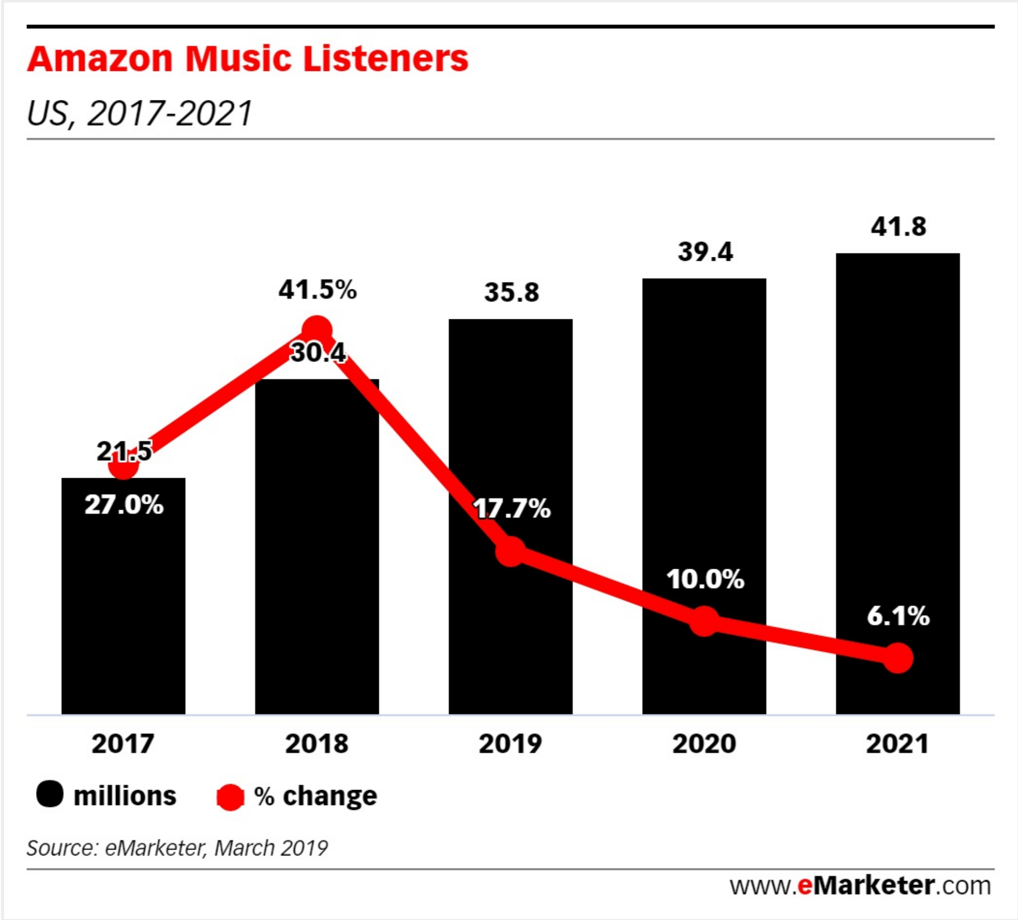
Amazon Music Will Be the Fastest-Growing Audio Streaming Service This Year

ARTICLE

Blake Droesch

Amazon Music will cross 35 million monthly listeners in the US this year. At a growth rate of 17.7% year over year, we expect it will grow faster than any other digital audio service in our forecast.



Amazon’s audio platform is subscription-only and not supported by ads at any membership level; neither is Apple Music, the second fastest-growing digital audio platform. This means that the fastest-growing segment of audio streaming listeners cannot be reached by advertisers.

The more prominent streaming services that have ad-supported options still have more US monthly active users (MAUs), but those figures are either growing slower or not at all. The number of Spotify MAUs will grow by 13.9%, and Pandora will lose 0.5% of its US MAUs this year. This includes ad-supported and subscription, ad-free MAUs for both companies.

Amazon Music will continue to grow faster than its aforementioned competitors through 2023, according to our latest forecasts.

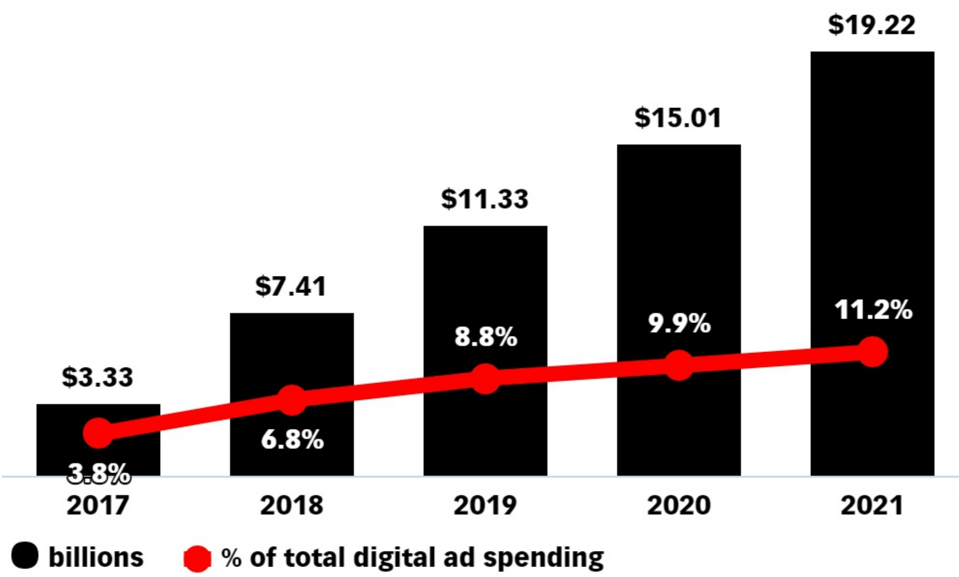
This might seem like bad news for advertisers, but Amazon Music is still an important part of the company's ecosystem of services. If the music service helps bring users into the Amazon fold, advertisers can attract eyeballs in other ways.

The company's music service is included with Amazon Prime subscriptions, and more than half of all US households will be Prime members in 2019. A survey of US consumers conducted by Feedvisor found that 83% of Prime members said that free two-day shipping was their favorite membership benefit. And while just 10% listed video and music streaming as their favorite benefit, it was the second most-popular answer.

Amazon is now the No. 3 digital ad seller in the US after the Facebook-Google duopoly, and we predict the company's US ad revenues will surpass $11 billion this year. By 2021, Amazon will make up 11.2% of total digital ad spending in the US.

Amazon Ad Revenues

US, 2017-2021



Source: eMarketer, February 2019

www.eMarketer.com

"Amazon built a massive ecommerce business and popular loyalty program, and in recent years has been bulking out Prime to be more of a lifestyle than a free shipping offering," said eMarketer principal analyst Nicole Perrin. “Prime members are valuable customers, with a history of spending more than average. And while they may not be reachable while listening to music, they’re reachable through Amazon’s search and display ad products when they shop—which is frequently.”