



**CompleteMusicUpdate.com**

# DIVERSIFYING DIGITAL MARKET

**#01: premium streaming  
currently dominates –  
but the market is diversifying**

# THE DIGITAL MARKET TODAY

## DOWNLOAD STORES



## PREMIUM STREAMING

GLOBAL  
SERVICES



REGIONAL  
SERVICES



## FREE STREAMING



## UGC PLATFORMS



ONLINE  
RADIO

MUSIC  
PODCASTS

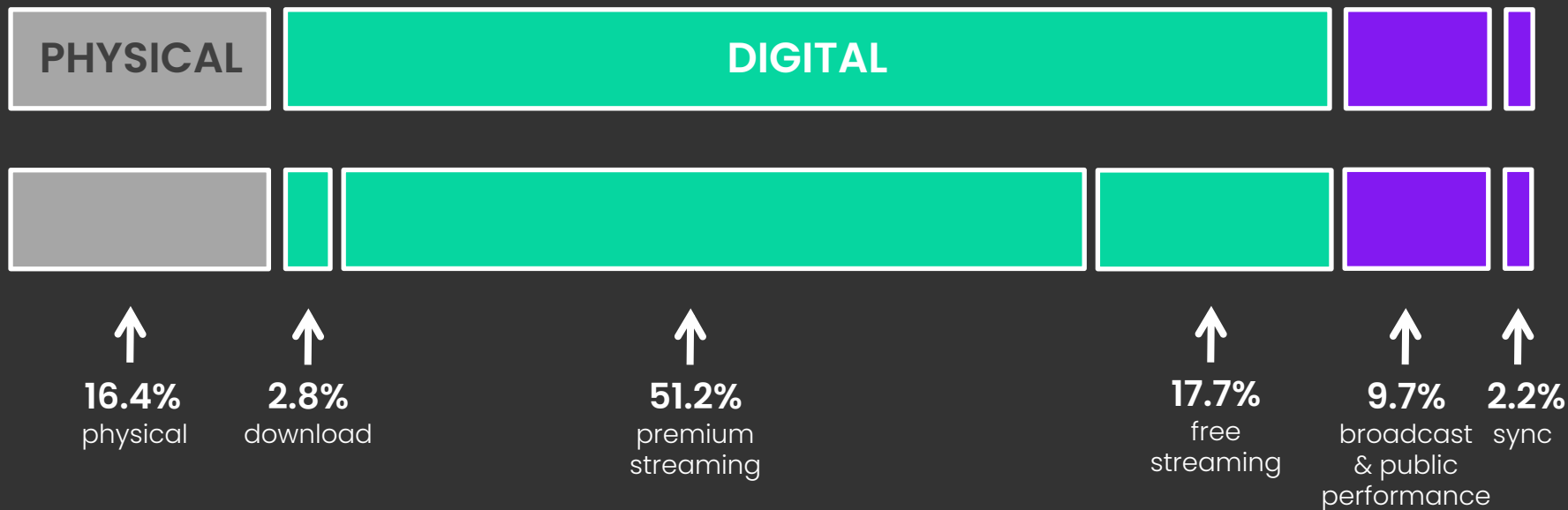
LIVE  
STREAMING

FITNESS  
APPS

GAMING  
PLATFORMS

META  
VERSE

# GLOBAL RECORDED MUSIC REVENUES



**#02: user-generated content  
platforms are increasingly  
important revenue generators**

## UGC PLATFORMS



Music is inserted into user-created videos

Music maybe inserted offline

Or within the app via in-built clips library

This usage requires licences

# THE DIGITAL MARKET TODAY: MUSIC CONSUMPTION

## PREMIUM STREAMING

GLOBAL  
SERVICES



REGIONAL  
SERVICES



## FREE STREAMING



THESE ACCOUNT FOR 32% OF MUSIC CONSUMPTION

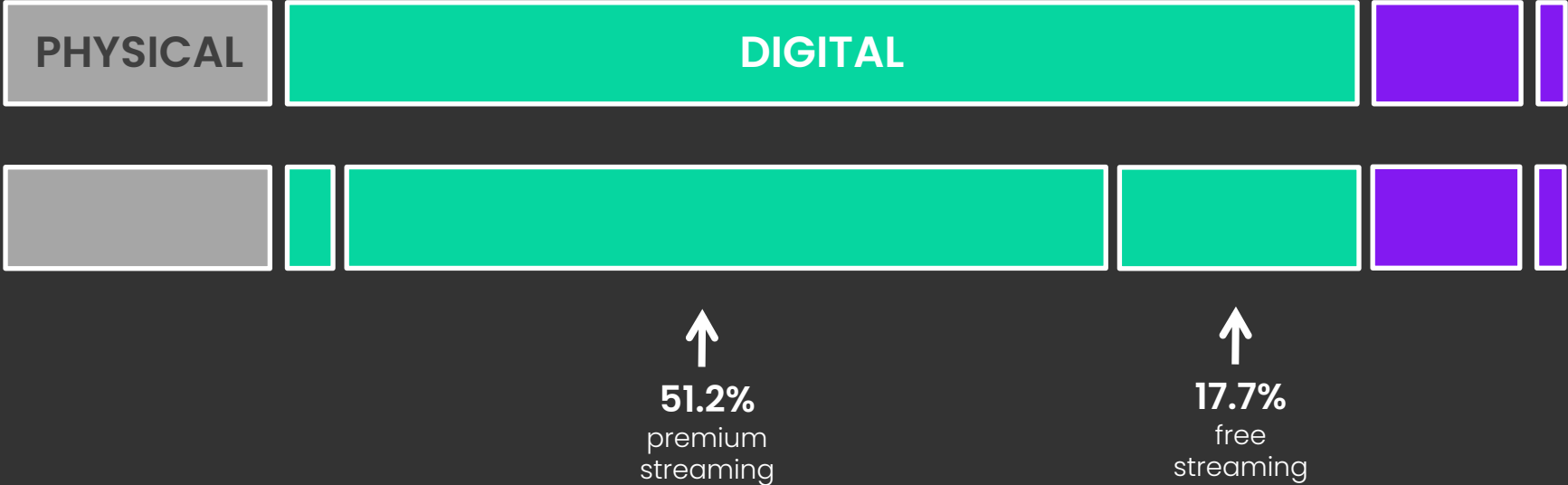
# THE DIGITAL MARKET TODAY: MUSIC CONSUMPTION

THESE ACCOUNT FOR 31% OF MUSIC CONSUMPTION

UGC PLATFORMS



# GLOBAL RECORDED MUSIC REVENUES





## SOME KEY QUESTIONS...

How do we get more from the platforms?

How do we better monitor usage?

Can we directly license more creators?

**#03: the industry can generate  
revenues from user-generated  
content platforms beyond  
the core licensing deals**

## UGC PLATFORMS: LICENSING CREATORS



Long-form creators use production music

Short-form creators use platform licences

Can we micro-license creators directly?

eg Lickd, YouTube Creator Music

## UGC PLATFORMS: OTHER REVENUES



**DON'T FORGET...**

Platforms have other monetisation tools

These are not designed for music

Can be used by artists to super-serve fans

# UGC PLATFORMS: OTHER REVENUES

## DISTRIBUTED MUSIC

specific monetisation of music  
– usually supplied to platform  
by label or distributor

**LABEL LED?**

## CHANNEL MONETISATION

monetisation of an artist's  
non-music content  
and the 'fan relationship'

**ARTIST LED?**

# UGC PLATFORMS: OTHER REVENUES

## DISTRIBUTED MUSIC

YouTube Music  
ArtTracks  
Official Videos  
Audio Library  
Content ID

## CHANNEL MONETISATION

Monetised Non-Music Videos  
Merchshelf  
Channel Memberships  
Super Chat  
Super Stickers

**#04: online radio + podcasts  
currently generate modest  
revenues, but these could grow**

## ONLINE RADIO



Collecting societies often license

But society licences are territorial

And with restrictions on interactivity

At what point do we go for direct deals?

# MUSIC PODCASTS



Licensing of podcasts is complicated

Because of concern over the download

But podcasts are increasingly streamed

Industry would prefer to license platforms

**#05: there are multiple  
livestreaming opportunities  
– ticketed shows can generate  
some revenue for some artists**

# LIVESTREAMING



Free livestreams – usually on UGC platforms

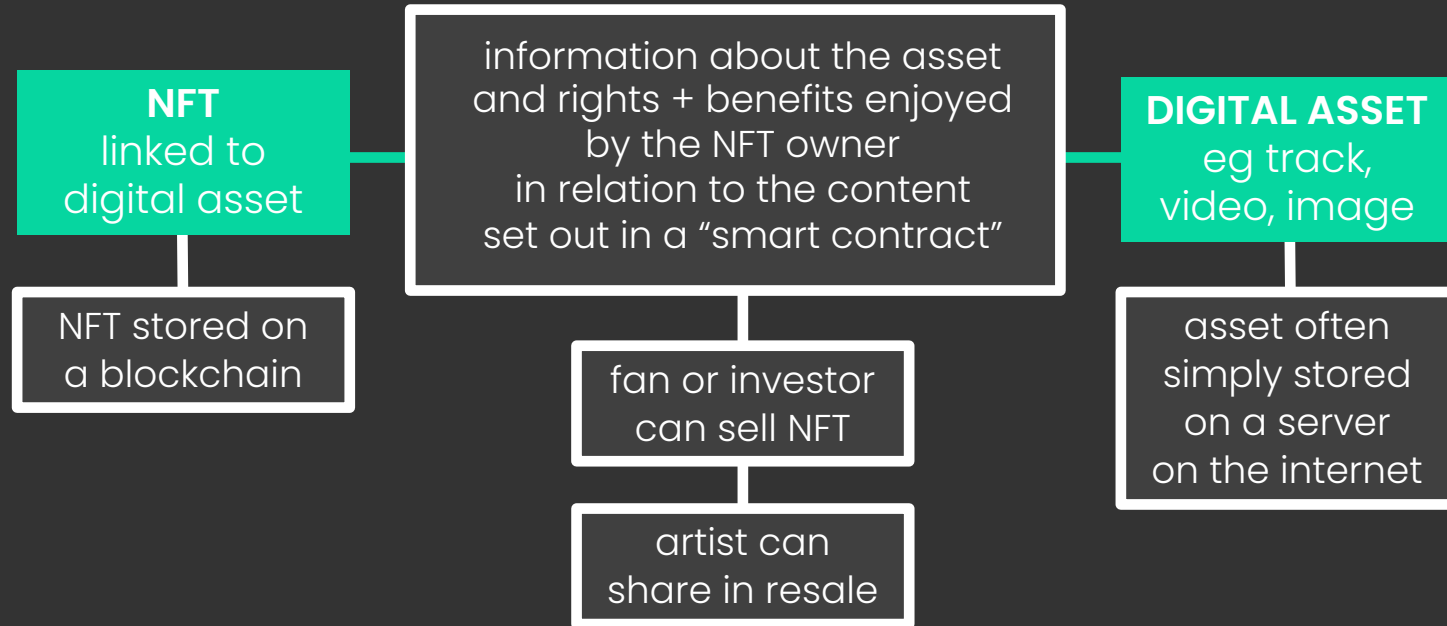
Ticketed livestreamed shows

Saw a spike during the COVID-19 pandemic

Probably more limited long-term potential

**#06: there was lots of talk about  
blockchain, NFTs and Web 3.0  
– the opportunity depends on  
the artist + other developments**

# DIGITAL COLLECTIBLES



## UNDERSTANDING THE OPPORTUNITY



### THE OPPORTUNITY DEPENDS ON...

The artist

The fanbase

But mainly how Web 3.0 evolves

**#07: there was lots of talk  
about metaverses + XR –  
the opportunity depends on  
where the technology goes**

# METAVERSES



Virtual worlds online

Core to the evolution of gaming

But with potential for wider adoption

Likely linked to the growth of XR + VR + AR

**#08: there are huge  
opportunities in  
super serving superfans**

# THE FAN RELATIONSHIP OPPORTUNITY

“We see opportunities to ... drive greater monetisation of superfans, where our analysis suggests up to c.\$4.2bn potential revenue opportunity over time”

Goldman Sachs, Music In The Air, June 2023

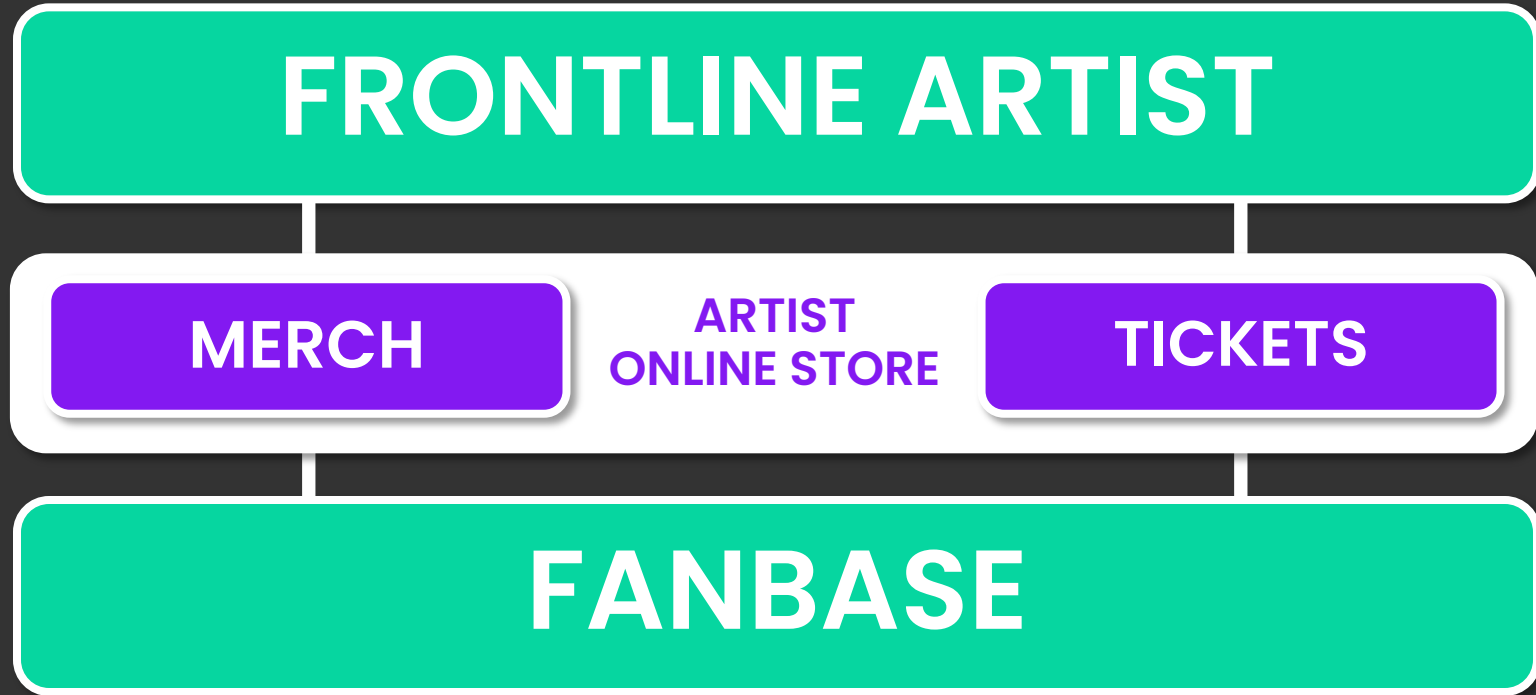
“The next focus of our strategy will be to grow the pie for all artists, by strengthening the artist-fan relationship through superfan experiences and products. We are already in advanced discussions with our platform partners regarding this phase”

Universal Music CEO Lucian Grainge, January 2024

“We need to develop our direct artist-superfan products and experiences. Both artists and superfans want deeper relationships, and it’s an area that’s relatively untapped and under-monetised”

Warner Music CEO Robert Kyncl, January 2024

# THE FAN RELATIONSHIP OPPORTUNITY: ARTIST ONLINE STORE



# THE FAN RELATIONSHIP OPPORTUNITY: OTHER PRODUCTS

## ARTIST STORES

CD + vinyl

merchandise

downloads

pre-orders

## UGC CHANNELS

memberships

digital gifting + donations

## OTHER D2F CHANNELS

livestreaming

ad share

endorsements

## NEW TECHNOLOGIES

fan-funding

digital collectibles

personalised content

pay-walls

## WHAT ARE WE ACTUALLY SELLING?



(Perceived) exclusive access

Community spirit

Supporter satisfaction

Bragging rights

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