

Seth Farbman

Chief Marketing Officer

Spotify

Seth Farbman has served since April 2015 as Spotify's first chief marketing officer. Farbman was previously Global CMO of the Gap brand at Gap Inc., having held that position since February 2011. Prior to Gap, Farbman served as worldwide managing director for the ad agency at Ogilvy & Mather, where he developed marketing campaigns for brands such as Coca-Cola, Time Warner Cable, UPS, and Unilever; he then founded OgilvyEarth, a sustainability marketing practice where he held the title President of Integrated Global Sustainability Practice.

In 2014, Forbes named Farbman one of the "10 Most Influential CMOs."

Farbman holds a communications and journalism degree from Syracuse University.

Josh Steimle: What has it been like transitioning from an established retailer to a tech startup?

Seth Farbman: First of all, I think we're less a tech startup than we were a few years ago. With a hundred million registered customers—I think we're up to fifty-nine countries—it's a giant in an industry, and it still feels obviously like a startup because the attitude is mission-based. But it is now a

fully functioning organization that is going through the normal adjustments from young to established. My work at Gap was to go back and find that founder's story, the essence of the company, the energy and excitement of building something, the belief that we're not just a company: we're something more. I had to go find that and nurture it and bring that back at Gap, and it's all here. It's been a transition but an almost entirely good one. I still scratch my head at times and ask, "How do I get my expense report paid?" There are systems that are still being built in real time, but the vision and the ambitions for the company are clear.

What has made this exciting for me and why I think it's been such a good fit from the beginning is that the things I do well—taking complex ideas and simplifying them to a point where they seem self-evident—are especially critical in a late-stage startup that has grown quickly, where people need to understand the essence of the product and the brand. And, in a highly complicated and heady environment, these are brilliant developers, the best in the world, with incredible IQs.

I think it requires someone to remind people that what we do is fun, and what we do is put joy into people's lives. Listening to music, especially the way Spotify provides it, is not an activity in and of itself—you don't sit around listening to music anymore, right? It's applied to all these areas of your life, and it's applied to these areas to make it better. Understanding people and understanding the joy we bring and finding more ways to do so becomes essential. And that, I think, gives everyone a better sense of what they're doing. I'm not just building this or working on some feature. I am enabling people. I'm giving people music in a way that is individualized. We all benefit from that.

Steimle: Once you accepted Spotify's offer, how did you plan your transition? What objectives did you set for yourself? How did the transition work for you personally?

Farbman: The first thing I did was sit down in a rare quiet moment and write out everything I liked and didn't like about the culture, the team, the processes, and the work I had created at Gap. I wanted to be honest and understand what it was I wanted to bring forward and what I had not done as well and wanted to do differently. When you get to a certain point in your career, you do have a series of playbooks. You know what works and what doesn't in most situations. You adjust the playbook. But essentially, this is why it's so important to pick a job where what the company needs is what you're really good at, because you can't try to be something else. I somewhat codified that, and I started to think about what it would feel like

to be high-functioning and successful and build a team where people felt empowered to do their work.

The second thing I did was I found there's a tremendous amount of value as a new person—not in what you know but in what you feel and think. I've been a Spotify user for a couple of years, so I knew the product quite well, and I had a relationship with it, but I really engaged in a personal way, as a consumer would, and I started to look at the competition, and I started to think, "What are they saying about themselves? What it is they want us to know?"

At the time, Tidal had just launched, and Tidal was clear about being for artists by artists. That was a sharp positioning. It was also wrong. But it was a sharp positioning. You have to value and appreciate that. Apple had yet to launch Apple Music, but that was certainly just around the corner. I started to think about how Apple made me feel and what Apple was all about. And I'd been an Apple user fan for years, as many of us have.

Apple always has been by Apple for Apple. In a sense, that was the center of Steve Jobs' culture, right? "We're going to develop the things that we want to develop in the way we want to develop them, and you're going to be amazed by them." And a lot of times, that happens, and sometimes, it doesn't. And then, I started to think, "Where does Spotify fit into that? In a perfect world, what is my association with it?"

I always go back to the founder's story to look at the why—why did Daniel start Spotify instead of something else? He could have done anything. He's a music fan. He plays the guitar. He wanted to use technology to open up music and try to restore growth to this industry that threatened to dramatically reduce the ability to discover more music. It was choking off creativity because the business model was broken. Downloads, CDs, etcetera, were falling.

What I came up with quickly is what makes us special is being for music fans by music fans. That's an authentic place. My onboarding was going as deep as I could inside myself and my thinking before I learned anything.

And then, I was meant to start a few weeks after I actually did because we have this thing called "strategy days." Twice a year, forty or more senior people with the company come together, and we establish where we're going in the next six months. What are the priorities? What are the steps the company's going to make? We get clear on those. Daniel asked me to come to Uppsala, Sweden, which is a university town, and spend a week being involved in the strategy days. That was an amazing onboarding. I came

out of that reinforced in what I had already believed and realized how much I had to learn, but that was a tremendous way of getting myself oriented to all of the cultural changes as well as the process and industry changes. There was so much to adjust to, and that helped speed it up quickly.

Steimle: You have access to massive amounts of data. How do you use that data effectively without getting sidetracked?

Farbman: We do have an amazing amount of data. I think it's sort of the secret sauce. Because of how people engage with Spotify and use music—seventy-some percent on mobile, for instance—we know where you are, what you're doing, and how you're using it. And we're able to find new ways to deliver what you need, maybe before you have even identified it yourself. When I first got here, I was fascinated by the discovery that there was an incredible amount of usage of certain kinds of music late at night. We looked at it, and we saw the patterns, and we recognized that these long listening sessions late at night were people falling asleep and sleeping to music. That's an example of how looking at data gives you an insight that allows you to develop around it and create a connection you might not have already had.

But for me, what's so amazing is that our level of data gives us narratives. It gives us stories. As a marketer, you're constantly looking for real-life demonstrations of why your product matters. And we mine social media for that. Sometimes, people make up the stories. But here we have the incredible ability to identify the role that it has in people's lives and how it can improve. And so we have storytellers. We have people who look for those red threads that go through many, many customers and are able to aggregate what might seem like an individual behavior and recognize that it's part of a larger cultural change.

The sleep thing is so interesting. Is it just about sleep, or is there something more? Is there something about the changing world we live in where sleep is no longer the simple thing that it was years ago? What does it say about us? What does it say about the role of technology in people's lives? What are the good and the bad aspects of this rapidly changing, adapting world, and is there a role we can play to understand and help that? It's much richer than, "Now you can get your music through the phone."

Steimle: What are some of the other trends that are happening either in the industry or with customers that are affecting you?

Farbman: Mobile has been an enormous one. Everything is now completely accessible in your pocket. What that means is that people have

access, the ability to listen in so many parts of their lives. We talk about the trends. What are the macro trends? Waiting in line is a macro trend. People wait in line much more. That is normally a negative thing in people's lives. If you are able to listen to fourteen tracks while waiting in line wherever you are, we've just turned a negative into a positive. Suddenly, something that was frustrating is a respite. It's your quiet time. It's your "you time," in a way.

Mobility is probably the most massive trend that's affecting so many people in so many countries. Within the industry, we're also seeing an obvious trend towards discovery. One of the things that has personally excited me about streaming and Spotify—and we're seeing it across almost all of our customers—is that the very nature of how you engage with music has shifted from one of buyer's remorse: "I don't know. Should I buy the album? Am I really going to listen to it? Is it worth \$12.99? Is the track worth \$1.29?" And while those seem like small decisions—what's \$1.29, right?—and we're willing to spend that on ourselves, there is always this sense of "Is this the right purchase for me? Is this the right track for me? Is this the right opportunity for me?" By having all the world's music for the price of a single album taking away that buyer's remorse, you see a tremendous amount of discovery. People say, "I will sample. I will expand my interests. I will trial. I will take a risk. I will see why so many people are interested in this artist." There is no downside.

What we're seeing when you release people from even small bits of anxiety or potential for regret or remorse is this explosion of this sense of freedom, and that freedom leads to just a sense of empowerment, joy, and curiosity. And it means more artists connect to more people. It means that creativity can expand because people are open to it. And that overall trend is tied to the belief, especially amongst the millennial generation, that doing things the way they were done in the past, following a traditional safe route, is not necessarily the best way for everyone. This generation is much more open to discovery, to what we think of at times as risk-taking, to recognition that you can create your own world. Instead of getting a job, think about what the world needs and be the one who goes and does it. Those are trends that I think will continue to build the music industry, and it's why we see so much content even outside of music being shared at a much greater rate and with much greater breadth.

Steimle: How do you take these trends and turn them into things like marketing campaigns, visual content, and messaging? What are the practical steps to applying knowledge of trends?

Farbman: We start with our greatest asset, our tremendously large and addressable audience of a hundred million people from around the world. We start with them, and one of the things I've said to the team here is, "When you're coming up with an idea, if it's not right for the existing audience, throw it away. Let's start from the inside out because we have this asset that can be shared and deployed and empowered." People on Spotify are the ones who from the beginning understood and valued music, were open to discovery, and liked to share music. A lot of marketers are looking outside their audience and outside their company for so-called influencers. We just call them customers. But how do we deploy them? Looking from the inside out is the start.

I'll give you a practical example—something we're doing some beta testing on now and will launch pretty soon. The idea is called Found Them First. There's a recognition that there's a sense of pride, a sort of personal accomplishment if you've identified early on in your listening an artist who's going to be huge. We all love when we've found something first. It's a powerful tool in marketing. You can't shove things at people anymore. You have to let them discover things for themselves. You have to be in a place where they feel like they are in control. Nobody wants to be marketed to anymore.

Found Them First simply aggregates all of your data. We know what you listen to. And, we know what people like you listen to, so what we've done is create a campaign that essentially goes to all of our customers and allows them to interact. There's a simple interface, and it will deliver back to you in real time a list of the artists that you've helped break and others who have done the same. Instantly, you feel special. You feel like your sense of individuality has been recognized and appreciated, and you also feel part of a community.

One of the things I learned at Gap that I find completely applicable here is that these human truths, like a desire to fit in and stand apart, seem like conflicts. That's what humans are. If you are able to understand, nurture, and respect that, then you get a lot of appreciation as a brand. People say, "You get me." That's what something like Found It First does. It taps into that human need and at the same time reinforces the value of Spotify. So, what happens next? You share it. If you've broken some great artists, you're going to share that. You're going to brag about that. And you're going to identify yourself as a real music fan, a member of the Spotify community, and someone who is interested in sharing your knowledge of music. It's a powerful thing. That's how you take data and insights and respect for an

audience and put them at the center. That becomes the essence of repeatable marketing.

Steimle: How does globalization affect marketing for Spotify? You guys are in about sixty countries, and you have a lot more countries that you want to enter. How is that affecting your planning for marketing?

Farbman: In two ways, and this is a conflict CMOs struggle with. Centralization. I'm creating a bit more centralization as we put more talent into the New York office here with me. Centralization creates clarity. It creates effectiveness, efficiency. As a global brand, you must be highly consistent about what you stand for, what your product does and means in people's lives, etcetera. When I was at Gap, I thought it was probably about eighty/twenty. Eighty percent could be globally centralized, and then twenty percent were local nuances. The product reflected that. The marketing reflected that.

Music is incredibly local, right? It's connected to culture. As a real example, we won't launch in Brazil without Brazilian music, and it seems obvious, but it's hard. Thirty-some percent of the listeners in Brazil are of local music. You can go to just a few places and get a global catalog and launch overnight, but you're not really connected to the people or providing a full service.

When we move into a market—and this is, I think, one of our competitive advantages—we take the time, and it does take time, to work with every single one of the local labels to create relationships and legal licensing and all that so we can have local music. The localization is much more important within music and within Spotify than it would be within most global brands. That means we continue to maintain strong regional and local marketing teams, but it also gives us the opportunity to cut across all of it. No matter where you are in the world, there are shared experiences, and they are of interest to everyone.

As a specific example, when the Supreme Court of the United States upheld marriage equality, that was a celebration around the world, and Spotify obviously responded like many brands did with appreciation, recognition, joy, and a few playlists as well. That's a global event, and that reinforces the point of view of the brand and also the quality of such a large, addressable community. But it becomes increasingly more difficult as you move into markets like India, China, or even Japan, where the rules are different, and the cultural nuances both in how you do business and how people engage with music just become greater. That's where you have to rely on partners.

That's where you have to rely on people who understand music. That's why you have to have respect for local culture and the role that music plays in it.

Steimle: What's your philosophy on building a marketing team? How do you put your team together? How do you support or manage the formation of the local and regional marketing teams?

Farbman: My philosophy is to create a flat organization with a group of subject-matter experts who work as much as possible as a single team. My philosophy is to look at—in this order—first, structure. Do the right functions report in the right way so that there is both clarity and collaboration? That's the easy part. Secondly, I look at process. It's hard to evaluate the quality of ideas, the quality of creative, the quality of messaging, the quality of the people until you've got the proper process, so we're building that now. We have amazing ingredients and people, but we were a little light on process. The structure was not clear at times.

The third thing you look at is the people and which skills I have that meet their needs based on the vision that we have. I find it very systematic. And then, honestly, it becomes almost solely about the people, the culture. Did I feel better or worse after I talked to that person? Did I feel more stress or less stress? Did I walk out of the room with the thought of, "I have a lot to do"? Or, "I hadn't even thought about that"? At first, it feels like you've gotten quite a bit of information, and you walk out of the room thinking, "This is a person that I want to spend time with. This is a person who thinks like I do at the macro level but had an interesting and clear point of view," and then, you create as much diversity as possible.

One of the things I did at Gap that I will just sort of naturally repeat for the rest of my career is when I wanted to build a global marketing organization. Even though it was based in New York, I built an organization that was based on people who were from and had lived and worked around the world. It sounds so obvious, but if you want the right balance, if you want respect for local markets, and if you want a diversity of ideas, you have to have a diversity of people. That becomes a core tenet of building a team: diversity of ideas, diversity of points of view, and a diversity of people. And then, I think you avoid a lot of the pitfalls that especially some American companies have when they're expanding into markets that they're less familiar with.

Steimle: What are some of the specific tools and technologies that have been the most helpful for you in getting your job done?

Farbman: I'm building most of those now. For instance, we are building a CRM system pretty much from the ground up. One of the great things about being a tech company is it will be completely integrated into the customer experience, inside the client, inside the app, so we don't just have a hodgepodge of systems to spam people with. It is personalized.

I'm building tools that evaluate the effectiveness of marketing and create a deep understanding of the sentiment of the brand in real time—everything from social listening to political-style polling. We've actually purchased a couple of analytical companies that allow us to look at our user data in real time and then extract meaning from it, so I have this wonderful sense of what's happening inside the client. This allows me to do a couple of things. One is to provide more meaningful, contextual, personalized messaging to people to find the dark corners where we're not doing so well.

I don't think we're doing as well as we need to be in simple product education. How do I make it easier for you to learn the product more quickly, to find all the hacks, the special little features that only you know—you and another few hundred million? To get at the essence of what has made Spotify a brand people are passionate about, a product people are passionate about, that inside data has been useful.

As I mentioned earlier, I use that to find stories and narratives that I can then model. And I can identify where those same types of people live outside of Spotify so that I cannot just say, "Please buy Spotify." I actually know user interests—musical interests and others, so that even in our advertising, we're providing a value. Whether it's to sleep better, or run faster, or whatever, it is that you want in your life. That's the kind of way I can approach customers, rather than simply "Get your music here."

Steimle: What advice would you give to a first-time CMO? Somebody who has never been in the role before.

Farbman: Understand your company's culture. Successful marketing requires a level of truth and authenticity that cannot be faked. For a first-time marketer, a first-time CMO, there would probably be a great desire to show external value almost immediately. How do I increase sales? How do I increase engagement? What are the messages I'm going to send to my customers or prospects? But until you know what the truth of the company is, you're just going to guess, and you're going to miss the long-term opportunity to create an organization, a discipline that provides meaning even beyond the marketing. And that requires discovery. That requires a bit of digging in anthropology.

But take the time. Take the time to understand the why. Why does the company exist? Why does it deserve to exist? Why do people care? Why do people work here? And start to build off of that, because that's a solid foundation, and the rest will become easier to evaluate.

Now, we'll have a set of filters. Is this a good idea or a bad idea? Is this a feature that deserves marketing or not? Your message may resonate, and it may create a behavioral change with your customer, but then what? Once you've experienced the product or the service, are you just setting them up for disappointment? Stick to the truth as much as you can.

Steimle: What are some of the mistakes you see CMOs making today?

Farbman: There's what I call "shiny object syndrome." There's so much change. I mean, one of the great challenges for a CMO is that as soon as you learn something, it doesn't matter. You have to learn something else. It's difficult because the media world is in complete change and flux, and CMOs sort of run after that. You can try something new, and I think that's part of your plan, but I don't think it should be a complete distraction. Technology is not valuable if you don't know what you want to say.

I see a lot of marketers jumping into things without a proper evaluation in an attempt to stay current and relevant, add value, and show real knowledge of the industry.

The other thing is this proliferation of big data, which pales in comparison with the proliferation of talk about big data. We need to understand that data is a tool. It is something that is unbelievably helpful in validating your thoughts, desires, and narratives that you want to share. You look at it for insights, but that doesn't replace the spark of inspiration, the desire to create something never seen before, and the willingness to give people a reason to dream.

If you don't use it right, data's just going to tell you what people did yesterday, and it will help you find more people who want to do that same thing, but it actually can take away the power of marketing, which is all about meaningful emotional connection that makes people feel more in control of their lives and more connected to the people around them.

Steimle: There's some research that shows that a lot of CEOs, around eighty percent, are disappointed with their CMOs. Do you have any ideas about why that is?

Farbman: Not empirically. I've been sort of fortunate in having surprisingly long tenures at places. But at Gap, for instance, I think no head of marketing

lasted even two years. But honestly, I think a lot of it is kind of a lack of clear expectations on what marketing is and can do. I think that the CEOs are as much to blame for that poor relationship—if it exists—as the CMO. And I think the CMOs largely don't have clarity around what it is that they're meant to accomplish. There needs to be that level of clarity.

Daniel and I have had these conversations ongoing for the last few months. What is the role of marketing? How do I hold you responsible and what for? You need to get aligned on that.

And marketing has always been and will always be a bit of a crapshoot, so if you're not trying and failing, then you're really not trying. I think it was John Wanamaker that famously said, "Half of my marketing budget is a complete waste. I just don't know which half." That remains true today. There's subjectivity in creative. Human beings are highly irrational. You need to have sort of an understanding that marketing is going to drive things forward but not every time and with complete success. But, there is an opportunity to learn from what doesn't work as much as from what does. I think it's about whether you are on the same page. And, are you willing to do that work ahead of time instead of just evaluating a TV commercial or something that's far downstream?

Steimle: For people who are maybe midway through their careers and looking at the CMO role as their goal, what are the key skills they should be developing?

Farbman: It's everything but marketing. If you want to be a good CMO, you should be a good scientist, a good social scientist, a good student of history, of literature. I often look outside of marketing for ideas, inspiration, and understanding. You need to be the best storyteller and the best at removing complication within an organization. And then, you need to simply define what you care about, what kind of CMO you want to be—there are different ones—and only take jobs that want what you have. Be deliberate and specific about where you go and why, and the why has to be because you believe in the brand, you believe in the product, you believe in your ideas, and you have a personal desire to share that. You're not marketing. You're sharing your own personal passion and the passion of others. And then, you're more right than wrong.