

NEW IFPI-IPSOS RESEARCH SHOWS AUDIO STREAMING ON THE RISE BUT STARKLY HIGHLIGHTS MUSIC'S "VALUE GAP"

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Today, IFPI releases new consumer research from Ipsos that gives new insights into how the patterns and practices of music consumption are changing worldwide. The research was conducted across thirteen major music markets and with internet users aged from 13 to 64, offering a unique perspective into engagement with music.

Music has remarkable reach across countries and cultures. The research finds more than seven in 10 internet users aged 16-64 across four continents actively engage with licensed music: they purchase CDs and vinyl, they buy digital downloads, they listen on streaming services, and they watch music videos. In fact, nearly half of all internet users (48 per cent) have paid for music in some form in the last six months.

The rise and rise of streaming

The music industry has made great strides engaging users through digital means and the story of music consumption in recent years is a story of streaming. On-demand, all-you-can-eat services have been rapidly adopted in many countries: overall, nearly four in 10 (37 per cent) internet users use audio streaming services and nearly half of these (18 per cent) are using a paid version, an increase of one-fifth from 2015. Adoption of streaming is highest amongst 16-24 year olds: 62 per cent use audio streaming and nearly one-third of this age group take advantage of the benefits of a paid audio streaming service.

In Sweden, Mexico, and Spain, more than half of all internet users are using streaming services and around four in ten are paying. IFPI's [Global Music Report 2016](#) highlighted how quickly streaming services are driving consumption (the number of streams increased by 93 per cent in the US during 2015, for instance) and the Ipsos report confirms that streaming has major attractions for music listeners across all age groups.

YouTube as a music service

Yet it's not possible to talk about music, the internet, and streaming without also discussing the impact of video streaming services. Across all thirteen markets surveyed, one name comes out loud and clear as a huge force in music consumption: YouTube. 82 per cent of internet users use YouTube for music and among the 16-24 group, the figure is 92 per cent. Almost every internet user surveyed in Mexico (97 per cent!) uses YouTube as a music destination. This data is crucial to the value gap debate, demonstrating the fundamental importance of the site to music consumers worldwide.

YouTube consistently plays down its significance as a music service, arguing amongst other things that the service is primarily promotional. The Ipsos research shows this is not true: 81 per cent of YouTube's users use it to listen to music they already know and this figure is similar across all age groups, changing by only a few percentage points from the youngest to the eldest. The data from the survey demonstrates clearly that YouTube is a major destination for on-demand music and makes it difficult to accept any argument that the site should operate outside the normal music licensing environment.

Mobile

As streaming expands in use, so does the adoption of the mobile as a device for music listening. The two go hand in hand in many countries with paid streaming services - that provide on-demand, offline, ad-free mobile access to enormous catalogues of music - particularly popular on smartphone: 78 per cent of paid Deezer users and 76 per cent of paid Spotify users listen via their phones. Across all internet users in 13 countries, 55 per cent listen to music via a smartphone with more than two in three doing so in Mexico, Korea, Brazil, and Italy. In the US, 29 per cent more internet users are using their phones to listen to music than in 2015 and 26 per cent more in Japan.

Stream ripping a huge concern

Streaming also offers new opportunities for infringement. The Ipsos data shows that increasingly, users are turning to stream ripping services to download music. Stream ripping sites, services and apps enable users to make a permanent, free download of music that was licensed only for streaming use on a video website, such as YouTube or Soundcloud, and listen to it whenever and wherever they wish, without paying for a premium subscription or to download the file. These services are now used by three in ten internet users and by almost half (49 per cent) of 16-24 year olds, an increase of 20% since 2015.

The next generation

Ipsos also engaged in additional survey work of the younger music fan. The results show a strong interest in music and a healthy understanding of the music ecosystem. While the 13-15 age group reported a usage pattern mostly similar to 16-24 year olds - with prominent use of streaming, for instance - this demographic was more likely than any other age group to agree that music was important to their lives (82 per cent). Perhaps as a result, this age group was also mostly likely to agree that artists should be rewarded when their music is played (67 per cent) and that obtaining that music without permission - by piracy, for instance - is wrong (64 per cent).

There is much more to be learned from this research. IFPI intends to discuss further analysis based on the Ipsos data and other research into music consumption in the coming months.