

Example of report on the strategic role of technology in the designated company S...

[Business](#), [Company](#)



Executive summary

The advancement of technology has seen many organizations ignore the traditional strategic approaches and embrace the new technological strategies. The digital music service company, Spotify Limited is not left behind because it uses technology in marketing its services. The company adopts the management theory in developing information technology strategies. The findings show how the company has used technology as a strategy tool, the e-business strategies adopted, and the ethical issues in the company information technology. Finally, the discussion gives three recommendations for Spotify Limited.

Introduction

Spotify Limited is a digital music service providing on-demand access to songs on phones, tablets, computers, and home entertainment systems. The company was founded in 2006 and launched in October 2008 by Daniel Ek and Martin Lorentzon with its headquarters in the United Kingdom. The company operates over 15 million licensed tracks globally and over 10 million registered users. The company main goal is to assist people listen to the music of their choice, wherever and whenever they want to (Spotify 2013). With the advancement in technology and global change in a business environment, the company has met many challenges in relation to providing quality services to its clients. The company management has developed a strategy aimed at incorporating the present technology to allow users enjoy their music using the new technological gadgets. Organizations use different theoretical perspectives in designing a marketing strategy. Moreover,

technology plays a significant role in planning for marketing strategies in an organization (Chaffey 2011).

Use of theoretical perspectives

The management theory is the most significant in the study. The Company management came up with a strategic plan that ensured high productivity by incorporating technology. Good management is essential in the success of any organization in all business fields since it forms the stepping stone for all activities in an organization. For future development, the above theory is useful since it makes leaders in an organization understand the need for good management aspects for the better performance of a company. The management in an organization should come together and discuss issues related to the industry, which involves addressing the performance issues, marketing strategies, production aspects, and areas that need improvement (Mabey & Finch-Lees 2009, pp. 126-127).

Organizations use strategic management theoretical framework to assist in increasing their production in order to take advantage of other organizations. Strategic theories focus most on the development of an organization in relation to its internal and external environment that affect the organization's performance. In addition, the theoretical perspectives provide the company management with strategic routes to follow in accomplishing the set plans. Strategic managements are set of organizational schedules, routines, and processes aimed at perceiving, analyzing, and responding to strategic issues. The strategic management theory helps an organization in learning and adapting to the prevailing market conditions in order to achieve

better alignment with its environment (Haberberg & Rieple 2008). Spotify Limited has turned into using technology as a strategy for increasing growth and competitive advantage.

The company uses three competitive positioning frameworks to achieve its strategic goals and objectives. These theoretical frameworks are Porter, Resource-Based view of the firm, and the Delta model. Strategic management issues take many forms depending on the nature of the organization and the management level in the organization. Spotify Limited made use of the Porter theoretical framework in determining the benefits of adapting technology in its operations. Secondly, the resource-based theoretical framework acts as a means of developing capabilities that form the basis of company competition tools. Spotify Limited falls in a position to produce technologically advanced products that meets customer demands. Lastly, the delta model help in ensuring the organization fulfils its objectives of implementing a certain strategy. On this model, the company elaborates its competitive position, industry structure, and the business strategic agenda.

Findings

Spotify Limited has turned into using information systems in support for its business strategies. The organization's technological capability gives it the capability of implementing technology strategies that best fits the company's goals. The business environment today is faced with changing strategies due to the high rate of technological change and globalization (Mabey & Finch-lees 2009). Spotify has the technological competencies that

enable it cope with the environmental demands. The company requires a more innovative technological competency for survival in the high competitive environment. The Spotify technological strategies are extremely successful bearing in mind the management uses perfect competitive models in planning its operations. For the smooth running of activities in an organization, the management should focus establishing an e-business strategy that takes control of all aspects of management including competition, prone to change, and innovation.

Using technology as a strategy tool

Spotify technology strategy focuses on four main areas within the competitive strategy. These are:

Technology Choice: The core concept and structure of the products have a significant impact on the technology choice. Spotify Limited deals with provision of on-demand access to music to customers. This is a service business that requires a perfect understanding of technical and market factors necessary for designing future technological development targets. Spotify works through targeting the existing services, like transfer of music like downloading of music online, to help improve other technology aspects. Once the user downloads the music it is easier to transfer to other users via other methods like Bluetooth and Wireless transfer (Spotify 2013).

Technology leadership: Spotify Limited has utilized the following competitive strategy through understanding its internal structure, external environment, and market competencies. Most organizations that are first in introducing some technological strategies do not end up benefiting more compared to

the followers. Spotify uses e-business strategies that have been designed by other institutions through modifying them to meet the company demands. For example, Apple Inc. Limited introduced iPods and mobile music players. Spotify has taken advantage of such innovations because most iPod owners listen to music from Spotify Limited (Spotify 2013).

Technology Entry Timing: The management at Spotify limited has perfect timing for their technology strategy. Planning the best time to introduce the strategy is the most significant key in the implementation of any technology. The company takes advantage of others who are first in introducing the technology to the market and develops a competition plan that overworks all the previously introduced strategies. In developing an effective information technology strategy, requires a perfect understanding of the organization strategies that fit with the company vision, mission, and objectives. Top leaders at Spotify have invested valuable time in setting the organization vision that helps determine how information technology maintains and sustains the vision (Spotify 2012).

Technology licensing: Partnering with other firms to bring new technological innovations is of great benefit to an organization. Being the most successful music subscription service in the world, Spotify has partnered with social media channels in the provision of its services. The company has introduced a new FaceBook application that enables music streaming to FaceBook users through the Spotify's own desktop software. Most music artists have linked their FaceBook accounts to the Spotify new application because it contains many paying subscribers (The Gurdian 2013).

Spotify Limited E-marketing strategies

The frequent changes and uncertainties in the today business environment has become an influential issue in every organization. Many factors contribute to the rapid changes of the business environment that include technological developments, diverse markets, increased competition, and high customer demands and expectations. E-business strategy at Spotify is addressed within the context of the above factors. Change in technology is the most influential factor leading to the rapid changes in the business world. The implementation of the e-business strategy at Spotify Limited has helped the company improve its productivity and support more customers globally. As such, all businesses need to embrace technology and exploit all the benefits inherent with technology change. Considering physical and on-line presence for the businesses, there is a need of all businesses to incorporate these two factors in order to synchronize business operations effectively. The integration of the two factors in the business operations results, in the creation of the business reputation (Chen 2005).

Spotify Limited uses the Porter model in designing its e-business strategies. Figure 1 below shows the corporate e-business strategy for Spotify Limited. The figure illustrates how the company splits its business strategies into three sectors. The business unit strategy deals with all activities within the organization that assist in marketing of their services. The business strategy has assisted the company in many ways. First, the firm has managed to enter new markets through lowering entry barriers. Spotify Limited created a customer website where people from all countries can subscribe and access their music at a specified fee. Secondly, implementation of e-business has

increased the organization's market share improving its competitive advantage. For example, the company has introduced a technology application where users are able to listen to music online through the company website. The use of this application has enabled the company save its costs, like transport and advertisement costs (Spotify 2012).

On the other hand, using the regional strategies the organization has managed to reach many places all over the world. Being the best music subscription service in the world the company has made use of its good name in entering deep into the market and overcoming its competitors. The technology applied in regional strategies involves users referring their friends to the company through social media channels. Finally, the company makes use of functional strategies. The following strategy allows the company to elaborate its core functions in the market and differentiate its values from that of other companies. The functional strategies have assisted the company in implementing all technological changes introduced to the music service market (Jelassi & Enders 2008).

Figure 1: Spotify Limited E-Business strategy.

Ethics in information technology

The management at Spotify Limited has also embraced the aspect of ethics while implementing the information technology. Every organization must uphold its ethical perspectives in all aspects of the operation. The use of ethics assists the company in managing its cultural issues within the company. The company has maintained its intellectual property values that include copyright laws, patent laws, and trade secret laws (Reynolds 2010).

Spotify limited has employed a team of professional IT experts to make sure internet users do not access their private information that might lead to exposure of its strategies. In addition, the company has partnered with other companies like Apple Limited who keep on updating their servers on a daily basis to avoid attack by viruses. The copyright of the company music becomes impossible since no other company y in the world owns the same business patent as Spotify Limited. In addition, the company is entitled to trade secret laws that allow management to implement planned strategies without complain from competitors.

Conclusion and recommendations

Conclusion

In conclusion, the technology strategy implemented by Spotify Limited is unique in nature because it enables the company win the competitive advantage. The company has the capacity to introduce more strategies that adhere to its goals and values in order to continue being the most successful music provider in the world. The technological approach made by the company also enables it deal with all external challenges. The findings above show the benefits of online presence in a business environment. The presence has enabled the company create more customers and increase market for its services. In addition, the company has benefited from the opportunity of knowledge sharing and global interaction.

Recommendations

Following the findings from Spotify Limited technology strategy, the following recommendations are necessary. Firstly, the information systems are prone

to virus attacks and hacking. Spotify limited should ensure their systems are always updated and contain strong anti-viruses capable of resisting attacks. In addition, the company should improve security on areas where most customers frequently access their sites to avoid introduction of internet threats. Secondly, Spotify Limited should improve on the choice of technology selected. Most companies are running for the recent e-business software products because they have new methods of attracting customers. The type of system selected by the company should be capable of providing unique features that will attract customer attention. For example, the company could introduce promotion packages for customers who spend much time listening to the music. Finally, Spotify Limited should embrace promotion in collaboration with technology. The company should introduce promotions to educate users on the ground on how to use some of their technologies because of their complexity. Some users prefer copying music from others because they have no idea on how to go about downloading music from the company website.

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