



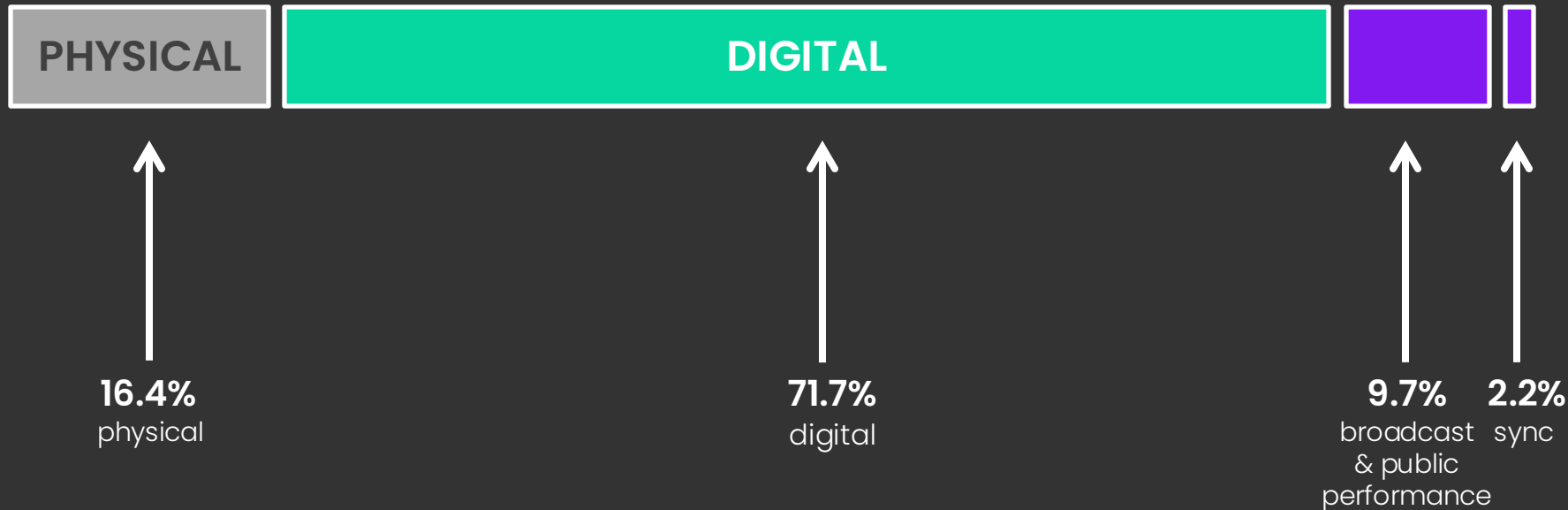
CMU SPEED BRIEFING:

UGC + SOCIAL MEDIA PLATFORMS

– FRIEND OR FOE?

THE MARKET

GLOBAL RECORDED MUSIC REVENUES



THE DIGITAL MARKET TODAY

DOWNLOAD STORES



PREMIUM STREAMING

GLOBAL
SERVICES



REGIONAL
SERVICES



FREE STREAMING



UGC + SOCIAL PLATFORMS



ONLINE
RADIO

MUSIC
PODCASTS

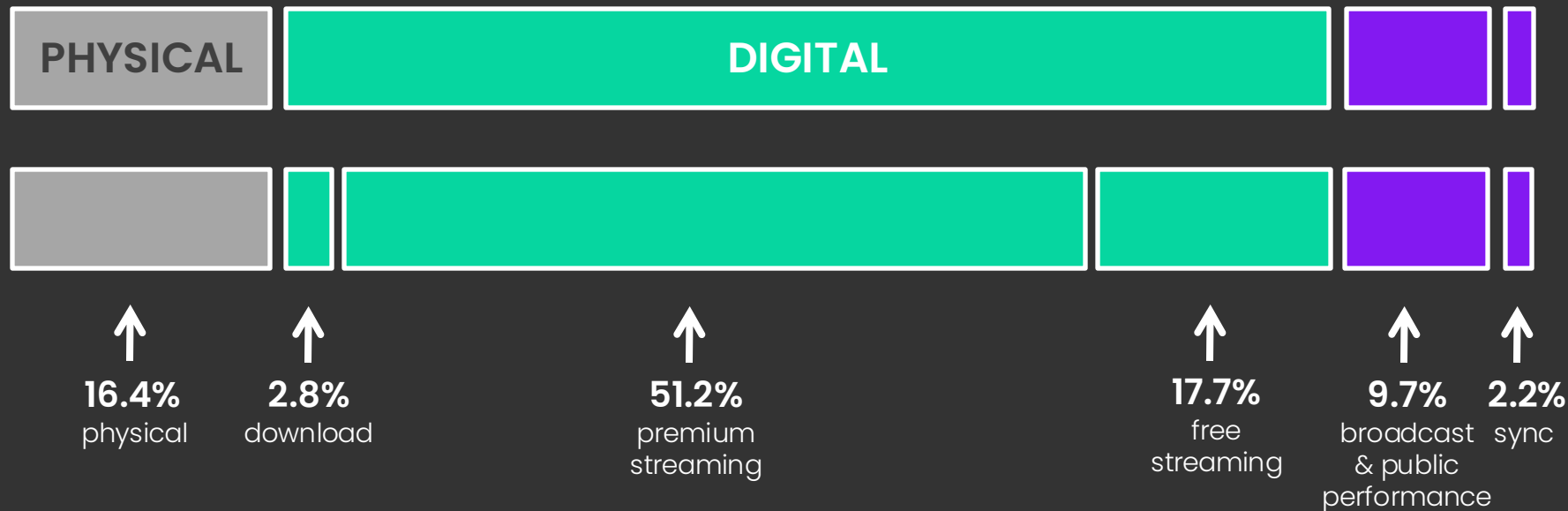
LIVE
STREAMING

FITNESS
APPS

GAMING
PLATFORMS

META
VERSE

GLOBAL RECORDED MUSIC REVENUES



THE DIGITAL MARKET TODAY: MUSIC CONSUMPTION

PREMIUM STREAMING

GLOBAL
SERVICES



REGIONAL
SERVICES



anghami



JioSaavn

FREE STREAMING



DEEZER

THESE ACCOUNT FOR 32% OF MUSIC CONSUMPTION

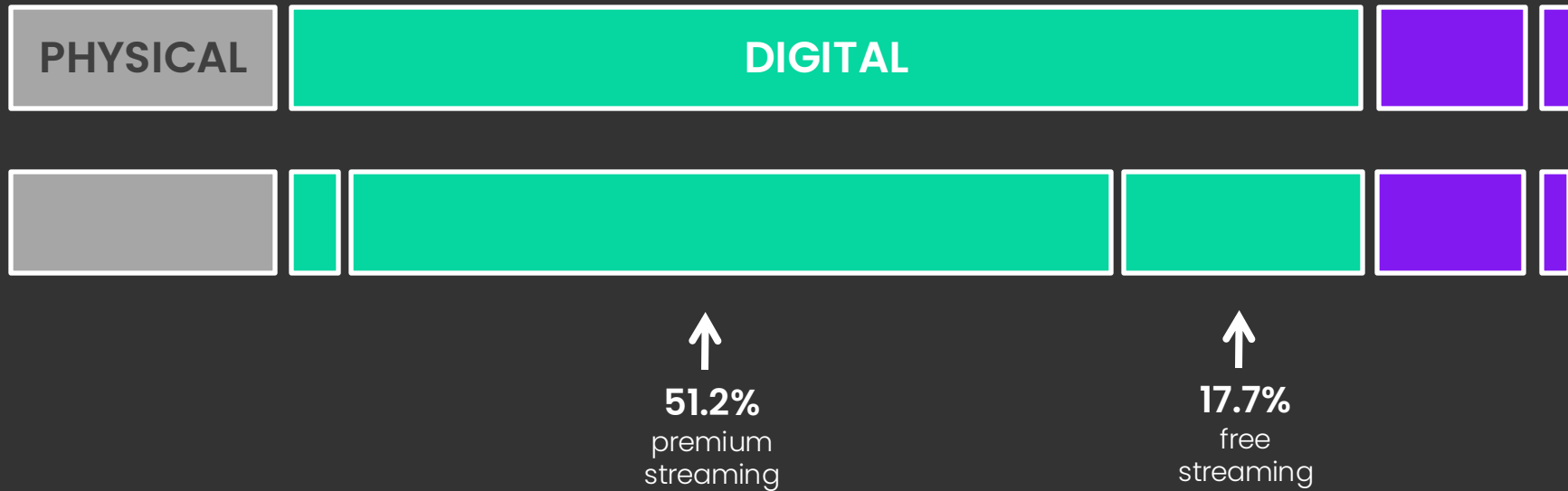
THE DIGITAL MARKET TODAY: MUSIC CONSUMPTION

THESE ACCOUNT FOR 31% OF MUSIC CONSUMPTION

UGC + SOCIAL PLATFORMS



GLOBAL RECORDED MUSIC REVENUES



THE DEAL

UGC + SOCIAL 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

UGC + SOCIAL PLATFORMS: THE MODEL



Licensing model is more complex

May involve lump sum deals

There are challenges around monitoring

Industry reckons platforms should pay more

CHALLENGES



KEY DEAL-MAKING CHALLENGES...

The safe harbour challenge

The promo value challenge

Impact on other revenue streams

NEGOTIATING WITH UGC + SOCIAL PLATFORMS



SAFE HARBOUR...

Does the platform even need a licence?

Platforms claimed safe harbour protection

To strengthen negotiating hand

NEGOTIATING WITH UGC + SOCIAL PLATFORMS



SAFE HARBOUR...

EU safe harbour was reformed

In-app music insertion became the norm

Making safe harbour less relevant

NEGOTIATING WITH UGC + SOCIAL PLATFORMS



PROMO VALUE...

Common tactic to drive down the price

Though platforms are key marketing tools

To what extent do you factor this in?

NEGOTIATING WITH UGC + SOCIAL PLATFORMS



IMPACT ON OTHER REVENUE STREAMS...

Do they compete with streaming services?

By providing an alternative source of music?

Or simply competing for consumer time?

NEGOTIATING WITH UGC + SOCIAL PLATFORMS



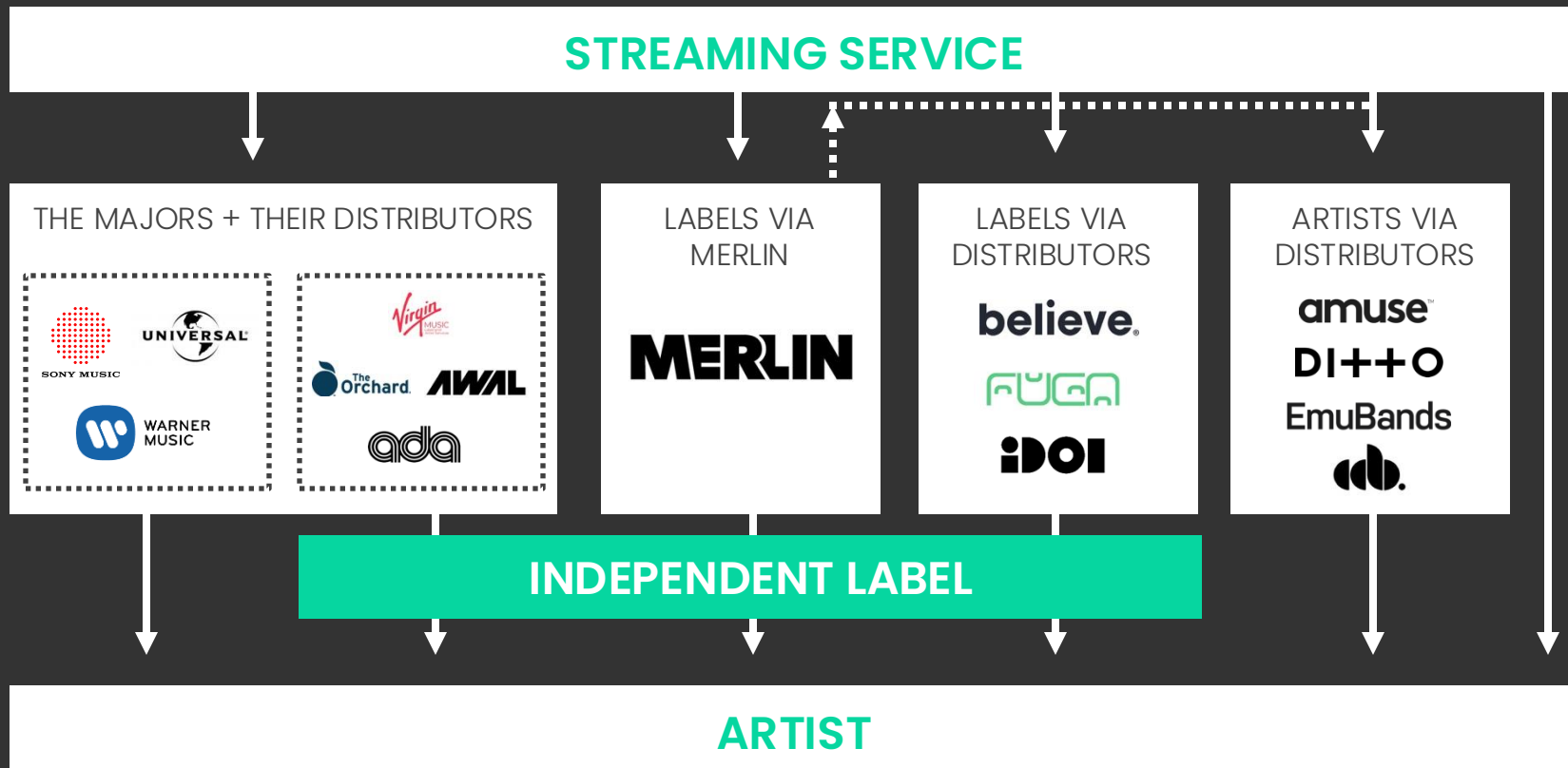
KEY QUESTIONS...

How can you maximise licensing income?

Can the platform boost promo value?

Or introduce additional revenue streams?

WHO HAS THE RELATIONSHIP?



Oct 25, 2024 • 3 min read

IMPALA urges TikTok to re-open Merlin negotiations as we reach the direct deal deadline for indies



NEGOTIATING WITH UGC + SOCIAL PLATFORMS



OTHER CONCERNS...

Platforms are all developing AI products

Issues around platform responsibility

Chinese ownership of TikTok

OPPORTUNITIES

LICENSING BRANDS



Brands are not covered by platform licences

So this is part of the sync opportunity

Increasing portion of sync budget spent here

TikTok has its Commercial Music Library

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

OTHER PLATFORM REVENUES



DON'T FORGET...

Platforms have other monetisation tools

These are not designed for music

Can be used by artists to super-serve fans

OTHER PLATFORM 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?

OTHER PLATFORM 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

THE SUPERFAN OPPORTUNITY

“We estimate the superfan addressable market opportunity at \$4.5 billion (\$4.2 billion prior). While we would expect a strong appetite from superfans for the opportunity to gain further access to their favourite artists through their streaming platform, we believe that not all superfans would be monetised immediately given it may take some time/ iterations for the new product and offering to be fully optimised, and such offering may vary depending on the service (different DSPs have different audiences and different factors that drive engagement)”

THE SUPERFAN OPPORTUNITY



What is the label's role?

Depends on the product

Depends on the platform

Depends on the deal

CompleteMusicUpdate.com

