



DATA TRENDS REPORT

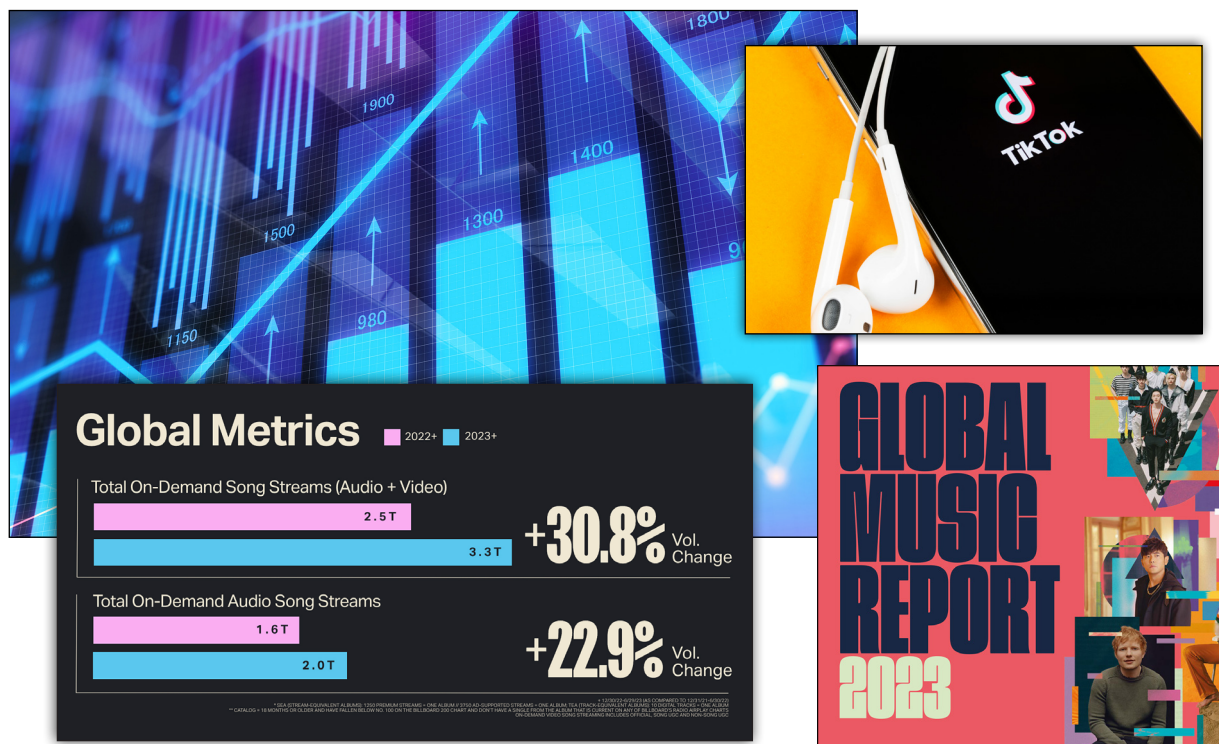
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ONE STEP AHEAD: DATA TRENDS REPORT



Building on the Data Playbook published earlier this year, in this trends report from One Step Ahead we present:

- The latest checklists for getting the most out of consumption, social and other data.
- An overview of some of the latest developments around streaming analytics and music metadata
- A guide to the key sources of music market data and the key findings of recent reports.

ONE STEP AHEAD: DATA TRENDS REPORT

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01: DATA CHECKLISTS - AUTUMN 2023

CONSUMPTION DATA

This checklist outlines the consumption data you should be accessing, how to access and manage that data, and how each data type can be used to inform your business.

KEY STREAMING METRICS

- **Streaming Counts:**
By song, album or period.
- **Listener Retention Rate:**
Frequency listeners return to tracks.
- **Playlist Placement Effectiveness:**
Conversion rate of playlist features.
- **Listener Demographics:**
Age, gender, location.

HOW TO ACCESS

- Web platforms; browser access.
- Verification required.

UTILISING STREAMING SERVICE DATA

- **Tailor Releases:**
Demographics for marketing.
- **Optimise Promotion:**
Identify strong tracks or albums.

■ Evaluate Retention:

High retention means stable fanbase.

UTILISING SOCIAL MEDIA METRICS

- **ROI On Paid Campaigns:**
Calculate returns on paid ads.
- **Conversion Rates On Posts:**
Track user actions post-engagement.

UTILISING EMAIL/CRM METRICS

- **Open Rates:**
Gauge content engagement.
- **Click-Through Rates (CTR):**
Measure compelling content.
- **Subscriber Retention:**
Unsubscribe rates post-campaign.

DATA MANAGEMENT TOOLS

- **Data Fusion:**
Combine metrics using integration tools.
- **Custom Dashboards:**
Real-time KPI monitoring.

CHANGING LANDSCAPE

- **Real-Time Analytics:**
More services offering real-time data.
- **Data Granularity:**
Detailed metrics emerging.
- **Third-Party Tools:**
Specialised analytics tools on the rise.

SOCIAL DATA

This checklist outlines the key data that is available from Instagram and TikTok, explaining the value of each type of data and how it can inform your marketing and wider business.

INSTAGRAM

Instagram Grid Posts

- **Engagement Rate:** Serves as a measure of how well your content resonates with your existing audience. A higher rate signifies more effective posts.
- **Saves:** When users save your posts, it shows that the content holds value for later reference.
- **Vanity Metric – Reach And Impressions:** On their own, these numbers don't offer any real business value.

Instagram Stories

- **Completion Rate:** A high rate means the Story keeps viewers engaged until the end.
- **Swipe-Up CTR:** Useful for gauging the success in prompting specific actions like streaming or purchasing.
- **Vanity Metric - Views:** Place emphasis on viewer actions, not mere view counts.

Instagram Reels

- **Shares And Saves:** Markers of content quality that users want to share or revisit.
- **Comments:** High-quality comments can foster dialogue around the artist and enhance engagement.
- **Vanity Metric - Views:** Large numbers here don't necessarily imply high impact.

Where Is Your Content Found?

Instagram Insights lets you see where your posts are most frequently viewed - Home, Profile, Hashtags or Other.

This data is insightful:

- **From Home:** Good for sustaining existing relationships and indicates algorithmic compatibility.
- **From Profile:** Demonstrates active interest and a chance for deeper engagement.
- **From Hashtags:** Effective for widening your audience.
- **From Other:** Direct shares suggest high levels of engagement and potential for virality.

Useful links:

Here are some useful articles providing further information and tips...

www.flick.social/learn/instagram-analytics-benchmarks/insights/completion-rate/3-months

www.bazaarvoice.com/blog/key-instagram-metrics

TIKTOK

Video Performance

- **Views:** Basic. High numbers don't guarantee engagement.
- **Watch Time:** Total time spent on your video. Evaluate content 'stickiness'.
- **Shares:** Shows deeper engagement.
- **Completion Rate:** Users who watch start to finish. Higher rates signal compelling content.

User Engagement

- **Likes and Comments:** Direct indicators but could be vanity metrics. Align with objectives.
- **Followers-To-Engagement Ratio:** Follower count against engagement. Assesses genuine interest.

Traffic and Conversion

- **Click-Through Rate (CTR):** Viewers who click a link. Correlates with conversions.
- **Traffic Sources:** Track origins: 'For You Page', 'Following', or 'Sounds'.

Follower Insights

- **Demographics:** Gender, location. Use for ad targeting.
- **Activity:** Times/days active. Use to time posts and live events.

LIVE Metrics

- **Total Views:** Measure real-time draw. Evaluate live-stream efficacy.

- **Unique Viewers:** Reach. Gauge breadth of live audience.
- **New Followers:** Conversion rate of live content.

Engagement Rates

- **Rate:** Measures post impact - $((\text{Likes} + \text{Comments}) / \text{Followers}) * 100$.
- **Average Engagement:** Aggregate likes/comments, divide by number of videos, then by followers, multiply by 100.

Other

- **Hashtag Views:** Find in Discover tab. Use to identify or validate trending topics for your artist.

Application

- **Follower Demographics:** For market-specific releases.
- **Watch Time:** Improve content based on stickiness.
- **CTR:** If low, rethink the call-to-action.
- **Engagement Rates:** Use high-performing posts as models.
- **Hashtag Views:** Adopt trending hashtags relevant to your artist.

Useful links:

Here are some useful articles providing further information and tips...

www.tiktok.com/creators/creator-portal/en-us/tiktok-content-strategy/understanding-your-analytics

blog.hootsuite.com/tiktok-analytics

upbeatagency.com/tiktok-analytics

TOOLS AND PLATFORMS TO HELP WITH DATA MANAGEMENT

Record labels are awash with data – from streaming numbers and social media engagement to sales figures and demographic information. Managing this data in-house poses several challenges:

- **Volume:** Labels deal with a large amount of data that is continually updating.
- **Variability:** Data comes in many formats and from multiple platforms.
- **Skill Gap:** Not everyone at a label is technically savvy, complicating the data management process.

Below are some tools and tactics that can help labels meet the data challenge.

Data Management Tools

- **NocoDB:** Essentially turns spreadsheets into databases. Good for small to medium datasets, easy for anyone to use. Free and opensource, but requires some technical set up.
- **Metabase:** Allows non-technical users to query databases. Slightly more advanced but doesn't require SQL knowledge.
- **Airtable:** Powerful and intuitive platform that gives spreadsheets “superpowers”. Plenty of support content online, but can be expensive.

Gathering Data

- **Cadence:** For dynamic metrics like streaming numbers, daily collection may have value, but can be

unmanageable. You should define specific cadences for different cases – eg for current frontline vs fresh catalogue vs static catalogue. For more stable metrics like demographic data, weekly or monthly should suffice.

Data Visualisation Tools

- **Looker:** Enables complex data visualisations through a simple interface. Useful for presenting cross-platform insights in an easy-to-digest manner.

Automation Tools

- **Zapier:** Links various applications and automates data flow between them.
- **Make.com:** A more specialised tool allowing custom data workflows.
- **Robotic Process Automation (RPA):** Useful for automating highly repetitive and rules-based tasks in data collection and management. Robomotion.io and Hexomatic.com are good starting points.

Cleaning/transforming data

- Centralise data from different platforms through automation tools.
- Use data management tools like NocoDB to handle basic cleaning and transformation tasks.

Unifying data for cross-platform insights

- Once the data is cleaned and transformed, use a tool like Looker to visualise these unified data sets.
- Make sure the visualisations are easy to interpret for non-technical users.

02: DATA DEVELOPMENTS

SPOTIFY ANALYTICS

Spotify made some significant changes to the data available through its Spotify For Artists portal earlier this year, removing older data in order “standardise” how historical data is accessed.

Basically, artists and their teams can now access data through the portal for the past two years plus the year to date. All time total play counts for each track are still available.

Some features that Spotify says had “low usage” were also removed at the same time, including ‘similar artists’ and ‘compare to other artists’.

When confirming that the legacy data would be deleted, Spotify said that the change would allow it to start offering extra analytics within the portal. In July, it then changed the way it presents listener data, better segmenting that data.

In particular, it now separates out 'active' listeners from 'programmed' listeners - ie those that have specifically selected the artist's music (including from the artist profile, or an album or release page) versus those that had music pushed to them by a playlist or the Spotify algorithm.

In terms of 'active listeners', it also splits out those that have selected the artist's music in the last month from those that have listened in the last two years, but not the last month.

So, each artist sees a total number of listeners from the last two years, broken down into 'active audience', 'previously active audience' and 'programmed audience'.

The aim, Spotify said when launching the new segmentation, is to help artists and their teams "measure how effectively they're converting more casual listeners into true fans over time".

Spotify says that, on average, an artist's active audience makes up about 33% of the total audience but accounts for about 60% of the artist's streams. And where an artist has integrated Spotify with their merch store, this audience accounts on average for 80% of merch sales instigated in the Spotify app.

Obviously, for artists and labels, one key aim of marketing and fan engagement activity is to convert passive listeners into active fans, and this new tool helps track progress in that domain.

The split between active and programmed listeners is also important given the current debate over whether plays from active listeners should be allocated more revenue than plays from programmed listeners. Doing so is one of the element of Deezer’s new track allocation model.

UK METADATA AGREEMENT

In May, the UK music industry signed an Agreement On Music Industry Metadata, which was developed via a metadata working group convened by the UK government following the inquiry into the economics of music streaming undertaken by the UK Parliament.

The aim of the agreement – or ‘metadata code’ – is to encourage the provision of more extensive metadata as each new recording is delivered to the streaming services.

The code identifies a core metadata set, including the ISRC to identify the recording, the ISWC to identify the song, and credit information for everyone involved in writing the song and recording the track, including identifiers for individuals like IPN, IPI and ISNI.

All of this data is already included in the metadata standards managed by DDEX, though not all of it is mandatory, and therefore not all of it is commonly provided with recordings.

Providing more extensive metadata as standard would allow...

- All people involved in a song and recording to be properly credited within the streaming platforms, respecting their moral right to attribution.
- Streaming services to provide more sophisticated navigation tools based on artist, writer, musician and studio producer.
- The more efficient processing of song royalties, as services could provide ISWC as well as ISRC when reporting to their licensing partners on the songs side.

In the code labels and distributors – what it calls ‘releasing parties’ – commit to deliver as much data as they can from the core dataset with each release. Some of this is data that is directly controlled by the label. But some – especially song data – will often need to be provided by an artist or their manager and/or publisher. In that case, the label’s commitment is to deliver to the streaming service whatever it receives from its artists and their teams.

Achieving the ambitions of the code will rely on every stakeholder in the supply chain to raise their game in gathering and passing on all the data identified in the core metadata set.

The UK government’s Intellectual Property has now convened two expert groups – one focused on technical issues and one on education – to help facilitate the implementation of the code.

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CMO DATA PLATFORMS

Data developments at the music industry’s collecting societies – or collective management organisations – are important for at least two reasons.

First, the CMO’s maintain databases on recordings and songs in each market, and oversee key identifiers. Second, artists, labels, songwriters and publishers rely on their CMOs to effectively report usage and royalties in all the scenarios where collective licensing is employed.

In the former domain, there are ongoing developments around the issuing of ISWCs, the unique identifier for songs. Given initiatives like the UK metadata code, there have been increased calls for the ISWC for each new work to be issued more quickly. After all, if labels are under pressure to provide an ISWC with each new track, the code needs to be available before distribution.

Whereas labels and distributors can issue their own ISRCs once they have been given a registrant code,

traditionally only CMOs could issue an ISWC once a new work had been logged in its database by a writer, manager or publisher. To do this, the CMO communicates with a central ISWC system managed by global grouping CISAC.

Both CISAC and many of its member CMOs have been working to make it quicker and easier to get ISWCs issued. In its annual report in May it said: “The global music identifier ISWC, administered by CISAC, was comprehensively upgraded in 2020 to be faster, more accurate and more efficient. In the last year, work has been stepped up to get the new system implemented across the whole music value chain and produce fairer remuneration for creators”.

“Use of the ISWC among societies and publishers has been steadily increasing, helped by educational efforts led by CISAC to help all stakeholders understand the benefits. The key objective now is that the ISWC is uploaded with songs to digital service providers, together with the recording information identified by its ISRC, the recording industry’s identifier”.

In terms of how CMOs report music usage and royalties to their members, things vary greatly across the sector, both in terms of the quality and detail of the reporting, and in how information is made available.

Some CMOs have invested heavily in their reporting systems, often developing more user-friendly portals. However, as more labels and publishers – and even artists and songwriters – interact with more CMOs in more markets, the lack of reporting standards across the industry is becoming more of an issue.

CMU is currently working with Dutch company FXR on a study co-funded by the European Union’s MusicAIRE programme that will identify best practices in royalty reporting within the collective licensing system, and offer recommendations for artists, songwriters and their managers, as well as labels, publishers, societies and policy-makers.

03: MARKET DATA SOURCES

There are a number of sources of market data for the music industry which allow those working in and with the music business to get a better understanding of current market trends.

Here we summarise the key reports labels should be aware of, what kind of information they provide, and what key trends were identified in the most recent editions.

RECORDED MUSIC REVENUE TRENDS

The International Federation Of Phonographic Industry publishes its **Global Music Report** each spring, collating data about recorded music revenues from all of the world. A free version of the report summarises global and regional trends, while a paid-for version also provides a country-by-country breakdown.

On a global basis, this report tracks market growth, globally and by region, and also breaks down record industry revenues into premium streaming, ad funded streaming, other digital, physical, public performance and broadcast, and sync.

The most recent edition, with 2022 data, reported 9% growth with total global revenues of \$26.2 billion. This broke down as 48.3% premium streaming, 18.7% ad-supported streaming, 3.6% other digital, 17.5% physical, 9.4% performance and broadcast, and 2.4% sync. The fastest growing market was Sub-Saharan Africa at 34.7%, while Europe saw 7.5% growth.

The music consultancy MIDIA publishes a rival report each spring which uses different data sets and includes some extra label revenue streams. It reported that record industry revenues grew by 6.7% in 2022 to reach \$31.2 billion.

The MIDIA report also estimates the market share of different players in the sector, noting this year that independent labels and artists releasing music via their own labels with a distributor “both strongly out-performed the wider streaming market, growing streaming revenues by 13.9% and 17.9% respectively”. MIDIA also estimated that the combined market share of artists direct and independent labels reached 34.6% in 2022, up from 34.0% in 2021.

MUSIC PUBLISHING REVENUE TRENDS

The biggest report monitoring market trends on the publishing side of the music rights sector is the CISAC’s **Global Collections Report**, which is published each autumn. This collates data from the collecting societies that represent song rights around the world.

That means it only includes data about revenues that flow through the collective licensing system, though on the songs side that is the majority of revenues. However, it does mean that some revenues

are not included, especially sync deals and some streaming income, particularly with Anglo-American repertoire.

The next edition of the Global Collections Report – with 2022 data – will be published on 28 Oct. Of particular interest is whether royalties from the live and public performance of music, key revenues for songwriters and music publishers, have fully recovered from the COVID shutdowns. In 2021, as documented in last year's report, total performance revenues were €1.49 billion, slightly higher than 2020, but down from the €2.62 billion collected in 2019.

Digital revenues also continue to grow on the songs side of the business. In 2021, digital was the biggest revenue generator for CISAC member collecting societies in 29 countries, though on a global basis it accounted for 36.1% of collections, slightly behind broadcast on 37.7%. That said, remember, not all streaming income is captured in these figures.

The Independent Music Publishers International Forum also publishes a **Global Market View** each year, which cites various other studies – including CISAC's Global Collections Report – to estimate the total revenues of the music publishing sector, and in particular the respective market share of the majors versus the indies.

In its 2023, report, it estimates that the publishing divisions of the three majors – Sony Music Publishing, Universal Music Publishing Group and Warner Chappell Music – account for 59.9% of the global publishing market. Kobalt and BMG account for 6.8% and 6.2% respectively. The independents – defined as companies with a global market share of 5% or below – together account for 27.1% of the total market.

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WIDER MUSIC BUSINESS REVENUE TRENDS

The economist Will Page each year produces a paper that seeks to estimate the **Global Value Of Music Copyright**, covering both recordings and songs. He takes IFPI and CISAC data as a starting point, and then deals with gaps and overlaps in that data. We await his study for 2022.

In his most recent paper, he estimated that the total value of music copyright in 2021 was \$39.6 billion, an 18% increase on the previous year. Of those revenues, approximately 66% are generated by recordings and 34% by songs. Since he has been doing this study, there has been a shift towards recordings, with the split in 2014 being 55% recordings and 45% songs.

Another report that gets a lot of attention is **Music In The Air**, produced by Goldman Sachs. This collates data for recordings, songs and live music, and also predicts potential growth for the music business at large – and those three key strands – over the next decade.

In its most recent report, published in June 2023, it said: "We believe the growth outlook remains strong and will be more broad-based: we forecast global music industry revenues to grow at +7.1% year on year in 2023 (+8% prior), with our 2023-2030 compound annual growth rate slightly upgraded to +7.3% (+7.1% prior).

The Music In The Air report also discussed the opportunity for the music industry in better serving superfans, by offering more premium experiences for those fans.

It said: “We assume that on average 20% of paid streaming subscribers can be defined as superfans of at least one artist and that such superfans would be spending 2x more on music than an average individual. Overall, we estimate that the superfan addressable market opportunity could be worth up to \$4.2 billion”.

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MUSIC CONSUMPTION TRENDS

The IFPI also publishes an annual report on music consumption, based on market research in 22 countries around the world. Called **Engaging With Music**, this published in the autumn.

In the 2022 edition, it estimated that audio-streaming services account for 32% of music consumption, as do video and social media platforms like YouTube, TikTok and Instagram. This is interesting given that streaming services generate significantly more revenue for the music industry than video and social media platforms.

Music data company Luminate also publishes twice yearly reports on music consumption. And although these go into more detail about the US market, they include some global trends.

The 2023 **Midyear Music Report** was published in July, and confirmed that, by the end of June, two trillion audio streams had been delivered across the various digital platforms since the start of the year, a 22.9% increase on the same period last year. When audio and video streams are combined, 3.3 trillion streams were delivered, 30.8% more than in the first half of 2022.

For the US, Luminate also breaks down streams of new versus catalogue music, the latter being defined as anything released more than eighteen months ago. In the July 2023 report it stated that catalogue now accounts for 72.8% of consumption, up from 72.4% last year.

The Luminate report also reports on how much content is being delivered to the streaming services. In its most recent report it stated that in the first quarter of this year an average of 120k new ISRCs were uploaded to the streaming platforms each day.

Though, it is important to note, this is ISRCs, not the total number of new tracks. There will be multiple versions of some tracks, each of which will have a unique ISRC.

Nevertheless, it is no secret that a very large amount of new music is now released on a monthly basis. The Music In The Air report notes that 200k artists received approximately 95% of the royalties paid by Spotify in 2022. With approximately 9 million artists having music on the platform, that means 95% of total royalties were generated by just 2% of artists, with the remaining 5% of royalties going to the around 8.8 million other artists.

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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 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



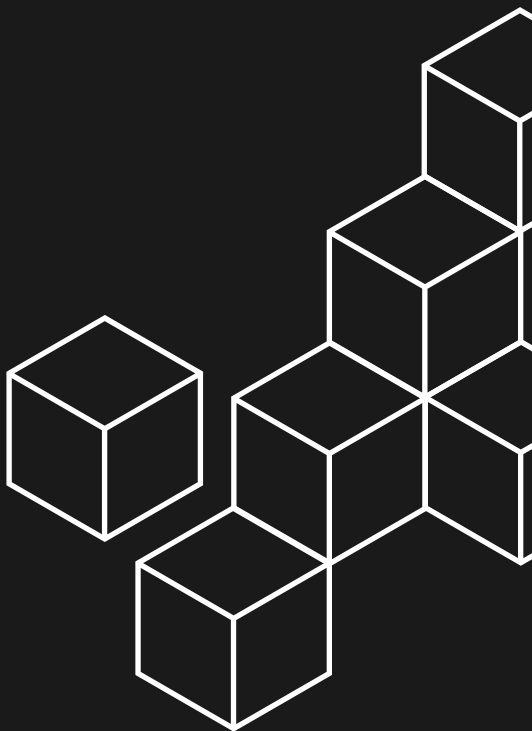
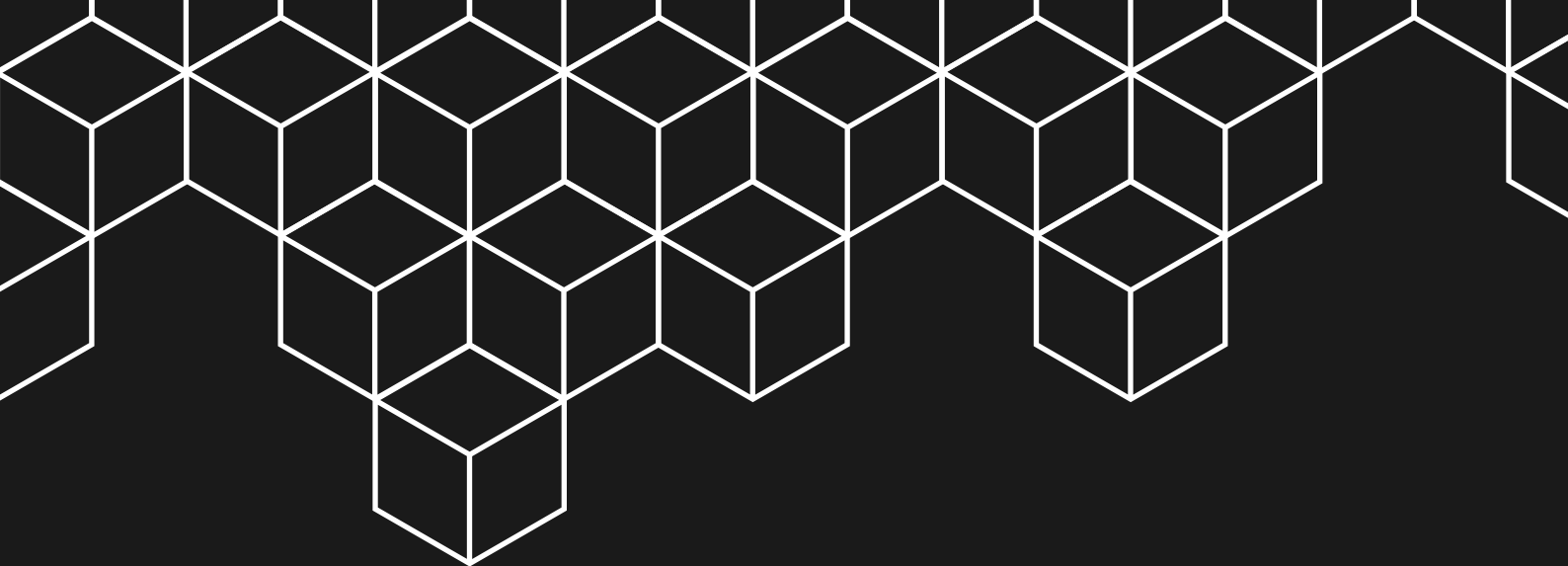
ABOUT CMU

CMU helps people navigate and understand the music business through media, training, consultancy and events. Our consultancy work sees us provide strategic support, intelligence and expertise to a wide range of clients in the UK, EU and around the world. We also regularly produce and publish research reports and white papers on the very latest trends in the music business. completemusicupdate.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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