



DATA PLAYBOOK

PRESENTED BY:



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EXECUTIVE SUMMARY

In today's rapidly evolving music industry, data plays a more significant role than ever before. Independent record labels must understand and adapt to this new reality to remain competitive and ensure the success of their artists and their releases. By harnessing the power of data, labels can make more informed decisions, tailor their marketing efforts, and ultimately drive better results for their artists and their business.

The music landscape has changed dramatically in the past decade, with streaming platforms becoming the dominant source of music consumption. This shift has led to an explosion of data, with every stream, download and playlist generating valuable insights about listeners and their behaviour. As major labels have been quick to capitalise on these insights, independent labels need to follow suit to level the playing field.

Understanding and leveraging data offers numerous potential benefits for independent labels. By identifying patterns and trends in consumption data, labels can optimise their marketing strategies and target their efforts

more effectively. This can lead to improved artist development, higher engagement with fans and, ultimately, better financial performance. In addition, labels can use data to make more informed decisions about signing new artists, helping them to build a more successful roster.

However, embracing data-driven decision-making is not without its challenges. Independent labels often have limited resources and may struggle to invest in the necessary tools, platforms and expertise. In addition, the sheer volume and complexity of the data can be overwhelming, and non-technical staff may find it difficult to derive meaningful insights from it.

Despite these challenges, it is imperative for independent labels to engage with data and incorporate it into their strategies. By doing so, they can gain a competitive advantage, deliver better results for their artists, and thrive in the modern music business.

KEY DATA TYPES AND THEIR IMPACT ON LABEL SUCCESS

There are several key types of data that independent labels need to consider when developing their data-driven strategies. These include consumption data, demographic data, and behavioural data, each offering unique insights into the preferences and habits of music listeners.

By understanding these data types and their potential impact on label success, independent labels can make more informed decisions and better target their marketing efforts.

ONE STEP AHEAD: DATA PLAYBOOK

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Consumption data, derived from streaming services and other digital music platforms, includes information about streaming, downloads and playlist additions. Analysing this data can help labels identify popular songs and artists, as well as trends in listening habits. This information can be invaluable in informing marketing strategies and artist development efforts.

Demographic data, on the other hand, focuses on the characteristics of listeners, such as age, gender and location. This information can help labels better understand their target audience and tailor their marketing efforts to resonate with specific listener groups. By targeting the right demographics, labels can improve their chances of reaching the most receptive audiences for their artists.

Behavioural data looks at how listeners engage with music, including metrics such as play counts, skips, saves and likes. This data can provide insights into what resonates with listeners and help labels optimise their marketing campaigns by focusing on the most engaging content. Additionally, behavioural data can help identify which marketing channels are most effective in driving engagement with music.

By incorporating these data types into their strategies, independent labels can develop a more comprehensive understanding of their audience and market their artists more effectively.

COMMERCIAL BENEFITS AND REQUIRED INVESTMENTS

The commercial benefits of leveraging data for independent labels are numerous, including improved decision making, more effective marketing campaigns, better fan engagement, and ultimately, increased revenue.

By harnessing the power of data, labels can

gain a deeper understanding of their target audience, identify trends and opportunities, and make more informed decisions about artist signings, promotion and distribution.

In order to reap these benefits, labels need to invest both time and money into data management and analytics. This includes investing in tools and platforms to collect, store and analyse data, as well as training staff on how to use these tools effectively.

Although the initial investment may be substantial, the long-term payoff can be significant, as labels that successfully leverage data are better positioned to compete with major labels and secure a larger share of the market.

Moreover, investing in data management and analytics can also help labels reduce costs and optimise their marketing efforts. By utilising data-driven insights, labels can identify which marketing channels and strategies yield the best results, enabling them to allocate resources more efficiently and maximise the return on investment (ROI) of their marketing campaigns.

While the benefits of leveraging data are clear, it's important for independent labels to carefully consider the required investments and assess their readiness to adopt a data-driven approach. In some cases, it may be more cost-effective to start with smaller, more focused data projects before scaling up to a full-fledged data strategy.

ACTIONABLE STEPS AND CHECKLISTS

Implementing a data-driven approach at your independent label involves several key steps. The following checklist can help guide your label through the process:

1. Identify your data goals: Determine the specific objectives you want to achieve with

data, such as understanding your audience, improving marketing campaigns, or identifying emerging trends.

2. Assess your current data capabilities:

Evaluate your existing data sources, tools and skillsets, and identify any gaps that need to be addressed.

3. Develop a data strategy: Create a plan that outlines how your label will collect, manage and analyse data to achieve your goals, including the tools and platforms you will use, as well as any required investments in staff training and development.

4. Implement data collection and integration:

Set up systems and processes to gather data from various sources, such as streaming platforms, social media and direct-to-fan channels, and integrate this data into a centralised repository, like a data warehouse or data lake.

5. Invest in data management and analytics

tools: Select and implement the right tools and platforms to help you store, manage and analyse your data, such as customer data platforms (CDPs), business intelligence (BI) tools, and machine learning libraries.

6. Train your team: Ensure your staff have the necessary skills and knowledge to effectively use data management and analytics tools, and encourage a data-driven mindset across the organisation.

7. Monitor and refine your approach:

Continuously track the success of your data-driven initiatives, and use the insights gained to refine and optimise your data strategy and processes over time.

CONCLUSION

In today's fast-paced and competitive music industry, data plays a crucial role in the success of independent record labels.

By understanding the different types of data available, such as consumption data, audience data and demographic data, and implementing strategies to effectively manage and analyse this data, independent labels can make more informed decisions, optimise marketing campaigns, and drive revenue for their artists and their business.

01: ORGANISING DATA

With so much data flowing through the music industry today, it is easy to get overwhelmed. Different data informs and enhances different aspects of the business in different ways. It is therefore useful to identify and organise all the different kinds of data that music companies work with. There are a number of different ways that this can be done.

DATA IN / DATA OUT

We can group music data into those categories of data that the music industry creates and pushes into the supply chain, and those categories of data that flow to music companies once music is being played and fans are interacting with artists and their activities.

The former includes track data and rights data. This is the data – or ‘metadata’ – that the music industry creates alongside the recordings it releases and the songs it publishes. It includes:

- The data that uniquely identifies each recording (ISRC) and each song (ISWC).
- The data that provides information and context about each track, which is used by industry, media and consumers to help organise the music, and allows streaming services to store tracks, allow navigation within their platforms, and recommend songs to their users.
- The data that identifies who controls the rights in each recording and each song, as well as the music-makers that need to be credited and/or paid, including the unique identifiers for performers (IPN), songwriters (IPI) and creators more generally (ISNI).

The data that flows once music is being played, and fans are interacting with artists and their activities, includes:

- Consumption and financial data, which allows the industry to monitor what music has been used, to identify what monies are due, and what revenues and royalties need to be passed along the chain.
- Fan and market data, which allows artists and their business partners, especially labels, to market the music, and grow and monetise each artist’s fanbase, while also identifying more generally trends and opportunities in the wider music market.

Although here we have identified distinct top-level categories of data – such as track data, rights data, consumption data, financial data, fan data and market data – some specific kinds of data might fit into more than one category.

For example, streaming consumption data could also be seen as a kind of fan data, as it plays a key role in understanding and engaging the fanbase, and informing marketing activity.



SOURCES OF FAN AND MARKETING DATA

In the One Step Ahead report 'Marketing Power Through Data And Networks' we organised fan and marketing data into twelve types based on source. They were:

- Usage, fan, playlist and other data provided by the streaming services.
 - Sales and other data from download stores, mail-order sites and high street retailers.
 - Analytics from the artist and label's social media pages and profiles.
 - Audience targeting and retargeting data from social and other digital platforms.
 - Analytics from the artist and label's website.
 - Email addresses of an artist and label's fanbase (with permission to email).
 - Analytics from HTML emails sent to fans.
 - Data from smartlink platforms.
 - Data from pre-save platforms.
 - Data from platform affiliate schemes.
 - Data from merchandise and other direct-to-fan sales (by the label and the artist).
 - Ticketing data.
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UTILISATION OF FAN AND MARKETING DATA

We can also organise fan and marketing data based on what it tells us about a fan or the fanbase, and how that informs marketing and release campaigns, and the wider business. That would include:

ENGAGEMENT DATA

Engagement data refers to the interactions between users and the content posted on social media platforms. This includes likes, shares, comments, follows and other metrics that indicate user interest in the content. Artists and labels can use engagement data to measure the success of their marketing efforts, identify which content resonates with their target audience, and optimise their social media strategies.

DEMOGRAPHIC DATA

Demographic data provides information about the age, gender, location and other characteristics of an artist or label's audience. By analysing this data, artists and labels can better understand their target market and create tailored marketing campaigns that appeal to specific audience segments, ultimately helping to build new audiences and nurture existing fans.

LISTENING HABITS AND PREFERENCES

Streaming, social media and other direct-to-fan platforms often provide insights into users' listening habits and music preferences, such as their favorite genres, artists and playlists. Artists and labels can use this data to identify potential fans, recommend relevant music, and create personalised marketing messages that are more likely to resonate with their audience.

INFLUENCER AND ONLINE CREATOR DATA

Influencers and user-generated content (UGC) play a significant role in shaping public opinion and promoting music on social media. Labels can monitor data related to influencers, such as their reach, engagement and audience demographics, to identify potential collaborations and maximise their promotional efforts. Additionally, tracking UGC data helps record labels gauge audience reactions, encourage fan participation, and discover new ways to promote their music.

SENTIMENT ANALYSIS

Sentiment analysis involves examining social media content to determine the overall sentiment or emotional tone behind users' comments, posts and reactions. Labels can use this data to measure the success of their marketing campaigns, identify potential issues or concerns and adjust their strategies accordingly.

TREND ANALYSIS

Social media platforms are constantly evolving and staying up-to-date with the latest trends is crucial for labels looking to effectively market their music. Trend analysis helps record labels identify popular hashtags, challenges and content formats that can be leveraged to create engaging content and reach a wider audience.

CAMPAIGN AND AD PERFORMANCE DATA

Labels often invest in social media advertising to promote their music and expand their reach. By tracking campaign and ad performance data, such as impressions, click-through rates and conversion rates, labels can measure the effectiveness of their paid marketing efforts, optimise their ad spend, and make data-driven decisions to improve their future campaigns.

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CONNECTION TO DATA

We can also organise data based on how the label is connected to the data – ie whether it is directly gathering it, accessing it via a business partner, buying it from a data provider, or something else.

FIRST-PARTY DATA

First-party data is collected directly from an individual or their interactions with a business or service. This data is owned and managed by the organisation that collects it.

First-party data is collected directly from fan interactions, such as website visits, social media engagement, and purchase history. Some examples include:

- Website analytics data: pages visited, time spent on the site and conversion rates.
- Email campaign data: open rates, click-through rates and unsubscribe rates.
- Social media engagement data: likes, comments, shares and follower growth.
- Sales data: purchase history, average order value and customer lifetime value.

SECOND-PARTY DATA

Second-party data is another organisation's first-party data that is shared or purchased by another

organisation. In other words, it is someone else's first-party data that is directly acquired by a business, usually through a partnership or agreement.

For example, a label might collaborate with a the promoter of a concert to gain access to ticket sales data or partner with a music blog to access their readers' engagement data.

THIRD-PARTY DATA

Third-party data is collected by an entity that does not have a direct relationship with the individuals from whom the data is gathered. This data is usually aggregated from various sources and sold to businesses for marketing or analytics purposes.

In the music industry, a label might purchase demographic and behavioural data from a third-party data provider to create more targeted marketing campaigns for their artists.

ZERO-PARTY DATA

Zero-party data is the information that individuals voluntarily and proactively share with businesses. This type of data is explicitly provided by users, often in exchange for a personalised experience or other benefits.

In the context of music consumption and marketing, zero-party data could include a fan's favourite genres, artists or songs that they share through a survey or by signing up for a label's newsletter.

02: POSITIVE IMPACT OF DATA ON YOUR BUSINESS

The commercial benefits of leveraging data for independent record labels are numerous. Understanding those benefits – and identifying which benefits are a particular priority for each business – will help inform each label's wider data strategy.

UNDERSTANDING AUDIENCE

Analysing consumption data from the streaming platforms, along with social media and other advertising and marketing data – both for individual artists and releases, and across the catalogue – can help labels better understand their target audience's preferences, demographics and listening habits.

This knowledge allows labels to tailor their marketing efforts, artist development and content creation to resonate more effectively with their audience, ultimately driving engagement, streams and sales.

IMPROVING MARKETING STRATEGIES

Data-driven digital marketing enables labels to optimise their marketing campaigns by identifying the most effective channels, ad creatives and targeting strategies.

By analysing marketing data, labels can allocate resources more efficiently, improve return on investment, and increase the overall effectiveness of their promotional efforts. This can be done around each individual artist and their data, but a label can also employ its learnings and targeting from each artist across its roster and catalogue.

EARLY IDENTIFICATION OF TRENDS

By examining consumption and social media data from across their catalogues, and even more widely, record labels can spot emerging trends in music and identify up-and-coming artists, genres and scenes with potential for success. This proactive approach can help small labels stay ahead of the curve and sign promising talent before their competitors.

A&R AND ARTIST DEVELOPMENT

By analysing streaming data, social media engagement and other relevant metrics, labels can identify which aspects of an artist's career are performing well and which need improvement. This enables targeted efforts to address weaknesses and capitalise on strengths.

To what extent data will inform the actual music-making process itself depends on the artist and the label. Clearly once a label identifies emerging trends in general and what artist activity is having the most positive impact specifically, that insight can be used to inform the creative process. Although many independent labels still prefer a more organic approach in the studio.

That said, data can still be used to identify possible creative collaborations, both as part of the music-making process, and when it comes to release marketing.

Consumption and social media data can identify what other artists, songwriters, producers and online influencers share a similar fanbase or style, enabling fruitful collaborations that could lead to greater success for both parties.

GROWING THE ARTIST'S WIDER BUSINESS

Data gathered by the label can also help grow the artist's wider business, including in areas where the label is not necessarily actively involved.

For example, streaming and social media data can help identify where an artist's fanbase is based, and what kinds of live experiences they are most excited about, informing the live side of the artist's business.

REVENUE OPTIMISATION

Effective management of track and rights data will ensure that labels and their artists receive all the income they are due, including through the collective licensing system from the broadcast and public performance of their music.

It will also ensure that their music is fully optimised within the streaming services, so that it is easily discoverable and more likely to be pushed or playlisted by an algorithm

Understanding data on music consumption and listener behaviour can also help record labels optimise their revenue streams by identifying the most popular and timely tracks, playlists or artists, especially within the label's catalogue.

This is particularly valuable for informing catalogue marketing and sync pitching, and also helps a label on pricing when it comes to bespoke licensing deals such as sync deals

INCREASING ROI AND REDUCING RISK

Data analysis can help labels identify potential risks and opportunities, enabling them to make more informed decisions about what artists and projects they invest in, and how they spend budgets allocated to releases and marketing campaigns.

COMPETITIVE ADVANTAGE

In a crowded and competitive landscape, adopting data-driven strategies can provide smaller labels with a significant edge over competitors who neglect the power of data. By utilising data to inform their decision-making, small labels can operate more effectively and make smarter choices that lead to long-term success.

03: MANAGING DATA: KEY CHALLENGES

Effectively managing the huge quantities of data that flow through the modern music business clearly creates challenges for all music businesses and especially smaller independent companies. There are a number of key challenges to be met.

DATA OVERLOAD

The sheer volume of data that labels must sift through to identify meaningful insights is one of the biggest challenges today. With billions of data points generated each month from streaming services alone, making sense of this data can be a daunting task. Labels must find a way to filter out the noise and focus on the most important and relevant data points.

STORAGE AND MANAGEMENT

This sheer volume of data also creates problems around storage and management, ie how and where does the label store all the data? Investing in scalable and centralised data storage solutions, such as cloud-based data warehouses, is essential for addressing this challenge.

DATA INTEGRATION

This is the process of combining data from multiple sources and making it accessible in a unified format. For labels, this might involve integrating data from streaming platforms, social media, email marketing campaigns, and other sources. Integrating this data can be complex and time-consuming, particularly when dealing with disparate data formats and systems.

DATA QUALITY

Not all data is created equal. Labels must ensure that the data they collect and analyse is accurate, reliable and up-to-date. Inaccurate or outdated data can lead to poor decision-making and wasted resources.

RELEVANT METRICS

Data overload can also make it difficult for labels to identify the most relevant metrics to focus on. Prioritising key performance indicators (KPIs) and aligning them with the label's objectives can help filter out unnecessary information and enable more focused analysis.

DATA ANALYSIS

This is the process of extracting useful and actionable insights from raw data, often using advanced analytics and machine learning techniques. Independent labels may lack the in-house expertise to perform sophisticated data analysis, making it difficult to uncover actionable insights and drive strategic decision-making.

DECISION MAKING

With an overwhelming amount of data, decision-makers may struggle to identify actionable insights or suffer from analysis paralysis, leading to delayed or suboptimal decisions. Labels should establish clear objectives and guidelines for data analysis to ensure that insights are actionable and support informed decision-making.

DATA SECURITY

Handling large volumes of data also raises concerns around data security and privacy. Labels must comply with data protection regulations and implement robust security measures to protect sensitive information and maintain user trust.

PORTAL OVERLOAD

With multiple digital platforms offering their own portals and dashboards, artists and labels may face the issue of 'portal overload', where they need to monitor and manage data from many different sources. This can become time-consuming, especially when there's a need to combine insights from various platforms for a comprehensive understanding of an artist's performance.

A possible solution to this issue is the use of data aggregation tools or custom-built dashboards that consolidate data from multiple sources, enabling users to analyse performance across platforms more efficiently.

INCOMPLETE DATA PICTURE

The portals and dashboards provided by digital platforms often focus on key metrics such as plays, location and engagement data. While these metrics are undoubtedly important, relying solely on the curated data provided by the dashboard can lead to an incomplete understanding of an artist's performance.

For instance, these dashboards may not include data related to social media engagement, email marketing campaigns or offline events, which could significantly impact an artist's overall success. To overcome this limitation, artists and labels should seek to combine data from artist dashboards with other relevant data sources, ensuring a more comprehensive view of performance and audience engagement.

POTENTIAL BIASES IN DATA PRESENTATION

Streaming platforms may present data in their portal or dashboards in a way that puts the platform in the most positive light, potentially compromising the level of insight users can gain from the data.

For example, a platform might emphasise overall growth in streams while downplaying churn rate (the number of users who stop listening to an artist) or other potentially negative metrics.

To address this issue, artists and labels should be aware of potential biases in data presentation and strive to obtain raw data or additional metrics when possible. This approach allows them to conduct their own analysis and gain a more accurate understanding of their performance on each platform.

DATA OWNERSHIP AND TRANSPARENCY

Labels need to be clear about what data they are collecting and utilising, and who has access to and the rights to use each data set. Such transparency is a key part of data protection regulations, but also ensures trust between labels, artists and fans.

Obviously, labels are also relying on their partners elsewhere in the supply chain to be transparent about their data collection and management practices. This is something individual labels should discuss with their partners, while the label community at large can urge best practice across the supply chain, especially from the streaming services and digital platforms.

04: SOLUTIONS FOR BETTER DATA MANAGEMENT

To tackle the challenges of data overload, labels should:

- Invest in scalable and centralised data storage and management solutions.
- Establish standardised data collection, cleaning and integration processes.
- Focus on relevant KPIs aligned with the label's objectives.
- Utilise advanced analytics techniques and user-friendly data analysis tools.
- Train staff on data analysis tools and best practices.
- Implement data-driven decision-making processes and guidelines.
- Ensure data security and compliance with privacy regulations.

Here is a step-by-step plan for how an independent music business can put in place better systems for managing and utilising data...

Step 1: Assess the current data infrastructure and identify data sources

Start by evaluating your label's existing data infrastructure, including data storage and processing solutions, and identifying relevant data sources such as streaming platforms, marketing channels and social media platforms. This assessment will provide a clear understanding of the current state of data management and guide the selection of appropriate tools and techniques for advanced analytics and machine learning.

Step 2: Centralise data collection and storage using scalable solutions

To facilitate data analysis, gather and store consumption data from various streaming platforms in a centralised and scalable data storage solution, such as a cloud-based data warehouse. Centralising data collection and storage will make it easier to integrate consumption data with marketing data, ensure data consistency, and support efficient querying and analysis.

Step 3: Clean and preprocess data to ensure accuracy and consistency

Before analysing the data, perform data cleaning and preprocessing tasks to ensure accuracy, consistency and completeness. This may involve deduplicating records, filling in missing values and standardising data formats. Proper data cleaning and preprocessing are crucial for obtaining reliable insights from the analysis.

Step 4: Integrate consumption data with marketing data for comprehensive analysis

Combine consumption data with data from social media, email campaigns, and other marketing channels to create an integrated dataset. This dataset will provide a more comprehensive view of the label's marketing efforts and their impact on music consumption, enabling more informed decision-making.

Step 5: Select appropriate advanced analytics and machine learning techniques

Based on the specific objectives and questions you want to address, select the appropriate advanced analytics and machine learning techniques for your analysis. This may involve using descriptive analytics for data exploration, predictive analytics for forecasting, prescriptive analytics for optimisation, or unsupervised learning for pattern discovery.

Step 6: Develop and train machine learning models using available data

Using the selected techniques, develop and train machine learning models on your available data. This may involve dividing your dataset into training and validation sets, selecting relevant features for analysis, and tuning model parameters to achieve the best performance.

Step 7: Evaluate model performance and refine based on results

Once the models are trained, evaluate their performance using appropriate metrics and compare the results against established benchmarks or goals. If the models' performance is unsatisfactory, refine the models by adjusting parameters, selecting different features or trying alternative techniques.

Step 8: Implement models into the decision-making process

Integrate the developed models into your label's decision-making processes to inform marketing strategies, content creation, artist development and other key decisions. Ensure that the insights derived from the models are clearly communicated to decision-makers through reports, visualisations and other means.

Step 9: Continuously monitor and update models as needed

As the music industry and audience behaviour evolve, it's crucial to continuously monitor and update your advanced analytics and machine learning models to ensure they remain relevant and effective. Regularly evaluate model performance, incorporate new data and refine the models as needed to maintain their accuracy and utility.

05: TOOLS AND RESOURCES

For independent music businesses operating on tight resources, decisions clearly need to be made about the most realistic and cost effective ways of delivering a strategy like that outlined in section four. There are a number of options for doing this.

A label can rely, at least in part, on the support of its business partners in the supply chain, including distributors, social media platforms and streaming services, in particular utilising to full effect the portals and dashboards these companies provide. Although this will likely result in the issues around portal overload and potential biases outlined in section three, and may be limited when it comes to the need to collate and aggregate data from different sources to get a complete picture.

A label can hire one or more managed service providers to help them effectively manage their data. This includes companies that provide specific services to help music companies manage consumption, marketing, financial and/or other data such as Entertainment Intelligence and Curve. Some distributors also provide enhanced data management services. Many labels also make use of data aggregator and insights platforms like Chartmetric or Soundcharts.

A label's team can also learn how to utilise and employ other data management tools and solutions that are not music industry specific but which are widely used by businesses in other sectors. Identifying which tools and solutions, and setting these tools and solutions up, will likely require the expertise of a data specialist. Some of the tools and solutions a label might look to employ are outlined below.

DATA STORAGE AND PROCESSING SOLUTIONS

A label could consider using cloud-based data warehouses like Amazon Redshift, Google BigQuery or Snowflake for scalable data storage and querying capabilities. For processing large volumes of data, explore big data processing frameworks such as Apache Hadoop or Apache Spark, which can handle complex data manipulation and analysis tasks.

ANALYTICS AND MACHINE LEARNING PLATFORMS

Python and R are popular programming languages for data analysis and machine learning, with extensive libraries and resources available, such as scikit-learn, TensorFlow and Keras for Python, or caret, randomForest, and xgboost for R. Additionally, platforms like Apache Mahout provide a collection of machine learning algorithms that can be used for data mining and analysis tasks.

DATA VISUALISATION AND REPORTING TOOLS

To create actionable reports and visualisations that communicate key findings to decision-makers, consider using data visualisation tools like Tableau, Power BI or Looker. These tools enable the creation of interactive dashboards that display relevant metrics and insights, allowing for data-driven decision-making.

OTHER OPTIONS

For non-technical users, there are several user-friendly platforms and tools that can help with data analysis without the need for programming skills. These tools often come with intuitive interfaces, drag-

and-drop functionality, and built-in templates to make data analysis more accessible. Some popular options include:

Microsoft Excel. As a starting point Microsoft's widely used spreadsheet application does offer basic data analysis capabilities, such as sorting, filtering and creating pivot tables. While not as powerful as Python or R, Excel can be a good starting point for smaller labels looking to perform simple data analysis tasks.

Looker (previously known as Google Data Studio) is a free, web-based data visualisation and reporting tool that allows you to connect to various data sources, including Google Sheets, BigQuery and other third-party connectors. It offers an easy-to-use interface for creating interactive dashboards and reports without the need for programming skills. To get started, sign up for a Looker account, connect your data sources, and start building your custom dashboards.

Tableau Public is a free version of the popular Tableau data visualisation tool. It allows users to create interactive visualisations and dashboards without any coding. You can start by downloading Tableau Public, importing your data, and using the drag-and-drop interface to create visualisations. There are also numerous tutorials and resources available on the Tableau website to help you get started.

IBM Watson Analytics is a cloud-based data analysis tool that uses artificial intelligence to help users explore and visualise their data. The platform offers a user-friendly interface and natural language processing capabilities, allowing users to ask questions and receive insights in plain language. To start using IBM Watson Analytics, sign up for an account, upload your data, and begin exploring the available features.

KNIME Analytics Platform is an open-source data integration, processing and analysis tool that features a visual workflow editor, making it suitable for non-technical users. The platform offers numerous pre-built nodes for various data manipulation and analysis tasks, as well as integrations with machine learning libraries. To begin, download and install the KNIME Analytics Platform, import your data, and start building your data analysis workflows.

When choosing data management tools and solutions, a label should consider its specific needs, budget and the complexity of the data analysis tasks it wishes to perform. Start by exploring these tools and their features to determine which best aligns with your requirements. Additionally, take advantage of the available tutorials, documentation and community resources to help you learn and get the most out of your chosen platform.

06: DATA-DRIVEN MARKETING CAMPAIGNS

As outlined above – and in the earlier One Step Ahead report ‘Marketing Power Through Data And Networks’ – consumption, fan and other data now plays a crucial role in music marketing. This section provides a guide for how labels should organise, scrutinise and manage its data in order to plan, enhance and assess its marketing campaigns and activity.

DEFINE

Before gathering and analysing relevant data, labels should define their marketing objectives and KPIs to guide their efforts. These objectives may include increasing brand awareness, driving traffic to a specific platform, or boosting streams and sales of specific tracks or albums. KPIs should be measurable and directly related to these objectives, such as engagement rate, follower growth or conversion rate.

COLLECT

Gather together consumption and engagement data from all the key platforms, including streaming services, social media platforms, and email and direct-to-fan platforms. Fully utilise each platform’s analytics tools, and also consider third-party tools like Hootsuite, Sprout Social or Socialbakers to collect comprehensive engagement data, and third-party data aggregation tools like Chartmetric, Soundcharts or Entertainment Intelligence that can collect and centralise data from multiple sources.

ORGANISE

Organise the collected data in a way that makes it easy to analyse and compare. This may involve creating spreadsheets or using data visualisation tools to clearly display the data. Segment the data based on factors like content type (eg videos, images, text posts), campaign or time period, and targeted audience demographics to facilitate a deeper understanding of engagement patterns.

CLEAN

Before analysing consumption data, ensure it is accurate, consistent and complete. Data cleaning and preprocessing tasks may include deduplicating records, filling in missing values and standardising data formats. This step is crucial to obtain reliable insights from the analysis.

ANALYSE

Examine the segmented data to identify trends and patterns that may indicate which content is resonating with the audience. Look for factors such as:

- Content formats with the highest engagement rates.
- Optimal posting times and frequency.
- The impact of specific calls-to-action or promotional techniques.
- Common themes, keywords, or visuals that drive higher engagement.

ENHANCED INSIGHTS

Due to the complexity and volume of consumption data, using advanced analytics and machine learning techniques can help extract meaningful insights. Techniques such as clustering, classification, regression and recommendation algorithms can help identify patterns, trends and correlations between marketing efforts and consumption behaviour. These insights can help inform marketing strategies and optimise promotional efforts.

ACTIONABLE REPORTS AND VISUALISATIONS

Transform the analysed data into actionable reports and visualisations that clearly communicate key findings to decision-makers. Use data visualisation tools like Tableau, Power BI or Looker to create interactive dashboards that display relevant metrics and insights, allowing for data-driven decision-making.

TEST AND OPTIMISE

Use the insights gathered from the analysis to create a hypothesis for how you might improve future marketing activity such as social media campaigns. This may involve testing different content formats, posting schedules or promotional techniques. Continuously monitor the engagement data and compare it against the established KPIs to determine the effectiveness of the changes.

A/B TESTING

To further refine the social media strategy, implement A/B testing by creating variations of a single piece of content or promotional technique and analysing the engagement data to determine which version performs better. A/B testing can provide valuable insights into the preferences of the target audience and help optimise the label's approach to social media marketing.

APPLY INSIGHTS

Leverage the insights derived from engagement data analysis to inform other marketing channels and campaigns. For example, use data about the most engaging content formats or themes to guide the creation of email campaigns, website content or even offline promotional materials.

IMPLEMENT DATA-DRIVEN MARKETING STRATEGIES

Use the insights derived from consumption data analysis to inform marketing strategies. This may involve identifying high-performing marketing channels, optimising ad targeting, creating personalised marketing campaigns or adjusting content strategies to better align with audience preferences.

REGULARLY REVIEW

Engagement data analysis should be an ongoing process. Regularly review and update the label's social media strategy based on the latest data and trends to ensure continued success in connecting with the target audience and achieving marketing objectives.

CONTINUOUSLY MONITOR AND ADJUST

As the music industry and audience behaviour evolve, it's crucial to continuously monitor consumption data and adjust marketing strategies accordingly. Regularly evaluate the effectiveness of marketing efforts based on consumption data and refine strategies to ensure continued success in driving music consumption and growing the label's audience.

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AN EXAMPLE DATA-DRIVEN MARKETING PLAN: ACTION POINTS

1. Campaign Goals And Objectives:

- Increase awareness and engagement for the new album.
- Drive album pre-orders and sales.
- Promote upcoming tour dates and boost ticket sales.
- Grow the artist's fanbase on social media.

2. Pre-Campaign Audience Analysis:

- Analyse the current email list and Instagram audience demographics.
- Identify key geographic locations and interests.
- Segment the email list based on engagement, location and other relevant factors.

3. Email Marketing Strategy:

- Warm-up phase: Send a series of emails to announce the new album, share behind-the-scenes content and build anticipation.
- Integrate Mailchimp with Instagram and Facebook Ad accounts to create custom audiences based on email engagement.
- Use Mailchimp's automation features to send targeted emails to specific segments (eg tour location-based emails).
- Monitor email open rates, click-through rates and conversions (pre-orders, ticket sales) to optimise the email strategy

4. Social Media Content Strategy:

- Create a content calendar with a mix of album teasers, behind-the-scenes footage, tour announcements and fan engagement posts.
- Utilise Instagram Reels and Stories to share short-form content and reach a wider audience.
- Focus on video content that showcases the artist's personality, creative process and tour experiences.
- Use Instagram Insights to track post engagement, reach and audience demographics.

5. Advertising Strategy:

- Set up Facebook and Instagram ad campaigns targeting custom audiences created from the email list.
- Create Lookalike Audiences to reach potential new fans similar to the existing audience.
- Use a mix of ad formats (carousel, video, Stories) to promote the album and tour dates.
- Set up retargeting ads for users who engaged with the content but didn't convert (pre-order or purchase tickets).

6. Tour Location-Specific Campaigns:

- Collaborate with local influencers or venues to create buzz around the tour dates.
- Use geotargeting to run ads and send email campaigns specific to the audience in tour locations.
- Offer exclusive tour-related merchandise or experiences to fans in the target cities.

7. Monitoring And Optimisation:

- Regularly track and analyse email, social media and advertising metrics to optimise the campaign.
- Identify high-performing content and audience segments to inform future campaigns.
- Adjust ad targeting, creatives and budget allocation based on performance and campaign objectives.

8. Post-Campaign Analysis:

- Evaluate the overall success of the campaign by comparing results to initial goals and objectives.
- Identify key learnings and insights to inform future marketing efforts.
- Assess the impact of the campaign on fan engagement, album sales and tour ticket sales.

TRACKING FAN ENGAGEMENT AND INFORMING MARKETING ACTIVITY

PIXEL DATA AND CLICK DATA

Pixel data and click data are types of engagement data generated when users interact with digital marketing campaigns, such as ads, social media posts and email campaigns. These data points can help labels understand how their marketing efforts are performing and provide insights into fan behaviour. Let's dive into what these terms mean and their significance in the context of music marketing campaigns.

Pixel data: A pixel, also known as a tracking pixel or web beacon, is a small, transparent image that is embedded in web pages, emails or ads to track user behaviour. When a user visits a web page or opens an email containing a pixel, it sends data back to the server about the user's interaction. In the context of music marketing campaigns, pixel data can provide insights into ad impressions, email opens and user engagement with specific content. Labels can use this information to optimise their marketing campaigns and target their audience more effectively.

Click data: This refers to information collected when a user clicks on a link, button or other interactive elements within a digital marketing campaign. This data includes details about the clicked element, the user's device and the timestamp of the click. Click data can help labels understand which marketing content is resonating with their audience and driving user actions, such as visiting a website, streaming a song or purchasing merchandise.

To benefit from pixel and click data, labels need to consider the following:

Set-up

To collect pixel and click data, labels need to implement tracking pixels and click-tracking mechanisms within their marketing campaigns. This may involve embedding tracking pixels in emails or web pages and using analytics tools such as Google Analytics or social media platform-specific analytics tools to track clicks and user interactions.

Privacy and compliance

Labels should be aware of data privacy and compliance requirements when collecting and using pixel and click data. This includes obtaining user consent for tracking, providing clear privacy policies and complying with data protection regulations such as GDPR and CCPA.

What to track

- Impressions: The number of times an ad or content piece has been displayed to users.
- Clicks: The number of times users click on ads or interactive elements within a campaign.
- Conversions: The number of users who complete a desired action, such as signing up for a newsletter, streaming a song or purchasing a product.
- Bounce rate: The percentage of users who leave a website or landing page after viewing only one page.

Data analysis and optimisation

Labels need to analyse pixel and click data to identify trends, patterns and areas for improvement. This analysis can help inform marketing strategy, content creation and audience targeting. By regularly monitoring and adjusting campaigns based on data insights, record labels can optimise their marketing efforts and maximise the return on investment.

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CONVERSION TRACKING ON STREAMING SERVICES

Streaming platforms like Spotify and Apple Music do not provide direct conversion tracking for third-party marketing campaigns. However, there are several strategies and workarounds that labels can use to estimate the effectiveness of their marketing efforts and demonstrate ROI, even without direct conversion tracking:

Use platform-specific data

While you may not be able to track direct conversions, streaming platforms do provide some data on listener engagement, such as the number of streams, saves and playlist additions. You can compare this data before and after your marketing campaign to estimate its impact. To further refine your analysis, look for spikes or changes in listeners' geographical locations or demographics that align with your marketing efforts.

Monitor indirect metrics

Track metrics such as click-through rates (CTRs) and landing page engagement for your marketing campaigns. Although this doesn't provide direct conversion tracking, it can help you gauge the effectiveness of your campaign and the level of user interest in your content.

Use unique tracking links

Services like Feature.fm and Linkfire allow you to create unique tracking links for your marketing campaigns. While these services may not provide direct conversion tracking, they can give you valuable data about user behaviour, such as clicks, device types and geographical locations. By analysing this data, you can better understand how users interact with your campaigns and potentially estimate their impact on streaming platforms.

A/B testing

Use A/B testing to compare the effectiveness of different marketing creatives, messaging and targeting strategies. By measuring engagement metrics such as CTRs, landing page engagement and click data from unique tracking links, you can optimise your campaigns and estimate their impact on streaming platforms.

Correlate marketing efforts with streaming platform data

Use data analytics to correlate your marketing efforts with changes in streaming platform data. Look for trends or patterns that suggest a connection between your campaigns and listener engagement on streaming platforms. This can help you infer the effectiveness of your campaigns and demonstrate ROI.

Collaborate with influencers or playlist curators

In some cases, you might be able to collaborate with influencers or playlist curators who have access to more detailed analytics from streaming platforms. By partnering with these individuals, you may be able to gather more data on the impact of your campaigns and better understand your ROI.

Although there is no direct way to implement conversion tracking on Spotify and other streaming platforms, these strategies can help labels estimate the effectiveness of their marketing campaigns and make data-driven decisions to optimise their efforts.

By combining multiple data sources and leveraging data analytics, labels can better understand the relationship between their marketing campaigns and streaming platform engagement, ultimately driving success in the competitive music industry.

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UTILISING AGGREGATED DATA

Aggregated data from marketing campaigns can provide valuable insights that labels can use to optimise their marketing strategies for similar artists. By analysing the data collected from one campaign, labels can identify patterns and trends that can inform future campaigns for other artists. Using Facebook and Instagram pixel data to create marketing audiences is one way to leverage this aggregated data effectively. Here's how labels can do this:

Analyse the success of past campaigns

Examine the aggregated data from previous marketing campaigns to understand which strategies and tactics were most effective. This includes examining metrics such as engagement, click-through rates, conversion rates and overall ROI.

Identify audience segments

Using the aggregated data, determine the key audience segments that engaged with and responded positively to the initial campaign. These segments can be based on factors such as demographics, interests, listening preferences or behaviour.

Create custom audiences on Facebook and Instagram

Use the Facebook and Instagram pixels to create custom audiences based on the data collected from the initial campaign. This can include website visitors, people who engaged with specific content or ads, or those who took specific actions (such as streaming a song or purchasing tickets).

Lookalike audiences

Facebook and Instagram allow you to create lookalike audiences based on your custom audiences. These lookalike audiences consist of people who share similar characteristics with your existing audience segments. By targeting lookalike audiences, you can reach new potential fans who are likely to be interested in your other artists.

Tailor marketing campaigns for similar artists

With the insights gained from the aggregated data, create new marketing campaigns for similar artists that leverage the successful strategies and tactics identified in the initial campaign. This can include using similar creatives, messaging or targeting parameters to reach the desired audience segments.

Test and optimise

As you launch new campaigns for similar artists, continuously monitor their performance and compare the results to the initial campaign. Test different ad variations, targeting options and creatives to optimise the campaigns for maximum effectiveness.

Continuously refine audience targeting

Regularly update your custom and lookalike audiences based on new data collected from ongoing marketing campaigns. This ensures that your audience targeting remains relevant and effective as you promote similar artists.

By leveraging aggregated data from previous marketing campaigns and using tools such as Facebook and Instagram pixels to create custom and lookalike audiences, labels can efficiently spin up similar campaigns for other artists. This data-driven approach allows labels to target the right audience segments, optimise their marketing strategies and ultimately drive greater success in their promotional efforts.

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AD TESTING

Testing ad variations, targeting options and creatives can be time-consuming and costly. However, there are cost-effective strategies and tools that can help streamline this process and make it more efficient. Artificial intelligence can also play a significant role in optimising ad testing.

Here's how labels can approach ad testing without breaking the bank and leverage available tools and AI:

Start with a small budget

Begin by allocating a smaller budget for ad testing, focusing on the most promising variations and targeting options. As you gather performance data and identify the most effective ad components, gradually increase the budget for the best-performing ads.

Use Facebook and Instagram ad tools

Both Facebook and Instagram provide ad testing tools, such as A/B testing and dynamic creative optimisation, that can help you efficiently test different ad variations, targeting options and creatives. These tools allow you to test multiple ad components simultaneously, making the testing process more efficient.

Focus on the most impactful variables

Instead of testing every possible variation, concentrate on the ad components that have the most significant impact on performance, such as headlines, ad copy, images or videos, and audience targeting. By focusing on these variables, you can optimise your ads more effectively while minimising costs.

Leverage AI-powered ad optimisation tools

Several AI-powered ad optimisation tools on the market can help you automate the ad testing process and make data-driven decisions. These tools use machine learning algorithms to analyse ad performance, identify trends and automatically adjust your ad campaigns based on the insights gathered. Examples of AI-powered ad optimisation tools include Revealbot, Smartly.io and Trapica.

Monitor performance closely:

Regularly review the performance of your ads and adjust your testing strategy as needed. By closely monitoring your campaigns, you can quickly identify underperforming ads and allocate more resources to the better-performing variations, minimising wasted ad spend.

Learn from each campaign:

Analyse the results of each ad testing campaign and apply the insights gained to future campaigns. This iterative process helps you refine your advertising strategy over time, making it more cost-effective and efficient.

In summary, adopting a cost-effective ad testing strategy, using available ad testing tools on platforms like Facebook and Instagram, focusing on the most impactful variables, leveraging AI-powered ad optimisation tools, and closely monitoring performance can help labels optimise their ad campaigns without incurring excessive costs.

AI plays a crucial role in streamlining the ad testing process and guiding data-driven decisions, making it an essential component of a successful ad optimisation strategy.

07: KEY TERMS AND FURTHER READING

Here is a guide to some key terms commonly used when discussing data and data management, with some useful links to further reading about each topic.

BIG DATA

This simply refers to the large volume of structured and unstructured data that is generated by various sources, including social media, streaming platforms and other digital activities. Big data can be used to reveal patterns, trends, and associations that can help inform decision-making.

External Sources:

SAS: Big Data – What it is and why it matters

Oracle: What is big data?

CUSTOMER DATA PLATFORM (CDP)

A software solution that collects, unifies and organises customer data from various sources into a single, actionable view. CDPs enable marketers to create personalised and targeted marketing campaigns based on customer behaviour, preferences and demographic information.

External Sources:

Segment: What is a customer data platform?

DATA ANALYTICS

The process of analysing raw data to find patterns, trends and insights that can help inform decision-making. Data analytics encompasses various techniques, such as descriptive, diagnostic, predictive and prescriptive analytics.

External Sources:

Tableau: What is data analytics?

DATA LAKE

A centralised repository that stores raw data in its native format, enabling organisations to scale their storage needs and support various types of analytics, including machine learning and artificial intelligence.

External Sources:

AWS: What is a data lake?

MACHINE LEARNING

A subset of artificial intelligence that uses algorithms to learn from data and make predictions or decisions without explicit programming.

External Sources:

IBM: What is machine learning?

SAS: Machine learning – what it is and why it matters

PREDICTIVE ANALYTICS

A type of data analytics that uses historical data and machine learning algorithms to make predictions about future events or trends.

External Sources:

IBM: What is predictive analytics?

CONVERSION TRACKING

The process of monitoring and measuring the actions that users take after engaging with marketing campaigns, such as making a purchase, signing up for a newsletter or streaming a song. Conversion tracking helps marketers understand the effectiveness of

their campaigns and optimise them for better results.

External Sources:

Google Ads Help: About conversion tracking

CUSTOMER ACQUISITION COST (CAC)

The total cost of acquiring a new customer, including marketing and sales expenses. CAC is a key metric for businesses to evaluate the effectiveness and efficiency of their customer acquisition strategies.

External Sources:

HubSpot: What is customer acquisition cost (CAC)?

LIFETIME VALUE (LTV)

The estimated total revenue that a customer will generate for a business over the entire duration of their relationship. LTV helps

businesses understand the long-term value of customers and make informed decisions about customer acquisition and retention strategies.

External Sources:

Shopify: What is customer lifetime value (LTV)?

CleverTap: What is customer lifetime value (CLTV or LTV)?

CHURN RATE

The percentage of customers who stop using a product or service within a given time period. Churn rate is an important metric for subscription-based businesses, as it helps them understand customer retention and satisfaction levels.

External Sources:

Baremetrics: Churn Rate - What it is and how to calculate it correctly

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ABOUT ONE STEP AHEAD

One Step Ahead is a digital intelligence facility from IMPALA to enable independent music companies across Europe to navigate and identify trends, developments, challenges and opportunities in the digital music market. Delivered in partnership with music business consultancy CMU Insights and with support from Merlin, One Step Ahead provides reports, tools and training to help independent music businesses of all sizes to get the most out of today's digital opportunities in Europe.



ABOUT IMPALA

IMPALA was established in 2000 and now represents over 5000 independent music companies. 99% of Europe's music companies are small, micro and medium businesses and self-releasing artists. Known as the independents, they are world leaders in terms of innovation and discovering new music and artists – they produce more than 80% of all new releases and account for 80% of the sector's jobs. IMPALA's mission is to grow the independent music sector sustainably, return more value to artists, promote diversity and entrepreneurship, improve political access, inspire change, and increase access to finance. Read more about IMPALA's story in 20 milestones on our website. impalamusic.org



ABOUT CMU INSIGHTS

CMU helps people navigate and understand the music business through media, education, research and events. CMU Insights is the company's business intelligence unit. It supports the music industry – both music companies and companies working with music – through training, consulting, research reports and conference sessions. cmuinsights.com



ABOUT MERLIN

Merlin provides independents the means to own their future. Members work directly with key digital partners, but benefit from Merlin's premium deals with over thirty digital music services around the world. Merlin's membership consists of independent labels, distributors, and other rights-holders, representing tens of thousands of labels and hundreds of thousands of artists from every country in the world, representing 15% of the global market share. As a member-led, artist-focused organisation, Merlin's mission is to deliver best in class services and work collaboratively with its digital partners to drive incremental benefits to members, while delivering value back to digital music services. merlinnetwork.org



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