

Spotify axes 17% of workforce in third round of layoffs this year

December 4 2023



A trading post sports the Spotify logo on the floor of the New York Stock Exchange, Tuesday, April 3, 2018. Spotify said Monday, Dec. 4, 2023 it's axing 17% of its global workforce, in the music streaming service's third round of layoffs this year as it tries to slash costs while focusing on profitability. Credit: AP Photo/Richard Drew, File

Spotify says it's axing 17% of its global workforce, the music streaming service's third round of layoffs this year as it moves to slash costs while focusing on becoming profitable.

In a message to employees posted on the [company](#)'s blog Monday, CEO Daniel Ek said the jobs were being cut as part of a "strategic reorientation." The post didn't specify how many employees would lose their jobs, but a spokesperson confirmed that it amounts to about 1,500 people.

Spotify had used cheap financing to expand the business and "invested significantly" in [employees](#), content and marketing in 2020 and 2021, the blog post said.

But Ek indicated that the company was caught out as [central banks](#) started hiking interest rates last year, which can slow [economic growth](#). Both are posing a challenge, he said.

"We now find ourselves in a very different environment. And despite our efforts to reduce costs this past year, our cost structure for where we need to be is still too big," he said.

Ek said the "leaner structure" of the company will ensure "Spotify's continued profitability."

Stockholm-based Spotify posted a net loss of 462 million euros (about \$500 million) for the nine months to September.

The company announced in January that it was axing 6% of total staff. In June, it cut staff by another 2%, or about 200 workers, mainly in its podcast division.

Tech companies like [Amazon](#), Google, Microsoft, Meta and IBM have

announced hundreds of thousands of job cuts this year.

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Citation: Spotify axes 17% of workforce in third round of layoffs this year (2023, December 4) retrieved 27 April 2024 from

<https://techxplore.com/news/2023-12-spotify-axes-workforce-layoffs-year.html>

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