MUSIC CONSUMER INSIGHT REPORT 2018

[Image of a person using a smartphone]
INTRODUCTION

MUSIC IS AN INTEGRAL PART OF OUR LIVES

The Music Consumer Insight Report tells the story of how recorded music is woven into the lives of people around the world.

We are passionate about music. It is personal to us. Increasingly accessible, music is embraced across genres and geographies, ages and formats - from radio to streaming and beyond.

This report looks at how music soundtracks the many parts of our day and how this love of music is also driving fans’ growing adoption of technologies. From smartphones to smart speakers, music is a force ushering in these connected devices that are being taken up globally.

As ever, local repertoire continues to dominate countries’ charts. There will always be something special about local music that speaks to us. In this interconnected world, country-specific genres, like K-Pop in Korea and música popular brasileira in Brazil, are not only embraced at home but are also beginning to find a broader global audience.

In this year’s report, for the first time, we take a close look at the exciting, evolving music markets in China and India. In both countries, music fans are highly engaged with licensed music and local music is flourishing.

Music unites us globally and adds enormous value to people’s lives. Record companies are essential to this as they continue to develop, support and invest in music, playing a crucial role in ensuring that it continues on its exciting journey around the world.

"RECORD COMPANIES CONTINUE TO DEVELOP, SUPPORT AND INVEST IN MUSIC, PLAYING A CRUCIAL ROLE IN ENSURING THAT IT CONTINUES ON ITS EXCITING JOURNEY AROUND THE WORLD."

FRANCES MOORE | CHIEF EXECUTIVE, IFPI
MUSIC CONSUMPTION IN 2018

Based on research conducted by IFPI in 2018, this report provides a snapshot of how consumers across 18 of the world’s leading music markets are engaging with recorded music.

86% of consumers are listening to music through on-demand streaming.

50% of 16-24s would choose audio streaming if there were only one way to listen to music.

75% of consumers use smartphones to listen to music.

38% of consumers obtain music through copyright infringement.

On average consumers spend 17.8 hrs listening to music each week globally.

2.5 hrs a day

Base: All participants (n=19,000) from the 18 countries surveyed (Argentina, Australia, Brazil, Canada, France, Germany, Italy, Japan, Mexico, Netherlands, Poland, Russia, South Africa, South Korea, Spain, Sweden, UK, US)
MUSIC IS AN INTEGRAL PART OF OUR DAILY LIVES

Consumers are embracing music at all points of the day demonstrating the importance and value that it has in our lives.

17.8 hrs
spent listening to music each week globally

CONSUMERS MOST TYPICALLY LISTEN TO MUSIC WHILE:

In the car 66% (global)
- South Africa: 80%
- Germany: 77%
- US: 75%

Commuting to work or education 54% (global)
- Argentina: 62%
- Mexico: 62%
- Germany: 60%

Working or studying 40% (global)
- Mexico: 68%
- Argentina: 58%
- South Africa: 57%

Going to sleep 19% (global)
- Brazil: 33%
- Poland: 29%
- South Africa: 25%

Relaxing at home 63% (global)
- Cooking and cleaning 54% (global)
- Exercising or at the gym 36% (global)

At concerts, gigs and festivals 36% (global)

YOUNGER CONSUMERS ARE LISTENING TO MORE MUSIC IN MORE WAYS

Younger consumers (16-24s) are more likely to listen to music during any activity and much more likely to listen on their way to work or education or while at work or education.
LOCAL MUSIC IS EMBRACED BY CONSUMERS
Local culture influences consumers’ listening habits, with many enjoying domestic genres.

**JAPAN**
- 66%
- Two-thirds of consumers in Japan listen to J-Pop with 29% listening to music from anime

**KOREA**
- 62%
- 62% of consumers in Korea like K-Pop (and 22% listen to K-Trot)

**FRANCE**
- 69%
- In France, 69% listen to Variété Française

**POLAND**
- 28%
- In Poland, 28% listen to Disco Polo

LATIN AMERICAN CONSUMERS ARE ENGAGED WITH LOCAL GENRES

**IN ARGENTINA**
- 43%
- Latin music

**IN MEXICO**
- 55%
- Latin music

**IN BRAZIL**
- 55%
- Música popular brasileira

- 36%
- Reggaeton

- 42%
- Regional Mexican

- 39%
- Sertanejo Universitária

- 34%
- Samba Pagode

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Base: All participants (n=19,000) from all 18 countries surveyed.
Genre data is based on the participants’ own definitions of genre.
**MUSIC DRIVES TECHNOLOGY ENGAGEMENT**

From smartphones to smart speakers, across the world connected devices are a growing part of the listening experience.

Record companies have licensed music across hundreds of digital music services allowing consumers to have easier access to the music they love, wherever they are.

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**USING SMARTPHONES TO LISTEN TO MUSIC**

- **27%** of total music listening time is on mobile devices
- **58%** of 16-24 year olds would choose a smartphone when asked “if you only had one device to listen on...”

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**THE HIGHEST RATE OF SMARTPHONE USE FOR MUSIC IS IN LATIN AMERICA**

- **75%** of consumers use smartphones to listen to music
- **94%** of 16-24 year olds use smartphones for music

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**SMART SPEAKERS**

Record companies have been working behind the scenes to help make it possible for consumers to access their favourite tracks using voice-activated smart speakers.

As engagement continues to grow around the world, we look at the profile of a typical smart speaker user.

Compared to all consumers, smart speaker users are:
- **15%** of consumers globally are likely to buy a smart speaker in the next 12 months
- Most likely 25-34
- Most likely to listen to Hip-Hop & Rap / Dance Music/Jazz/Reggae
- Twice as likely to use paid audio streaming
- Much more likely to attend gigs / concerts
- Much more likely to use a turntable

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**SOCIAL MEDIA**

Consumers are taking to social media and messenger apps to share and discuss their favourite music. As record companies continue to work with technology partners to license tracks for consumers, music will continue to drive online conversations.

- **75%** of users in Latin America listen to music posted on social networks
- **30%** of consumers follow artists on social media

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**GLOBALLY, CONSUMERS ARE USING SOCIAL NETWORKS TO DISCUSS MUSIC**

- **35%** of WhatsApp users share links to music using the app
- **23%** of Instagram users talk about music on the service
- **30%** of Facebook users share links to music using the app

Base: All participants (n=19,000) from all 18 countries surveyed.
ON-DEMAND STREAMING LEADS MUSIC CONSUMPTION GLOBALLY

Licensed on-demand streaming is popular with consumers the world over.

86% of consumers are listening to music through on-demand streaming (audio and video)

57% of 16-24 year olds use a paid audio streaming service

86% of time spent listening to on-demand music is on YouTube

52% is on video streaming
28% is on paid audio streaming
20% is on free audio streaming

52% is on video streaming
28% is on paid audio streaming
20% is on free audio streaming

HOWEVER, USER UPLOAD SERVICES ARE NOT RETURNING FAIR VALUE TO THE MUSIC COMMUNITY

35% SAY A MAIN REASON FOR NOT USING A PAID AUDIO SUBSCRIPTION IS THAT ANYTHING THEY WANT TO LISTEN TO IS ON YOUTUBE.

% OF CONSUMERS LISTENING TO MUSIC ON THE RADIO

Base: All participants (n=19,000) from all 18 countries surveyed
UNLICENSED MUSIC

Record companies are taking action globally against stream ripping sites that undermine legitimate services and pay no money to those investing in and creating the music. Despite some successes, the problem persists.

GLOBALLY

38%

CONSUME MUSIC THROUGH COPYRIGHT INFRINGEMENT

STREAM RIPPING IS THE MOST-USED FORM OF COPYRIGHT INFRINGEMENT

32%

23%

17%

of all consumers download music through stream ripping
of all consumers download music through cyberlockers or P2P
of all consumers use search engines to locate infringing content

STREAM RIPPING USERS ARE MORE LIKELY TO SAY THAT THEY RIP MUSIC SO THEY HAVE MUSIC TO LISTEN TO OFFLINE. THIS MEANS THEY CAN AVOID PAYING FOR A PREMIUM STREAMING SUBSCRIPTION.

Base: All participants (n=19,000) from all 18 countries surveyed
Chinese consumers are highly engaged with licensed music.

**Country Focus: China**

- **96%** of consumers in China listen to licensed music.
- **89%** of music consumers in China listen to licensed audio streaming.
- **15.4hrs** listening to music each week.

**China’s Favourite Genres**

1. C-Pop
2. Pop
3. Folk
4. Country
5. Soundtracks

**Top Listening Activities**

- Relaxing at home: **74%**
- In the car: **50%**
- Going to sleep: **49%**
- Exercising or at the gym: **49%**
- Commuting to work or education: **42%**

**Consumers Use Messenger Apps to Share Their Favourite Music**

- WeChat: **65%**
- QQ: **64%**
- Weibo: **62%**

Base: All participants surveyed in China (n=2,000)
Indian consumers favour local genres.

SMARTPHONES ARE THE DEVICE OF CHOICE

96% of consumers are listening to music on smartphones – the highest rate in the world

99% of 16-24 year olds listen to music on a smartphone

96% of consumers in India listen to licensed music

95% listen to music through on-demand streaming

TOP LISTENING ACTIVITIES

While relaxing at home

79%

While cooking or cleaning

48%

In the car

59%

On commute to work or education

43%

While going to sleep

54%

INDIA’S FAVOURITE GENRES

01 Bollywood new

02 Bollywood old

03 Indian classical music

04 Pop

05 Rock

Base: All participants surveyed in India (n=2,000)