

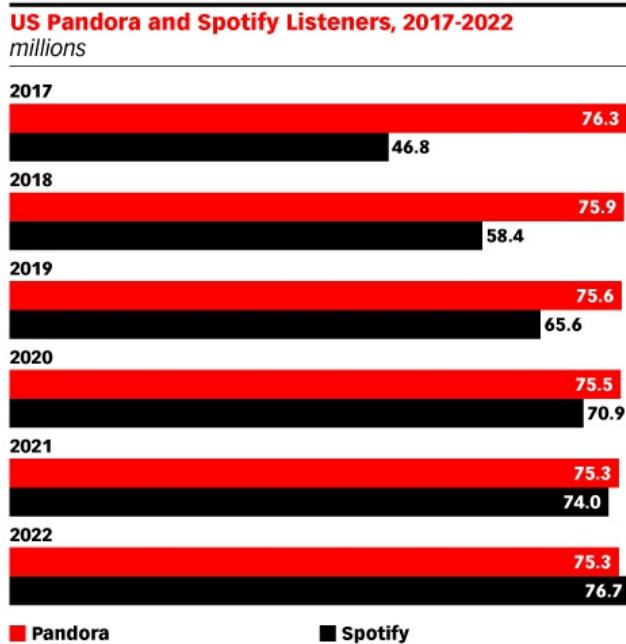
Spotify's User Growth Continues as Pandora Plateaus

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Pandora is the most popular music streaming service in the US. But that will change in the coming years, according to eMarketer's latest forecast on digital audio listeners.

This year, Pandora will have 75.9 million users in the US, compared with 58.4 million for Spotify. However, eMarketer expects Pandora's user base in the US will decline slightly throughout the forecast period, while Spotify will see double-digit growth this year and next.



Note: internet users of any age who listen to Pandora or Spotify on any device at least once per month
Source: eMarketer, Aug 2018

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“Pandora’s focus on converting free listeners to subscribers, coupled with much stiffer competition, will keep their overall reach from growing,” said Martín Utreras, eMarketer’s vice president of forecasting. “Meanwhile, Spotify has benefited from being first to market with family plans, offline listening, integrations with other services like Hulu and effective social sharing tools.”

A complicating twist in the digital audio space is the growing importance of smart speakers. The smart speaker market got a little more crowded as Samsung unveiled its first entry, the Galaxy Home, last week. As part of the rollout, Samsung announced a new partnership with Spotify, under which Spotify will become the "go-to music provider" on all Samsung devices, and be fully integrated with Samsung's voice assistant, Bixby.

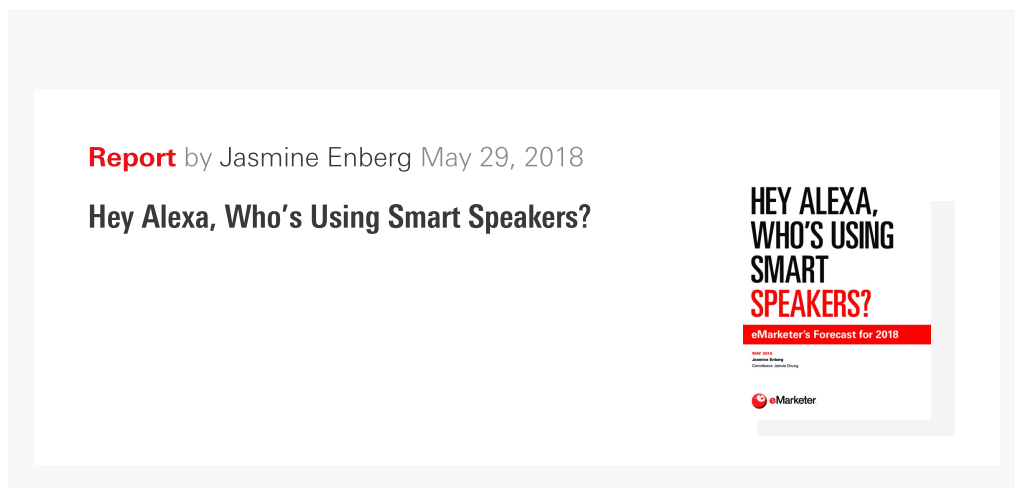
In practice, that means Spotify will be part of the initial setup process on any Samsung device, and Bixby will play songs from Spotify when a user asks for music.

The partnership makes sense for Spotify and Samsung. Both companies are direct competitors to Apple in their respective markets, and the move puts them in a better position to challenge the iOS maker.

"A growing number of US households are consuming audio through smart speakers," Utreras said. "For audio platforms like Spotify, integration and partnerships with those manufacturers will be a key driver of growth."

eMarketer PRO subscribers have access to our forecast for **US digital audio listeners**, which includes Spotify, Pandora and podcasts.

PRO subscribers can also read more about the US market for smart speakers in our May report.



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