

# **The Effect of Customer Relationship Management (CRM) on the Music Industry**

---

A Case study: Salesforce's impact on Spotify

BACHELORS DEGREE THESIS	
Arcada University of Applied Sciences	
Degree Programme:	Cultural Management
Identification number:	<b>6361</b>
Author:	Ehrnrooth, Edward
Title:	CRM Impact on the Music Industry
Supervisor (Arcada):	Bäck, Maria
Commissioned by:	
Abstract:	
<p>The objective of this thesis is to prove the impact of Customer Relationship Management (CRM) on the Music Industry. To clarify my research, I have used a case study methodology. In this study I analyze the implementation of the cloud computing company Salesforce's products to the music streaming platform Spotify. Beside of my personal interest to the both of these companies, Spotify has been a Salesforce long-term customer with a journey of many success stories. Spotify has been able to maintain a certain level of customer experience and create social value by using cloud computing products. The objective of this thesis is to understand why customer management isn't widespread within the Culture and Creative Industry, and to argue its value. I aim to both convey successful use cases of CRM product implementation and further study potential outcomes if used more often. This paper debates that companies that implement CRM can predict growth in sales channels, increase in revenue streams and more successful customer relationships.</p>	
Keywords:	CRM; SMB; Enterprise; Cloud Computing; Salesforce; Spotify; Culture and Creative Industry; Music Industry
Number of pages:	32
Language:	English
Date of acceptance:	

EXAMENSARBETE	
Arcada	
Utbildningsprogram:	Kultruproduentskap
Identifikationsnummer:	<b>6361</b>
Författare:	Ehrnrooth, Edward
Arbetets namn:	
Handledare (Arcada):	Bäck, Maria
Uppdragsgivare:	
<p>Syftet med denna avhandling är att påvisa effekterna av kundrelationshantering inom musikindustrin. För att klargöra min forskning har jag använt en fallstudiemetodik. I denna studie analyserar jag företaget Salesforce och implementeringen av dess produkter till musik distributionsbolaget Spotify. Utöver mitt personliga intresse för båda dessa företag har Spotify varit en långvarig kund hos Salesforce. De har varit med och haft många framgångshistorier genom att kontinuerligt använda Salesforce. Spotify har kunnat behålla en bra nivå för deras kunder och kund upplevelser. Genom detta skapa ett socialt värde, samt ändvånt Salesforce moln tjänster. Syftet med denna avhandling är att förstå varför kundhanteringen inte är använd eller utbredd inom kultur- och kreativa industrin. Dessutom vill jag samtidigt argumentera för dess värde. Jag strävar efter att både överföra framgångsrika exempel på kundrelations produktimplementering och ytterligare studera potentiella resultat om kundrelationshantering skulle användas oftare. I det här arbetet laborerar jag för, att om företag som har kundrelationshanterings program och implementerar detta har lättare att förutsäga tillväxt bl.a. i sina försäljningskanaler och ökning av intäktsströmmar.</p>	
Nyckelord:	CRM; SMB; Enterprise; Cloud Computing; Salesforce; Spotify; Culture and Creative Industry; Music Industry
Sidantal:	32
Språk:	English
Datum för godkännande:	

## Contents

Foreword .....	5
Introduction.....	6
1.0 Research Purpose and Objective .....	7
Case Study.....	7
2.0 Defining Customer Relationship Management .....	8
2.1 Competitive Analysis .....	9
2.2 The History of CRM .....	10
3.0 The Cultural and Creative industry (CCI) today.....	12
3.1 The Music Industry .....	12
3.2 Ongoing Transformation.....	13
4.0 Salesforce .....	14
4.1 CRM Systems .....	14
4.2 Salesforce History .....	15
4.3 Human Centricity as a Competitive Advantage .....	15
4.4 Going Mobile .....	16
4.5 Salesforce Products.....	16
5.0 Spotify.....	18
5.1 Funding .....	19
5.2 Social Capacity .....	19
5.3 A Brief History of Spotify .....	19
5.4 New Target Audiences.....	21
5.5 The Past Couple of Years.....	21
6.0 Research & Findings .....	22
6.1 Spotify and Salesforce: Opportunities and Challenges .....	22
6.2 Salesforce and Customer Excellence .....	23
6.3 Sales Cloud.....	23
6.4 Collaboration Partners .....	23
Conclusion.....	25
References .....	26

## Foreword

This paper is a case study on the positive impact one of the world's leading Customer Relationship Management (CRM) companies Salesforce.com has had on Spotify through their cloud based products (Global, 2017). I decided to study CRM and its impact on the Creative & Culture Industry (CCI) due to my personal interests and previous work experience. Since this phenomenon has been researched rather marginally, I aim to conduct case study to support and improve present research on this topic. I have been building up my professional career for the past few years and have recently worked for Salesforce in Ireland as a Customer Intelligence Analyst for the Nordic Market.

I found my way to Salesforce and the IT industry after my study exchange in Dublin, during which I studied Business and Marketing Management at the Institute of Technology of Tallaght (ITT). As I have a personal background in music, Spotify (a globally known music streaming service) and its connection to Salesforce was a natural choice of study in terms of knowledge, interest and motivation. Additionally, studying and understanding how the music industry operates, what possibilities and challenges does a platform like Spotify have and what kind of role do software services have within the music industry awakened interest and reasoning for this research.

During my time at Salesforce I learnt that Spotify has already been a loyal customer of theirs for many years. For this reason, they were happy to offer a public customer success story with me. However, CRM is not a commonly used system within the CCI today. Working for Salesforce in Dublin taught me how cloud based CRM systems can improve businesses. It gave me the knowledge and tools to analyse data in a critical way that could further help improve and develop companies. Through this study, I aim to understand why CRM is beneficial and prove the impact CRM can have on the Creative and Culture Industry.

## Introduction

Salesforce is a cloud based software platform that offers solutions for developers and users to distribute and develop custom software. It provides applications for marketing, sale, service etc. through a multi-tenant architecture. This means that users can share the technology and operate on the latest releases without needing to do software update or infrastructure upgrades.

A company offering cloud based products enables a hassle-free software environment for the users as instalment hardware and software programs aren't needed (Nachiketh, 2017).

With the Salesforce CRM system, you can access the platform in real time from all devices. For example, managers around the globe can follow and analyse data such as performance (Foster, 2017).

Spotify is a digital music streaming platform that gives you access to millions of songs and other content of artists around the world. It is based on freemium service, meaning that all the basic features are free but with advertisement, and the rest of the services are offered with subscription. The company is founded and based in Stockholm but are operating internationally in Europe, Asia and most of USA. The company holds a record for over 60 million subscribers 2017 and over 140 million active users and that includes the artists' music. 2017 the company has announced that artist will be able to make new album releases exclusively on to the premium service, as they reported that they might have an interest of going public (Crook & Tepper, 2015).

## 1.0 Research Purpose and Objective

There are thoughts and speculations that CRM systems could be used more within the Culture & Creative Companies (CCC), especially within creative agencies, according to Jones (2017). Since the music industry is amongst the biggest of employers within the Culture and Creative Industry (CCI), CRM products could have a rather large impact on the way people work within the field. From a Cultural Management perspective, this effect is rather intriguing.

The purpose of this research is to uncover how Salesforce cloud products have helped Spotify within certain business areas and what kind of products have been implemented and used along the years. This case study will be conducted to convey how CRM has affected their short and long term business through e.g. internal communication, customer satisfaction and experience. I aim to investigate could music companies integrated more CRM into their businesses. In addition to this, I want to find the answers to the following questions: How could CRM be used more in the music field in Finland? To reflect to the study, a case of Salesforce and its impact on Spotify has done to answer the research question.

Has Spotify been able to improve their business management in an organized way and has it had positive results in their statistics? Since there are huge differences between Commercial Business Units (CBU) and Enterprise Business Units (EBU) in both company culture and operational business models, the implementation of CRM and its products must be done in very different ways (Churcill & Lewis, 1983). Specifically, influential corporations in the music industry, as big major labels or film production companies and agencies, are aware of the benefits gained when using a proper CRM system. This can be explained by that the volume is so much bigger that they have forced them self to keep track of their customers in a new way (Hillsberg, 2017). Smaller companies, that have less than 1000 employees, can't necessarily see the benefits.

The paper will start by framing the Case Study and its contents and further on with defining what Customer Relationship Management (CRM) is. After this, the paper will briefly introduce the history of CRM. Then, the thesis will uncover what the Culture and Creative Industry looks like today, what challenges does it face and where it is headed. Since the Case Study will examine the impact Salesforce has had on Spotify, the paper will next explain Salesforce, its history and its products, and then Spotify in the same manner. First then will this paper introduce the relationship between these two companies. Finally, the paper will introduce findings and end with a conclusion of the whole alongside with personal reflections.

### Case Study

A case study is an in-depth study of a situation where the current and past situation is analyzed with different qualitative methods rather than analyzing quantitative data. It will offer a playground and a framework to examine and draw conclusions based on the research matter. In a case study, you become the decision maker once you've understood the context and influencing matters. After identifying the objective, you will have to analyse and study how different occurrences affect one another (Mayakovski, 2016).

In this paper, I will examine the relationship and impact that Salesforce has had on Spotify. These two companies will be set next to each other and analyzed to discover which product have affected Spotify the most and how.

In this research I have diversely been in touch with different stakeholders that have to do with Salesforce or the CCI in Finland. The discussions and interviews that I have accomplished have been through the phone, per email or Facebook.

To get a better understanding of the situation I have interviewed people from Salesforce, partner companies to Salesforce and customers of Salesforce. Questions like "Has Salesforce brought any good to the company and what products have been used?" have been asked to gain a better understanding of the whole. The people that I have been in touch with from Salesforce (through Facebook and emails) have given me data about their present situation and helped me understand more of the way they have implemented

CRM products within Spotify. Partner companies from the CCI in Finland have given me answers regarding Salesforce and its impact on their client's businesses. Teosto and Musiikki talo are companies and organisations that I have been in touch with from the music scene perspective.

The research method is used for an in-depth understanding of human behaviour. Qualitative analysis can be defined as a subjective judgement. It is the opposite to quantitative analysis, which can support each other rather effectively to make a qualified decision when merged together (HBS, 2017). According to Investopedia, the qualitative method has less statistics and numbers as the yearbook of companies. Qualitative analysis is used when we are analyzing decisions that business managers are making, and by qualitative analysis weeing this from different aspects (Investopedia, 2016). This thesis will not be based on a mathematical conclusion; however, it will have some statistical elements to deliver a broader scope and understanding of the research. I will phrase questions in a "What", "how", "who" and "why" format to ensure getting the right answers. As a part of the case study, I will use trustworthy websites and search engines such as Google Scholar, Yahoo for Business, Alla-bolag SE, Academia.eu and Hoovers.com to collect information. In addition to this, I will reference to several books.

## 2.0 Defining Customer Relationship Management

The authors from the book "Customer Relationship Management – Perspectives from the marketplace" speak about CRM and how it is about "understanding customers and helping them to satisfy their individual needs" (Simon Know, 2003). Briefly explained, CRM is about maximising the outcome and the experience for the customers, this is something that people tend to forget. Christian Grönroos talks about its importance in his book service management and marketing: "the clients do not buy products or services; they buy the advantages they get from them. (Grönroos, 2002)

A company can lower its operational and management costs substantially through the use of CRM. It can help the company by improving, informing and managing internal systems. CRM gives the access to enhanced communication, improvement of customer service and helps automate the team tasks and improve analysis of data and reports. A CRM system manages customers' relations holistically. Having everything integrated on the same platform that is accessible whenever from wherever makes CRM very convenient, especially due to sharing features which can be used within teams to share their content and keep the colleagues up to date.

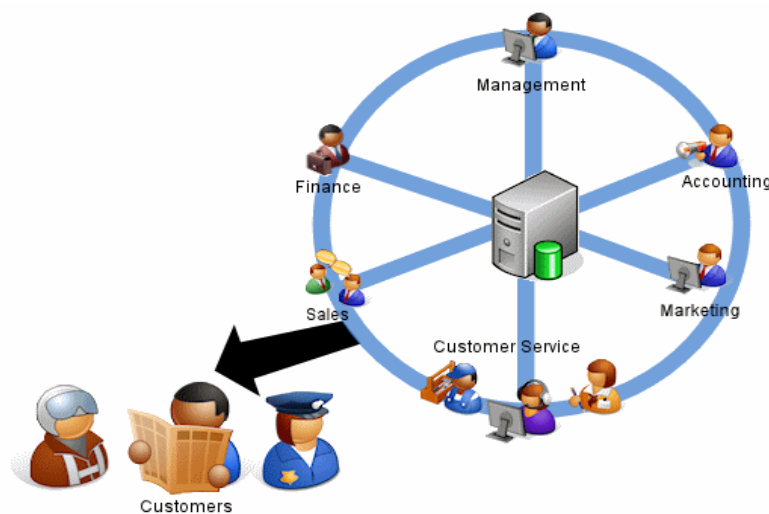


Image 1: Definition of Customer Relationship Management Systems.



In its essence, CRM is about changing the customers' expectations and developing customer experience. It's about enabling individual customer service, improving their business through operating with clients and customers in a more consistent and efficient way. According to a Harvard Business Review (HBR), the satisfied customers are loyal and the ones that are ready to refer positively of the business. Usually these customers are also willing to pay more than other clients. "... Certainly, that's what CRM software vendors—and the armies of consultants who help install their systems—are claiming. And it seems that many business executives agree" says Reinartz and Kumar (Reinartz & Kumar, 2002).

This highlights the importance of keeping customers close and satisfied. A CRM enables an effective way for serving and keeping customers on track and to create more pipeline within sales department.

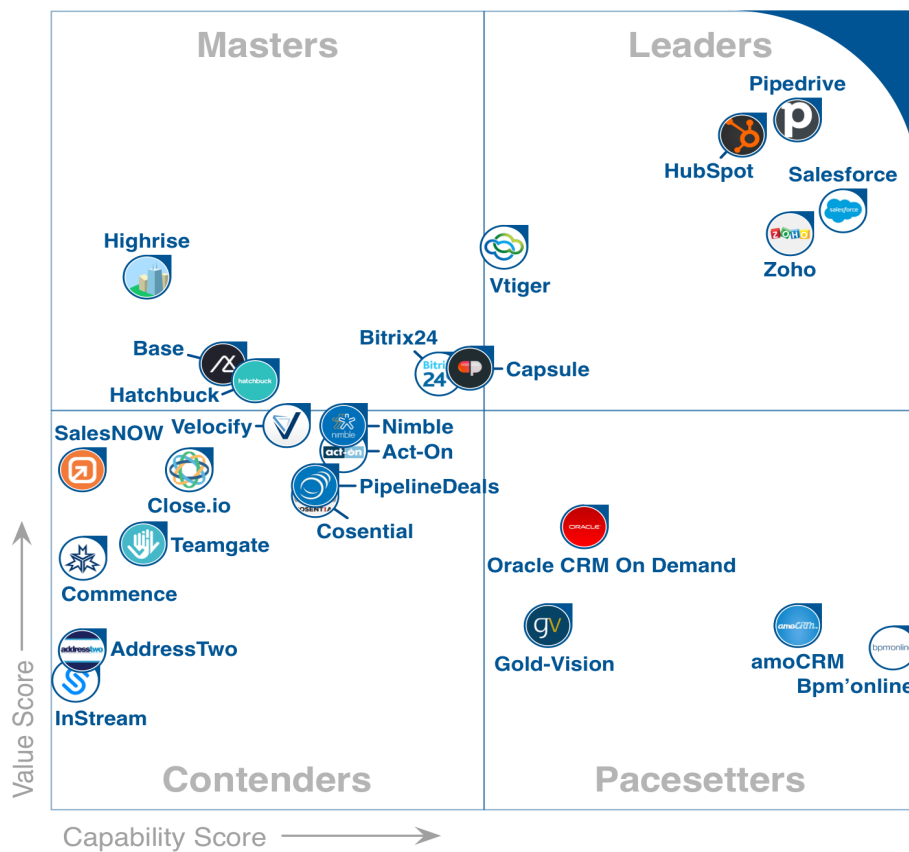


Image 2: FrontRunners for Customer Relationship Management

## 2.1 Competitive Analysis

The Competitive Analysis diagram demonstrates the CRM market leaders, pacesetters and contenders (Borowski, 2017). CRM usages eliminates problems such as not knowing where you customers and potential customers are and how to reach them. In other terms, a CRM system simplifies and secures the future sales pipeline and helps business scalability. As an example, sales managers can track team accomplishments on an individual base and the customer success manager who needs to follow team effectiveness can do this

in real time throughout all annual quarters. When a business is building up sales cycles they can use leads & opportunities to help identify customer needs.

These are key elements for forecasting a realistic sales pipeline (Iannarino, 2014) (Roland & Swift, 2000) (Maximizer, 2015). Forecasting future sales years and tracking everything is paramount for businesses. It gives visibility of how a company is executing. With a CRM system, everything can be automated which results in reduced effort, time and money.

According to Addison Wesley, in the handbook of CRM (2001), the implementation of a CRM system does not have to be challenging, even though launching a multi-month project within a team that doesn't understand the value of a CRM, might be contradictory. It needs commitment from the executive level to create a successful implementation plan (Dyche, 2001).

## 2.2 The History of CRM

Opening the history of CRM and how the software companies started helps to understand the industry itself. The word customer was used for the first time in the beginning of 20th Century and it took almost a hundred years for the people to understand the full potential of analyzing this group of people (Roland & Swift, 2000).

In the 1970's, people who worked in the marketing and customer satisfaction sectors within companies interviewed different groups of people based on their gender and ages to study their reactions when they got asked about different products (McCarthy, 2016). The possibilities CRM offers were first realized when users found that they could understand the consumer behaviour better when using the data CRM offered. With this they started to improve the products and business in general.

Before this there was no software CRM that would have been accessible for companies or programs that would have helped businesses to track their sales and internal and external company operations. At the time, there were neither Customer Relationship Management (CRM) or Content Management Systems (CMS) (McCarthy, 2016).

Before the so called "software" time started, content marketing was the main access point of how companies promoted themselves and maximized visibility. Generating an increasing amount of content through software was the start for CRM and, in the beginning, aimed to generate more sales pipeline for companies. Early innovators like Brock Control were the ones who pushed the sales force automation (SFA) towards reality (McCarthy, 2016).

At the time, Internet business machines (IBM) was the first one to release Stand Alone mainframe systems, which were the size of a room. You could automate sales and track the data and analyse it. This was to help the companies to create better attraction with their sales and through that generate more business. It was the first step to get closer to customer data and its analysis.

Between 1986 to 1993 different firms tried to improve their customers' relationship and solutions on how to receive data. This created the customer evaluation systems. At the time, the biggest company was Act. Siebel systems was created by Tom Siebel 1993 who tried to get Oracle's CEO Larry Ellison to sell its internal sales application as their own, but the gentlemen's vision and the course of business did not match. During 1995, the Siebel Systems was the time a market leader in sales force automation (SFA).

The CRM segment as a software hallow was created to improve customer relations. This is when the terms Enterprise customer management (ECM) and Customer information management (CIM) were thought as names for the companies that were focusing on this area, helping their clients' business to execute better.

The names influenced the rest of the companies in the industry that were following and creating the same kind of services. In the end of 1995 the technology was named as Customer Relationship Management (CRM) (McCarthy, 2016).

As the industry moved forward in a fast pace, it forced the “big players” such as Oracle enterprise to try to integrate the Enterprise Resource Planning (ERP) in to the CRM industry, hoping they could take over and dominate the business field. This unfortunately failed. At the time the company System Application Product AG (SAP), now known more as the corporation SAP, tried to integrate all the applications and the services into one.

Simultaneously, Mark Benioff, the founder of Salesforce.com, was doing the same thing - except he was working on a web based solution. This was a solution that was consumer friendly and easy to use and it worked by a licensing model (McCarthy, 2016). This forced the whole CRM industry to do the same and to serve more products for sales, marketing and service, further creating a 360°-degree view of businesses (Roland & Swift, 2000).

Benioff worked at Oracle before he founded salesforce.com. He had a vision with his team of creating something new, based on cloud computing. This meant that they ran customer data through their own server's instead of through hardware, bolstering revenues and retention while reducing marketing costs. Because of the economical drop of the 90's, most software companies working within the CRM industry dropped out of the dot-com bubble. However, in 2003, something happened that flipped the situation around.

“The Bain & Company’s annual Management Tools Survey of 708 global executives found that firms actually began to report increased satisfaction with their CRM investments”. Rather than transforming the whole business through CRM, companies started to use more specific tools within areas of struggle to be more available for the customer (Ledigham & Rigby, 2004).

### 3.0 The Cultural and Creative industry (CCI) today

The creative industry, also known as the cultural industry in Europe, consists of various segments such as advertising, art, craft, design, music, publishing, software, TV, radio and video games amongst others (Parrish, 2017). The Creative Industry plays a big role in the world economy, and its size is significant; “Creative industries also employs more people than the automotive industry in the United States, Europe and Japan combined” (Santiago, 2015). Ernst & Young, UNESCO and the International Confederation of Authors and Composers Societies (CISAC) conducted a research to determine the impact CCI has on the world economy. The research was based on 11 sectors and one of them was conducted in Europe. There is a strong trend in Europe where companies continually hire younger and younger employees and an increasing number of females: “In Europe, cultural sectors employ people between the ages of 15 and 29 more than any other sector; they also have more women participating in them than traditional industries. Statistics compiled by the government of the United Kingdom show that women accounted for more than 50% of the people employed in the music industry in 2014, compared with 47% in the overall active population”. Concur the World economic forum (Santiago, 2015).

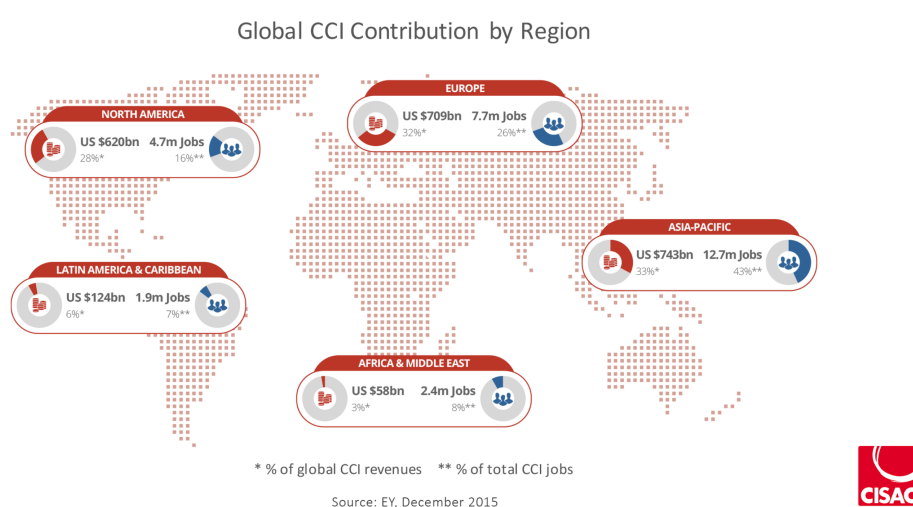


Image 3: Global CCI Contribution by RegionAs can be seen in the image above, the creative industry generates an incredible monetary value. In Europe alone there was 7,7 million jobs provided from creative and cultural companies. In Asia and pacific there was 12,7 million jobs provided (Santiago, 2015).

### 3.1 The Music Industry

It was not a long time ago when artists had a better control over the music industry. They were able to make a living out of the record sales. These days, revenue is generated mostly through streams on different distribution channels or through live performances;

“Times, however, have changed. Besides a handful of superstars, it’s impossible for bands and musicians to generate significant revenue taking this approach. And the reason is simple: Consumers won’t pay much for music.” Says Ross Gerber in the Forbes magazine (2017). Universal Music, Sony, Warner, EMI, Virgin Media are still playing a big role in the major league.

CRM has become more important than ever to the music industry. We are living in a world where the customers are in a control and are able to make demands. Companies try to keep up and create long-term relationships with them to ensure the continuum of transactions. CRM is not only used to create customer satisfaction but also to create long term customer loyalty: “Customer relationship management is an asset for a company and an important aspect of the online business that should be taken into consideration when planning business operations. Implementing digital CRM software in company’s online environment can reveal great deal of information about customer behaviour as well as offer insights on how customers act in company’s viral environment.

With the aid of gathered customer information company can turn their business operations more customer oriented and better meet customer needs in the future thus improving their public image and increasing profitability” - Says Giulio Agostino in his article (D’Agostino, 2015).

### **3.2 Ongoing Transformation**

Due to the disruption digitalization has brought forth, and the fourth industrial revolution and development of new distribution channels, major and indie labels have become marketing agencies and trend machines. CRM’s are mostly used to analyse who listens to the music and which country they come from. Today, people listen to music more than ever in all human history due to the easy access of music content enabled by digitalization (Skelton, 2017). However, there are other things that have influenced the music industry also. The music industry has been majorly impacted by piracy and illegal downloading (Jazeera, 2016). Piracy has had a huge impact on the industry, both in the movie as well as in the music scene.

## 4.0 Salesforce

The cloud based CRM company Salesforce Inc. is listed on the New York Stock Exchange with a market evaluation of 64,42 billion. It has offices all around the World and currently employs 25,178 professionals. Full fiscal year turnover of 2016 was 6,67 billion with a continual yearly increase of 24%. Salesforce offers the World's number one Customer Relationship Management platform (CRM). Salesforce cloud products help companies to increase their business in different departments. The business is based on subscription models and related professional services, implementations, process mapping, project management, and they are the biggest revenue stream for the company (Cumming, 2017).

The business infrastructure of Salesforce is based on licensing. This gives them the opportunity to partner up with companies around the globe such as Fluidio, Meet, Accenture, Deloitte, Tieto, etc. (Dea, 2017). The Digital Consultancy companies listed above have the possibility to have Salesforce consultants working for them, meaning that when clients want Salesforce who already are clients for the partner companies, they can have a key person as their contact. By licensing the products and being web based, they quickly spread around the globe. Benioff made it has enabled the change for everyone to experience and live the Salesforce culture and Ohana spirit (Desisto, 2017).

## 4.1 CRM Systems

With a CRM system, a company can analyse data and information received from customers in real time, in an easily accessible way due to the cloud, so that computing, dealing with clients and potential customers is convenient and simple through leads.

Leads are algorithms that are generated from customers when they enter a website. First, it notifies the sales team that a potential client is browsing the website and at some products. After this, the sales team can be more efficient to engage in dialogue with the potential customer and gain access to their information. As explained on the Salesforce website, "A CRM solution helps you focus on your organization's relationships with individual people — including customers, service users, colleagues, or suppliers — throughout your lifecycle with them, including finding new customers, winning their business, and providing support and additional services throughout the relationship." (Cumming, 2017). When a company has a wide sales scope of the business and control over CRM, the company can start adding and connecting more systems to the same platform. This means accessing 360° view of the whole business. Having the use of a full 360° ecosystems in the creative industry could help SMB's and enterprises grow their business and expand in a short amount of time.

"The importance of effective customer relationships as a key to customer value and hence shareholder value is widely emphasised. In order to enhance these relationships, the application of IT to marketing through customer relationship management (CRM) software, e-commerce and other initiatives is growing rapidly. This study examines the factors that influence the successful deployment of CRM applications, with particular emphasis on those factors which are distinct from other areas of application. Using the analytic induction method, success factors were derived from five in-depth case studies. Resulting factors underemphasised in previous literature include: the need for project approval procedures which allow for uncertainty; the need to leverage models of best practice; the importance of prototyping new processes, not just IT; and the need to manage for the delivery of the intended benefits, rather than just implementing the original specification. (Hugh Wilson, 2010)

The author Chris Anderson wrote a book about the Long Tail Theory (2008). It explains why a section of the market gets left behind after more popular and mainstream products have made their way to the top and why the rest are stay in a transition phase. Anderson speaks about Salesforce and how the company faced the Long tale methodology that he invented:

“As 2005 opened, Mark Benioff found himself in a tricky position. His company, Salesforce.com, had brought an innovative approach to the otherwise quite boring world of selling software for salespeople. Rather than offer his contact management package as a set of discs to be installed on a company’s computers as other companies did, he ran the software on his own servers and offered customers access to it through a standard Web browser for a subscription fee” (Anderson, 2008).

## 4.2 Salesforce History

In March 1999, the beginning of Salesforce was started in San Francisco in a living room with few gentlemen, Parke Harris, Marc Benioff, Frank Dominguez and Dave Moellenhoff. The men had a vision of building something innovate and smart for businesses that would help the company’s sales funnels. Software applications was a new way how to control and build up your business, Software as a service (SaaS) (McCarthy, 2016). They could save money and invest in their first prototype, building the initial platform.

The basic look of this came from the Amazons first platform. This was the time when Marc Benioff wanted to use the web based tactic but use it for business intent. “Amazon was something that gave Marc the inspiration to think, why can’t business applications be delivered through a website that was as easy to use as Amazon.com?” (McCarthy, 2016). Within just a few months Benioff started to work full-time on Salesforce. In the early stages, he wanted to scale to a bigger office and so they did. It did not take more than a year that people started working in different areas in their new office, because of the intense hiring process.

Around the shift towards the 21st Century, Salesforce was ready for their products to be launched. In the beginning of their time, salesforce.com was more of the smaller players in their league & industry, meaning that they had to come out strong when they entered their market. This was something that meant an intensive volume of selling and taking the business further rapidly.

## 4.3 Human Centricity as a Competitive Advantage

Since Salesforce understood that people generally didn’t understand cloud computing, Salesforce started to create strong advertisements at event hosted, with signs saying NO to software. They wanted to not only sell their products in a new way, but also make the experience and perception of the product different. As the bigger competitors didn’t see them as a threat, they had the possibility to start developing something no one had seen before (McCarthy, 2016).

In 2003, Salesforce initiated an event concept called Dreamforce targeted towards potential customers and other curious minds. Generally, tech events would take be a few hours long, but the founders wanted to do this also in a different way. Dreamforce events could take up to a couple of weeks, which again was unheard of at that time. In 2005, the so called “Ohana culture” was brought in to the company. The incentive was to include more than just the employees within the Salesforce community; the Ohana community was to create more activities within the company and engage the employees in doing more activities together.

In 2005 Salesforce came out with something that no one had seen on the market before. The AppExchange gave possibilities to the partner companies to open and serve their clients fairly. This was a way how they wanted to expand, get launch new products and offering the possibility for other companies to implement their products (McCarthy, 2016).

In 2006 Apex, Visual Force and Beyond gave the possibilities for third parties to access the multi-tenant cloud. “Apex was Salesforce’s On-Demand Programming Language which allows third parties, for the first time, to write and run code on Salesforce.com’s multi-tenant, shared architecture”. Of Course, this was another attraction and innovation development that happen in short time within Salesforce so their started to win people’s credibility. “This opens up possibilities for customers to build their own custom applications on the Force.com platform. Not only allowing users to access the robust and scalable CRM solution

that customers loved, but now allowing them to access absolutely anything!” Straight away some of their biggest clients such as the Japan post and Morgan Stanley started using it and they have been satisfied clients ever since (considering that they still are clients) (McCarthy, 2016).

The Marketing Cloud was released in 2012. Its mission was to help companies by uniting their digital marketing campaigns and tools onto the one same platform. Simultaneously, Salesforce bought companies that had solved problems around email marketing, tracing data on social media platforms and so on.

#### **4.4 Going Mobile**

2013 was the year when everything was brought to the mobile. The strategy behind it was to have an easy to access everywhere and in real time. Applications and operational systems were brought in to the mobile version. At that time, 55% of the people on the planet had a smartphone, so this was something that they saw as a huge attraction for the potential market. Mobile gave the managers and CEO's the possibility to keep track of the different departments in their companies. Everything was mobile, so they could make decisions on the run.

The old look of Salesforce was changed in 2015 when the Lightning Strike came out. This was when Salesforce wanted to get out of the “Amazon” look and have a fresher design on the platform. Furthermore, they wanted it to be more integrated than ever (McCarthy, 2016)..

2016 was the time for the integration of Artificial Intelligence (AI). This was when AI was brought in to the products by “Einstein”. Through the Sales, Service and Marketing Cloud, you could use the computer result even better to suggest results and decisions to you.

Now, the future of Salesforce is bright. The company is constantly growing and has recently acquired ten companies that work with marketing and sales analysis as well as AI (Cumming, 2017).

#### **4.5 Salesforce Products**

“It’s not just a CRM system, it is a platform that we can use to build all the functionality that we need” - Ariel Kelman - Chief Marketing Officer (CMO) - Amazon.

The Sales Cloud is one of the most used products since it was the first one invented.

The sales product, is a headliner for the rest of the more specific products. Underneath it are smaller segments (Salesforce IQ, Salesforce CPQ and Data.com). IQ helps you to build up your CRM faster and better, and your solutions in a smarter way. This gives the companies a way how to automate everything (McCarthy, 2016). I have listed the most important products combined with a short definition of them to offer a glimpse of the entirety.

#### **CPQ**

The CPQ (configure, price, quote) gives access to billing. Streamline billing and revenue recognition gives access to create faster and clearer proposals and gives the Sales Representatives (sales reps) better proposed solutions. A business in the CCI could have use for this, considering the fact of it being a very human centric business field. Automated billing after an event would be more convenient and easy to handle through the platform etc.



## **Data.com**

The Data.com gives the tools to prospect B2B (business to business) and improve your data and results. Adding better data equals to better selling and advanced count to execute smarter sales planning (Salesforce, 2017).

The Main Sales Cloud helps companies to automate their sales and to increase their sales pipeline to enable an increase in their revenue in the future. It assists companies to find the right accounts and to close deals faster. This is used to increase productivity and decrease the amount of time spent. Having everything integrated on a single platform allows businesses to bring speed on board. Faster decisions reflect faster results.

Jeroen Tas, Chief Executive Officer of connected care and health informatics at Philips shared his experiences of the Service Cloud: “We are going back to that one-one-one where people knew you but now we are doing it on the scale of 100 million”. Salesforce helped Philips to stay a lightyear ahead of their competitors by providing CRM systems. Salesforce Service Cloud gives the tools to support customers everywhere within the service platform (Salesforce, 2017).

## **Other Essentials**

With Salesforce Marketing Cloud a company can fully integrate all marketing channels to the same platform. Every interaction with customers can be personalized. Data can be activated through the Salesforce DMP to further build customer experiences. B2B marketing automation is called Pardot. Pardot is a product which could be used within the CCI, and it is becoming increasingly more popular.

With Salesforce Commerce Cloud businesses can deliver seamless customer experiences across all ecommerce shopping touch point on all platforms (social, mobile, and web stores). With Commerce Digital Cloud a company can personalize the shopping experience for users with an AI powered commerce solution for marketing, merchandising and promotion. Commerce Cloud Store gives new life to a web shop through a mobile solution that can be personalized for businesses and their customers.

Salesforce platform makes it easier for a company to build and manage applications. With AI, there is a feature called lightning feature. A company within CCI can still have the visual interface of their platform by normal code or the app by building it easily and saving time. Lightning gives the possibilities to do integrations to the platform.

Heroku enterprise gives the possibilities to have data integrations when building apps. Salesforce Analytics gives possibilities to understand and collect data that comes from different sources and merge them to one single platform. Einstein Analytics is connected to the platform so now anyone can ask questions and start analyzing data to improve better results. Sales Analytics will help understand the numbers and the data that comes from customers. With Sales Analytics a company has an opportunity to make a FY forecast easily by having the Service Analytics drilled into the service platform and analyzing the data better and efficiently (McCarthy, 2016). Community Cloud gives the social value to the company internally or externally. Its designed for engaging and collaborating with employees in a transparent way. The Chatter features a communication portal open for internal communication. The Salesforce Internet of things (IoT) enables to connect every smart device and analyse the big data in a smaller and more bearable information stream. The Thunder feature is a massive engine for processing e.g. thousands of events every day. Salesforce industry products gives access to turn all the information and data in to the CRM platform, it enables business touching point management. Salesforce Quip permits the user to share documents, files and spreadsheets within a team easily (McCarthy, 2016).

## 5.0 Spotify

Have you ever wondered how artists get their music out so that their fans can listen to it? What about how music labels do business? Through which channels do they distribute their music? How come people listen to more music more than ever in human history? (Skelton, 2017). Spotify is among one of the world's biggest music distributors. Spotify brings music to the people in an easy way through their platform that you can access through their application on a smart device, or web platform. Spotify was awarded as one of the biggest start-up companies within the creative industry. This correlates with the motivation that I had when I picked the case study, especially when Spotify has been Salesforce.com clients for a long time.

Spotify had over 60 million subscribers in 2017 and over 140 million active users and that includes the artists that has their music on the platform (Spotify, 2017). The diverse platform has over 30 million songs in their library and over 2 billion playlists that the company as well as individual people have created. Spotify is yet privately held and operates in 61 markets and has a revenue of 2.93 billion euros and a net loss closer to 539 million euros last year (2016) (Statista, 2017).

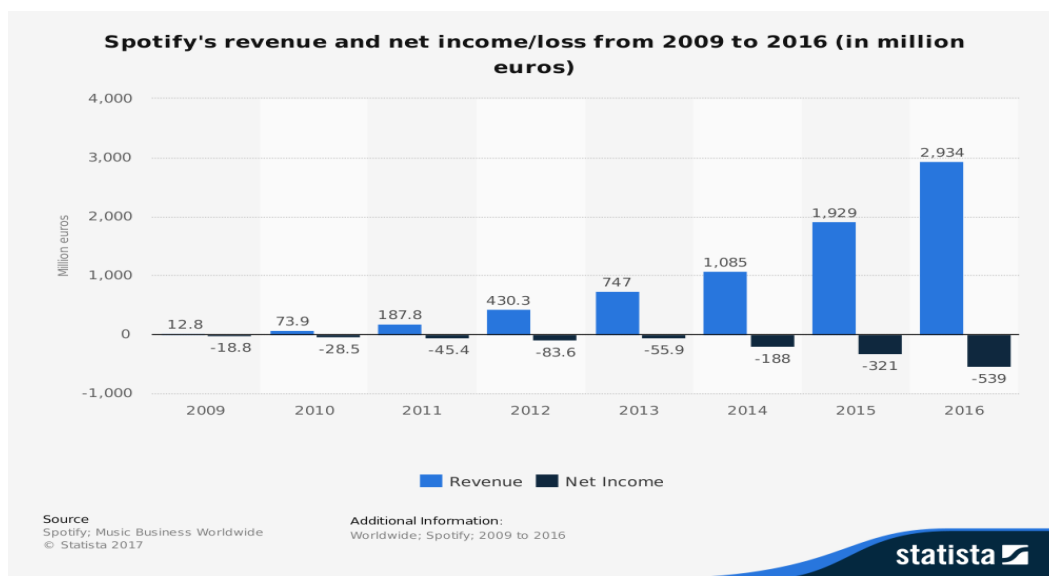


Diagram 1: Spotify's revenue and net income/loss from 2009 to 2016 (in million euros)

Platform economy is growing rapidly around the world. Platform economy is described as an interconnected space which enables social communication and access to a variety of data. Companies like Google, Facebook, Uber and Salesforce have built their business on these kinds of platforms. According to the Issues in Science and Technologies, it creates positive reactions that we humans can be more part of, through what we are able to create value within economy and life and are able to socialise and interact with one another. Both Salesforce and Spotify are a part of the platform economy and have successfully done their business correctly in their own industries. Salesforce has built a web based software so that it is easily accessible to everyone. "The movement of these algorithms to the cloud, where they can be easily accessed, created the infrastructure on which, and out of which, entire platform-based markets and ecosystems operate. Platforms and the cloud, an essential part of what has been called the third globalization, reconfigure globalization itself" (Kenney & Zysman, 2016).

Spotify is strongly part of the platform economy; through this they have extended their user experience by being able to go through their platform and connect with people on Facebook for an example.

## 5.1 Funding

Spotify started off with many seeding rounds when they started 2007-2010 to get funding and capital flow to the company. This gave a possibility to pay salaries to the workers and artists that had their music on the platform. One of the deal breakers for Spotify are the major labels, which own the most streamed song in the world: Universal music, Sony music, Warner music.

As said in the Spotify revenue/net income 2016 Statistics, “A major part of Spotify’s expenses are the royalty fees that the streaming platform must pay to the music artists and license holders, with payments amounting to over 882 million U.S. dollars in 2014. “

Statistically, you can see that Spotify net income during years 2009-2016, revenue and net profit. During the 2009, they started off with having 12,8 million dollars and doing minus after a physical year of -18,8% net income. This continued until 2016 (Statista, 2017). As one of the world’s leading online streaming services, Spotify has their HQ in Stockholm and in London and has 50 million paying users and 100 million monthly active listeners. The company’s results and appeals are not only based on the online streaming and the radio capabilities as they say in the Spotify revenue/net income 2016 Statistics.

## 5.2 Social Capacity

The social capacity is very strong for Spotify platform. This is where they bring the feeling of a community to the people when you can chat and share similar interests.

You are able to share and connect the playlists to Facebook after the founder Mark Zuckerberg and Daniel Ek made a deal in 2010. This was considered as one of the big milestones for Spotify, gaining more social value.

As the company is valued to be 8,5 billion US dollars, it makes one think how is it possible that the company has not made any profit this year. The Long Tale theory which Chris Anderson developed might have something to do with the indie and small artists that are found on the Spotify platform (Flanagan, 2016).

Going back 20 years in the music industry, the radio and TV dominated and played the songs that people liked the most, the so called “mainstreams”. Through Spotify, there is a possibility to share music with over 75 million users. Due to this, there are people that have created certain algorithms that make it possible for Spotify to suggest similar songs of your liking. This is called Discover Weekly and it is based on an algorithm that has two ways how it operates. The first one analyses the big data, the huge amount of data that comes from all the people who consumes the platform. The second creates a personal profile to every single one and analyses the music you listen to and builds up on that base. Through this they know, what kind of music you like and would like to listen too next (Crook & Tepper, 2015).

## 5.3 A Brief History of Spotify

During the first months of Spotify, the founders worked day and night from a small apartment (like most Tech start-up companies). The servers heated up so much that the gentlemen needed to work without clothes in their apartment (Crook & Tepper, 2015). The platform was not ready for a launch. During 2006-2007 they worked on the first beta version so that it would be ready for an initial release. In Spring 2007, they released the first version; at this time the visual parts were not the same as you see today. Down below can you see the beta version that was released to the public.

During the Summer 2007 Spotify launched a version for Mac computers and devices, following by Winter 2007 they launched playlist sharing that started gaining social capacity and value to the platform (Statista, 2017). During the year 2008 Spotify entered the world of advertising to ensure stakeholder satisfaction. During their first round of funding in Fall 2008, the company raised 21,6 million dollars and launched their beta version in Europe. The first public mistake that happen was in 2009 when Spotify had their first data leak that had the potential to expose customer’s **data and** personal information. For the second round of funding the company raised approx. 50 million dollars so that they could pay records labels (Niu, 2017). Fall 2009 the company launched an Android version of their platform and in Spring 2010 they got a funding for approx. 11,6 Million Dollars. In 2011 Spotify announced that they have reached 1,000,000 paid subscribers and the company raised D series funding of about 100 Million Dollars.

The company launched their operations in USA in the summer of 2011. During Fall 2011, the integration with Facebook took place. During fall 2012 Spotify raised a seeding around E where they acquired 100 Million Dollars and this was led by the investment bank Goldman Sachs (Crook & Tepper, 2015). During 2013, the new brand identity was launched with a new logo. The sixth round (F) was funded in Fall 2013 where they got 250 million, the biggest funding so far, with 24 million active users and streams over 4,5 billion hours in 2013.

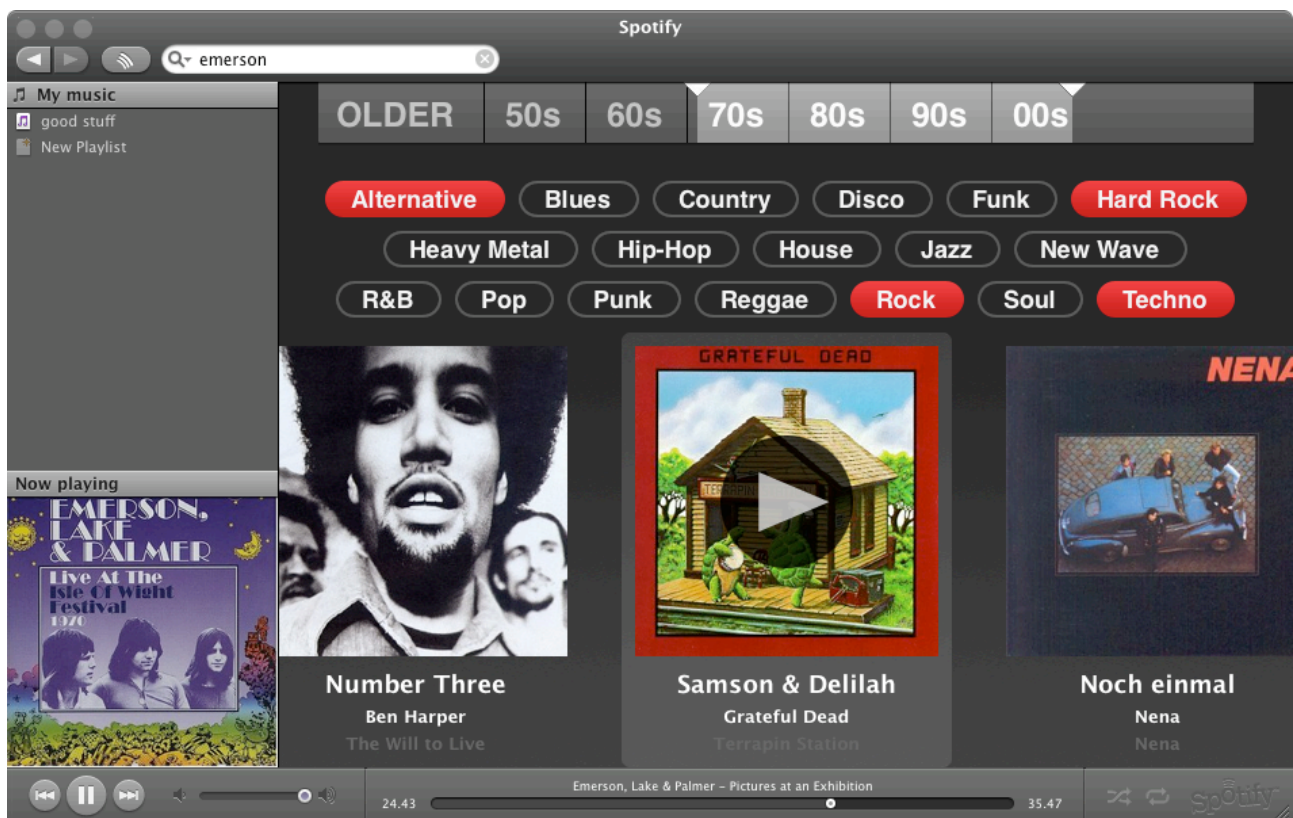


Image 4: A Screenshot on Spotify’s Beta Version in 2007

The company launched their operations in USA in the summer of 2011. During Fall 2011, the integration with Facebook took place. During fall 2012 Spotify raised a seeding around E where they acquired 100 Million Dollars and this was led by the investment bank Goldman Sachs (Crook & Tepper, 2015). During 2013, the new brand identity was launched with a new logo. The sixth round (F) was funded in Fall 2013 where they got 250 million, the biggest funding so far, with 24 million active users and streams over 4,5 billion hours in 2013.



Image 5: Spotify's New Brand Identity launch, 2013

#### 5.4 New Target Audiences

Spotify started expanding in Spring 2014 and started to target students. The concept each college student would be able to get a 50% discount off Spotify Premium. A partnership with Uber was initiated during the same time. Fall 2014 Uber and Spotify partnered up so that the people who sat in a car where able to listen to music whilst enjoying the ride. Understanding the value of targeting big markets as students and doing deals with Uber and Facebook opened new possibilities for taking families more into consideration. In Fall 2014, family members were able to get package price so that all of the family members could listen (Crook & Tepper, 2015).

#### 5.5 The Past Couple of Years

In 2015, Taylor Swift removed her music from Spotify due to streaming prices which created a snowball effect to the rest of the artists. The back payment for the artist were not good enough and backfired Spotify heavily (Knopper, 2014).

Spotify is a middle hand and a platform for the music labels, mostly majors to distribute their music. During Spring 2015 in New York Spotify announced that they would be incorporating video and podcast support on the platform. Spotify also came out with suggested playlists for people runners. Based on your tempo, the algorithms would suggest songs that would suit the tempo of your running. During 2015, the company was able to net 526 million on the G series round. Summer 2015 announced 20,000,000 paying users and 75,000,000 users overall and 3M paid out money to artists. The company is now facing a new era and is thinking of going public on the Stockholm Stock Market (IPO). This would enable current stakeholders to sell their shares and give a possibility for them to do exit.

The company will not raise more funding rounds, and they are thinking of alternative, non-traditional ways of raising funds in the future (Anon., 2017)

## 6.0 Research & Findings

In this thesis, I have used a CRM company called Salesforce and the music streaming platforms Spotify as a reflected case study. The mission is to find out the CRM impact on the music industry and as a case study I will be researching the effect of Salesforce CRM on Spotify. How has Spotify benefited of being a client of Salesforce? Have they been able to maintain a satisfactory customer relationship and pursue with new opportunities by using Salesforce products?

As Jonathan Fosters, VP of sales at Spotify, preaches about the SF customer journey platform: “With Salesforce our customers service easily scalded through rapid growth”, as Spotify mentions in many articles to highlights the cases which have proven that social competence is really important for Spotify. Social shareability is visible through playlist sharing and the collaboration with Facebook. Through Salesforce they have been able to keep track of all customers and have been able to get the right leads from the Sales cloud. “The internal communications are working because of Salesforce”, says Enholm who is the Vice President for Sales in EMEA for Spotify. The Company uses a full CRM system of Salesforce and, according to the customer satisfaction platform, have been happy ever since they partnered up (Salesforce, 2017).

During my interview with one of the partner companies to Salesforce (Avaus – Marketing and innovations), I was able to sit down and have a meeting with Niina Väisänen who is the manager of the strategical team representing Salesforce at Avaus; “We are strongly involved within culture and creative industry in Finland and their sales have gone up with 80% within the Salesforce product family during the last year”, says Niina. At Avaus, there is a team comprised of 15 people that work with Salesforce products. The team consists of technicians, consults and growth hackers. During the interview Väisänen clarifies that their company value proposition is that the clients won’t just receive a technology, but rather a solution that helps and supports their business processes and targets. At Avaus, they try to combine marketing and customer care to build a supporting entity revenue.

The positive return on investment for Spotify awakens curiosity within similar companies. Might there be streaming platforms or different industries that could use the same solutions and technologies? As Spotify was able to track their sales more precisely and make more pipeline through the Sales Cloud, could e.g. events use the same systems to better track the business side?

### 6.1 Spotify and Salesforce: Opportunities and Challenges

The press has been writing about Spotify’s future. Is it too big to crush and is it profitable or even possible to keep paying labels and artists without doing new funding rounds? This is where the IPO could maybe save the company, since they already gained funding rounds closer to 537,8 million including a 250 million round in November 2013. Challenges include persuading the labels to sign music sharing contracts on the Spotify before anywhere else.

Is Spotify moving somewhere else than just to the streaming of music? New terrains of services could convey new opportunities for the company. There has been rumours of them starting to have other on-demand features such as Netflix and YouTube offers and many see this as a new possible opportunity for the company (Resnikoff, 2017). “Even so... there’s an argument that the future of digital entertainment may move more towards people getting their content from fewer companies. Apple, Google, Amazon, Microsoft and Sony being the five that immediately spring to mind: all able to offer music, TV, films, e-books and games to customers from one place (Resnikoff, 2017).

## 6.2 Salesforce and Customer Excellence

Using Salesforce for all external and internal collaboration has been the main way of how keeping track of their Marketing, Sales and Analytics departments at Spotify. A huge development for Spotify has been the social value aspect they created for themselves through launching different features such as family and student modules. “As we’ve become spread out geographically, being social helps us work as if we’re all still sitting in the same office,” says Forster. “For us, social means human contact. It means praising colleagues for great work and sharing problems and opportunities”, he adds. As a start-up, Spotify has been a forerunner on maintaining high customer satisfaction scores due to their numerous playlists and 10+ million active users in 16 different countries (Salesforce, 2017). “To keep track of every customer and every song played, Spotify uses Salesforce CRM to handle everything from collaboration to tracking progress against quarterly targets. Salesforce enables them to manage a growing lists and groupings of tracks that is now in the millions, delivered to listeners in over 15 countries” (Kaiser, 2015). The company started to use the Desk.com product after the integration of Sales Cloud and further on of the Salesforce Service Cloud. Desk.com is a cloud based product that is designed to maintain customer satisfaction in digital forms. Nowadays, customers are able to communicate online independent of time. Since digital communication is agile, fast paced and expand exponentially, operating manually would take too much time and energy. Desk.com provides everything from social media channels to emails and to phone calls to be integrated into the same platform. The starting of a business is a perfect example: The company will have a growing number of customers coming, and through the desk.com service the company will be able to get operations running in a matter of a few hours, enabling real time dashboards and reports from different teams on how they operate, ensuring that small issues can be resolved quickly. Spotify had all its operations integrated into the same platform and gained more social value by keeping track of their customers. They could cater new experiences by knowing what their customers listen to and when and where (Salesforce, 2017).

## 6.3 Sales Cloud

The Sales Cloud is a product that has the ability to help a company to gain more revenue stream and to find the right customers and help to close deals faster and contact management. This will give you an overview of you customer and let you follow them through social media services like Twitter, Facebook and LinkedIn.

Spotify has gained a huge number of customers through when creating the social value and by using Salesforce features when using Sales Cloud (Salesforce, 2017).

Salesforce Inbox has given the possibilities to have all customer information updated automatically when sending emails. This was scheduling meetings can also be taken care of faster. Outlook or Gmail are used internally at Salesforce. Spotify uses this for example when a payment hasn’t gone through: The customer will be sent a reminder automatically as a part of the inbox feature Spotify has set up. It is also possible to observe whether a customer actively opens the emails received or not, and this way personalize email sending’s depending on the customers that are interested of receiving them or not. Through the Sales Cloud, Spotify is able to gain more leads of potentials customers by analyzing the way they move across the website, and then cater targeted marketing towards the specific customer (Salesforce, 2017).

## 6.4 Collaboration Partners

Spotify has been just one click away from interacting and opening a dialogue with their customers by accelerate productivity through the Lightning Dialler. As Spotify wants to strengthen their market position and differentiate themselves from competitors through having a very intimate community feel, they engage with customers often. Collaboration partners have become a core

business focus for Spotify. Collaboration with Uber and Facebook have proven and solidified the collaboration value to Spotify, and will continue to be an essential part of their business strategy. Other vital collaboration partners are record labels, which enable Spotify to operate. All customer and company data is run through Salesforce. In conclusion, Spotify has been able to interact and maintain customer and partner relations in a more efficient way than ever due to the Salesforce products they have incorporated into their business (Salesforce, 2017). Thanks to Sales Cloud, Spotify has been able to forecast future sales and forecast quarterly business target by not only making behavioural strategy of the sales team, but by building dashboards to follow individual performance as well as team performance.

To have the power and visibility to see how numbers are developing is paramount in a quarterly business. Through the Sales Cloud, Spotify Sales Managers can follow sales status and react accordingly.

Part of maintaining clients is to offer them the right kind of service that caters their needs. Spotify has put a lot of effort into maintaining a high level of customer service which has been a good return of investment and brought more value to the whole company.

With Salesforce Service Cloud Spotify has been able to connect with its customers in a whole new way. As the VP of Sales mentioned before, the social value that Spotify has created has been the Unique Selling Points and growth enablers for the company.

Being able to help your customers and build a 360° view around them in a proactive manner has been a key component in building Spotify. Spotify has been able to ensure new business opportunities in an agile way with Artificial intelligence. They have started to personalize message and other communication content continuously and lifted self-service to a whole new level. As Salesforce says: “Your success is ours. When our customers are happy and they spread the word we can see growth in different departments. Why wouldn’t a happy customer bot buy more?”

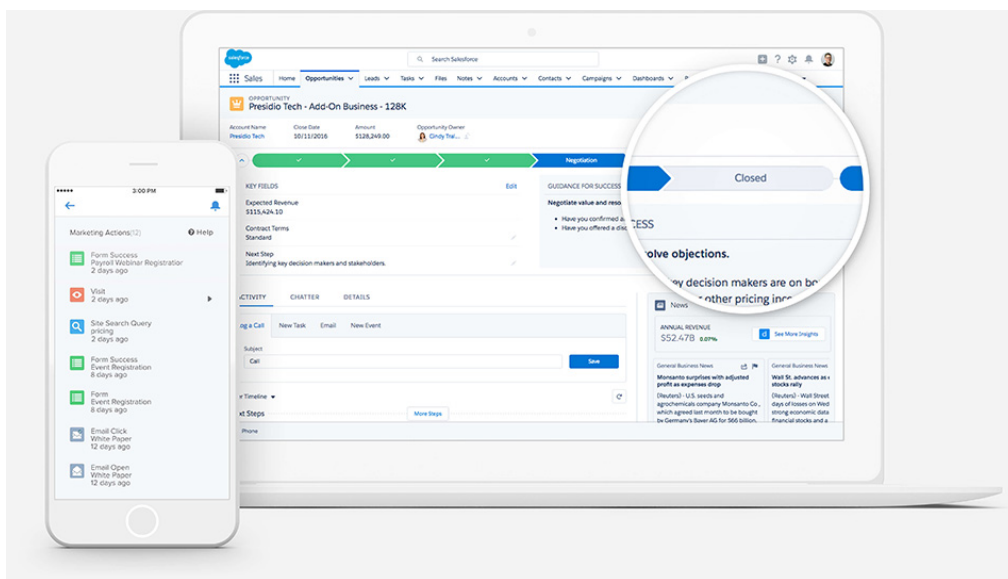


Image 6: Product overview of the Sales Cloud



## **Conclusion**

During this research, I have been able to learn and understand more, and reflect my knowledge of my past work experience to the research. Even though this has been a long process, I feel that I have enjoyed this research due to having a topic that interests me so strongly. I realized that understanding more of the creative and cultural industry is a topic that awakens a lot of interest and something that I want to learn more about, especially within the music industry which has been close to my personal hobbies for a long time already. In addition to this, I have gained more knowledge of the different kinds of streaming platforms and the cloud products within computing. My knowledge of Salesforce has grown a lot and it has taken me to the next journey within the company's products.

My biggest obstacles and pain points during this journey have been finding the right data and interpreting and expressing them in a written way. I came to realize, that even if you understand the concept and terminology, it does not mean that the reader will. Explaining small details within a bigger context is vital to reflect and convey a big picture for the audience of this paper. Since I feel that there still remains a lot to discover within this topic, I may continue researching this topic and develop a second edition for my Master's thesis.

## References

Anderson, C., 2008. *The Long Tail: Why the Future of Business Is Selling Less of More*. 1st Edition ed. s.l.:Hyperion E Book.

Anon., 2017. Spotify planning on going public, but not the traditional way. [Online]

Available at: <https://www.thelocal.se/20170406/spotify-planning-on-going-public-but-not-the-traditional-way>

[Accessed 12 November 2017].

Borowski, G., 2017. Frontrunners Quadrant. [Online]

Available at: <https://www.softwareadvice.com/uk/crm/#top-products>

[Accessed 26 November 2017].

Churcill, N. & Lewis, V., 1983. The 5 Stages of Small Business Growth. *Harvard Business Review*.

Crook, J. & Tepper, F., 2015. A Brief History of Spotify. [Online]

Available at: <https://techcrunch.com/gallery/a-brief-history-of-spotify/>

[Accessed 11 November 2017].

Cumming, J., 2017. Salesforce Announces Fiscal 2017 Fourth Quarter and Full Year Results, San Francisco: Salesforce Investors.

D'Agostino, G., 2015. The concept of digital CRM from a music industry perspective. [Online]

Available at: <https://www.linkedin.com/pulse/concept-digital-crm-from-music-industry-perspective-giulio-d-agostino/>

[Accessed 24 October 2017].

Dea, C., 2017. What's New on the AppExchange. [Online]

Available at:

[https://appexchange.salesforce.com/appxContentListingDetail?listingId=a0N3A00000EJfdSUAT&d=7010M000000NoxP&dcmp=KN-C-Google&gclid=CjwKCAiAxarQBRAMeIwA6YcGKP\\_uXUVXZASbB6mgKD6rwhXj61QteSiL2v9Ps-OX5zseh1WpNqHnCxoC-hEQAvD\\_BwE](https://appexchange.salesforce.com/appxContentListingDetail?listingId=a0N3A00000EJfdSUAT&d=7010M000000NoxP&dcmp=KN-C-Google&gclid=CjwKCAiAxarQBRAMeIwA6YcGKP_uXUVXZASbB6mgKD6rwhXj61QteSiL2v9Ps-OX5zseh1WpNqHnCxoC-hEQAvD_BwE)

[Accessed 25 October 2017].

Desisto, R., 2017. How Cloud Ecosystems Deliver Economic Impact and Innovation. [Online]

Available at: <https://www.salesforce.com/blog/2017/07/cloud-ecosystems-economic-growth.html>

[Accessed 30 October 2017].

Dyche, J., 2001. *The CRM Handbook: A Business Guide to Customer Relationship Management*. 1st Edition ed. s.l.:Addison Wesley Information Technology Series.

Flanagan, A., 2016. Where's the Long Tail? Spotify Touts Its Artist Discovery. [Online]

Available at: <https://www.billboard.com/articles/business/7385830/wheres-the-long-tail-spotify-artist-discovery>

[Accessed 11 November 2017].

Foster, J., 2017. Customer Success Stories. [Online]

Available at: <https://www.salesforce.com/customer-success-stories/spotify/>

[Accessed 12 October 2017].

Global, S., 2017. Fortune 500 Data Store. [Online]

Available at: <http://fortune.com/fortune500/salesforce-com/>

[Accessed 12 10 2017].

HBS, 2017. The Harvard Business School Case Method. [Online]

Available at: <http://www.hbs.edu/mba/academic-experience/Pages/the-hbs-case-method.aspx>

[Accessed 14 October 2017].

Grönroos, C., 2002. Service Management och Marknadsförning. En CRM Ansats ed. Degreö: Liber Ekonomi.

Hillsberg, A., 2017. 5 CRM Business Solutions Built for Large Enterprises. [Online]

Available at: <https://financesonline.com/5-crm-business-solutions-built-for-large-enterprises/>

[Accessed 13 October 2017].

Iannarino, A., 2014. 7 Tests to Make an Accurate Sales Forecast. [Online]

Available at: <https://www.salesforce.com/blog/2014/04/accurate-sales-forecast-gp.html>

[Accessed 17 October 2017].

Investopedia, 2016. Quantitative Analysis. [Online]

Available at: <https://www.investopedia.com/terms/q/quantitativeanalysis.asp>

[Accessed 14 October 2017].

Jazeera, A., 2016. Piracy puts Guyana's music industry at risk. [Online]

Available at: <http://www.aljazeera.com/news/2016/01/piracy-putting-guyana-music-industry-risk-160102152433380.html>

[Accessed 22 November 2017].

Jones, P., 2017. 3 Reasons Why Creative Agencies Should Use CRM. [Online]

Available at: <https://www.convergehub.com/blog/3-reasons-creative-agencies-use-crm>

[Accessed 28 October 2017].

Kaiser, H., 2015. Spotify's CRM. [Online]

Available at: <http://it.toolbox.com/blogs/insidecrm/spotify-crm-68573>

[Accessed 25 November 2017].

Kenney, M. & Zysman, J., 2016. *The Rise of the Platform Economy*. [Online]

Available at: <http://issues.org/32-3/the-rise-of-the-platform-economy/>

Knopper, S., 2014. Taylor Swift Pulled Music from Spotify for 'Superfan Who Wants to Invest,' Says Rep. Taylor Swift Pulled Music from Spotify, 8 November.

Simon Know, A. P. a. L. r. S. M. a. J. P., 2003. *Customer Relationship Managment*. [Online]

Available at:

[https://books.google.fi/books?hl=en&lr=&id=zDAGaWOb62EC&oi=fnd&pg=PP5&dq=customer+relationship+management&ots=u0UIYzA5uO&sig=oLj6rZertC1NVDPASDVzBSlgyhc&redir\\_esc=y#v=onepage&q&f=false](https://books.google.fi/books?hl=en&lr=&id=zDAGaWOb62EC&oi=fnd&pg=PP5&dq=customer+relationship+management&ots=u0UIYzA5uO&sig=oLj6rZertC1NVDPASDVzBSlgyhc&redir_esc=y#v=onepage&q&f=false)

[Accessed 12 12 2017].

Ledigham & Rigby, 2004. Harvard Business Review: CRM Done Right. [Online]

Available at: <https://hbr.org/2004/11/crm-done-right>

[Accessed 20 October 2017].

Maximizer, 2015. 6 Reasons Why Your Business Needs CRM. [Online]

Available at: <https://www.maximizer.com/blog/6-reasons-why-your-business-needs-crm/>

[Accessed 15 October 2017].

McCarthy, B., 2016. A Brief History of Salesforce. [Online]

Available at: <http://www.salesforceben.com/brief-history-salesforce-com/>

[Accessed 15 October 2017].

Muratovski, G., 2016. *Research For Designers: A Guide to Methods and Practice*. First Edition ed. London: Sage.

Nachiketh, 2017. Cloud Computing: What is Salesforce? [Online]

Available at: <http://www.edureka.co/blog/what-is-salesforce/>

[Accessed 28 October 2017].

Niu, E., 2017. The music industry continues to bounce back thanks to paid streaming. [Online]

Available at: <http://www.businessinsider.com/the-music-industry-continues-to-bounce-back-thanks-to-paid-streaming-2017-9?r=US&IR=T&IR=T>

[Accessed 7 November 2017].

Parrish, D., 2017. Creative industry definition and information. [Online]

Available at: <http://www.davidparrish.com/creative-industries/>

[Accessed 22 October 2017].

Reinartz, W. & Kumar, V., 2002. The Mismanagement of Customer Loyalty. [Online]

Available at: <https://hbr.org/2002/07/the-mismanagement-of-customer-loyalty>

[Accessed 15 October 2017].

Resnikoff, P., 2017. Is Spotify Going Bankrupt In 2017? Wall Street Delivers Another Red Flag. [Online]

Available at: <https://www.digitalmusicnews.com/2017/02/02/spotify-bankrupt-ipo/>

[Accessed 24 November 2017].

Roland & Swift, 2000. Accelerating Customer Relationship: Using CRM and Relationship Technologies. 1st Edition ed. s.l.:Prentice Hall.

Salesforce, 2017. About Desk.com. [Online]

Available at: <https://www.desk.com/>

[Accessed 11 November 2017].

Salesforce, 2017. Salesforce Product Overview. [Online]

Available at: <http://www.salesforce.org/get-started/products/>

[Accessed 14 October 2017].

Salesforce, 2017. The Biggest Benefits of CRM. [Online]

Available at: <https://www.salesforce.com/hub/crm/benefits-of-crm/>

[Accessed 25 November 2017].

Santiago, 2015. What is creativity worth to the world economy?. [Online]

Available at: <https://www.weforum.org/agenda/2015/12/creative-industries-worth-world-economy/>

[Accessed 27 November 2017].

Skelton, E., 2017. More Music Is Being Listened to by More People Than Ever Before”, s.l.: Pigeons & Planes.

Spotify, 2017. About: What is Spotify?. [Online]

Available at: <https://press.spotify.com/us/about/>

[Accessed 11 November 2017].

Statista, 2017. Spotify’s revenue and net income/loss from 2009 to 2016 (in million euros). [Online]

Available at: <https://www.statista.com/statistics/244990/spotify-revenue-and-net-income/>

[Accessed 23 November 2017].

Hugh Wilson, E. D. & M. M., 2010. *Factors for Success in Customer Relationship Management (CRM) Systems*, s.l.: s.n.

## Images & Diagrams

Image 1: <https://sites.google.com/a/siena.edu/customer-relation-management-crm-systems/intro> Image 2: FrontRunners For Customer Relationship Management, available at: <https://www.softwareadvice.com/uk/crm/#top-products> [Online]

Image 3: Global CCI Contribution by Region, Available at: <https://www.weforum.org/agenda/2015/12/creative-industries-worth-world-economy/> [Online]

Image 4: A Screenshot on Spotify's Beta Version in 2007, available at: <https://techcrunch.com/gallery/a-brief-history-of-spotify/> [Online]

Image 5: Spotify's New Brand Identity Launch, 2013, available at:

<https://www.mycleveragency.com/blog/2015/07/new-facebook-logo/> [Online]

Image 6: Product Overview of the Sales Cloud, Available at:

<https://www.salesforce.com/eu/products/sales-cloud/features/?d=7013000000lxj1> [Online]

Diagram 1: Spotify's revenue and net income/loss from 2009 to 2016 (in million euros), available at: <https://www.statista.com/statistics/244990/spotify-revenue-and-net-income/> [Online]

## Sammandrag

### - Examensarbete av CRM och dess påverkan på musikindustrin

Detta papper kommer att vara en beskrivning på en kandidatexamen som jag gjort på kundrelationshantering (CRM) - (Customer Relationship Management) och hur man skulle kunna implementera och eventuellt ha mer nytta av detta inom musikindustrin. För att kunna förstå CRM:s påverkan på den kulturella och den kreativa branschen har jag använt fallstudiemetodik i min forskning. I arbetet laborerar jag för, att om företag som har kundrelationshanterings program och implementerar detta har lättare att förutsäga tillväxt bl.a. i sina försäljningskanaler och eventuell ökning av intäktsströmmar.

Under forskningen har jag använt och analyserat; företaget Salesforce och dess vehiklar och hur företaget Spotify använder dessa. Tanken är att förstå, hur man skulle kunna vara mer proaktiv med olika teknologier inom musikindustrin. Musik segmentet spelar en stark roll inom den kulturella och den kreativa branschen, vilket korrelerar med de ramarna som jag lagt till denna studie. Valet av företagen är mina personliga val, klart intresse för båda samt definitivt erfarenhet av företaget Salesforce. För mig var det naturligt och välja Salesforce på grund av min tidigare erfarenhet av produkterna samt även på basen av den företagskultur Salesforce representerar. Under mina studier har jag jobbat inom musikbranschen, vilket byggde en perfekt åsna brygga till varför dessa ämnen var roliga att samman koppla.

Via fallstudiemetodiken kommer man att kunna reflektera över olika bolag som kunde ha varit i samma bransch eller i samma situation i företags cykel. Jag har försökt svara på frågor hur och med vad har Spotify klarat sig så bra samt hur skulle man kunna öka teknologins användning inom det kreativa fältet.

Under tiden jag jobbade med och för företag, som stödde musik distribution eller artisternas marknadsföring märkte jag, att det inte fanns teknologier som hjälpte data evaluering. Något som dessa företag som jag jobbade på skulle ha haft nytta av. Det fanns inget, som var samman hägnade om deras innehåll som igen borde ha varit tillgängligt på en och samma plattform.

Det saknades helt enkelt verktyg för analysering som skulle möjliggjort en bättre effektivitet i evenemangs planerande och kund nöjdhet.

I detta examensarbetet har jag det ändvänt en kvalitativ fallstudie metodik.

Kvalitativa undersökningar stöder tankar och utförande som baserar sig på en bredare folkmassas data analysering. Detta betyder att man har drar slutsatser av olika redan existerande statistiska resultat, vilka baserar sig på konsumentens tankar i massmängd, som tex. konsumentbeteende på Spotify. I denna fallstudie är diverse bolag jämförda bredvid varandra, för att kunna se dess påverkan.

Kundrelationshantering vilket lättare är känt under namnet CRM baserar sig på hur man kan bevara och upprätthålla en relation med kunden, på bästa möjliga sätt ur företagets synvinkel. Att skapa en relation som fungerar, där man med verktyg i CRM system kan ta ut olika innehåll för att kunna analysera och se kundens behov och köp sätt. Salesforce har varit en av dessa företag som har varit med och utvecklat mjukvaran för CRM system för industrin under 2000 talet.

Det pratas oftast om olika system eller olika databaser & teknologier som producerar CRM för små och stora bolag. Konkurrens finns, där det finns

olika bolag som förespråkar olika CRM system. Den kreativa och kulturella branschen har påverkat världsekonomin, då det idag ger mer arbetsplatser i Europa en bilindustri. Den kulturella och kreativa industrin skulle kunna dra mer nytta av CRM system. Om man håller sig in till musikbranschen så kan man tänka sig att Salesforce kunde ha en stor nytta av till exempel kulturproduktions

bolag var man kunde integrera kalendern och automatisera evenemangs eller marknadsföring eller leta upp mera potentiella partner företag som sponsorer.

I detta slutarbete har det fokuserats på Salesforce mjukvara som har web baserade moln produkter. På grund av detta har företagen möjligheterna och följa med vad som händer i realtid på alla smartapparater. Salesforce offererar olika produkter inom försäljning, marknadsföring och analyser, vilket hjälper Salesforce kunder inom (B2B & B2C). Salesforce är en description modell, var den positiva feedbacken är orsaken till deras växande framgång.

Spotify som är en rak streaming plattform och en mellan hand för musikbolag, har en lång kundhistoria med Salesforce. Spotify har varit med och gjort musik tillgängligt för människor runt om i världen. Även deras partnerskap med Uber och Facebook har dom haft möjlighet och skapa ett socialt värde. Kunderna har möjlighet och dela med sig tankar och artisters låtar på plattformen vilket genererar positiv attraktion. Med deras försäljnings paket till studerande och familjer har de kunnat nå olika kundsegment vilket varit nyttigt för dem. De började använda deras produkter med desk.com och nu använder de en hel 360° CRM ekosystem. I detta examensarbete har det ändvänts digitala källor och olika böcker som behandlar CRM, allt för att kunna stöda denna forskning. För att ha mera data, har jag haft intervjuer med människor som jobbar på Salesforce och även partnerbolag till Salesforce. Under dessa intervjuer har det kommit fram att partnerbolag till Salesforce, har haft produktfamiljer som vuxit med 80% under FY17.

Teamet har vuxit och det består nu av fler anställda än tidigare, som endast jobbar omkring denna plattform. Datasamlingen har varit en stor del av projektet som har gett mycket stöd. Forskningsresultaten om hur Salesforce har påverkat Spotify har visa sig vara positiv. Spotify har under åren haft möjlighet att vara bättre i kontakt med deras kunder via Sales Cloud och kunnat öka på deras försäljning via detta. De har kunnat identifiera mera potentiella kunder än tidigare. Samt Spotify har kunnat haft möjligheten och växa på deras sociala värde inom företaget. Det finns liknande rack stream plattformar som Spotify, som bevisat kunna ha nytta av Salesforce produkter. Men andra ord finns det nytta av CRM inom musikindustrin.