**Platforms, Power and Preferential Placement: Evidence from Spotify Playlists**

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**Abstract:**

Many online markets are dominated by a few, or a single, dominant platform, due to a combination of attractive functionality and network effects.

Because they often recommend and distribute others’ content alongside their own, powerful platforms may raise competitive concerns if they face incentives to treat their suppliers in a biased fashion.

In the interactive music streaming market, Spotify has shown tremendous growth over the last decade and is, as of 2017, the leading music streaming platform.

We analyze Spotify’s ability to influence consumption choices through its music playlists and explore whether the platform, which is partially owned by major record labels, wields that power in an unbiased fashion.

We show that the major Spotify-operated playlists have large and significant causal impacts on streaming.

Appearing on the most-popular playlist raises a song’s eventual streams by almost 20 million, which translates to between $107,000 and $150,000 in payments from Spotify alone.

We also find that the biggest playlists tend to favor music at the head of the streaming distribution.

Our results on bias are more equivocal.