

About Spotify

Spotify's mission:

- unlock the potential of human creativity
- a million creative artists making a living from their art
- billions of fans enjoying and inspired by art

Spotify today:

- Founded in 2008, HQ in Sweden
- “Freemium model” - Ad-supported Tier opening to Premium subscription
- 35 million songs, 2 billion playlists, available across Europe
- 58 million users in Europe



How do consumers access Spotify? The evolution of platforms

From Desktop browsers to mobile apps



Voice assistants: a fundamental shift in consumption online

More than 80% of Spotify users access us through a mobile app

The role of platforms

When **working properly**, platforms:

- create growth opportunities for businesses
- enable consumers' access to a wider range of content / services
- seek a maximum number of businesses and users

But, when platform operators turn into “gatekeepers” and engage in **unfair practices**, they **hinder access to services** and **hurt innovation and consumers**

Risk of unfair practices is **most acute** when platforms **operate services that compete with their business users**

Unfair practices

- **Discrimination in fees and payment systems**
- **Platform interference in relationship with users**
- **Unilateral changes & account suspension**

Obstructs competitiveness / delays commercial viability / material loss of customers

Harm

For European businesses:

- Direct loss in sales
- Loss of competitive advantage
- Foreclosure from the market

For European consumers:

- Limited choice of services online
- Higher prices

For the Digital Single Market:

- Reduced competition in the supply of digital music
- Barriers to innovation
- Adverse effect on cross-border sales
- Hostile environment for new businesses who don't align with platform operators' interests

Why Regulation is needed

Self-regulation is not sufficient

A complement to competition law

Enormous market strength

Conflicts of interest

Unfair practices are always harmful, but not always anti-competitive

Ex-post, lengthy, expensive

Affecting different sectors and business models

=> We need minimum rules of fairness between platforms and businesses

P2B Proposal: A positive first step

The proposed Regulation correctly recognises:

- certain platforms exploit their position to impose **unfair conditions** on business users
- **specific risks** arise when a platform controls its business users' access to consumers

BUT

Transparency does not provide fairness - specific unfair practices should be prohibited.

Soft remedies do not work – a compliance mechanism is needed



Thank You.

