

Spotify Wrapped hints at the company's Al anxiety

Article



The news: Spotify Wrapped dropped yesterday, giving users a detailed accounting of their listening habits in the music platform's most significant and most eagerly awaited marketing event of the year.

Spotify used the opportunity to surface AI features, most notably via a partnership with
 Google to create an AI-generated podcast personalized to users based on their listening data and powered by Notebook LM.

Wrapped's impact: Spotify Wrapped debuted in 2016 and has become a staple of the company's marketing each year. The event gives users a personalized account of their Spotify use in slides designed to be shared on social media, allowing users to effectively market the platform themselves.

• Wrapped has been praised by marketing executives at leading brands worldwide and spawned copycat events. It's not just music platforms like Apple Music or YouTube Music with their own versions: Gaming platform Steam, grocery service Instacart, and many other apps across industries also roll out end-of-year personalized campaigns.

Spotify and AI: <u>In search of new channels</u> to capture user attention and generate revenues, Spotify has leaned heavily on AI, making it a core feature of most product launches in the last two years. 2024 Wrapped highlighted its AI capabilities but stopped short of placing them front and center.

- None of the campaign's main, shareable slides prominently highlighted artificial intelligence. Instead, Spotify devoted space to AI features on a "Wrapped" tab on its homepage, which included an AI-powered DJ based on users' most-listened-to tracks, as well as its AI podcast generated with Google.
- Podcasts are a key testing ground for AI on Spotify. The company has tested AI translations
 of shows to expand their reach to foreign audiences.
- The approximately 4-minute podcast features two "hosts" who speak conversationally about the user's music preferences. Though the voices are extremely convincing, the jargony and trendy language hints at their artificiality.

Our take: Spotify's reluctance to put AI front and center in its biggest event of the year could indicate some anxiety about how consumers would react, as sentiment surrounding AI is generally low.

Some aspects of Wrapped, like a series of slides ascribing genre terms to monthly listening, likely used AI similarly to its AI-generated "daylist" feature—but it's notable that Spotify didn't clarify when AI was or wasn't used.



Spotify Usage Among US Internet Users, by Age, Sep 2024

	Unique visitors (millions)	% reach
18-24	24.07	75.2%
25-34	34.62	76.4%
35-44	23.82	56.7%
45-54	17.65	43.7%
55-64	11.92	29.3%
65+	8.10	19.6%
Total	120.18	49.7%

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