ifpi | representing the recording industry worldwide

Global Music Report

THE INDUSTRY IN 2019

ifpi representing the recording industry worldwide

About IFPI

IFPI is the organisation that promotes the interests of the international recording industry worldwide. Its membership comprises some 1,300 major and independent companies in almost 60 countries. It also has affiliated industry national groups in 56 countries. IFPI's mission is to promote the value of recorded music, campaign for the rights of record producers and expand the commercial uses of recorded music in all markets where its members operate.

For more visit ifpi.org

Contents

The Industry in 2019

Global Music Market 2019 in Numbers 06

Introduction – Frances Moore 07

IFPI Global Recording Artists of 2019 08

Global Market Overview 2019 12

Figures by Format 2019 14

Figures by Region 2019 16

Local Engagement to Shape the Global Environment 18

- Focus On: Launching Def Jam South East Asia 22
- Focus On: Chocolate City - at the heart of Nigeria's vibrant music scene 24
- Focus On: India, beyond Bollywood 27

An Evolving Partnership with Artists 30

- Case Study: Billie Eilish 34
- Case Study: Tia Ray 36
- Case Study: Rosalía 38
- Focus On: German urban music boom 40

Putting Artists at the Heart of Innovation 42

- Focus On: Empowering artists in the data age 47
- Focus On: Accelerator Network - driving innovation around the world 49

Creating a Fair Environment for Music 52

ifpi representing the recording industry worldwide

WWW.IFPI.ORG
@IFPI_ORG
DESIGNED BY DATA DESIGN

© IFPI 2020
ALL DATA, COPY AND IMAGES ARE SUBJECT TO COPYRIGHT AND MAY NOT BE REPRODUCED, TRANSMITTED OR MADE AVAILABLE WITHOUT PERMISSION FROM IFPI. USE OF THIS REPORT, IFPI GLOBAL MUSIC REPORT (2020 EDITION) IS GOVERNED BY TERMS OF USE (GMR.IFPI.ORG/TERM-OF-USE)AND CONTENT USAGE RULES (GMR.IFPI.ORG/CONTENT-USAGE).

Drake photo by Caitlin Cronenberg

Global Music Market 2019 in Numbers

+8.2%
Global revenue growth

+24.1%
Growth in paid streaming revenues

56.1%
Streaming share of global revenues

+22.9%
Growth in overall streaming revenues

-5.3%
Physical revenue decline

+33.5%
Growth in paid streaming subscribers

2019

Introduction

Providing a light in difficult times

By its very nature, IFPI's annual *Global Music Report* is retrospective. Featuring our uniquely global charts, financial results and reports on the people behind the music, it reviews the state of the recorded music sector for the prior year. As such, it was originally drafted prior to the global COVID-19 pandemic.

The document you are reading shows the results of the successful work and investment of record companies and their artists.

Today, as we issue the report, the world faces a pandemic that presents challenges unimaginable just months ago. In the face of this global tragedy, the music community has united behind efforts to support those affected by COVID-19. This is a critical and ongoing priority as our member record companies work to continue to support the careers of artists, musicians and employees around the world.

It has been heartening to see how music has helped once again to unite, inspire and heal.

We see that music's timeless power, like the resilient strength of humanity itself, is a light even through difficult times.

Frances Moore
Chief executive, IFPI

IFPI Global Recording Artists of 2019

The IFPI Global Recording Artist chart is the only ranking to accurately measure consumption across all formats (including streaming channels, digital and physical album and singles sales) and all countries, for each calendar year. Here is a list of the biggest artists of 2019.

01

Taylor Swift

02

Ed Sheeran

03

Post Malone

04

Billie Eilish

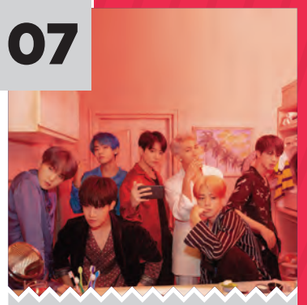
05

Queen

06

Ariana Grande

07



BTS

08

Drake

09

Lady Gaga

10

The Beatles

Global Top 10 Digital Singles of 2019

		Artist & Title	Global converted track equivalents (m)
01		**Billie Eilish** bad guy	**19.5**
02		**Lil Nas X** Old Town Road	**18.4**
03		**Shawn Mendes, Camila Cabello** Señorita	**16.1**
04		**Post Malone, SwaeLee** Sunflower	**13.4**
05		**Ariana Grande** 7 rings	**13.3**
06		**Tones and I** Dance Monkey	**11.4**
07		**Ed Sheeran, Justin Bieber** I Don't Care	**10.3**
08		**Lady Gaga, Bradley Cooper** Shallow	**10.2**
09		**Lewis Capaldi** Someone You Loved	**9.1**
10		**Halsey** Without Me	**9.1**

Source: IFPI. Includes audio streams, video streams and permanent downloads on a global basis, across calendar year 2019, using track equivalent units to combine measurements of digital sales and streams.

Global Top 10 Albums of 2019

		Artist & Title	Units (m)
01		**ARASHI** 5x20 All the BEST!! 1999-2019	**3.3**
02		**Taylor Swift** Lover	**3.2**
03		**BTS** MAP OF THE SOUL : PERSONA	**2.5**
04		**Lady Gaga** A Star is Born OST	**1.2**
05		**Billie Eilish** WHEN WE ALL FALL ASLEEP, WHERE DO WE GO?	**1.2**
06		**Queen** Bohemian Rhapsody	**1.2**
07		**Ed Sheeran** No.6 Collaborations Project	**1.1**
08		**Ariana Grande** thank u, next	**1.0**
09		**Rammstein** Rammstein	**0.9**
10		**The Beatles** Abbey Road	**0.8**

Source: IFPI. Includes physical and digital download albums to rank the biggest albums of 2019. The chart includes physical and digital album unit sales only.

Lana Del Rey photo
courtesy of Universal Music Group

Global Market Overview 2019

Record companies work for a sustainable music sector

In 2019, the global recorded music market grew by 8.2%, its fifth consecutive year of growth.

The growth was predominantly driven by fans' increasing engagement with music on paid streaming services, with the number of paid streaming accounts rising to 341 million by the end of 2019 and associated revenue increasing by 24.1%.

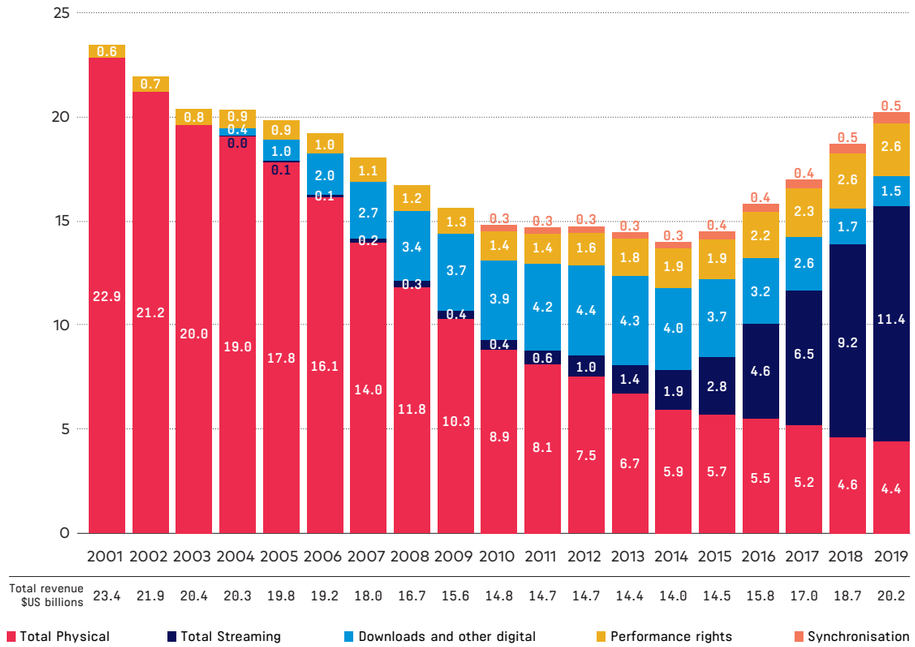
The world's top ten markets all demonstrated growth, with the exception of Japan. There was particularly strong growth in paid streaming with all top 10 markets experiencing double-digit growth in paid streaming revenues.

Record companies have been focused on fostering a sustainable environment for music in markets around the world. They continue to invest, even through difficult times, not only in artists and their music, but also in the people and infrastructure crucial to future growth.

To enable this to continue, particularly given the uncertainty created by the COVID-19 crisis of 2020 which is impacting all parts of the music community, the policy environment must support and empower those who invest in artists and reflect the modern, future-focused recording industry. Record companies are working around the world to ensure this is the case, to support their artists and people through the current crisis, and prepare for a hopefully robust recovery from it.

Lizzo photo
by Jabari Jacobs

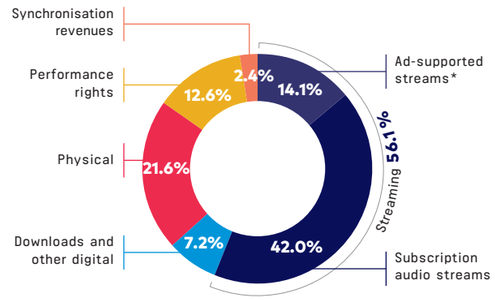
Global Recorded Music Industry Revenues 2001-2019 (US$ Billions)



Top 10 Music Markets 2019

01	USA
02	Japan
03	UK
04	Germany
05	France
06	South Korea
07	China
08	Canada
09	Australia
10	Brazil

Global Recorded Music Revenues by Segment 2019



** Includes ad-supported & video stream revenues*

OVERVIEW

Figures by Format 2019

Global recorded music revenues totalled US$20.2 billion in 2019, an 8.2% increase on 2018 and the fifth consecutive year of growth, fuelled by growth in paid subscription streaming.

STREAMING

Overall streaming revenues – the dominant revenue format globally – climbed by 22.9% in 2019 to US$11.4 billion. Making up more than half of global recorded music revenue for the first time in 2019, streaming now accounts for 56.1% of the total market. Within this picture, paid audio streaming was once again a key driver (+24.1%) with nearly all markets worldwide reporting growth in this area for a second year.

↑22.9%

DOWNLOADS AND OTHER DIGITAL

Excluding streaming, digital revenues saw a drop of 15.3% in 2019, largely driven by steep decline across multiple markets in download revenues, a format which now accounts for just 5.9% of the total market. Latin America, the region with the steepest decline in non-streaming digital revenues, also saw the highest gains in overall streaming growth, highlighting the migration of digital revenues towards streaming formats.

↓15.3%

Tenille Townes photo by Matthew Berinato

Tiwa Savage photo courtesy of Universal Music Group

PHYSICAL REVENUE

While physical revenues declined globally in 2019 (-5.3%), and now account for around a fifth of the overall market (21.6%), they fell at a lower rate than the previous year (-10.3%). However, a small number of countries experienced growth in physical revenues, including the United States (the world's biggest music market, +3.2%), and Spain (+7.2%). Revenues from vinyl rose by 5.3%, now making up 16.4% of overall physical revenues.

↓5.3%

PERFORMANCE RIGHTS REVENUE

Revenues from performance rights – use of recorded music by broadcasters and public venues – posted a decline of 3.6% in 2019 but this is largely attributable to one-off settlements in 2018, which inflated the prior year's revenues in this area. Compared to 2017, 2019 performance rights revenues showed a comparable growth rate of 8.7%.

↓3.6%

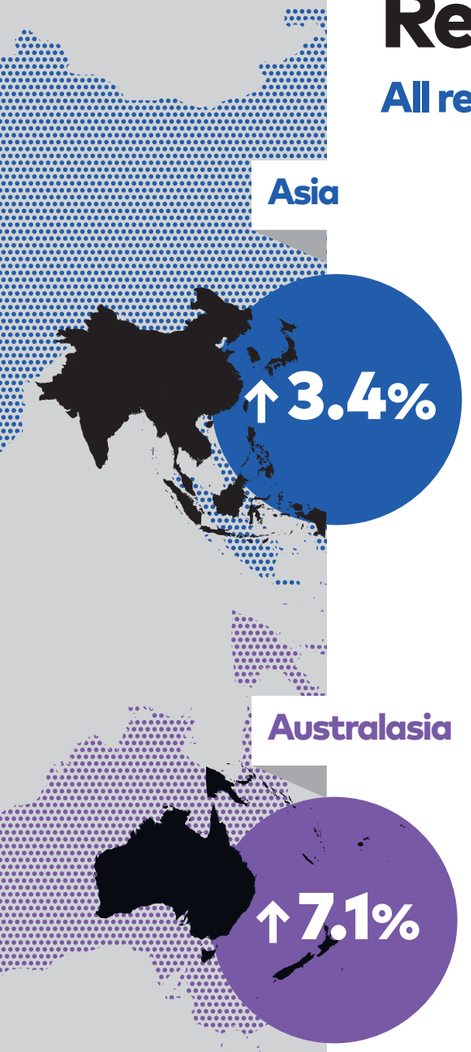
SYNCHRONISATION REVENUE

Synchronisation – the revenue from the use of music in advertising, film, games and TV – saw growth of 5.8%, a drop from the previous year's rate of growth (+11.6%) but maintained a similar share of overall revenues (2.4%).

↑5.8%

Figures by Region 2019

All regions recorded growth in 2019.



Asia

Asia saw overall growth of 3.4% in 2019. This was a slower rate of growth than the previous year (+12.3%), largely as a result of a slowdown in the region's largest market, Japan (-0.9%), which saw a decline in physical sales (-4.8%), the dominant format in that country. Excluding Japan, Asia experienced double-digit growth (+11.5%), boosted by strong uptake of paid subscription streaming.

Because of the size of the Japanese market, physical sales remain the largest revenue stream in the region (48.5% of the market total); however, 2019 was the first time physical's share fell below 50% of all revenues. Asia's next three largest markets – South Korea, China and India – all experienced strong growth, with South Korea seeing an increase of 8.2% and double-digit gains of 16.0% and 18.7% respectively in China and India. There was also growth in performance rights (+4.0%) and synchronisation which grew by 23.5%, driven by strong synch revenues in Japan.

Australasia

Australasia grew by 7.1% and mirrored other regions with growing digital revenues (+11.6%) and a drop in physical format revenues (-20.4%). Australia, a top 10 market, recorded growth of 6.0% with neighbouring New Zealand posting an increase of 13.7%. Both saw gains in digital, particularly in paid streaming revenues which were up 20.9% and 30.1% respectively.

Performance rights revenue rose by 11.2% while synchronisation revenues dipped by 3.8%.

Europe

Europe, the world's second largest region for recorded music revenue, grew by 7.2%, a marked increase on the prior year when the market was almost flat (+0.2%). This was due to a variety of factors, including strong growth in some of the region's biggest markets – including UK (+7.2%), Germany (+5.1%), Italy (8.2%) and Spain (16.3%) – and gains in streaming revenue across a number of countries (up 24.1% overall).

Digital's share (streaming plus downloads and other digital formats combined) of the market in Europe crossed 50% for the first time (55.0%). In total, 18 markets posted more than 20% growth in overall digital, with paid streaming in Europe growing by 22.4%. In contrast, physical revenues dropped by 8.3%.

The region experienced a decline in performance rights revenue, which fell by 1.2% while synchronisation revenues climbed by 5.2%.

Latin America

Once again, driven by strong gains in digital, Latin America recorded the highest rate of growth globally, increasing by 18.9% up slightly from the prior year's growth of 17.3%. At 24.6% the region also reported the highest digital growth rate with every market seeing double digit growth in this area. Digital now accounts for almost three quarters of the market, reaching a share of 74.6% in 2019.

Latin America also posted double digit growth in performance rights revenue (+10.6%), while physical revenues declined, dropping by 28.7%. Synchronisation revenues grew by 9.4%.

The overall upward trajectory was reflected across the region's three largest markets: Brazil (+13.1%), Mexico (+17.1%), and Argentina (+40.9%).

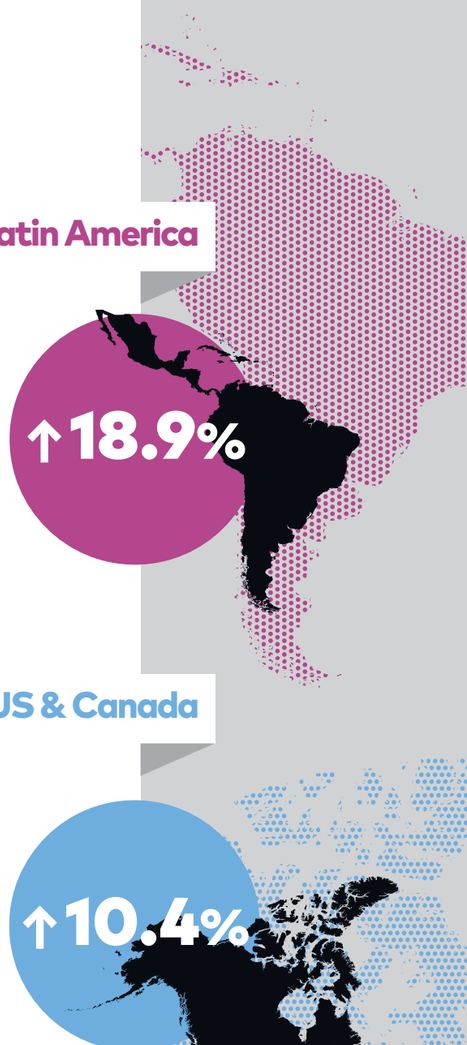
US & Canada

Growing by 10.4% in 2019, the US and Canada remains the largest region for recorded music revenues, accounting for 39.1% of the global market. The US rose by 10.5%, its fifth consecutive year of growth. Canada, which was largely flat the prior year, increased by 8.1% in 2019.

Overall digital formats now account for 77.8% of the market in the region, passing the three-quarter mark in 2019 (up from a 74.2% share in 2018) and the highest overall digital share of any region.

While growth was predominantly driven by revenue gains in subscription streaming, the region was the only one to buck the global trend of physical revenue decline. Climbing by 2.0%, physical revenues were boosted by the ongoing renaissance in vinyl format sales, with revenues up by 12.4%.

Performance rights revenue was significantly down (-14.6%). This was chiefly due to large one-off settlements in the region for the prior year which were not repeated, and which contributed to the overall global drop in this area. Synchronisation revenues grew by 3.0%.



REGION

Shawn Mendes photo
by Ruven Afanador

Local Engagement to Shape the Global Environment

Record companies work to help develop the local music ecosystems from which artists are emerging, ensuring that music cultures within these countries can develop and grow. Alongside this, they provide a global platform – through resources and expertise – to help artists engage with fans around the world.

'OUR PRIORITY IS TO BUILD THE LOCAL ECOSYSTEM AND SUPPORT LOCAL ARTISTS'

Adam Granite, Universal Music's EVP, Market Development, is excited by the opportunities for record companies to help develop emerging music markets. He believes it must be done with a clear willingness to learn from local music communities and work in partnership with them.

"We need to always listen to what the music fan is telling us; how do they want to interact with artists and enjoy music? That's how we target our investment and, by applying that at a local level, ensure that each territory is supported appropriately.

"We need to prove – and then prove again and again – that our priority is to build the local ecosystem and support local artists.

"And if we do that properly, it benefits everyone, because it brings awareness and infrastructure to the market. It bolsters the whole music scene, not just artists signed to major record companies. All artists – and all labels – will, I hope, benefit from strong and well-supported digital partners, from work on copyright protection, public performance income and more."

> **" We need to prove – and then prove again and again – that our priority is to build the local ecosystem and support local artists."**
>
> **ADAM GRANITE**
> EVP, Market Development,
> Universal Music

Stu Bergen, CEO, International and Global Commercial Services, Warner Music, reinforces the need for the right policy environment to support market growth. "Signing, nurturing and breaking new talent is what fires up all of us working in record labels. We look to invest in talent around the world and that's always made easier when the legal environment we work in is fit for purpose.

> **" We're always happy to engage with policymakers to explain how the music industry works and show how the right legal framework can boost their creative sectors."**
>
> **STU BERGEN**
> CEO, International and Global Commercial Services, Warner Music

Maisie Peters photo
courtesy of Warner Music

"For instance, countries such as China, Russia and South Korea have taken big strides to improve their copyright laws and that's helped us do more business in those markets. This is great news for artists and fans as we've been able to grow our rosters and release more music. We're always happy to engage with policymakers to explain how the music industry works and show how the right legal framework can boost their creative sectors."

For Sony Music Entertainment's President of Continental Europe and Africa, Daniel Lieberberg, creating the right environment and culture within a record company is also a crucial element of future growth. "We must ensure we have the best possible culture within our companies. Firstly, this means being exciting to work with – our partners and artists want to be involved with a dynamic business.

"But it also goes further than that, we're investing in being socially conscious in the countries we're working in - whether it's environmentalism, social change, gender equality or cultural diversity. We are engaging so many different people with our artists' content, we need to show them we're paying attention and that we share their goals on these issues.

ENGAGEMENT

"That commitment must start at the very top of our company – with the people in charge – and should echo the support and activities from across all of our teams."

'INVESTING IN LOCAL TALENT IS A SIGNIFICANT FOCUS FOR US'

Simon Robson, President Asia, Warner Music, is encouraged by the growth of domestic repertoire as a percentage of overall consumption in the region: "Investing in local talent is a significant focus for us, and we're signing talent who we feel will not only become career artists here but can also find a global audience."

Obviously, several K-pop artists have already made their mark on the world stage (and in the global charts), but Robson believes this is the start of broader trend. "We've held songwriting camps in Stockholm for our emerging young Asian artists, linking them with some very exciting producers. And we've also been sending some of our Chinese artists to LA, to write and record, connecting them to genuinely world-renowned producers."

> **"We have to represent all cultures, and represent them fairly, with integrity."**
>
> **DANIEL LIEBERBERG**
> President,Continental Europe and Africa, Sony Music Entertainment

One Chinese Warner artist already breaking out globally is Tia Ray [see page 36]. Robson says: "She is a perfect example of a Chinese artist with huge international potential. She has a stunning voice and has been influenced by music from around the world.

"We've introduced her to all the Warner Music Managing Directors and created opportunities for various collaborations. She's already worked with Jason Derulo. She did a showcase at our LA office last year and blew everyone away."

Last year Sony Music demonstrated its commitment to China by opening a new office at Lang Yuan Vintage in the Chaoyang District of Beijing, complete with recording studio and performance space – both signifiers, says Andrew Chan, the company's Managing Director in China, of their 'artist-first' approach.

"The new office is a very visible endorsement of Sony's focus on China and our belief in the future of the territory. It's also representative of our dedication to find, and work closely with, more talent in China. We're saying to artists, 'this is for you, this was built with you in mind'".

Paulo Londra photo by Hazz

Chan reflects on the importance of offering a full package of support to the artists they work with: "Our values have to be about more than just financial investment. We research and analyse the data, we look at the brand opportunities, we work out the right traditional and digital marketing strategies and, crucially, we look at the global picture; we tell the artist how we can build their career around the world. That's how we attract the best talent, artists with a vision and ambition that we can help realise."

In addition to Sony Music's flagship new office in Beijing, further evidence of its expansion in Asia includes a recently opened second presence in China, in Chengdu, plus investments in TV talent shows, soundtracks and label joint ventures across the region.

These efforts are part of Sony Music's focus on driving investment into local artists and increasing domestic market success, reflecting the strength of the local repertoire in each individual market and the need for tailored, market-by-market solutions.

> **"Our values have to be about more than just financial investment. We research and analyse the data, we look at the brand opportunities, we work out the right traditional and digital marketing strategies and, crucially, we look at the global picture."**
>
> **ANDREW CHAN**
> Managing Director, China, Taiwan and Hong Kong, Sony Music Entertainment

Daniel Lieberberg, President, Continental Europe and Africa, Sony Music Entertainment, says there is a balance of responsibility to be struck in regional investment, between exposing local artists to a wider audience, whilst also catering to domestic audiences and helping to build infrastructure country-by-country: "On the ground, where our teams work, it's more important than ever to develop a market by engaging with local players, new DSPs, convincing the existing DSPs to expand into new markets, and also having the right assets to succeed locally, because that's completely different to breaking globally.

"We work with successful global repertoire from West Africa for instance, but it is just as crucial to ensure we're supporting the growth of local artists and local music scenes."

"Africa is so diverse, and not all of its music will find a global audience, but that doesn't mean it won't be a focus for us. We have to represent all cultures, and represent them fairly, with integrity – making sure we put the effort and investment in, especially as regards A&R, as we do in territories which historically might have more global appeal."

Karen Mok photo by Mok-A-Bye Baby Workshop

GLOBAL ENVIRONMENT

FOCUS ON

Launching Def Jam South East Asia

'WE HAVE TO MAKE SURE THE MUSIC IS TRUE TO THE REGION AND TO THE LEGACY OF DEF JAM'

In September 2019, Universal Music launched Def Jam in South East Asia, opening a new chapter in one of the most storied labels in modern music history, and a huge new opportunity for one of the most dynamic regions in the business today.

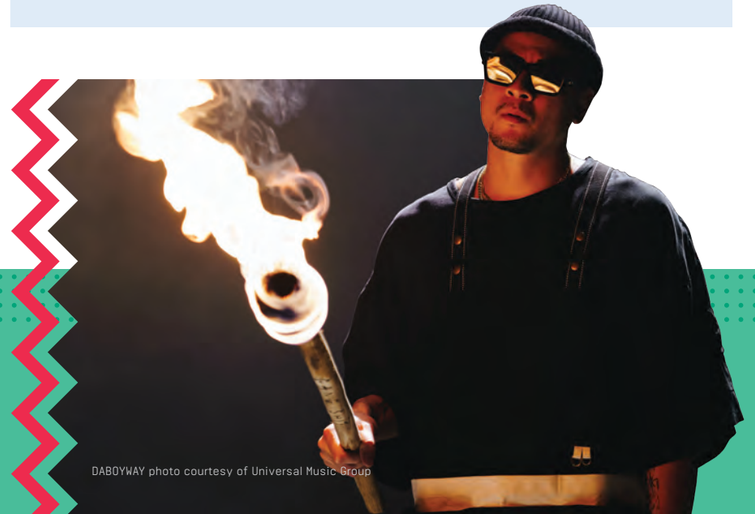
Adam Granite, Universal Music's EVP, Market Development, a key figure at the forefront of the venture explains the ethos behind it: "The most encouraging – and important – thing that I've seen since we launched Def Jam South East Asia is the response from the artistic community. This isn't a vanity thing or a branding exercise; it's about building a culture and about wanting to be part of a unique hip-hop culture in South East Asia for many years to come.

"We didn't create hip-hop in these markets; it's already there, but it's underground. The artists are excited about us helping to raise it to the mainstream levels that we've seen around the world – and we'll do that based on their artistry, not our logo.

> **"The most encouraging – and important – thing that I've seen since we launched Def Jam South East Asia is the response from the artistic community."**
>
> **ADAM GRANITE**
> EVP, Market Development, Universal Music

"It's undeniable, though, that when streaming services, media companies, etc. see Def Jam becoming part of the scene, and Universal investing in that scene, they get excited, it feels different – and it's also exciting to see a video from a rapper in Singapore getting a million views in two weeks."

Spearheading the initiative in the region is Universal Music's CEO South East Asia, SVP Asia, Calvin Wong. "In Def Jam, Universal has one of the best hip-hop brands in the world, and it would be foolhardy not to use that brand as a global umbrella that helps create opportunities for the local artist community.



DABOYWAY photo courtesy of Universal Music Group

"Within that, we have to be dedicated to specific local music scenes. Artists and managers need to know exactly what we do and how we can help, they need to know that we understand them, that we know what they go through and that we are here to help them achieve their goals rather than change their direction or absorb them into our infrastructure.

"What we're doing with Def Jam is, above all else, a creative, artistic experiment, using different elements to bring cultures together through the power of hip-hop, all built on the authenticity of local music and a dedication to the vision of local artists.

> **"...you have to engage with the community on the ground, face-to-face, day after day, with dedicated offices and staff who are part of the ecosystem already."**
>
> **CALVIN WONG**
> CEO South East Asia, SVP Asia, Universal Music

"For that to be more than lip service you have to engage with the community on the ground, face-to-face, day after day, with dedicated offices and staff who are part of the ecosystem already. It even means engaging with the competition, having that conversation about how we can all improve the opportunities and the environment for artists."

He adds that commercial success should be a by-product rather than main goal of the venture: "It's very important for us not to chase instant success. What we need to do first – and then continue to do – is service the community and demonstrate our dedication to the music.

"We have to keep it real and make sure the music is true to the region and to the legacy of Def Jam – and that legacy isn't about a certain type of music, it's about being true to the places the music comes from and the artists who make it."

Joe Flizzow photo courtesy of Universal Music Group

FOCUS ON

Chocolate City – at the heart of Nigeria's vibrant music scene

Dice Ailes courtesy of Chocolate City/Warner Music

'WE CAN SHOW THE WORLD WHAT THIS COUNTRY IS CAPABLE OF'

For Temi Adeniji, Warner Music's VP, International Strategy and Operations, her work in developing a partnership with Nigerian record label Chocolate City (CC), began with her belief in and passionate love of the local music scene. "Nigeria is such an amazingly creative centre and it's incredible to hear the different kinds of genres and sounds coming out of the country right now."

The multi-faceted agreement saw CC's artists become part of Warner's repertoire and receive support from the company's independent label services division, ADA. The label also received significant investment to boost its efforts to sign the best local talent in what is a fast-growing market.

A key player in the deal, Adeniji knew the challenges that entering a new market can present. She says: "I know how important it is to partner with individuals who have experience working in the Nigerian market and understand the nuances at play. Nigeria is not an easy territory to navigate; the fact that CC has done – and done so successfully – for 15 years was hugely impressive and made them an obvious choice to work with.

> **" What's almost more important to me is establishing an ecosystem that allows people to create and allows them to make a living from being creative in this country."**
>
> **TEMI ADENIJI**
> VP, International Strategy and Operations, Warner Music

"I think CC needed more resources and more capital, an environment where they could leverage our infrastructure in order to take their business on to where they want to go."

Both sides, she says, bring their own unique set of skills and experiences to the deal – and both are keen to learn from each other. "They are best-in-class when it comes to recognising and nurturing local artists, and working with local DSPs, media, etc.

"Hopefully, as well as capital, we can bring some best practices in areas such as finance and analytics. I've started by introducing some of the processes that Warner uses in deciding who and what to invest in.

We want to keep the gut instinct in the process but overlay it with the analytical tools that Warner deploys across all of its markets.

"Structuring a release schedule that helps manage cash flow may not be super sexy, but it is important and helps provide a stable basis to do even more exciting work in A&R, artist development and marketing."

She says that the thesis behind the investment in CC is to serve as a "a pipeline of talent" for Warner. "They are well placed to provide an incubation platform to take promising local artists to a level where they can reach a wider international audience. CC will be an integral support function in a region where there is already so much talent and so much potential to find a wider audience.

"There is so much natural talent that is breaking through without any real training, just an amazing gift. Some of Nigeria's leading producers, the beats they come up with, the variety of sounds they work with, the innovation... if they were from Sweden, we'd be hailing them as the most influential producers of our time!

"There are a lot of artists, producers and writers that don't have the right resources, or a big enough megaphone for people to really hear them."

The deal with CC, however, while it made headlines and grabbed attention, is not solely about unearthing global superstars, and definitely isn't a standalone move, in Nigeria or across Africa.

Adeniji says: "What's almost more important to me is establishing an ecosystem that allows people to create and allows them to make a living from being creative in this country; I'm super-passionate about that, and I hope that what we're doing will have ripple effects, through the independent sector and even across all entertainment sectors."

$kay photo courtesy of Chocolate City/Warner Music

'AMPLIFIERS OF LOCAL CULTURE'

Latin America is a key example of a region that has seen record company engagement help its culture to gain global recognition. Jesús López, Chairman/CEO, Universal Music Latin America & Iberian Peninsula, says

"Importantly, Latin artists are successful globally by being true to their roots and faithful to their culture. J Balvin reached number one worldwide on Spotify, YouTube and Deezer singing only in Spanish."

According to Afo Verde, Chairman & CEO, Latin Iberia, Sony Music Entertainment, the authenticity of Latin artists is a huge contributing factor to the global popularity of sounds coming from the region. "In this expanding music world, cultural heritage is super important to our artists. Artists take pride in raising our flag on the global stage and in sharing our culture and heritage with the rest of the world.

"Shakira and Jennifer Lopez, with their Super Bowl halftime show, are a clear example of how Latin culture is present globally, and how music can integrate cultures and diversity on a global level."

At Warner Music, Iñigo Zabala, President, Latin America and Iberia, is also positive about the continued popularity of Latin American artists and genres evidenced by its expansion in the region, including the opening of an office in Peru in 2019.

Zabala says: "If you want to succeed, your roster and your catalogue should reflect society as a whole. That is the only way to operate as a record company. We should be amplifiers of local culture and exporters of local artists."

He does not, however, believe in any form of isolationism or cultural walls. "One of the things that makes Latin music so popular is that we take onboard the influence of what is happening around the world and we Latinize it: we Latinize hip-hop; we Latinize trap; we Latinize pop; we Latinize rock.

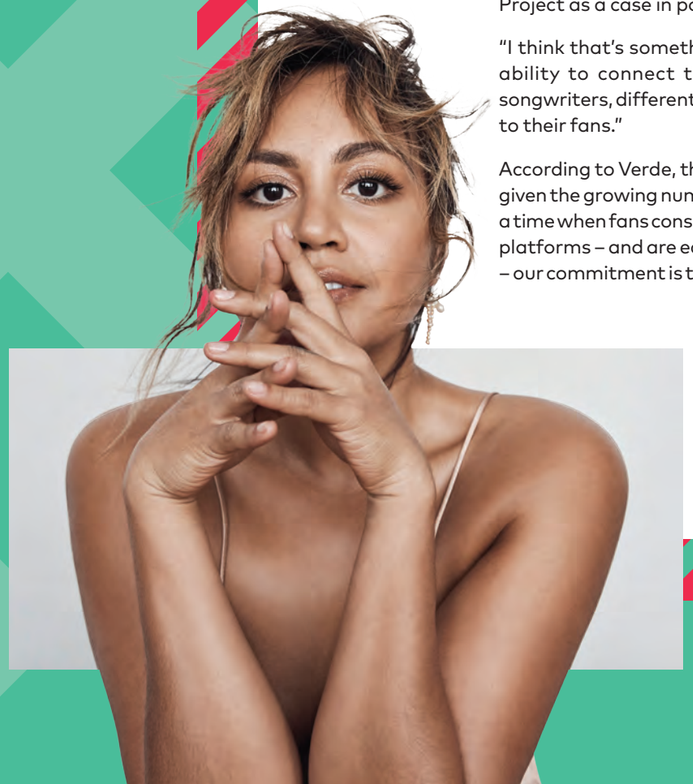
> **" Our commitment is to help our artists to build relationships, through their music, with their audiences around the world."**
>
> **AFO VERDE**
> Chairman & CEO, Latin Iberia,
> Sony Music Entertainment

"That makes Latin music something very unique, distinctive and authentic, while at the same time having a global appeal. This is the way music works in the time of streaming; everything is so interconnected."

Record companies, Zabala asserts, have a far-reaching role to play in forging those connections and ensuring they are right for each artist. He references having connected urban Argentinian artist, Paulo Londra with Ed Sheeran to collaborate on the track Nothing On You from Sheeran's No. 6 Collaborations Project as a case in point.

"I think that's something our artists value", he says. "That ability to connect them to different artists, different songwriters, different producers – and ultimately, of course, to their fans."

According to Verde, this role assumed by a label is essential given the growing number of ways to engage with music: "At a time when fans consume music through multiple forms and platforms – and are eager to explore new genres and artists – our commitment is to help our artists to build relationships through their music and their audiences around the world."



Jessica Mauboy photo
by Nicole Bentley

FOCUS ON

India, beyond Bollywood

'THE POP GENRE IN INDIA IS SUPER EXCITING'

Shridhar Subramaniam, President, Strategy and Market Development, Sony Music Asia and Middle East, is at the forefront of a significant development in India's music world, where modern Indian pop is increasing its presence as a creative force alongside the dominant movie soundtrack sector.

Subramaniam points out that the popularity of Bollywood has deep cultural roots that cannot be categorised as simply a 'trend': "The Indian fascination with Bollywood is primarily because of the country's oral tradition. Our Indian culture has always been taught in the form of music and dance it has been this way across the ages."

Subramaniam believes that while its place and status in popular Indian culture might be permanent, opportunities for other genres in terms of music consumption are growing.

Sony Music, which has had a presence in India since 1996 (and now has offices in Delhi, Mumbai and Chennai), is spearheading the discovery, development and promotion of other Indian genres, diversifying the musical landscape of the region.

Subramaniam says: "The biggest challenge for any company, genre or artist to achieve scale in this market is being able to participate across a wide variety of languages in a cohesive manner, which is where a major company such as Sony Music can be so useful, because logistically it is very difficult as India creates popular music in each of the 24 main languages."

He points out that what those outside India would term 'Bollywood' is actually just one type of soundtrack, sung in Hindi; other categories include Tollywood (Telegu), Kollywood (Tamil) and Sandalwood (Kannada), all representing different languages in an extremely diverse country.

He adds: "Sony Music participates in multiple languages across multiple genres. We are in the soundtrack market, of course, because every big company has to be, but in the last five years we have also been building the pop roster and market."

Harrdy Sandhu photo
by Keoni Marcelo

Connecting artists with 271 million listeners.

Supporting the global music community.

Growing the industry, together.

Spotify®

Data as of December 31, 2019.

Those driving the development of the Indian pop scene have been utilising a number of recent developments in India's digital landscape. The prevalence of low-cost smartphones has led to growth in consumption on music streaming services. Subramaniam also cites the importance of social media. "Traditionally, we have two obsessions: Bollywood and cricket, and all our celebrities have come from these two worlds.

"As India is one of the youngest countries in the world with 54% of the population below 25 years of age, we are now witnessing a new generation of artists expressing their creativity on social media and gaining public recognition.

Badshah photo by Tushar Chandra

"This has allowed us to bypass some of the traditional mainstream channels, such as TV and radio – that would have been very focused on playing Bollywood songs – and allows us to build direct connections with fans.

"The pop genre in India is super exciting and it's growing across multiple languages."

Subramaniam also believes this new generation of Indian pop stars can enjoy success globally as well as domestically. "There is a huge South Asian (not just Indian) diaspora who listen to our music – in the US, in Canada, in the UK and in the Middle East; it's a similar picture to Latin America. Even now, with traditional Bollywood music dominant, around 15-20% of revenues are generated internationally.

"That global diaspora, on such a scale, means we can make an impact on charts and playlists around the world. Our fans carry a definite weight on platforms like Spotify and YouTube.

"There is of course a language barrier: will people sing along to a Hindi or Punjabi song? Maybe not – but they could dance to it. I think what is very likely there will be a hit, using some Indian phrasing, possibly with a Bollywood element of style, dance and colour and maybe through a collaboration."

Despite this prediction, Subramaniam is mainly focused on something much more sustainable, and something achieved in partnership with the artist. "Our entire approach is based on artist development.

"A one-off hit doesn't create a genre. We believe that Indian music, like hip-hop, can represent more than music and become a culture in itself, and that a form of Indian pop, with Indian artists driving it, will be taken out to the world soon. I believe it's inevitable."

An Evolving Partnership with Artists

Modern artist development is about partnering with artists who have their own vision, understanding the DNA of that vision and then utilising a record company's skills, tools and infrastructure to help them achieve it.

Record companies are evolving their practices in terms of the range of data, insights and resources they provide to their artist partners. For Stu Bergen, CEO, International and Global Commercial Services, Warner Music, the partnership with an artist is fundamental to the core of a record label. He says: "We've always prided ourselves on creating long-term partnerships with artists. We recognise that success doesn't usually come overnight and that artists need financial, emotional and creative support to help them build their careers. Some things in the industry don't change – when you're passionate about an artist and their music, you want the whole world to hear it and love it just as much as you do."

Michele Anthony, Universal Music's Executive Vice President, is a key leader at a company driving the redefinition of artist development, but she also recognises – and celebrates – some constants.

"Artistry is at the very core of our business. Discovering great talent and expanding their fanbase through every stage of their career is what we are here to do. What has changed dramatically is the methodology and tactics used to do so. As consumer behaviour, technology and success have evolved, so has our partnership with our artists.

"Record labels have adapted to skillsets around engagement, multiple points of contact, and storytelling as a result of an entirely different trajectory and relationship artists have with fans globally. The vision of an artist remains at the forefront of our strategy but through data, insights, and a connected global network the road to success requires a new way of thinking and new abilities. Engagement, discovery and technology are constantly changing and, as a result, the behaviour of music fans.

> **" Building an emotional connection between the audience and the artist, building something that is long-term and global in nature, is really the focus of our work."**
>
> **GABI LOPES**
> President, Global Insight,
> Universal Music

Harry Styles photo courtesy of Sony Music

Anthony concludes: "Our most important job remains to be flexible and to innovate so we can provide our artists with the tools and infrastructure to champion their success. More people are listening to music than ever before, are spending time on social media, are consuming... This is both a challenge and an opportunity, one we are uniquely qualified to meet."

> **" Our most important job remains to be flexible and to innovate so we can provide our artists with the tools and infrastructure to champion their success."**
>
> **MICHELE ANTHONY**
> Executive Vice President,
> Universal Music

Denis Handlin, Chairman & CEO, Australia & New Zealand, Sony Music, adds that the key to making the most of a growing range of opportunities is being attuned to the needs of the artist. "Every artist is unique, as is their creative vision. This requires us to do a lot of listening as we work side-by-side with our artists to help curate their careers and provide a unique value proposition as an entertainment company."

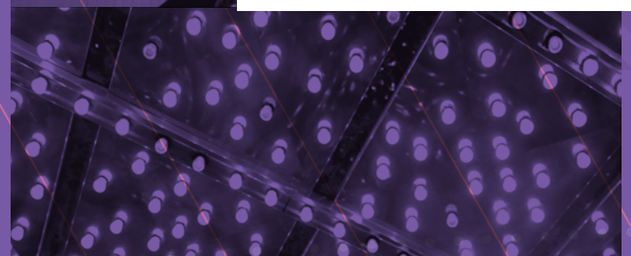
'WE'RE HERE TO BUILD CAREERS. THAT'S THE DNA OF A RECORD LABEL'

Another area of support from record labels that is continuing to evolve is A&R. Elias Christidis, Head of A&R, Parlophone, says that the role of an A&R person today is more like a "creative manager."

He explains: "Our goal is to bring artists opportunities they wouldn't otherwise get, through our broad global network and strong contacts. That could be anything from artistic collaborations to brand partnerships

Lara Andallo photo by Michael Danischewski

The Weekend photo
by Nabil Elderkin



> **" Our role hasn't changed, in the sense that artists have creative vision and make music and we support them in that, but our focus and our strategy has adapted to changes in the market."**
>
> **KONRAD VON LÖHNEYSEN**
> Managing Director, Embassy of Music

to developing their brand across multiple platforms and creating cultural moments online and offline.

"We are like a creative auxiliary. There are 30 or 40 people at a label and their job is to build your fanbase and build your brand – domestically and all over the world, all in line with your vision. We're not here just to help make albums, we're here to build careers. That's the DNA of a record label."

The notion that the modern day function of a record label is continually evolving to meet the needs of artists is one echoed by Konrad Von Löhneysen, Managing Director of Germany-based record label Embassy of Music. He says: "Our role hasn't changed, in the sense that artists have creative vision and make music and we support them in that, but our focus and our strategy has adapted to changes in the market.

"From CD manufacturing to digital delivery to the DSPs, from video clips to Instagram channels, from recording to mastering, whatever the needs are, we need to be our artists' professional, creative, flexible and most up-to-date partner for marketing, promotion, and distribution."

'OUR ARTISTS BENEFIT FROM ACCESS TO OUR ROBUST CENTRAL RESOURCES'

Nicola Tuer, COO Sony Music UK & Ireland, also stresses the importance of a bespoke approach to artist development across everything from producers to podcasts. "It is the only way to ensure every artist finds the perfect fit. Each of our labels has a distinct identity and their own approach to artist development, but the common thread, beyond their passion, is that they have a deep understanding of who their artists are and where they want to go.

"And make no mistake, we're in the attention business, with more ways than ever for artists to connect with their fans. If we were to only stick to traditional routes, we'd be limiting their opportunities for success. So we look further afield, and our artists benefit from access to our robust central resources, which include

areas like podcasting, merchandising, live music, immersive experiences... Whatever the opportunity, we have experts on hand to ensure our artists can make the most of it."

Jen Mallory, EVP and General Manager, Columbia Records says that fan engagement is central to success: "Keeping a fan base consistently engaged is key. The goal is to have acts whose music grows with the fans and we're able to do that by helping them tell their story.

"Great art needs to be heard. We work with each partner to tailor campaigns that resonate with them and the artist's respective audience."

Helping artists to build authentic and lasting engagement with their fans is a key focus for Gabi Lopes, President, Global Insight at Universal Music. She says: "Building an emotional connection between the audience and the artist, building something that is long-term and global in nature, is really the focus of our work.

> **" Great art needs to be heard. We work with each partner to tailor campaigns that resonate with them and the artist's respective audience."**
>
> **JEN MALLORY**
> EVP and General Manager,
> Columbia Records

Amy Shark photo
by Shervin Lainez

"To make this happen, we have built a global team whose mission is to deeply understand the audience of our artists, identify growth opportunities, track progress at every step of the way and optimise our release strategy so that we are authentically relaying the artists' message to their fans."

"One important aspect is optimizing the existing repertoire. It's not all about the right now, it's about celebrating those special moments. Keeping the catalogues and the repertoire alive is a very important part of this."

CASE STUDY

Billie Eilish

'A four-year overnight sensation'

Billie Eilish is one of the most important and interesting pop stars of her generation. She is the winner of the 'big four' Grammys (the first time the quadruple has been achieved in nearly 40 years). She is the artist who wrote and recorded a zeitgeist defining, multi-Platinum album in her bedroom - with her brother, Finneas O' Connell.

John Janick, chairman and CEO of Universal's Interscope Geffen A&M Records, remembers the very start of Eilish's extraordinary journey. "It probably sounds crazy, but honestly, from the moment we met her, we knew she was special. Her music came to us via an A&R person here, but it also got to Justin Lubliner, who runs Darkroom Records, who we have a JV with. It happens very rarely, but sometimes, an artist comes in, and you just know.

"Nevertheless, everyone involved took their time, because she was only 13 when we first met her, and we wanted Billie, her mother and father, to be completely comfortable. All our conversations were about putting no pressure on her and no one being in a rush. This was going to happen at some point. You could see it growing almost week by week and that allowed us to plot 12-18 months out, confident about where her and Finneas' talent would take us."

One example of this considered approach was the decision to hold Billie back from the Grammys in 2019. Janick continues, "We knew we'd have *WHEN WE ALL FALL ASLEEP, WHERE DO WE GO?*, which was going to blow people away and properly announce this incredible new talent.

"With such an important body of work and after years of artist development we crafted a meticulous plan laying out the next 12 months. Billie had shown us that; she gave us confidence. We had our targets and implemented the plan which included a global arena tour, the Vogue cover, we knew we'd have announced the Bond song, and the Oscars performance. All of which we had in place prior to Grammys 2020."

All of these touch points were part of a global strategy to realise Billie's potential, explains Steve Berman, vice-chairman of Interscope Geffen A&M Records: "From the outset, everything was about Billie as a global artist. She had these incredibly rich, beautiful pieces of art, crafted with her brother at home, and we knew this was music that could touch the world."

Billie Eilish photo by Kenneth Cappello

"We like to call it a four-year overnight sensation because when Billie emerged, it felt like she moved into pop culture very quickly but there were a lot of pieces that had come together over a longer period of time."

An important element to this were the high-profile brand partnerships forged by Interscope, in collaboration with Darkroom. Berman describes how each of these helped contribute elements to Billie as an artist: "We thought, let's be very flexible, but let's not for one second compromise the integrity of her as an artist for any opportunity."

"For example, Billie's collaboration with Netflix on the film *Roma* was such a critical and important piece of the journey as it showed her music in totally different light."

One essential element to this success story is the global marketing approach that utilised Universal Music' global network. Frank Briegmann, CEO & President, Universal Music Central Europe and Deutsche Grammophon, explains how this was managed in Europe: "The first aim was to introduce Billie to the local taste maker press and music business stakeholders, and we did this by organising her first-ever showcase in Germany."

"Fan engagement was another key to the success of the campaign. We constantly tried to embrace Billie's close connection with her fans in various fun ways. We created playlist-maker tools and a pop-up store in Berlin, to which Billie came to for a surprise visit. It created a hype amongst the communities, resulting in a fantastic fan happening."

Billie Eilish photo by Kenneth Cappello

Engaging Billie's fanbase was a key strategy in the UK, too, as Tom March, co-President of London-based Polydor Records explains. "Billie's always been so connected with her fans and she has put the work in to feel connected to the UK from her early trips, to her first headline show, through to the Brits.

"So, throughout the campaign, we ensured that content generated, and as much promo as possible, allowed for fan interaction. For example, we launched UK exclusive products direct to Billie's superfans – such as an UK exclusive Picture Disc vinyl release of her debut album launched via Spotify Fan First."

Ultimately though, says Janick, it is Billie's singular, creative vision driving her, and the teams involved: "Everything comes from Billie; no one is telling her what to do. There is a team of people living and breathing this every day, giving her the resources and support to execute her vision. She is CEO of brand Billie Eilish, we all work for her and we're very clear what our job is: to do whatever we can to help her execute her vision, because Billie and Finneas are geniuses."

CASE STUDY

Tia Ray

'We wanted to help her achieve her dreams'

Tia Ray is an artist who encapsulates not only the ambition and potential of China as a region, but also the drive and determination of a new generation of homegrown artists to achieve worldwide success in partnership with global record companies.

Andy Ma, CEO, Warner Music, Greater China, describes her as "not traditional pop, but more soul and R&B" and believes that her ongoing ascent is partly down to a broadening of taste amongst Chinese music fans.

He says: "They are catching up with other markets and becoming more interested in international artists and a wider variety of genres. It's a more dynamic market today than ever, especially for urban music, EDM and R&B."

Warner Music's relationship with Tia began when the company purchased the Gold Typhoon label, to which she was signed, in 2014. At the time she was known for having been a contestant on TV talent show, *The Voice of China*.

Ma says there was a sense straight away that here was an artist who could appeal to a global audience. "There was something in her voice and her performance that we felt could travel – and we also spent time getting to know her as a person and understanding her ambitions.

"I told her we didn't want to put out an album, see how it performs, put out another album, see how that performs... We wanted to help her achieve her dreams, we wanted to share a vision with her. And she told us that she wanted to help soul and R&B become mainstream in China. So that's what we've been doing, while also making sure that this is a global story."

A major breakthrough came with Tia's 2018 single, *Be Apart*, which was the seventh biggest selling track in the world that year, with a total converted track equivalent of 10.9 million units – and over four billion streams worldwide at the time of publication. Its success was aided by Warner securing a sync in the hit movie, *The Ex-Files 3: Return of the Exes*.

Ma explains that the success of the track accelerated her trajectory considerably, "for example, her followers on [Chinese social media platform] Weibo went from four million to 11 million."

He continues: "Tia represents a new spirit in China, she is part of a generation of artists that thinks outside the box. And she is brave, she wants to conquer the US and the rest of the world, she is not afraid of stepping outside of safe territories and genres.

Tia Ray photo by Sasha Samsonova

" Warner is very supportive of artists, particularly giving me space and resource to create the music I love and want. Being able to work with the Warner global team, including WM China, Warner Records USA and Atlantic UK, I really feel a part of the bigger Warner family. Very grateful! Blessed!"

TIA RAY

"So, we connected her with producers from LA and the UK, and then last year we released some big collaborations, with Kehlani (*Just My Luck*), Gallant (*Trust Myself*) and Jason Derulo (*Champion*, which was the official song of the FIBA Basketball World Cup).

"We are making the right connections for her, and that is part of the dual process of helping her make the music she wants while also increasing her international appeal. But apart from the collaborations and the syncs and the producers, all of which are very important, I think what Tia appreciates most about working with Warner is how much we share her vision and her passion.

"We have grown together and our team, which is her team, really care about taking this as far as we can and helping make her dream come true."

Tia Ray photo by Sasha Samsonova

CASE STUDY

Rosalía

'We were captivated by her from the very beginning!'

Rosalía is a Spanish artist with her roots and heart in the folkloric culture of flamenco and who is fusing that tradition with other genres to take her own unique sound and style to the world.

She studied flamenco throughout her childhood and began performing as a teenager. As recently as six years ago she was teaching flamenco, championing music that is ingrained in Spanish culture classroom by classroom.

Now, in partnership with Sony Music, she is spreading the word rather more rapidly, and much more spectacularly, popularising and modernising flamenco all over the world, country by country.

Her first album, *Los Angeles*, was released in 2017, attracting some attention and critical praise. It was her second album, *El Mal Querer*, however, that was the real breakthrough, garnering global acclaim and topping the Latin Pop Album charts in the US. At the Grammy Awards 2020 (where Rosalía performed) it won Best Latin Rock, Urban or Alternative Album – the latest landmark in an ongoing journey.

> **" A unique artist in a league of her own, completely redefining pop music."**
>
> **JEN MALLORY**
> EVP and General Manager, Columbia Record

Influential music media brand *Pitchfork* made El Mal Querer one of its top 10 albums of 2018 and perceptively described Rosalía as "less an ambassador for flamenco than the innovator of her own fascinating hybrid".

Jen Mallory, EVP and General Manager, Columbia Records, calls Rosalía "a unique artist in a league of her own, completely redefining pop music" affirming that "this type of music has literally never been done before" and admitting that "we [Columbia] were captivated by her from the very beginning!"

Rosalía photo by Peninsula.Work

She continues: "José María Barbat and Afo Verde signed her out of Sony Spain and then we up-streamed her to Columbia US after the *El Mal Querer* album cycle.

"Rosalía was a huge star in Spain when we signed her, and she was already developing around the world. Our primary focus at first was building her US footprint, both through press and US Latin radio. Through a series of small underplays in key markets we generated extraordinary buzz amongst key tastemakers and industry leaders. We were able to help her garner major opportunities and visibility in the United States quickly.

"Her first US media cover was *The Fader* magazine – by design. We wanted it to be a very cool, credible first cover before we went more mainstream. They were one of the early adopters covering her *Los Angeles* project, gave her significant space online, before she even released [lead single] Malamente. The media coverage expanded as she was picked up by *Pitchfork, New York Times, Billboard* and *Elle*."

She stresses that Rosalía sets the tone when it comes to her campaign and the agenda when it comes to her career – with Columbia her partner in making things happen. "Rosalía has a very specific vision for her creative, from fonts to choreography, and we have worked in sync with her to continue curating her artistry.

"She is one of the rare artists who is able to seamlessly balance her offline presence with her digital one. She takes what she does at her shows and her daily life and makes it easily palatable. Our digital team has been able to work with all of our partners (YouTube, Instagram, Twitter, etc.) to invest in her success early on, because she and her team are collaborative when it comes to using the platforms, but without ever compromising her artistic vision.

"We secured support with 'YouTube Premieres' for her videos, on playlisting, and social support – these results are apparent when you look the performance of Con Altura (featuring J Balvin), which currently has over one billion views – as well as clocking up 2.6 million sales worldwide."

Last year Rosalía played at festivals including Lollapalooza, Glastonbury, Coachella and Primavera and followed up *Con Altura* with three more singles, including *Yo x Ti, Tu x Mi*, a collaboration with another Sony-signed artist, Puerto Rican reggaeton star, Ozuna.

Looking to the future, Mallory says: "Rosalía will continue to innovate and find new ways to fuse genres and work with new collaborators. There are lots of exciting opportunities coming her way as she continues to find partners and supporters that will help spread her artistic vision."

Rosalía photo by Berta Pfirsich

FOCUS ON

Bausa photo
by Dieserbobby

German urban music boom

'THEY GREW UP IN THAT WORLD AND THEY WANT TO STAY TRUE TO IT'

2019 saw the German music market return to growth alongside increasing fan engagement with German artists and their music. A key driver of this trend was the strong showing of German urban music, particularly within the streaming environment.

Andreas Weitkämper, Managing Director, Domestic, Warner Music Central Europe, highlights his work with hip-hop artist, Capo, as an example of his company's work to develop the genre in Germany. "Capo is someone we are building into a career artist, in a similar way to how we worked with Robin Schulz – an artist who has been Diamond-certified for his single "Prayer in C" (feat. Lilly Wood & The Prick).".

"The first album through that deal, Alles Auf Rot, came out in 2017 and we made it into a record that saw 350 million streams. It was Top 10 in Germany, Switzerland and Austria and delivered several hit singles and Gold Awards. We also worked with him to get his Instagram account past one million followers.

"Now he is a household name in the German rap scene, with close to 60 million streams for just two tracks that we released at the end of last year."

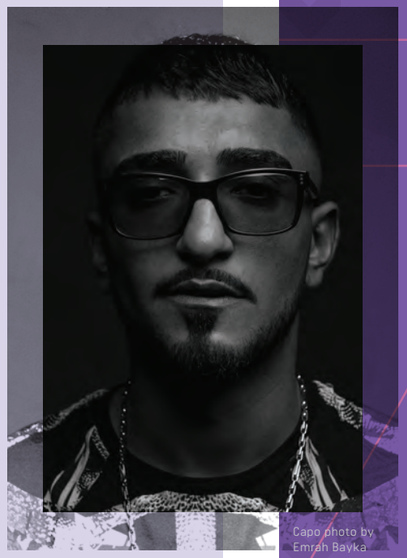
Weitkämper believes that true partnerships work especially well with urban artists such as Capo "because these are artists who know their craft and they know their audience; they grew up in that world and they want to stay true to it."

He continues: "For instance, we trusted his video ideas and his choice of video directors. He has very strong opinions on what kind of videos he wants to shoot, and we went with his instinct. We never overpower our artists, saying, 'You have to work with this well-known director and let us storyboard for you'. We always trusted Capo and his team and that resonates with his audience because they recognise his authentic voice – and would definitely react against anything inauthentic."

That is not to say Warner was passive, of course, just that it was co-operative and respectful of an artist and his vision, providing tools, opportunities and introductions which he could choose to utilise or not.

"We connected him with our international A&R network and that ended with Capo recording in the Netherlands. Maybe it seems weird to go to a smaller market, especially as the more traditional route is to set your sights on LA, New York or London, and to work with producers there.

"But Capo told us he loved the sound being produced in the Netherlands, the beats they were coming up with and the way they're mixing records right now, and he asked us to connect him there. And so, we did, we took him to Amsterdam, and he recorded in the best studios and with the best producers there – which is exactly what he wanted."



Capo photo by
Emrah Bayka

An even more high-profile connection was made when Capo and Bausa collaborated with Stormzy on a localized version of Vossi Bop.

Warner also worked closely with Capo's team on a digital marketing campaign via its own in-house experts, working directly with YouTube, Google, Facebook and others. Part of that process was empowering the team to take more control and allowing them to dig deeper into their data.

"We have great insight here and we were able to not only share that, but teach him and his team about algorithms and metadata, how to release at the optimum time on the optimum day etc. The reality is, we learn from our artists, and in turn we share our experiences and insights with them – and it all goes towards getting the artist where they want to go, together with us."

> **" The reality is, we learn from our artists, and in turn we share our experiences and insights with them – and it all goes towards getting the artist where they want to go, together with us."**
>
> **ANDREAS WEITKÄMPER**
> Managing Director, Domestic,
> Warner Music Central Europe

Putting Artists at the Heart of Innovation

Today, more than ever, innovation is key to every aspect of the work of a record company - in response to the evolving demands and habits of an ever widening – and truly global – audience, as part of an ongoing technical revolution that continues to transform the music industry landscape, and as a way of discovering new fans and opening up new countries for their artists.

Dennis Kooker, President, Global Digital Business & US Sales, Sony Music, says: "Innovation means different things depending on which area of the business you're focused on. Ultimately, we, as record companies, need to continuously re-invent ourselves and demonstrate the value that we bring. That, for me, is really important because it ensures a collective mindset that delivers great ideas."

He believes that continued evolution at the intersection between fans and artists is key.

> **" Ultimately, we, as record companies, need to continuously re-invent ourselves and demonstrate the value that we bring."**
>
> **DENNIS KOOKER**
> President, Global Digital Business & U.S. Sales, Sony Music

"In this era, our job is to listen to what the fans want and come up with ways to respond to that. We need to help ensure that there's continued product enhancement that understands customer segmentation and optimizes user experiences based on how consumers are accessing music."

Likewise, Kooker says that continued investment in technologies and solutions that provide greater levels of service and understanding to artists is critically important. Last year Sony Music upgraded its Artist Portal, adding a feature called 'Real Time Earnings' which provides immediate updates on global royalty earnings and account balances to reflect this growing focus. Royalty recipients also have the ability to make withdrawals as funds become available via a feature called 'Cash Out.'

Tones and I photo courtesy of Warner Music Group

Kooker says that transparency is a vital part of Sony Music's relationship with artists: "As far as our artists are concerned, we continue to focus on transparency and in sharing our data and insights with them, to help make them smarter about their own business."

Stu Bergen, CEO, International and Global Commercial Services, Warner Music, echoes the drive record companies have to innovate for the benefits of their artists: "Many of the digital tools we're using to connect artists and fans just didn't exist a decade ago. We now receive a ton of data in real time about how our artists' music is connecting with people, but you still need smart teams that can work out how to act on the information they're receiving and use it to proactively take an artist's career to the next level."

'THE WHOLE THING WAS BUILT ON INPUT FROM THE ARTIST AND MANAGEMENT COMMUNITY'

One way that record companies are innovating to help artists build both fanbase and brand is through sharing and analysing data. It is a resource that Mitchell Shymansky, Universal Music's Vice President, Data Analytics, believes is already invaluable.

Tiesto photo by Jordan Loyd

> **" ...you still need smart teams that can work out how to act on the information they're receiving and use it to proactively take an artist's career to the next level."**
>
> **STU BERGEN**
> CEO, International and Global Commercial Services, Warner Music

INNOVATION

He says: "We ensure that everybody in the company – and everybody on the artist's team – has meaningful access to both the data and the analytics.

"We can segment our artists' audiences and we can help plan tours and channel marketing activities. We can also pinpoint where there is already an audience. Data allows us to be surgical in our marketing, to help an artist find the right people to engage with their music."

"A great example is Gregory Porter, an American jazz artist who was signed out of France. Our data provides the opportunity to find new audiences and introduce him to them all over the world. He's a brilliant artist who has the opportunity to appeal to a much wider audience outside of his core genre, and data can help us find that global audience."

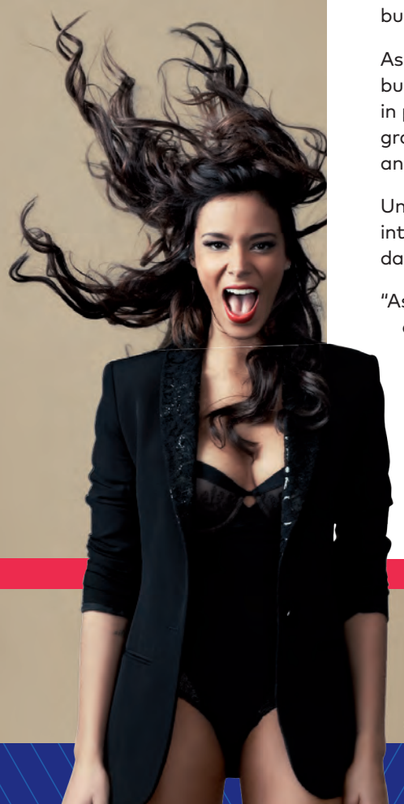
"We have a really wide variety of people working in this area, all working to make sense of a level of data that has also never been in the music industry before, and all with the aim of keeping artists better informed than ever before – and with the ultimate goal of helping them build their career."

> **" We ensure that everybody in the company – and everybody on the artist's team – has meaningful access to both the data and the analytics."**
>
> **MITCHELL SHYMANSKY**
> Vice President, Data Analytics, Universal Music

As with all areas of the modern music business, data analysis is conducted in partnership with and for the direct benefit of artists and their teams. Every granule helps them understand and reach their audience better than ever before and is shared in real time with complete transparency.

Universal launched its Artist Portal to facilitate this process in 2014. That evolved into the Universal Music Artists app, "the result of years of experimenting with data and figuring out how to share it with artists and managers", says Shymansky.

"As part of the process we got our team in a room with artists and managers and literally asked them what they wanted to see – and how they wanted to see it. The whole thing was built on input from the artist and management community."



Shy'm photo by Arthur Delloye

'WE HAVE TO TRY TO BE AS CREATIVE ON THE BUSINESS SIDE AS OUR ARTISTS ARE THROUGH THEIR MUSIC'

Michael Nash, Universal Music's Executive Vice President of Digital Strategy, is excited by the music industry's evolving relationship with technology and encouraged by what he sees as a shift in the balance of power within that relationship.

He says: "Rather than having technology act upon us and then figuring out how to adjust, I think there's much more a sense of energetically participating in the digital ecosystem, providing perspective and support to entrepreneurs earlier in the process and working on the advancement of these new platforms for the benefit of our artists.

"It's also about a shift in mindset, and believing that, as an industry, we have to be nimble and flexible enough to address and engage the many ways technological change is transforming the consumer marketplace."

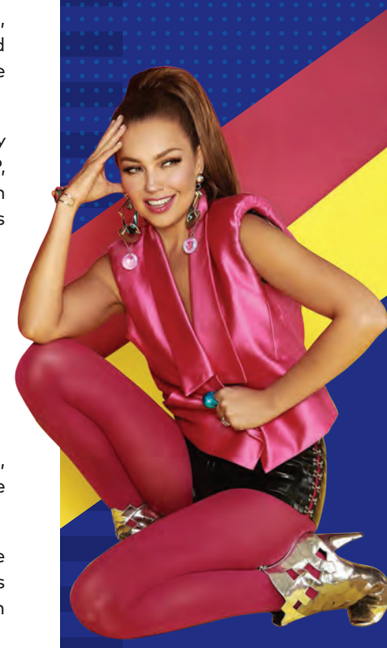
Nash flags up Universal's Accelerator Network as a concrete example of this new age of technological partnership and influence (see case study on page 49), describing it as part of a process that sees music companies "have an active and collaborative role," before concluding, "we have to try to be as creative on the business side as our artists are through their music."

Record companies across the board are, of course, investing in technology developments in order to, as Oana Ruxandra, Chief Digital Officer and EVP, Business Development, Warner Music Group, puts it, "be a company that can manage any evolution, with agile labels that can move and reinvent themselves within a shifting market."

While Ruxandra drives Warner's relationship with the cutting edge of music's interaction with technology, she says that behind that drive is a timeless motivation. "I'm incredibly passionate about this industry because music changes the way people communicate and interact, it changes the way they think and feel and the way they manage their relationships.

"Right now our artists have more access to their fans and fans have more access to the artists they love. That relationship has always been incredibly important, and it's being impacted positively by opportunities created by innovative technology.

"As the digital world evolves and as our fans and artists evolve, we have to make sure we keep pace – or, in fact, be ahead of the game, so that we meet the needs of those fans and our artists. That's why we're on the ground floor, working with the tech community, working with start-ups, thinking about what's next."



Thalia photo courtesy of Sony Music

Glen Barros, Managing Partner of Exceleration Music, reinforces the role of innovation in meeting fans' needs but highlights that this should be across all genres and musical styles. He says: "Certain genres, like jazz, blues, classical, Americana and even some parts of rock are often underserved by the current streaming market."

> **" As the digital world evolves and as our fans and artists evolve, we have to make sure we keep pace – or, in fact, be ahead of the game, so that we meet the needs of those fans and our artists."**
>
> **OANA RUXANDRA**
> EVP New Business Channels, Warner Music Group

Barros gave an unequivocal demonstration of his commitment to his philosophy at the end of 2019 when he left Concord after 25 years to found Exceleration Music, a company dedicated to investing in and supporting catalogues and artists from those genres.

"You've got to look at each genre, and ask, 'what do these fans really want? Why is it that the current fans haven't adopted streaming?' Then, 'what about new fans that are streaming but haven't gotten into a particular genre because it's too daunting?' I think those are the main questions that need to be answered and addressed."

Jasmine Sokko photo courtesy of Warner Music

FOCUS ON

Empowering artists in the data age

'ARTISTS ARE TELLING US IT'S A GAME-CHANGER'

In today's global streaming world, record companies are working to expand technology infrastructure, data expertise and information solutions that offer artists greater amounts of control, convenience and knowledge to advance and grow their careers.

Sony Music significantly enhanced its level of artist earnings data reporting and the speed of its payments to artists in 2019 with the launch of a pair of new features available from its Artist Portal and mobile app called 'Real Time Earnings' and 'Cash Out.' These initiatives are part of the company's ongoing commitment to leadership in transparency and artist friendliness.

Sony Music's Executive Vice President and Chief Financial Officer, Carmine Coppola, explains: "The concept was to reimagine and transform the way we account, provide data analytics and pay our artists. Our goal was to provide our artists instant reporting of all royalties and earnings information from every channel, every partner, and from every country. Additionally we wanted to give our artists access to their earnings whenever they desire, no different to money in their personal bank account.

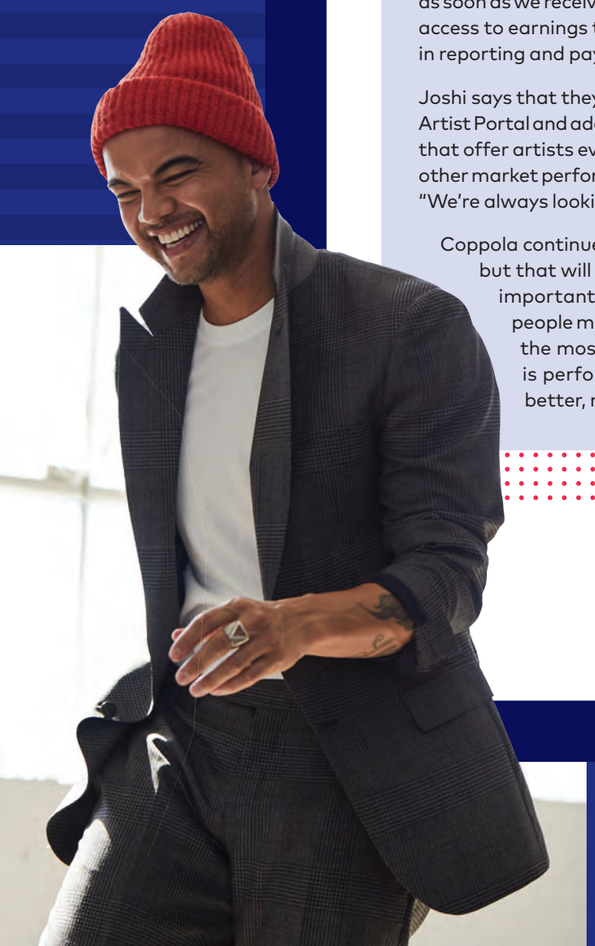
"It was an incredibly ambitious project. We started discussing it in February, announced it in May and rolled it out in October of the same year. However this was only possible due to of our constant technology investments over the last decade which provided the building blocks for this project."

Kirit Joshi, Senior Vice President and Chief Information Officer, Sony Music adds: "Alongside speed, we knew we had to bring simplicity to the picture. We receive many billions of micro-transactions that need to be aggregated and curated in a way that gives artists simple and useful visibility across hundreds of DSPs worldwide."

Coppola says: "Every day, our artists can now get updates on how much they have earned, where it was earned, from what release it was earned and from which service it was earned. This information hits their account as soon as we receive the reporting from digital providers. They also have access to earnings that same day. We've completely eliminated the lag in reporting and paying. Our artists are telling us it's a game-changer."

Joshi says that they are looking at opportunities to further develop the Artist Portal and add increasingly robust reporting and analytics features that offer artists even greater insights into trends around earnings and other market performance metrics for highly-informed decision making: "We're always looking to enhance the offering – the work will continue."

Coppola continues: "We have a continuing road map for this project, but that will undoubtedly evolve as we receive feedback. What's important is that our previous investment in technology and people means we're already able to give artists and managers the most powerful and insightful view into how their music is performing all over the world, and they're able to make better, more informed decisions because of that."



Guy Sebastian photo
by Trevor Knight

FOCUS ON

Accelerator Network – driving innovation around the world

'TECHNOLOGY, LIKE CULTURE, IS NEVER STAGNANT'

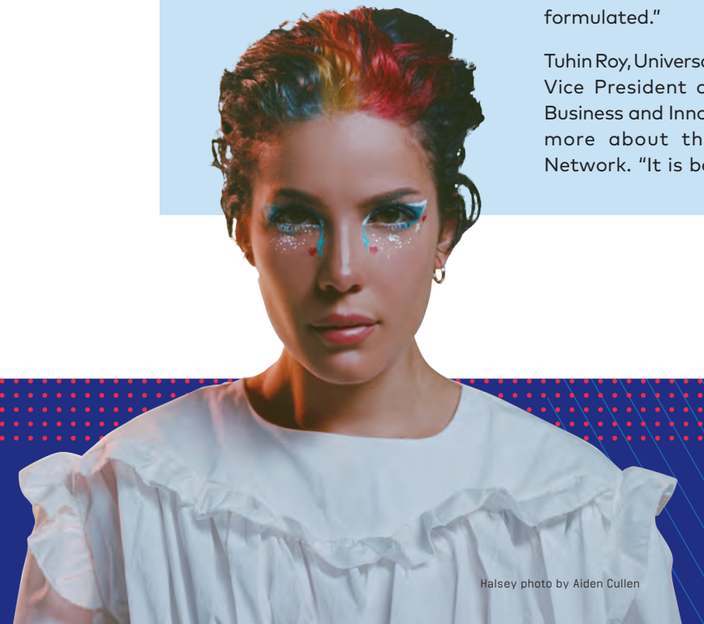
Michael Nash, Universal Music's Executive Vice President of Digital Strategy, believes it is imperative that music companies work to shape the future environment in which music is integrated around the world. It is this belief that is the foundation of Universal Music's Accelerator Network.

Nash says: "We need a seat at the table, within the centres of technological innovation, establishing relationships, exerting influence, and creating partnerships in that ecosystem that make our assets, our artist talent and our executive talent more impactful in the process from a grass roots level.

"Our business will continue to be defined by persistent technological change and so we have to establish a much broader presence in the investor community with respect to early-engagement with start-ups. From there we can help with issues such as licensing, but also, more generally, ensuring that our artists' rights and interests are front and centre as these technologies and associated business models are formulated."

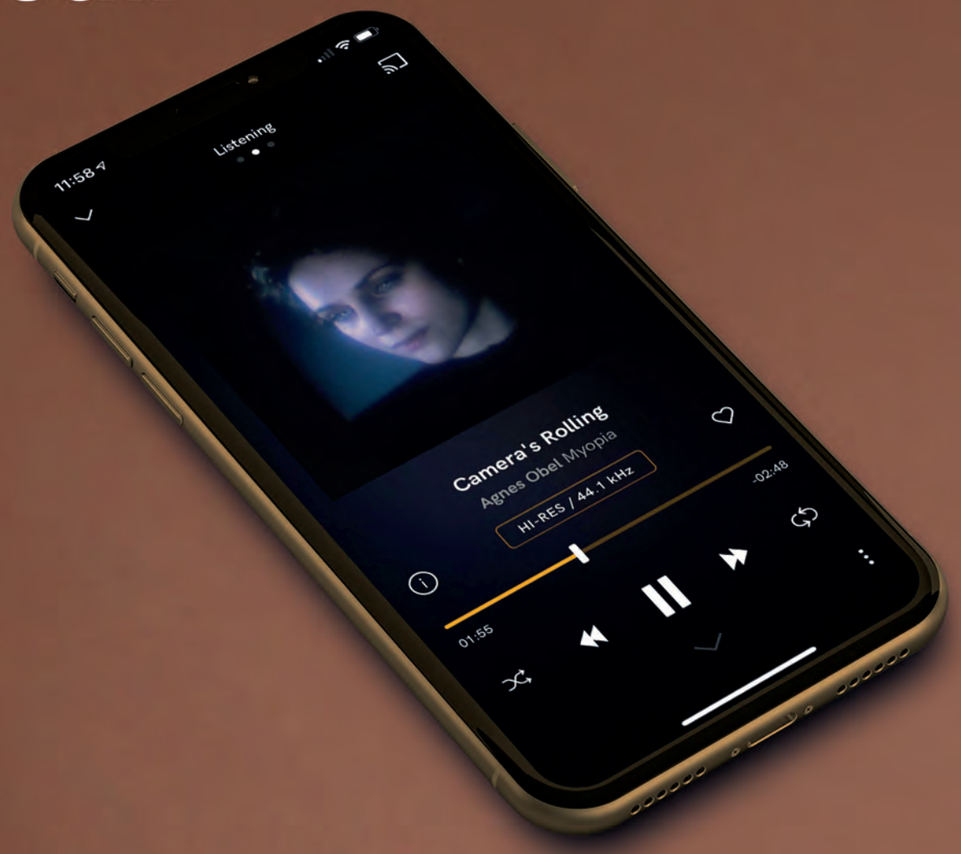
> **" Our business will continue to be defined by persistent technological change and so we have to establish a much broader presence in the investor community with respect to early-engagement with start-ups."**
>
> **MICHAEL NASH**
> Executive Vice President of Digital Strategy, Universal Music

Tuhin Roy, Universal Music's Senior Vice President of New Digital Business and Innovation explains more about the Accelerator Network. "It is based on a view



Halsey photo by Aiden Cullen

Rediscover music for real.



Qobuz is ditching inferior MP3-quality streaming while introducing an affordable single monthly Hi-Res streaming subscription plan, so everyone can enjoy the best possible quality music reproduction anywhere, anytime.

qobuz Hi-Res AUDIO

Paris-New-York - **partners@qobuz.com**

that we have to address every point in the entrepreneurial journey, from ideation to accelerating, to finance, licensing, taking it to consumers, everything.

"The Universal Music Accelerator Network allows us to partner with existing, third-party accelerators around the world, which in turn allows us to fund and assist entrepreneurs pushing the boundaries within the music space. We now have 12 of those partnerships in place, with more than 70 start-ups coming through those partner companies.

"And it is a truly global network, because digital innovation is no longer a Silicon Valley phenomenon, there are dozens of important entrepreneurial cities all over the world, and some of the technologies that have impacted music most significantly in the last few years have come from places like Stockholm, Shenzhen and Shanghai."

> **" Fans are no longer happy to be passive; they want to be partners in creativity with the artists they love."**
>
> **TUHIN ROY**
> Senior Vice President of New Digital Business and Innovation, Universal Music

A common thread throughout many of those start-ups, says Roy, is "creating new and effective ways for artists to connect with fans, ways that reflect deep cultural changes." He continues: "Fans are no longer happy to be passive; they want to be partners in creativity with the artists they love."

He also echoes Nash's point that technological innovation is continuous – and that the music industry is only at the start line of its current race into the future. "I have a very strong belief that we're at the beginning of this revolution. I think sometimes people look at Spotify and Apple, they see large user bases and they think, 'Ah well, that's it, that's what music delivery and consumption looks like.'

"But we should know by now that technology, like culture, is never stagnant. We are playing an active part in shaping what it will look like in the future."

Darren Espanto photo courtesy of Universal Music Group

ACCELERATOR NETWORK

Creating a Fair Environment for Music

Record companies are dedicated to creating a sustainable environment in which the whole music community can grow and develop. Investment from record companies, in people and in infrastructure, helps ignite music markets around the world, supporting their cultures and connecting their artists to a global fanbase.

For this to be sustainable for the long term, and particularly to support the recovery of the music ecosystem following the COVID-19 crisis, the legal and policy environment should be fit for purpose. There are four key 'pillars' that, if fully established, will help diverse music markets – and the music communities driving them.

Four Pillars of Fair Marketplaces for Music

1 MUSIC'S VALUE SHOULD BE RECOGNISED

Policymakers should recognise that music has both cultural and economic value. Rules should ensure that all services engaging in distributing music online, regardless of how they operate, negotiate licences with right holders (those who create and own the music) in a fair, competitive marketplace.

2 COPYRIGHT FRAMEWORKS SHOULD BE CLEAR AND PROVIDE FOR LEGAL CERTAINTY

A balanced and clear legal framework is needed to allow everyone to understand how music can be used legally. This should give right holders an adequate level of protection through exclusive rights, while allowing, in appropriate cases, clearly defined and targeted exceptions to those rights. Open-ended or 'flexible' exceptions are open to abuse and undermine this balance.

Danny Ocean photo
by Luis Alejandro Marquez

Lous and the Yakuza photo
by onziememois

3 ALL PARTIES SHOULD BE FREE TO AGREE THE TERMS OF THEIR RELATIONSHIP

In a fair and functioning marketplace, parties should be free to agree the terms of their relationship. Unfair restrictions, whether over rights or contracts, distort and limit the development of music markets and result in recorded music being devalued.

4 ADEQUATE TOOLS SHOULD BE AVAILABLE TO PREVENT MUSIC FROM BEING MADE AVAILABLE ILLEGALLY

As the online marketplace around the world continues to evolve, so too do the challenges the music community faces in preventing music from being made available illegally. There should be fair and effective ways to tackle illegal services that seek to exploit the work of artists and profit through large-scale copyright infringement.

Tifa Chen photo
courtesy of Universal Music Group

FOUR PILLARS

Photo Credits

COVER
Ozuna photo by Albizu
Taylor Swift photo by Valheria Rocha
ARASHI photo courtesy of J Storm
Kris Wu photo courtesy of Universal Music Group
Cosculluela photo courtesy of Warner Music Latina
Billie Eilish photo by Kenneth Cappello
Zara Larsson photo by Sasha Samsonova
Stormzy photo courtesy of Warner Music Group
Lizzo photo by Jabari Jacobs

PAGE 7
Frances Moore photo by Graham Flack

PAGE 9
Taylor Swift photo by Valheria Rocha
Ed Sheeran photo by Mark Surridge
Post Malone photo by Adam DeGross
Billie Eilish photo by Kenneth Cappello
Queen photo courtesy of Universal Music Group
Ariana Grande photo by Dave Meyers
BTS photo courtesy of Big Hit Entertainment
Drake photo by Caitlin Cronenberg
Lady Gaga photo by Peter Lindbergh
The Beatles photo courtesy of Apple Corps Ltd

PAGE 10
Billie Eilish photo by Kenneth Cappello
Lil Nas X photo courtesy of Sony Music
Shawn Mendes/ Camila Cabello photo courtesy of Universal Music Group
Post Malone photo by Adam DeGross
Ariana Grande photo by Dave Meyers
Tones and I photo courtesy of Warner Music Group
Ed Sheeran photo by Mark Surridge
Justin Bieber photo by Joe Termini
Lady Gaga/ Bradley Cooper photo by Peter Lindbergh
Lewis Capaldi photo by Alexandra Gavillet
Halsey photo by Aidan Cullen

Help us make streaming fair.
Support our UCPS Pilot in 2020.

deezer

IN MUSIC WE LIVE
live
An Innovative Mode Presented by
Tencent Music Entertainment Group (NYSE:TME)
IR.TENCENTMUSIC.COM