



Spotify launches global ad exchange and AI-powered audio tools

Article

The news: Spotify rolled out a number of major ad platform upgrades aimed at closing the gap between audio engagement and advertising investment.

- **Spotify Ad Exchange (SAX)** is now live globally, following North American testing with **The Trade Desk**. It integrates with **Google DV360**, **Magnite**, and soon **Yahoo DSP** and **Adform**,

expanding Spotify's programmatic reach.

- **Custom audiences** are now available in Ads Manager, enabling advertisers to match their first-party data to Spotify users and build lookalike segments.
- New **lower-funnel objectives** such as app installs and web traffic optimization mark a shift beyond brand-building into performance marketing.
- Spotify's **measurement suite** received a major upgrade with a revamped Spotify Pixel, a new Brand Lift solution, and partnerships with **DoubleVerify, IAS, AppsFlyer, and Kochava**.
- The audio platform also introduced **Generative AI Ads**, allowing advertisers to produce customizable audio spots at no extra cost—currently in English with North American accents, with UK English coming next.

Why it matters: Spotify is addressing digital audio's underinvestment problem with tools that meet marketers' growing demand for targeting, attribution, and automation.

- Spotify now reaches **675 million users in 180 markets**, and free users average **two hours of daily listening**, per company data—prime real estate for unobtrusive brand messaging.
- The company says **90% of users** consider Spotify essential to their daily lives, making it a uniquely high-attention environment for advertisers.
- Video consumption on Spotify is up **44% year over year**, creating visual inventory and signaling a shift in how platforms once considered “audio-only” should be planned and categorized.
- These tools make it easier for marketers to integrate Spotify into their omnichannel strategies, lowering creative barriers and strengthening attribution signals.

Widening the playing field: This year, we forecast the US will account for just over 60.8% of Spotify's total ad revenues. While that share will shrink to 59.6% by 2027, these innovations make it easier for advertisers in non-US markets to tap into the platform's highly engaged listeners.

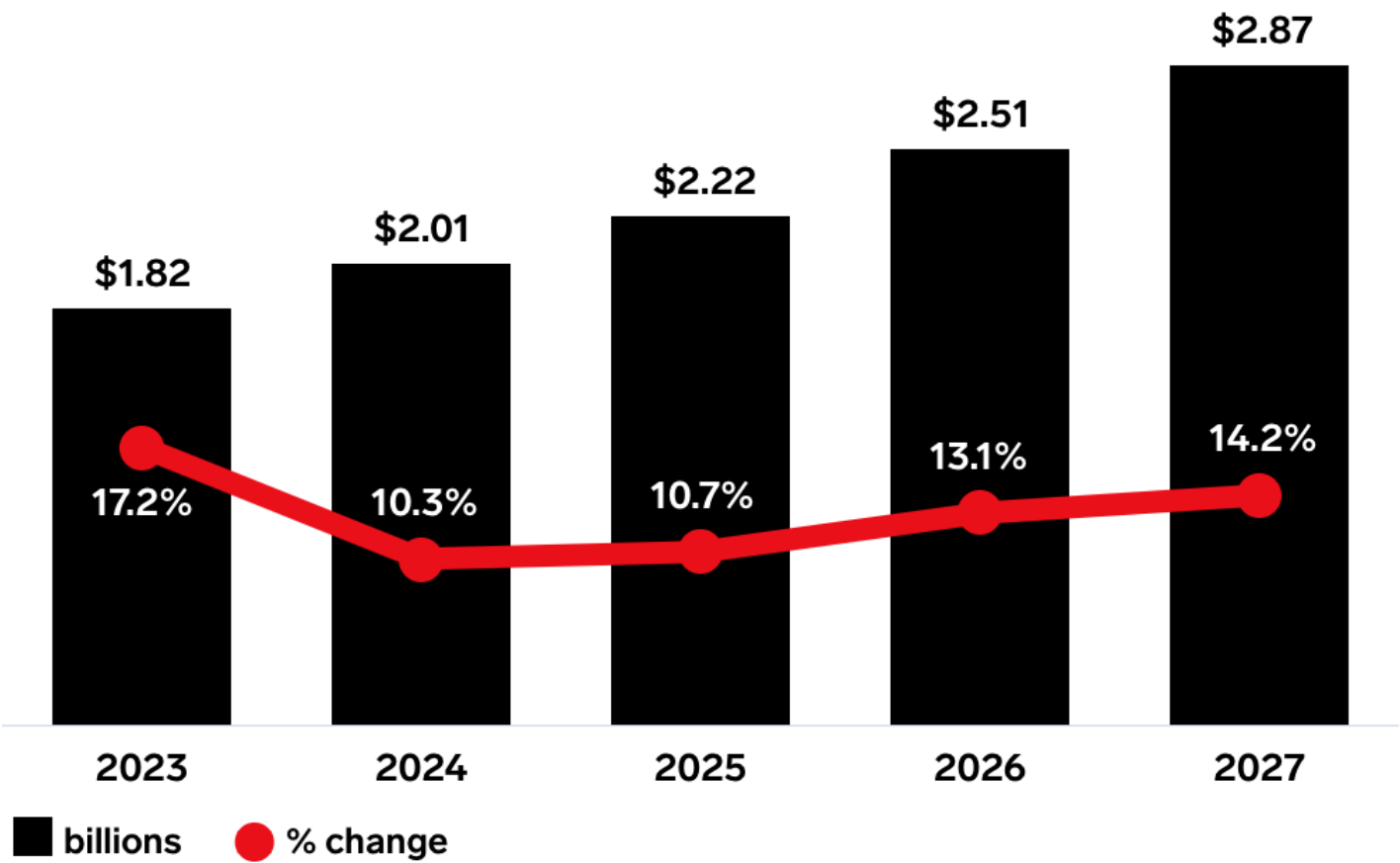
With streaming consumption on the rise globally and new performance marketing tools now available, Spotify is laying the groundwork to better monetize its massive international user base and close the audio advertising gap beyond North America.

Our take: Spotify is evolving from a music platform into more of a full-funnel advertising solution.

- The AI-powered creative suite removes production friction, a common hurdle in audio advertising, especially for small and mid-size brands.
- With improved measurement, marketers can more confidently evaluate Spotify's ROI alongside digital video and social platforms—addressing a long-standing gap in media mix modeling.
- With these upgrades, Spotify is no longer just a listening destination—it's positioning itself as an essential component of the modern media plan.

Spotify Ad Revenues

Worldwide, 2023-2027



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites

Source: EMARKETER Forecast, March 2025