

MUSIC IN THE EU



2024

A GLOBAL OPPORTUNITY

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European music has a uniquely historic place in the human experience – one of profound social, cultural and economic value. It also has a long history of enacting public policies that support culture, such as Music Moves Europe, ETEP, support for cultural conferences and more. Europe’s policymakers have long acted to support its music and cultural ecosystems. With artists at the heart of all that they do, record labels play a vital role in helping them achieve the greatest creative and commercial success – uniquely supporting, investing in and driving innovation to benefit artists. Assuring the continued vibrance and prominence of Europe’s music ecosystem, its artistry and its dependent jobs and economic growth, requires public policies that properly reflect both its contributions and global potential.

Today, European music faces great risk but also great opportunity. How policymakers address these issues will determine its future.

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Foreword

MUSIC IN THE EU: A GLOBAL OPPORTUNITY



The EU music market has long stood as a leader in the global music landscape.

From the great classics of Beethoven and Mozart to the pop phenomenon of ABBA, from the electronic innovation of Daft Punk to the catchy Schlager of Helene Fischer, and from the glam rock revival of Måneskin, the electrifying French hip-hop of Ninho to the captivating flamenco pop fusion of Rosalía, the European Union (EU) boasts a rich musical history that has thrilled and delighted music fans worldwide for generations and helped to maintain Europe’s place on the global cultural map.

Europe remains a leader today. Fans have extraordinary choice in the abundance of diverse music they can enjoy from within their own countries and globally. Local artists are benefitting from the growing breadth of opportunities to connect with fans across Europe and around the world.

Powered by the work, investment and passion of record labels and their partnership with incredible European artists, Europe’s music market continues to evolve.

Music works like an ecosystem – one that includes everyone from artists and songwriters to producers and managers, labels, publishers, digital music services and beyond. Like any vibrant ecosystem, music thrives when it’s in balance as resources are recirculated, or reinvested, within it. European music companies of all types – from record labels and music publishers to DSPs and music managers. European music companies are an important part of this at both a European and global level.

Labels are the leading investors in music, investing heavily in artist A&R and marketing (€6.8 billion annually), which supports, reinforces and grows the ecosystem whilst powering artists in their careers, driving innovation and connecting fans with the artists they love all over the world.

The effects of this are felt even beyond supporting the creation of great music. Their work and investment are sustaining forces for the wider European music industry and by extension significant contributors to the EU economy: supporting jobs; boosting gross domestic product; and driving exports.

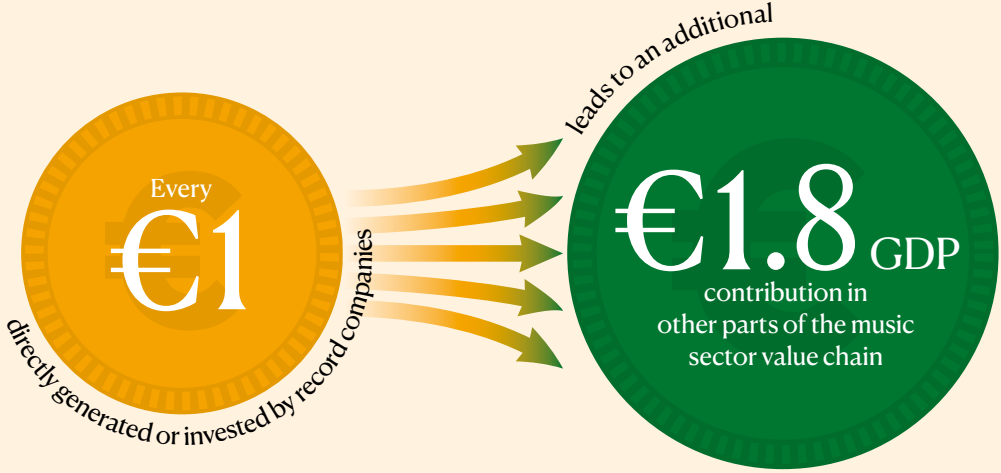
However, as demonstrated by the data in this report, other regions are developing and growing even faster. In today’s highly competitive environment, these are warning signs. To put it simply: the EU runs the risk of falling behind some of its global competitors.

There is an opportunity to rectify this, if proper public policies are implemented now. EU policymakers and regulators can act to ensure there is a well-functioning internal market, providing legal certainty and protection for music rightsholders, and creating a competitive playing field on which today’s dynamic music sector can evolve. The proper and full implementation of the Digital Services Act, Digital Markets Act and the AI Act are therefore crucial.

We must cherish and nurture music in Europe. Its value to the EU economy, to the EU’s culture and to the lives of EU citizens cannot be overstated. We have an opportunity to help shape the environment in Europe to enable music to continue to adapt and grow, to compete globally, and to thrive for generations to come.

Victoria Oakley
CEO, IFPI

THE WORK AND INVESTMENT OF RECORD COMPANIES HAS A POSITIVE RIPPLE EFFECT ACROSS THE EUROPEAN MUSIC INDUSTRY AND BEYOND



*Based on *The Economic Impact of Music in Europe* report produced by Oxford Economics, 2020.

CREATING AN ENVIRONMENT IN WHICH MUSIC IN EUROPE CAN THRIVE



Berre photo by Jantina Talsma

With an abundance of talent and its diverse cultural touchstones, Europe has a rich history of producing world-leading recording artists.

The work and investment of record labels help to power the EU's music industry, with all that means for job creation, exports and economic growth. Labels are creating opportunities for European artists to succeed locally as well as to cross geographies and cultures to claim their place on the global stage.

The European music market has never been more competitive. European artists today have more choice than ever before in how to create and release music and the partners they wish to work with. This is exactly what is needed for European artists and their music to thrive. Artists today receive an increasing share of growing industry revenue and are benefitting from new opportunities to connect with their fans.

However, today, other music regions are growing and evolving at a faster pace, challenging the EU's position as a primary destination for the global music industry to invest its time, energy and resources.

Music can thrive in a single European market that provides freedom to artists and record labels to operate, develop and grow, whilst protecting their rights through legislation that is not only fit for purpose but also effectively applied and enforced.

EU institutions have a significant track record of enacting robust laws that are intended to support the creative industries and their ability to invest in new

content and drive digital innovation. However, these laws can fulfil their intended purpose only if they are meaningfully put into practice.

For the music industry in Europe to thrive, and for the EU to remain a market where it is attractive to invest in music, the European institutions must focus their efforts on fully and properly implementing existing EU law.

The music sector requires both a clear legal framework and freedom to respond nimbly and adapt to new issues as they arise. These are also essential conditions to enable record labels to continue to invest in the music ecosystem in the EU – including in the development and promotion of diverse European artists and their music.

To enable this, the European institutions should pre-empt any national initiatives that could jeopardise the functioning of the Digital Single Market and the ability of the music industry to grow and evolve dynamically.



Lubo Kirov, Clara, Lous and the Yakuza

HOW THE EU INSTITUTIONS CAN SUPPORT A THRIVING MUSIC SECTOR AND THE DEVELOPMENT OF RESPONSIBLE AND ETHICAL AI:



STOP DEEP FAKES, VOICE CLONES AND AI COMPANIES' UNAUTHORISED INGESTION OF COPYRIGHT-PROTECTED CONTENT

Used responsibly and ethically, AI can contribute to amazing creative opportunities and enhance human artistry within the EU.

The European music community is at the forefront of exploring the application of AI in the creative process and as a marketing and production tool. They are actively exploring responsible and ethical AI, offering artists cutting-edge creative tools while protecting artists and artistry from the risks of AI.

However, generative AI presents particular challenges for music. High-quality content is an essential input for the development of high-quality AI systems, on the same level of importance as technical talent and computing power in which AI companies invest vast sums of money. Despite this, many generative AI developers are racing to build their AI platforms by “ingesting” large amounts of copyright-protected materials (including both musical works and sound recordings) into their models without authorisation from, or payment to, rightsholders. This is both morally wrong, and illegal.

Just because AI developers can scrape musical compositions and melodies from the internet, does not mean that they should be given free rein to do so. Music is the result of an involved and intentional creative process and significant emotional and financial investment by artists and labels. The idea that generative AI companies, many of which are for-profit entities, need to train their models on musical outputs is absurd. They do it because they see a business opportunity.

The music industry is further concerned by the ability of AI systems to generate deepfake content that appropriates the distinctive voice, image and likeness of artists - all of which make up an artist's own unique and human identity - without authorisation. This can mislead fans, cause serious harm to an artist's reputation and

distort competition by allowing the generated clones to unfairly compete with artists whose music and likeness was used to train the AI model.

The recently enacted EU AI Act is world-first legislation that regulates the development and use of AI and represents an important step forward for AI governance and its responsible and sustainable development. The AI Act should now be implemented and applied effectively and faithfully to fulfil its objectives as intended by the European institutions. Specifically:

- **Europe must monitor and act to ensure proper enforcement of existing EU copyright laws**

The European Commission should ensure existing EU copyright rules are applied correctly and consistently, including with respect to development and use of AI. Under EU copyright law, prior authorisation must be obtained for the use of copyright-protected works such as music, including for training AI systems when a rightsholder has reserved their rights or where there is no lawful access to the content.

- **Europe must meaningfully apply and ensure proper adherence to the AI Act with respect to transparency and compliance with EU copyright laws**

The rules governing AI models in the AI Act must be applied and observed meaningfully to ensure that AI developers:

- Maintain and provide records of the materials used in training and developing the model that are sufficiently detailed to enable rightsholders to exercise and enforce their rights.
- Adopt effective policies to comply with EU copyright rules, including through automated content recognition software that provides an easy, reliable and long-established means for AI providers to ensure that they have not used copyright-protected materials unlawfully.
- Identify deepfake image, audio or video content as having been artificially generated or manipulated.
- Comply with these rules regardless of where the training and development took place if they are brought into the EU - to ensure a level playing field among AI model providers where no provider can gain a competitive advantage in the EU by applying lower copyright standards than those provided in the EU.



FULLY ENFORCE THE EU'S INTELLECTUAL PROPERTY RULES ACROSS EUROPE

As new technologies emerge and evolve, so too does the threat of piracy.

So far, the internal market for copyright enforcement does not function as effectively as it should, allowing illegal websites to operate indiscriminately across Europe. Much of this is because the EU IP Enforcement Directive is yet to be implemented properly across EU Member States. As a result, copyright enforcement in the EU is too often slow, costly and ineffective.

The European Commission can start fixing this by ensuring that the existing EU rules are implemented correctly and applied consistently across Member States, thereby securing strong and effective protections for those investing in and creating music in Europe. To achieve this, they should:

- **Provide rightsholders effective means to prevent illegal use of music and other content**

Ensuring the full and correct implementation of the current intellectual property rights enforcement framework in the EU. This would provide rightsholders with effective legal injunctions to prevent consumers from accessing infringing websites and services. It would also introduce a 'notice and stay down' system that would ensure that online platforms keep illegal content off their sites.

- **Ensure online intermediaries hold users' data to assure enforcement**

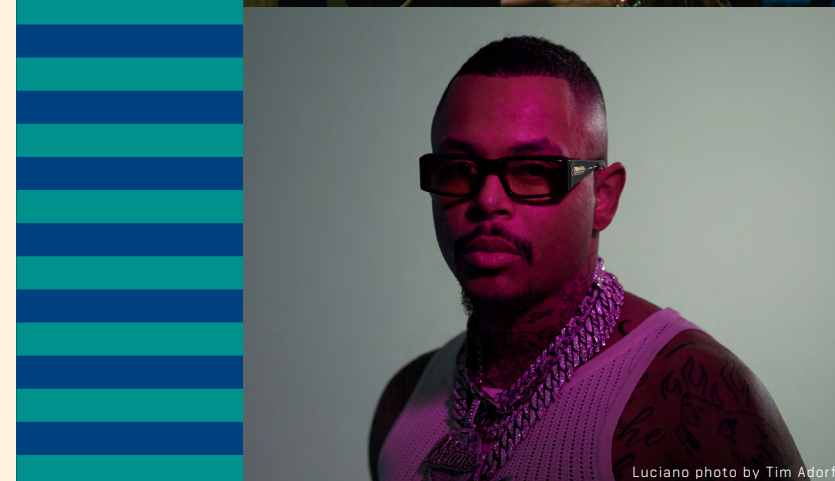
Ensuring online intermediaries hold sufficient information regarding their customers to prevent criminals from using their services anonymously.

- **Enable EU-wide enforcement of copyright**

Building on the Digital Services Act infrastructure and other EU legislative tools to provide a well-functioning internal market. Rightsholders should have the option to seek enforcement measures with EU-wide effect. This includes measures against the operators of infringing services and against intermediaries that enable infringing activities by providing access, infrastructure, and monetisation tools across the borders.

- **Implement meaningful sanctions for non-compliance with AI rules**

Completing its AI strategy by making sure that non-compliance by General Purpose AI models with the current AI rules leads to meaningful sanctions.



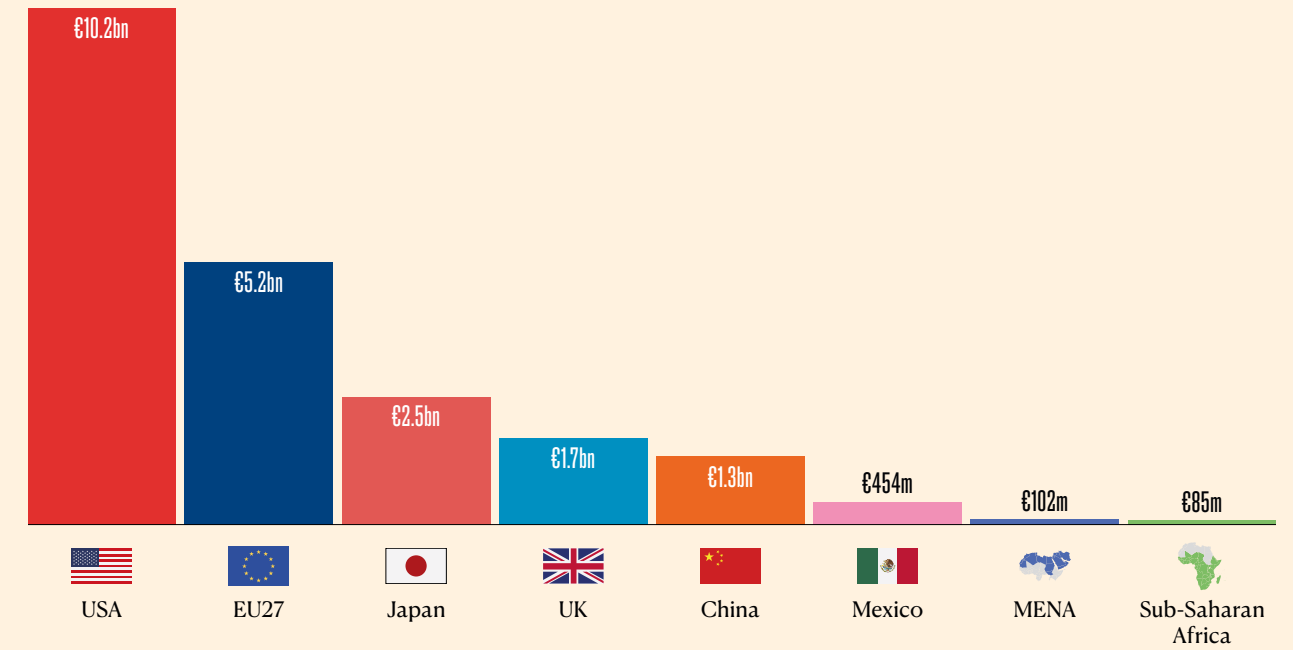
THE EU MUSIC MARKET IN NUMBERS

ALMA photo courtesy of Virginia Records

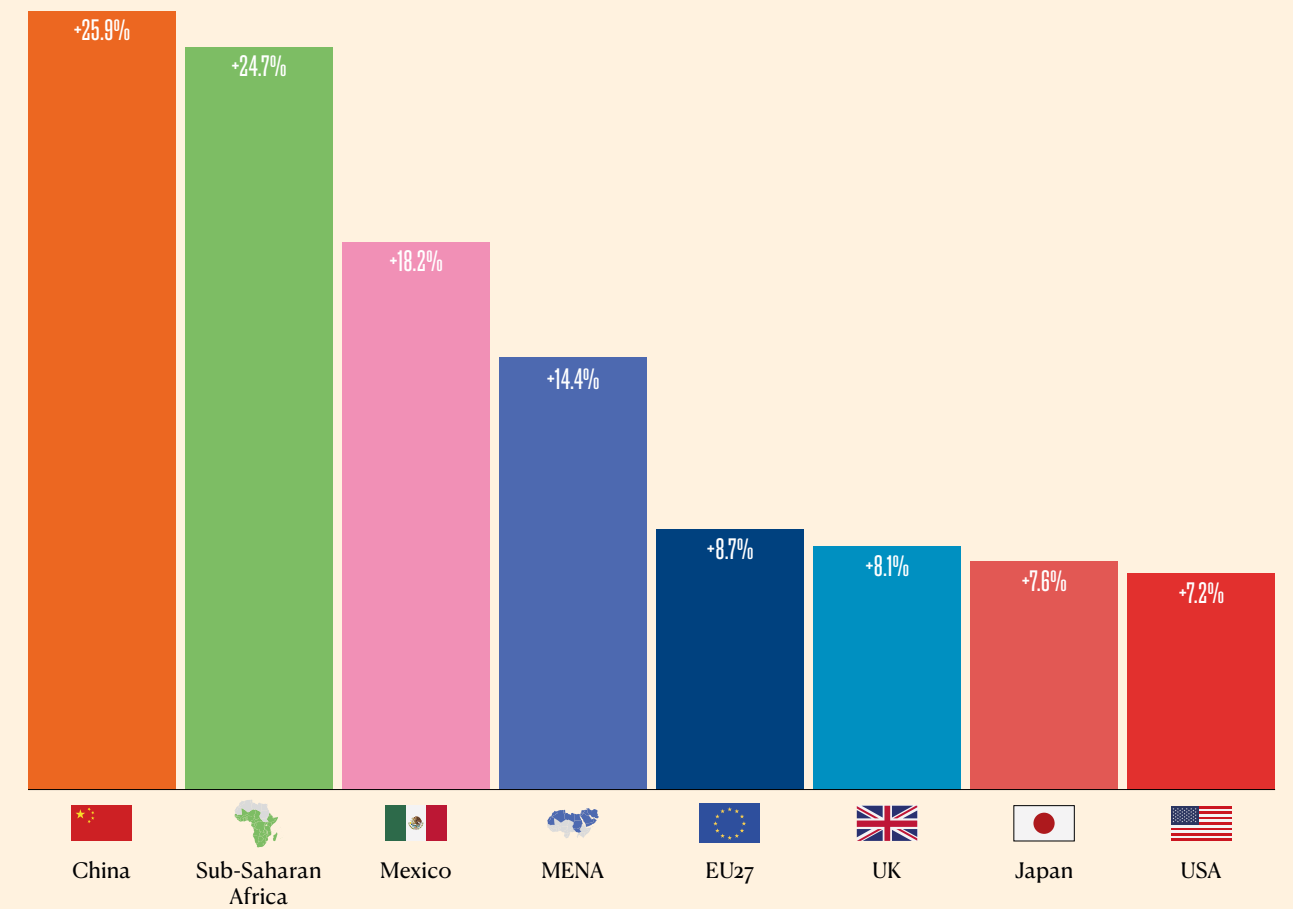
THE EU IS A MAJOR MUSIC MARKET – BUT NOT KEEPING PACE WITH OTHER MARKETS' GROWTH

In 2023, recorded music revenues in the EU grew by 8.7% to a total of €5.2 billion. But its growth rate is significantly below other regions and markets - China grew by 25.9% and Mexico by 18.2% - and Europe lagged behind the global growth rate of 10.2%.

Total recorded music revenues by market / region: 2023



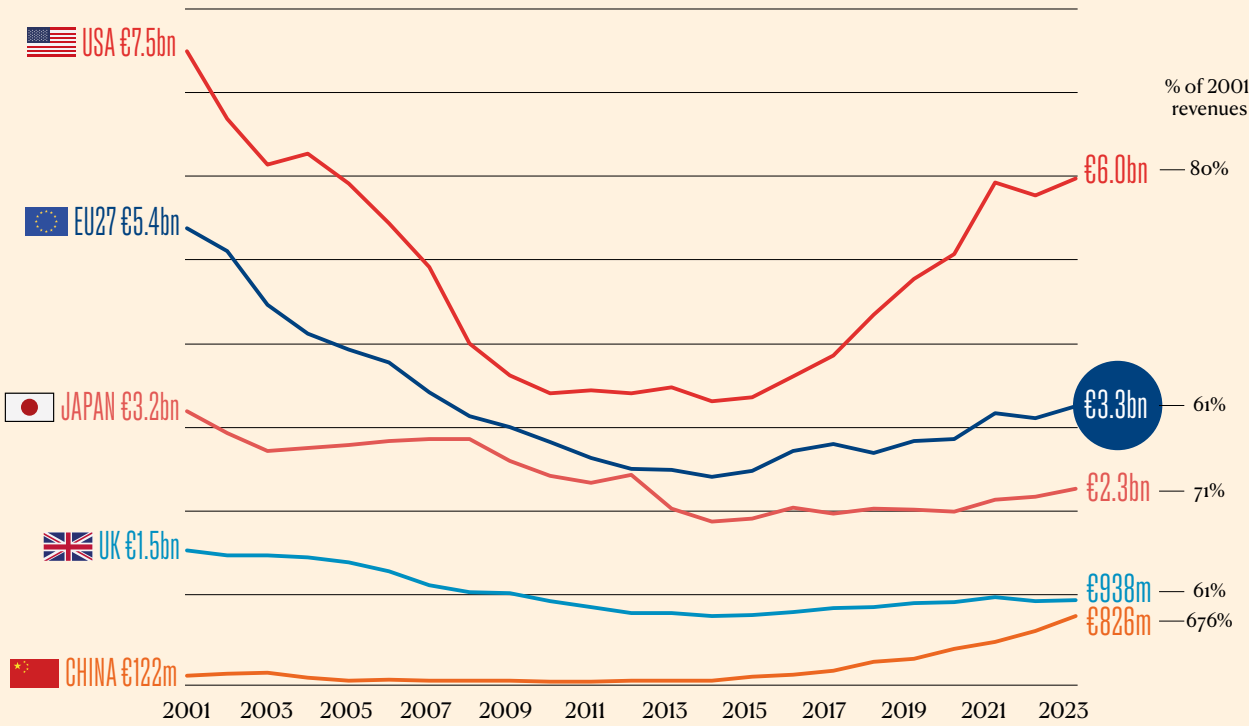
Year on Year growth by market / region - Recorded music revenues: 2023 (%)



REVENUES IN THE EU ARE AT JUST 61% OF WHERE THEY WERE IN 2001 (THE INDUSTRY'S REVENUE PEAK)

The EU has a great opportunity for further growth and development to benefit the whole music ecosystem.

Recorded music revenues (adjusted for inflation) 2001-2023 (€)

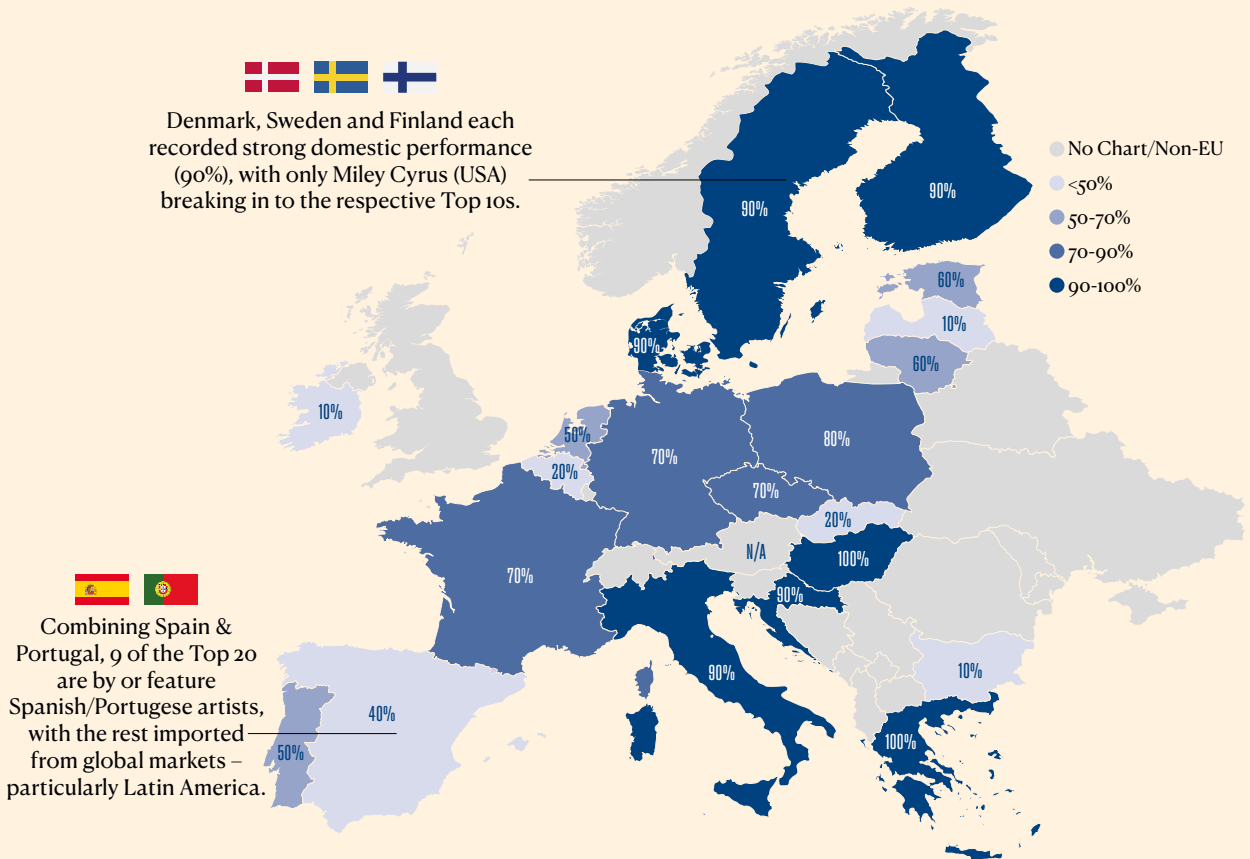


Laura Fausini photo courtesy of Warner Music Italy

DOMESTIC ARTISTS ARE VERY SUCCESSFUL IN EUROPE

In the EU, the majority of songs in the Top 10 domestic charts in 2023 came from Europe.

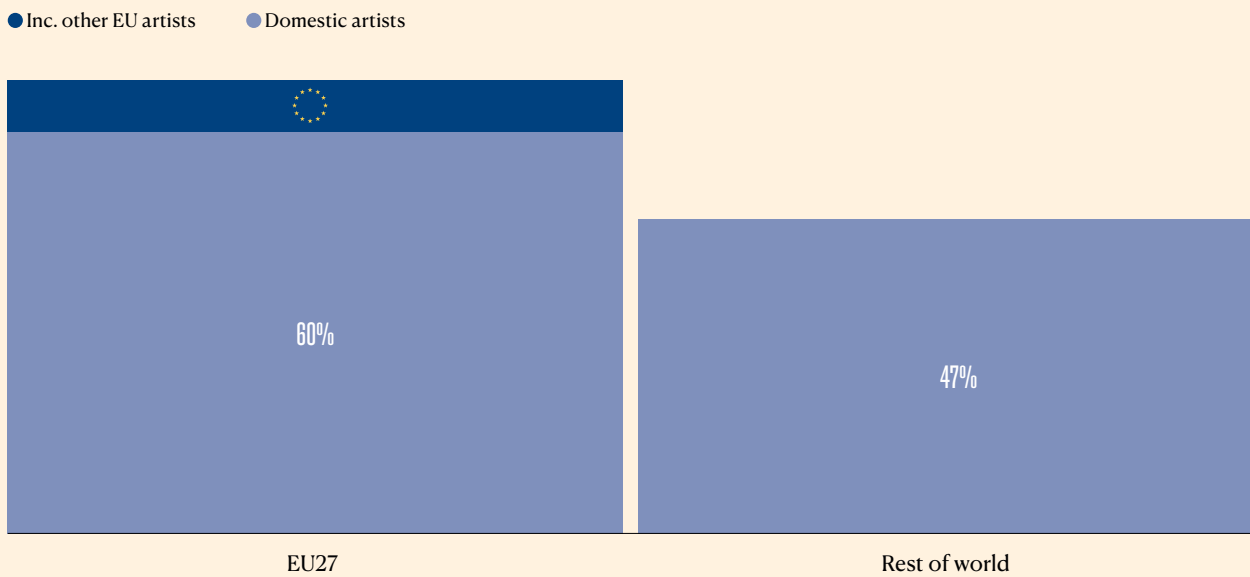
EU markets by % of domestic artists in Top 10 singles: 2023



THE EU SAW ITS ARTISTS HAVE MORE DOMESTIC SUCCESS THAN OTHER PARTS OF THE WORLD

In the 22 EU markets where IFPI collects yearly chart data, on average, 60% of the Top 10s were tracks by domestic artists - compared to only 47% in non-EU markets.

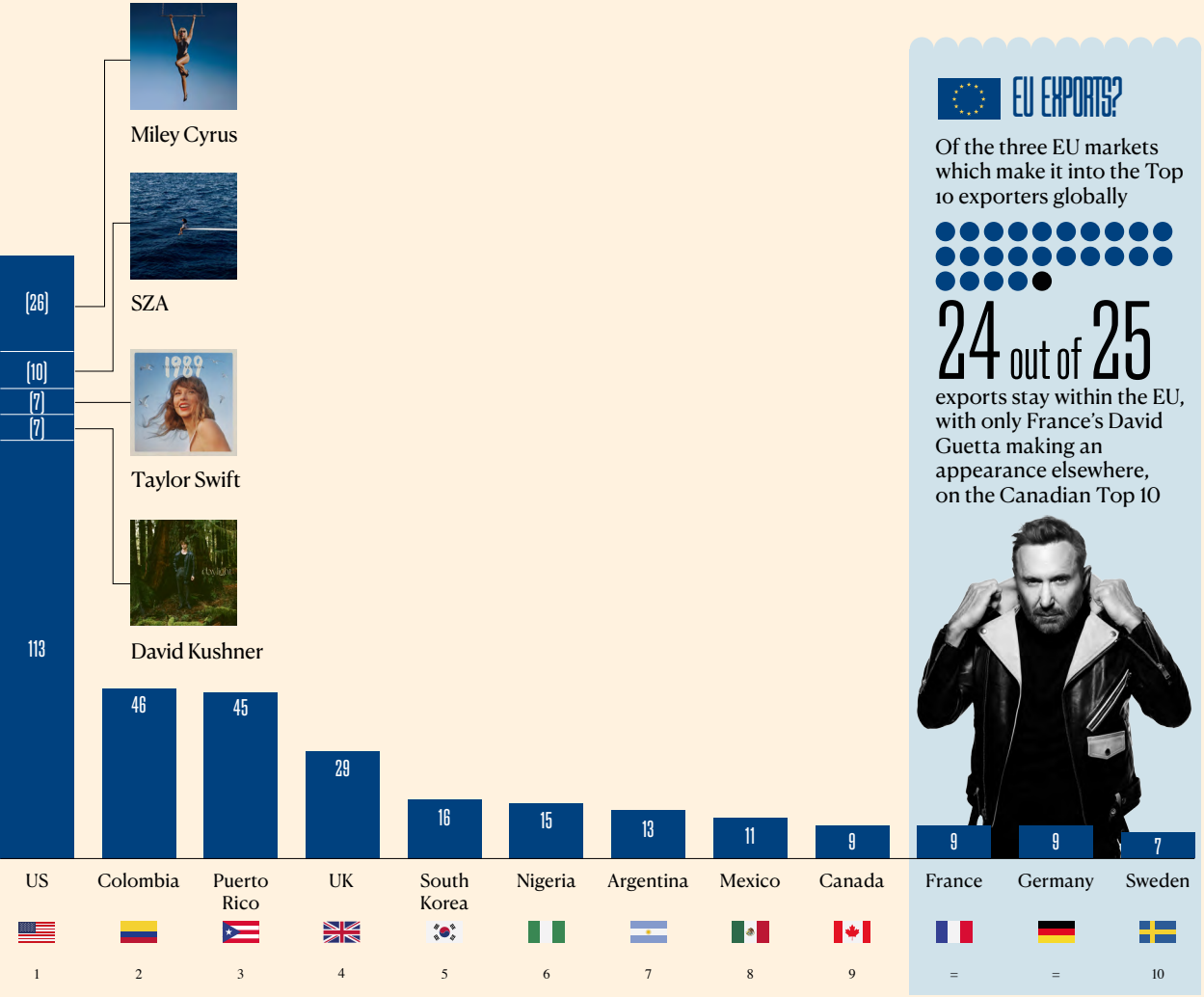
Average % of domestic artists in 2023 Top 10 charts



HOWEVER, OTHER PARTS OF THE WORLD ARE EXPORTING MUSIC MORE SUCCESSFULLY INTO THE TOP OF THE CHARTS THAN EU COUNTRIES

US artists dominated global Top 10 single exports, with Latin and Central American artists also performing well.

Global Top 10 Chart Exporters 2023



Natasha Naschenweng photo by Anelia Janeva



Kontra K photo by Nicolai Constantinescu



Rosalía photo by Erika Kamano

Record companies are investing time, energy and resources into music across Europe, working to power its music ecosystem to the benefit of artists, music fans and the wider economy.

A DEEP CONNECTION BETWEEN ARTISTS AND RECORD COMPANIES

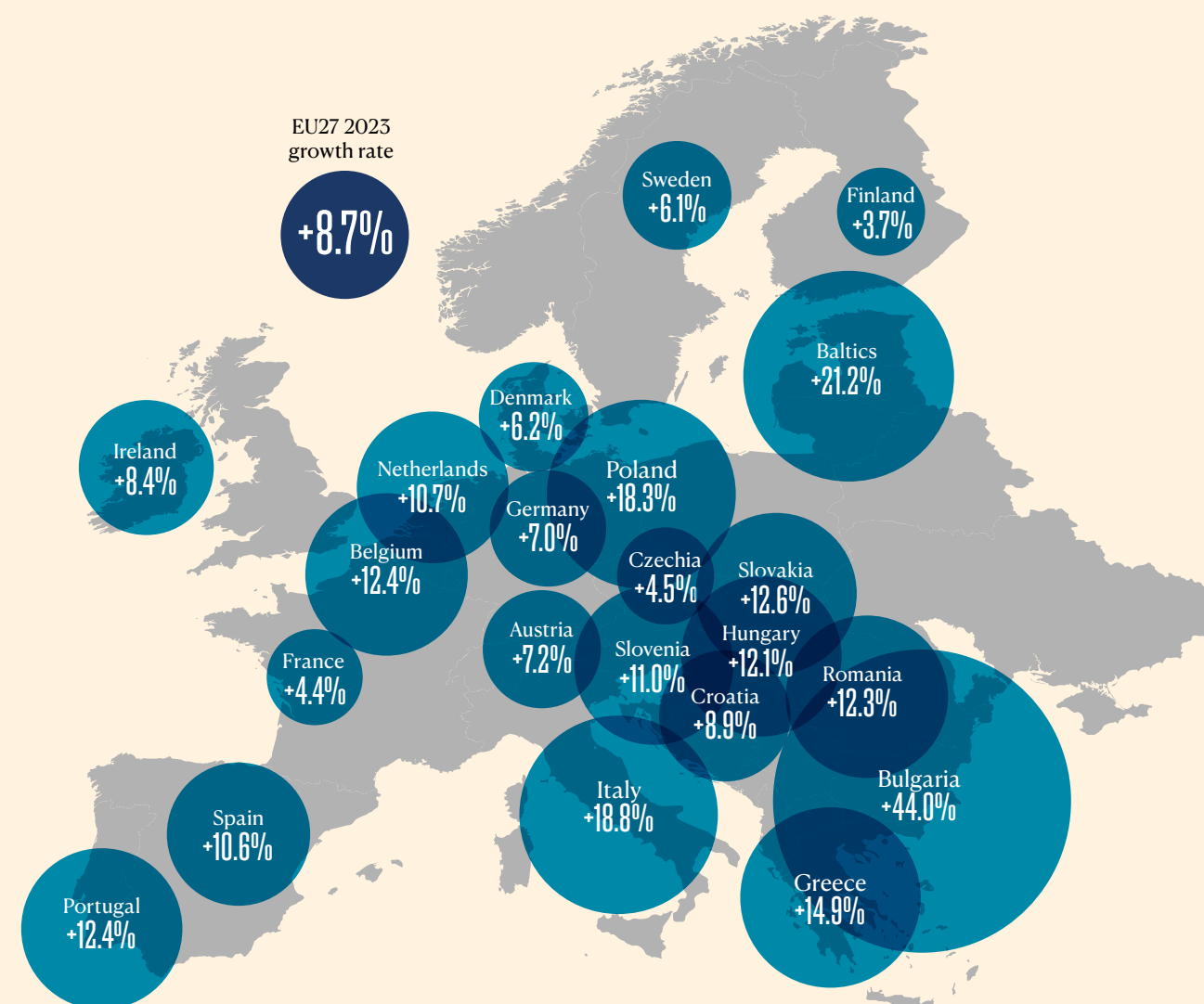
Today, artists have an unprecedented amount of choice in how to create, record and share their music with fans. Working with a record label is not a necessity for an artist; it is an active informed choice that many make to collaborate with a label partner and benefit from its broad network of talented and experienced teams invested in artists' creative and commercial success.

Frank Briegmann, Chairman & CEO, Universal Music Central Europe & Deutsche Grammophon, expands on this: "Ever since record labels have existed, they've been trying to fulfil artists' dreams. Even though the ecosystem around us is constantly changing, that's still the number one goal today. There is so much opportunity now for artists to release their music. In this era of infinite content, it becomes hugely important to cut through to fans. Our role as labels, with our reach and our expertise, is more important than ever in helping new artists break."

For Federico Sacchi, A&R Director, Sony Music Italy, this partnership begins with record label support and commitment to the artist's creative goals: "We put them in a position of greater freedom than they have known before, both financially and in terms of the creative tools, connections, and promotional power they have access to. "We combine that freedom with a backdrop of advice and experience which is there for them to tap into as much as possible. We offer different

WITHIN THE EU, MEMBER STATES ARE GROWING AT DIFFERENT RATES

EU markets' recorded music revenues - year on year growth: 2023 (%)



options and creative ideas, all the time making it clear that they are leading the way. Working with new artists is a big responsibility and a big commitment; it's also one of the best parts of what we do."

Konrad von Löhneysen, Managing Director of Embassy of Music, feels a core role of a label is to give the artist both reassurance and space: "We say to artists, 'We're here to take you seriously and we will take a lot of things off your shoulders. We want you to have the freedom to do what you do best, which is make your music, not be filling out metadata sheets and trying to run ad campaigns and chase radio stations.' The core point is to really give the artist the freedom to do what they wanted to do in the first place – create music. My team has the experience and the expertise to do the other stuff."

"I think this is what creatives need to hear and for them to say 'Great, I'll get back to the studio and write hits.'"

"Our job then is to get the artist's music to people we think would like it. I compare it sometimes to being like a gallery when someone is exhibiting their art. It's not the gallery's role to say 'Why don't you paint a sunrise and I'll try and sell your painting'. The job of the gallery is to bring as many people as possible, and the right people, in front of that person's art."

Joakim Johansson, President, Nordics, Universal Music Group, explains how the many different talents European artists possess today have influenced the support that labels offer: "Artists today are multi-talented creative expressionists. They want to share their story and create their universe on so many different platforms. This could be through their live shows, their visual identity, movies, and other forms of storytelling."

"As an industry, we have responded to this. Today we are working alongside artists on so many more and different endeavours than we have done historically."

Johansson goes on to explain: "We see ourselves as a creative enterprise and a funding partner for talent in a whole new way. It's not just about putting out the music, it's about helping each artist to

create that unique universe, and making sure their story is communicated to the right people on the right platforms at the right time. It's very exciting, I think, because it's not just about capturing people's attention for three minutes, it's about bringing people into the artist's world. That's what artist development means to us today."

Izabela Ciszek-Podziemska, General Manager, Warner Music South East Europe concurs with this notion: "The energy we are putting into artist development is enormous – it's something we are working on every day."

She explains that the global network of a label adds an additional dimension to the level of support they deliver: "When you think about the resources a label can offer, it's not just about investment, know-how and best practice, we are also able to bring in and apply what we've learned from all of our global colleagues. This can include successful campaigns, contacts with music services and experience with social media channels, as well as opportunities for sync [where music is used in advertising, movies, games and television] and brand partnership deals."

"There is a lot of music out there and we are working in a really crowded space. For us, the challenge is to help an artist make really high quality music and get it to the ears and the hearts of fans."

Stanislava Armoutlieva is the **Owner and Managing Director of Virginia Records**, one of the most prominent independent record labels in Bulgaria. The country was the fastest growing European market in 2023 yet remains relatively small compared to other members of the EU. In such environments, where there are fewer creative and promotional services available to artists, record labels have increased the range of support they offer.

Armoutlieva explains: "In Bulgaria, we have to develop a full spectrum of services for our artists. This includes all of the more traditional elements of a record label – investment in production, creative help, marketing, distribution, promotion – but also a specialised 360 approach which involves supporting other key areas of our artists' careers like their live strategy, brand partnerships and beyond. We provide state-of-the-art recording studios, choreography rehearsal rooms, photo and video settings, as well as organising songwriting camps, foreign collaborations and so on. We're always trying to think what more we can do!"

"And of course, all of this work is tailored to each artist with whom we



work, depending on what kind of music they are making, their status on social media and how they want to engage with their fans both in Bulgaria and around the world."

Lexa Bippus, Director of Marketing, Four Music Label in Germany gives an example of how a record company and artist partnership can work: "We partnered with German rapper Apache 207 in 2019 and since then we've been able to support and help grow his incredible career. He's one of the most successful local artists, and his music is making history. Right now, he's had over 3 billion streams worldwide for his music."

"We've supported him by being by his side throughout the journey so far. If he's thinking about his next release, we're asking how we can bring his vision to life? How can we help him achieve his goals by thinking outside of the box? Sometimes artists have a clear vision which we can help execute, but sometimes it's about helping them realise it completely."

"It's the same across our roster. Along with working with established acts, we have always been committed to building newcomers from scratch. It's so easy now to put your music into the world, but it's arguably harder than ever to succeed – and that's where working with someone like us can help. We are here to partner with an artist for the long run. We are long-term believers."

"Sometimes we sit in meetings and our artists have ideas and ask, 'How can we do that?'. We make it possible because we have expertise in the house, and we think of ourselves as a team player."



"Whether it's ABBA, Avicii, or another Swedish artist, we are known for our music. We are able to use it when we travel globally to show people who we are, it's a key part of Sweden's global identity."

JOAKIM JOHANSSON,
PRESIDENT, NORDICS,
UNIVERSAL MUSIC GROUP

BUILDING ON AN ARTIST'S SUCCESS

Across Europe, record companies are not only partnering with new and emerging talent, but also forging relationships with more established artists who are looking to continue to develop their music and career. To cater to these artists, record companies must make sure that they have the skills and expertise in place to both understand an artist's current fanbase and know how to expand and broaden it.

Marie-Anne Robert, Managing Director, Sony Music Entertainment France explains: "In January 2023, we signed Orelsan, the biggest artist in the French market. With an artist of his level, with a well-established audience in place, you can easily begin asking yourself 'Why do they need a label partner now?'"



"But even at that level, he values the development that we can offer. He was looking for a team of people who will be able to come up with a strategy not only for his new releases, but also his catalogue; he wants support on his social media content, he wants access to our international network and our expertise around the world."

"For him, it's not only about the music. He's a super creative artist and is always looking for new ways to express that and

engage with his fans. With us, he has access to the constantly evolving conversations we are having with things like gaming, movies, and other new technologies too."

In Sweden, **Johansson** reflects on the joy of working with Europe's biggest ever pop act on the world stage, ABBA: "It's a collaboration that has been going on for over 50 years. We have people employed in our Swedish office whose sole job is to work with ABBA. We see Björn and Benny and their team pretty much every day, so it's a very tight collaboration."

"Obviously, there are so many stories to be told around this band. This year we helped them celebrate the 50th anniversary of them winning Eurovision with *Waterloo*. We're also constantly exploring and

investing in platforms and experiences to figure out what is the best way for artists and creatives like them to build an even closer connection with their fans." This work led to the ground-breaking phenomenon of *ABBA Voyage*, an experience in a purpose-built arena in the UK that combines cutting-edge digital avatar technology, lighting design and live performance. **Johansson** adds: "*Voyage* is a phenomenon – just the fact that over 2 million people have seen the show; the enduring appeal of the band. You go there and you see 3,000 people going absolutely bonkers and they're having the best time of their lives – it's amazing."

Johansson sums up: "Still to this day, if you go to the coolest clubs in the UK, biggest festivals in Spain or you sit on a beach in Africa, you will still hear ABBA. That's a pretty impressive achievement."

"When you think about the resources a label can offer, it's not just about investment, know-how and best-practice, we are also able to bring in and apply what we've learned from all of our global colleagues."

IZABELA CISZEK-PODZIEMSKA,
GENERAL MANAGER,
WARNER MUSIC SOUTH EAST EUROPE



MØ photo courtesy of Sony Music

CROSS-CULTURAL COLLABORATION IN EUROPE

Part of what makes Europe's rich cultural heritage so strong - and particularly for music - is the ability for culture to cross borders and to be shared and celebrated between member states. Record companies in Europe are enabling this by connecting artists from different backgrounds across the EU and beyond.

Kabiru Bello, VP, Global A&R, Warner Music Group & Head of Asylum Records Nordics explains: "Collaboration is one of music's great traditions over the last few years. When artists from different genres and regions come together on a track, regardless of language, the fans still embrace and love it."

"Our global network of A&Rs can give our talent the option to work with other artists, producers or songwriters from across Europe, and around the world. I think it's super important for artists to feel that they have a team around them that can support them through that process and really expand their sound."

"One example is a collaboration that we worked on between [UK artist] Central Cee and French rapper Ninho. Together they made a track called *Eurostar* which went on to become a #1 in France. It also became part of the FIFA '24 campaign which had a huge impact on a European level."

"From there, Central Cee also did a *Eurovision* remix of the track with rappers from Italy, France, Germany and the

Nordics which was really cool and showed just how successful collaboration and community can be."

From an independent perspective, **Armoutlieva** agrees: "Creating collaborations is integral to our strategy when working with artists in Bulgaria. We partner regularly not only with the neighbouring Balkan markets, but also with creators from around the world. Our artists are travelling for sessions abroad and at the same time we invite people from Sweden, Norway, the UK and even South Korea to our songwriting camps."

"Several of the most prominent Bulgarian artists, like DARA, Mihaela Marinova and ALMA, are currently collaborating with top producers and DJs from Romania, Greece, Turkey, Poland and India, which is leading to exciting new creative combinations. Such projects help to connect them to new audiences outside of Bulgaria whilst also enabling them to explore more deeply their own sound. When you come from a small market, you always have to look to create global opportunities."

Pico Cibelli, President of Warner Music Italy, explains that these collaborations are made possible by the close working network of teams at a record company: "The close relationship that exists between our offices in the various territories in Europe is something we really use to help our artists. Essentially it allows artist collaborations and repertoire exchanges to happen quickly and effectively."

"In the past year, this approach has helped us enjoy huge success with Angelina Mango, Italy's Eurovision entry, who has entered the charts in 40 countries, generating tens of millions of streams and is climbing high in the global Spotify and YouTube charts, giving her a hugely strong launch to her current album campaign. Such collaboration has also fuelled the success of our band The Kolors, who've enjoyed success across Europe with their hit *Italodisco*, which is enabling them to launch their first official European tour."

Whilst collaborations between European artists can be very positive experiences,

Nordics region saw a 9TH YEAR OF CONSECUTIVE GROWTH in 2023



The Kolors photo courtesy of Warner Music Italy



Mihaela Marinova photo courtesy of Virginia Records



Tove Lo photo by Moni Haworth



Avicii photo by Sean Eriksson

Joakim Johansson explains that for them to succeed, and to resonate with fans, there has to be a genuine connection between those involved: "When I think of two artists that have multiple successful collaborations I think of Avicii and Tove Lo. For those two, it was genuine. The collaborations happen creatively and are not forced. It's authentic."

"I think that is the key for artist collaborations to be successful. At the end of the day, the fans are intelligent. They will see through it if it's enforced and not genuine. I think when you find those creative cultures and artists meeting together and they genuinely enjoy working together, then the collaboration can be a game changer."

"I would see ourselves as the facilitator of this. We are the ones who can come up with ideas. We can set up meetings and create opportunities. At the end of the day, if the artist doesn't feel it, if what happens in the studio doesn't turn out to be organic, then we wouldn't try to create something from it. But we are the enabler."

"Creating collaborations is integral to our strategy when working with artists in Bulgaria. We partner regularly not only with the neighbouring Balkan markets, but also with creators from around the world."

STANISLAVA ARMOUTLIEVA,
OWNER & MANAGING DIRECTOR,
VIRGINIA RECORDS



Victoria photo courtesy of Warner Music

EUROPEAN MUSIC ON THE WORLD STAGE

Europe's rich landscape has a history of profoundly influencing global music trends. From pioneering French dance music, Germany's electronic escapism to Sweden's pop powerhouses, the EU has always been a melting pot for musical innovation. Now, record companies across Europe are investing time and resources in the ever-expanding tapestry of emerging trends and genres to find ways to continue this trajectory.

As José María Barbat, President Iberia (Spain & Portugal), Sony Music Entertainment explains: "Spain is a super-competitive market and has historically produced some of the most iconic names in Spanish-language music, from Julio Iglesias to Rosalía. We are also uniquely placed to be a musical two-way door: the entry point for acts breaking from Latin America who can then continue their career in Portugal, Italy, France, Germany and beyond. At the same time, Spain is also the place where Latin American music fans can discover European artists."

"Our job is to make sure the opportunity is there for artists from Spain and Portugal to succeed on the global stage. We want to make sure anyone can create music in any corner of the world."

Barbat gives the example of Cova da Moura in Lisbon, where Sony Music Entertainment has recently invested in a brand-new studio for local artists. Barbat continues: "Cova da Moura is one of the most disadvantaged places in Portugal. Our studio provides local artists from the area with material

support, equipment and mentoring so they can record and mix their music. We also run workshops for music production and video making."

Out of these projects, record companies can uncover new talent and help them realise their global potential. A key part of this work is harnessing their interconnective nature of business – and using their global network of expertise to build locally signed artists on the international stage.

Barbat explains: "Constant communication between different countries, and specialised teams on the ground around the world allows us to understand each music market and adapt our strategy for each artist. There is a network that, for example, triggers an alert if a Spanish artist experiences a buzz in Thailand so we can react quickly."

Ciszek-Podziemska explains her approach when working with artists from, Bulgaria, Croatia, Hungary, Romania, Serbia and Slovenia: "We are constantly travelling and meeting with artists. By working with various local labels and helping them to distribute their records,

Sweden is
10TH BIGGEST
'CHART EXPORTER'
globally in 2023



Streaming
makes up
OVER 80%
of market

we are able to discover emerging artists and trends.

"When we find an artist that we think has the potential to appeal to fans beyond their home country we bring them under the Warner Music South East Europe umbrella. This then allows us to assign people, resources and time to help support their development. Our ecosystem is also global so we are able to engage support for each artist from local affiliates in different parts of the world."

"Our work starts with simple things like engaging key tastemakers, looking at DSP playlisting, defining the artist's social media presence, pitching to local radio and TV networks, organising promotional visits for them in different countries, and arranging local meetings with local key players. At the same time, we're also exploring potential collaboration opportunities with domestic artists. We can always rely on our colleagues to give us honest feedback - letting us know what they think will work in their market."

"Today, because of our global network, we're directly connected to our colleagues in Germany, the UK, the USA and elsewhere. That means we are one call away from colleagues, anywhere in the world, to discuss opportunities for a song."

Ciszek-Podziemska gives the example of a Bulgarian artist, Victoria, to illustrate this journey: "Victoria is signed to our label in Poland. We're just at the start of our journey with her but already she has visited our teams in Athens, Berlin and London. We've been able to arrange writing camps and meetings with sync teams [that help to license her music to adverts, movies, television and games] who recognise the amazing quality of her music."

"The next stage is to help Victoria turn this into a successful regional and international career. This starts by being strong in her domestic market and then building across South East Europe, then other parts of Eastern Europe and emerging markets, then we can look at the bigger markets and other parts of the world. This will come from hard work and maximising all the opportunities that are available to us inside the Warner Music ecosystem."

Some early breakout success has given a strong indication that Victoria can cut through to an international fanbase as Ciszek-Podziemska continues: "Last year she recorded a cover of *All I Want for Christmas is You* and she went from 40,000 monthly listeners on Spotify to 800,000 in about two months. She was added to all the biggest Christmas playlists at Warner Music and she's still on 100 Greatest Christmas Songs, the biggest Christmas playlist we have. It's proof that this can work. She's a local artist, from a smaller country in Europe and the quality of her music is being recognised. We're at the beginning of the journey but it's already a really exciting one." As a net exporter of music, Sweden provides a fascinating case study of how labels can help music from Europe break

"Our job is to make sure the opportunity is there for artists from Spain and Portugal to succeed on the global stage. We want to make sure anyone can create music in any corner of the world."

JOSÉ MARÍA BARBAT,
President Iberia
(Spain & Portugal),
Sony Music Entertainment

out to the rest of the world. When asked about Sweden's secret, Johansson jokes: "I think it's probably due to the fact that it's dark eight months a year!" He then adds more seriously: "Historically, we've had a culture of government-subsidised music schools and that really is an engine for people to start learning instruments and start playing together from an early age."

In terms of the role of a label, exports are a key priority: "As Universal Music Sweden we're laser-focused on helping this export tradition to continue. We have a dedicated group of experts based in Stockholm who oversee all of our export efforts. They do everything in their power to create the biggest possible success for an artist – from developing the right plans, producing the creative work, and getting information and the artist's vision out there."

"Our people in Sweden have a vast network of direct ties with not only colleagues across Universal Music Group globally but also with key stakeholders and partners all over the world. This enables us to directly communicate the vision of the artists and allows us to be fully responsible for any project we are involved with."

The value of music's ability to travel beyond the EU borders reaches far beyond the commercial. For Johansson it plays a crucial role in both representing and uniting his country. He explains: "In Sweden, much like in other European countries, we have seen increased tension in our communities in recent years and much international discussion around the issues."

"This is where music comes into play. Whether it's ABBA, Avicii, or another Swedish artist, we are known for our music. We are able to use it when we travel globally to show people who we are, it's a key part of Sweden's global identity. We're a home of creative culture. We're the home of bringing people together. We're the home of a brighter future because I think with all the challenges the world faces right now you need to have something that can glue people together, and music does that."

INNOVATION FOR ARTISTS

Innovation is at the heart of every record company and in the DNA of every department – from marketing to business affairs, A&R to accounting. No longer defined by technology, it drives working practices, business models, fan interaction, ethical and ecological agendas, and much more.

Maksim photo by Nils Van Reusel

Innovation ensures that record companies not only keep pace with wider technological revolutions within spheres such as AI, audio, and gaming, but also with the redrawing of demarcation lines, the revolution in A&R and the reimagining of artist partnerships.

Record companies have become leaders and drivers in

innovation across multiple sectors, sometimes solo, sometimes in partnerships, ensuring the path ahead not only takes artists towards their goals, but that it is built with respect for copyright and fair remuneration in its foundations.

HARNESSING AI IN FRANCE

One area in which AI must be utilised with the utmost sensitivity and respect is when projects involve deceased artists and their work.

Warner Music France is currently working on a project that is helping to establish best working practice. *Edith* is a forthcoming animated biopic of one of France's most iconic artists, Edith Piaf.

Via its production company, Seriously Happy, Warner Music Entertainment is using AI technology to recreate Piaf's voice and image, whilst developing the project hand-in-hand with the singer's estate in order to enshrine accuracy and authenticity.

Alain Veille, President, Warner Music France, says: "The very first thing we did was approach the Estate, and we have subsequently worked with them at every stage at every stage as the project evolves, particularly in regard to what Edith will look and sound like on screen. That isn't just a recipe for success, it is literally the only way we would ever approach something like this, with transparency on our side and complete buy-in from them.



Edith Piaf image courtesy of Warner Music France

"This is not innovation for the sake of it, or using AI to showcase what it can do, this is using the very best technology and the sector's leading experts to serve the story and to honour the artist."

BRINGING NEW TECHNOLOGY TO CLASSICAL MUSIC

Elsewhere across Europe, record companies are looking to innovate other areas of the business.

Deutsche Grammophon, a division of Universal Music Group and the oldest still-operational record label in the world, is using a blend of leading-edge technology and business model innovation to revitalise its classical music offering.

In 2023 it launched STAGE+, a new video and audio streaming platform specifically for classical music. As well as its catalogue, the subscription service also offers live streams, documentaries and exclusive interviews, all aimed at broadening the audience for classical music. It is available as a mobile, web or TV app, with Dolby Atmos audio and 4K video.

Frank Briegmann, Chairman & CEO, Universal Music Central Europe & Deutsche Grammophon, explains the background to the initiative: "Initially, streaming mechanics and streaming culture didn't connect with traditional classical music fans. Interestingly, at the same time, we saw significant streaming growth in the field of new repertoire, as represented by Max Richter, Hildur Guðnadóttir, Ludovico Einaudi or Joep Beving, who took an innovative approach at the intersection of classical, ambient and electronica music and had a huge impact through chill-out and minimal piano playlists.

"This brought in an entirely new audience to our genre, and in the live space we fostered audience growth in the young generation through Yellow Lounge, a barrier-free club format for classical music performances – which is also live-streamed globally and leveraged through social media.



Ludovico Einaudi photo by Duat Postscriptum

"The digital success and audience demand inspired us to consolidate our classical content offerings – audio and video, live and on-demand, performance and documentary formats – on a single destination for superfans. STAGE+ delivers comprehensive and unique experiences around top artists in the highest audio and video quality available, and the service currently becomes ever more immersive with Dolby Atmos livestreams as well as being the first classical app on Apple Vision Pro."



Roblox / Sony Music France

MUSIC AND GAMING: WORKING TOGETHER AGAINST BULLYING

In France, Sony Music worked with successful local children's music artist Aldebert on a unique activation with virtual gaming universe Roblox, using music to engage with a new audience and to raise awareness and tackle bullying in French schools.

Aldebert is a popular singer among French children. His music has amassed over a million fans since 2008, selling over 800,000 copies of the various *Enfantillages* albums and securing over 250 million streams. However, despite that success, each release of his albums faces unique challenges, explains Pierre Tritant, Director, Business and Digital, Sony Music France.

"The artist's core audience is typically 6-10 years old, and as they age their tastes evolve and interests change, including musical genres. As such, we need to constantly find new ways of connecting to a new generation of fans. That's why we turned to gaming, one of their primary interests.

Sony Music has a strong track record of engagement with the gaming universe, and here in France, we built a local innovation team that is always looking for new ways to harness technology to connect our artists to fans."

To deepen Aldebert's connection to his existing fans, and introduce him to new ones, the artist worked in partnership with his team at Sony Music France to create a unique game within Roblox. Keen to make a positive societal contribution with the project, they decided to link the game to an issue close to Aldebert's heart – tackling bullying in schools. As a result, the game features an escape storyline where the player must flee a school full of bullies, soundtracked by Aldebert's heavy metal single *Le cartel des cartables* (ft. Max Cavallera & Igor Cavallera). Sony Music's innovative team created and developed the whole project on Roblox, with support and expertise from an anti-bullying charity in France.

Iris Merlet, Aldebert's artistic director at Sony Music France, said,

"It was important for Aldebert – being a father himself – to align his music and his creativity with this social cause and we were well placed as his label to make this happen and bring his ideas to life.

"We also wanted to maximise the value of this collaboration and raise as much awareness as possible for this cause. So, we worked on an extensive promotion plan to raise awareness of the game, the music and bullying in schools, both inside and outside of France. That's the great thing about music – it can travel anywhere and at any time, and it's our job to make sure our artists have every opportunity to connect with fans old and new around the world. That's why we have built significant expertise and resources that allow us to plug into the latest innovative opportunities for our artists. It is a vital part of our DNA as a global music company."

"That's the great thing about music – it can travel anywhere and at any time, and it's our job to make sure our artists have every opportunity to connect with fans old and new around the world."

IRIS MERLET,
ALDEBERT'S ARTISTIC DIRECTOR,
SONY MUSIC FRANCE



Esther Graf photo by Annika Yanura

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IFPI'S GLOBAL REPORT 2024



IFPI's *Global Music Report 2024: The State of the Industry* provides an authoritative overview of the global recorded music market. It presents topline data on the growth of each global region and key revenue formats plus a detailed look at the developments underpinning global growth – including partnership with artists and record labels’ innovation – and sets out what music needs to thrive globally.

Visit ifpi.org for more information



IFPI is the voice of the recording industry worldwide, representing over 8,000 record company members across the globe. We work to promote the value of recorded music, campaign for the rights of record producers and expand the commercial uses of recorded music around the world.