# Spotify to Increase Subscription Prices in the US for Second Time in a Year



Spotify has announced a price increase for its subscription plans in the United States, starting in July. The increase will see the cost of an 'Individual' ad-free premium subscription rise by $1 to $11.99 per month. The 'Duo' plan, designed for two users, will go up by $2 to $16.99 per month, while the 'Family' plan will increase by $3 to $19.99 per month. The company explains that the price hikes are intended to allow continued investment in and innovation of its product features.

This marks Spotify's second price increase within a year. The Swedish streaming giant increased prices previously in July 2023, which was the first such hike in the US since its launch in 2011. This latest adjustment means the 'Individual' plan's cost has escalated by 20% over the past two years.

The move comes amid rising operational costs and a market environment where streaming companies are increasingly looking for profitability. Competitors such as Netflix, Disney+, and Apple TV+ have all raised their prices over the last year. Spotify has also recently made efforts to reduce costs through layoffs and cuts to its podcast business.

Following the announcement, Spotify's stock saw a 4% increase in morning trading. Over the last year, Spotify's US revenue grew by nearly 11%, and its number of premium subscribers rose by 14% to 239 million in the first quarter of the year. Despite the rising costs, the company continues to lead in the streaming music industry while navigating the challenges of a competitive market.

In April, Spotify reported a quarterly profit of $1.09 billion, with premium subscribers contributing the majority of its revenue. The company's ongoing adjustments reflect broader industry trends and efforts to balance investment in growth with the pursuit of profitability.