

GLOBAL MUSIC REPORT

2024



STATE OF THE INDUSTRY



“In the midst of all the technological advances with the potential to usher in a new era of growth, it is essential that we continue to fight for our artists and stand up for the creative and commercial value of music. Our vision of the future is filled with possibilities, and working together as a united community we can make those possibilities real—for our artists, fans and the entire music ecosystem.”

SIR LUCIAN GRAINGE
Chairman & Chief Executive Officer,
Universal Music Group



“Music is the world’s most popular, influential, and evergreen art form - but still undervalued. At the same time, our business is growing larger, faster, and noisier - so it’s harder for individual artists to cut through the clutter. In this environment, our global reach and expertise are critical in helping authentic talents build long careers and loyal fan bases, while protecting and promoting the value of music. Together, we’re pioneering the future, at the intersection of entertainment and technology.”

ROBERT KYNCL
Chief Executive Officer,
Warner Music Group



“We’re at a major inflection point in the music industry once again, with the advent of generative AI and the rise of short-form platforms bringing both opportunities and challenges for artists and fans. Our music drives the development of new technology and innovation, shaping cultural moments across tech, gaming, TV, film and more; whilst demand from fans for high quality music and content from world-class artists is stronger than ever, and continues to grow in mature and high growth markets. The fight to have partners recognize music’s true value is relentless. With any new advancements, we will continue to ensure they are creator-friendly, that artists are always put first and that art is protected and given the value it truly deserves.”

ROB STRINGER CBE
Chairman,
Sony Music Group



“Record labels – be they independents or majors - don’t just offer artists a range of services, we offer our passion to those artists. We want to make their dreams happen – to make music and express themselves, and to find an audience around the world. In a constantly evolving industry these things do not change.”

KONRAD VON LÖHNEYSSEN
Managing Director,
Embassy of Music

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INTRODUCTION

THE PARTNERSHIP BETWEEN RECORD COMPANY AND ARTIST CONTINUES TO DEFINE AND SHAPE MUSIC IN ALL ITS WONDERFUL AND EXTRAORDINARY FORMS.

The record executives who have contributed to this report, based all over the world and performing a diverse range of roles, share two common traits: a passion for music and a dedication to helping artists find creative and commercial success.

This partnership is at the heart of the continued growth of music markets worldwide. Record companies are investing US\$7.1 billion annually in A&R and marketing alone, powering artists and their careers and connecting fans and music communities from all over the world.

At the centre of today's record company is a powerful drive for innovation. This takes many forms: from reshaping the artist-label collaboration, to exploring and embracing new technologies and platforms, to driving career opportunities for artists who fall outside the traditional recorded music pathways. It is leading to exciting and diverse projects and incredible experiences for fans.

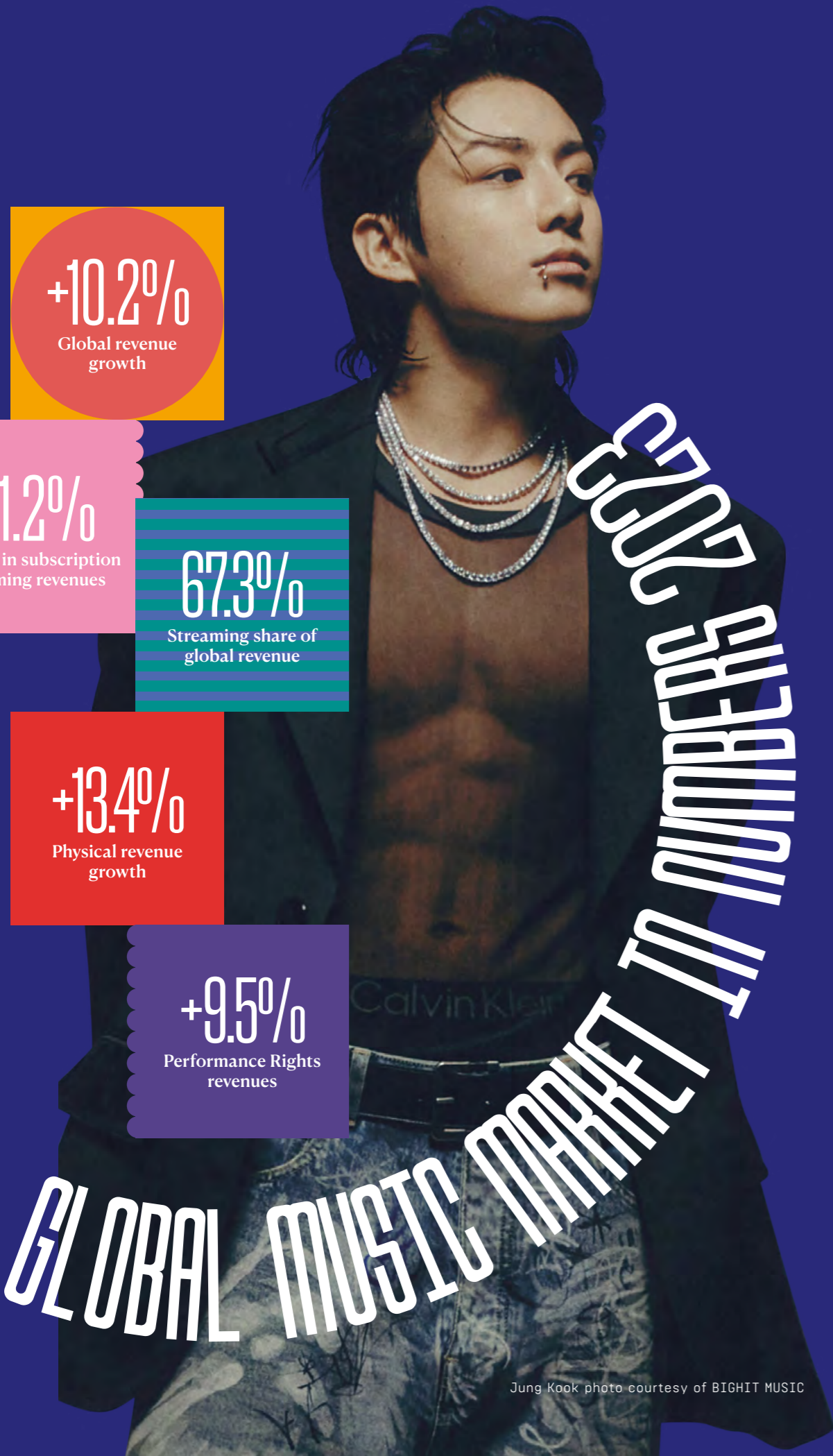
However, even as the music ecosystem grows, develops and rewards those who create music, it still faces a range of threats, including the evolving issue of digital piracy and the damaging practice of streaming fraud.

While artificial intelligence (AI) has already been widely embraced across the music industry, the emergence of generative AI presents a new, rapidly developing challenge. Many generative AI developers take music without authorisation or compensation and build consumer facing products that compete directly with artists' work.

To tackle these issues and ensure the ecosystem is sustainable for the long-term, record companies require effective tools and the support of authorities and the wider music sector.

Music, time and again, has proved its enduring power to engage, enthral and connect us. As record companies work in partnership with artists to innovate, drive creativity and support and champion music the world over, we look forward to helping to shape its next chapter and the incredibly exciting possibilities ahead.

IFPI: Representing the recording industry worldwide



GLOBAL MUSIC MARKET IN NUMBERS 2024

+10.2%
Global revenue growth

+11.2%
Growth in subscription streaming revenues

67.3%
Streaming share of global revenue

+13.4%
Physical revenue growth

+9.5%
Performance Rights revenues

Jung Kook photo courtesy of BIGHIT MUSIC

IFPI GLOBAL ARTIST CHART 2023

IFPI's Global Charts provide the most complete picture of artist, album and track performance worldwide



TAYLOR SWIFT

Taylor Swift photo by Beth Garrabrant

6



2

SEVENTEEN



3

STRAY KIDS



4

DRAKE



5

THE WEEKND



6

MORGAN WALLEN



7

TOMORROW X TOGETHER



8

NEWJEANS



9

BAD BUNNY





10


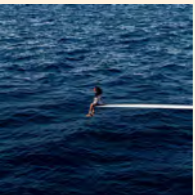

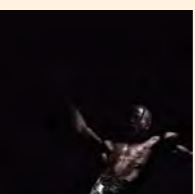
LANA DEL REY

Source: IFPI | The IFPI Global Artist Chart measures consumption across all formats (including streaming formats, digital and physical albums, and single sales) and all countries in a calendar year. It is weighted based on the relative value of each method of consumption. A more detailed analysis of IFPI Global Charts is available in the IFPI Global Music Report 2024 Premium Edition.

IFPI GLOBAL SINGLE CHART 2023

IFPI GLOBAL ALBUM CHART 2023

Global subscription streams equivalent		Global subscription streams equivalent	
	1 FLOWERS Miley Cyrus 2.70 bn		6 LA BEBE Yng Lvcas, Peso Pluma 1.45 bn
	2 CALM DOWN Rema, Selena Gomez 1.89 bn		7 CRUEL SUMMER Taylor Swift 1.39 bn
	3 KILL BILL SZA 1.84 bn		8 LAST NIGHT Morgan Wallen 1.37 bn
	4 DIE FOR YOU The Weeknd, Ariana Grande 1.78 bn		9 ANTI-HERO Taylor Swift 1.31 bn
	5 AS IT WAS Harry Styles 1.46 bn		10 SEVEN FEAT. LATTO Jung Kook 1.24 bn

	1 FML SEVENTEEN		6 ISTJ NCT DREAM
	2 5-STAR Stray Kids		7 SOS SZA
	3 ONE THING AT A TIME Morgan Wallen		8 SEVENTEENTH HEAVEN SEVENTEEN
	4 MIDNIGHTS Taylor Swift		9 ROCK-STAR Stray Kids
	5 1989 (TAYLOR'S VERSION) Taylor Swift		10 UTOPIA Travis Scott

Source: IFPI
The IFPI Global Single Chart measures digital format singles across a calendar year, including paid subscription streaming, ad-supported streaming, and single-track downloads.

Source: IFPI
The IFPI Global Album Chart takes into account all consumption formats, spanning physical sales, digital downloads, and streaming platforms across a calendar year. It is weighted based on the relative value of each method of consumption. For the full Top 20 Global Artists, Singles and Albums please see www.ifpi.org.

THE GROWTH OF THE GLOBAL INDUSTRY CONTINUES

Growing in value by 10.2% - the second highest growth rate on record - the global recorded music market was worth US\$28.6 billion in 2023. In the ninth year of consecutive growth, revenues in 2023 painted a picture of a truly global and diverse industry as revenues rose in every region and across almost every recorded music format.

Strong and widespread engagement with streaming formats continued: streaming revenues accounted for the majority of revenue growth and total market share. Subscription streaming alone grew by 11.2% comprising 48.9% of the global market. Growth was not limited to streaming: there was a strong double-digit percentage increase in physical revenues (up by 13.4%) and healthy gains in income from performance rights (up by 9.5%).

Each of the markets in the global top 10 recorded year-on-year growth. The fastest rates of revenue growth came from China, where revenues rose by 25.9%, maintaining the country's place in the top five; Brazil (up by 13.4%); and Canada (revenues increased by 12.2%).

GLOBAL MARKET OVERVIEW 2023

Global recorded music market growth
10.2%

Growth in overall streaming revenues
10.4%

Users of paid subscription accounts
667m

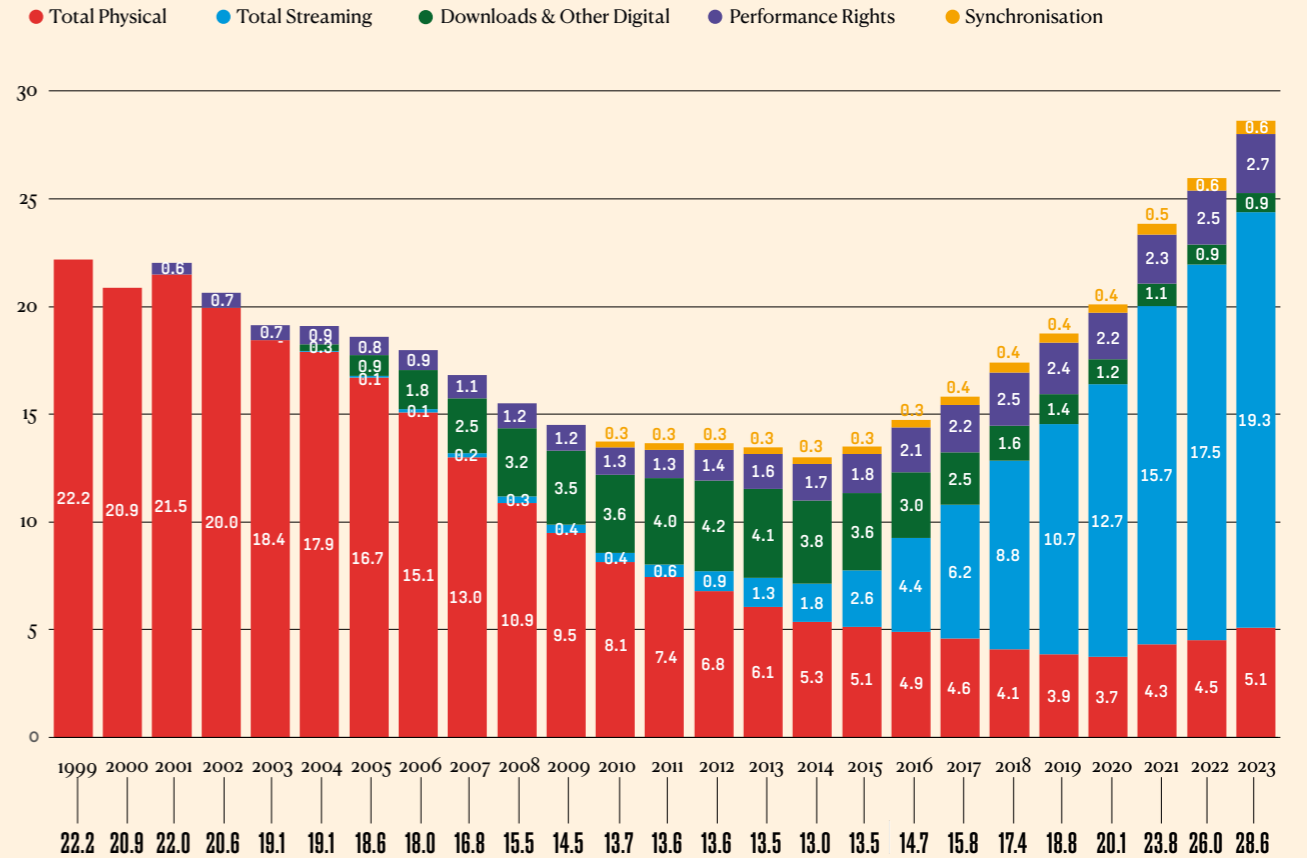
Top 10 music markets 2023

1	USA	
2	JAPAN	
3	UK	
4	GERMANY	
5	CHINA	
6	FRANCE	
7	SOUTH KOREA	
8	CANADA	
9	BRAZIL	
10	AUSTRALIA	

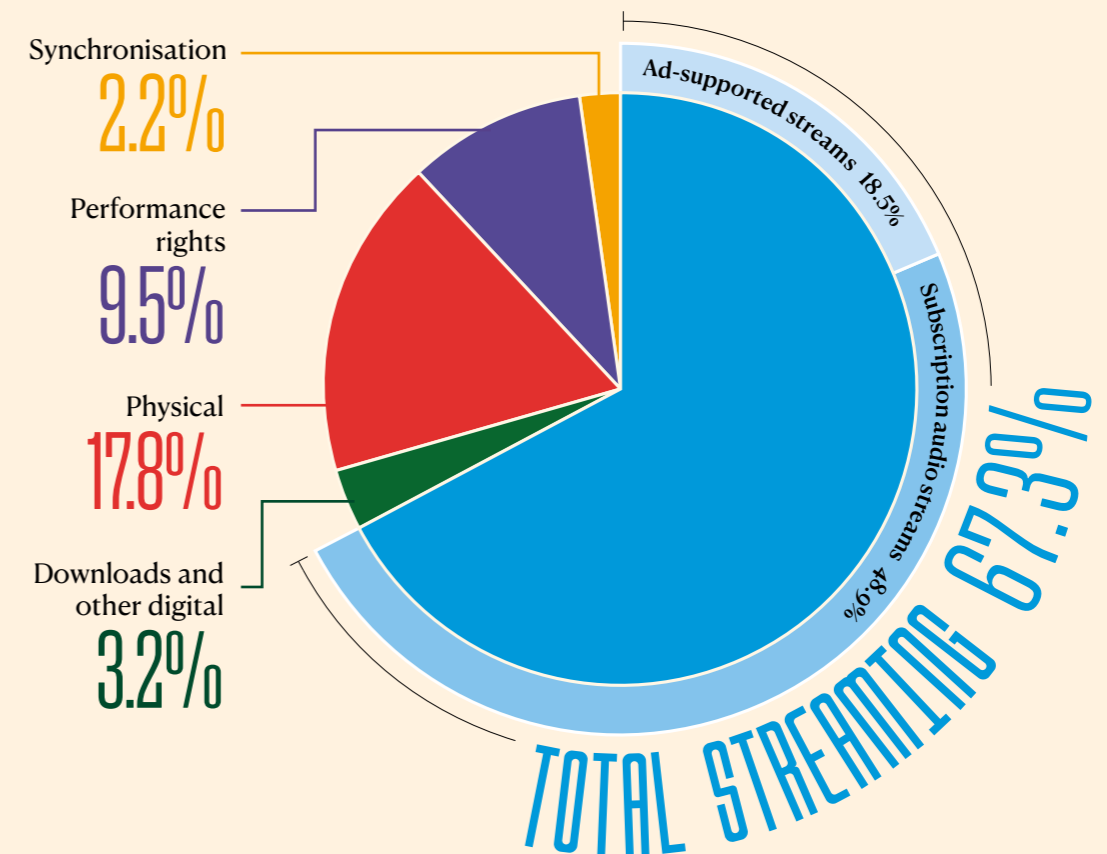
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Shakira photo by Jaume De Laiguana

Global recorded music industry revenues 1999 - 2023 (US\$ billions)



Global recorded music revenues by segment 2023



FIGURES BY FORMAT 2023



Streaming continued its domination of global revenues again in 2023 but all music formats recorded increased revenues with the exception of downloads and other digital. Subscription streaming, performance rights, and physical formats like CDs and vinyl all experienced faster growth in 2023 than in 2022. Revenues from physical jumped by 13.4%, the highest growth rate of any format in 2023.

STREAMING

A double-digit percentage increase in global revenues from streaming in 2023 (up 10.4% to US\$19.3 billion) was the key driver of overall global growth. Streaming accounted for more than two-thirds (67.3%) of the total global market. Although this was a modest decline on the prior year's growth rate of 11.4%, within this subscription revenues growth accelerated to 11.2% for 2023 (up from 10.1% in 2022).

PHYSICAL

For a third consecutive year, physical revenues rose with an upswing of 13.4% in 2023, a marked increase on the prior year's growth of 3.8%. Driven by strong gains in CD revenue and the continued expansion of interest of vinyl, physical formats were worth US\$5.1 billion in 2023 and accounted for 17.8% of the total global market, up from 17.3% in 2022. Asia remained the leading region for physical, responsible for almost half (49.2%) of global revenues from the format, helped by strong sales from K-Pop acts.

PERFORMANCE RIGHTS

Revenues from performance rights – the use of recorded music by broadcasters and public venues – maintained healthy growth in 2023 and increased by 9.5%, having already surpassed pre-pandemic levels of revenue in 2022. Performance rights revenues of US\$2.7 billion were 9.5% of the global market.

DOWNLOADS AND OTHER DIGITAL

The only format to experience a decline in 2023, revenues from downloads and other (non-streaming) digital formats fell by 2.6%, a notably slower rate of decline than the prior year (-11.8% in 2022). Overall, this format accounted for just 3.2% of global recorded music revenues in 2023, as streaming formats dominate the digital market.

SYNCHRONISATION

At US\$632 million in 2023, synchronisation revenues experienced continued growth in 2023 (+4.7%), albeit at a slower rate than 2022 (+23.9%). This format encompasses revenues from the use of recorded music in advertising, film, games and TV and represented just 2.2% of overall recorded music revenues.



FIGURES BY REGION 2023

There was a positive story of growth across the globe: every region had healthy revenue growth in 2023 and five regions posted double-digit percentage gains. Sub-Saharan Africa remained the fastest growing area.

USA & CANADA

Responsible for the greatest share of global recorded music revenues, there was a gain of 7.4% in 2023 in the USA and Canada. Revenues grew at a faster rate than in 2022 (+5.1%). Revenues from the USA, the world's single largest recorded music market, rose by 7.2%. In Canada, another top 10 market, revenues jumped by 12.2%. Combined, the two markets had a 40.9% share of overall recorded music revenues.

+7.4%

LATIN AMERICA

In the fourteenth consecutive year of revenue growth, recorded music revenues in Latin America rose steeply in 2023 and were up by 19.4%, once again outpacing the global growth rate. There were double-digit percentage climbs in revenues in Brazil (+13.4%) and Mexico (+18.2%), the region's largest markets. Streaming was the key driver and made up 86.3% of the region's revenues.

+19.4%

EUROPE

Representing more than a quarter of global revenues (28.1% share) after revenue growth of 8.9%, Europe remained the second largest region in the world for recorded music revenues in 2023 and exceeded US\$8 billion. The three biggest markets – all of which were in the top ten – recorded healthy growth: the UK (+8.1%), Germany (+7.0%), and France (+4.4%).

+8.9%

MENA

Streaming revenues dominated once more in the Middle East and North Africa (MENA) with a 98.4% share of the market in that region. Total MENA revenues rose by 14.4% in 2023 – albeit a lower rate of increase than the 26.8% jump in 2022 – but exceeding the global growth rate.

+14.4%

ASIA

The third largest market globally, revenues in Asia rose by 14.9% in 2023, driven by strong gains in physical and digital revenues, and continuing a multi-year upward trajectory. The two largest Asian markets saw healthy growth: revenues from Japan, the world's second biggest market, were up by 7.6% and there was steep growth in China (the fifth largest market) of 25.9%, the fastest rate of increase in any top 10 market.

+14.9%

SUB SAHARAN AFRICA

Sub-Saharan Africa once again had the fastest growth of any region and was the only one to surpass 20% growth: revenues climbed by 24.7%, fuelled by gains in paid streaming revenues (+24.5%). South Africa remained the largest market in the region, contributing 77.0% of regional revenues after growth of 19.9%.

+24.7%

AUSTRALASIA

Australasia posted double-digit percentage growth of 10.8% in 2023, an increase on the 8.3% rise in 2022 and boosted by an increase in subscription streaming revenues (+13.5%). Revenue growth accelerated in Australia, a global top 10 market, up by 11.3% (+8.2% in 2022). In New Zealand, revenues increased by 8.4%.

+10.8%

TODAY'S RECORD COMPANIES

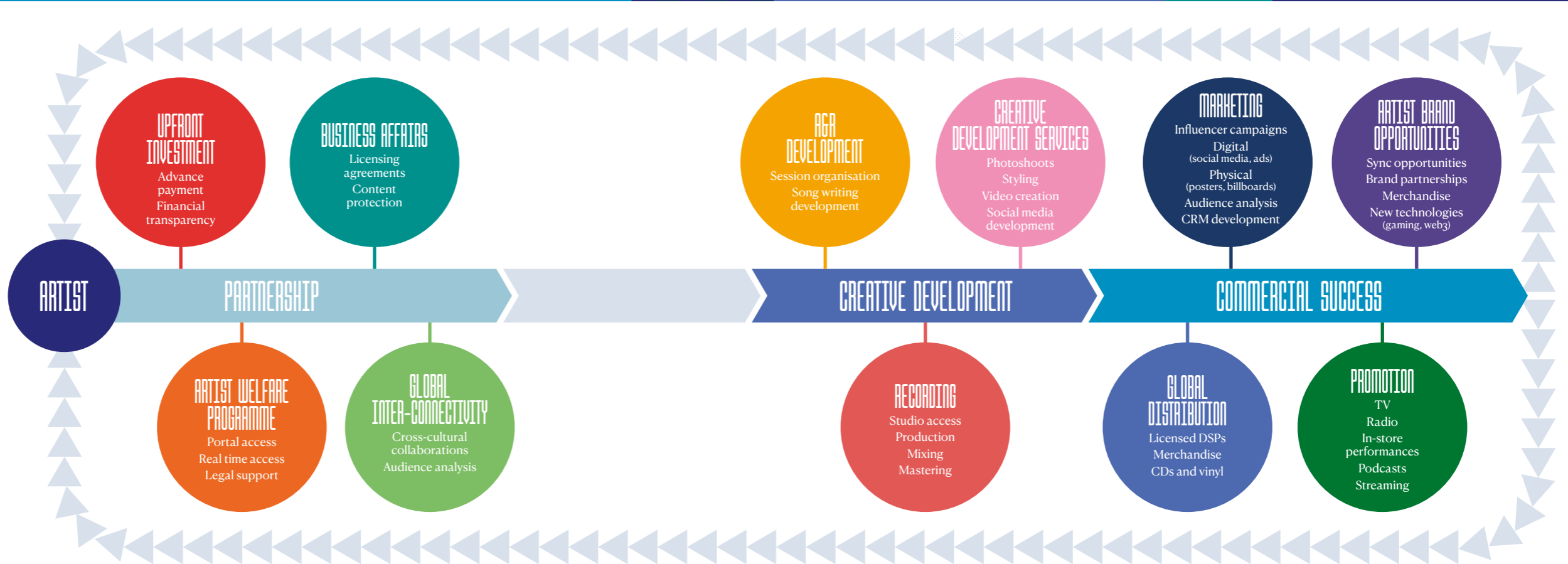
INVESTING TIME, ENERGY & RESOURCES IN MUSIC

The role of record companies in empowering artists and supporting the growth of the wider music industry has never been more important than it is in today's highly competitive, global landscape.

When artists choose to partner with a record company they benefit from the support of agile, highly responsive global teams of experts dedicated to helping them achieve creative and commercial success and building their long-term careers. Record labels are the driving force behind artists as they realise their vision, providing a broad network of experienced professionals that help them to cut through and connect with fans in the most compelling ways.

Alongside the integral creative and commercial support they provide to their artist partners, record labels continue to play a crucial role as the leading investors in music.

ARTISTS BENEFIT FROM A RECORD LABEL PARTNERSHIP IN A WIDE VARIETY OF WAYS



RECORD COMPANIES ARE THE LEADING INVESTORS IN MUSIC

This breaks down to:

US\$7.1bn
Annual investment in A&R and marketing

US\$3.2bn
Invested in marketing artists annually

US\$3.9bn
Invested in A&R annually

ARTISTS ARE INCREASINGLY BENEFITTING FROM THE GROWING MUSIC ECOSYSTEM

Between 2016 and 2021:

Artists' share of revenue grew by 20.2% to reach

34.9%

of global sales revenue in 2021

Labels' payments to artists have increased by

+96%

vs. a

+63%

increase in revenues for IFPI's largest member companies

THE ARTIST PARTNERSHIP AND BEYOND

Empowering great talent and incredible music

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 choice that some 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.

Billie Eilish courtesy of Interscope Geffen A&M

Tunji Balogun, Chairman and CEO, Def Jam Recordings, believes this partnership begins with a shared connection between artist and label: "Artists should be walking into a label feeling like, 'Okay, these people get me'. I think all artists want to feel understood. They want to feel heard, and they want to feel like they're putting their work in the hands of people that understand and care deeply."

For Balogun, building the right team around the artist is crucial: "When that trust level is really high then both the artist and the label team are going to work harder, do more and go further because they're going to feel that synergy. That's the goal. The team that works with the artist is so important because those are the people who have to go out to tell these stories and fight for them."

With the right teams assembled, an early step in an artist-label partnership can be support with the development of the artist and their music. **Republic Records Senior VP, A&R Ken "Duro" Ifill**, explains that this is an evolving process: "The fundamentals of A&R have not changed, but we now apply them in a contemporary way. A&R has really evolved into a team sport: You have individuals that first identify trends, then there's the person with that innate sense that says, "This is moving, it's sustainable, it's a real piece of art." You then have someone who can really get under the hood and help that artist grow and then, finally, another person who can help them move around in the space and make larger connections. It's always evolving, but at the end of the day, the core is always helping to create quality music."

Record label investment, in an artist and their music, is something that happens at the start of an artist's career. For **Federico Sacchi, Head of A&R, Sony Music Italy**, this includes 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 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."



BJTCK photo by Micaiah Carter

Timothy Xu, Chairman and CEO, Universal Music, Greater China feels that "a key factor to artist partnerships in a fast-growing market like China are the services and support a record company can provide."

"The fact that many artists now have the capabilities to operate independently is a testimony to today's constantly evolving and rapidly changing ecosystem. And the reason for this transformation are the shifts in the overall larger trends. So when artists are looking to partner with a record company, they have their sights and goals set internationally. They want the support of a mature global service network provided by an international music group. For me, it is all about constantly enhancing our hardware, and services to meet the artists' needs, providing the best possible support for their development."

"There's a whole generation of new artists here in China with different ambitions from previous artists – they're increasingly familiar with international music and markets and are eager to tap into them. They need, and what we strive to offer, is professional support and understanding."

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."

"In a world with so much noise and so much volume, our role as the artist's greatest champion is more important than ever — helping them tell their story and curate their vision, while fiercely protecting their work and their brand."

Max Lousada
CEO, Recorded Music, Warner Music Group



BTS photo courtesy of BIGHIT MUSIC

Releasing music: CUTTING THROUGH THE NOISE

In an era of infinite content, the power of the partnership between record companies and artists to cut through to an audience and build a fanbase has never been more crucial.

Lexa Bippus, Director of Marketing, Four Music label in Germany explains that helping an artist to find an audience for their music requires a combination of a creative approach to marketing the music, whilst working in a disciplined and targeted way: "When artists tell us about their vision, sometimes they worry that it sounds crazy! But that's OK, our job is to work out how to make it happen – and we can do that because we have the expertise and experience in-house.

"At the same time, whilst thinking outside the box and being ultra-creative, we are also built around reliability – and that's hugely important for a new artist. We won't just

make it happen, we will make it work in time and on budget.

"It's the same across disciplines. We build individual marketing

"Ultimately, we are driven to be great partners with artists. Our mission is to support their creativity, their fan engagement, and their commercial opportunities. To do that properly, we need great go-to-market plans, combined with flawless execution, to ensure our artists get the best chance to connect with new and existing audiences."

DENNIS KOOKER
President, Global Digital Business, Sony Music Entertainment

plans, individual sales plans, promotion plans, content strategies – but it's all within a framework that is determined by the artist and works for where they are at and where they want to go next."

Marie-Anne Robert, Managing Director, Sony Music Entertainment France, adds: "Audiences are more fragmented than ever before, and our marketing strategies reflect this dynamic. Artists need more teams, more voices, a wider range of experiences, all within the one building.

"That's how we help artists build and tell their story. Those stories and the ways and places they are told are more diverse than ever. There is no single channel to everyone, but that means that tight, overall coordination is crucial."



Ed Sheeran photo by Annie Leibovitz

AN ONGOING CONVERSATION

For **Stacey Tang, Co-President RCA UK, Sony Music**, a successful campaign starts with a shared understanding of clear goals: “We define a shared vision with artists, identifying what success means to them, then strategy, targets and tactics evolve to deliver that.”

“This becomes even more important when the objective is not just to promote music to fans but to support an artist in building a deep and long-lasting relationship with their fanbase across multiple verticals.

“We’re dealing in ongoing conversations now when it comes to fan engagement, and so we must be mindful that we’re speaking to people in the right way with the right tone and using the right language, for the fan group and the medium. If we get that right, artists win because fans want them to succeed and will be their biggest cheerleaders.”

Pico Cibelli, President, Warner Music Italy, also refers to constant conversations with fans. “It’s something we build every day and it’s central to preparing an artist for the long-term, not just breaking a track.

“We have access to data that helps us with that conversation, but we also bring old-style skills and sensibilities to it, based on empathy with the artist and the goal of building a career. We build a community for an artist not for a song, and we can be the difference every day.”

In the 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.

FRANK BRIEGMANN
President & CEO of Central Europe
& Deutsche Grammophon

A GLOBAL REACH

Record companies are also able to offer the support of a global network of teams working in countries with local understanding and expertise to help an artist connect with fans worldwide. **Celia Carillo, EVP Marketing, Universal Music Latin America & Iberian Peninsula**, explains:

“Our focus is to help artists grow their careers to reach global audiences. We first do it on a regional level, where artists such as Feid reach audiences across Latin America, the U.S. and Spain and then we work closely with the UMG international teams to bring these artists to more audiences around the world. Feid was the fourth most-streamed Latin artist globally in 2023 and has already started 2024 with a global top ten single *Luna*. Feid’s global success in streaming allows him to reach audiences around the world and take his live performances to fans in Latin America, the United States and Europe.”

Tunji Balogun provides a specific example of how this can work: “There’s a Dancehall artist from Jamaica named Masicka, and he is arguably the biggest artist in Dancehall right now. We signed him in 2022 and we put out our first album with him in December 2023. It’s done really well. It was the first album to replace Bob Marley’s *Legend* at number one on a bunch of charts and it’s been number one in Jamaica since it dropped. He’s like the king of his space.

“Now we’re trying to turn it into a global story and really speak to all the different members of the Caribbean diaspora that live around the world, really focusing on the UK, a few different cities in the US, Canada. And we’re starting to see the growth. We’re also connecting him with African artists and trying to create some synergy between Dancehall and Afrobeats because sonically they’re kind of like cousins.

“We’re doing things like that to build community amongst our artists and to show there’s something very specific happening at this label when it comes to Black music. It’s very intentional and very specific.”

When artists from different genres and regions come together on a track regardless of language it’s evident that cultures and communities move music, and fans embrace and love it.

BELLO
VP Global A&R, Warner Music



Piso 21 photo courtesy of Warner Music Mexico

The opportunity to bring like-minded artists together from different genres and parts of the world to support, not just the creation of unique music but to expand fanbases is another area global record companies are exploring:

“Cross-cultural collaborations have become a great tradition over the last few years,” says **Bello, VP Global A&R, Warner Music**. “When artists from different genres and regions come together on a track regardless of language it’s evident that cultures and communities move Music, fans embrace and love it.

“For me it’s key to have a strong International A&R community network building bridges, which really helps to give artists more possibilities to work with other artists or producers from other countries and genres, fostering their development and expanding their audience globally. I think it’s super important to be able to have a team where we can support them through the journey and really amplify their artistic development.

“It is easy to see why artists love this approach, and the fans seem to respond too when it’s authentic”, Bello adds, “If we look at more than 40 of the biggest crossover collaborations over the last 12 years, we find that six months after the collab was released, three-quarters of the artists involved saw an increase of

streams across their overall catalogue lift by at least 10%, with half seeing a rise of more than 50% and almost a third seeing increase of at least 100%. So these cross-cultural collaborations are enjoyed by fans and have a ripple effect across the artists’ entire repertoire.”

Cat Kreidich, President, ADA Worldwide, an independent distribution and label services arm of Warner Music Group, reflects on the global opportunities for independent artists: “The modern music business is truly global, and that’s really exciting for independent artists. We break artists who come from anywhere and the start of their breakthrough can ignite anywhere – you don’t have to have a hit in the US to spark interest in the US, because every territory is looking at what every other territory is doing. We will pick up on a success story happening anywhere in the world and translate it everywhere.”

It takes time to create truly great music, it needs us to challenge each other as artist and record company, and that’s a dynamic that can only work within the context of a true partnership. Then, when it works, the result is longevity and sustainability.

SIMON ROBSON
President,
International,
Warner Music Group



The Weeknd photo by Brian Ziff

MAXIMISING OPPORTUNITIES

Flexibility is a key part of a record label's approach. This extends beyond the design and delivery of bespoke campaigns, to ensuring it has the right people and resources to respond to positive developments in a campaign.

Adriana Sein, SVP & Global Head of Artist and Market Development, ADA Music, stresses the importance of record companies reacting almost instantaneously to market opportunities across the world – but with nuanced and unique campaigns rather than off-the-peg solutions.

She says: “We have made acquisitions and expanded our teams to provide a new level of expertise and opportunity for our artists on a global scale and at a local level.

“The teams that we have built allow us to deliver exciting stories directly and immediately to fans anywhere in the world and to react really quickly to trends and spikes wherever they occur.

We work with artists who are effectively small businesses, who are thinking about their potential for growth, looking for new markets and are also wanting to control their own future. We plan and execute that vision alongside them – with all the scale and experience that comes with that.”

Viral moments have become a cornerstone of the modern marketing mix, but as **Amy Wheatley, MD, Columbia Records UK, Sony Music** points out, it shouldn't be the main imperative. “For a start, you can't predict viral moments, so you can't plan campaigns around them. We believe in a dual approach: maximise on virality when and if it occurs, but don't lose focus on long-term artist development for a core fanbase.

“Artist development takes commitment and investment from everyone involved.

“Artist development takes commitment and investment from everyone involved. It also takes time.”

AMY WHEATLEY
MD, Columbia Records UK, Sony Music

It also takes time. There isn't one specific thing that breaks an artist, it's the sum of all parts, so our role is to make sure all those parts are

working properly and being developed in tandem with each other.”

Kevin Gore, President, Global Catalogue for Recorded Music, Warner Music, says that when it comes to viral hits, whether from catalogue or frontline, “a record company's job is to give them every chance becoming more than just moment, but mainly it's to make sure that when they do happen, we provide the right marketing support for them to platform up and platform up and platform up.”

He goes on to highlight the value of the more traditional work record companies undertake to maximise an artist's catalogue. “What I love most is the immersive storytelling that we do – creating the box sets, the reissues and the marketing campaigns that truly shine a light on incredible artists, their work and their legacy.

“When a record company is in partnership with an artist, we're having those conversations all the time. If an album is eight years old, let's start talking about plans for the tenth anniversary. There is a constant thought process about what we can do for artists not just this year, but next year and beyond that.”

He also makes a point about the wider issue of investment in music. “There is a lot of money coming into this sector from various funds, and there is plenty of talk about growth and metrics, which is great, everybody needs to be across those elements.

“But if you don't treat artists and their work as something unique and special, amplified by great marketing that tells the stories, then you lose what the fan connects to, which is the essence of the value proposition. If you do any of it whilst in any way disrespecting the artist, the song or the fan, you've disintermediated the thing that holds everything together and missed the opportunity to re-engage the existing fan or create an opening for discovery by a new fan.”

Dahlia Ambach-Caplin, SVP of A&R and Artist Development, Verve Records, Universal Music Group, concludes with an observation on where everything starts – artist development: “A&R has changed considerably, not least through technology and data. But part of it hasn't changed at all. It's still about finding great artists, it's still about word of mouth, connections, relationships, experience, commitment and investment. And those are things that are still at the heart of record companies.”



Stray Kids photo courtesy of Republic Records



CHASE
STORY



JON BATISTE

Jon Batiste

& Verve Records

A flourishing artist label partnership

Jon Batiste is an American singer, songwriter, multi-instrumentalist, bandleader, composer, and activist. An acclaimed jazz artist from the start of his career, Jon gained major national recognition in the United States as bandleader of *The Late Show with Stephen Colbert* on CBS, on which he led his band *Stay Human* from 2015 to 2022. But it is on his most recent two albums, released on Verve Records, where the artist has reached new artistic heights, with *WE ARE* and *World Music Radio* receiving huge acclaim, and seen him start connecting with a global audience.

Verve Records' President Jamie Krents and **SVP of A&R and Artist Development Dahlia Ambach-Caplin** talk about the label's relationship with the Grammy and Oscar winning polymath:

"Jon is a really extraordinary artist, says Ambach-Caplin. "I'd known him from before his bandstand days on 'The Late Show with Stephen Colbert.' He was an amazing musician in New York who used to light up venues in a most unusual way for a jazz artist, he was magnetic. Once signed, he was immediately a priority for us."

"I believe he really benefits from being on a label," says Krents. "The first seven years of his public career were dominated by him being on the *Colbert* show, so he had tremendous exposure in the US. But the downside of that was he couldn't tour easily, and he especially couldn't tour internationally. His career had therefore been very US-centric. Now, about 50% of his sales and streams are global.

"That's a big point of pride for us, and I think to cut through internationally, you still need a team, and real boots on the ground. You need people in these markets navigating the idiosyncrasies of their territory. The aggregate of all that knowledge and effort gives you a global profile."

Jon's two albums on Verve have been critically lauded – *We Are* winning five Grammys at the 2022 awards including Album of the Year, and his current *World Music Radio* album earning him six more nominations at the 2024 ceremony. Jon is now able to fully tour on the back of his new album.

"One of the real breakthroughs of this project is that he's finally been able to travel," Krents says. "On a promotional and marketing level, we're getting to bring him to do big TV shows in the UK and France. We're also getting him to appear at a festival in Tokyo with NewJeans, one of the biggest K-Pop acts in the world; we're just getting going we feel. There's no substitute for that work, you can't just do all that on social media. You have to show up, and Jon is

completely focused on getting out there and playing this music."

"He's an elite live performer," says Ambach-Caplin, "and now he's finally hitting the road, touring the entire United States for the next two months. And we are very confident that when people see him, they'll be forever converted to superfans."

Jon's genre-defying music means Krents feels Verve Records is the perfect label home for him, yet puts him in a position where he can benefit from Universal Music Group's (UMG) full suite of services.

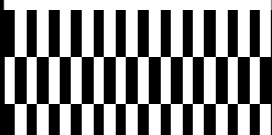
"There are all of these great labels at UMG but Verve fills a different role, which is to be the home for people that are eclectic and dynamic, and might make different kinds of records. It's great for Jon to have a home base, which Verve can be, and then we can plug into our sister labels. Interscope are our partners and they've been a completely central part of the team working on the album. Then equally, Jon did a song for a Liam Neeson movie that Republic Records produced last year. He's been able to plug into our branding team who worked with Coca-Cola to make him the face of the Coke Studio programme which has had a massive global marketing campaign. He's been equally able to plug into our sync team, and have his music used in ads for the Gap, etc.

"All of these things have benefited him and many of them would simply not have been possible without the full and diverse set of people, services and expertise that you get with a big record label. "I think that's a lot of our value to Jon. Jon could do a lot of what he does independently, but the global side of it, and the holistic side of the various entities working together at Universal is unique."

Ambach-Caplin ends: "From here musically, we are with him wherever he wants to go. We're there to amplify what he wants to do. I think with someone who's this unique, and this intelligent, that's what you do."

"To cut through internationally, you still need a team, and real boots on the ground. You need people in these markets navigating the idiosyncrasies of their territory. The aggregate of all that knowledge and effort gives you a global profile."

JAMIE KRENTS
President,
Verve Records



POWERING GLOBAL GROWTH



The globally connected nature of today's music ecosystem is now well established.

Today, almost anywhere in the world, fans can enjoy a rich, diverse mix of music; whether from their very own, very local music cultures, or something that has travelled across the world, brought to them by the networks and infrastructure of interconnected record companies.

The combination of these growing global connections and very diverse local markets means the role of record companies is more vital than ever in helping artists to navigate the path from breaking locally to succeeding in an increasingly complex global landscape.

CKay photo courtesy of Warner Music South Africa

LATIN AMERICA

The global journey gathers pace...

Latin America continues to stand out as a region that is celebrating both its own thriving music culture and its success in connecting with fans and influencing music the world over.

Alejandro Duque, President, Warner Music Latin America is passionate about the region's global appeal: "I think maybe other places in the world were expected to eclipse Latin America by now in terms of growth and excitement, but it just keeps accelerating.

"Latin music has also become such an important segment of US consumption, which just adds to the story and feeds back to encourage even more growth across the region. And then you have the increased diversity of different artists and genres exploding out of individual markets, especially Mexico in this last year or so; it's incredibly dynamic.

"As that volume grows, one of our strengths, as a music company, comes into play more than ever before, and that is to help an artist cut through the clutter and engage with fans in a consistent and authentic way – be that within Latin America or on the global stage."



Danna Paola photo by Heberto Laguna



Skander Goucha, EVP, E-Commerce, Business Development & Digital, Universal Music Latin America & Iberian Peninsula, emphasizes the importance of Latin American fans in driving global success for artists: "Latin American fans are among the most engaged music fans around the world, with Mexico being the number one streaming market for many superstar Latin artists, such as Feid and Morat. Mexico and Brazil are also among the top five streaming markets for many international artists, such as Billie Eilish and The Weeknd.

He adds: "With Brazil being the biggest market in the region and having a vibrant and diverse music scene, we expect to see more music from Brazilian artists, like Anitta and Léo Santana, reach global audiences."



Leila Oliveira, President, Warner Music Brazil, expands on the growth of the Brazilian market. “Digital consumption used to be centred on the big cities of Rio and Sao Paulo, but now music fans in regions such as the Northeast are signing up to digital services. That makes it easier to monetise the vibrant music scenes in these parts of the country.

“Urban music is also growing strongly. It’s a sound that’s based on the identity and storytelling of the artists who connect so strongly with their new generation of fans. We’re also seeing experimentation with the fusion of rhythms and elements, bringing this fresh mix to music. There are more collabs across genres and regions.”

Celia Carrillo, Executive Vice President, Marketing, Universal Music Latin America & Iberian Peninsula, expands on how record labels help artists achieve success from local to global:

“In 2023 we have broken new records with Karol G’s album “Mañana sera bonito” becoming the first album in Spanish from a female artist to top the Billboard 200 list in the United States. She also swept three major Latin Grammys, including Album of the Year, and was the first Latin female artist to receive the Grammy for Best Urban Album.

“The current success of Morat, who are managed by the Global Talent Agency, the live and management division of UMG in the region, is a perfect example of how to build an always-on strategy while growing the artist brand. In a few years, Morat went from being a developing band to playing stadiums across Latin American and Spain.”

Afo Verde, Chairman & CEO, Latin America, Spain & Portugal, Sony Music, talks about how Latin artists are mining and cross-pollinating their own broad seam of cultures, in tandem with their fans – and about the role record companies play within that process.

“There is a growing sense of cultural pride and revival amongst Latin audiences. Therefore, local genres and artists are gaining popularity as people seek out music that reflects their identity.”

“As part of that, our A&R team works very closely with our artists. We equip them with a comprehensive suite of tools and services to realize their vision, whatever that may entail. And when their projects are poised for release, we deploy our local presence and regional resources to ensure their music reaches a broad audience.”



Ludmilla photo courtesy of Warner Music Brazil

ASIA

Asia, K-Pop and the rise of the ‘superfan’



LE SSERAFIM photo courtesy of Interscope Geffen A&M

As the third largest region for music, Asia continues to be characterised by its globally recognised culture of pop superstars and dedicated music fans. It continues to grow as a market in both digital and physical music.

The headline act to this regions story is K-Pop. **Shridhar Subramaniam, President Corporate Strategy and Market Development Asia & Middle East, Sony Music Entertainment**, links the genre’s most recent growth spurt to the growing phenomenon of ‘superfans’.

“Korea has exploded on the physical sales side of things, even more than everyone anticipated. And I think that’s just one outward expression of a larger movement at work within the growth of K-Pop, and that is the rise of the fandom economy.

“Last year K-Pop’s global impact went beyond just being about one or two acts and is on the cusp of becoming a global creative centre.

Widening the lens to take in Asia as a whole, he says: “All three big markets - China, Korea and India - have grown as much as or greater than expected. I think that will continue.”

Factors behind the continued growth identified by Subramaniam include the continued conversion to a paid ecosystem in China where, he says, “if you get it right you can pretty much have your paid subscriber base get to levels that you see in developed markets. However, to get that right, short-form video in particular must go hand-in-hand with a move towards long-form and paid streaming, as well as a much fairer remuneration for artists and rightsholders.”

+14.9% **6** K-POP ARTISTS

Revenue growth in Asia in 2023

in IFPI Global Artist Chart Top 20

CHINA

A global opportunity

Simon Robson, President, International, Warner Music, discusses the opportunities for Chinese artists. “We’re working very hard with a number of Chinese artists that we’ve brought to LA and put together with top producers to make English language music. There is some incredible talent there and we definitely see an opportunity to have an impact around the world.”

Timothy Xu, Chairman & CEO, Universal Music, Greater China, explains the evolving strategy of record companies within the territory. “We’re simultaneously building up our local team and expanding our local roster. Our key task is to improve our domestic A&R capabilities to ensure comprehensive support for our artists at every turn of their careers.”

“I started my career in China in 1992 and to see the changes that have taken place across 30 years has been really fantastic. With the market’s influence on the rise, the cultural influence of Chinese music is poised to amplify globally – a vision that has never been more attainable than now. There were over 1,000 music festival shows and over 900 arena and stadium concert shows in China last year, more than 80% growth from 2019 in terms of ticket sales revenue, which is incredible. “There is also increased diversity in terms of music genre than ever before. Local Hip-Hop, for example, is becoming really popular. To cater to this landscape, we now have adopted a multi-label strategy here, with names like Capitol, EMI, Republic and PolyGram to support different artists. This approach enables us to meet more diverse needs and promote a broader spectrum of artists and music genres.”



Photo courtesy of Universal Music China

Andrew Chan, CEO, Sony Music Entertainment, Greater China, is just as optimistic. “Paid music subscribers account for a much lower percentage of the population compared to Korea and Japan, so we can see there is still huge opportunity for growth. We place huge value on nurturing our in-house artists and implement holistic development strategies for them. Our commitment lies in showcasing the unique strength of our artists and enhancing their distinctiveness, allowing the audience to instantly associate with them around certain topics. For example, we have a boy band in Taiwan called Ozone who have become strongly associated with fashion, whilst Hong Kong singer Mischa Ip, and Sichuan-born singer Sury Su, whose music primarily revolves around gaming, have become the most associated with gaming in people’s minds.”

In Japan, **Robson** is confident that global expansion is on the agenda but adds that there are some challenges. “In some ways Japan’s biggest strength is also its greatest challenge, and that’s the fact that it is the second biggest market in the world. It hasn’t had to look overseas for opportunities. It’s very impressive to ‘just’ be incredibly successful in Japan.

“Japanese culture is highly respected around the world, from film to architecture, we’ve got a really big opportunity in the music industry to bring its music to a global audience.”

Robson expands on the idea of making global connections for artists: “What we are currently referring to as our ‘trade routes’”. He says: “What we mean by that is strong connections between territories. One such example is between Canada and India. There is a large Punjabi diaspora in Canada, and within that there is a strong creative community.”

“In 2022 three or four of the Top 10 Indian songs came from artists who had either moved to Canada or were spending a lot of time there. As a result we set up 91 North Records, a joint venture between Warner Music India and Warner Music Canada, which is both a reaction to something that is happening organically and a proactive turbo-charge to make sure it doesn’t just continue but flourishes and finds a wider audience. There are examples of this criss-crossing the world.”

INDIA

Gearing up to be a new music superpower

India, of course, is another country with a vast population, healthy growth, and massive potential. With 450 million Indians under the age of 30, the continent’s pop culture is on the rise and young music fans are increasingly engaging with the next generation of Indian music stars that are breaking out of the Bollywood mould.

+15.3%

Revenue growth in India in 2023

14th

largest global market in 2023



Jasleen Royal photo courtesy of Warner Music India

Vinit Thakkar, Managing Director, Sony Music Entertainment India, says: “The music industry is in very robust shape here and I think we’re on the cusp of some really exciting developments.”

“The DSPs are making a concerted effort to pivot from an ad-supported market to a paid subscription model. And on the creative side, alongside the success of the soundtrack business that we have always had, we are seeing a strong emerging trend of music centred around the artist, and as a result, the development of pop culture.”

“As that happens, we are playing a vital role in making connections, in terms of collaborations, writers and producers, but also helping to build context and narrative around these artists, being holistic creative partners for them.”



AR Rahman photo by Ashik Mohammed

EUROPE

A story of diversity and growth

Europe, recognised as a broadly well-established music streaming-led market, is also remarkable for its strong local music cultures. However, even within the continent, countries have very different music environments. **Frank Briegmann, Chairman & CEO, Universal Music Central Europe & Deutsche Grammophon** explains: “Across Central Europe, we are seeing strong growth but the dynamics differ country by country. On one end of the spectrum, you find markets like Norway and Sweden with some of the highest penetration of premium subscribers worldwide. On the other end, many of the Eastern European countries are still in the early stages of market penetration. Another distinctive factor is the DSP market positioning, where we see high concentration in the Nordics, and a highly diversified landscape in markets such as Italy, Eastern Europe, or Germany. It is one of our central tasks to navigate this for and with our artists.”



PinkPantheress photo courtesy of Warner Records

For **Briegmann**, helping to drive the continuing growth of markets is still vital, even in what is considered to be a ‘mature’ part of the music world: “In general, the approach is to grow the ecosystem. When that happens it’s good for all participants. To achieve this, it is vital to embrace Europe’s variety of very localized music scenes. How we can shape each market to the advantage of our artists is something that we intensely focus our work on.”

France is a strong example of the trend towards hyper-localisation. **Alain Veille, President, Warner Music France**, says: “Domestic repertoire is at its highest level ever - last year 17 of the Top 20 albums were from domestic artists.” Whilst much of the more commercially successful music is rooted in French Rap, Veille explains that there are opportunities for artists from other genres to break through: “We work with a French pop artist called Santa. She has evolved into a proper French chanteuse in the heritage of such big artists as Véronique Sanson, Michel Berger, those iconic artists. She came with a piano-led song, and we put a passionate effort into introducing it as an alternative to the strong French Rap scene. Fast-forward 18 months and she’s rubbing shoulders with the rappers at the heights of the top of Spotify. A French pop artist expressing herself in French. It is a sign of what the future will bring: more diversity where lots of different genres will have their share of the market.”

Marie-Anne Robert, Managing Director, Sony Music Entertainment France, reflects on the popularity of various genres: “Hip-Hop continues to dominate, but it has now diversified and expanded so much that it is almost too big to be considered a single genre. Alongside that, French Pop is increasing and will continue to do so.”



Angèle photo by Manuel Obadia-Wills



Måneskin photo by Francis Delacroix

However, there remain challenges: “The base of paid-subscription streaming is the key challenge and is still very low. But we remain optimistic and see it as an opportunity for growth, whilst being the best partners we can be for the DSPs to help them invest in France.”

In Italy, **Federico Sacchi, A&R Director, Sony Music Italy** also points to a healthy domestic market and thriving country-level music genres: “For the last five years, all the top 10 albums here have been by Italian artists; the local repertoire is a big thing which is very healthy.”

When looking at developments in the Italian music scene, it’s impossible to ignore Italian rock phenomenon, Måneskin. One of the most globally successful European acts in decades. Sacchi says: “Yes, it’s an incredible story.

It’s like when all the stars and planets align. They have all the elements that a band needs to be successful. They’re stylish, they are fantastic performers, and they have sold out shows all around the globe.”

Sacchi reflects on the impact the band’s success has had on the global opportunities for Italian music: “First of all, we learned that something like that is actually possible to do. Their success has opened a lot of doors for other Italian artists too. We accept that Italian is not a global language but now when we talk to other parts of the world, more and more doors opportunities arise for us to promote Italian artists.”

“[Måneskin’s] success has opened a lot of doors for other Italian artists too.”

FEDERICO SACCHI
A&R Director, Sony Music Italy

AFRICA

A rich blend of genres and cultures driving creativity and growth



Abo El Anwar photo by Kafrawy

The Africa music region continues to be one of the fastest growing in the world.

Tunji Balogun, Chairman & CEO, Def Jam Recordings, explains their very deliberate strategy to engage and drive developments in the region by forging partnerships: “When it comes to music coming out of Sub-Saharan Africa, we’ve partnered with a label from Nigeria called Native. They really spoke directly to this community of Gen Z African kids. I met them probably four or five years ago, and I felt strongly that I wanted to work with people that have genuine connection to the culture on the continent. We decided to do a joint venture. We signed an artist, Odumodublvck, a rapper from Nigeria and last year he was the biggest new artist, I would say on the continent.”

The nature of the partnership also means the rapper was able to connect with a US audience via Def Jam. **Balogun** says: “He’s done really, really well. He actually did his first show in the States, to a packed room. Everybody knew all the words. Just seeing it go from a movement in Nigeria to now like ‘I’m at the Peppermint Club in LA’, and

there are kids singing along to a rapper who’s never performed here before. Things like that exemplify what we should be doing.”

Christel Kayibi, Director of Repertoire Strategy, Sony Music Africa explains how a rich blend of genres and cultures is driving growth and creativity: “The growth across various African genres is the highlight for me. I always wanted there to be more to African music across the world than just Afrobeats.”

“Obviously Amapiano is becoming well-established on a global stage, but there are other artists and genres ready to step into the spotlight. I think that as labels, because the A&R sector is so competitive, particularly around certain tracks, we need to ensure that artist development and building sustainable careers – in Africa and overseas, remains an important part of our toolkit. That’s the name of the game for all record companies in my view.”

Simon Robson concludes: “What is so exciting about Africa is that the music itself – from a variety of genres – just seems to be something which transcends national or global barriers. The market itself is still coming from a low base but is showing strong growth. So there’s an element of helping those internal markets to continue to strengthen and become more material and meanwhile, the export potential of African music is huge.”

Reflecting on the nature and future of emerging markets in general, **Alfonso Perez-Soto, President, Emerging Markets, Warner Music**, says: “I think they show the strength and quality of music from every corner of the world. When you have DSPs and social media meeting incredible artists and strong cultures, great music will win. It will also have the chance to reach a level of audience that was previously denied – and those chances are being taken.”



Ruger photo courtesy of Sony Music Entertainment



CHASE STUDY

FALLY IPOPA

Fally Ipupa

Taking a Congolese icon to the global stage

When Alexis Puterflam, MD of Elektra, brought Fally Ipupa to Elektra Records/Warner Music in France more than six years ago he knew he was signing someone who was already one of Africa's most storied artists.

Fally had come to prominence as a member of the critically acclaimed Congolese band Quartier Latin International before achieving huge popularity across Africa for his solo projects, which were mainly in the Congolese Rumba style.

"Fally was just a hugely talented artist," says Puterflam. "He was respected across Africa as a singer, composer, dancer - the whole package. He had this aura and potential that I felt we could build on, even with everything he had established already."

Elektra's plan was to take an artist who was a major act in his own homeland and connect him to a wider audience. To do that there would need to be a musical evolution, and it was vital that the artist shared the vision.

"That's what we had with Fally", says Puterflam. "He knew how big he was in Africa and in the diaspora and he knew and felt he could do more. Our task was to put a great team around him, and to make sure that those people completely 'got' Fally."

The results came in the shape of *Tookoos* - the title of the album and the term Fally came up with to describe his new sound, retaining the essence of his music while bringing in beats more familiar to global ears. The Elektra team ensured the album included collaborations with stars including Wizkid, Booba and Aya Nakamura.

"The collaborations were important," says Puterflam. "Obviously they're a way of opening doors in other countries, but when we took Fally on, other than YouTube - where he has always been strong - we had to add everything in terms of his digital presence. Audio streaming was still relatively new for him in 2017 and we had to fast track his presence on those platforms."

The marketing campaign aimed to tell Fally's story in new markets. "It was about spending money in the right places," says Puterflam, "that was videos, digital

marketing, and getting our media teams up to spread his story. He has a great story, we just needed to tell it in a way that resonated with new audiences, with the press, with TV exposure, and we began to get there. It wasn't easy, it took work, but he had a great team evangelising about him."

That work paid off, as evidenced by Fally's social numbers. YouTube, his strongest channel when Elektra signed him with 75,000 subscribers, now has over 4.1 million subscribers and over 1.8 billion views. His Instagram followers have gone from 700,000 to more than 5.3 million, and he has more than 1.4 million followers on X and over 2.2 million followers on TikTok.

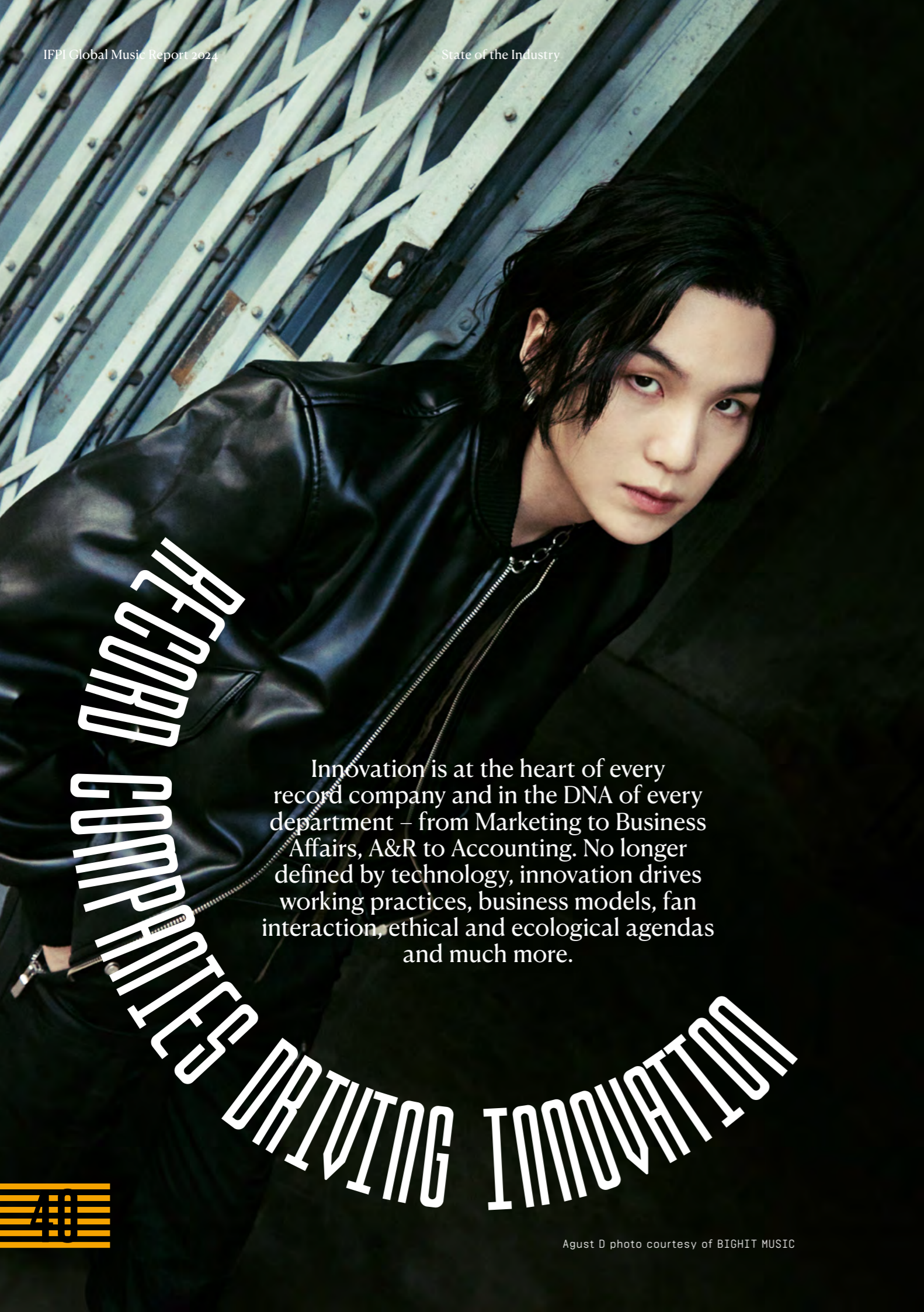
That first single 'Kiname' - featuring Booba - set the tone for the album's success, being certified Gold in France. There was a further Gold certification for the single 'Bad Boy' - featuring R&B singer Aya Nakamura, and the album went on to achieve Gold certification in France and a Platinum export certification.

Since then, Fally's success has continued. Elektra has released another *Tookoos* album (in 2020), and two more in his traditional Rumba style, all of which were successful. With the recent popularity of Afrobeats across the world, it appears the market is now coming to Fally.

"Since coming to Elektra," says Puterflam, "Fally has surpassed over a billion audio streams in all. The seeds we grew with another style of music are now benefiting his traditional music," says Puterflam, "and further setting up him as an international superstar. With African music coming to the fore worldwide, Fally is benefiting from having been a trailblazer."

"Fally had this aura and potential that I felt we could build on, even with everything he had established already."

ALEXIS PUTERFLAM
Managing Director,
Elektra



RECORD COMPANIES DRIVING INNOVATION

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, innovation drives working practices, business models, fan interaction, ethical and ecological agendas and much more.



Agust D photo courtesy of BIGHIT MUSIC

It 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.

Michael Nash, EVP, Chief Digital Officer, Universal Music Group, strikes an optimistic opening note: “Evolutionary technological change helps broaden the addressable market for music, from everything that’s happening in the social sphere, to breakthrough applications in health and wellness, to deeper integration in gaming extending into new immersive constructs loosely define as the metaverse.”

Dennis Kooker, President, Global Digital Business, Sony Music Entertainment, says: “We’re at the beginning stages of a very significant transformation in how people want to experience and consume music.

“Our focus is on driving experimentation and commercial framework development around the new technologies powering this change, including immersive entertainment, gaming and generative AI. As these innovations advance and increasingly converge, we want to provide our artists with new formats for creativity and new business models that appropriately value their work. By doing so we best position our talent to benefit from new ways to reach audiences and an increase in monetizable channels that can complement the streaming model.”

ENGAGING WITH AI

The emergence of generative artificial intelligence is the latest such challenge. There is a tremendous amount of potential but the need for artists’ rights to be protected, and their livelihoods enhanced and not harmed, remains at the forefront of the discussion in the music industry.

UMG’s Nash continues: “Then there are the significant opportunities associated with disruptive technology like AI. If you look at how technology continues to transform consumer behaviour and the business landscape, I think there’s a strong case for optimism.

“As always, technology both promotes opportunities and introduces challenges. What we need to do is consider how to navigate those opportunities and challenges in order to optimize the outcomes and expand and enrich the ecosystem supporting our artists and creative partners.

“With AI in particular, I think one of the things that happened in 2023 was that the industry aligned around what are the right questions we need to be asking about the directions we should take. What should be the foundational principles?”

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 kept them in the loop 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.

“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.”

“As always, technology both promotes opportunities and introduces challenges. What we need to do is consider how to navigate those opportunities and challenges in order to optimize the outcomes and expand and enrich the ecosystem supporting our artists and creative partners.”

MICHAEL NASH
EVP, Chief Digital Officer,
Universal Music Group

Simon Robson, President, International, Warner Music, reflects on the broader AI picture: “Anything that makes it easier for artists to create great music should be embraced. And it also shouldn’t be forgotten that there have been technological developments down the years which have prompted fears over a diminishing of ‘real music’, but from which artists and fans have benefitted massively.

“AI has that opportunity as well, but it also comes with the unavoidable, massive issue of copyright infringement. That is something we always have and always will feel incredibly strongly about, no matter where the threat comes from, and we will push and fight every step to ensure fair legislation that supports the creative community. You can never completely close the window for bad actors in this area, but we can and will make it as small as possible.”

Innovation in practice: CREATING NEW MUSIC EXPERIENCES THROUGH LEADING-EDGE TECH

The synergies between music and gaming are well-established. As technologies evolve, there are more opportunities to not only soundtrack game play but to create fully integrated, often immersive experiences for music fans, using innovative new creator tools and platforms. Sony Music's collaboration with Columbia artist Iniko and Fortnite is an example of this approach.

Using the in-house expertise of its Sony Immersive Music Studios (Sony IMS) division, Sony Music led the production of both a high-concept music video for Iniko's song "Jericho," and companion game for Fortnite based on the video called *Journey Through Jericho*. The project is among the first translations of a 2D music video into a 3D gaming environment.

To achieve this, the video was shot on Sony Pictures' state-of-the-art LED virtual production stage with Sony's advanced VENICE digital cinema cameras, and featured detailed virtual backgrounds and settings built by Sony IMS using Epic Games' Unreal Engine technology. Sony IMS then transferred the virtual set pieces created for the video into Fortnite using Epic Game's UEFN creator tools, and used them to build the *Journey Through Jericho* island.

"It was dope to be the first musical artist to use Sony's virtual production stage."

INIKO

In the resulting game, Fortnite players race through the dystopian world of the music video in a parkour-style dash to the finish line. Meanwhile, the song's lyrics drive in-game effects. When Iniko sings "I can go higher," for example, players experience the game's low-gravity effect.

"It was dope to be the first musical artist to use Sony's virtual production stage," Iniko said of the experience. "When I wrote the treatment for the video, it was important that the city felt real to my description: dystopian and barren. Seeing it come to

life was so cool. It's basically a giant sphere and the city is placed there. And I really wanted to expand more into the realm of gaming. I think it's a great way to expand the art that is my song 'Jericho' and a great way to get people to be a part of the Jericho world."

Says Kooker, "Our internal capabilities, combined with our ability to collaborate across the Sony Group companies and our deep experience with Unreal Engine and UEFN tools has enabled us to quickly build and launch new music focused experiences on Fortnite and push the creativity opportunities even further in our virtual production projects. These creative tools are incredibly important and we're further expanding our work with them to provide our artists with more ways to reach fans through differentiated content and entertainment experiences."



Doja Cat photo by Jacob Webster

EVOLVING THE STREAMING PROPOSITION



Max Richter photo by Mike Terry

In music streaming there is continuing emphasis on innovative approaches of all kinds to move and more consumers into premium subscription tiers at a time when fan engagement with ad-supported short clip platforms continues to grow.

SME's Kooker says that, for labels, a focus on both technology innovation and business model innovation go hand-in-hand.

He says, "The core streaming product, as it exists today, has been in the market for more than two decades and product/model innovation is necessary to continue to engage and excite fans.

"We need to keep looking at the pathways between tiers and product types – in other words, the consumer route from short clips to ad-supported tracks to subscription. We need innovation to drive music fans through a journey from free to premium products as much as any other technology development.

"Younger consumers are spending so much time on short-clip platforms that it is impacting the amount of time they're spending listening to full songs. So, in more mature markets we need to look at the proposition of an ad-supported tier versus a paid tier again. And the prevalence of short-form video needs to be part of that conversation.

"The next step in the evolution of the ecosystem is delivering more value and providing compelling upsells to better and more differentiated consumer experiences. Technology and an evolving consumer experience will be part of that differentiation."

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.

"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 live-streams as well as being the first classical app on Apple Vision Pro."



KATSEYE photo courtesy of HYBE

EVOLVING RECORD COMPANY PRACTICES

Michelle An, President of Creative Strategy for Interscope Records, Universal Music Group, describes how working with the No.1 K-Pop company in the world, HYBE, has introduced new approaches and attitudes to A&R and marketing, especially to superfans.

Geffen Records (IGA) first partnered with HYBE in 2021, announcing a joint mission marking the first time a major U.S. record label and a K-Pop entertainment leader would combine their expertise in artist discovery and music production to assemble, develop, and introduce a global girl group unlike any other. HYBE and Geffen (HXG) auditioned young women from all over the world, and brought trainees to L.A. to learn under a system modelled after HYBE's K-pop T&D (Training and Development) program in Korea. From 120,000 applicants, a pool of trainees were flown out to L.A., and from that pool 20 candidates were announced as finalists to compete for a spot in the group. Eventually six incredible women were selected to become the final group known as KATSEYE.

"While two different companies, we discovered that the HYBE and Geffen teams shared common goals in our approach in creating the group; it's about being highly creative, thoughtful, and operationally savvy. With the group's formation, we tuned into the human spirit of each finalist and I believe we helped the trainees discover the best versions of themselves. The T&D program was an immersive artist development experience. It also felt collegial and supportive. It was amazing to watch Bang [Si-hyuk, Chairman of HYBE] and John [Janick, Chairman & CEO of Interscope Geffen A&M] work out not just the sound of the group but also think about the storytelling around the group, a story that truly reflects the spirit and persona of the young women individually and collectively.

"We were also focused on the importance of storytelling to the fans from day one. How would the trainees be perceived by the fans of HYBE and Geffen. Once the young women went public on social media as official finalists did

they have the tools to communicate with these new fans? Now that we have our final 'girl group' KATSEYE, how do we ensure fans are superserved in a way that they become superfans?"

Fan interaction was central to one of the most successful and resonant cultural moments of 2023, the Barbie movie, which generated more than US\$1 billion at the box office and attracted glowing reviews.

Music, of course, played a huge part in the film's appeal, with the soundtrack, Barbie The Album, topping the charts in 10 countries and going Top 10 in a further 25.

The success story within the success story, of course, was the Billie Eilish single, *What Was I Made For?* which topped charts around the world and won two Grammys (Song of the Year and Best Song Written For Visual Media). It also won an Oscar for Best Original Song – with *I'm Just Ken* by Ryan Gosling among the other nominees in this category.

Kevin Weaver, President, Atlantic Records West Coast, Warner Music, reflects on how the story behind the album highlights the time and resources record companies put into working with artists and other partners on such projects in order to maximise opportunities and audiences whilst building brands and businesses.

"I always had a strong feeling this film and soundtrack would become a significant pop cultural moment and we stayed very close to the project for about five years in total.

"It was a real jigsaw puzzle at times, navigating the complexities of co-ordinating with 23 artists, their teams and labels, numerous songwriters and producers, samples and interpolations, whilst also uniquely fitting the music cues in the movie.

"The entire process – from A&R strategy to the marketing collaboration with Warner Brothers Pictures and Mattel, the global release plans and the extensive digital and social media campaigns – was exceptionally intricate.

"But then in the summer, with social media saturated with our soundtrack singles and the adjacent content being

It's about being highly creative, thoughtful, and operationally savvy.

MICHELLE AN
President of Creative Strategy for Interscope Records, Universal Music Group

created by celebrities, influencers and fans alike... seeing this content generate over 50 billion short-form social impressions in a matter of weeks was truly mind-blowing and more evidence that this was becoming one of the most significant music moments in recent history.

"Being on the right soundtrack can propel a developing artist and provide established artists with the platform to have huge hits tied to the significant marketing of the film, series of other forms of IP. It can be a once in a lifetime opportunity if aligned in the right manner."

Another well-established element of a record company's role is distribution. Although the word itself is one that **Virgin Music Group Co-CEOs Nat Pastor and JT Myers** believe has been made redundant by changes in function and philosophy.

Pastor says: "We want to be partners and provide holistic solutions to help artists to develop their careers wherever they are in the world. They can do that in all kinds of new ways – it can be with creative approaches to deal-making, or how we and they think about a global approach to marketing."

Myers adds: "There are things that are impediments to an artist's success where we can help overcome those challenges. And I would put those in a few different categories, from the complex administrative stuff, which isn't why anybody got into the music business to start with: royalties, financial operations, and all the extraordinarily complex back-office stuff.

"But it can have to do with the creative vision, marketing plans, and what to do internationally. We want to help labels get past that point, which used to have to be solved by, 'I'm licensing it to somebody in Australia.' Now, you help them do it themselves.

"That global piece is extremely important because one of the most exciting things that has happened in the last five years or so is just the breadth of new artists that can have global success, whereas it only used to be the big English language superstars. We see it with Latin, we see it with K-Pop, we're starting to see it with Nigeria. Then it'll be India, South Asia, or wherever next, and that's extremely exciting. We can be there for partners with that vision and potential and help make sure they realise that full potential."

Metallic Spheres in Colour: A PIONEERING ARTIST-LED AI PROJECT

In November 2023 Sony Music released the *Metallic Spheres in Colour* AI Global Remix Project, described as an artist-led commercial generative AI project.

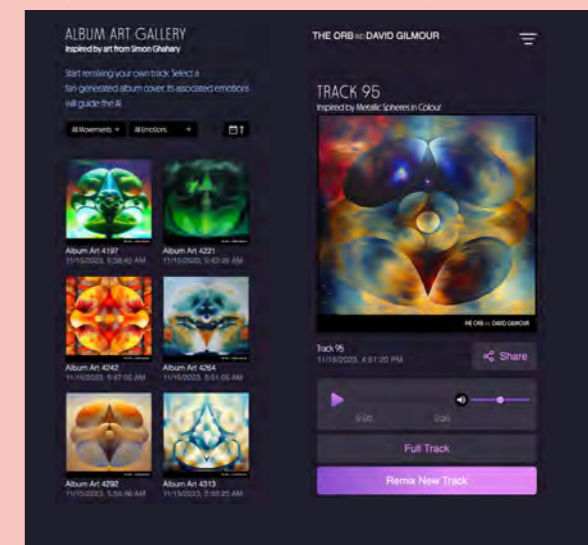
The experience encourages fans to use AI to reimagine the music and artwork from the latest collaborative album by The Orb and David Gilmour, *Metallic Spheres In Colour*.

Created in partnership with generative AI platform Vermillio, fans visiting metallicspheres.io can remix the album's cover art by listening to selections of *Metallic Spheres In Colour*'s musical movements in a live group setting and typing in key words describing how the audio makes them feel. The AI model powering the experience then generates new, unique images based on the descriptions provided by the listeners.

Each new community artwork creation has a music selection from 'Metallic Spheres In Colour' associated with it that also can be remixed by adjusting sliders to indicate desired mood (chill -> high energy) and tempo (slower -> faster). Those choices are then combined with the emotional inputs used for the album art to produce an original reimagining of the audio.

Fans can share links to their creations via social media along with their reimagined album covers and purchase full length remixes of the music selections as a download.

Dennis Kooker, President, Global Digital Business, Sony Music Entertainment, says: "This



was very much meant to be an artist-led experiment in which an artist approached us wanting to lean into the technology. These are artists that have a history of being incredibly innovative and cutting-edge.

"The experience for consumers is straightforward with clear controls around the inputs and how the visuals and the music of the artist can be used. It demonstrates the types of products that can be developed and explores the opportunities for business models and monetization around AI.

"We need to keep learning by continuing to develop and grow opportunities for responsible AI in collaboration with our artists, technology partners and fans.

"How AI is ultimately used by the music industry will be led and defined by artists who want to lean in, be experimental and find ways to engage with their fans in new and different ways. That is what's going to guide us into the future."



Tingly Ted's Hot Sauce:

THE NEXT LEVEL OF BRAND PARTNERSHIP

When it comes to brand partnerships, authenticity is a key consideration for artists looking to collaborate or endorse a product. For Ed Sheeran, who fronted a campaign for Heinz tomato ketchup in 2019 and has a tattoo of a bottle of the sauce on his arm, this was never an issue.

In 2023 then, Sheeran and Heinz joined forces again when UK superstar artist decided he wanted to create a hot sauce, Tingly Ted's.

The collab came through WMX Ventures, which Warner Music set up as part of WMX, last year. **Bob Workman, Head of WMX Artist & Fan Experience, UK & Rest of the World, SVP, International Artist & Brand Partners**, explains: "It's essentially the next stage in the development of a brand partnership business, whereby we utilize the relationships we have with our artists, the passions they have and the expertise they

have, to build brands and businesses driven and owned by them.

"They can be complicated undertakings, and that means we work with the right partners in terms of manufacturing, distribution, industry regulation etc., but the top and bottom line is that we use our resources and our network to bring an artist's dream brand to life.

"The people in A&R will laugh at this, of course, but there are similarities! We're guided by the artist's vision and we bring together the people, the tools and the expertise that will realise that vision – only that vision might be a hot sauce!"

In the case of Tingly Ted's hot sauce, **Catherine Roe, VP, Artist & Brand Partners, WMX**, says: "Ed already had a great working relationship with Heinz, which obviously helps, but more importantly, from day one, he saw the whole thing. He knew what it should taste like, what it should look like and how he would interact with it.

"We responded to his vision, gave him options, maintained a dialogue... we, and the people from Heinz, would go visit him on tour, or we'd visit him in the studio, and Ed was always receptive, always clear and always decisive. All of which meant we delivered exactly the product he wanted and a product he could genuinely get behind."

Innovation in healthcare:
THE HEALING POWER OF MUSIC

By its very nature, music is about innovation and creativity. That spirit pervades the industry, leading to new areas of exploration.

For Universal Music Group, one such area is exploring new and greater opportunities for music in the area of health and well-being.

Under the initiative, UMG is licensing its catalogue of music to more than 40 companies working across the field of health and well-being. UMG's music is not only being used to soundtrack fitness, mental well-being, relaxation and meditation, but it is also being used in treatment for a broad array of other medical conditions, ranging from Alzheimer's, dementia, brain injuries and Parkinson's to recovery from stroke.

Susan Mazo, EVP of Global Communications, Universal Music Group, says: "We're finding that music can play an important role in health and well-being, and in ways we never knew it could.

"For example, many people are aware of the long-standing uses of music to help with mental health, with anxiety, with sleep, etc. But neuroscientists are finding that music, when combined with other treatments, can also help with a wide range of stroke patients, with Alzheimer's, dementia, brain injuries and Parkinson's.

"We are not a health company; we partner with health providers. And what health professionals are

finding is that music, used as a tool alongside other treatments, can make a real difference for all types of patients.

"Music therapists working with stroke patients and patients with brain injuries have reported astonishing improvement for patients using music therapy. There's now a device that enables patients to listen to music at home that creates a beat on their feet, via wearable tech. One practitioner plays the guitar for patients, helping them find the rhythm to walk. It's really remarkable."

In the area of mental health, Mazo says: "I think during COVID, we saw how helpful music could be in connecting people and sustaining people through a difficult and perhaps isolated period. Studies now prove that connection between music and mental health, depression and anxiety and we're working on a suite of apps to bring even more focus to that area."

UMG's ongoing exploration and advancement of music's role in physical and mental well-being was brought into focus at a dedicated event in September 2023 co-sponsored with Thrive Global, a platform for some of the research, products and applications around the relationship between music and health.

Speakers included experts from the fields of science, health, fitness and tech – as well as contributions from artists such as Selena Gomez, who talked about how music has helped her on her mental health journey.

It was an above-the-line moment for a deep and permanent commitment to finding out more – and doing more – in regard to how music can make a practical positive difference to people's lives around the world.

Mazo concluded, "We held the summit because we want to bring this exciting development to the public and talk about it. It's something we're happy to share and hope others will join in."



Photo: Ariana Huffington, Selena Gomez & Sir Lucian Grainge at Thrive Global's music + health conference



CASE STUDY

SZA

SZA

RCA's Peter Edge and John Fleckenstein reflect on working with the emerging global superstar

The release of SZA's second solo album, *SOS*, has seen the artist break numerous records and established her as a rising global superstar. Critically hailed on release, *SOS* debuted at #1 in the US, amassing over 400 million streams in the US alone during its release week and charting at #1 around the world. *SOS* has now yielded four #1 hits on both Rhythm and Urban Mainstream radio - *Snooze*, *Kill Bill*, *Shirt*, and *I Hate U*, and has seen SZA named Billboard's Woman of the Year 2023, Webby Awards Artist of the Year, WSJ Magazine's Innovator of the Year, and Variety's Hitmaker of the Year. SZA also won three awards at the 2024 Grammys, where she was the most nominated artist overall.

Peter Edge, Chairman and CEO, RCA Records, says: "It's so exciting to have this combination of critical acclaim and commercial success. The way that she speaks to and connects with her fans is truly remarkable."

SZA signed to TopDawg Entertainment (TDE) in 2013 before releasing her debut album *Ctrl* on TDE/RCA in 2017. **John Fleckenstein, COO, RCA**, talks about how long-term relationships with Anthony "TopDawg" Tiffith and Terrence "Punch" Henderson at TDE have helped foster her career from the start. "Punch and Top have been there for Solana from the onset, both as her label and management. Our relationship is built on trust and stellar communication. We make a lot of effort to work as one and to stay unified and cohesive. Nearly every person at RCA who works on Team SZA has an individual relationship with both Punch and Top, and I can't speak highly enough of them and the way they work in tandem with our team."

Fleckenstein believes that it's this close collaboration that has helped drive the artist's success: "The art SZA creates is incredibly personal, and she speaks and interacts with her fans directly - so it all starts with her and her magic. To enhance that on a global level, there are tons of incredible minds at TDE, RCA, and Sony worldwide working tirelessly to ensure people are being exposed to her art and her message. When everyone is working together and in full alignment, it feels effortless and spontaneous, but the reality is that it requires hundreds of people doing a lot of little things to make sure the album is positioned in the right way in every country around the world."

SOS came out in December 2022. In the build up to the release, there was a feeling that something special was coming. Peter Edge says: "Having been part of the process, I felt that on a musical level it was something extremely unique. It took a long while for her to feel like she had the album that she wanted to put out. Many people will tell you that her previous album, *Ctrl*, changed their lives. So yes, she felt the pressure of following that up and to do that, she went really deep into herself on the songs and spoke really candidly about where she was coming from. I think that was a big reason why it has gone on to become such a success."

With *SOS* establishing SZA as a rising global superstar, Fleckenstein is excited about what might come next and how RCA will continue to support her: "I think Solana is a creative's creative, I'm not sure there are limitations on what she may do next, I can't imagine her not making music, that's for sure. We're going to offer her the trust and support to make whatever she wants to make next."

"At RCA we are very, very committed to creative freedom. We believe in allowing for time and space in development and her future will be defined by where she wants to take it".

SZA has achieved over 10 billion streams to date across all platforms.

"It's so exciting to have this combination of critical acclaim and commercial success."

PETER EDGE
Chairman and CEO,
RCA Records

CREATING AN ENVIRONMENT



IN WHICH MUSIC AND CREATORS CAN THRIVE

The landscape for music is evolving at an unprecedented pace. It brings new and exciting opportunities for artists and their fans worldwide. However, it also presents challenges to ensuring that music's value is properly recognised and that those who invest time, effort, resources and talent in creating and releasing music do not see their work exploited or used without consent.

Embracing human creativity in the time of AI

Used responsibly, AI can contribute to amazing creative opportunities and enhance human artistry. The music community has been at the forefront of technological change for decades – and it is with AI as well. Record labels and artists have been using AI as a marketing and production tool for years, including using it to enhance the creative process and collaborate on cutting-edge projects.

Facing the challenge of generative AI

Generative AI presents particular challenges for the music industry. High quality content is one of the key inputs for 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. However, many generative AI developers are “training” their models on large amounts of copyright-protected content (including musical works and sound recordings) without authorisation from, or payment to, rightsholders. That is the case even though they produce outputs based on the content they ingest – cannibalising artists’ business.

Using large amounts of music without authorisation to produce clones of the original content or products that compete directly with the original works or recordings, presents a fundamental problem for the music ecosystem. It is not right that a generative AI company can create a commercial, consumer-facing product developed on the back of artists’ creative output, refuse to compensate them or other rightsholders, and then have that product compete with those artists and rightsholders whose creative inputs they have appropriated. To put it another way, what incentives are there for anyone in the creative communities to produce original works if they are going to be taken, for free, and used to build lucrative generative AI businesses by technology companies?

THE SOLUTION

AI developers must respect existing laws

International treaties, free trade agreements, and national laws worldwide ensure that copyright works and recordings cannot be used without authorisation from rightsholders. They also require that any exceptions to these rights must be limited and must not unreasonably prejudice rightsholders. These general rules also apply to the use of copyright content in the context of AI.

Using copyright-protected materials to train an AI system is not “fair use” and there is no justification for governments to create new exceptions to copyright for the purpose of AI training. The music industry has a long-standing record of licensing its content for various technologies and partners and it is working with AI companies to enable responsible and ethical AI.

AI developers must not be allowed to appropriate an artist's voice, image, name or likeness without authorisation

Alongside the rise of deepfakes on social media, the music market has seen a proliferation of AI ‘voice cloning’ models that let others generate synthetic content that mimics an artist’s voice, image, name and likeness without authorisation.

This activity can mislead fans, causing potentially serious harm to an artist’s reputation as well as interfering with carefully planned promotional campaigns for the artist’s legitimate releases. It distorts competition by allowing those generating the clones to unfairly compete with artists whose music and likeness has been used to train the AI, unfairly leveraging the goodwill the artist has built with their fans, as well as the significant label investment which has been made in that artist’s career.

The issue, therefore, calls for the robust application and – where needed – enhancement of intellectual property (or other) rights to ensure that artists are able to protect their voice and likeness, which are at the heart of their artistic identity.

AI systems must be transparent about the content used to train them

To ensure their rights can be fairly and effectively licensed and enforced, and to provide clarity to consumers about the nature of the content they are interacting with, generative AI developers must be transparent regarding the source material used to train their systems. Rightsholders must be able to verify whether their work has been used in the development of a generative AI model or by a generative AI system. Nobody can have confidence in the efficacy of an AI product unless they understand what went into making it.

It is therefore essential and reasonable to hold AI developers responsible for documenting the content they have used to train their models and to disclose that

information to those with a legitimate interest in that information. Systems already exist to enable this.

The EU AI Act: world-first, first-step legislation

The European Union has adopted legislation that regulates the development and use of AI and represents an important step forward for AI governance and its responsible and sustainable development. For example, it obliges developers of generative AI systems to adopt policies to ensure the respect of copyright and to be transparent about the materials they have used to train their models. Crucially, these obligations will apply to models placed on the EU market regardless of where they have been developed in order to prevent them from gaining a competitive advantage by training somewhere with lower copyright standards.

IFPI conducted one of the largest music consumer studies in the world in 2023 with over 43,000 music fans across 26 countries

Authorisation for the use of music was seen as extremely important



76%

felt that an artist's work should *not be used* without their permission.

73%

agreed that an AI system should *clearly list* the music it has used.

Cornerstones to a thriving music ecosystem

RECOGNISE MUSIC'S VALUE

Music has always had deep cultural and economic value and public policies must ensure that this value is fully recognised and protected in the marketplace. This means requiring that anyone who seeks to use copyright-protected music on their platform or as part of their service obtains permission from the rightsholder before using the music. The breakdown in this long-established incentive structure would create significant harm.



Samaria photo by Ryder

RESPECT THE IMPORTANCE OF 'EXCLUSIVE RIGHTS' IN MUSIC

'Exclusive rights' ensure that rightsholders can control the use of their work and earn money from it. Policymakers increasingly understand the value of rightsholders being able to choose whether and on what terms to authorise the use of their work, which is the foundation for a successful licensing market.

Governments must uphold not only those exclusive rights but also clear copyright liability rules with strong enforcement.



Coldplay photo by Sarah Lee

SUPPORT MUSIC'S COMPETITIVE MARKETPLACE

The music market today is highly competitive, and artists have more choice than ever before in how they create and deliver their music to fans worldwide. Artists who choose to partner with a record label do so to benefit from the label's resources, experience and expertise, and draw on their creative input, global networks, and analytics and marketing capabilities. Through these partnerships, artists develop new creative and commercial opportunities that can lead to further success.

The increasingly competitive environment has directly benefited artists. An IFPI study shows that record companies' payments to their artists increased by 96% between 2016 and 2021.

Policymakers should support a competitive marketplace where artists and their commercial partners are free to develop new partnerships that enable them to increase revenue from existing sources and generate revenue from new ones to the benefit of all parties.



King & Prince photo courtesy of Universal Music Group

PROTECT CREATORS' CONTENT

To prevent further infringements to their rights, effective enforcement measures and procedures are needed to ensure that rightsholders can take swift and effective action when their works or recordings have been used without permission.

This includes measures against the operators of infringing services and against intermediaries that enable the infringing activities by providing access, infrastructure and monetisation tools to infringing services. For example, mobile app store providers must step up in their efforts to stop the increasing incidence of infringements via the apps that are available in their stores.

Additionally, as the internet is borderless, the availability of effective cross-border measures is crucial. Governments should ensure that law enforcement authorities have adequate resources and expertise to effectively pursue criminal actions against perpetrators in the most serious cases.

Authorities must have the authority to order intermediaries, such as internet access providers, to block access to infringing or fraudulent online services. This is now established practice in a growing number of places from India to Latin America and across the EU.

Governments should also ensure that internet intermediaries' immunity from copyright liability (also known as 'safe harbours') is limited to technical, automatic, and passive intermediaries and comes with meaningful conditions, including ensuring the expeditious "stay down" of notified content and taking credible steps to verify their business customers.

Tackling streaming fraud

Streaming fraud involves the creation of artificial 'plays' on digital music streaming services that do not represent genuine listening. This activity constitutes fraud and damages the fan experience, distorting charts and playlists. Its perpetrators are diverting revenues away from genuine artists whilst making it harder for new and developing artists to come through.

IFPI, on behalf of its member record companies, continues to take legal action against the individuals behind sites that sell artificial plays which has resulted in sites in Brazil, Canada and Germany shutting down. IFPI will continue to target the most-used services worldwide.

More must be done. IFPI welcomes the publicly stated commitment of music services and distributors

to work together to combat streaming fraud and remove incentives for it. Further, global search engines should delist links to sites that offer artificial interactions (such as artificial streams) and intermediaries (such as hosting providers, domain registries/registrars and payment providers) should not provide services or infrastructure to these sites. The recording industry also needs the support of governments and law enforcement agencies to take on this issue and recognise the broader impact that streaming fraud is having on the trust in digital services generally.

Combatting streaming fraud is essential not only to protect a healthy streaming economy that works for artists, fans and the industry, but to ensure a healthy and trustworthy online environment for all.

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GLOBAL MUSIC REPORT 2024: Premium Edition

The Global Music Report 2024: Premium edition is the definitive source of data for the recorded music industry. It includes the most complete and reliable picture of global recorded music revenues sourced directly from IFPI's record company members worldwide and verified using IFPI's global network of country-level national group members. Detailed consumption data is leveraged from charts provider partners to enable IFPI to provide the most accurate view of the global music market.

The report includes country-level revenue data for 58 markets as well as in-depth insights and analysis of all major regions and consumption formats along with a review of the biggest artists, albums and tracks of the year.

For further information visit

gmr.ifpi.org



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.