

LISTEN UP MUSIC SNAPSHOT

FEBRUARY 2017

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We think that 2017 will be an amazing year for music.
As the industry continues to evolve and adapt, fans are changing
the way they listen and share. The space for brands to innovate and
experiment has never been more vibrant.

We have collected useful stats, facts and trends that
we think you'll enjoy.

If you'd like to meet up and discuss any of it with us,
drop us a line.

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What are fans listening to?

GENRES, ARTISTS & FORMAT

KEY LISTENING TAKEOUTS

GENRE DEFINITIONS BECOMING INCREASINGLY IRRELEVANT

as the lines between genres continue to blur

URBAN MUSIC STILL DOMINATES THE POPULAR CHARTS

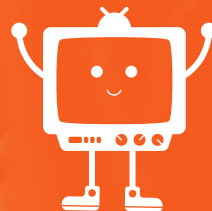
with Hip-Hop, Dancehall and Grime exerting a major influence on today's top producers

EDM RISING IN THE EAST

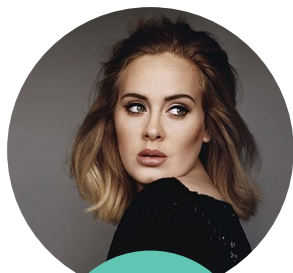
with a boom in festivals, despite attitudes towards the genre mellowing in the West

VISUAL MUSIC MEDIA IS THE MOST POPULAR CONSUMPTION PLATFORM

amongst young Millennials, with YouTube the 'go to' service despite the escalating popularity of streaming



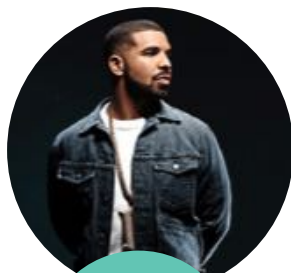
POPULAR ARTISTS



TOP RECORDING ARTISTS

1. Adele

2. Ed Sheeran
3. Taylor Swift
4. Justin Bieber
5. One Direction
6. Coldplay
7. Maroon 5
8. Sam Smith
9. Drake
10. The Weeknd



MOST STREAMED ARTISTS

1. Drake

2. Justin Bieber
3. Rihanna
4. Twenty One Pilots
5. Kanye West



MOST STREAMED TRACKS

1. One Dance – Drake

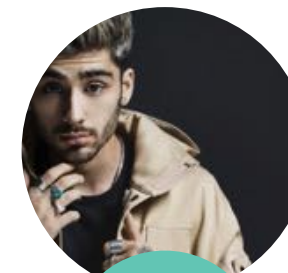
2. I Took A Pill In Ibiza
Mike Posner
3. Don't Let Me Down
The Chainsmokers
4. Work
Rihanna
5. Cheap Thrills
Sia



MOST STREAMED ALBUMS

1. Views – Drake

2. Purpose
Justin Bieber
3. Anti
Rihanna
4. Blurryface
Twenty One Pilots
5. Beauty Behind
The Madness
The Weeknd



TOP BREAKOUT ARTISTS

1. Zayn

2. Frenship
3. Anne-Marie
4. Madeintyo
5. Rob \$tone

BEYOND GENRES

DEFINING GENRE ALIGNMENTS MAY NO LONGER BE RELEVANT

Traditional genre definitions just don't have the same cultural or social relevance amid today's eclectic and inclusive music fans. In many ways genre blending is the new mainstream, with purists (those who identify with just one genre) increasingly becoming a minority.

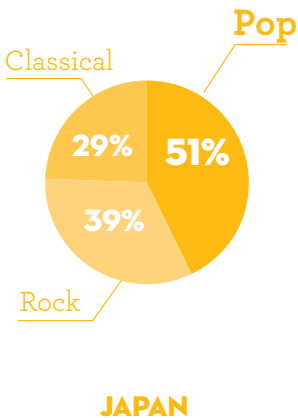
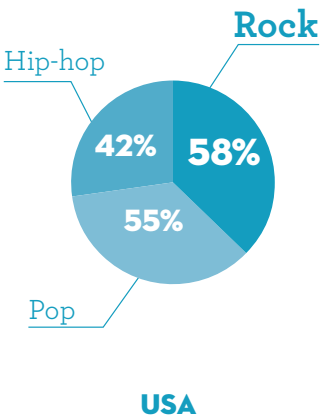
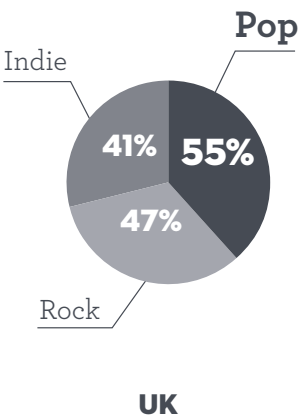
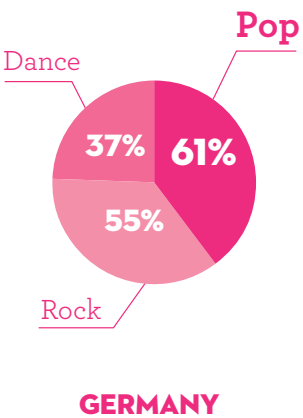
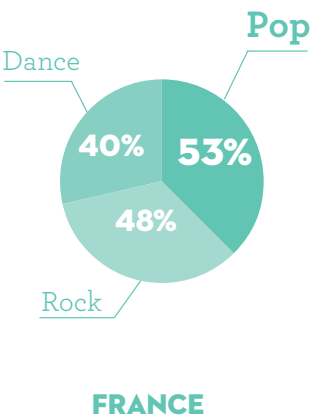
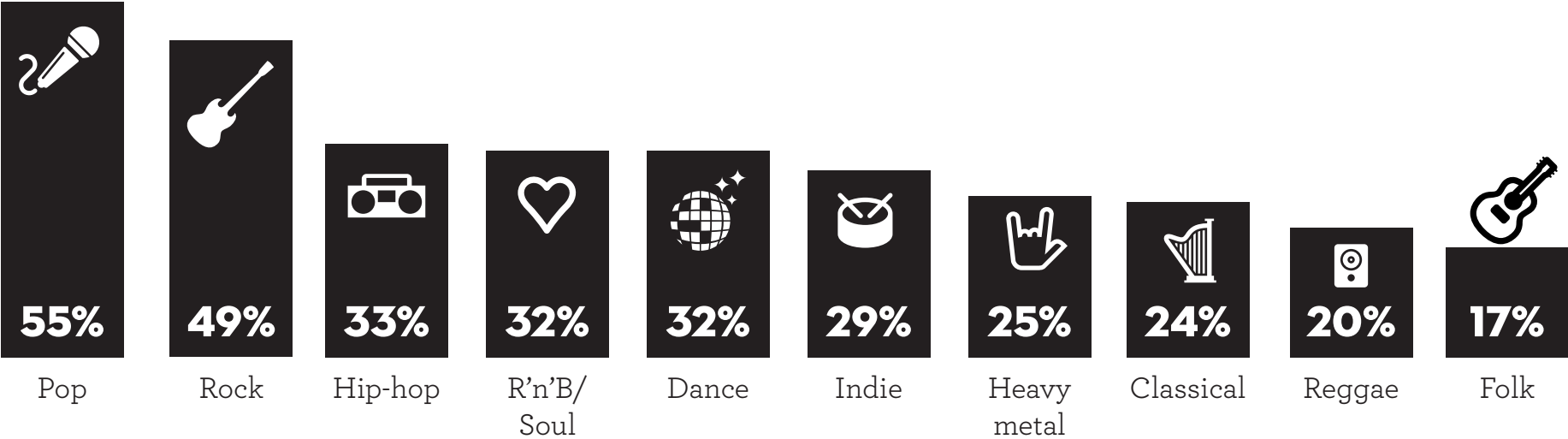
To be a fan of music today is all about breadth of listening across both genre and artist.

56% OF PEOPLE GLOBALLY LISTEN TO AT LEAST **10** MUSICAL GENRES

Analysis of listening trends across 1000 cities and 20B tracks revealed Hip-Hop – a scene that increasingly contains elements from multiple genres – to be the most sought after music genre.

LIVE GENRES EQUALLY DIVERSE

GENRE BASED INTEREST ACROSS THE 5 MAJOR MUSIC MARKETS



MOST VIEWED MUSIC VIDEOS



1.2B

Fifth Harmony feat.
Ty Dolla \$ign,
'Work from Home'



1B

Calvin Harris feat.
Rihanna, 'This Is What
You Came For'



876M

Nicky Jam
'Hasta
el amanecer'



812M

The Chainsmokers feat.
Halsey, 'Closer'



797M

Rihanna feat.
Drake, 'Work'

YouTube is the most used music service globally.

82% OF YOUTUBE USERS USE IT FOR MUSIC

(**81%** use it for music they 'already know', whereas **58%** use it to discover new music)

EDM GOES EAST

HUGE SURGE IN ELECTRONIC FESTIVALS

Despite a distinct dialing down of the EDM boom in the West, Asia is a growing market for the genre. Mainstays like Singapore's ZoukOut, Indonesia's Djakarta Warehouse Project and the ever expanding series of Ultra festivals are driving an aggressive pursuit of new events. With the region set to be worth \$950M to the EDM scene, this growth is likely to escalate during 2017.

- SFX and Insomniac are expanding Electric Zoo to China and Electric Daisy Carnival to India
- Taiwan debuts its first EDM festival, Looptopia, featuring 40 international artists and 20 regional acts
- Budweiser invested \$5M in promotions for the Storm Festival in China, with Sony, Samsung, Mercedes-Benz and Heineken all pursuing the EDM boom in Asia



DANCEHALL CROSSOVER

POP'S CARIBBEAN FLAVOUR

Dancehall was undisputedly the sound of 2016, with its influence felt across the majority of hit singles. From Drake's 'One Dance,' Rihanna's 'Work,' to Sean Paul's re-emergence on Sia collaboration 'Cheap Thrills,' the charts were awash with Jamaican culture, as the underground also flourished (Mixpak /Swing Ting).

- YouTube Red has acquired rights to the film 'King of the Dancehall' focused on Jamaican dancehall culture
- John Legend has teamed up with dancehall star Stylez on a new single 'Light Up the Night'
- Major Lazer continues to innovate in crossover dancehall in early 2017, this time with Nicki Minaj

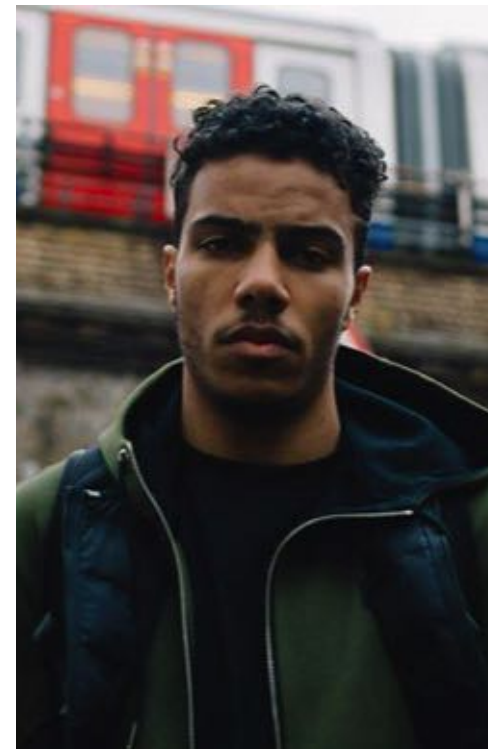
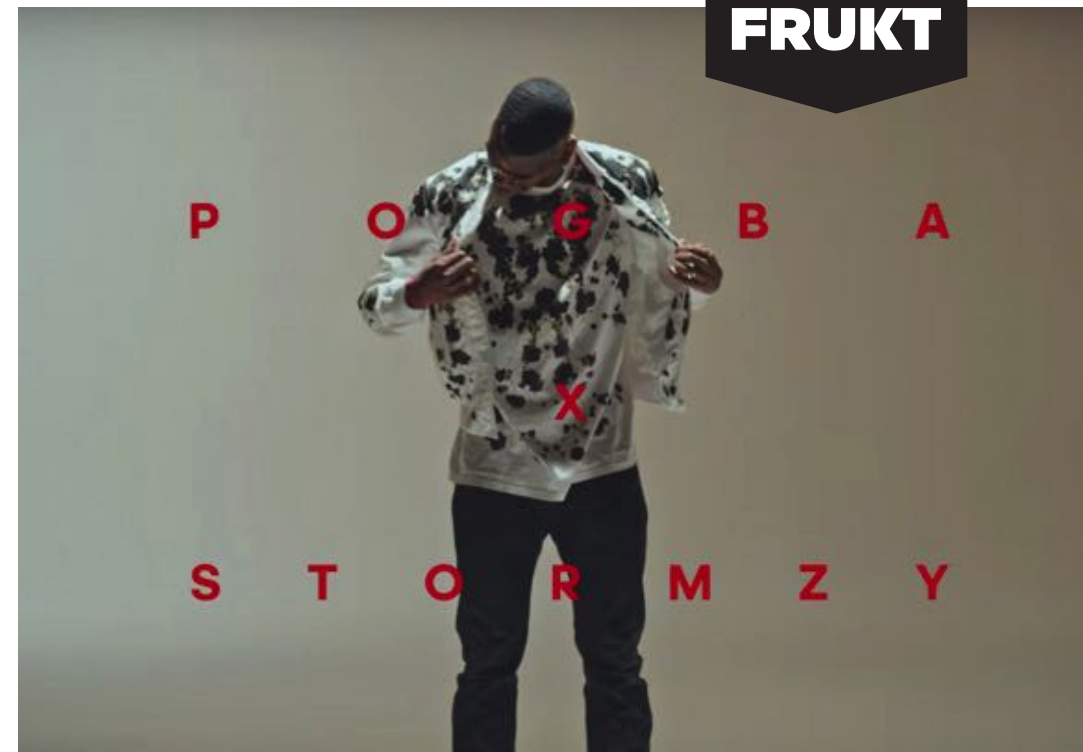


GLOBALISED GRIME

THE VOICE OF GEN Z

Grime, a genre that has taken the best part of the 21st century to reach beyond its UK borders, continues to go global. If 2015 was the year the U.S. fully woke up to the genre, 2016 cemented its global rise. With many likening it to the socio-political drivers that birthed Punk 40 years earlier, its appeal to a generation (Gen Z) bereft of a rebellious music culture will see it continue to resonate internationally.

- Drake cemented the 'special relationship' between the U.S and South London, signing to grime label BBK
- Deezer launched a dedicated global Grime channel and bursaries for emerging talent
- Brixton-born artist AJ Tracey leading in numerous 2017 'ones to watch' polls and making waves in NYC



How are they experiencing music?

THE EVOLUTION OF THE LISTENING EXPERIENCE

KEY EXPERIENCE TAKEOUTS

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STREAMING IS NOW THE NEW NORMAL

outstripping physical and other digital consumption models for the first time
and scaling dramatically

SURGE IN INTEREST IN ANALOGUE MUSIC CONSUMPTION

as fans start to feel 'digital fatigue' and actively seek something authentic and tangible

AUGMENTED LISTENING EXPERIENCES ON THE RISE

as VR, live streaming and 'Smart Home' devices enable users to interact with music in
both innovative and increasingly human ways

SOCIAL MUSIC SHARING STILL AN UNTAPPED MARKET

with bespoke listening venues and shared live streaming looking to capitalise on the
'social void' in a streaming dominate culture



FULL STREAM AHEAD

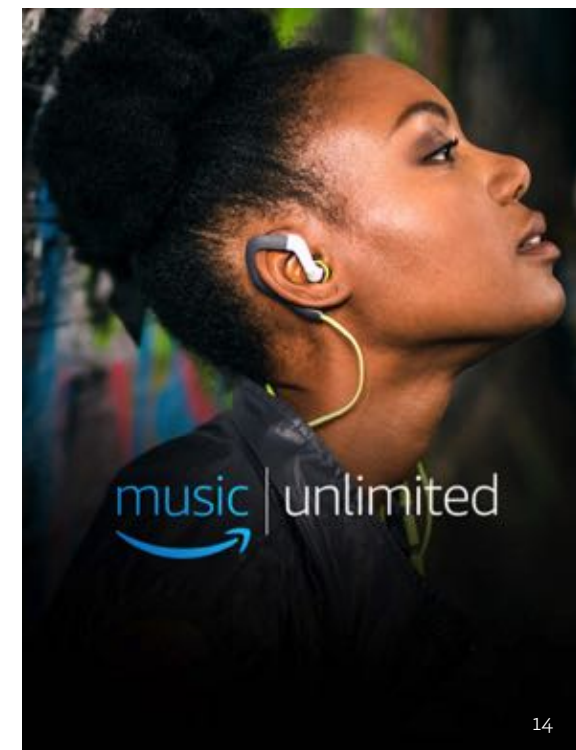
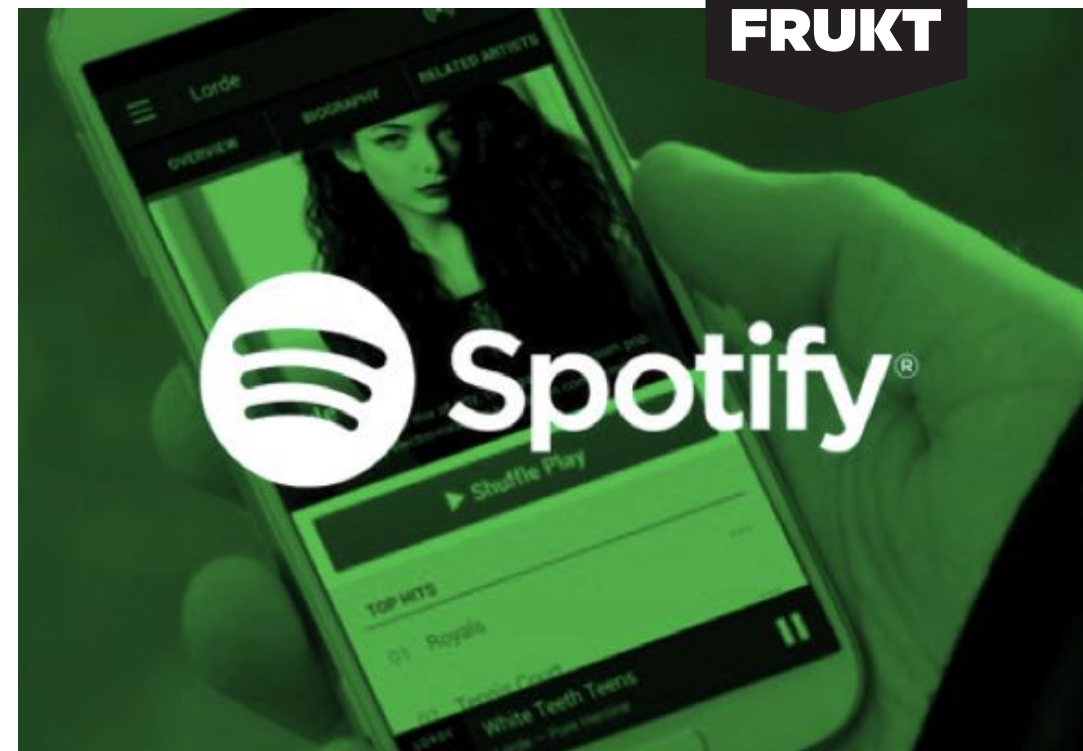
ON DEMAND LISTENING GOES MAINSTREAM

Streaming services are experiencing unprecedented growth. Today over 100 million people are utilising (and paying for) streaming music services, outstripping the subscriber base of Netflix and representing a global 48% rise year-on-year.

In addition, there were more plays across streaming services in 2016 (an 82.6% rise) than on digital video platforms, YouTube, VEVO, etc (a 7.5% rise) year-on-year.

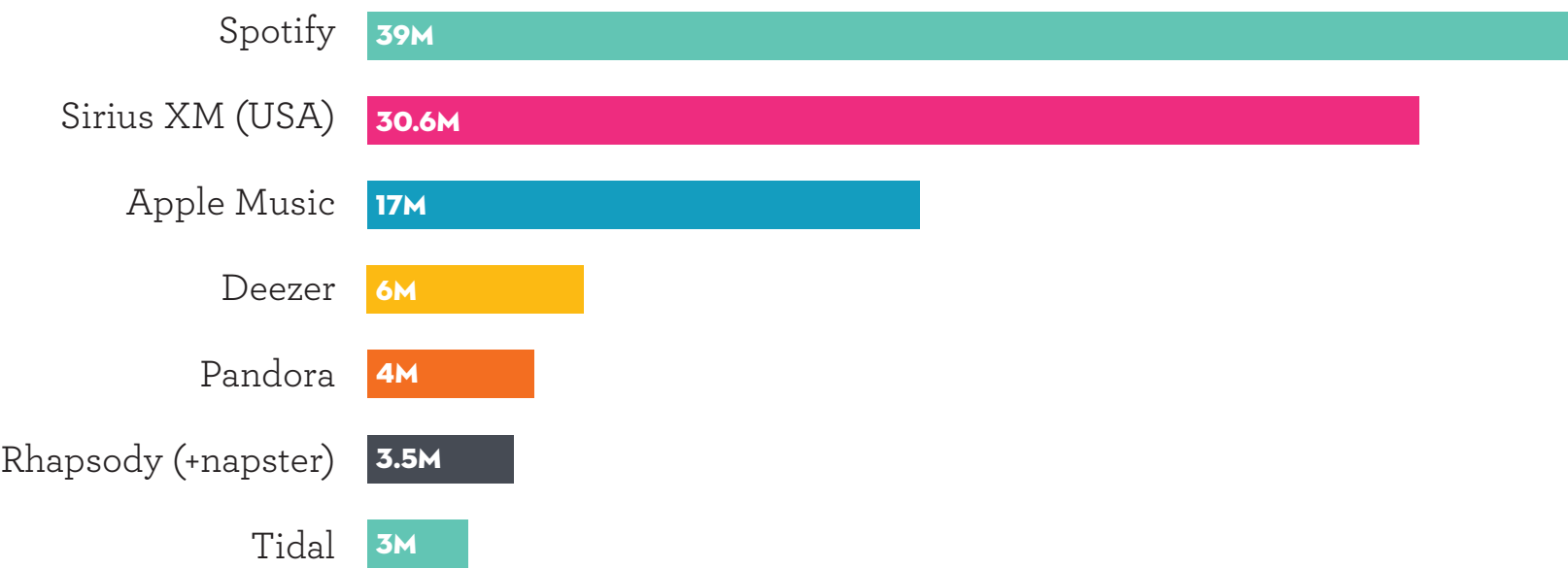
- Apple, Spotify (jointly 63% share of market)
- Tidal, Amazon among 'ones to watch' players
- Streaming starting to stem two decades of music revenue decline

*IFPI/Spotify



STREAMING SERVICES

SHARE BASED ON PAYING SUBSCRIBERS



18% of Internet users pay for streaming services. Streaming services are poised to drive a second and more profitable ‘digital revolution’ in music – with streaming revenues set to double to **\$104bn by 2030**

THE VINYL FRONTIER

THE NEW TACTILE MUSIC ECONOMY

Vinyl has been having a resurgence for a few years now, as music fans return to tangible and tactile music assets. In 2017 annual sales of vinyl across the globe are set to top \$1B, something not seen since the 1980s.

Interest has been driven by the ubiquity of digital music, which has pushed consumers to 'own' a piece of music nostalgia (whether played, or not) in order to physically showcase their most cherished artist and songs.

- Highlights a desire for a more sensory and artisan experience with music
- Younger fans increasingly discover on digital but collect on vinyl
- Large percentage never actually played



HIGH FIDELITY HANG OUTS

A HEIGHTENED AUDIO ADVENTURE

There is a growing trend for enhanced audio venues that place greater emphasis on the 'quality' of the aural experience over 'quantity and convenience'.

Aping the success of Beats headphones in upscaling the personal listening experience, there are now a rising number of venues that cater to high-fidelity social audio experiences (such as Spiritlands, Sonos Studios, Brilliant Corners) offering public access to high end audio facilities.

- Part of 'experience economy' trend, harking back to 1950s shared instore vinyl listening booths
- East meets West: roots in Japanese subculture of audiophile venues/bars and 70s NYC loft parties



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SMART LISTENING

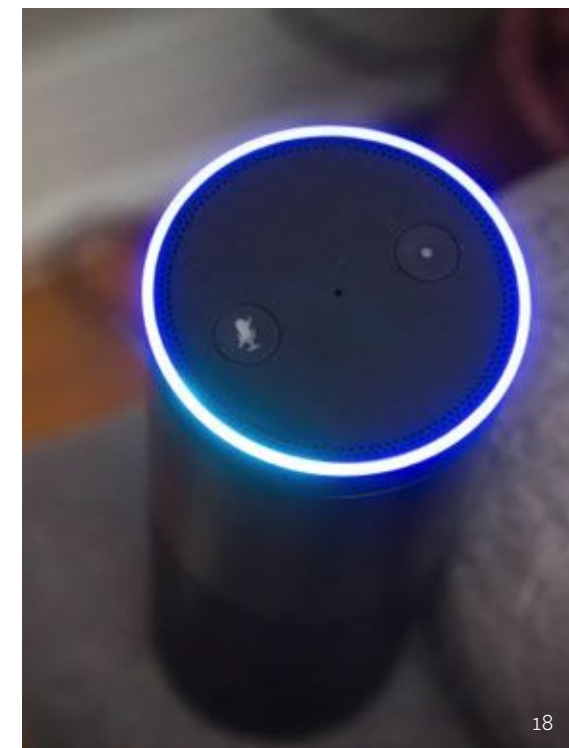
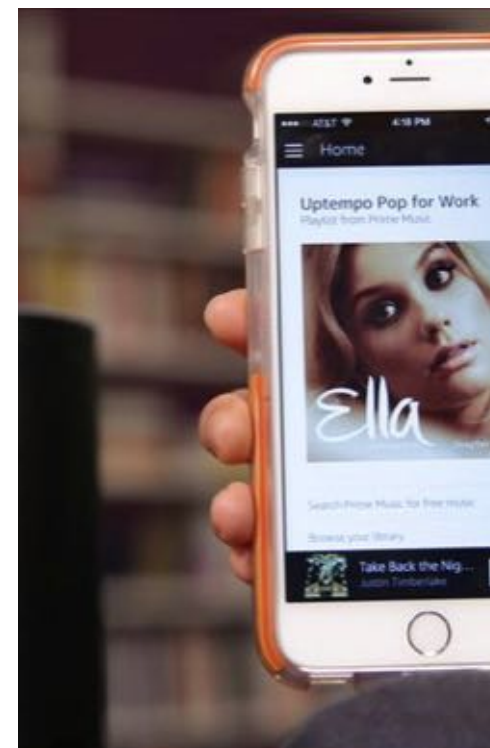
THE RISE OF THE MACHINES

Amazon's Echo and its underlying smart assistant Alexa offer an entirely new way to experience seamless music access in home.

Tapping into the growing 'smart home' trend, the retailer has brought voice activated music selection to the masses, finally overcoming the great void left by the demise of the home stereo set-up.

- Huge potential for mass adoption of streaming services
- Organic voice over text, offers seamless interaction with music
- Digital assistant market set to be worth \$3.07B by 2020

*Grand View Research



VIRTUAL GIGS

LIVE MUSIC OPENS UP TO VIRTUAL REALITY

There is a VR gold rush happening in the live music space, with a raft of companies aligning to capitalize on this burgeoning tech.

Live Nation has partnered with Hulu on a VR music documentary series entitled 'On Stage', Warner Music Taiwan has produced a series of VR concerts, Live Streaming service Boiler Room is developing a physical venue in London optimized for VR, and Samsung's 'HyperCube' offered a touring immersive VR live music experience.

- A recent survey put 'travel' (56%) and 'being in the crowd at a concert' (52%) as the most desirable VR experiences

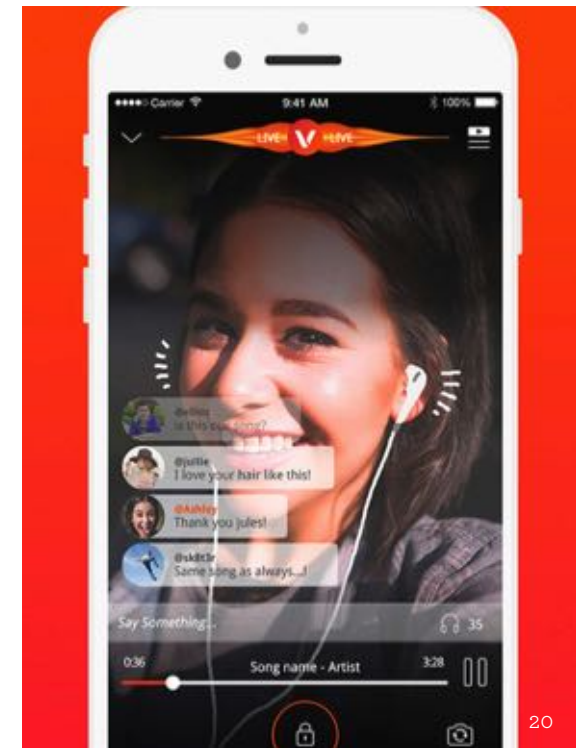


LIVE STREAMING

LIVE MUSIC BROADCASTS TO GET PERSONAL

Following on from the growing live streaming trend kickstarted with Boiler Room events, 2016 saw a number of brands live streaming music festivals. T-Mobile partnered with YouTube to live stream Coachella, while Toyota teamed up with Yahoo & Tumblr to live stream the Stagecoach music festival.

- However, as Snapchat's – and now Instagram's – live video feature continues to woo Gen Z consumers, a move towards personal live streaming seems likely
- Newly launched app Vertigo combines music streaming with live group video, enabling users to share their music listening in real time with live feedback



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THANK YOU

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