Branding for Start-ups
A case Study of Spotify

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Master of Science Thesis,
Stockholm, Sweden 2012
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Master of Science Thesis INDEK 2012:55
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Abstract

Purpose - The purpose of this research is to explore if there is a viable way for a newly brand to speed up the process of creating and acquiring the brand equity. Since branding is a very broad area, we narrow the research down to brand alliance for startups. With this research, we aim to deep into the subject to understand how this has been done and could be done.

Research Question - How can a start-up make brand associations with other well-known brands, in order to leverage their equity and acquire its own?

Methodology - Qualitative research method is applied through an interview to the case study company. This research is conducted in inductive reasoning which conforms to the qualitative paradigm. In addition, the research approach is an interpretive that has a view of subjectivism ontology.

By looking into our case company, the description of each of the co-branding partnerships performed with its partners is examined. The information is gathered via an interview to the case company as well as secondary sources.

Findings - This research indicates that the case company has greatly benefited from the large number of co-branding partnerships with other well-known brands. It has benefited both in terms of gaining brand awareness and brand image, as well as accessing the customer base of its partners. It is an indication that a new start-up can speed up the process of branding and customers acquisition by engaging in co-branding partnerships.

Keywords: Start-ups, corporate branding, brand equity, brand awareness, brand image, brand association, co-branding strategy, Spotify.
Acknowledgements

We would like to take this opportunity to thank for our supervisor Prof. Henrik Uggla who gave us constructive feedback and precious guidance throughout the whole research. We would also like to thank to Mr. Wilhelm Lundborg (the Head of Partner Implementation in Business Development of Spotify) for his valuable contribution to our case study.

Stockholm, May 2012
Yu Dai and Alberto Pietrobon
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Abbreviations

POD     Point Of Difference
POP     Point Of Parity
P&G     Procter & Gamble
RTB     Reasons To Believe
STP     Segmenting, Targeting, Positioning
1 Introduction

This chapter begins with a background introduction that gives a general view of the role a brand plays in the market. However, many entrepreneurs have a lack of awareness about the importance of building a strong brand during their business’ creating process. These issues are discussed, and they lead to the purpose of this study: focusing on branding for startups with particular attention to brand alliance strategy, thus the scope of this paper is narrowed down and defined.

We are living in the communication age and we are continuously exposed to information. Thousands of companies advertise and try to reach us in billboards, newspapers, cinema, radio, television, computers and, recently, even in our pockets through our always-connected smartphones. In this scenario, we want to research how a new company can stand out from the crowd. The focus of this thesis is to explore how a new brand without equity can try to acquired it and become more recognized among people.

1.1 Background

Branding is not just affixing a name or a symbol to an offering, it is more about making a certain promise and delivering the promise as it presents to the consumer. Moreover, what is more important for a brand is to deliver an added value to the customer, either functional or emotional value in the perception of consumers in order to make them believe that a brand is superior to its competitors. Although what makes a brand endure is the promise it presents rather than a good name or logo, it is usually the audial & symbolic representation that connects the promise a brand delivers to the consumer. It is made through the communication by sending the message of the meaning a brand represents to the consumer, thus it is important for the company to adopt a right name and symbol.

This thesis will focus on the branding aspects that come after the phase of selecting a logo and a name, in particular aspects concerning the associations with other established brands (as shown in Figure 1). The type of company considered in this paper is start-up, as a start-up begins the branding process from zero, thus everything has to be planned and decided.

Theories on general branding for start-ups, as well as brand association theories will be presented in great details in the theory chapter. A case study for the empirical data will be described in order to subsequently analyse it through the theories presented in the theory chapter. The case study company is the Swedish Spotify AB, a software company that offers a product to listen to a large number of music titles, as it is both recently founded.
in 2006 and also very active in building associations with other brands. However, more detailed reasons for the choice of Spotify are listed in the section 1.4 (Delimitations) below.

1.2 Problem Discussion

There is more and more awareness and ongoing research on entrepreneurship, but one aspect that in our view has a great potential for research is the branding for startups. Usually, in entrepreneurship studies, great focus is given on things such as funding, financial forecasts, logistics and market research, but relatively little is focused on branding. Therefore, as the title already suggest, this thesis aims at exploring the area of branding for startup, with a focus to brand associations.

1.3 Research question and purpose of study

The objective of the study is to explore if there is a viable way for a newly brand to speed up the process of creating and acquiring the brand equity. Since branding is a very broad area, the study is focus on brand alliance for startups. Therefore, the research question is:

- How can a start-up make brand associations with other well-known brands, in order to leverage their equity and acquire its own?

1.4 Delimitations

In the following two sub-sections we will briefly describe the theoretical as well as the empirical delimitation, which will however be covered more in details in their own main sections that will follow.

**Theoretical delimitation**

The literature review begin with general literatures about branding for start-ups, and then narrow down to focus on brand association theories, as it could be a very effective branding strategy for a start-up in order to acquire brand equity by leveraging the brand equity of its co-brand partners.

**Empirical delimitation**

The authors want to limit the empirical material to one suitable case study, and this would be the Swedish company Spotify. There are multiple reasons for this choice, which are listed below:
• Spotify is a new company, founded in 2006, which fits the status as a start-up.
• They are still in the process of creating and growing their brand; in particular in countries where they have not entered yet.
• Being recently founded, they had no brand awareness or brand equity.
• The main office is in Stockholm, so we can have easy access for possible interviews.
• There is a lot of material online about Spotify, its history and its successes.
• Spotify has been partnership with other well-known brands in Sweden, and it would be interesting to know if they have this practice even abroad and with other partners.
2 Methodology

This chapter begins with a brainstorming map as an explanation of how the authors came about on focusing on brand associations within the field of branding for start-ups. Following, the main research methods, approaches and as well as strategies for conducting this study will be described.

Figure 1 - Conceptual Map

The initial process of this study had started by brainstorming on the various aspects related to branding for start-ups. The authors have visualized it in a conceptual map as shown in the Figure 1 above, where at the core there is the core concept of branding for start-ups, and all its connected aspects spread from it. Moreover, the model is based the reasoning of the book of ‘Kellogg on Branding’ and various articles that will be covered in the literature review chapter.

Although Name & Logo are the very first things that an entrepreneur has to take into consideration when starting a new brand, and STP (Segmenting-Targeting-Positioning)
follow suit to differentiate the product from the competitors within the category, the authors have decided to focus on the brand associations (the yellow components in the model above). The reason for this choice is that the authors believed that a newly established brand had a lot to gain through associating with another brand, and therefore there was the willingness to perform this study to dig deep into the subject and understand how this has been done and could be done.

### 2.1 Research Philosophy

Research philosophy refers to the concept of how knowledge is developed as well as its nature. The definition of research philosophy draws assumptions on how is the researcher’s view of the world. Two ways of explaining research philosophy are epistemology and ontology, which are described in the paragraphs below (Saunders, Lewis, & Thornhill, 2007).

**Epistemology**

Epistemology is concerned with what is regarded as acceptable knowledge; different types of researchers either consider real data as acceptable knowledge or they consider feelings and attitudes as acceptable knowledge. Epistemology can be viewed in three perspectives: positivism (researcher is only interested in things that can be observed), realism (researcher believes that only what the senses show us is the truth), and finally interpretivism (researcher is interested in the differences of people acting in their social environment, and try to capture and understand their role) (Saunders et al., 2007).

In this research the interpretive perspective is adopted.

**Ontology**

Ontology is related with the nature of reality, trying to answer the question ‘what is’, and understanding the nature of existence. Ontology is divided in two: objectivism and subjectivism. Objectivism sees the social entities as independent from the social actors that surrounds or compose them. An example could be a management team seen as an independent entity regardless of its human components or others surrounding it. Subjectivism, on the other hand, gives importance to the actions and interactions of the social actors involved, in order to understand these relations in a significant way. (Saunders et al., 2007).

In this research the subjectivism ontology is adopted.
2.2 Research Paradigms

Research paradigm is a framework, which guides the ways of approaching the scientific research (Collis, J. et al., 2009, p.55). There are two major research paradigms, which are positivism and interpretive. Positivism often refers to quantitative method that is seen as objective and statistical, while interpretive or the qualitative method is considered more subjective as it builds the theories and producing the findings rather than putting emphasis on testing the theories or numerical and statistical procedures (Corbin and Strauss, 1990, p.17).

In this paper, qualitative research paradigm is applied, as it is an effective method in obtaining necessary theories to explain the phenomenon in-depth rather than examining surface features (Collis, J. et al., 2009). The qualitative research of this paper starts with a case study in order to seek a deeper understanding of how an unknown startup builds and acquires its brand equity rapidly by viewing the secondary data from the internet and interviewing the brand manager of the case company to gather the primary data, and after that, combines with the related theories to analyze and interpret the research, and finally explaining the phenomenon.

However, quantitative research method is not adopted in this paper due to the short timeframe and limited resources that could result in conducting relatively small sampling.

2.3 Research Approach

There are two major reasoning or strategies in research, which are deductive reasoning and inductive reasoning. Briefly, the main difference between them are that the deductive reasoning can be seen as ‘top-down’ approach that narrows the general theories to the specific practice, whereas inductive reasoning is viewed as ‘bottom up’ approach that brings the specific practice back to broader generalizations and theories. (Collis, J. et al., 2009)

Inductive reasoning is adopted in this paper starting with the observation of the case company to find out how the company quickly gained the brand equity.
3 Empirical

This chapter starts with an overview of the case company - Spotify. What’s more, findings are collected through both primary sources such as interview and the secondary sources mainly from internet.

3.1 Overview of Case Company

Spotify is a digital music company that offers a music player that streams more than 15 million tracks when connected to the internet. It is offered with a free account that allows you to listen to music but with ads interruptions between songs (such in a radio station) as well as with visual banners with ads within the program when it is running. The other options are paying accounts, which for a fixed monthly fee allow listening to unlimited music, without voice or visual ads.

The company has been started in Sweden in 2006, and on the 7th of October 2008 they have launched the software to the public. From the launch until now, beginning of 2012, only three and an half years have passed, but Spotify has experienced an ever growing awareness among the general public, and tech blogs. The service is currently offered in Austria, Belgium, Denmark, Finland, France, Germany, Netherlands, Norway, Spain, Sweden, Switzerland, USA and United Kingdom.

Today, Spotify is the largest and fastest growing streaming music service company, and the huge number of users to some extent represents the success of Spotify. We may wonder why Spotify succeeded and how they did it. One of the main reasons is due to the new operating model Spotify created, that is, allow users to listen to the music in streaming, instantly and legally without necessarily paying for owning each single song, which differentiate Spotify from its competitors.

The Open Music Model provided by Spotify has proven that it can promote the music industry development. According to Mark Dennis – the head of digital at Sony Music Sweden, Spotify seized nearly a decade of continuous revenue drop of music industry in Sweden, in 2011 Swedish music industry achieved the first growth in recent years, and 50% of the total sales were contributed by Spotify (Forbes, 1 April 2012). In addition, Robb Wells – the global president of Digital Universal Music Group - said to Ian Rogers, CEO of Topspin, in an interview (Youtube, 2011) that he is fascinated by Spotify’s model as he sees the model is very sustainable financially and it is offering what customers want. Robb praised Spotify for opening up a new way to let young generation pay for music again, as more than one third of Spotify users are under 24 years old, and this group of people used to not paying for music, but Spotify turned this non-paying
customers into paying customers. On the other hand, Spotify’s Open Music Model smartly avoids the sensitive issue by dealing with illegal download, instead, users can access to large music library anytime and anywhere. Though iTunes provides a legal channel for customers to buy and download, it leads users to tend to buy single song instead of a CD that destroys the long-standing sales model of record industry.

Spotify has partnered with a number of well-known brands in different industries, linking its name and logo to the ones of those other companies. In the following section the focus will be on a number of different co-branding partnerships that Spotify has carried out in throughout its short history.

### 3.2 Secondary Data

In the following section, there will be the description of each of the co-branding partnerships that Spotify has performed with its partners and that are examined in this thesis.

**Spotify and Telia**

Telia is a telecommunication company and a mobile operator based in Sweden. In some of its products, Telia offers a Spotify premium account as a complement. The offer has been in the form of a six months free-of-charge premium account or also a discounted price for a yearly account. The partnership between the two has started on Monday 23\(^{rd}\) November 2009, and besides the actual product combination, it has brought the Spotify logo in thousands of Telia’s shops around Sweden as well as in its website (See Appendix 2) as well as in Telia’s website (Spotify, 2009; Telia, 2012). This partnership spans across three different offerings of Telia: mobile, broadband and ipTV.

**Spotify and Virgin Mobile**

Virgin Media is a telecommunication company and a mobile operator based in UK. Virgin Media offers a three months Spotify Premium account to the customers that buy one of their Premier or VIP collection packages (Virgin Media, 2012). As part of these packages, there is the possibility to enjoy Spotify in the TV, since Virgin Media has integrated it into its TiVo box (Virgin Media, 2012). Moreover, customers that will subscribe to some selected Pay Monthly phones will also get a three-month free Spotify premium account (Virgin Mobile, 2012). This has led to the exposure of Spotify logo on various sections of Virgin Media website (See Appendix 3).

**Spotify and SFR**

SFR is the second telecom operator in France, which provides mobile phones with contracts among its other services. A Spotify premium account is offered as one feature of their mobile monthly contracts together with traditional bundles such as minutes, data
traffic and sms. In fact, a user that subscribe to such a contract will also have included a Spotify premium account which will be active for the length of the contract, 12 or 24 months (SFR, 2009; SFR, 2012a; SFR, 2012b). This partnership has brought the Spotify logo in many sections of the SFR website (See Appendix 4).

**Spotify and SEAT**
Seat is a Spanish car manufacturer. With Seat there was a partnership made together with Samsung too, which consisted of offering a car model called Ibiza Spotify with a Samsung smartphone as a gift with preinstalled on it the Spotify application with 6 months for free (Seat, 2011). They have advertised it in TV ads and billboards besides city roads (See Appendix 5.1), where the Spotify name and brand has been exposed (YouTube 2011a; YouTube, 2011b; YouTube, 2011c). The Spity logo has also been exposed in Seat Spanish website (See Appendix 5.2), websites for car enthusiasts (See Appendix 5.3), in entire ad pages in newspapers (See Appendix 5.4), and in the car show rooms (See Appendix 5.5).

**Spotify and Nissan**
Nissan is a Japanese car manufacturer. In the case of Nissan, there was a “powered by Spotify” feature in the Spanish website of a new model, the Nissan Quasquai, so all the potential customers as well as interested people that visited the website would incur in seeing the Spotify logo and product (See Appendix 6) (Nissan, 2009).

**Spotify and Volkswagen**
Volkswagen is a German car manufacturer. The partnership with Volkswagen in Sweden consisted of a website made by Volkswagen were Spotify would integrate a music feature functionality in the website so that people could suggest and post a song and share it with the other users of that website (Volkswagen, 2012). This website has also the logo of Spotify clearly visible and it binds together the two brands in the eyes of the users (See Appendix 7).

**Spotify and Chevrolet**
Chevrolet is a car manufacturer in the USA. In this partnership the first 150000 subscribers on the Chevrolet Facebook page would receive an invitation for an account with Spotify, and this happened in a time when in the USA was still not free to the public (See Appendix 8) (Chevrolet, 2011).

**Spotify and Onkyo**
Onkyo, or sound harmony as it translates in Japanese, is one of the high definition sound device producers with over 60 years of experience. This Japanese company creates products with high standard that provides a whole new experience in the hi-fi and
home cinema area. Onkyo has also created internet capable devices that are able to provide services over the web.

In March 29th 2011, Onkyo had announced that they were becoming the first electronic consumer brand to offer access to the Spotify music service through their home cinema products (See Appendix 9) (Onkyo, 2011; Onkyo, 2012).

**Spotify and Sonos**
Sonos is a producer of high quality audio hardware. Co-branding with Sonos is a very similar strategy than with Onkyo; which was even earlier announced during Sept 1st 2010 (See Appendix 10) (Ricker, 2010; Sonos, 2012). Despite Sonos being a relative new player (2002), it already brings an open market with presence in over 60 countries with a variety of music services already available to the devices.

**Spotify and Logitech**
Logitech is a global producer of computer peripherals, as well as other types of audio equipment. One of this audio equipment is called Squeezebox, and it is a network music player that plays internet radios as well as other audio sources and streams them across the home network. Spotify has been implemented into the squeezebox as one of its music sources, so the users can stream the Spotify music and their playlists (Logitech, 2011; Spotify, 2011). Also this partnership has obviously bounded the two logo brands together as it is possible to see in Logitech’s website (See Appendix 11).

**Spotify and Facebook**
One of the biggest partnerships has been with Facebook, where the Spotify music service has been integrated within Facebook, therefore allowing Facebook’s users to stream music directly from the Facebook page and also share their songs, playlists as well as seeing and listening to their friends that do the same (See Appendix 12) (Spotify, 2011a).

**Spotify and Shazam**
Spotify has made a partnership with Shazam, which is a software that “listen” a song and can tell the user back what is the artist and the title. The partnership with each other, besides linking together the two brands, has allowed to play the song directly with Spotify once it has been recognized from the Android or Apple phones (See Appendix 13) (Shazam, 2011).

**Spotify and Coca-Cola**
Spotify & Coca-Cola announced their partnership on 19th April 2012 to boost the music association. On the one hand, the drink giant Coca-Cola sells in more than 200 countries (Coca-Cola official website, 2012) as a global marketing engine that can help Spotify to open up its international market (See Appendix 14). One the other hand, Spotify provides the technology and tune for Coca-Cola online marketing. For instance, Coca-cola can add
songs to its Facebook page via Spotify without having to negotiate licenses for each tune (Los Angeles Times, 18th April 2012).

3.3 Primary Data

This interview was made at the Spotify offices in Stockholm, on Friday 18 November, with Wilhelm Lundborg, who is the Head of Partner Implementation, Business Development. Based on the interview, in following paragraphs it will be described what Spotify gained from the co-branding strategies. In addition, it will also be described how Spotify managed to select a right co-branding partner that could impel its own growth and how do they measure if the partnership succeed or not are also presented.

Telia
Wilhelm explained that when making a partnership with Telia they seek to catapult Spotify’s customer base in three areas where Telia operates: broadband, mobile and IP TV. It is a win-win situation, where Spotify benefits from the large customer base and the great amount of marketing campaigns Telia has; for Telia, it is a way to differentiate themselves from the other telecom companies.

Virgin Media
The partnership with Virgin Media has the same purpose as the one established with Telia: expand the customer base. He mentioned that Virgin Media is related to music even though they are not in this segment, because they inevitably borrow some brand equity from the Virgin brand, which has historically been deeply involved and started in the music industry.

SEAT
In the case of the brand partnership with SEAT, he pointed out that there is no technological integration, but it is purely about brand. One of the reasons to partner with a car manufacturer was because the car is one of the top places where people listen to music. The partnership with SEAT has been an initiative of the local Spotify office in Spain, and so it was not driven or decided by the Stockholm’s headquarters.

Sonos
This was the first hardware integration, except from IpTV. Sonos is a small hardware provider but more high profile. For Spotify it is important to be in many places as possible where people listen to music and that is the main reason for this partnership because actually thorough this hardware people can have the most quality on music. They both have a tied operation and Spotify uses this partnership as a way to enter in a new market extending the product.
Onkyo
It is pretty much similar to the strategy with Sonos, the main difference here is the fact that Onkyo has more volume of users and it is an older brand, which means it will bring old school credibility to Spotify and this is a way to achieve a kind of different market.

Shazam
It is also a software application for music lovers, so it fits completely to have it as a partner, and besides that, Shazam have around 100 million users. The target group has the same demographic so they are trying to get new customers from the same initial target market. Spotify uses this partnership to extend their existing users.

Facebook
It is the most different partnership. Spotify is convinced that music is social, that is why they think this partnership is so important, since Facebook is the largest social network in the world. This partnership allows the user to enjoy music, see what friends are listening to, get recommendations, etc. This has benefited Spotify with a large user base of Facebook around the world. All these things create a more social experience with Spotify. With this partnership they are reaching a lot more users, even outside of their initial markets, but at the end they have global ambitions so this partnership fits very well in their needs.

Selection Process for Co-Branding
He said that there is a group of employees at Spotify who specifically only work with partnerships with other brands. As criteria for which country to enter, they evaluate the population, the regulations, who listen to music and how many are willing to pay for it. As with regards to brands, they don’t want to partner with companies with bad/low brand equity, they want to get new users and prior to any partnership, they get to talk to those selected companies and discover if they fit together in terms of expectations and common objectives.

As an example, he pointed out that the partnerships with the TELCO companies are driven by the fact that those companies have a high visibility since they advertise a lot to the mass market. Moreover, as in the case of Telia and Virgin Media, they open up new platforms such as the IPTV, where Spotify can now be used from the TV of those selected TELCO’s customers.

Measurements
As measurements for the success of any given co-brand partnership, one is the number of new users created, and on those newly created users, the rate of how many stays and how many leaves after the usual first 6 months with the free Premium account. He said that who buys the Stereo system from Onkyo and Sonos, usually remain as premium customers, because being those two expensive music hardware brands, their customers do
not mind to spend extra money for the Spotify subscription. This fact would not occur if Spotify would partner with a cheap music hardware company, because then their customers, who are already looking for a cheap price, would not pay an extra fee for the subscription.

**Risks**
There are some risks, but they are usually not tangible, such as the possibility that one of the partners gets into a scandal and have bad press as a consequence; however this is a fairly low risk. Another risk that they take into account is the possibility to put more energy to create and run a partnership than what it will eventually pay off.

**Time Frame**
Usually all their co-branding partnerships have a defined timeframe, which is eventually prolonged if the partnership results to be successful.
4 Theory

In this chapter there is an overview of various theories regarding branding, branding for start-ups and brand associations. After reading this chapter the reader will have a broad knowledge of the main topics that are researched and discussed in this thesis.

4.1 Branding & Corporate Branding definition

Branding is not just attaching a name to the offering, but more about making a certain promise and delivering it consistently to the customer. Corporate branding links the corporate value, such as credibility, with consumers. Aaker (2004) claims that corporate brands can be leveraged. However, building a strong corporate brand is distinct from product brands (see Appendix 1: Corporate brand vs. Product brands). The main difference between them is that product brands focus on the product and mainly target at consumers whereas the corporate brand emphasized on strategic and formed by stakeholders (Balmer, 2001). Furthermore, each stakeholder is a point of customer interaction, and all touch points should reinforce the same corporate brand values.

In this paper, we want to emphasize on corporate branding rather than product brands. Despite corporate brands often has neither much impact on consumers nor influence on the demands for the offering (Kay, M. J., 2006, pp. 753), there is a need to build a strong corporate brand particularly when the company wants to own multiple products under the corporate brand name, that is called the branded house, by then, the image of corporate brand becomes the driving force as a key to success. There are many well-known corporate brands around us such as Disney, IBM, ADIDAS, Nike, ECCO etc.s. Besides, since products and services tend to be more homogeneous over time, a strong corporate brand could provide a value proposition that not only help to differentiate but bring credibility to its products as well (Aaker, 2004).

4.2 Brand Equity definition

Brand equity is defined as a set of brand assets and liabilities that connected to a brand name and logo to deliver the added value to the consumer (Aaker, 1991, p. 15). In other words, equity is the power of the brand because the added value, either functional or emotional, has positive influence on raising the purchase power from the customer, which directly leads to the higher sales volume to the firm (Per Åsberg, 2011). Therefore, the purpose of branding is to boost the equity of a brand. In terms of start-up corporate brands, they start with zero brand equity, and it takes long time to develop, especially
under the limited budget and resources, so it would be very difficult for them to compete with those well-known brands in the same category.

A strong brand allows the organization to be less vulnerable to its competitors, both now and for the future (Barger et al., 2002). Companies should understand that the strong brand equity comprises of high level of brand awareness and positive brand image, which are determined in the minds of consumers. For example, in order to buy a car, people must have heard of the brand (brand awareness) to gain the perceived reliability, and they also have to like the corporate image (brand image). What’s more, it is not enough for a company to just deliver actual quality to the consumer, but perceptions also require to be managed (Aaker, 2004a). In other words, it is important for a company to deliver the consistent promise to the consumer, and it is also important to let consumers believe that your brand is superior than other competitors within the same category.

4.3 Branding for start-ups & corporate branding theories

Searching the literature, there is a lot of material about branding and corporate branding, as well as a lot of literature about start-ups and entrepreneurship, but the intersection between the two is a pretty unexplored area (Bresciani & Eppler, 2010).

This area of intersection between branding and entrepreneurship is unique and interesting for a number of reasons. At the creation of a new venture there is no established identity, reputation and internal structures are unformed; moreover, Small businesses do not have knowledge of what branding is, and they might even fail to recognize that they are themselves a brand (Bresciani & Eppler 2010; Rode & Vallaster, 2005). Another series of unique facts is that new ventures typically have low resources, low know-how and a little amount of time, as it happened for instance during initial steps of brand building of Dyson in the UK (Boyle, 2003) (Rode & Vallaster, 2005). Moreover, considering that branding is considered as not strictly necessary, entrepreneurs usually oversight it and instead focus on finance and production in the early stages of establishing a new venture (Bresciani & Eppler 2010). However, many companies have realized afterwards the importance of branding and of a clear brand vision, and they admit that an early investment in branding is important, even more given the fact that subsequent changes of their corporate identity could reach very high costs (Bresciani & Eppler 2010).

The study of Bresciani & Eppler (2010) proposes a framework that should be followed by startups when creating their brands. This framework is made by two steps: the first is about brand creation and it has three phases within it; the second is about the activities that should drive the brand building process, and it divides them into four clusters (see Figure 2 below).
Step one. Define Brand Strategy is the process of alignment of the brand strategy with the strategy of the new organization. Brand Design is about name, logo, colors, and visual...
elements. Brand Building specifies the activities that have to be undertaken to build the brand, and this Phase is enlarged in what is the second step, the Branding Orientation Classification.

**Step Two.** The typical approaches to branding utilized by start-ups are divided in four clusters, which are defined by two criteria (the two axes).

- **Damned to brand:** companies that have no options but commit heavily in both traditional and innovative activities; they sense branding as an obligation rather than an opportunity.

- **Tech-marketers:** Technological firms that have a very clear brand vision. They do not rely on traditional branding activities, instead they focus strongly on innovative activities that includes online presence, events’ participation or road-shows.

- **Far-sighted:** firms that operates in industries where in order to survive there is no need for a large branding effort; nonetheless they decide to take a strong creative approach to branding.

- **Traditionalists:** firms in this cluster do not believe that branding has a great importance for the successful development of the company, and accordingly they opt for a traditional product-centric approach for communicating with their customers.

Academic literature reveals that most new entrepreneurs are not well conscious of the concept of branding, also that there is little literature about branding for SME (small medium enterprises) and the papers that talks about it focuses on already established SME, and not about the process of brand creation (Merrilees, 2007). The research in the field of entrepreneurial brand-building is “still in its infancy” (Boyle, 2003). Even though these researches were performed few years ago, from our search of literature on the matter we still found little material about it.

Another important fact about branding for startups, particularly given their usually limited initial resources, is that if they fail to establish their corporate brand on the market in a relative short amount of time, they will soon disappear from the market (Timmons & Spinelli, 2003).

### 4.4 From general theory to brand association

When a company has been established, launched its first product/s on the market, it has the choice of continuing alone in the branding process. Obviously it has to pass a period of time and events such as product launch before embarking in a co-branding partnership, because it would not be possible to propose a partnership when there is zero brand equity. For instance, if a company, its name and logo are registered today, tomorrow they cannot go and seek partnerships with well-known brands.
Thus, when it is time to carry on with the process of building and obtaining brand equity, a company can then opt for co-branding partnerships. Therefore, in the following section we will present theories about brand association, in order to focus in details on it, and shift away from the previous more general theories about branding for startups.

### 4.5 Branding association theories

Brand alliance is a business strategy that combines two or more individual brands, products or other assets in either long-run or short-run to reinforce the market position. The brand alliance can be divided into several forms such as co-branding, ingredient branding, composite branding and as well as advertising alliance (Rao & Ruekert, 1994). However, the study of this paper only focuses on co-branding strategy.

Brand creating is a long-term process, but various studies have shown that brands can gain the high brand equity in a relative short time through co-branding strategy and Keller (2008) even found that the level of brand equity of each co-brand is even higher than the sum of both brands before their association. For example, in the case of SonyEricsson mobile phones, Sony contributes the superior design competences while Ericsson brings the core telecommunication functioning in the collaboration, in few years, SonyEricsson became a leading position in telecommunication industry, and ranked within top 3 in 2009 in the global cellular industry, but neither Sony nor Ericsson company made the top 5 in this mobile category before the co-branding (Wei-Lun Chang, 2009).

#### 4.5.1 Perspective of firms

Washburn et al. (2000) indicates that co-branding appears to be a win-win situation for product categories that are compatible with each other, and the co-brand that benefits the most is the one with the lower brand equity between the two. Co-branding is particularly advantageous for relatively unknown brands that pair with brands with higher brand equity. In this case, the strong brand gives competitive advantage to the weak brands that are seeking to build brand awareness and positive brand image. On the other hand, the brand with high brand awareness do not get any extra enhancement from co-branding because in a way they are already on the top and the strong brand has nothing to lose when the partner brand is weaker.

#### The leader brand & the partner brand definition

In brand alliance context, the category driver is defined as a leader brand or primary brand that has control over the market and distribution. The leader brand has the status of modified brand by owning the customer base. For example, ECCO sells shoes (category) in its retail stores (marketing and distribution). By partnering with GORE-TEX (modifier
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ECCO gains the credibility of waterproof fabric for its waterproof segment of shoes, but the intent customers are the shoes buyer, which is owned by ECCO rather than GORE-TEX. The partner brand, also called secondary brand can be seen as components (i.e. Intel processor is the component in Dell), products (i.e. SonyEricsson), people (i.e. Michael Jordan endorse Nike) or even places (i.e. Le Cordon Bleu French culinary academy endorse Tefal cookware) that contributes the high level of awareness and credibility to its leader brand (Ugglà, 2004). These concepts of Leader and Partner brand associations are graphically shown in Figure 3 below.

(Source: Ugglà, 2004)

**Figure 3 – Partner Brand Associations**

**Asymmetrical vs. Symmetrical association**
The association between the leader brand and the partner brand can be either asymmetrical or symmetrical. In asymmetrical association, both the leader brand and the partner brand are in a relevant equal position while in symmetrical association the position of the leader brand is apparently more dominant in the partnership (Ugglà, 2004).

From a standpoint of the leader brand in an equal collaboration, the partner brand contributes equally and the spillover effects are split equally between the brands (Ugglà, 2004). However, when the partner brand has a high core complementary competence, it brings the potential threat to its leader brand, as the partner brand may eventually become a competitor (Sengupta & Bucklin, 1995, p.24-32). As we know from the case of IBM
and Microsoft, Microsoft had a strong competence of developing DOS OS for personal computer with a relatively low brand equity at that time in the perceptions of consumers, therefore partnered with IBM as a secondary brand in the partnership, and in few years, Microsoft ultimately became a leading position in personal computer OS (Leuthesser et al., 2003).

While in a symmetrical association the leader brand has more dominant position than the secondary brand, it appears that the secondary brand contributes less in the collaboration but benefits a lot more than its leader brand (Washburn et al., 2000), the secondary brand experiences stronger spillover effects in the collaboration. However, the weak brand would not harm the strong brand in the collaboration. (Uggla, 2004)

**Co-branding Strategy**

According to Prince and Davies (2002), co-branding could be defined as when two distinct brands are marketed together for a unique composite offering that adds value for the customer. There are a series of advantages for the two companies involved in co-branding: customer targeting is made easier through the sharing of databases of customers; it offers the two brands a competitive advantage by a shared asset base, with potential greater profitability, increased brand equity and it also provide operational benefits by means of site sharing, which make marketing transactions more efficient (Prince and Davies, 2002). Co-branding should also have a defined time frame for the partnership, otherwise it becomes permanent, and so it overlaps to the concept of strategic alliance. Prince and Davies (2002) suggest five steps that the two partners involved have to go through in order to establish a co-branding initiative between them: assess opportunities, set objectives, develop strategies, initiate the relationship, and negotiate partnership agreement.

According to a framework for co-branding strategies explored by Leuthesser et al. (2003) as shown in Figure 4 below, four co-branding strategies are defined: Reaching In, Reaching Out, Reaching Up, and Reaching Beyond in terms of choosing a partner brand. These four strategies are obtained by crossing two principal dimensions: product complementarity and target market. Target market is self-explanatory, as it distinguish the targeted markets of the two co-branding partners as being the same (existing) or new; product complementarity is defines as core if the attributes of both brands are required for the product to function, and extended if there is no strictly the need of none of them for the product to work, therefore just lending the good name to the co-brand.
Figure 4 - Co-branding strategies

Reaching In requires the co-branding partner to contribute the competences that are compatible with each other’s core product in order to achieve the greater market share by serving the existing target market. In this strategy, the potential threat is that co-branded partner may become a competitor due to its strong core competences as it is described previously about the case of IBM and Microsoft.

In Reaching out strategy, the co-branding partner is required to bring the core functioning and as well as the new customer base for the purpose of opening up the new target market. It appears that this strategy mostly applies to retail business by combining of two or more brands into a common purchase occasion (Leuthesser et al., 2003).

Reaching up requires the partner to bring extended product complementarity, and the positive brand image so as to enlarge the market share in the existing target market.

Similarly, Reaching beyond strategy does not require the partner to bring the core complementarity, but the good brand image and new customer base are expected in order to enter the new target market.
4.5.2 Perspective of Consumers

Brand image is defined as the consumer’s view of the brand rather than what the brand is presented to be. For example, in order to make a decision for purchasing a camera, usually we have to at least know the brand (brand awareness) and like the brand (positive brand image) in order to narrow down the options. In fact, the positive brand image has an influence on consumers purchase behavior, which in turns results in higher sales volume to the company.

From the customer’s brand image perspective, a brand may be a symbol, an icon or an index (Eco, 1979), usually the leader brand is perceived as symbol while the partner brand is viewed as icon and institutional association is symbolized as index (Uggla, 2000). However, the brand image can change over time in consumer’s mind. For example, GORE-TEX provides waterproof material for its leader brand Peak Performance for the waterproof segment of jackets, is perceived as an index, but by co-branding with a such strong leader brand, the brand equity of GORE-TEX is increased, and its brand image is then transferred from an index to a symbol with the collection of ‘my GORE-TEX jacket by Peak Performance’, thus the potential jacket buyer of this collection is for GORE-TEX rather than Peak Performance (Uggla, 2004).
5 Analysis

This chapter starts with a summarizing model (Figure 5 below) that integrates all the various theories that we have presented in the previous chapters, and it serves as an overview of them. Moreover, this will also be the framework that will guide the analysis of the empirical data.

It starts from the start-up, and the three characteristics on its top are the typical features for a start-up (Bresciani & Eppler 2010; Rode & Vallaster, 2005). To start with part of its branding process, a start-up has two main routes: to market and make ads independently, or to make the same things but by co-branding together with another firm’s brand. In this model, as suggested by the association base model of Uggla (2004), a start-up could co-brand as being: People, Place, Product, Components or Institutions. By doing so, a start-up can benefit by this associations in a number of ways: gaining brand equity, reaching new market segments, having access to the customers’ database of its partners, sharing the ads budget and, on top of all, gaining precious experience from its experienced partners.

In the following section we will analyze the empirical data by using the summarizing model as a guideline, with four main headings that recalls the ones of the model in Figure 5, namely in order:

1. Together with or as
2. To gain
3. To reach
4. To access

As a general overview, we can place Spotify as definitely being a Tech-Marketers in the model shown in Figure 2, as according to Bresciani & Eppler (2010) Spotify has high brand expectations and they have engaged in a wide array of innovative branding initiatives with many different partners in different industries.
5.1 Together with or as

In the co-branding partnerships analysed in this paper, Spotify has been the partner brand to various leader brands in different sectors and industries, from cars to consumer electronics. Spotify has been partnered as a “Product” type, among the five suggested by Uggla’s “brand association base model” (Uggla, 2004). One could instinctively argue that Spotify is a “Component” type of partner, but we see a “Component” as something necessary for the leader brand to function; in our cases Spotify is a product offered alongside the leader brand, and does not affect the functioning of the leader brand. Another reason why we see Spotify as a “Product” partner and not “Component”, is the fact that in those partnerships they offered a six months premium account for free, could then be used in any other kind of device by using the same username and password.
As also described in the theory, co-branding can bring a risk of spill over if the brands do not have a strong compatibility. This is not the case between Spotify and its co-branding partners since all the partnership Spotify has performed are complementary in various degree. Various studies point out that when the competencies of co-brands are highly complementarity in the association, it leads the consumers to have more positive attitude and stronger willingness to buy (Varadara, 1985). In other words, the collaboration of highly complementary competences brands appears to have greater potential for success than less complementarity co-brands. As we were told in the interview, every partnership succeeded from Spotify’s standpoint.

In terms of being symmetrical or asymmetrical partnerships (Ugglia, 2004), all the 13 co-branding partnerships are definitely asymmetrical, with Spotify being the less dominant brand in all respects, due also from being the youngest brand of all. This is also in line with the fact of being a start-up and chasing partnerships with a leader brand which is more dominant and has more brand equity and history.

5.2 To gain

We believe that Spotify has gained a tremendous brand equity from there 13 co-branding partnerships that we have studied, as they have partnered with brands with higher brand equity and, according to Washburn et al. (2000), Spotify has therefore gained the most out of it. Spotify’s logo has been exposed extensively in all the partner’s websites and premises, such as in the case of Telia’s shops in Sweden and Seat car showrooms in Spain. Users of those brands have incurred into the Spotify logo, and potentially have also tried it or at least got a basic knowledge of it, which is the awareness that Spotify is a platform for listening to the music.

As we were told during the interview, one of the reasons to partner with Telia was that Telia has a massive presence of advertising in different channels, from billboards to TV, from internet to many shops around the country. Therefore partnering with such a company has also exposed the Spotify logo in all those channels, and as a result consumers and Telia’s customers got to know and see Spotify for the first time and the brand awareness of Spotify was established. We believe that it is a very effective strategy to gain a lot of brand equity in a relatively short amount of time. We can also see a pattern, since Spotify has made similar partnerships with other Telco companies in France and UK, with SFR and Virgin Media respectively.

However, besides the case of the Telco companies, in all the partnerships that Spotify has performed they have gained substantial brand image and brand awareness in the targeted markets, and it is even more impressive if we think that they started from being completely unknown in various countries.
5.3 To reach

In this section we look back the model of co-branding strategies in Figure 4 (Leuthesser et al., 2003), in order to place the different co-branding partners within it and show what strategies Spotify has achieved.

The partnerships with car manufactures, telecommunication companies and as well as soft drink giant Coca-Cola fit in the co-branding strategy of reaching beyond; as explained in the theory section, it is when one of the co-brands, in this case Spotify, wants to get access to the partner’s customer base and also share a positive brand image of its co-branding partners. In the collaboration with car manufacturers, the attributes of the two partners were not essential for the functioning of the product (the cars) but Spotify was just an extended attribute for it. Moreover, the market for Spotify was new, since the customer segment interested to buy cars is different than customer segment interested to pay for listening to the music (Leuthesser et al., 2003). Likewise, all the telecommunication companies shares the same characteristics as the car companies, since the attributes are not essential for the functioning of the products (Mobile phones and TV channels), and also the customer segment interested to buy and listen to music is different than the customer segment interested in buying phones and TV channels (Leuthesser et al., 2003). Therefore all the three Telco companies also fall into reaching beyond co-branding strategy. Also Coca-Cola falls into the Reaching Beyond strategy, since it does not share the same core functionalities and the two targeted markets are different in nature (i.e. people that want to listen to music and people that want to drink a soft drink).

The three producers of music hardware (Sonos, Onkyo and Logitech) fall into the reaching up strategy, as their market and as well as the Spotify’s market are the same: people who want to listen to music. The attributes are not core but just an extension of functionalities, so the products can work even without each other (Leuthesser et al., 2003). Logitech for instance has implemented Spotify as one possible source of music of its Squeezebox, therefore Spotify is just an extension and not a necessary attribute for the functioning of the Squeezebox. Nevertheless, the brand alliance between Spotify and music hardware brands enhanced customer experience of both brands due to the compatibility of the product and service as described by Washburn, Till, and Priluck (2000). Onkyo, for example, are not only providing their customers a great hi-fi device for listening music but also the opportunity to access a wider music catalog through Spotify service, while Spotify gives the opportunity to their customer to enjoy their preferred music in devices that add a whole new experience with a good sound quality. This also goes in accordance with Grossman (1997) definition that the purpose of the co-branding has to be very clear in the minds of consumers, and in this respect each brand presents clearly what they are offering and what benefits it brings to the consumer.
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Shazam has definitely the same target market as Spotify, as it also is a music service targeting at people who want to listen to music, and also they have a sort of core product complementarity. What the co-branding advertises is the possibility to recognize the song with Shazam and then listening it directly from Spotify (Shazam, 2011), so for this specific function their attributes are required for it to work. However, Shazam can still work and do its main functionality even without Spotify, which is the reason why Shazam is on the border between reaching up and reaching in according to Leuthesser et al (2003).

Finally, Facebook is in the intersection of all four strategies. It is in between of product complementarity because in a way it requires Spotify to share music and playlists with friends as the co-branding initiative advertised, but on the other hand, Facebook can still function as a product even without Spotify (as an example of strict core complementarity, a PC with an Intel processor, must have the processor in it otherwise it wouldn’t function) (Leuthesser et al., 2003). It is then in the middle of the existing and new target market because in a way, considering that Spotify allowed to share music with friends even before, the market is the same of a social network users. But in another way, the Facebook market not only target people who want to listen to music, but also any other kind of customers, which is the reason why Facebook has been placed between the two.

<table>
<thead>
<tr>
<th>Product Complementarity</th>
<th>Target Market</th>
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<tbody>
<tr>
<td></td>
<td>Existing</td>
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<tr>
<td>Core</td>
<td><img src="image3" alt="Spotify" /></td>
</tr>
</tbody>
</table>

(Source: Modified from Leuthesser et al., 2003)

**Figure 6 - Co-branding strategies analysis**
5.4 To access

As mentioned during the interview, Spotify benefited from Telia’s large amount of investment and commitment in advertising through different channels, therefore there is some sharing of marketing budget involved. As a consequence, we believe that this concept and type of benefit apply to many others of the partnerships, such as in the case of SEAT in Spain, where they have made massive advertising and marketing campaign throughout Spain of the model Ibiza Spotify (Seat, 2011).

Another big advantage that Spotify obtained through this partnership is to have access to the large databases of customers of their partners (Prince and Davies, 2002); meaning that they could instantly reach thousands of consumers that otherwise should have been acquired independently in many months or even years. Therefore, this access to a massive number of people has allowed Spotify to grow exponentially in these few years of its history.

Throughout all the partnerships researched in this paper, Spotify has learnt and access experience from their partners. Dealing with business developers and marketing teams of large multinational companies has allowed Spotify to absorb valuable experience and business acumen that, if only built with independent marketing campaigns, would have taken a long timeframe to gain, if it would have even been gained. Undoubtedly, for a young startup, dealing and developing initiatives with large and mature companies is of incredible value and will contribute to build tacit knowledge and improve in the future.

All these three advantages described above have allowed Spotify to overcome exactly what were the three main disadvantages of a new venture: budget, customer base and experience (Bresciani & Eppler 2010; Rode & Vallaster, 2005).

User Growth
Spotify is the largest and fastest growing music streaming company (Spotify, 2012), it was launched in its first version to public in October 2008, and reached over 14 million registered users as of January 2012. The user growth in Spotify is dramatic. According to Spotify, Quora, and Mashable, the user growth of Spotify from 2009 to 2012 can be viewed in the following line chart, besides, we placed the 13 partnerships in order on the timeline, so that readers can have a clear view in connecting the partnerships with user growth.
Both registered and paying subscribers are increasing linearly and impressively. On the one hand, the number of new registered subscribers grows significantly, particularly in between May and September in 2009, where it has risen by 4 million. Spotify hits 4 million only 9 months after launching to public, this is equivalent to 3% of all internet users among 6 European markets (incl. Sweden, Norway, Finland, UK, France, Spain) that Spotify entered (Music Industry Blog, 2009). By comparing with its competitor Pandora that spent a year to reach 1.7 million users that represents 1% of US internet users, it is more obvious to see how impressive result Spotify has achieved as a startup company. Nevertheless, the growth continues in 2010 and 2011 and broke through 14 million registered users as of January 2012. On the other hand, the paying subscribers have risen steadily in 2009 and 2010. It can be seen that from 2011 the paying users accelerates their speed of growth. In March 2011, the number of new paying users reached 1 million and hit 2 millions in half a year, and achieved 3 million after 4 months.

What makes Spotify grow so fast is very much relied on the rapid growing users. It has been proved that co-branding with other strong brands is particularly advantageous for Spotify to effectively access to the co-branding partner’s customer base. Based on the observations of the figures of growing users in Spotify, we found that Spotify has gained the customer base from its partner brands in every partnership that Spotify has performed with, among all these partnerships, the most significant gain is with Facebook. When Facebook announced the partnership and integration with Spotify during F8 conference, only within a week, Spotify significantly gained 1 million users as shown in the Figure 8.
below (AppData, September 2011; Inside Facebook, 2011), which beat a new record for the rapidity of growing users in Spotify, and the trend has continued (AppData, September 2011).

(Source: App Data, 2011; Inside Facebook, 2011)

**Figure 8 - User Growth with Facebook**

Now, Spotify is still in the stage of growing and tends to open up more markets. We may want to know how they attracted the well-known brands attention and ultimately become the partner. One reason could be built on Spotify’s fastest growing and achievement on European markets. According to Financial Times, Spotify has gained over 2 million users in less than a year after it launched in Sweden and UK, with its rapid growth in European market, Spotify attracted worldwide investors’ attention and raised more than $1 billion from the investors including Kleiner Perkins Caufield & Byers, Accel Partners and Digital Sky Technologies etc before entering to the U.S. market (Financial Times, 2009).
# Conclusion

By bringing back the initial research question, based on this case study we can briefly answer in this way.

- **How can a start-up make brand associations with other well-known brands, in order to leverage their equity and acquire its own?**

A start-up can make co-branding partnerships with well-known brands by being the partner brand, while they are the leader brand. Depending on the nature of the product, but it can be a Product or Component type of partner. If possible it has to choose large companies with lots of experience, customers and consistent advertising campaign: by doing so it could share the marketing budget, have access to their database of customers, having the brand logo exposed in co-branding advertising and also gaining valuable experience as a startup from established players in the real business market landscape. One thing to concede to obtain all this, is to offer the product for free for a certain amount of time, or at a convenient price; this will allow to tempt the leader brand, because from their view they can offer an extra feature to their customers at no extra expenses.

Even though this study cannot be generalized, being a qualitative research of one case company, we believe that co-branding for a start-up is a very powerful method to gain impressive brand equity (brand image and brand awareness) as well as accessing the customer base of its partners. We also suggest that branding, and in particular co-branding, should be a focal point for entrepreneurs that are engaged in the process of planning a venture. Branding should be a well thought section in a business plan for a new start-up, where suitable partners for co-branding should be identified and possible co-branding initiatives forecasted.

Finally, another aspect that in our view has played an important role in the success of Spotify co-brandings partnership is the fact that, besides offering the service, their logo has always been very visible in those partnerships, both in the websites of the partners as well as in other various locations depending on the partnership (see all the pictures in the appendix). Therefore, a particular attention has to be put by start-ups that engaged in co-branding on making sure that the logo is visible, in order to gain high brand awareness from the partnerships.
7 Contribution to Future Research

The academic research that we think would be interesting to study in connection to brand association would be with focused on Brand Attitude, Brand Familiarity and Brand Trust. For instance, research the effects in Brand Familiarity and Brand Trust upon advertisings with and without the co-branding partners.

There are also a number of empirical areas that we suggest for future studies. Each paragraph below will describe each of them.

A quantitative study on a large sample of start-ups, to discover and elaborate statistics on how many of them made co-branding partnerships with other well-known brands, and eventually see if it has helped to be successful and gain substantial brand equity or not. Make an archival and historical research to find out how many successful and established companies had made co-branding at the beginning of their businesses, while they were still regarded as start-ups. It can be studied how they did it, for instance if deliberately or by chance and coincidence, as well as if it worked or not. Historically there are these examples, among others, of start-ups that by making a right co-branding partnership, have gained tremendous brand awareness and so brand equity by partnering with well-known brands. Some of them are Microsoft with IBM, Pixar with Disney, and Google with AOL.

Research if in science parks there is a focus in branding and co-branding for the start-ups that they help and assist in their facilities. Find out what the managers and employees of those science parks think about branding for start-ups, if they think it is important in comparison with the more traditional activities of a start-up (market research, production planning, financial forecast etc.), why yes and why not. Such a research could cast a light on the real and practical situation that surrounds the launch of new start-ups, and as a consequence suggest future actions related to branding that science parks could take to possibly put more emphasis of the importance of branding for start-ups.
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9 Appendices

Appendix 1 - Corporate vs. Product branding

<table>
<thead>
<tr>
<th></th>
<th>Product brands</th>
<th>Corporate brand</th>
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<td>Focus attention on</td>
<td>The product</td>
<td>The company</td>
</tr>
<tr>
<td>Managed by</td>
<td>Middle manager</td>
<td>CEO</td>
</tr>
<tr>
<td>Attract attention and gain support of</td>
<td>Customers</td>
<td>Multiple stakeholders</td>
</tr>
<tr>
<td>Delivered by</td>
<td>Marketing</td>
<td>Whole company</td>
</tr>
<tr>
<td>Communications mix</td>
<td>Marketing communications</td>
<td>Total corporate communication</td>
</tr>
<tr>
<td>Time horizon</td>
<td>Short (life of product)</td>
<td>Long (life of company)</td>
</tr>
<tr>
<td>Importance to company</td>
<td>Functional</td>
<td>Strategic</td>
</tr>
</tbody>
</table>

(Source: Hatch. M. J. et al., 2003, p. 1044)

Appendix 2 - Spotify & Telia

(Source: Telia website)
Branding for Start-ups
A case Study of Spotify

Appendix 3 - Spotify & Virgin Mobile

(Source: Virgin website)
Branding for Start-ups
A case Study of Spotify

(Source: Virgin website)
Appendix 4 - Spotify & SFR

(Source: SFR website)
Branding for Start-ups
A case Study of Spotify

(Source: SFR website)
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(Source: SFR website)
Appendix 5 - Spotify & SEAT

Appendix 5.1 Seat Spotify in a billboard in the city of Mallorca

(Source: screenshot from YouTube, 2011c)
Appendix 5.2 Seat Spanish Websites

(Source: Seat Spanish website)
Branding for Start-ups
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(Source: Seat Spanish website)
LA MÚSICA COMO MOTOR

Se acaba el año y los conciertos eMe llegan a su fin. Durante todo este tiempo, hemos compartido escenario con algunos de los mejores artistas nacionales del momento: Hombres G, Melendi, Efecto Mariposa, Jarabe de Palo, Taxi, La Musicalité, La Sonrisa de Julia, Nada que Decir, Despistados y Georgina.

Como muchos de vosotros habéis podido (Source: Seat Spanish website)
UNA BUENA FOTO VALE MÁS QUE MIL PALABRAS

TODA LA MÚSICA DEL SEAT IBIZA SPOTIFY EN IMÁGENES

El Nuevo SEAT Ibiza Spotify llega cargado de ritmo para conquistar a todo el mundo. ¿Quieres verlo? No te pierdas las mejores imágenes de los conciertos, sesiones y fiestas que te trae el SEAT que tiene la música inscrita en su ADN.

La diversión llegó al BILBAO BBK LIVE con el concurso “Adivina la canción” y el SEAT IBIZA SPOTIFY TOUR. ¡Lo pasamos genial!

(Source: Seat Spanish website)
Appendix 5.3 Websites about car and motors

(Source: Seat Spanish website)
Appendix 5.4 Ad in a Spanish daily newspaper

(Source: Spanish daily newspaper)
Appendix 5.5 Seat showroom in Valencia

(Source: Seat car showroom in Spain)
Appendix 6 - Spotify & Nissan

(Source: Nissan Quashqai Spanish website)
Appendix 7 - Spotify & Volkswagen

(Source: Volkswagen website)
Branding for Start-ups
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(Source: Volkswagen website)
Appendix 8 - Spotify & Chevrolet

Cars and Spotify Offer a World of Music to U.S. Fans
Exclusive automotive advertising partner for U.S. launch of Euro-based service
2011-07-14

DETROIT – Chevrolet is offering U.S. music lovers access to Spotify, the award-winning digital music service used by more than 10 million Europeans.

As part of Spotify’s U.S. launch today, the first 150,000 requests received through the Chevrolet Sonic app on the Chevrolet Facebook page will receive an invitation to Spotify’s free on-demand streaming of one of the world’s largest music libraries.

“Chevrolet continues to play a significant role in America’s popular music culture as evidenced by the brand and vehicles being highlighted in hundreds of songs over the years,” said Kevin Mayer, director of Chevrolet Advertising. “Supporting Spotify’s U.S. launch resonates with Chevrolet’s long-standing tradition of bringing U.S. consumers a new way to listen and share music.”

Chevrolet is among Spotify’s first U.S. advertisers and the only automotive brand to support the company’s U.S. launch. The Sonic is the only subcompact car built in the United States.

“We are very excited to be bringing Spotify to the U.S. and to be working with partners such as Chevrolet towards our goal of making all the world’s music available for everyone to enjoy, whenever they want it and however they are,” said Ken Parks, chief content officer and managing director, Spotify, North America.

(Source: Chevrolet website)
Appendix 9 - Spotify & Onkyo

Spotify and Onkyo

List of Onkyo A/V Receivers supporting Spotify

Spotify Inside!
Browse artists and albums and listen to all your playlists with Onkyo’s popular A/V receivers.

Access your playlists, “What's new” and “Starred” lists on the latest Onkyo network A/V receivers. All you need to enjoy Onkyo and Spotify in full HiFi is an internet connection and a Spotify Premium subscription.

Enjoy your music in high quality audio with up to 320 kbps, and easily access your playlists and favourite tracks!

2012 Models

(Source: Onkyo website)
Appendix 10 - Spotify & Sonos

(Source: Sonos website)
Sonos and Spotify join hands to stream sweet sweet music, at last

By Thomas Ricker posted Sep 1st 2010 7:00PM

Sonos owners, like most nerds, have been patiently waiting for three things: jetpacks and flying cars to go mainstream and the Spotify music service to play on their beloved whole home wireless audio system. Of these, only one is being announced today. At this very moment, in this very time, upstart media darlings Spotify and Sonos have announced plans to wed... in Europe. Sorry Yanks. When the free 3.3 Sonos software update finally arrives at the end of September, new and existing Spotify Premium (£9.99 per month) customers living in Finland, France, the Netherlands, Norway, Spain, Sweden and the UK will be able to stream millions of Spotify music tracks throughout their Sonos home network. The deal not only brings Spotify its first global hardware partner, it also brings European Sonos owners up to par with US netizens who’ve long enjoyed streaming subscription services from the likes of Rhapsody and Napster – the latter limited to just the UK and Germany in Europe. Click through the break for a demo...

(Source: Engadget website)
Appendix 11 - Spotify & Logitech

Blog.Logitech

Logitech Squeezebox Radio, Touch Welcome Spotify to the U.S.

By Sarah Waldmann // Sr. Manager, Marketing Strategy on July 14, 2011
29 Comments + 4 Replies
Filed: Audio, Product

Logitech announced earlier this year that we had joined forces with Spotify to support the popular digital music service on the Logitech® Squeezebox™ Wi-Fi music players. Today, we are delighted to extend this great experience to more Squeezebox users as Spotify comes to the U.S.

Spotify provides on-demand access to whatever music you want, whenever and wherever you want it, through both free-to-the-user and paid subscription offers. Using your existing wireless home network and your Squeezebox Touch or Squeezebox Radio player, music lovers in the U.S. can now access Spotify’s comprehensive catalogue of more than 15 million songs anywhere in your home.

To enjoy Spotify on your Squeezebox Touch or Squeezebox Radio, all you’ll need is a Spotify Premium subscription, giving you unlimited, ad-free access to Spotify’s entire music library and access to exclusive content, competitions and special offers.

Spotify is also available in 7 European countries: Finland, France, the Netherlands, Norway, Spain, Sweden and the U.K. – and Logitech Squeezebox players work there with the service too!

For more information, visit mysqueezebox.com/spotify

Tags: spotify, squeezebox

(Source: Logitech official blog)
Introducing Squeezebox Apps.

It doesn’t matter if your library includes 100 tracks or 100,000. Or if you rip your own CDs or buy your music from services like iTunes and Amazon MP3.

Download Logitech Media Server software today and start listening to your personal music collection on a Squeezebox in any room in your home.

(Source: Logitech website)
Appendix 12 - Spotify & Facebook

(Source: Spotify website)
Appendix 13 - Spotify & Shazam

Touch to Shazam. Play on Spotify!

January 13, 2011, 10:10

Great news. Spotify is now available for Shazam's premium Apps on iPhone, iPod touch – including (SHAZAM)RED - and Android. Just tap the new “Play in Spotify” feature to go direct from Shazam to our Spotify Mobile app where you can immediately listen to the full track and explore more music from the tagged artist.

It’s now even easier to get instant satisfaction for those times when you want to know the track that is playing and then learn more about the artist. Just touch to Shazam and then play in Spotify. Click here for more information on downloading Shazam for your phone.

The same feature will be included on Shazam’s free App soon – so watch this space and we’ll keep you posted.

By Andres Sehr

122 responses to “Touch to Shazam. Play on Spotify!”

(Source: Spotify website)
Appendix 14 - Spotify & Coca-Cola

(Source: Coca-Cola website)
Branding for Start-ups
A case Study of Spotify

(Source: Coca-Cola website)