Z and Millennials – this could mean good news for advertisers. "This is a consideration for brands engaging with this audience as eyeballs and ears shift."

Use of music streaming services has grown steadily this decade and almost half of listeners are making more use of these services during the pandemic. **In its analysis of the Anglophone market, the Media Technology Monitor (MTM) says streaming audio content is the most popular among students and younger Anglophones with 94% of those under 35 having streamed audio in the past month, along with 95% of students, putting them both far ahead of the general Anglophone population (73% as of fall 2019). Smartphones are the most popular device for streaming audio, despite the hype surrounding smart speakers. Only 18% of all streaming audio listeners use smart speakers to stream audio.**

By adding the ability to mix music and talk using Anchor, Jeff Vidler says Spotify is opening up a whole new chapter in the growth of audio content. For the first time, creators can build, and listeners can hear, digital audio shows that combine music and talk like they're used to hearing on radio, but available on demand with the ability for the audience to interact with the host.

Vidler, president and founder of Signal Hill Insights, says, "This taps into the two biggest media consumption trends of the past 15 years. The first is the shift towards on-demand content, the same trend that's fueled the growth of podcasting and streaming services like Netflix. The second is the trend towards the kind of viral user-generated content we see on YouTube or other social media, especially among Gen Z and Generation Alpha. With the ability for anyone to mix music and talk and share it, it opens the door to the potential TikTokization of audio."