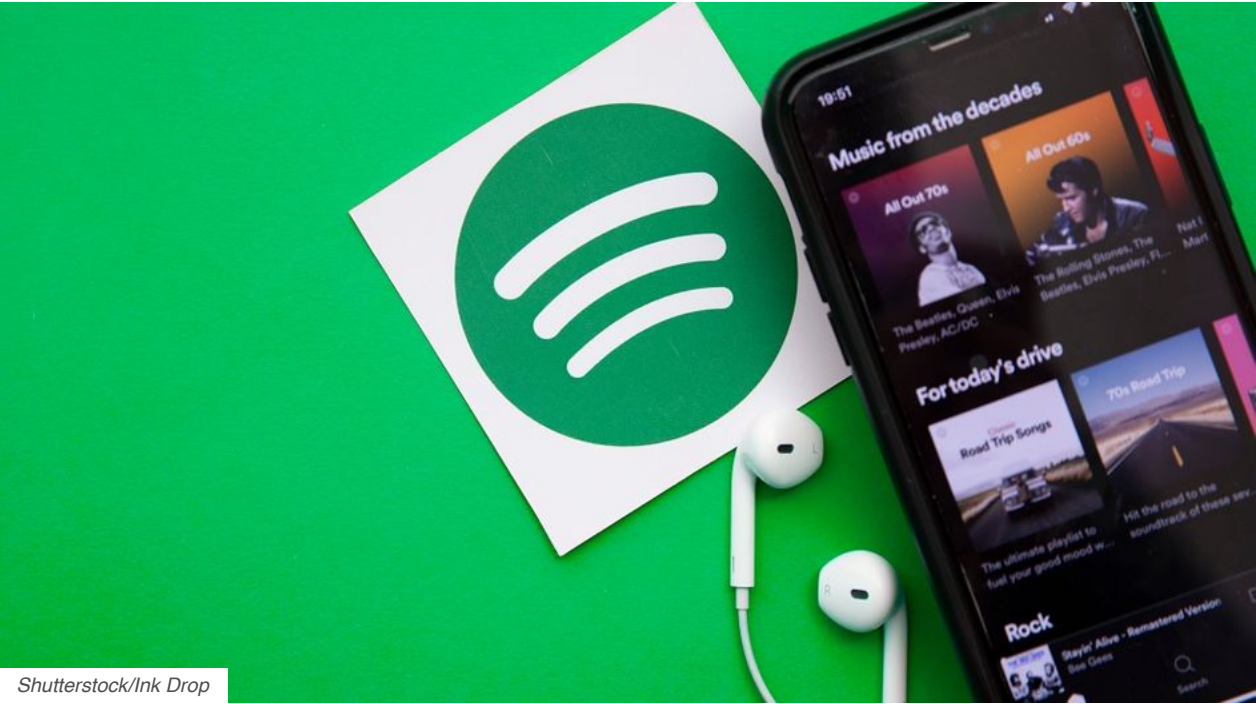




A ‘brand’ new approach to intellectual asset mapping at Spotify

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- Updated IA framework provides a renewed understanding of brand assets and how they drive value
- Confluence between legal, business and marketing strategies essential for effective management of IAs
- Looking through IA lens shows that a broader range of control mechanisms can and should be leveraged

Investing heavily in R&D, marketing and content has made Spotify the world’s biggest and most popular audio streaming service. It has also generated a range of intellectual assets (IAs). To help identify and strategically manage these IAs, our in-house IP R&D team developed the Spotify IA mapping framework.

The framework, consisting of five pillars representing the five categories of IAs, has proved particularly useful for mapping the output of our investments in technology R&D:



Figure 1. High-level view of Spotify IA mapping framework

Though IP is not the only way to secure and leverage value for IAs, this means of categorising and adding a vocabulary to output is particularly useful for integrating IA thinking into Spotify’s R&D processes. This, in turn, allows our team to partner with R&D to adopt a structured and systematic approach to identifying and securing appropriate control positions around the assets which are of the greatest strategic significance to our business.

How the Spotify IA mapping framework has developed

The Spotify IA mapping framework was born out of a collaboration between industry and academia, facilitated by the Center for Intellectual Property. In early 2022, Jesper Lesseur Björnek and Erik Malmberg contributed to the framework, and thus this article, by undertaking a detailed examination of the range of brand assets that exist at Spotify. Their work resulted in an updated definition and sub-categorisation of the brand asset pillar and a renewed understanding of the way that a broad array of potential brand assets can drive value for knowledge companies.

This matters because the enormous value of brands is broadly acknowledged, even if specific valuations and overall rankings can vary. For example, in 2021 both Brand Finance and Interbrand named Apple the world's most valuable brand but their estimated value of the brand varied by roughly US \$145 billion (ie, US \$408 billion vs US \$263 billion).

Notwithstanding the vast discrepancies in these valuations, the power of brands in shaping consumer perceptions and behaviors is undeniable. Given this, the quest to understand what is actually contributing to brand value is certainly a worthy one. IA mapping is focused on analysing the discrete intellectual components, or assets, that underpin knowledge-based companies. It provides a helpful lens through which to not only understand but also manage, protect and leverage such assets, including brands.

Key Findings

When we talk about brand assets in the context of the Spotify IA mapping framework, we are not just talking about distinctive names and logos. Rather, the framework takes an expansive view that includes the portfolio of marks, designs and expressions which identify the source of a product, service or feature as distinctly 'Spotify'. This expansive conceptualisation of brand assets is informed by well-established theories and frameworks, such as Keller's Customer-Based Brand Equity Model, which views brands as complex, perceptual entities, and Aaker's Brand Equity Model which interprets brand equity as a combination of awareness, loyalty and perceived quality.

Grounded in these academic conceptualisations, when cataloging and categorising the broad array of brand assets, regard was given to the following three key criteria:

- Is it an identifiable and recognisable element as determined by consumers?
 - This gives primacy to consumers' ability to identify Spotify as the source of a product, service or feature based on the presence of one or more element, rather than to proprietary status (such as a registered trademark)
- Is it possible for Spotify (the firm) to directly impact?
 - This distinguishes between the identifiable elements of a brand that Spotify directly controls rather than the unique associations they may elicit in the minds of consumers
- Is it possible to be claimed as an IA?
 - This requires that the brand can be concretely objectified by the firm — that is, despite being the result of human capital, it is no longer bound to any specific individual/s (specific people are not considered brand assets)



Figure 2. Brand asset inclusion criteria

Types of brand assets

Focusing on the intersection of these three criteria, the following four categories of brand assets were identified: Independent marks, product designs, visual expressions, and tone of voice.

To make the framework more accessible, the first three subcategories are further illuminated with reference to specific examples:

Brand Assets The portfolio of marks, designs and expressions which identify the source of a product, service or feature as distinctly 'Spotify'			
Independent Marks	Product Designs	Visual Expressions	Tone of Voice
Names	Graphical user interfaces	Colors	
Symbols	Audio user interfaces	Typography	
Taglines	Hardware designs	Illustrations	
Sounds	Haptic feedback	Photography	

Figure 3. Brand asset subcategories

To future proof the framework, it is important to reflect both current brand assets and forward-looking examples that have the potential to become brand assets in the future — for example, for Spotify, this includes sounds within independent marks and haptic feedback within product designs.

Control of brand assets

The conventional (IP based) approach to controlling brands is trademarks and, in some instances, design registrations and/or copyright. Such rights can be incredibly powerful. However, when looking at brands through this IA mapping lens it becomes clear that other (non-IP based) control positions are equally important if a firm is to take a holistic approach to controlling and leveraging maximum value from its brand assets.

In particular, market-based control, when responsibly and strategically wielded, is an indispensable tool for managing brand assets. First mover advantage and consistent use over time are both highly relevant examples of market-based control over brand assets that may be obtained and sustained through leveraging business dynamics rather than, or in addition to, relying on IP based control.

For example, the only way to establish and maintain 'tone of voice' is to cultivate a unique offering and use it consistently over time. Similarly, it is technically possible to establish a rights-based control position around colours through trademark registration in many jurisdictions. However, it still is difficult to trademark a colour and, if granted, the scope of protection is almost always rather narrow. In the alternative (or as a precursor to an eventual trademark registration) it is necessary to have a limited color palette that is consistently used over time and thus contributes to the establishment of a market-based control position.

As these examples make clear, a confluence between legal, business and marketing strategies is essential to the effective management and control of IAs. This has been a consistent theme as we have continued to work with and develop the Spotify IA mapping framework.

Value of brand assets

To demonstrate how IA mapping can facilitate the identification and control of key IAs, our [earlier article](#) plotted "Wrapped" (the brand used for the annual campaign that highlights each user's top artists, songs and podcasts) on a 4x4 matrix of control x value. Using a control x value matrix is a powerful tool for communicating the value and opportunities for IP based control of brands that fall into the first identified subcategory of brand assets — ie, independent marks. However, upon deeper examination, we found that understanding the value of the remaining three subcategories (product designs, visual expressions and tone of voice) requires a more nuanced approach.

Rather than considering them in terms of high or low value and control, we found it more helpful to think of the fuller range of brand assets in the context of the two parameters of identifiability and exclusivity.

Identifiability refers to the consumers' ability to identify a company as the source of the object bearing the brand asset/s. This could be either independently (that is, based on one brand asset in isolation) or collectively (a combination of two or more brand assets). Exclusivity refers to whether Spotify can claim exclusive rights to use the specific brand asset or not. The relationship between these two concepts is illustrated in the figure below:

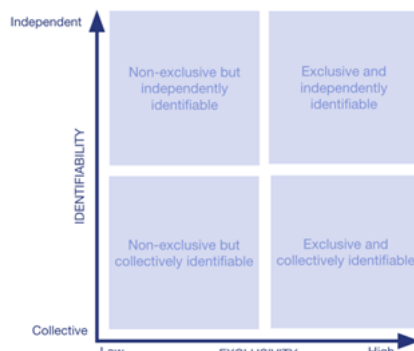


Figure 4. Identifiability x exclusivity matrix

A clear example of an exclusive and independently identifiable brand asset (upper right quadrant) is the Spotify house mark. It is both a registered trademark and a brand that enjoys a level of recognition such that goods and services to which it is applied are identifiable in isolation — no further clues are needed.



Figure 5. Spotify house mark

On the other hand, the image below (which has been altered slightly to remove any independently identifiable brand assets) illustrates the more subtle power of some of Spotify's collectively identifiable brand assets:

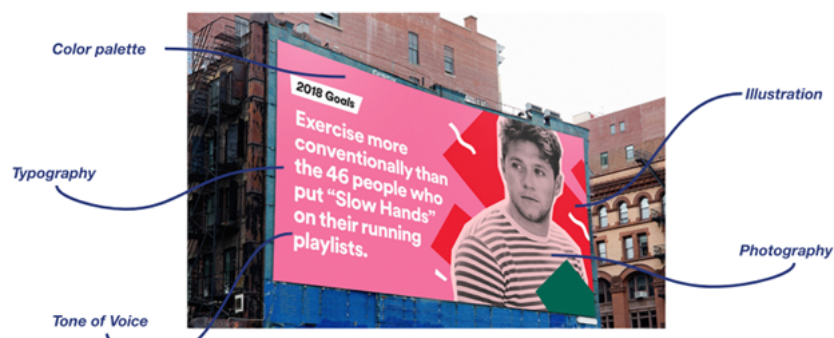


Figure 6. Image of a Spotify billboard (circa January 2018)

These collectively identifiable brand assets illustrated in Figure 8 are a mixture of exclusive (such as the Spotify Circular typeface, which was created for and is exclusively licensed to us) and non-exclusive (for example our casual, approachable, friendly tone of voice). This example demonstrates that neither independent identifiability nor exclusivity are prerequisites to the intrinsic value of a brand asset. However, it would be remiss to insist that independently identifiable brand assets carry the same value as those which must be viewed in the collective context to signal the source. Rather, it is possible to view the value of brand assets as a pyramid, wherein collectively identifiable brand assets provide a strong foundation upon which independently identifiable brand assets can build, ultimately supporting the power and value of a smaller subset of very well recognised, immediately identifiable house brands. This structure is represented, with reference to some Spotify-specific examples, below:

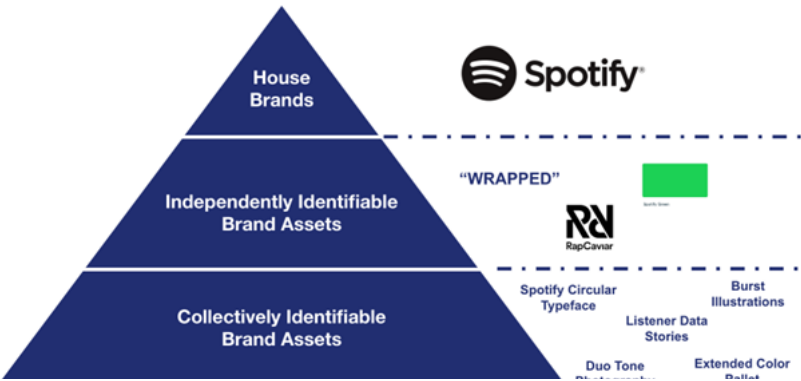


Figure 7. Brand asset value pyramid

The brand asset value pyramid can be used to understand the relative value, roles and interrelationships between different types of brand assets. These insights can, in turn, be used to inform questions of brand and IP strategy.

For instance, the role and relative value of house brands, which sit at the helm of a company’s overall brand identity, renders them worthy of the investment required to develop and promote highly distinctive marks. The value of the independently identifiable brand assets in middle of the pyramid will also be most effectively realised when they can be assured at least some degree of exclusivity. However, because they are more numerous and diverse, it can be a good idea to leverage the power of suggestive marks – which have the dual benefit of conveying some indication as to the quality or characteristic of a product or service, while also being reasonably easy to protect and control.

Meanwhile, the collectively identifiable brand assets that make up the bottom and bulk of the pyramid, are valuable because they provide a foundation upon which the two upper layers can exist and (hopefully) flourish. On this bottom layer, there is little need to invest in development of inherent distinctiveness as control positions are much more likely to be predicated on market power garnered by first mover advantage and/or consistent use over time.

Updated Framework

The purpose of IA mapping is to bring the IAs that drive value for knowledge companies into higher resolution. This allows us to first understand our assets before making strategic decisions on how to protect them. This most recent work has provided a renewed and more nuanced understanding of the range of brand assets that exist at Spotify. It has also highlighted that, beyond IP, a broader range of control mechanisms can and should be leveraged to maximise their potential.

In particular, as the updated version of the Spotify IA mapping framework below shows, although it was identified as an important intellectual asset, there is no IP based control position for tone of voice.

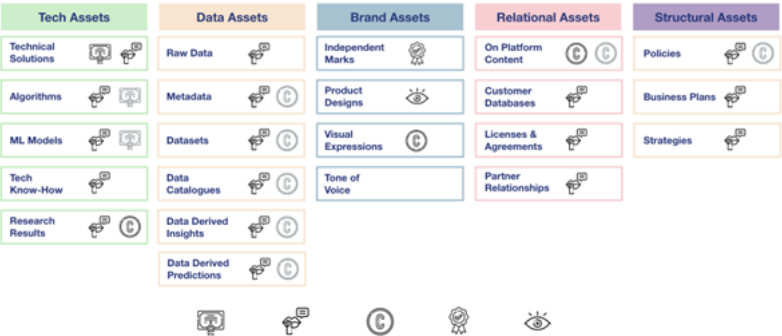


Figure 8. Updated Spotify IA mapping framework with available IP rights

The updates made to the brand asset pillar also had two notable knock-on effects on the relational asset pillar. Specifically, (i) the consolidation of the distinction between ‘Original Content’ (previously categorised as a type of brand asset) and ‘Third Party Content’ (a relational asset); and (ii) the addition of Digital Channels as a new subcategory within the relational asset pillar.

In the updated version, both ‘Original Content’ and ‘Third Party Content’ are captured as ‘On Platform Content’ within the relational asset pillar. This shift was prompted by a more rigorous interrogation of what should be considered a brand asset at Spotify (see above discussion on the tripartite ‘brand asset inclusion criteria’, summarised in Figure 2). In applying these criteria, it became clear that Spotify original content does not inherently fulfill the criteria of being identifiable and recognisable by consumers as emanating from Spotify — the application of additional branding is required to fulfill this function. Therefore,

original content in and of itself does not function as a brand asset. Rather, it is an extension of the platform's media catalogue and, just as is the case with third party content, is dependent on and defined by our relationships with external parties (both content creators and consumers).

The addition of digital channels was in response to consistent recognition that there is inherent value in the various digital channels Spotify uses to share content, including proprietary websites, associated websites, social media accounts, microsites etc. Previously, digital channels were not captured within the framework. The updated framework remedies this and regards them as relational assets.

Conclusion: Brand assets in context

In the context of the Spotify IA mapping framework, brand assets appear as one of five equal pillars. Day to day, this is helpful in allowing the IP R&D team and its stakeholders to take a structured and systematic approach to identify brand assets and secure appropriate control positions around them. But, arguably, it fails to capture the full value contribution of the entire 'Spotify Brand' as a complex and perceptual entity.

Upon closer examination, the above knock-on effects could be seen as symptomatic of a deeper truth about the nature of brand assets. Namely that they can (and perhaps should) be viewed as a sort of "meta" IA as conveyed in the figure below:

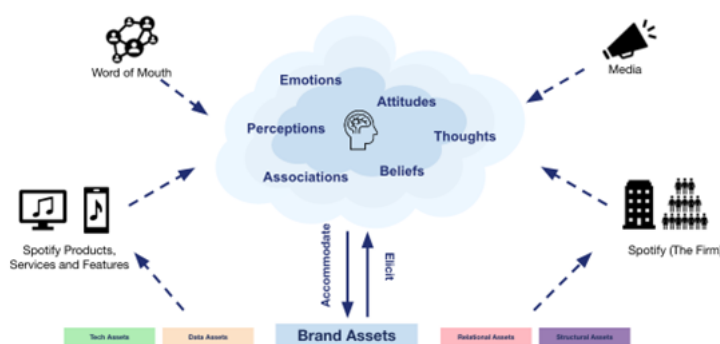


Figure 9. Brand assets in relation to brand value creation

Here we see that brand assets are impacted by each of the other pillars of the framework. Specifically, they are inextricably linked to the tech and data assets that underpin our products, services and features, as well as the relational and structural assets which shape the company as an entity or firm. In this sense brand assets can be said to represent an ecosystem wherein each asset pillar is impacted and reinforced by the other. Beyond this, brand assets must also both accommodate and elicit a range of emotions, attitudes, perceptions, thoughts, beliefs and associations in the minds of consumers. These are in turn impacted by other forces outside the firm (such as media and word of mouth).

For a company like Spotify, whose brand is related to several different fields, including technology, culture, media and the arts and which seeks to accommodate and elicit a range of associations across a multitude of different audiences and touchpoints, having a strong grasp on the discrete components that contribute to the power of our brand is essential. Having done this work to pressure test and refine the definition of brand assets within the Spotify IA framework, we have emerged with a deeper understanding of this central pillar and a new set of tools to more effectively partner with the business to shape and execute holistic and business aligned IP strategies. We can't wait to see how these tools will be adapted and used by others.

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