Spotify ramps up policy enforcement on family plans

If the pressure on the accounts policy from Wall Street sounds familiar, it should. Streaming services have often turned a blind eye to account sharing during their growth periods, only to walk back the leniency once viewers are hooked. Netflix tweeted in March of 2017 that “Love is sharing a password” before launching its own enforcement policies in May of 2023. Later that year, Netflix raised prices up to 17 percent, and by April of 2024, the company saw the policy pay off with 9.3 million added subscriptions and a 54 percent bump in operating income. Netflix isn’t alone in the practice, as competitors like Max (now HBO again) and Disney+/Hulu eventually followed suit with their own policy enforcement.

Goldman’s report argues that while family plans are great for getting subscribers onto the platform, “the per-user monetization of these plans materially lags individual plan pricing. In our view, these plans offer a greater value proposition to consumers than the standard individual tier,

which we believe gives DSPs the opportunity to capture more value through higher pricing increases or by tightening the definition/eligibility of the family plan, without meaningfully impacting demand.” In short, analysts are confident that music streaming services such as Spotify can enforce strict account policies, raise prices, and still make more money.

So if you go to load up your favorite playlist on a shared account, you might soon be getting a warning that it’s time to check in with your plan manager. If that’s physically impossible to do within seven days, you might need to look into an alternative streaming service—or start digging through drawers until you find that old iPod.

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