

IMS IBIZA PRESENTS

THE IMS BUSINESS REPORT 2021

An annual study of the electronic music industry by David Boyle for IMS

billboard

Pioneer Dj

 **Beatport**



IMS BUSINESS REPORT 2021

**FROM DEVASTATION
COMES INNOVATION**

**THAT WAS THE
EASY PART**



With clubs closed and festivals cancelled, we seized the opportunity to innovate. The hard part will be sustaining innovation when the parties start again

In March 2020 Defected realised that clubs would be closed for the immediate future and switched to livestreams. Tales of exhausted ambulance crews dancing to these streams in their breaks along with 140,000 new YouTube subscribers show that, like a damned river eventually reaching the ocean, we will ultimately always find a way to get our music to audiences. The story of Defected, and that of many others like it perfectly capture 2020. Faced with adversity, our industry found new ways to do what it does best - make people dance. That was the easy part.

“The digital landscape has completely shifted for music. And the industry has turned to digital as a means to maintain and monetise,” says Tom Wiltshire of Boiler Room. The next few years in electronic music will be defined by whether we increase our reach and engagement by doubling down on the digital experimentation and innovation driven by the opportunities the pandemic created, or whether we retreat back to focusing so heavily on audiences that can be a part of the live and in-person delivery of our music in the clubs and festivals that our scene is famous for. That’s the real challenge.

Electronic music’s innovation didn’t stop with broadcasting our sounds to people who couldn’t attend events, though. As this report details, our industry used the opportunity of the pandemic to lead innovation in direct-to-fan engagement (and monetization) in the form of NFTs, based on a technology that offers to ultimately help with huge issues like royalty payment transparency in streaming services. In addition, we raised record amounts for good causes through livestreams, compilations and turning our venues over to help our communities respond to this crisis.

As with any industry that relies on in-person events, our market was down in 2020. But with growth in recorded music revenues and the investments in innovation, we are well positioned for growth. Let the music play!

Lessons from the definitive analysis of 2020 🤒🙄 (and from the trends shaping 2021 so far)

Key themes:

- **RECORDED MUSIC:** The market grew, but Dance / Electronic Music's share is flat to declining. As the Hip-Hop wave crests, we must learn from the artists, marketing and music to plan for our next moment in the spotlight. Signs suggest it is coming
- **FESTIVALS & CLUBS:** Bearing the brunt of the impact of Covid-19, many clubs and festivals were not able to operate. We look at who went successfully virtual
- **LIVESTREAMING:** A year into being forced into livestreaming, there are still more questions than answers about the biggest topic in the whole music industry. We think YouTube, Twitch and LIVENow / DICE illustrate three distinct pillars around which the answers will coalesce: Enroll, Engage and Excite
- **MONETIZING FANS:** NFTs captured the headlines, but they're only the hottest of the direct-to-fan technologies that helped artists to engage and monetize their fans during the pandemic. We look at three technologies that each hold lessons. And we take a look at how NFTs are only the tip of the blockchain iceberg for our industry
- **GOOD CAUSES:** Whether raising money for PPE for healthcare workers, non-profits or artists and industry workers devastated by the pandemic, electronic music stepped up. We recap and salute the dedication and impact of this great work
- **THE METAVERSE:** 2020 saw record growth in gaming, an industry that is well used to expansion. Gaming played a new role for kids and adults stuck at home. The metaverse has arrived and the opportunities for electronic music are unlimited

Note: With clubs closed and festivals cancelled, many of the reports we rely on weren't written in 2020. As such, this year we are lighter than usual on topics like DJ fees and festival income. But we've capitalised on the accelerated trends and innovation caused by the pandemic, so you'll see more lessons for the future than usual.

About this report

We aim to be the definitive account of electronic music in 2020 and of what's happening in 2021 so far. We cover every aspect of our industry based on IMS analysis of key facts from all of the major players in our industry. All in one place.

But we want to go beyond numbers. Thanks to the input of and interviews with a range of industry leaders, we always explain the cause of the numbers - why the data came to be the way it is; moreover we aim to explain the opportunities that the numbers represent and what our industry should do differently to seize them.

About the author

David Boyle joined the IMS team in 2021 to lead the use of data to drive our industry's understanding of trends and opportunities. He'll lead the annual Business Report, the flagship for a series of publications we're planning throughout the year. David says his main job is channelling the brilliant analysis that is being done in our industry to shine a spotlight on the best and pull out the implications. We couldn't do this without data partners ranging from research and analytics companies to DSPs, labels and artists.

Outside of his work at IMS, David runs Audience Strategies, an entertainment-focused team that help brands to find growth based on a deep understanding of their audiences. They have done this for streaming services, record labels, startups and artists of all sizes. They bring expertise from the global book publishing, TV and luxury goods industries as well as having used data to elect a Prime Minister and a President along the way.

Contact: david@internationalmusicsummit.com





22+ interviews with industry leaders

Including: **Kevin Watson** who worked tirelessly on this report for the last 10 years, **Kevin Marston** and **Paul Scaife** from IMS Industry Insider / Record Of The Day, **Jenny Howard** and **Simon Jacobs** at Audience Strategies, **James Kirkham** at Defected, **Mark Mulligan** at MIDIA, **Ben Turner** and **Pete Tong** at IMS, **Bill Brewster** of DJ History, **Hector Romero** at Sony, **Inder Phull** at PIXELYNX, **Dean Wilson** at Seven20 and PIXELYNX, **Paul Clement** at Resident Advisor, **Anton Partridge** and **Bart Cools** at Warner, **Mark Lawrence** at Sentric Music Group, **Chuck Fishman** of FSQ, **Tony Rigg** of University of Central Lancashire, **Yvan Boudillet** at TheLynk, **Tom Wiltshire** Boiler Room, **Christophe Castagnéra** at Imagination, **Wolfgang Boss** at Sony Music, **Cherie Hu** at Water and Music (patreon.com/waterandmusic), **Panos Ayassotelis** of Connected Artists, **Jules O'Riordan** (aka Judge Jules) at Sound Advice, **Karen Allen** of Twitch for Musicians, **Tim Smith** at Riot Games (League of Legends), **Ara Kevonian** of SoundStage.fm, **James Pitt** at Minds On Fire / Your Army, **Duncan Byrne** at Involved Group (Anjunabeats / Anjunadeep / Involved Management), **Matthew Dicks** at MDLBEAST, **Neel** (Giuseppe Tillieci) of Enisslab Studio, **Julie Blore-Bizot** at L-Acoustics

35+ data sets

Often  access or analysis

Including: **Know What's Loved** for the detailed genre-country data that allowed our crucial 'share of representation' analysis, **Viberate**, **ChartMetric**, **MRC** and **Beatport** for awesome music industry data, **Twitch**, **YouTube**, **LIVENow** and **DICE** for livestream data, **DJ Mag** for Top 100 data, **SkyScanner** for data on Ibiza flight demand, **IFPI**, **Nielsen**, **BPI** and **BVMI** for official industry data, **Shareablee** for amazing analysis of engagement on social media plus **Instagram**, **YouTube**, **Twitch**, **TikTok**, **Patreon**, **SoundCloud**, **Deezer**, **Spotify**, **Google** search, **Goldman Sachs**, **Cherie Hu** for awesome NFT data plus hundreds of hours of analysis by the people who provided the data and then by me on receipt.

It takes a village

This report channels expertise from across the industry.

A huge thanks to all who helped shape it

- **Kevin Watson** who worked tirelessly on this report for the last 10 years
- **Know What's Loved's Alex Goatcher** for the detailed genre-country data that allowed our crucial 'share of representation' analysis
- **Viberate, ChartMetric, MRC, Beatport** and **Shareablee** for awesome music industry data
- **Twitch, YouTube, LIVENow, DICE** and **Skiddle** for livestream data
- **Kevin Marston, Paul Scaife**, IMS Industry Insider / Record Of The Day
- **DJ Mag** and **Resident Advisor** for themes and insights
- **Jenny Howard** and **Simon Jacobs** at Audience Strategies for trends and data analysis
- **James Kirkham**, Chief Business Officer at Defected
- **Mark Mulligan** at MIDIA, the wise man of music data and trends
- **Ben Turner, Pete Tong** and the whole IMS team for insights and advice
- **Bill Brewster**, DJ, writer and dance music historian
- **Hector Romero**, DJ, producer and A&R for Orianna at Sony
- **Inder Phull**, PIXELYNX, a new venture co-founded with Joel Zimmerman and Richie Hawtin
- **Dean Wilson**, technologist and manager of artists including deadmau5
- **Paul Clement**, Co-Founder, Resident Advisor
- **Anton Partridge**, Director of Global Strategy, Electronic Music, Warner
- **Mark Lawrence**, Director of Electronic Music at Sentric Music Group
- **Chuck Fishman**, musician, DJ and technologist
- **Julie Blore-Bizot**, Director of Communications, L-Acoustics Creations
- **Tony Rigg**, Lecturer in Music Industry Management and industry advisor
- **Yvan Boudillet**, music tech advisor and consultant / founder at TheLynk
- **Tom Wiltshire**, Boiler Room
- **Christophe Castagnéra**, Head of Connected Experiences, Imagination
- **Wolfgang Boss**, producer and president of A&R, Sony Music
- **Bart Cools**, EVP Global A&R and Dance Music Marketing at Warner
- **Cherie Hu**, journalist, researcher and founder of the music and tech newsletter / community Water and Music (patreon.com/waterandmusic)
- **Panos Ayassotelis** of Connected Artists whose roster includes Sebastian Ingrosso, Moby and Dirty South
- **Jules O'Riordan** (aka Judge Jules), Partner at Sound Advice
- **Karen Allen**, author of Twitch for Musicians
- **Tim Smith**, Riot Games, who publish League of Legends
- **Ara Kevonian**, Founder & CEO of SoundStage.fm
- **James Pitt**, Minds On Fire / Your Army, who publish artists including Cinthie and Alan Fitzpatrick
- **Duncan Byrne**, Marketing Director, Involved Group (Anjunabeats / Anjunadeep / Involved Management)
- **Matthew Dicks**, Head of Talent at MDLBEAST
- **Neel** (Giuseppe Tillieci), DJ, producer and mastering engineer. Founder of the Enisslab Studio and architect of the WorldWideWindows comp.
- **SkyScanner** for data on Ibiza flight demand`
... and many others



IN THIS REPORT





RECORDED MUSIC

HIP-HOP PLATEAUS

TIME TO BUILD



RECORDED MUSIC

“... Hip-Hop is coming out of four or five years where it was far more exciting and relevant.

But genres eat themselves. Always have.

They become so popular that lots of records start sounding like all the others.

Every three or four years a generation finds something that's fresh and exciting to them.

That's electronic music right now ...”

- Anton Partridge, Director of Global Strategy, Electronic Music, Warner Music



RECORDED MUSIC

The EDM wave gave way to a Hip-Hop wave, which is now plateauing. Electronic music should prepare for its next moment in the spotlight

Partnering with Black Eyed Peas, Kelly Rowland, Flo Rida, Taio Cruz and Ludacris helped catapult David Guetta from being a 'French DJ' to being a global pop star and marked the start of the EDM wave that brought electronic music to big new audiences around the world. Ten years later, it is now clear that the EDM wave gave way to a Hip-Hop wave. Dance's market share is down but stabilising in the UK and US.

However, as of 2020, the Hip-Hop wave appears to be cresting. In preparing for our next moment in the spotlight, there are lessons we should learn from Hip-Hop's rise. After five years of rapid growth in every country we looked at, Hip-Hop's growth in US and UK appears to have flatlined and its share in Germany declined for the first time in recent years.

In a world of abundance, audiences gravitate to artists who are celebrities - and Hip-Hop's artists have it all. From fashion and language to character and stories. Hip-Hop artists are intertwined with aspirational parts of culture, adding scale but also cachet. With Daft Punk recently announcing their retirement, we have to ask ourselves: how can we help more fully rounded artists to emerge from our scene ... while helping artists that want to stay true to the underground find success without having to be pop stars?

And how can we get our ducks in a row - our A&R, artists and marketing ready to earn and capitalise on our return to centre stage for the upcoming Roaring 20s.



RECORDED MUSIC

The Commercial Dance Music market grew because of total market growth and despite often declining market share.
Inside our scene: growth in electronic music continues

COMMERCIAL DANCE MUSIC: Looking at the broader market

- The recorded music market grew by 7% from 2019 to 2020
- Official figures reveal Dance Music's share of the recorded music market was up and down
 - A slight dip in US market share took \$12.4m from the dance music industry value, even in a growing market
 - The UK's small market share decline was offset by market growth
 - Germany, Canada and the Rest of World all contributed growth thanks to both market share and growing markets
- Dance's decline in relevance is confirmed by analysis of representation on the top Spotify charts. Fewer electronic artists make the chart in every country we studied
- Hip-Hop is the cultural phenomenon of recent times. In the last five years, its market share has grown around 10%. Industry leaders reveal lessons we can learn from this, including the opportunity to support more rounded artists

ELECTRONIC MUSIC: A look inside our scene

Beatport continues to buck the trend. It achieved 33% growth despite the downloads market declining by 16%!

- Techno exhibits its dominance as the best selling genre for the 5th year
- House continues to expand its share, rising to the 2nd most popular genre in 2020
- Drum & Bass has continued growth to be the 4th biggest genre
- The newly created Dance / Electro Pop genre is already in the top 10, coming in at the 8th position

Markets and genres: two interdependent worlds



COMMERCIAL DANCE MUSIC

Market growth and Dance market share relative to Hip-Hop.

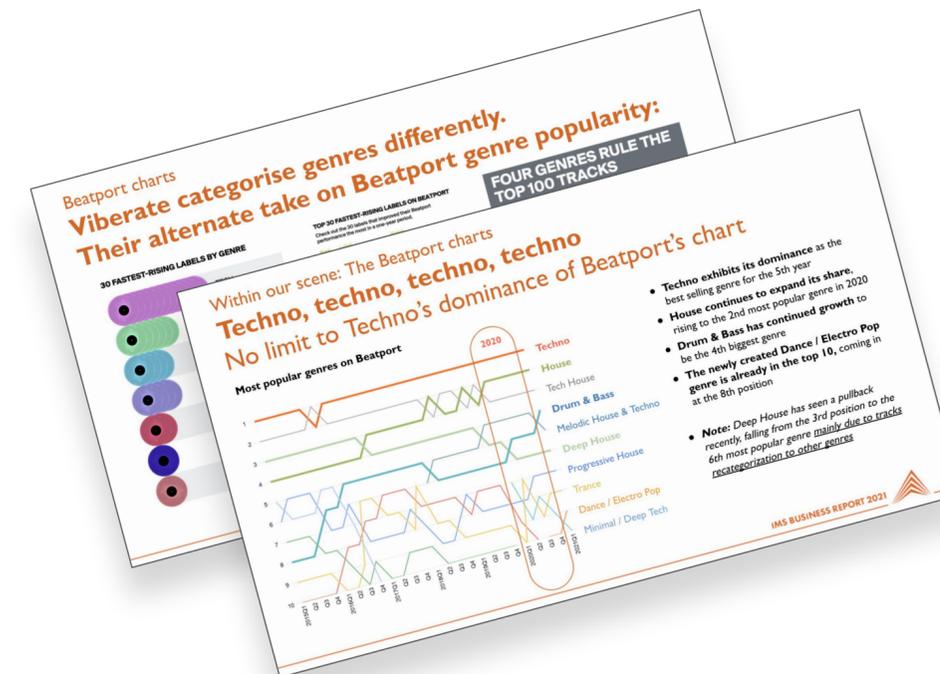
Even those of us more focused on underground electronic music are buffeted by the winds of more commercial EDM music and Hip-Hop's competition to electronic music culture amongst the next generation



ELECTRONIC MUSIC:

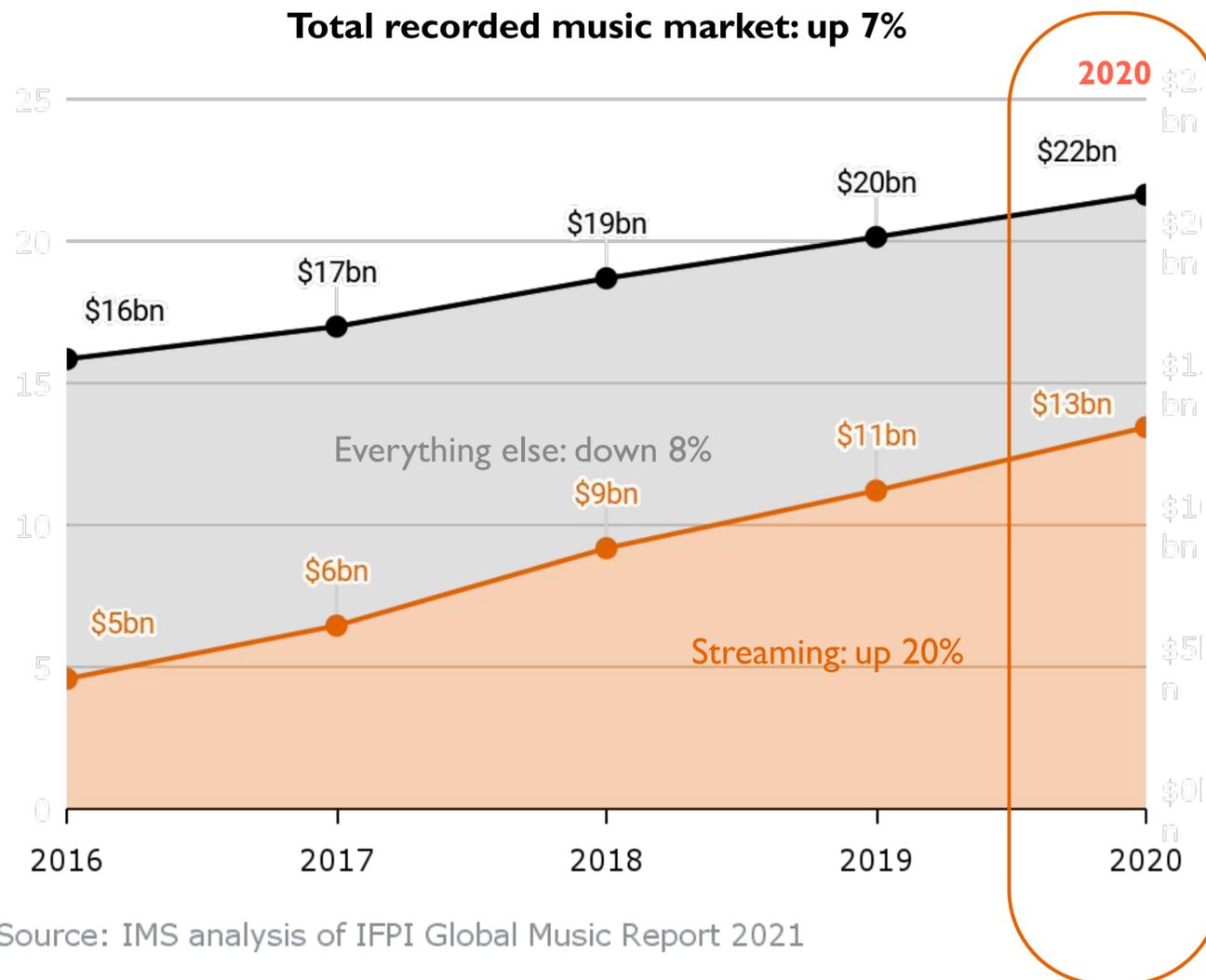
A deep dive into our scene by looking at Beatport's growth and genre mix.

Even those of us more focused on more commercial EDM music are buffeted by the winds of creativity bubbling up from club culture



Keep on movin'

The global recorded music market carried on growing. What pandemic?



Source: IMS analysis of IFPI Global Music Report 2021

Streaming growth is slowing

- **Streaming** growth continued its slowdown from 42% growth in 2017-18 and 22% growth 2018-19 to 'just' 20% 2019-20.
- **Growth powered by existing platforms as well as new platforms and new monetisation of existing platforms** (incl. TikTok, Facebook, Instagram, Peloton, Gaming and Tencent)

'Everything else' is in decline

- **Decline of 'everything else'** (Downloads & other digital, Physical, Performance rights, Synchronisation) is about where it has been for the last couple of years: from 10% decline 2017-18 and 6% decline 2018-19 to 8% 2019-20
- **Performance Rights** had been growing until 2018. 2019 saw a 4% decline and 2020 saw a 10% decline with bars, clubs, shops and public spaces closed

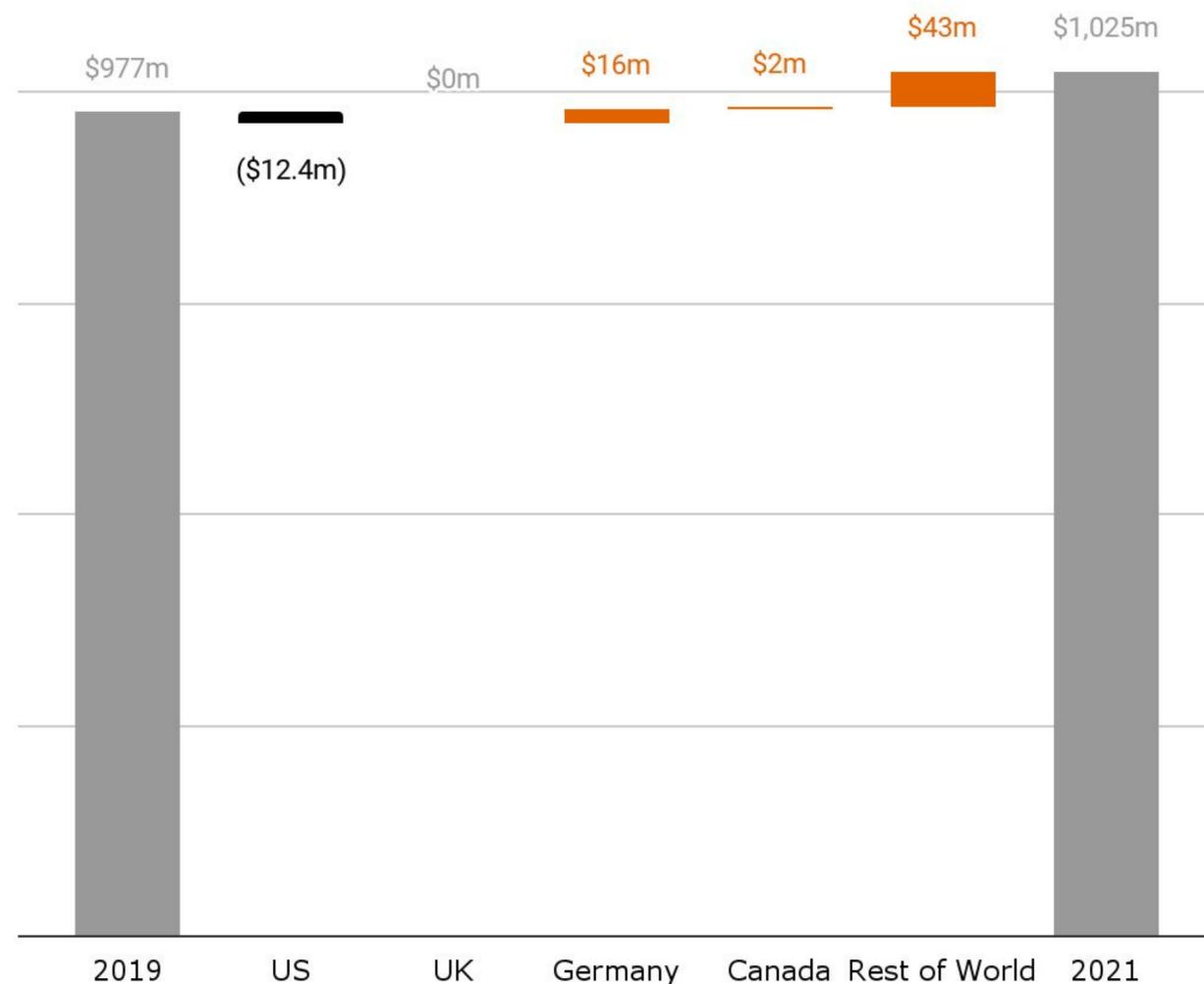
Beatport and Vinyl buck the trend

- **Beatport** continues to buck the trend. It achieved 33% growth despite the downloads market declining by 16%! (And despite clubs being closed and festivals cancelled!)
- **Vinyl** was up 24% in 2020. A big jump from a 4% rise in 2019. Discogs sales were up 36% year-on-year with 140m items were added to Collections as people took time to catalogue (+40% YoY)



Keep on movin'

Dance recorded music revenues broke \$1bn. A record! Thanks to Germany, Canada and Rest of World



- The slight dip in US market share took \$12.4m from the total industry value. Dance music's share declined by 11% in a market that grew by only 7%
- A rising tide: The UK's market share decline of just 2% was offset by market growth
- **Germany, Canada and the Rest of the World all contributed growth thanks to market share and growing markets**

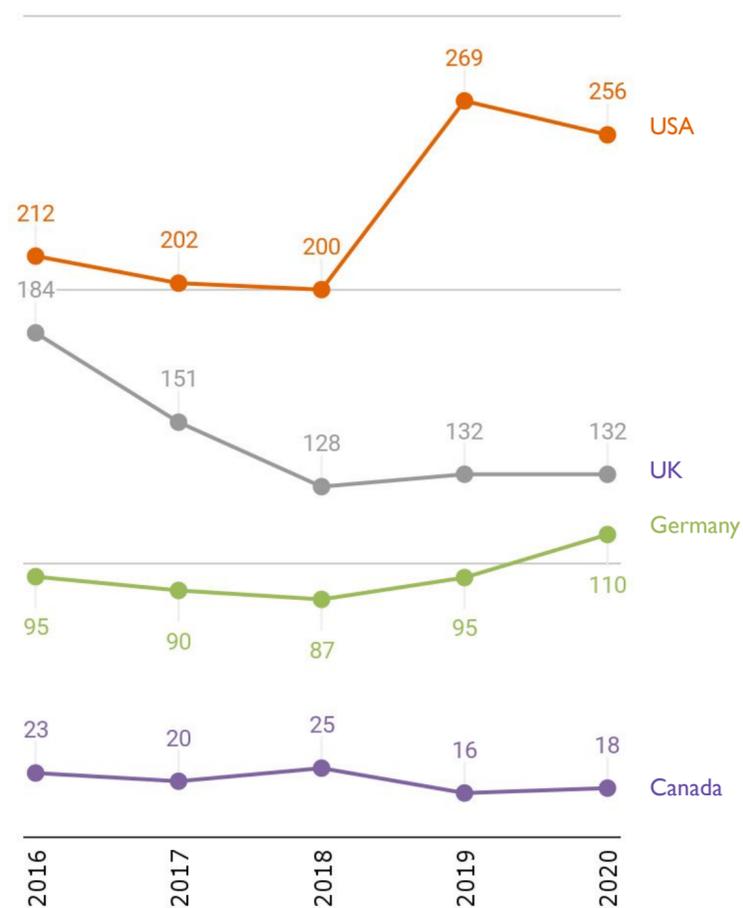
Source: IMS analysis of data from Nielsen, BPI and BVMI



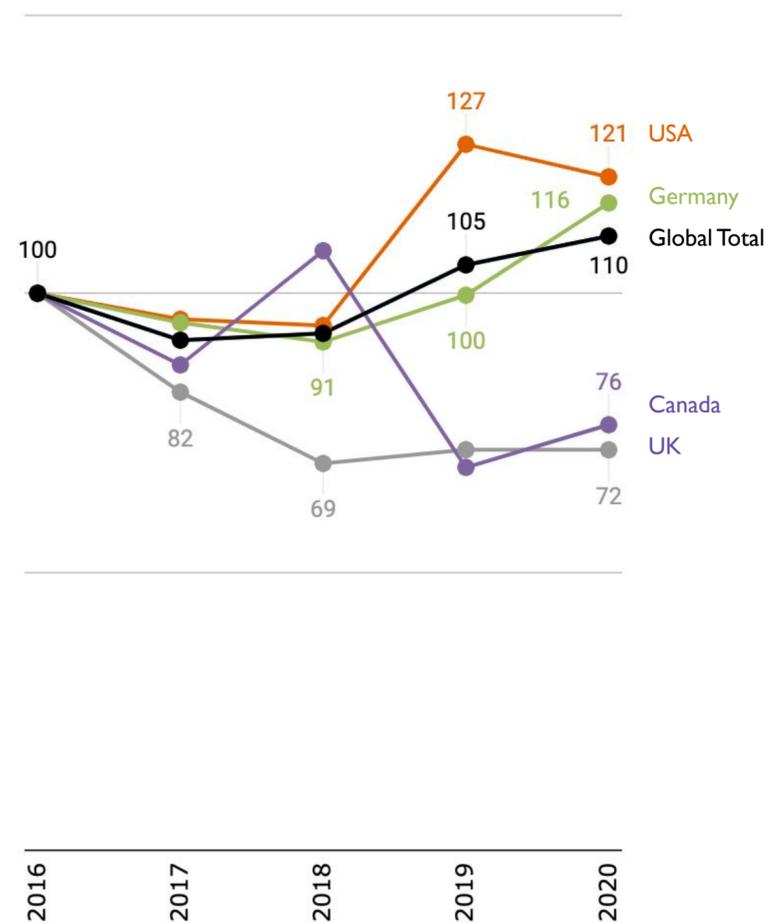
Keep on movin'

Record dance recorded music revenues broke \$1bn. Thanks to Germany, Canada and Rest of World

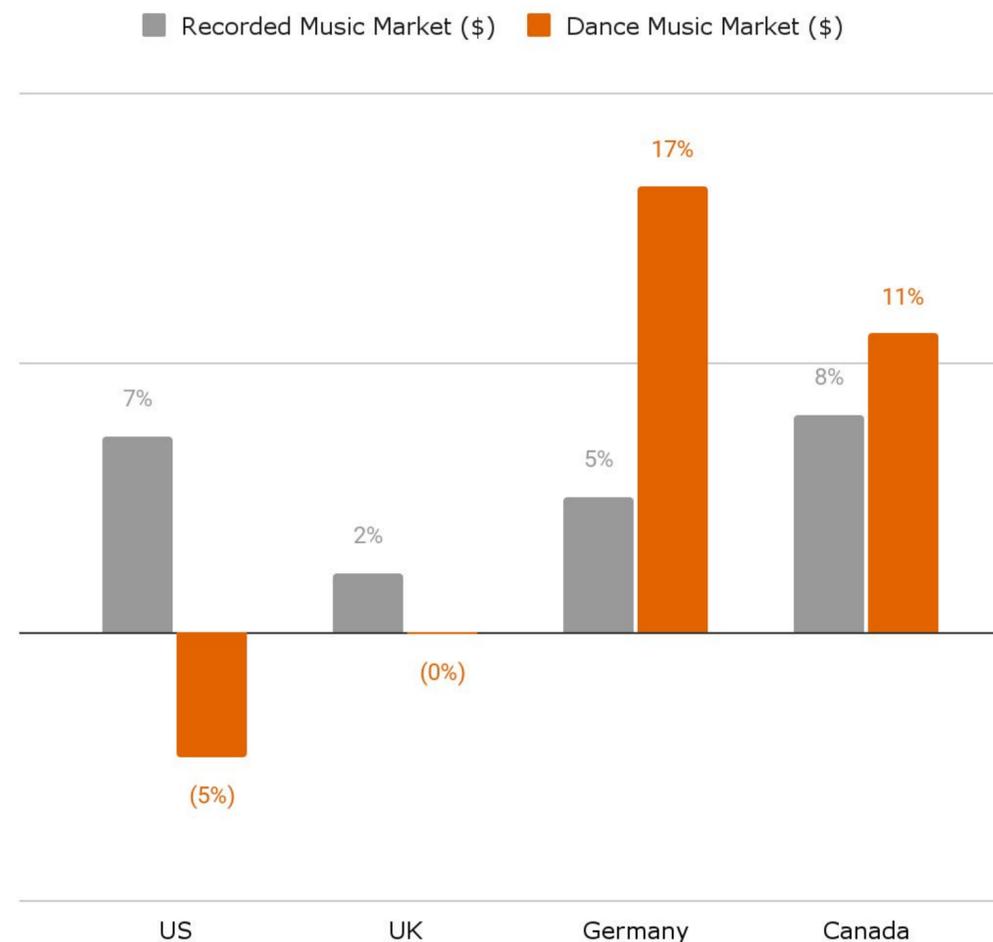
Dance music revenues (\$m)



Dance music revenues indexed



Growth (decline) of market sizes 2019 to 2020



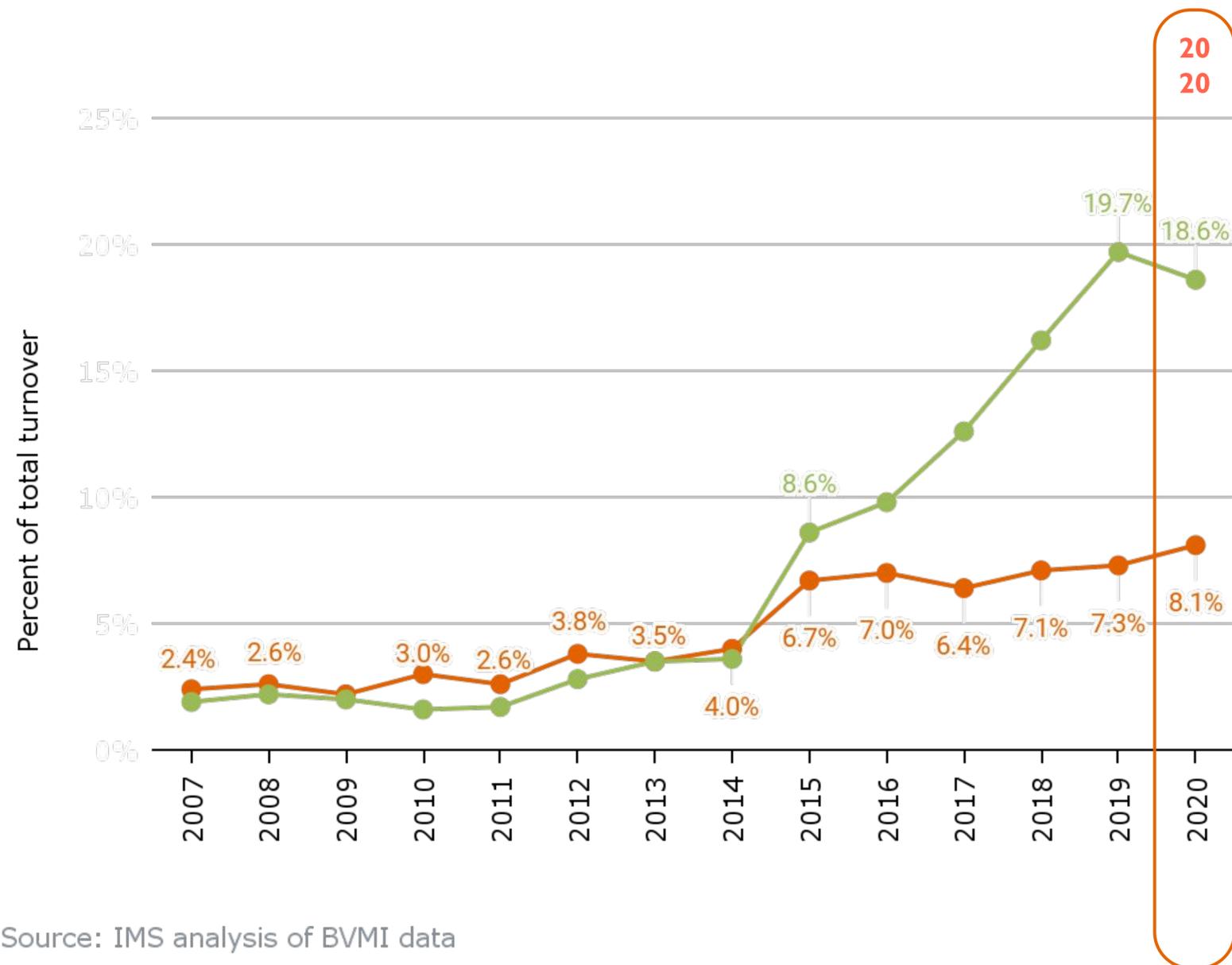
Source: IMS analysis of data from Nielsen, BPI, BVMI and IFPI



Can't get enough

German market share growth continues

Having started below USA, German dance is way out ahead and growing



Source: IMS analysis of BVMI data

Post peak? What goes up must come down
After rapid rises in recent years, Hip-Hop / Rap's market share is now declining

“... Radio does not play German Hip-Hop and hardly plays US Hip-Hop. Dance music benefits from being less polarising ...”

- Wolfgang Boss, producer and president of A&R, Sony Music

A swell is forming
Dance music's growth appears to be accelerating. What can we learn from this?

“... Growth is driven by commercial radio accepting commercial dance pop as one of, if not THE dominant genre. Artists like Robin Schulz, Alle Farben, Felix Jähn, Purple Disco Machine, Topic, etc have airplay hits and are heavily supported on every release - even with weaker singles. Airplay comes first and is the driver of success ...”

- Wolfgang Boss, producer and president of A&R, Sony Music

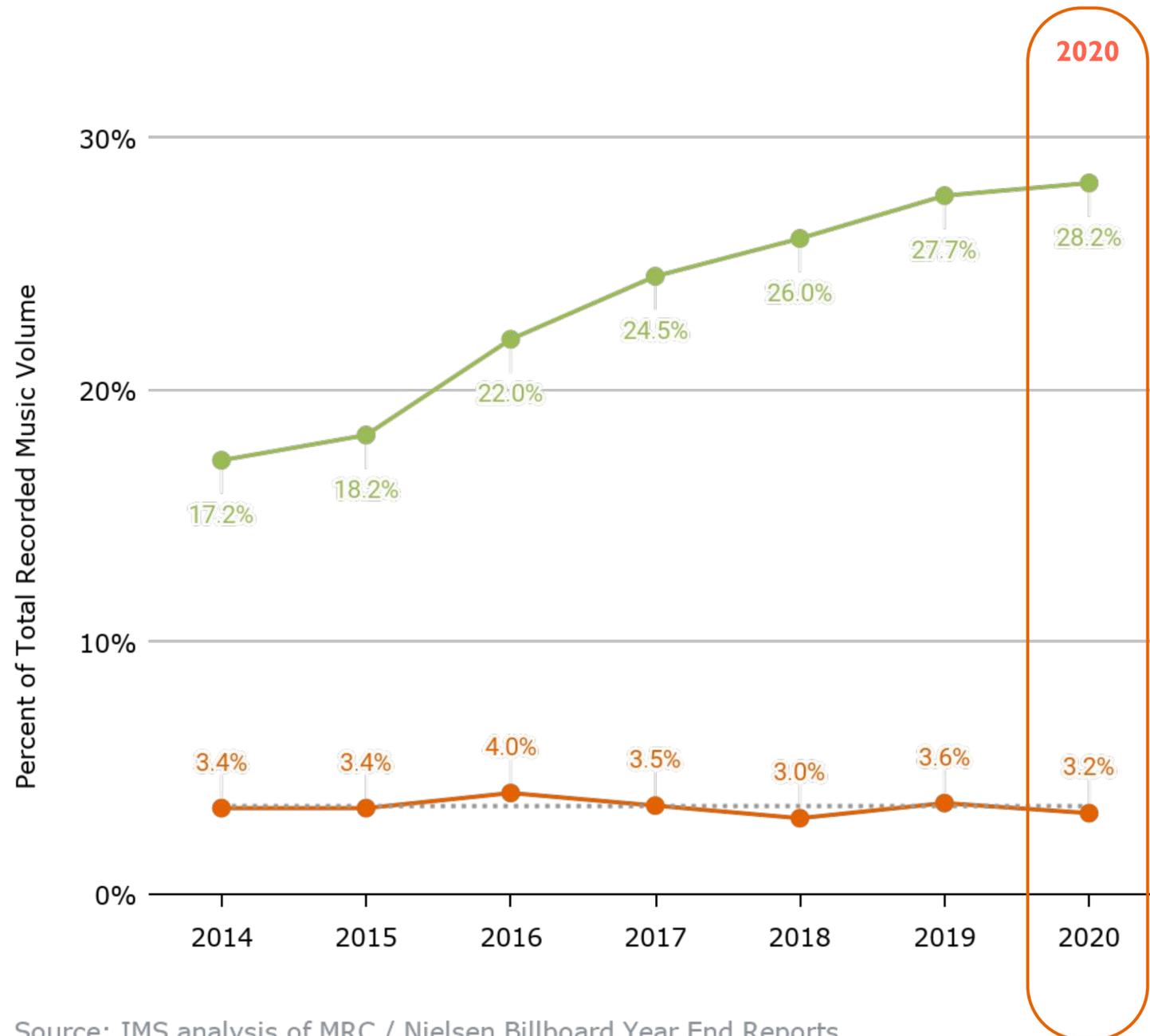
“... We're seeing an ongoing shift in music consumption in Germany driving growth. They were late to the party on streaming and YouTube ...”

- Duncan Byrne, Marketing Director, Anjunabeats / Anjunadeep / Involved Management



Consistent but overshadowed

Dance has a stable and sizable share of the US market



At the peak?
R&B / Hip-Hop market share growth is slowing

Post-wave lull
Dance / Electronic market share is stable
A significant achievement without the festivals and clubs that would usually amplify hits and build audiences.

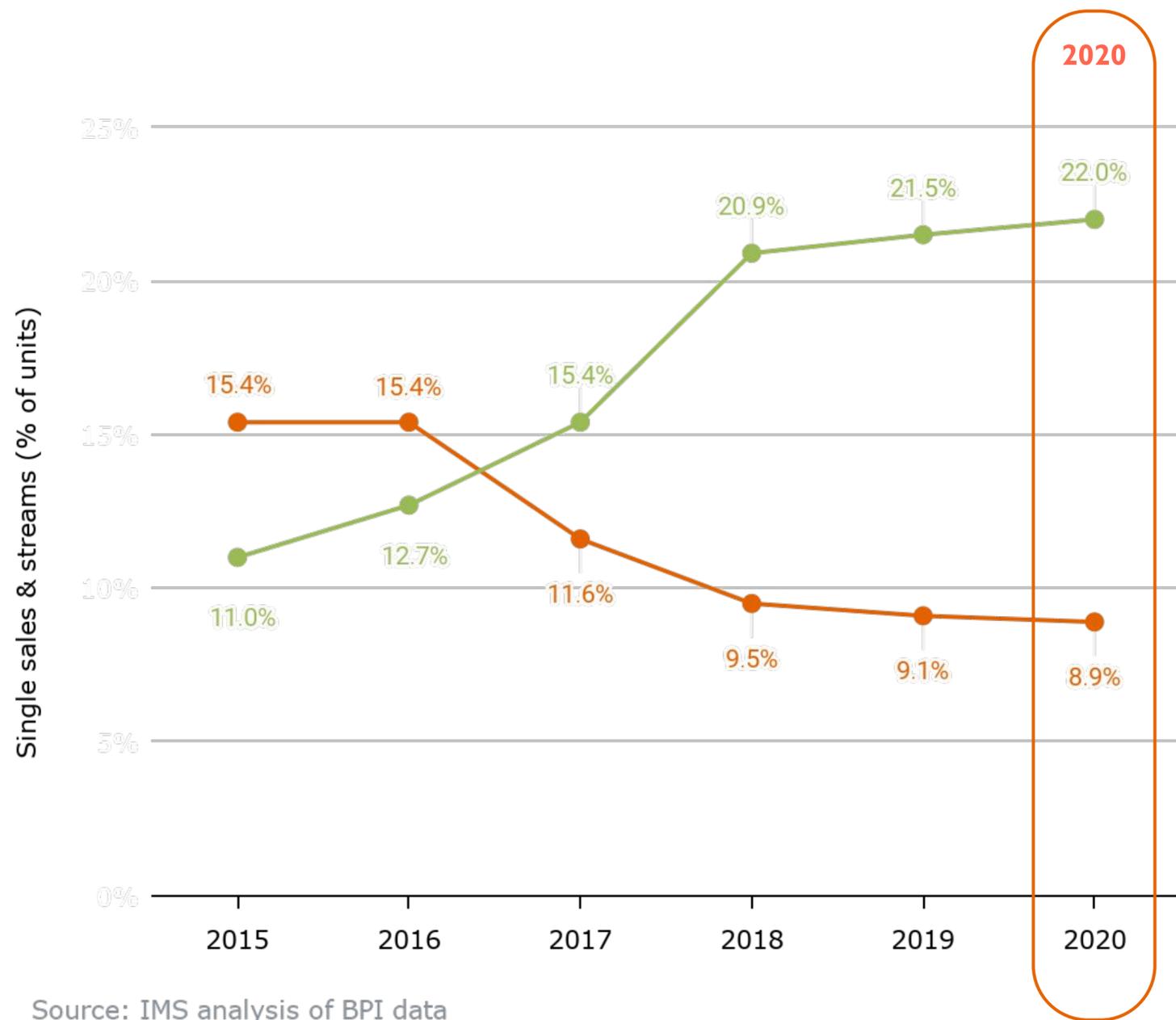
Source: IMS analysis of MRC / Nielsen Billboard Year End Reports



All change

Declining UK share for dance ... especially vs Hip-Hop

A huge lead relative to US and Germany is eroding



At the peak?
Hip-Hop / Rap surpassed dance music in 2017,
but looks to be flattening

Post-wave lull
Core 'Dance' market share is stable
after declines from the 2015-16 peak

"... We're still seeing pop-dance crossovers.
As many and as big as they have been in recent years ..."
- Bart Cools, EVP Global A&R and Dance Music Marketing at Warner

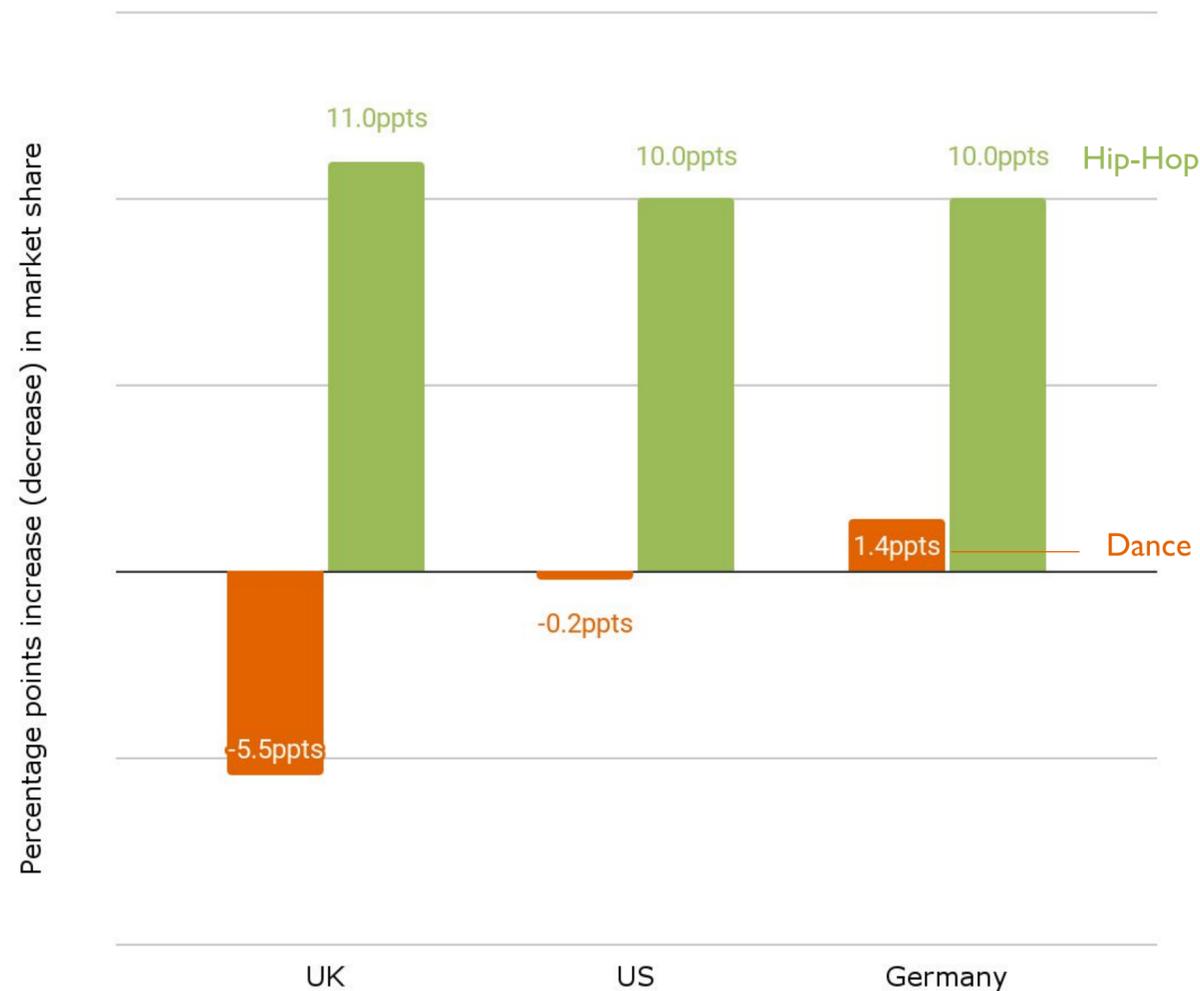
Source: IMS analysis of BPI data



Hip-Hop has centre stage (for now)

Five year view: Dance's EDM wave gave way to a Hip-Hop wave

Five year trend in market share (2015-2020)



Source: IMS analysis of data from BPI, MCS and BVMI

“... It’s a reset. The balloon has deflated ...”

- Dean Wilson, manager of deadmau5, CEO of Seven20 and PIXELYNX quoted in Billboard

“... That sound that was so big in 2017 it definitely has peaked out ...”

- Patrick Moxey, Ultra Records founder / president quoted in Billboard

“... It had that moment, and now it’s back to some kind of reality ... Dance music has plateaued. I do not anticipate it dropping any farther”

- Will Runzel, co-founder of Prodigy Artists quoted in Billboard

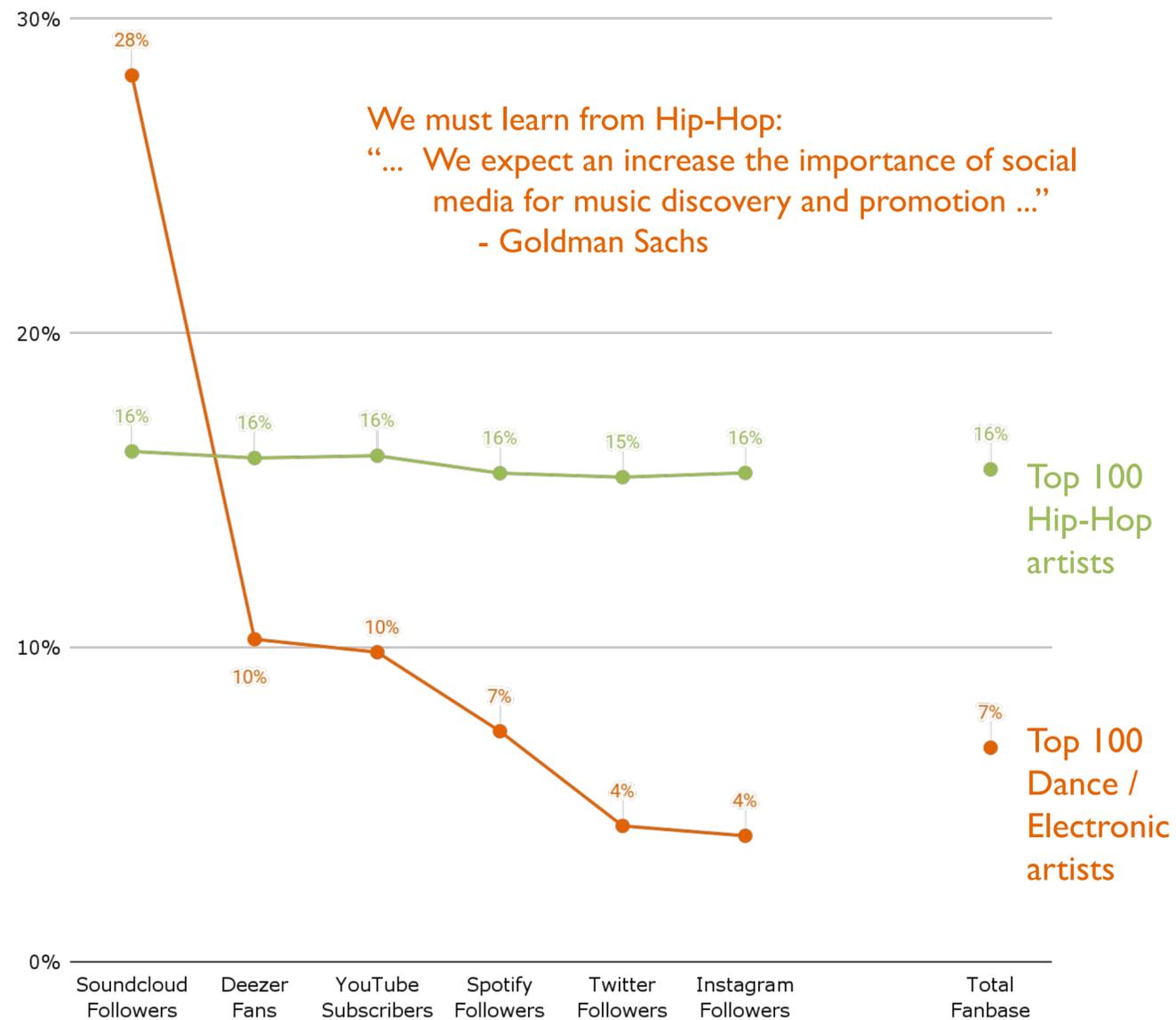
“... The Instagram generation has sought travel and adventure over bottle service. It’s not that exciting to show off in a nightclub where you spent \$50,000 and there’s a DJ and some confetti ...”

- Lee Anderson from Wasserman Music Agency who represents artists including Skrillex, Zedd and Disclosure quoted in Billboard



SoundCloud flying Solo

Hip-Hop set the bar in share across most metrics. We should be inspired by much of what drove this



There is much we can learn - even from from broad, popular definitions of Dance and Hip-Hop. We need to go beyond supporting great tracks to supporting the development of great artists:

"... If I'm an artist, I'd rather have a million fans listening to my music who buy tickets to my show than a billion listeners from playlists but where no one knows who I am. This is a huge issue. It's becoming more about the sound and less about the artist ..."

- Panos Ayassotelis of Connected Artists whose roster includes Sebastian Ingrosso, Moby and Dirty South

"... In a world of abundance, we've gravitated towards celebs who come with character, fashion and culture. Hip-Hop is full of them. Electronic music ... not so much. RIP Daft Punk ..."

- Jenny Howard, brand strategist for luxury brands including Diesel, Dior and Kering group

"... Electronic music has traditionally been very faceless as far as artists are concerned. The artists and household names can probably be counted on a couple of hands ..."

- Anton Partridge, Director of Global Strategy, Electronic Music at Warner

"... There are lots of young people who would have sat in their bedrooms trying to be deadmau5 that are now sitting in their bedroom trying to be a Lil Nas X, or trying to be the guy that delivered the beats for live Lil Nas X tracks ..."

- Bart Cools, EVP Global A&R and Dance Music Marketing at Warner



Our big question

How can electronic music earn more attention whilst being true to why we do what we do?

“... I could have gone more mainstream
or tried to become more pop-tastic, but
it just wasn't me.
I'm drawn to the melodies
and the feelings behind them ...”

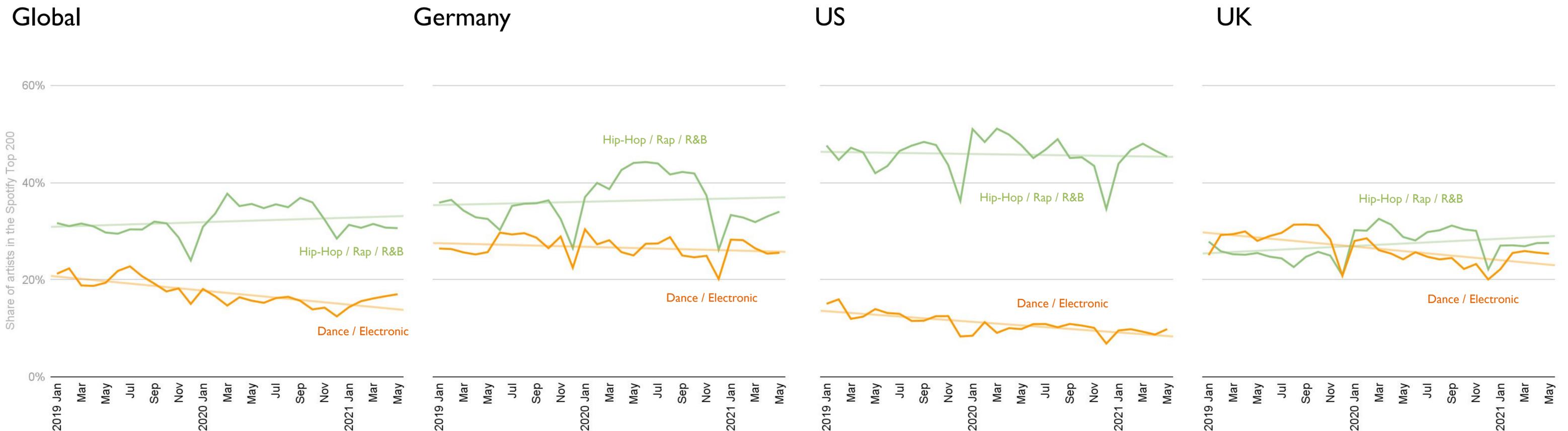
sasha in Billboard



Declining representation (slide 1 of 5)

Our share of artists in Spotify's Top 200 is declining in 16 of 18 countries we studied

Here we present exclusive analysis of the share of **representation of electronic music artists on Spotify's Top 200 charts** over time using data and genre classifications from Know What's Loved, who use AI to understand music.



Source: IMS analysis of Spotify data and genre classifications from RAD/AR

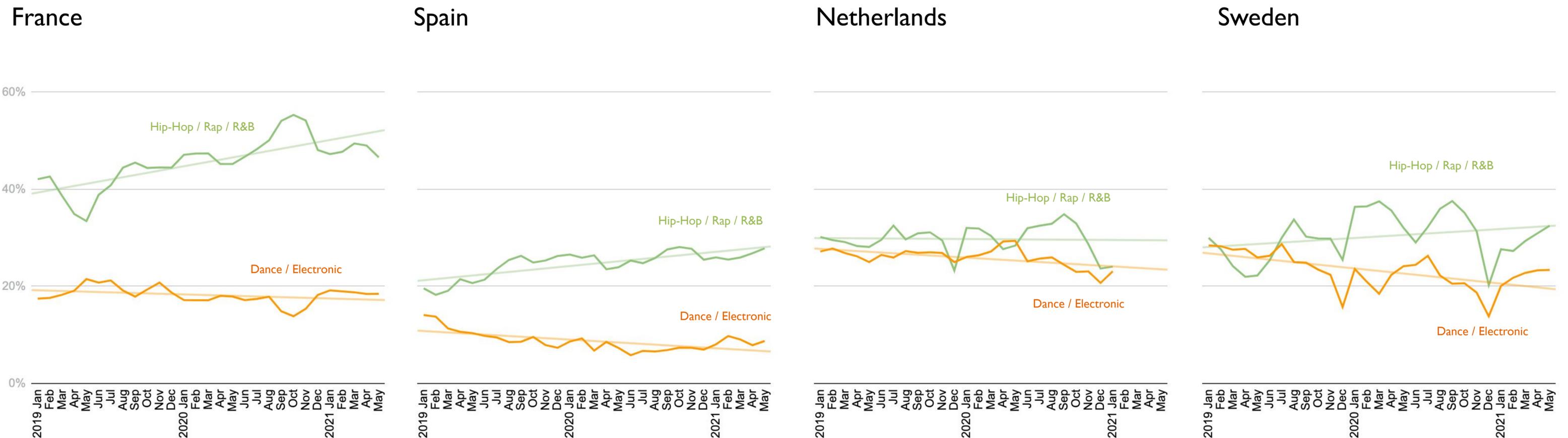
Know What's Loved are rapidly amassing a huge trove of music data. They have data on 5.6m artists (inc. 3m unsigned), 90m tracks, 5m playlists (300k new playlists a day) and 1.5m artist stories a day (from web pages mentions)



Declining representation (slide 2 of 5)

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Source: IMS analysis of Spotify data and genre classifications from Know What's Loved

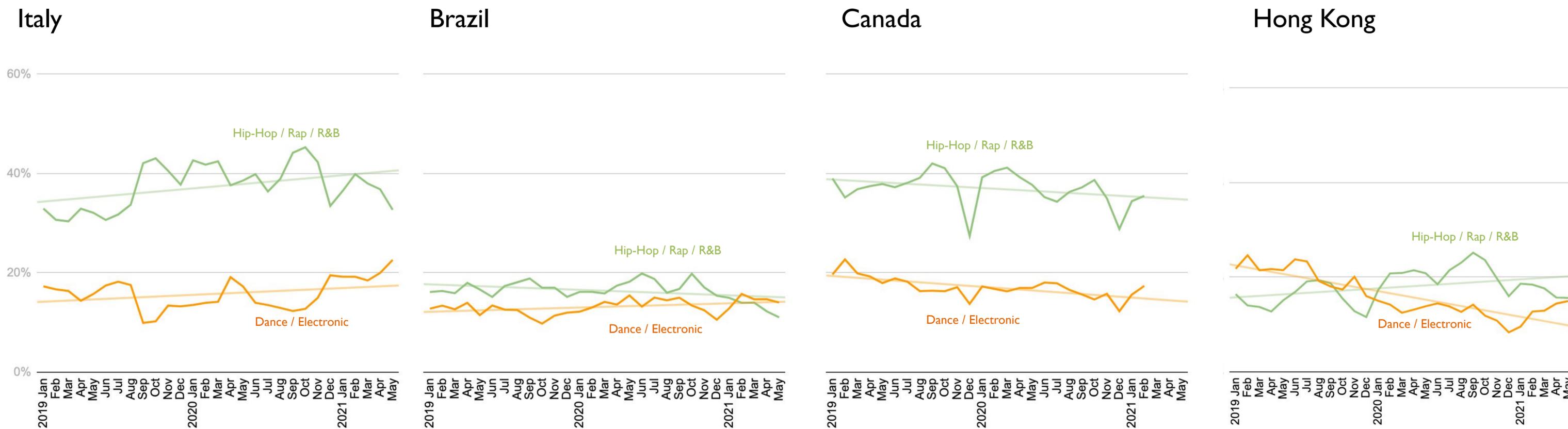
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Declining representation (slide 3 of 5)

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Source: IMS analysis of Spotify data and genre classifications from Know What's Loved

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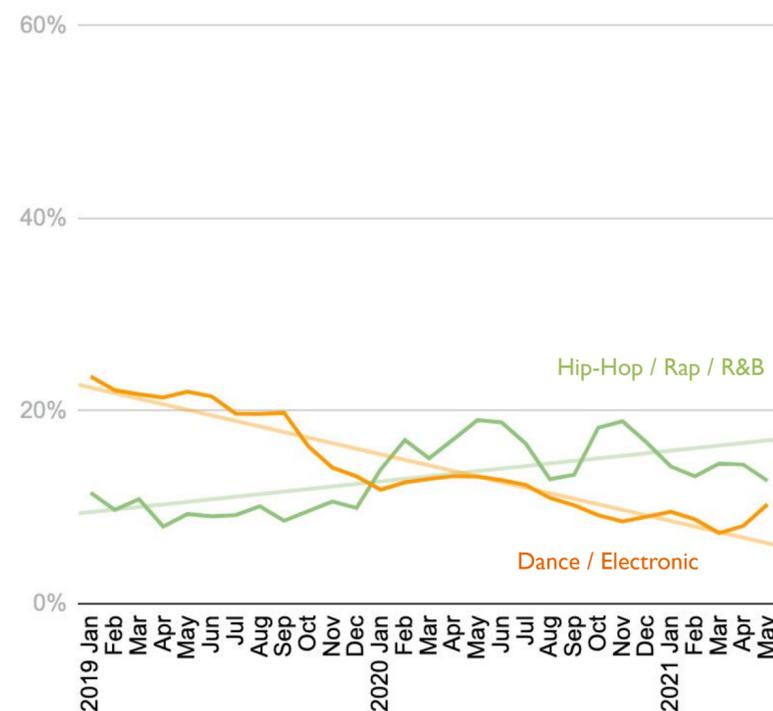


Declining representation (slide 4 of 5)

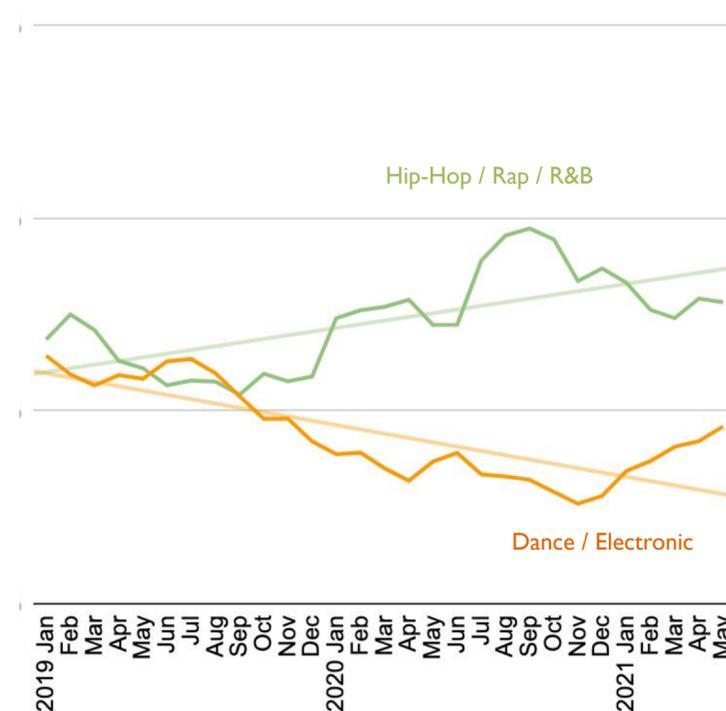
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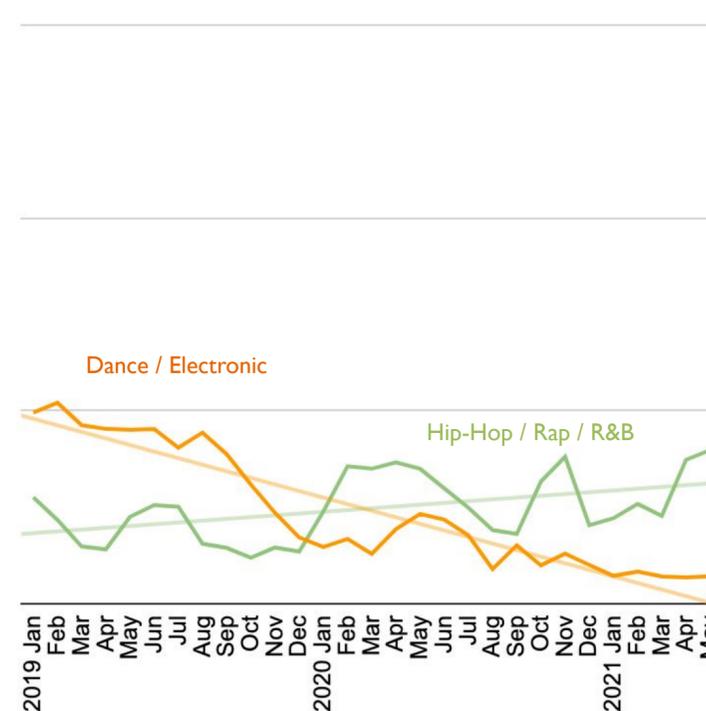
Indonesia



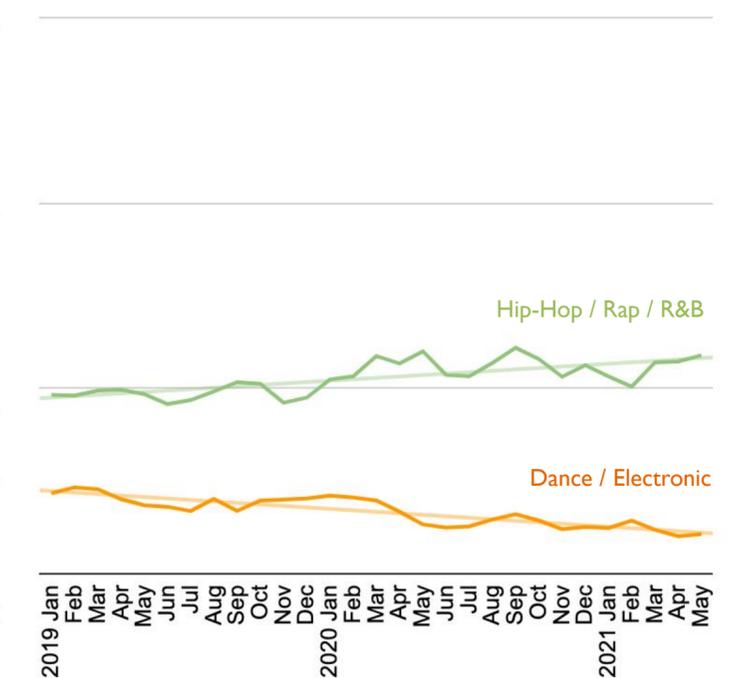
Israel



Japan



Mexico



Source: IMS analysis of Spotify data and genre classifications from Know What's Loved

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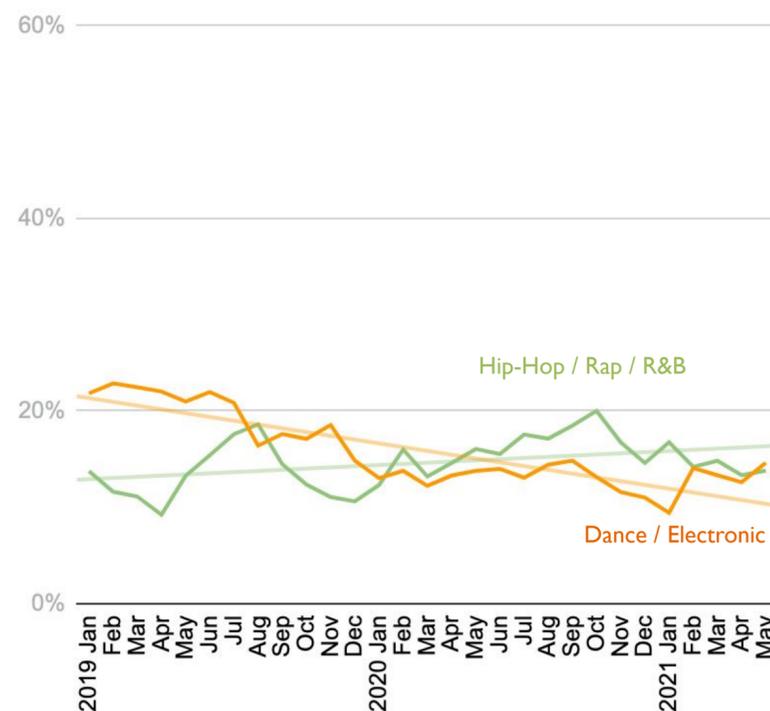


Declining representation (slide 5 of 5)

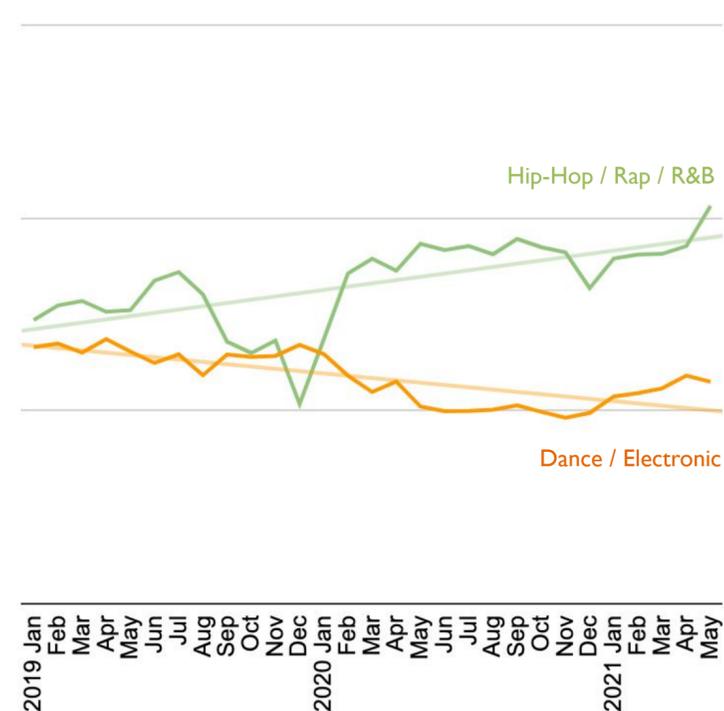
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Taiwan



South Africa



Source: IMS analysis of Spotify data and genre classifications from Know What's Loved

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The feeling

There are many diverse signs that electronic music is on the ascendency. Watch this space

“...**We’re seeing growth even without clubs and festivals to give tracks context, which is remarkable.**

In the past often tracks had 6-8 months of wind in their sails from clubs before they became hits ...”

- Anton Partridge, Director of Global Strategy, Electronic Music, Warner

Signs of growth will always appear to those at the forefront before they appear in the numbers. So IMS spoke to a range of people who see electronic music growth coming to better understand what’s coming:

- **BEATPORT** are growing strongly. They achieved 33% growth despite the downloads market declining by 16%. A sign that electronic music is beginning its next phase of growth
- **The majors are STAFFING UP for growth.** Majors have traditionally had specialist electronic music A&Rs, but there are investments in teams specialising in electronic music in marketing, strategy and beyond. They’re recognising electronic music cultural knowledge is critical and that the nuances of our sector are important
- **CONTENT investment:** Warner’s \$100m acquisition of David Guetta’s catalogue
- **FASHION** has moved closer to adopting electronic music as its core soundbed across runway shows, commercials and bespoke fashion lines: Louis Vuitton with Benji B and Virgil Abloh; Prada with Richie Hawtin; Peggy Gou with Farfetch; Ela Minus and Chanel.
- **CURATED TRAVEL** has exploded around the music industry thanks largely to Pollen – a UK-founded company offering experiences around leading DJs and brands
- **EDUCATION** through masterclasses has become a new revenue stream for many electronic DJs and producers thanks to platforms like MasterClass (Deadmau5; Armin Van Buuren); Aulart (Kittin, Chris Liebing); Monthly (Kygo); Future DJs (Jaguar) and artists creating their own (Anna & Wehbba).
- **WELLNESS / ACOUSTIC AMBIENT** music has exploded through streaming platforms like Spotify and artists like East Forest; wellness music APPS such as Endel, Calm and Headspace

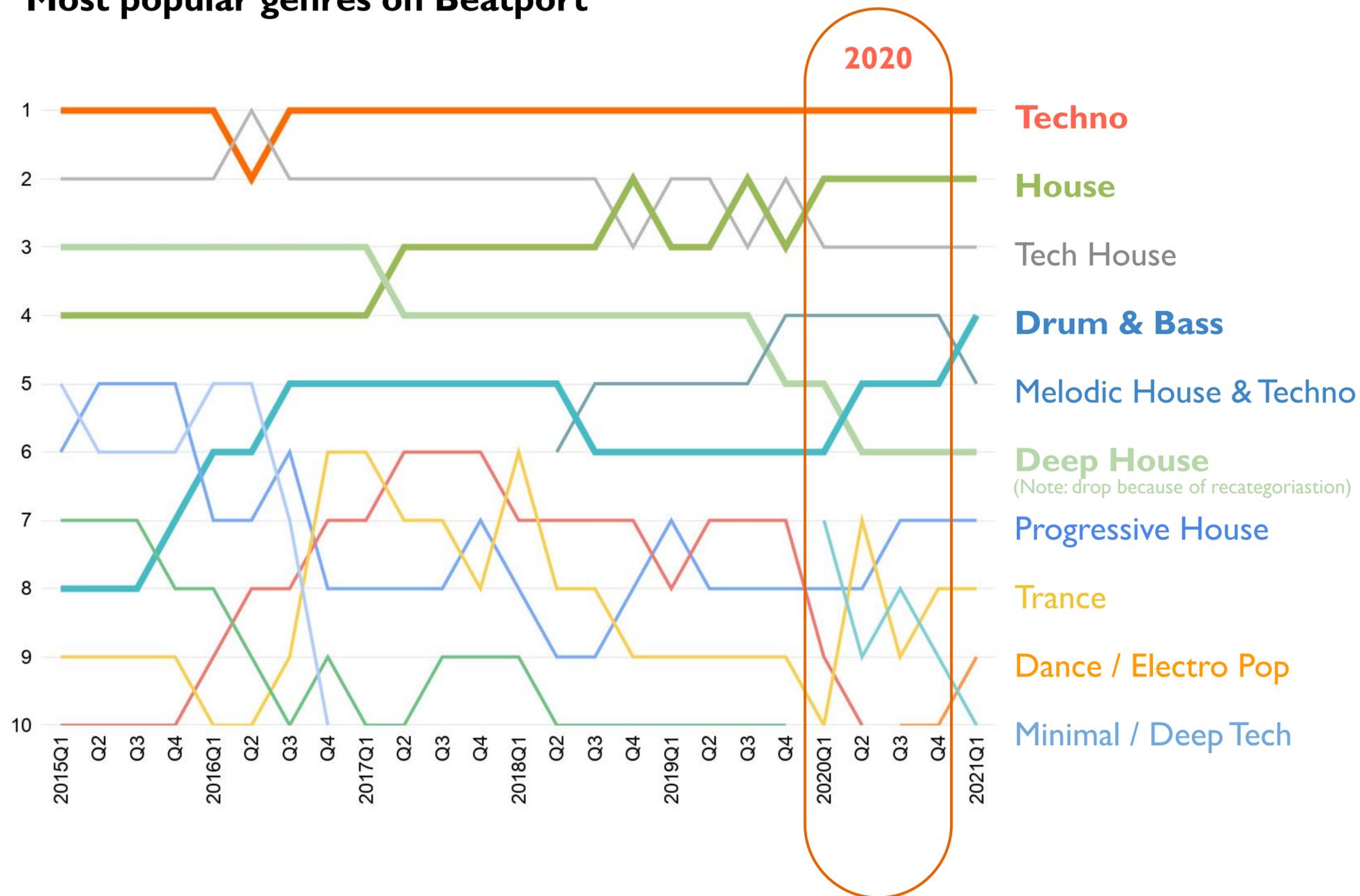


Within our scene: Beatport growth and charts

Techno, techno, techno, techno

No limit to Techno's dominance of Beatport's chart

Most popular genres on Beatport



Beatport continues to buck the download trend. It achieved 33% growth despite the downloads market declining by 16%! (And despite clubs being closed and festivals cancelled!)

- **Techno exhibits its dominance** as the best selling genre for the 5th year
- **House continues to expand its share**, rising to the 2nd most popular genre in 2020
- **Drum & Bass has continued growth** to be the 4th biggest genre
- **The newly created Dance / Electro Pop genre is already in the top 10**, coming in at the 8th position
- **Note:** *Deep House, which some report having grown significantly during lockdown, has fallen from the 3rd to 6th in this categorisation mainly due to tracks recategorization to other genres*



Within our scene: The Beatport charts

Viberate categorise genres differently.

Their alternate take on Beatport genre popularity:

30 FASTEST-RISING LABELS BY GENRE

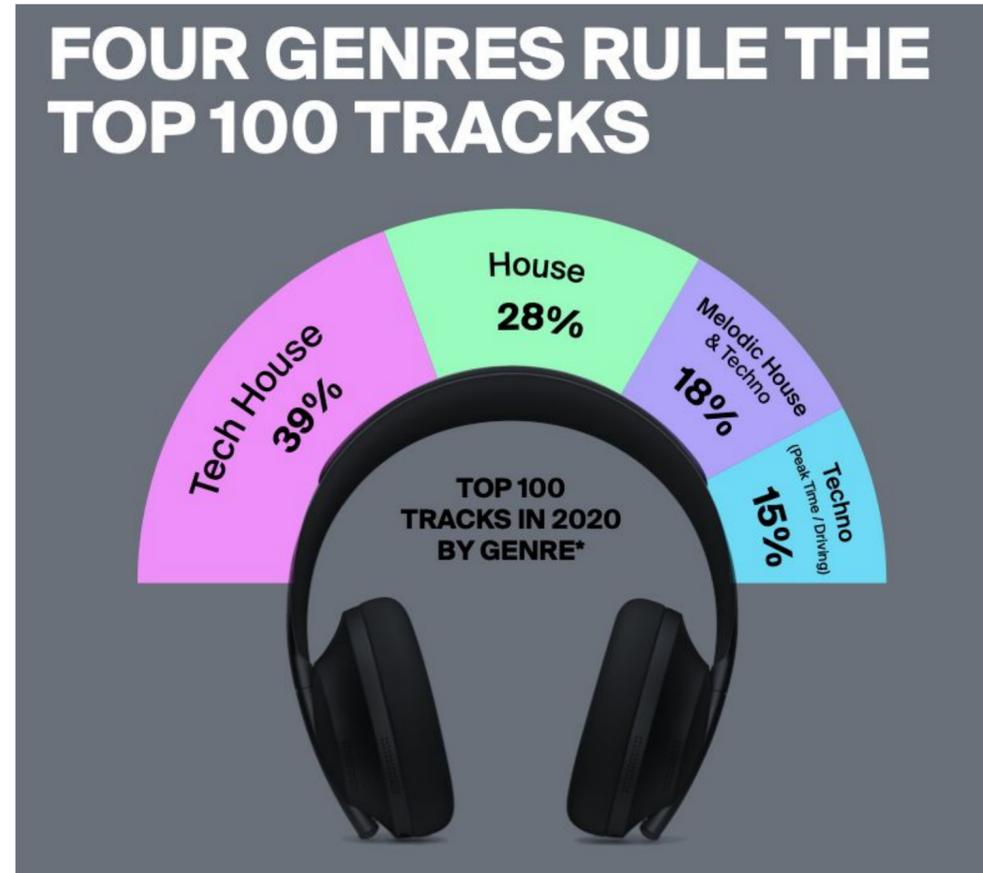


TOP 30 FASTEST-RISING LABELS ON BEATPORT

Check out the 30 labels that improved their Beatport performance the most in a one-year period.

Rank	Label	Genre
1	Defected	House
2	Anjunadeep	Melodic House & Techno
3	Club Sweat	Tech House
4	1605	Techno (Peak Time / Driving)
5	Ultra	Tech House
6	Afterlife Records	Melodic House & Techno
7	Black Book Records	Tech House
8	RCA Records Label	Melodic House & Techno
9	Toolroom	Tech House
10	Catch & Release	Tech House
11	SOLOTOKO	Tech House
12	Filth on Acid	Techno (Peak Time / Driving)
13	Tactical Records	Funky / Groove / Jackin' House
14	Next-Gen-Records	Funky / Groove / Jackin' House
15	Hospital Records	Drum & Bass
16	KNTXT	Techno (Peak Time / Driving)
17	Cr2 Records	Tech House
18	HouseU	House
19	Embassy One	Melodic House & Techno
20	Lovejuice Records	Tech House
21	There Was Jack	House
22	Sweat It Out	Tech House
23	Repopulate Mars	Tech House
24	PIV	Deep House
25	Nothing Else Matters	House
26	Solid Grooves Records	Tech House
27	Codex Recordings	Techno (Peak Time / Driving)
28	Glitterbox Recordings	House
29	Glasgow Underground	House
30	Sink or Swim	Tech House

The score of the label is determined by their tracks on the genre charts up to 62 months ago. Tracks are weighted – those that entered the charts in the recent months influence the final score the most.



Case study

Behind the growth: Beatport doubled-down on innovation and community



To drive growth and to share the benefits of it, Beatport focused on two pillars, innovation and community - building creative outlets to keep the community entertained, engaged and reconnected.

Innovation

- Beatport DJ - a first of its kind browser-based DJ application.
- The highly anticipated Traktor PRO 3 integration for LINK users.
- The release of the mobile app completing the LINK streaming ecosystem for DJs.

Community

- Beatport created new content formats and reconnected the community via streams, aligning with artists, labels, collectives, brands and festivals to continue bringing visibility to diverse artists and communities.

Livestream Events aligned Beatport with the community and gave artists a voice and platform during a difficult time, including:

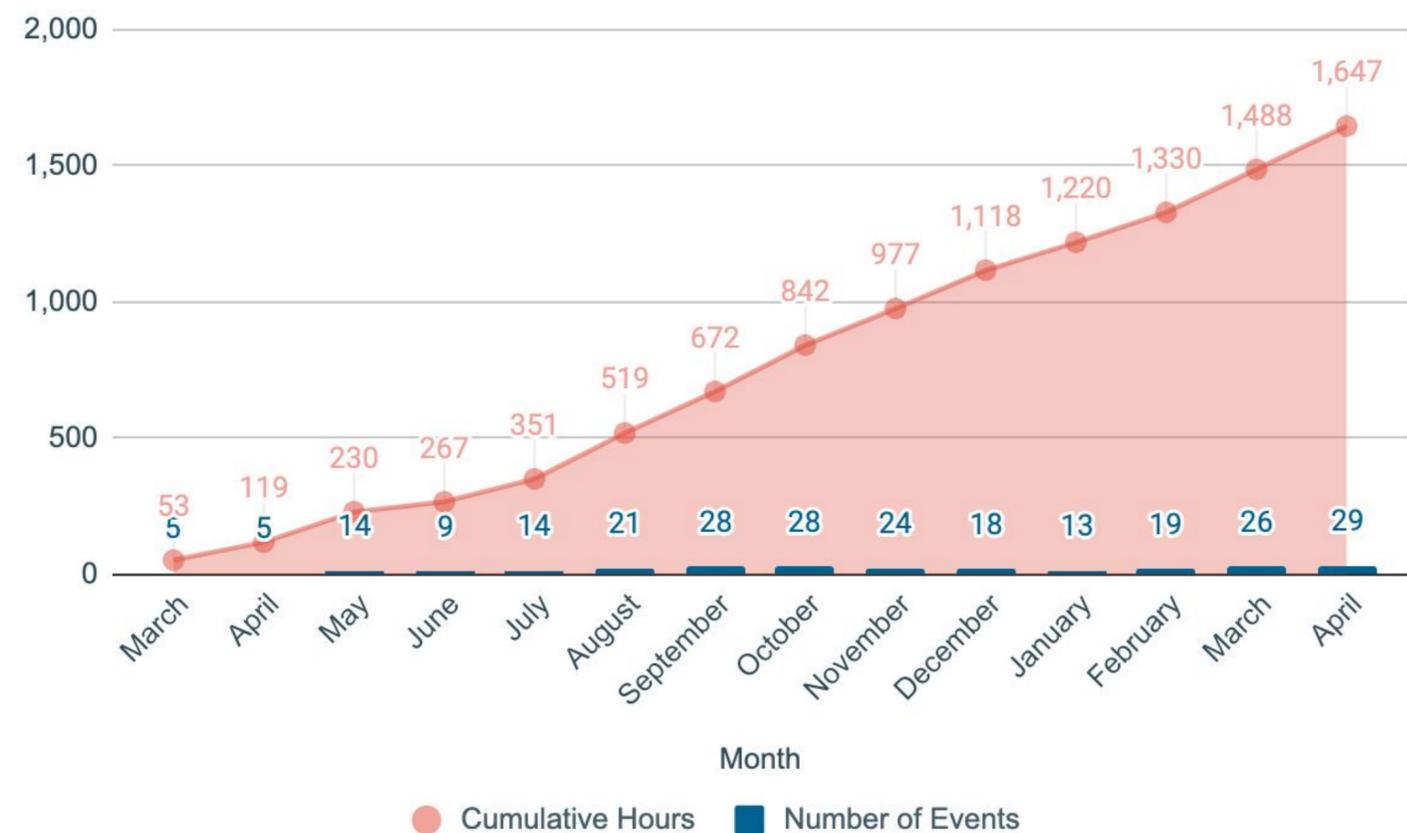
- ReConnect series - including a 36 hour marathon, a mental health focused stream, genre focused streams and more
- Artist Residencies - Nastia, WhoMadeWho, Kerri Chandler, Seth Troxler, Maya Jane Coles and Sama' Abdulhadi
- Brand Partnerships - Microsoft, Absolut, GTA, Desperados and Ballantine's
- Pride 2020 with HE.SHE.THEY
- Seth Troxler's Black History Month Residency
- Label Showcases - include top label streams
- Single Artist Streams - Charlotte DeWitte, Joseph Capriati and more
- Collective Streams - Dome of Doom, No Shade, Juke Bounce Werk, MARICAS, HE.SHE.THEY and Boko! Boko!
- Brand Partnerships with Creamfields, BPM, Movement, Junction 2 and more



Case study

Behind the growth: Beatport Livestream output tells the story of consistency to build audiences

Steady as she goes. Continuous, reliable output is the key to building audiences



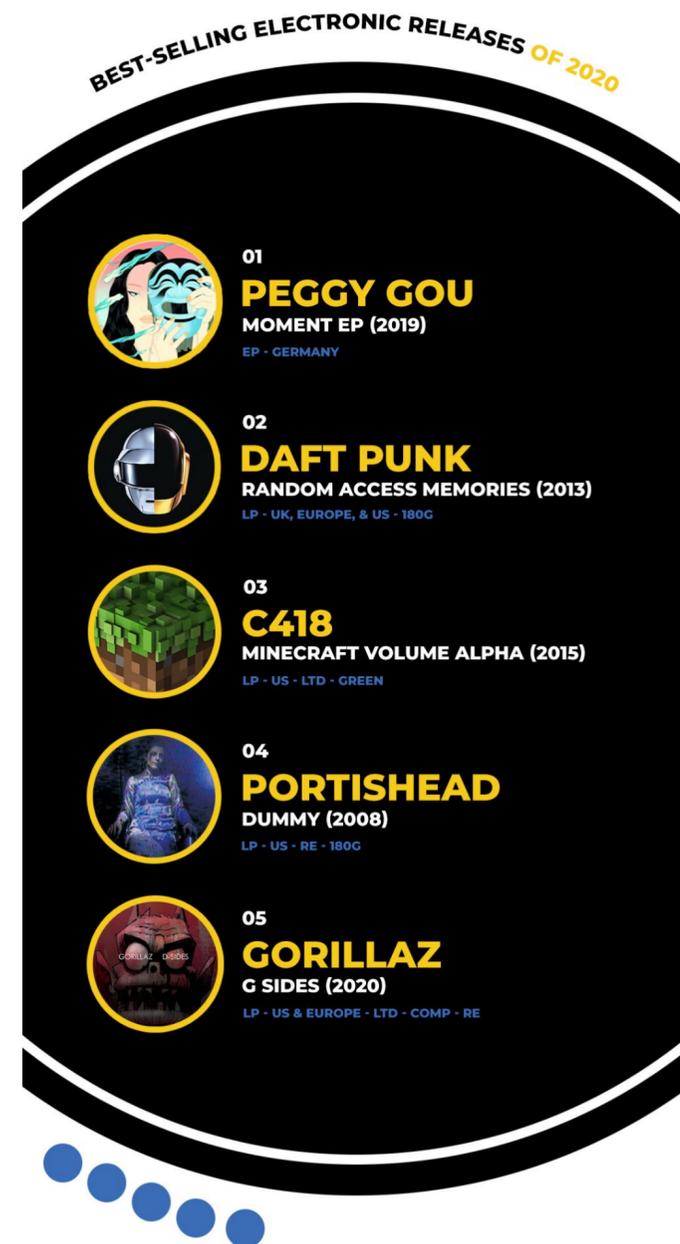
Live Stream Stats

- Total Streamed Events: 255
- Unique Artists Streamed: 1,000+
- Total Hours Streamed: 1,647
- Longest Single Stream Length: 36 Hours
- Total views: 290M +



Back to wax

Discogs set records as the world stayed home to catalogue and trade their vinyl



- **Vinyl was up 24% in 2020.** A big jump from a 4% rise in 2019. Discogs sales were up 36% year-on-year with 140m items were added to Collections as people took time to catalogue (+40% YoY)
- **Discogs saw an increase of 40% in items sold** and 36% in total orders in 2020 from 2019
- **Vinyl saw a 41% increase in sales** through the Marketplace compared to 2019, results in a total of 11,961,998 records sold in 2020. CDs (+37% to 3,441,769) and cassettes (+33% to 282,798) experienced similar growth
- **1,508,345 submissions** were added to the Database, which is up 16% year-over-year. Vinyl releases encompass 36% of all submissions with a total of 542,983
- **The most expensive vinyl record sold in 2020** was Scaramanga Silk's Choose Your Weapon for an astonishing £30,000 (\$41,095 USD). This release is now the most expensive record ever sold on Discogs



Investing in growth

Growth is in the air. Sentric is riding the currents. We dug in to find lessons we can all learn

IMS spoke to **Mark Lawrence**, Director of Electronic Music at Sentric Music Group to better understand how publishing fared in 2020



Sentric realised early in the pandemic that they had to do things differently. Two lessons stand out:

- **900% increase in Beatport revenues** from a direct deal (rather than going through performing rights societies).

Lessons: Invest in data and technology and **“don’t accept the status quo, which is the theme of 2020”** says Mark:

“... NFTs and streaming comes into that. It’s just **not accepting that how it was is how it should be**. Being innovative and entrepreneurial was the only way you could respond to 2020. Not putting on your slippers, putting your feet up and thinking ‘I’ll wait for it to come back’ but rocking up, being present and doing it differently. That’s what we chose to do ...”

- **248 collaborations** from Creative Services which matched singer-songwriters and DJs, and launched in lockdown.

Lessons: **Joined-up thinking** and recognising the trend of **“people wanting to be uplifted and wanting songs they could sing”**:

“... We noticed a significant uplift in sync for uplifting lyrics, themes etc and lept on it. This meant both our DJs and singer-songwriters could be constantly working - we helped people to make music again. Artists that usually made music on planes in between gigs all of a sudden could spend time with singer songwriters making amazing things happen. **We've seen the BPM has come down, we've seen the use of samples come down**, we've seen the use of electronic music in adverts go up ...”





FESTIVALS & CLUBS

THE FALLOW YEAR



FESTIVALS & CLUBS

**“... This is my church
This is where I heal my hurts ...”
- Faithless**



FESTIVALS & CLUBS

Closures and cancellations
were the stories of the year.
Will the fertile ground facilitate
bigger and healthier growth as a result?

The loss of the social consumption of music has been profoundly bad for electronic music. Events turned off overnight. This had a huge impact on artists plus the ecosystem in which they create and iterate their art as well as on the mental health of our community, amongst whom there was a profound sense of despair “almost like their church was closed and their faith was on hold” says Paul Clement from Resident Advisor. People had no outlet. The formative experience of your first electronic music festival was cut off for so many.

3Algoob Music Festival, EGYPT
 All Points East, UNITED KINGDOM
 Anacã Festival, BRAZIL
 ARISE Music Festival, UNITED STATES
 Arosa Electronica, SWITZERLAND
 Astropolis l'Hiver, FRANCE
 Asuncionico, PARAGUAY
 Avalanche Festival, FRANCE
 AWAKE FESTIVAL, ROMANIA
 Bachblyten Festival, GERMANY
 Bamboo Bass Festival, COSTA RICA
 Basqueiral, PORTUGAL
 Beat Hotel Marrakech, MOROCCO
 Bhajan Music Festival, BRAZIL
 Binnenpret Indoor Festival, NETHERLANDS
 Black Sheep Festival, CROATIA
 Borderline Festival, GREECE
 Brännbollsyran, SWEDEN
 Bricks Festival, FRANCE
 Brunch -In The Park, SPAIN
 BScene Clubfestival, SWITZERLAND
 Budapest Spring Festival, HUNGARY
 Calvi On The Rocks, FRANCE
 Caprices Festival, SWITZERLAND
 Catch Festival, NETHERLANDS
 Chamonix Unlimited Festival, FRANCE
 Chasing The Sun Festival, MALTA
 Chill O'posite Festival, EGYPT
 Chroma Music Festival, PHILIPPINES
 ColorsTribe Jaén, PERU
 CRMNL Festival, GERMANY
 Cully Jazz Festival, SWITZERLAND
 Das Apres Ski Fest!, NETHERLANDS
 Daybreak Festival, UNITED STATES
 Days Off, FRANCE
 Deep in Love Festival, SWITZERLAND
 Defected Ibiza Festival, SPAIN
 Defected London FSTVL, UNITED KINGDOM
 Deja Voom, MEXICO
 Desert Hearts, UNITED STATES
 DGTL São Paulo, BRAZIL
 Don Jigi Fest, FRANCE
 Don't Let Daddy Know Madrid, SPAIN
 Donauinsselfest, AUSTRIA
 Dontri Festival, THAILAND

Dooinit Festival, FRANCE
 Dreambeats, BELGIUM
 Dreamstate Europe, POLAND
 Dusk Camp, UNITED STATES
 E-WAX Festival, FRANCE
 Easter Rave, GERMANY
 EGOpop, NETHERLANDS
 Electrobeach Festival, FRANCE
 Electron Festival, SWITZERLAND
 Elements Mountain Festival, FRANCE
 Elsom Open Air, NETHERLANDS
 Eurockéennes de Belfort, FRANCE
 Fall Joshua Tree Music Festival, UNITED STATES
 FAQ Festival, NETHERLANDS
 Festival Balelec, SWITZERLAND
 Festival Ceremonia, MEXICO
 Festival Ph, GERMANY
 Festival Rock in Evreux, FRANCE
 Festival Vaivén, MEXICO
 Firefly Music Festival, UNITED STATES
 Franciscas, CHILE
 Fresh, DENMARK
 Gaian Dream, SOUTH AFRICA
 GALA Festival, UNITED STATES
 Get Lucky, UNITED STATES
 Gottwood Festival, UNITED KINGDOM
 Greenfields Open Air, GERMANY
 HARDFEST, NETHERLANDS
 Hardshock Festival, FRANCE
 Heaven Open Air, NETHERLANDS
 Hevelg, NETHERLANDS
 Hibernation Festival, ANDORRA
 Holi Open Air Praha, CZECH REPUBLIC
 Inner Varnika, AUSTRALIA
 Inside Out Festival, UNITED KINGDOM
 International Dub Gathering, SPAIN
 Intonal Festival, SWEDEN
 It Takes A Village, IRELAND
 Joshua Tree Spring Music Festival, UNITED STATES
 Kingsland Festival - Den Bosch, NETHERLANDS
 Kingsland Festival - Twente, NETHERLANDS
 Køge Festuge, DENMARK
 Kontula Electronic, FINLAND

KOZ Festival, NETHERLANDS
 L.E.V. Festival, SPAIN
 Landstreff Lillehammer, NORWAY
 Le Jardin du Michel, FRANCE
 Le Printemps de Bourges, FRANCE
 Le Sirk Festival, FRANCE
 Les Nuits De La Filature, FRANCE
 Lightning in a Bottle, UNITED STATES
 Listen Festival, BELGIUM
 Lollapalooza Brasil, BRAZIL
 Lollypop Festival, NETHERLANDS
 Lost & Found Festival, MALTA
 Love Saves The Day, UNITED KINGDOM
 Lucky Festival, UNITED STATES
 Mallorca Live Festival, SPAIN
 Mawazins Festival, MOROCCO
 MIL - Lisbon International Music Network, PORTUGAL
 Musée Électronique Festival, FRANCE
 Mutek San Francisco, UNITED STATES
 New Horizons Festival, GERMANY
 Nite, DENMARK
 One Tribe Festival, UNITED KINGDOM
 Organic Festival, TAIWAN
 Origins Winter Festival, MOROCCO
 OUT FEST, PORTUGAL
 Paco Tyson, FRANCE
 Papillons de Nuit, FRANCE
 Pleinyves Festival am Stramp, NETHERLANDS
 Pride Blackpool, UNITED KINGDOM
 Prilpop Festival, NETHERLANDS
 Psychedelic Circus, GERMANY
 Psychedelic Experience Open Air, GERMANY
 Psygathering, BELGIUM
 Pulse Festival, UNITED KINGDOM
 Pussy Lounge Winter Festival, NETHERLANDS
 Radiomeuh Circus Festival, FRANCE
 Rainbow Disco Club, JAPAN
 Reload Fest, SPAIN
 Reload Turin, ITALY
 Replay Festival, BELGIUM

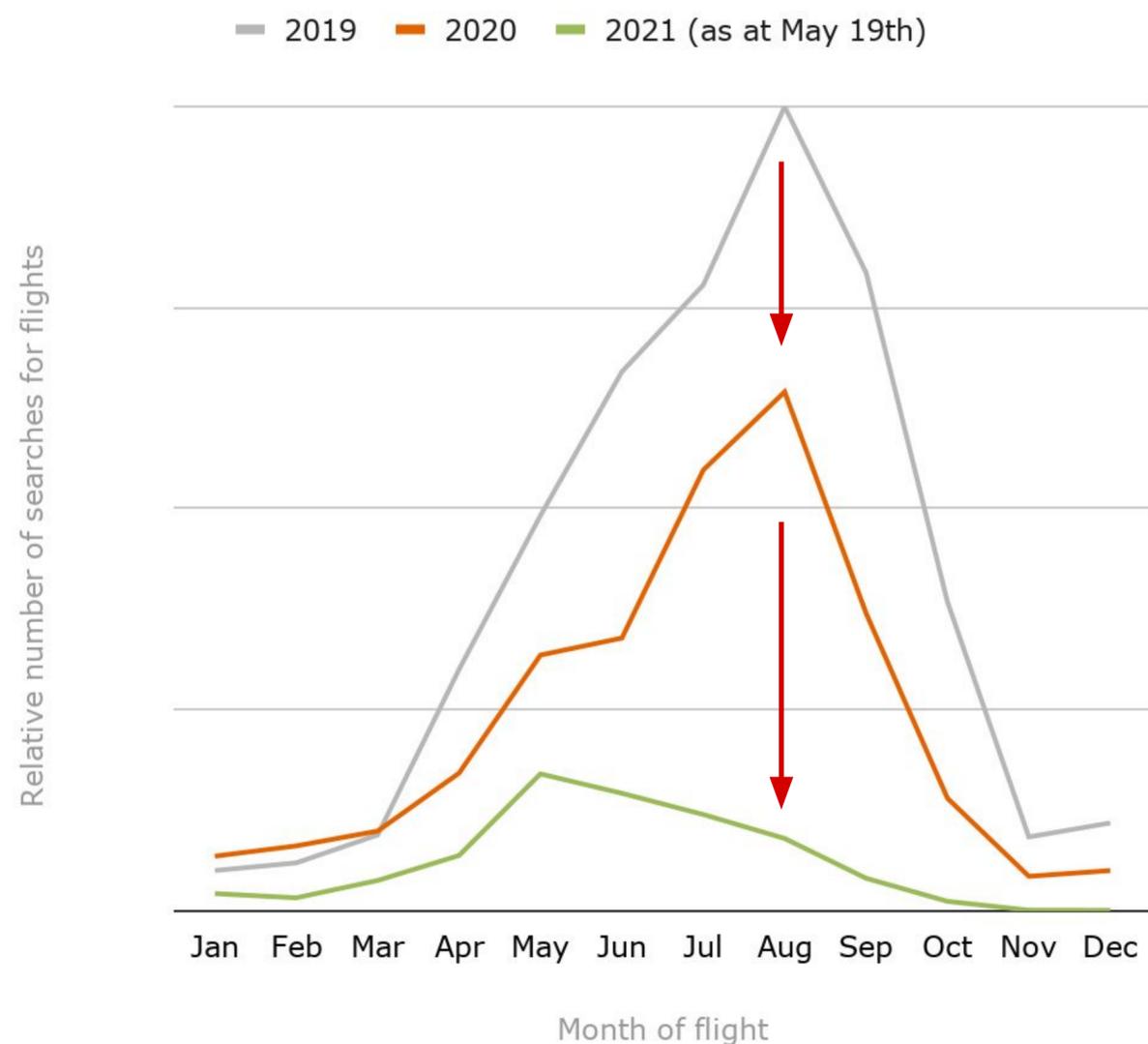
Rock the Pistes, FRANCE
 Rock'n Solex, FRANCE
 Royal Dutch Eindhoven, NETHERLANDS
 S'Oranje Festival, NETHERLANDS
 S2O Songkran Music Festival, THAILAND
 Sakifo, RÉUNION
 Shankra Festival, SWITZERLAND
 Sharpe Festival, SLOVAKIA
 SIAM Songkran Music Festival, THAILAND
 Silicon Dreams Festival, UNITED KINGDOM
 SLAM! Koningsdag, NETHERLANDS
 Snowboxx, FRANCE
 Snowpenair, SWITZERLAND
 Soft'R Festival, FRANCE
 Son libre festival, FRANCE
 Sonar Hong Kong, HONG KONG
 Sound Everest Winterfestival, AUSTRIA
 SPOT Festival, DENMARK
 Subsonic Music Festival, AUSTRALIA
 Summer Festival Marseille, FRANCE
 Summerfest, UNITED STATES
 Sun & Snow Festival, SPAIN
 Sunsation, NETHERLANDS
 Tecate Pa'l Norte, MEXICO
 Terrazza - Horse Park Festival, SWITZERLAND
 The London International Ska Festival, UNITED KINGDOM
 Time Warp, GERMANY
 Tmrw.Tday Culture Fest, JAMAICA
 Toffler Indoor Festival, NETHERLANDS
 Together Festival, THAILAND
 Tremor Festival, PORTUGAL
 Tresk Festival, SLOVENIA
 Unifier Campout, UNITED STATES
 Vortex Parallel Universe, SOUTH AFRICA
 Waveteef, BELGIUM
 We Are Electric Weekender, NETHERLANDS
 Wheels And Fins, UNITED KINGDOM
 White Moon Festival, NETHERLANDS
 Wine Machine - Hunter Valley, AUSTRALIA
 Winter Music Conference, UNITED STATES
 Winterworld, GERMANY
 XJAZZ Berlin, GERMANY
 Zen Awakening Festival, UNITED STATES

**More than 200 electronic music festivals
 cancelled or postponed
 Hundreds of thousands of
 people out of work
 Billions of dollars of
 contribution to local economies lost**



Up in the air

The 2020 Ibiza season was late and muted. Searches for 2021 flights haven't taken off yet



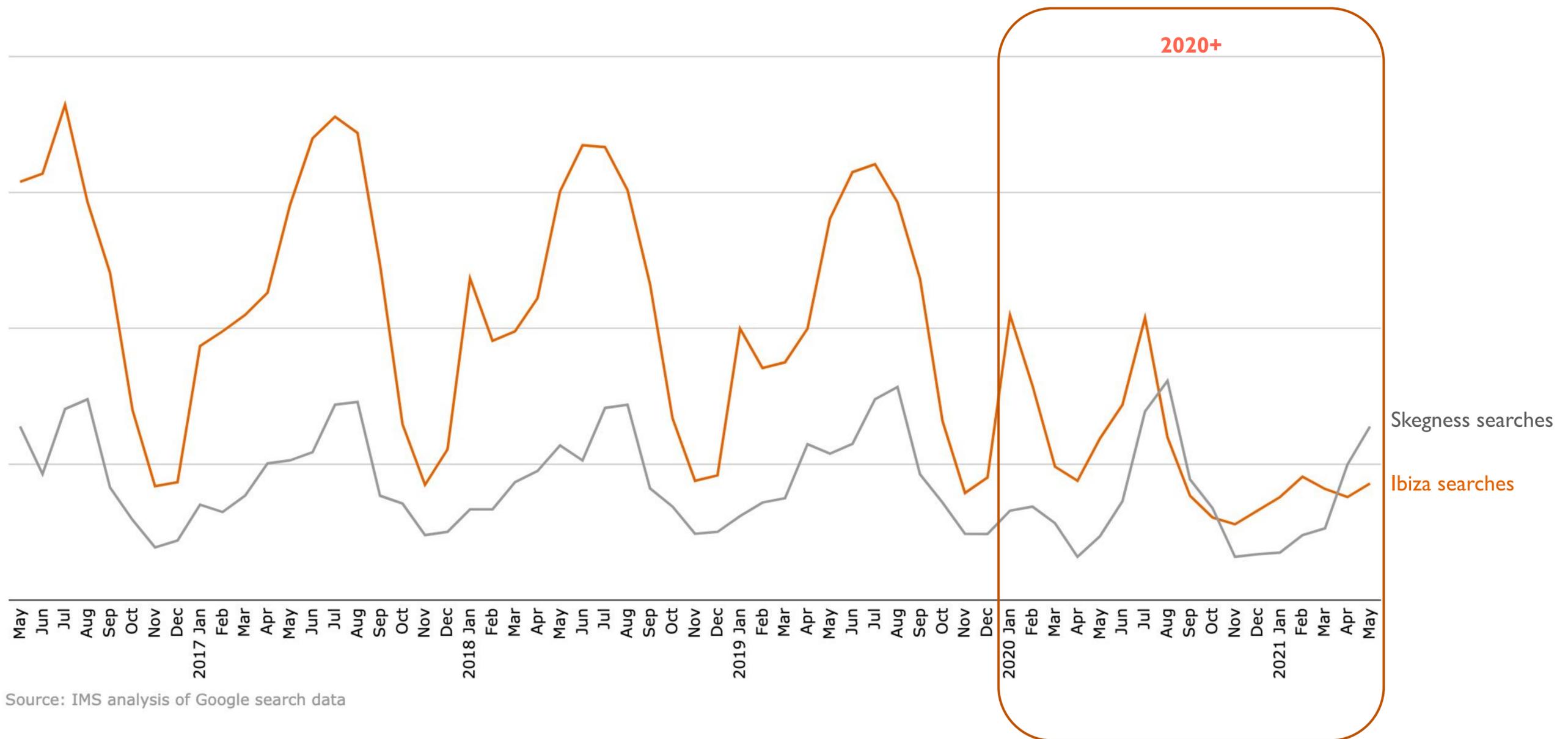
- Pre-pandemic travel demand to Ibiza increases sharply from March, peaking in August 2019
- 2020 demand follows a similar profile with a later start and reduced volumes
- So far in 2021 there have been peaks of demand in May as travel restrictions are being relaxed
- With further relaxing of restrictions we expect demand to increase in the summer months

Source: IMS analysis of SkyScanner search data for the Top five inbound markets



We do like to be beside the seaside

For the first time, searches in the UK for Skegness were higher than searches for Ibiza

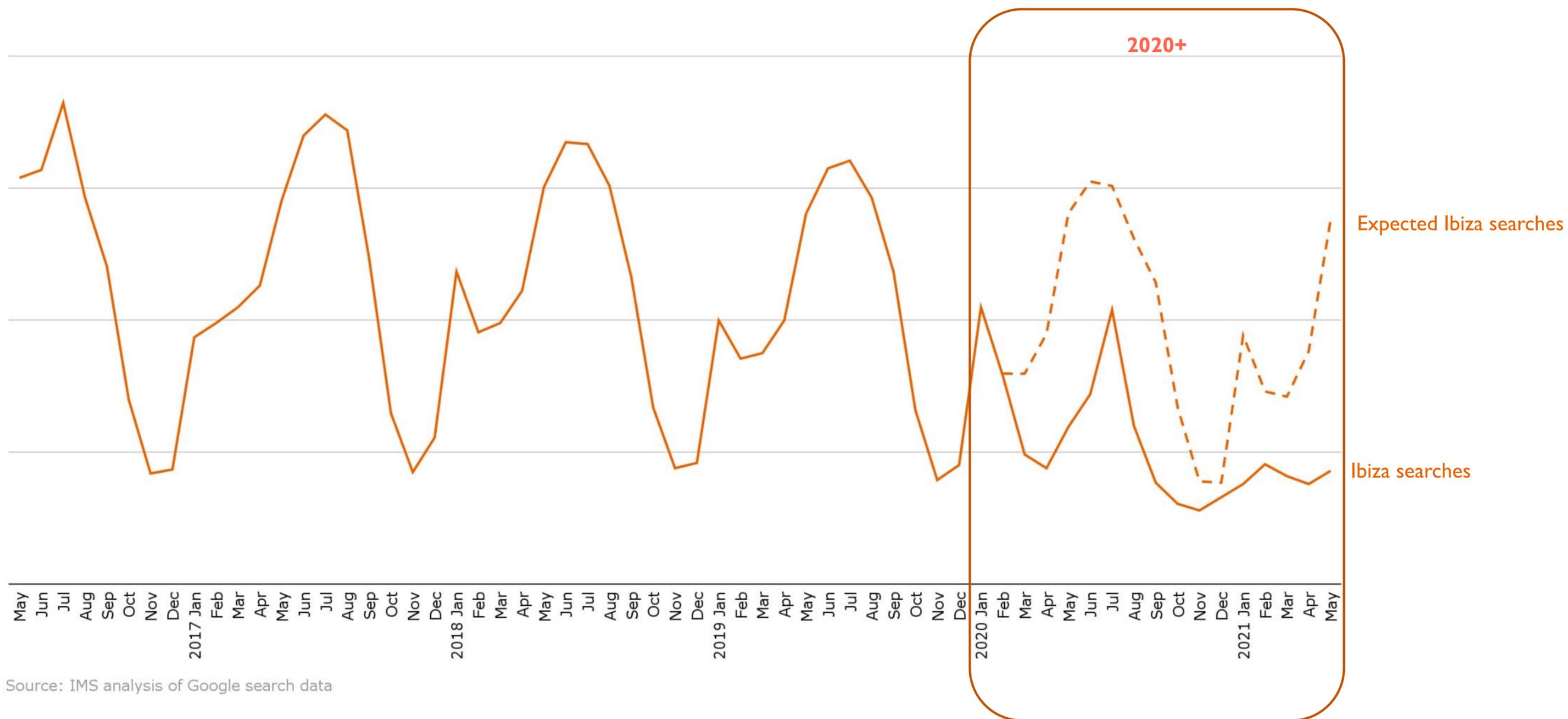


Source: IMS analysis of Google search data



Hope fades

Ibiza received just 37% of the UK search interest it should have, based on the 2017-19 trend



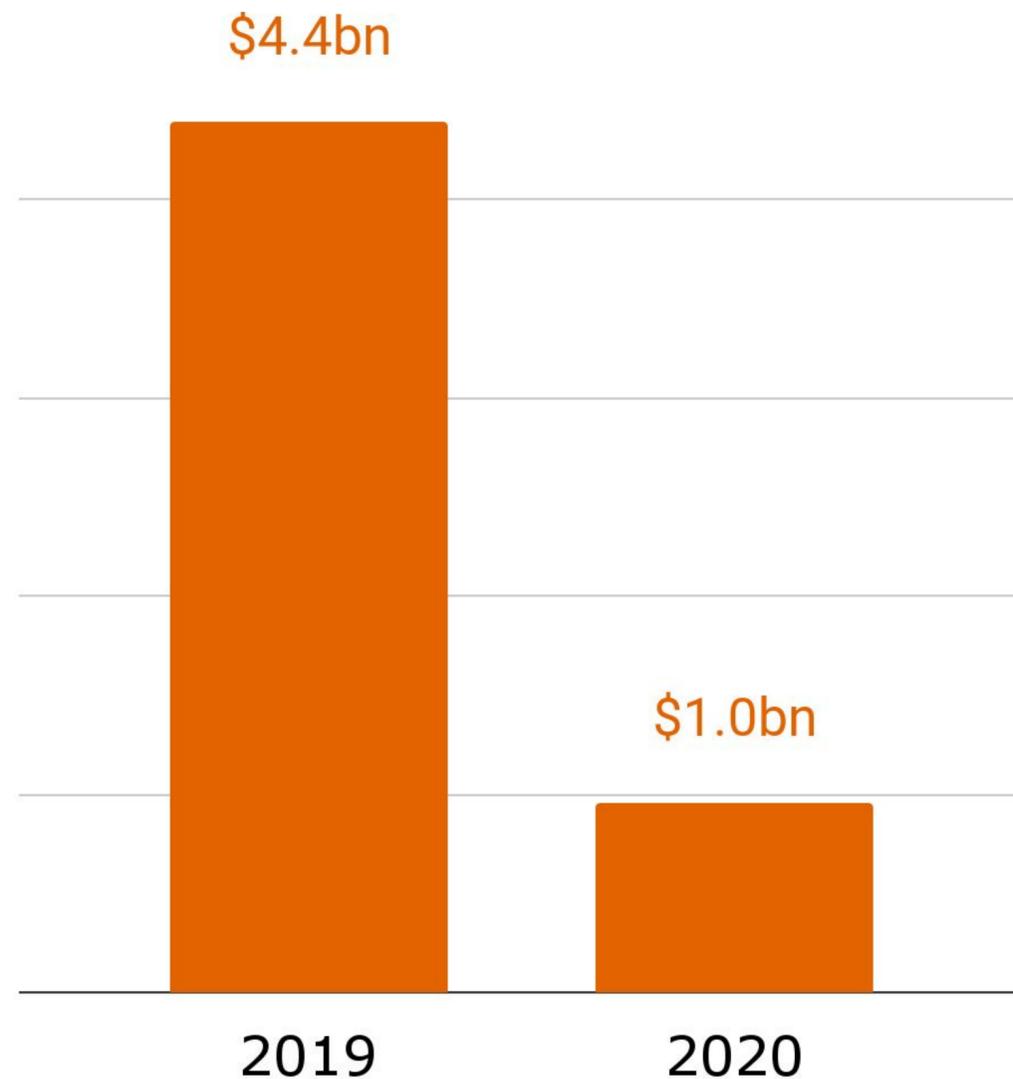
Source: IMS analysis of Google search data



Decimation

**We estimate Festivals and Clubs lost 78% of their value.
... but we expect a big rebound once the world opens**

Value of Festivals and Clubs



\$3.4bn in value lost. Down 78% on 2019

However, we believe this is temporary. Skiddle data shows that demand for events is bigger than ever:

- The value of festival tickets sold is up 123% when comparing March - May 2021 to March - May 2019
- The value of festival tickets sold in March 2021 was more than the **WHOLE OF 2020 COMBINED**
- The value of festival tickets sold was up 3999% in March 2021 compared to the same period last year

Source: IMS analysis of data from Viberate and Resident Advisor. Alongside conversations with club and festival promoters



Beyond the clubs

The impact of closed clubs goes way beyond the dancefloor



hasta siempre!
clubbingspain.com

clubbingspain is closing After listing 400,000 events across than 4,500 clubs, almost 7,000 artists, 13,000 dj charts, 900 interviews, 1,800 specials, 42,000 news, and 4,200 songs over 20 years.

“... Before the pandemic the years played out almost like clockwork for 20 years. We had always been profitable. And then one day we had 85 staff and 97% of our revenue was gone overnight ...”

- Paul Clement, Co-Founder, Resident Advisor



Beyond clubbing

Clubs gave their space for good causes



MAD (Moulin a Danse) night club in Lausanne, Switzerland was converted into a temporary blood donation centre.



Studio 338 has transformed its venue to become a food bank, storage, and distribution centre.



St Albans' Club Batchwood was hailed as one of best performing Covid-19 vaccination centres in Britain



Opening up

Test events show promise.

Now to make the case for the importance of opening

IMS spoke to Industry Advisor, Lecturer in Music Industry Management and ex-Ministry of Sound Operations Director Tony Rigg, to better understand the path towards opening up. Here's what we learned:

- At events for 5,000 people in Barcelona, 15,000 people in Liverpool and others across Europe, the reported Covid-19 **transmission rates compared favourably with the base transmission rates**
British culture secretary Oliver Dowden described recent UK pilot shows as “a real success”, noting that just 15 positive cases of Covid-19 – equivalent to 0.026% of attendees – were recorded among 58,000 people during pilot events (IQ Mag)
- Along with other risk-reducing measures, **testing proved effective**. Effective vaccination programmes also bring hope that risks for more vulnerable segments of society can be reduced, and therefore that **social gathering can resume**
- Different territories adopted different approaches to protecting clubs and festivals:
 - Schemes in the US for small businesses included the Paycheck Protection Program (PPP) that offered businesses “forgivable loans” and the Shuttered Venue Operators Grant (SVOG) originally launched as Save Our Stages, for live venues, nightclubs, museums, theatres providing 45% of 2019 Gross Revenue minus any PPP funds already received, capped at \$10M per applicant
 - UK schemes included the Furlough scheme, Self-Employment Income Support Scheme (SEISS), a rent moratorium, and the £1.57bn Cultural Recovery Fund, announced in March 2020, comprising a mixture of grants and loans that could be applied for however, clubs and festivals had to compete with other ‘cultural organisations’ and ‘heritage sites’
- **Whilst policy makers review the data, electronic music can still be heard. However, this is more likely to be done in people’s home countries as governments restrict overseas travel. And it is likely to happen more in bars than on the dance floors, at least in the short term**
- **The industry’s effectiveness at lobbying policy makers improves as data insights continue to grow about the cultural and economic importance of electronic music and associated activities**

Skiddle data shows that demand for events is bigger than ever:

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Beyond clubs

A business reliant on clubs, touring and festivals found opportunity in lockdown livestreams

IMS spoke to **L-Acoustics**, who supply the sound systems for some of the biggest clubs and festivals, to learn lessons from their pandemic experience

How did you innovate?

- One of our answers was the correlate of livestreaming - "**bring the concert home**" which we did by configuring our professional loudspeakers into high end sound systems for home use that provide the exact same type of listening you would have in Ibiza's top clubs. In fact, one of the systems is called Ibiza 2.0 and is literally the monitoring set that gets specified on stage for festivals such as Tomorrowland
- Also in the "bring the concert home" bucket was a collaboration with JH Audio, known for being the market leader of in-ear monitors used by touring artists, leading to Contour XO, an **in-ear monitor which replicates the L-Acoustics signature of live sound**, including adjustable bass. It's been extremely well received and is likely not something we could have moved forward on so quickly with live events in full swing

Where do you see opportunity for innovation in live and livestreamed settings?

- We believe "**space is the next frontier in sound**" to increase engagement. Electronic artists have always been on the bleeding edge of using technology in the service of art and music. Now technology provides them with a new tool: the ability to use space (i.e. spatial audio) as a type of instrument. "**The drop**" can be **10 times more spectacular** than it ever has been because it can move and morph in space
- We would like to think **how Livestreams SOUND is critical**. One tool at artist's disposal is L-ISA Studio, software that offers the ability to easily mix spatialized audio on either a laptop or up to 12 speakers with binaural output for headphones. But it also serves the purpose of creating spatialized mixes for live shows so scales effortlessly from the recorded media world to the stage
- Early adopters? ODESZA, Wonderfruit Festival in Thailand, Tomorrowland Atmosphere stage and Molécule a French electronic artist who tours with a 360° setup and plays in the dark. Plus Brian Eno, Childish Gambino, Kid Francescoli, Fakear and Latroit



The story behind DJ Equipment and Software Market growth

IMS spoke to TRAKTOR to better understand how the DJ Equipment and Software market fared in 2020. Here is what we heard:

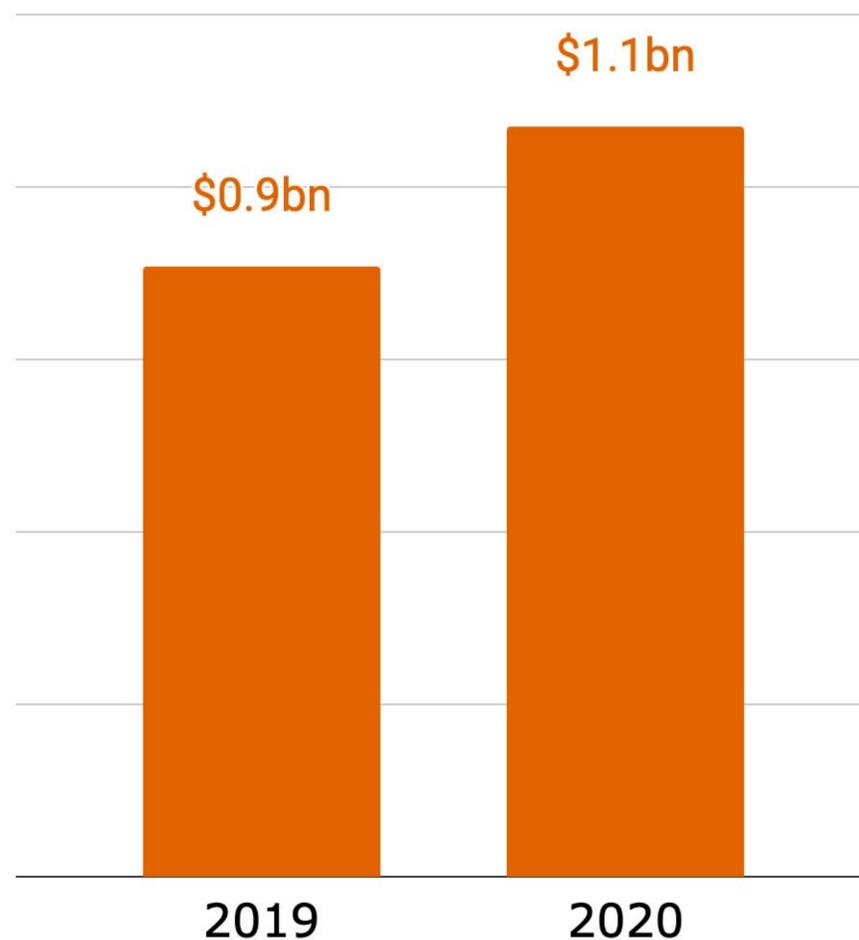
- **Initial dip:** Initially, the pandemic resulted in less use and purchases of gear that is typically used at public events - venue sound systems, club gear such as media players and 4 channel mixers, lighting devices, etc.
- **Innovation wins:** DJs were creative in finding ways to maintain the relationship to their audiences. DJs such as Carl Cox, John Digweed, Francois K, Luciano were among the first to establish a weekly livestream from their private places
- **Hobbyists follow:** Hobbyists followed established DJs to adopt the trend towards livestreams and pre-recorded video sets. Laptop based DJing including timecode vinyl usage experienced a renaissance, as users began to re-discover it. This led to an uplift in sales of DJ gear as new DJs bought kit and existing DJs renewed their kit
- **Material shortages ... for some:** However, 2020 saw raw material and components shortages. Issues with a major chip component manufacturer though did not affect us at TRAKTOR significantly due to their multi-sourcing strategy - however, this was a severe problem for many manufacturers



Djing from home

We estimate DJ Software and Hardware industry value soared 23% from the boom in home DJs

Value of DJ Software and Hardware



“... Best year we have ever had ... consumers had time under lockdown to explore their passion and still had disposable income ...”
- Company in the DJ Software / Hardware industry

Up \$200m
+23% year on year.
A record high!

Source: IMS analysis of public data and conversations with leading equipment and software and hardware providers





LIVESTREAMING

**ENROLL, ENGAGE
AND EXCITE**



Twitch, YouTube and LIVENow / DICE engaged homebound audiences in very different ways. As they should

New access point or new art form? Future, fad or temporary fix? Growth or exploitation? A year after being forced into livestreaming, there are still more questions than answers about the biggest topic in the whole music industry. We think YouTube, Twitch and LIVENow illustrate three pillars around which the answers will coalesce.

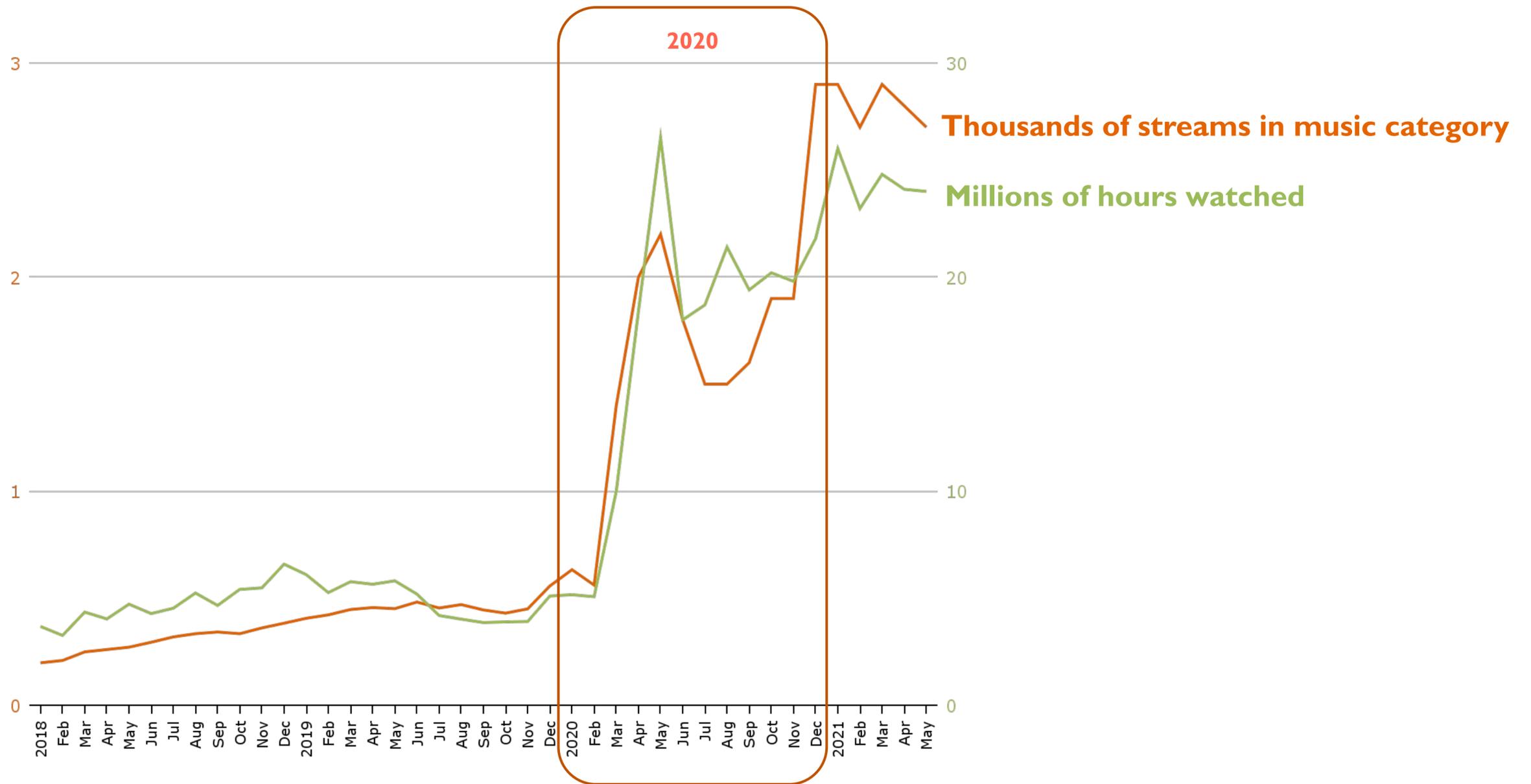
“Defected was suddenly cancelling all of our nights in favour of online events on YouTube on Friday afternoons ... We promptly did the next 10 weeks and it had 15 million views over the time” says James Kirkham of Defected Records. “If we were just doing our 5,000 capacity events, we couldn’t ever reach those people.” And therein lies the first pillar of livestreaming, which is to **ENROLL** your audience: building relationships with new audiences who would have otherwise never made it to an event.

The second pillar is about **ENGAGING** your audience. We use Twitch to illustrate the effectiveness of this strategy. Despite relatively small audiences, a number of festivals, labels and clubs built awesome communities with engagement and monetisation of audiences on the platform. Connection goes a long way.

We believe the third pillar of livestreaming is around **EXCITING** your audience with spectacles that they likely never would have experienced in the real world. Whether it’s the extravagance of dancing with Dua Lipa, Kylie and The Blessed Madonna in Printworks, the uplifting vibes of Pete Tong’s O Come All Ye Ravers, or the purity and simplicity of Bicep’s Live Global Stream II, pay per view livestreams have worked when they create spectacle. There will always be a market and an opportunity for an appointment to view experience that people just have to be part of.



Twitvh illustrates how livestreaming took off in 2020. Electronic music (finally) embraced it



Source: IMS analysis of data from Twitchtracker.com



The big question 🤔

Is Livestreaming about expanding (reaching new fans) or engaging (exploiting existing fans)?

‘Livestreaming has not been a growth category: it’s been an exploitation category’

Tim Westergren, Pandora’s founder and boss of new livestreaming service Sessions

May 13, 2021

music:)ally



The big question 🤔

Is Livestreaming about expanding (reaching new fans) or engaging (exploiting existing fans)?

We believe there are three pillars to livestreaming

PILLAR 1
ENROLL
(to be able to monetize)
your audience

PILLAR 2
ENGAGE
(& monetize)
your audience

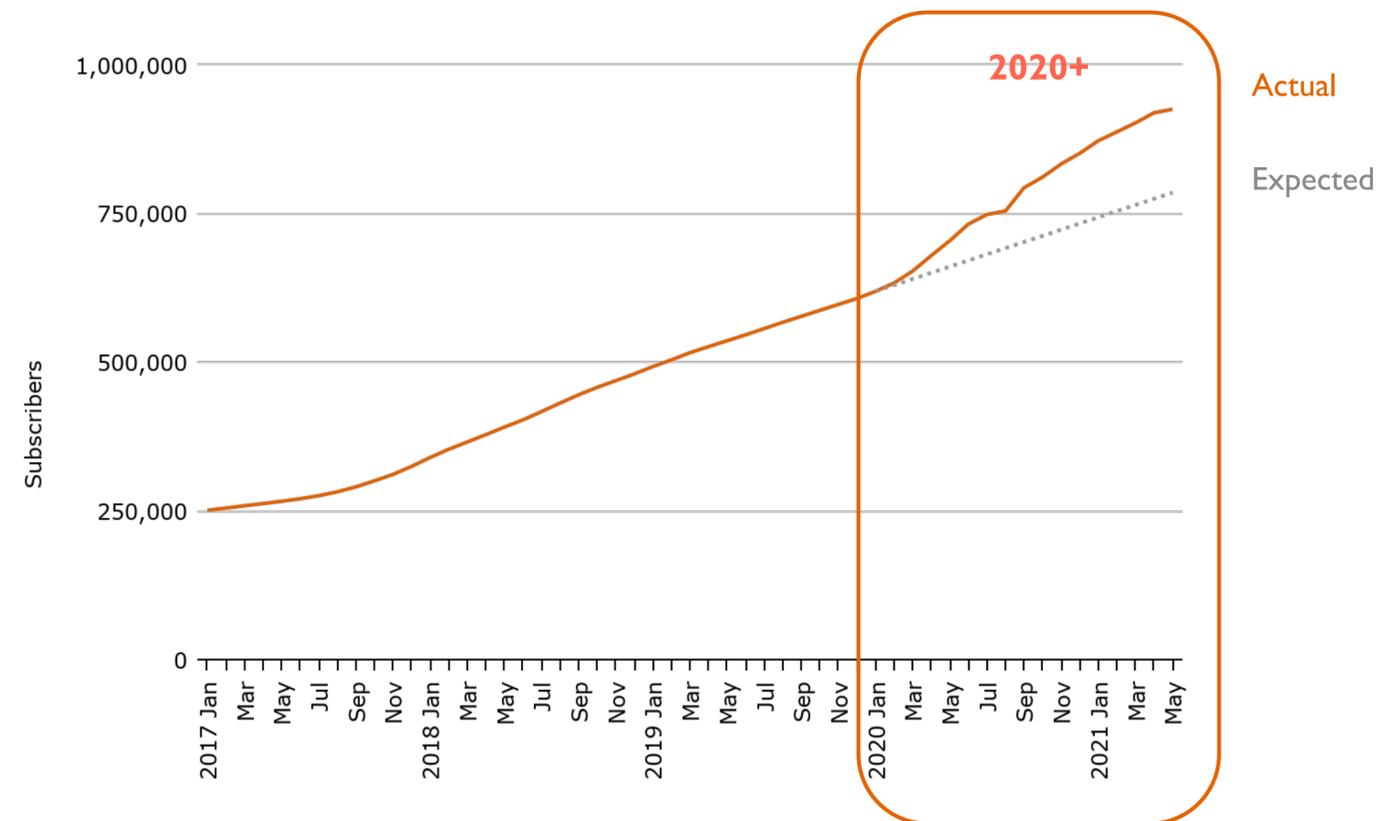
PILLAR 3
EXCITE
(& monetize)
your audience



YouTube subs for Defected and Beatport accelerated showing that livestreaming can bring many new fans.

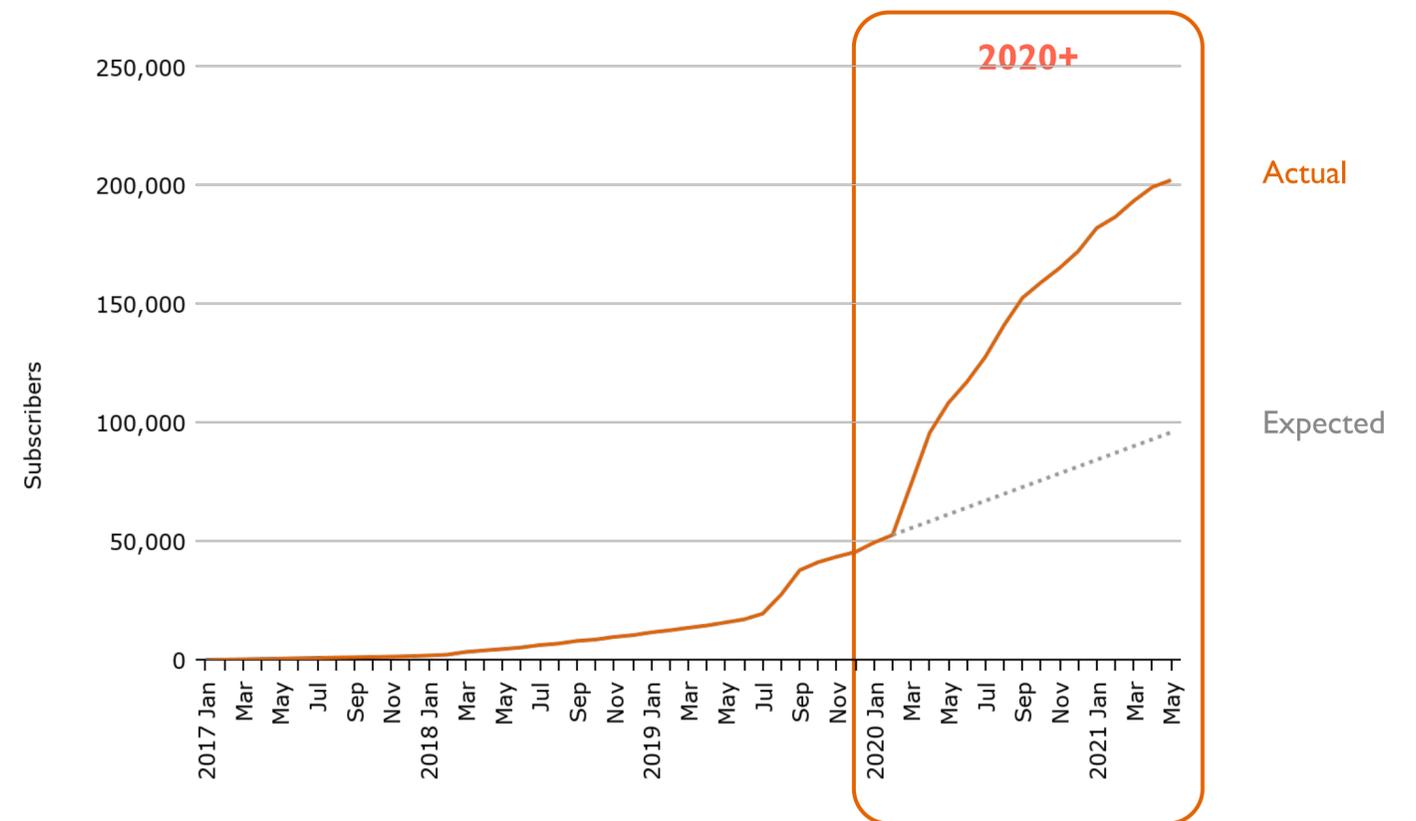
There will always be a market for streaming to people who can't get to a physical show

Defected: 140,000 more subscribers than expected!



Source: IMS analysis of data from HypeAuditor

Beatport: 106,000 more subscribers than expected!



Source: IMS analysis of data from HypeAuditor, Beatport YouTube Channel

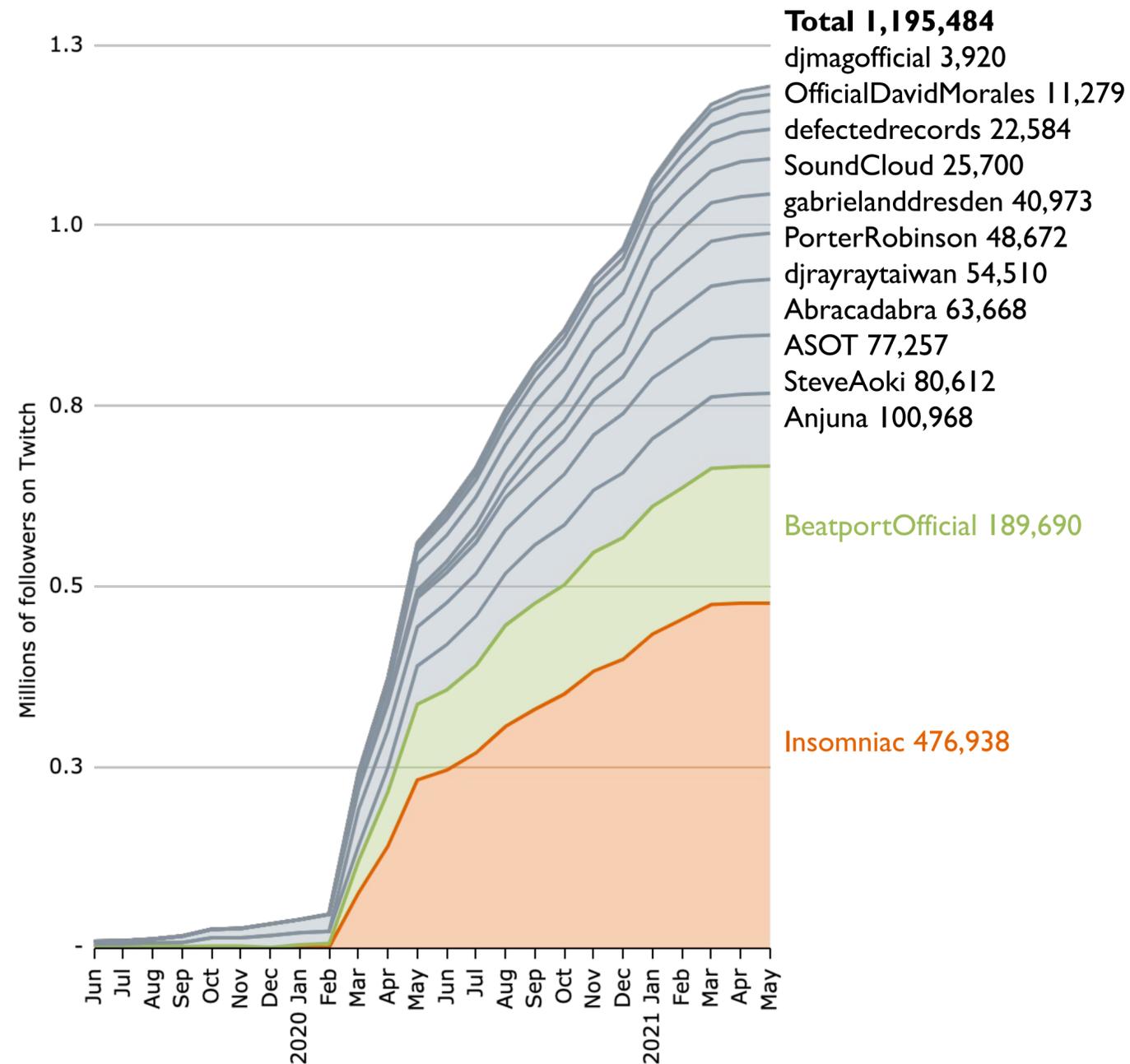
Always drive to 'enrollment'

Many artists and clubs told me they needed to livestream to stay sane during lockdown. But not enrolling people is a missed opportunity. "Livestreaming offers a unique chance for artists to have access to live data to generate indirect value. Data wasn't granular or wasn't handed over before"

- Yvan Boudillet, music tech advisor and consultant / founder at TheLynk



Twitch is about a deep connection with a small but wonderfully engaged community



Small but perfectly formed

Most artists have less than 100k followers after 12 months of weekly engagement. In total the top 12 played to just 73k fans a month. As it should be. Twitch is an engaged community and so should be much smaller than broadcast mediums. At about seven hours of monetized watch time per follower, every follower counts.

“... The real story is the smaller artists who benefit from the overall rise in **livestreaming as a normalized entertainment medium**. Regulars who were doing 150 average concurrents are more reliably doing 400 now. A handful are up around 1,000 fairly regularly ...”

- Karen Allen, author of Twitch for Musicians

“... I wouldn't have a job right now if it wasn't for Twitch ... Disclosure has 30k followers ... **our lowest number on any platform, but our engagement rate is the highest**. If you stream on Instagram, the viewer count starts dropping immediately, but **on Twitch people stay for eight hours. It's probably the most connected we've felt to our fans ever ...**”

- Jonathan MacDonald, who manages artists including Soul Clap and Seth Troxler quoted in RA

“... Twitch is a cross between MTV and a Vegas slot machine. **Addictive all day entertainment you keep putting money into**. With a community ...”

- Chuck Fishman, musician, DJ and technologist

Note on Pandemic Twitch growth: Many of the large accounts did deals with Twitch to program a minimum amount of content (usually ~60 hours/month) in exchange for marketing benefits like home page features. Some accounts received significant investment from Twitch in addition.



Twitch is about a deep connection with a small but wonderfully engaged community

To help understand Twitch, IMS spoke to Karen Allen, author of Twitch for Musicians. Here is what she told us:

Here's the thing to understand: **it's not a content distribution medium. It's a community coming together around content.**

That's fundamentally - **fundamentally** - different than Facebook, Instagram, YouTube, and even TikTok, which are all content distribution platforms driven with social media mechanics. On these, you post content, people see it time shifted from when you posted, like/share/comment, then move on. End of interaction.

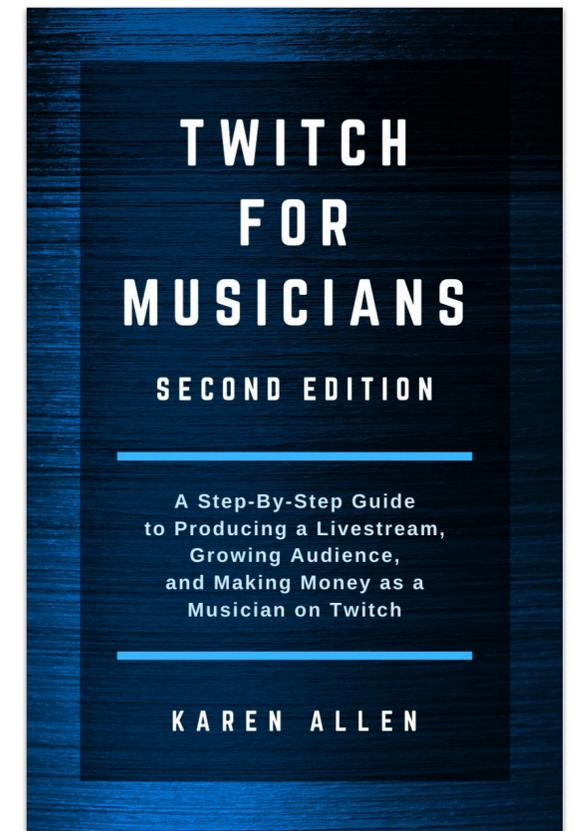
On Twitch, you come to hang out with other people who like the same stuff you do and watch creator(s) making content about that stuff and you all have a conversation together while the content is being created. The fans form their own relationships, so it's not all artist-to-fan, it's also fan-to-fan. All that is carried over to the always-on afterparty which is Discord.

Twitch is not a content site about games. Twitch is a community of gamers coming together to watch content that celebrates their love of games. Music on Twitch works the same.

So, by nature of needing people to show up and show up for long amounts of time at the same time, the **viewership will naturally be lower.** Those numbers look smaller compared to the aggregate numbers of engagement on Facebook et al, but it's a completely different medium (not platform, but medium) so you can't make apples to apples comparisons.

Playing to 73k fans a month and those fans probably spending about an hour per stream and coming back for a number of streams in that month is massively massive. That's fucking outrageous engagement and monetization opportunities and fan relationship building opportunities that you cannot even get on tour. Done right, livestreaming turns fans into superfans and turns superfans into a little army of promoters.

I argue that we are not here to get Spotify streams or YouTube plays or Instagram likes. We are here to get fans, and we do that **through** Spotify streams, YouTube plays, and Instagram likes, and we most effectively do that when we can spark a personal connection to the fan. Twitch (and, again, all livestreaming) is all about developing and servicing an ongoing personal connection to fans. It's fan base building. You build a real, devoted fan base and you can record and tour for the rest of your life, regardless of trends.



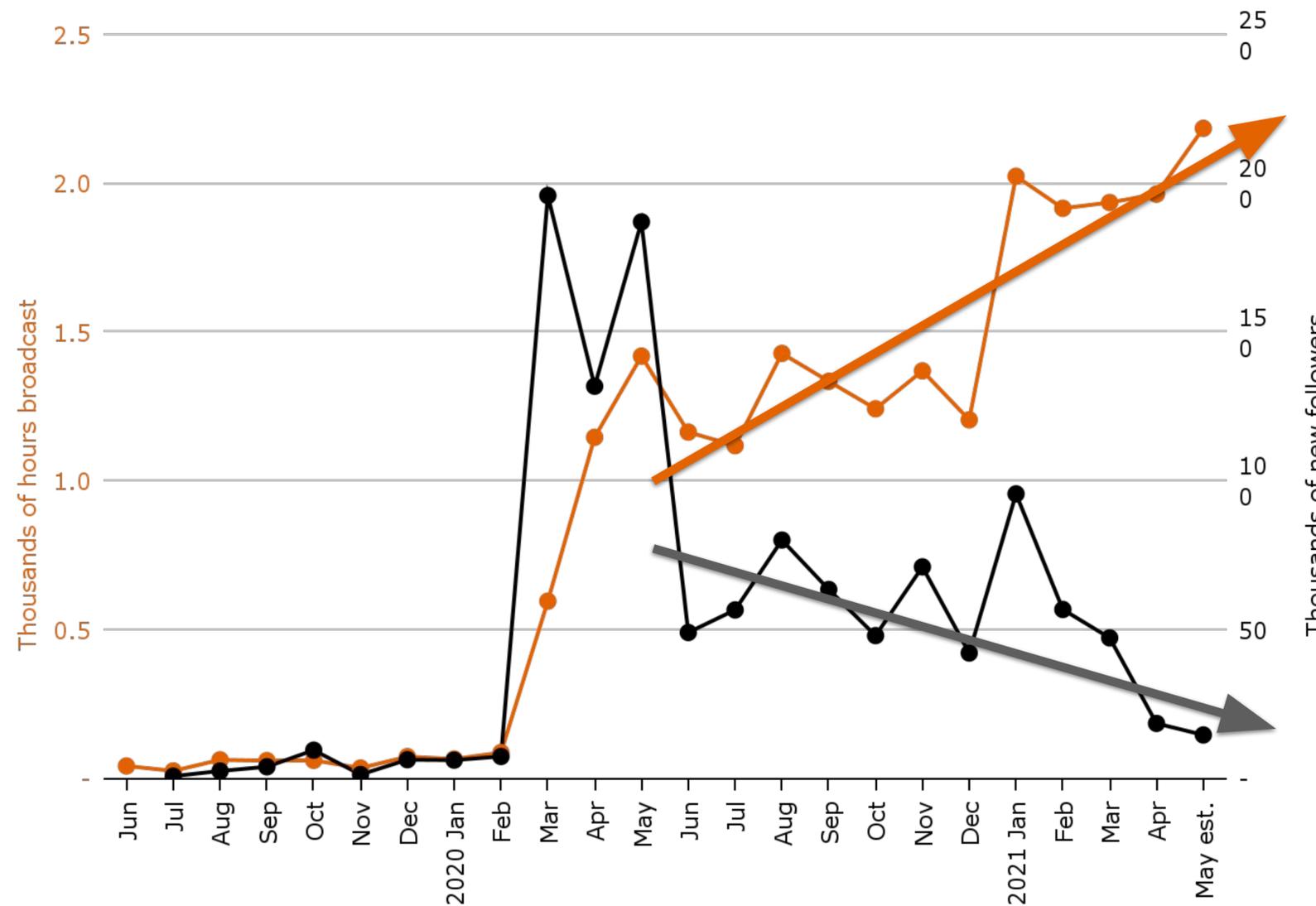
<https://www.twitchformusicians.com>



We've found our core audiences. Now to engage them

Top electronic music Twitch accounts are broadcasting more for fewer new followers

Top 12 dance accounts on Twitch



- **Accounts have found their core Twitch audiences.** Now the focus needs to be on continually engaging (and monetising) them
- **Engaging audiences in new ways will win us fans and revenues.** (Re-broadcasting content will fail)

Source: IMS analysis of data from Streamscharts.com

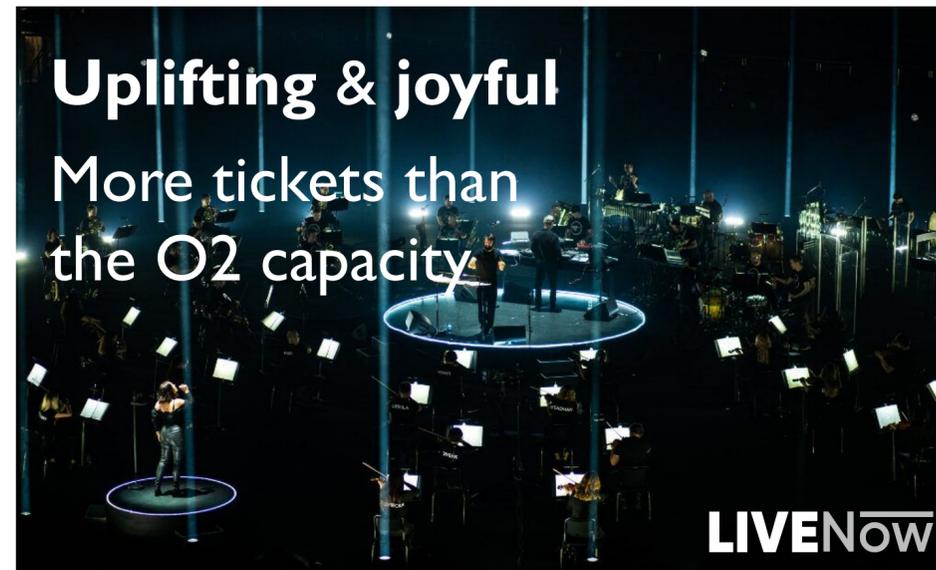


Successes on LIVENow / DICE provide examples of pay-per-view spectacles that can't be experienced IRL

Dua Lipa's Studio 2054



Pete Tong's O Come All Ye Ravers



Bicep's Live Global Stream II



“... Have a strong reason / theme and make it memorable ...”

- Phil Hutcheon, Founder of DICE



Case study: The most successful and most talked about livestream was all about spectacle



“A night of music, dance and mayhem that also saw Elton John, Kylie, FKA Twigs, J Balvin, Bad Bunny, Miley Cyrus and Angele perform”

By ticket sales, the show is the biggest virtual concert by a solo artist to date.

- **Reach:** 5 million viewers
- **Global:** Fans from over 176 countries tuned in.
 - 1.9 million unique logins from China
 - 95,000 from India
- **287,050 tickets sold** across ticketing platforms



Focus

Summary: Make sure you win at one (Don't risk failing at all three)

PILLAR 1

ENROLL

(to be able to monetize)
your audience

- Free broadcast platforms
- Where audiences are
- Drive to enrollment
- Monetise with tips

PILLAR 2

ENGAGE

(& monetize)
your audience

- Small ~~audience~~ community
- Super-engaged
- Weekly

PILLAR 3

EXCITE

(& monetize)
your audience

- Pay per view
- Pick your purpose:
 - Extravagant & captivating
 - Uplifting & joyful
 - Pure & simple
 - ... or more



Case Study: Boiler Room shows us that there is more to engagement than pure performances

Off the back of the pandemic, BR is now judging everything through these five guiding principals.

- 01 EDUCATION**
Workshops, resource sharing & industry insights.
- 02 DISCOVERY**
Spotlighting local scenes to global audiences.
- 03 INNOVATION**
Engaging in-stream functionality.
- 04 DIVERSITY**
The most diverse programming on the web.
- 05 COMMUNITY**
Go steps further on artist-related causes.

Recognising that it's now about more than the impact of a live performance, Boiler Room is pushing into helping artists connect with fans online in more engaging ways.

- Streaming DJs and performances with no crowds proved less engaging
- Up close and personal access to talent via social means that the veil has lifted and fans have got to know artists in different ways
- Boiler Room don't believe that veil will return and so we're now taking the non-performance-based ideas forward into all future projects

Boiler Room platformed over 200 artists during the pandemic, plus they put on their own 10-day online festival called SystemRestart.TV.

“... The pandemic has moved us on in to a completely new phase of music and content programming. We had the time and headspace to reflect and build for a better future ...”

- Tom Wiltshire, Boiler Room



Fair payments: Getting and Giving

We all need to push to ensure artists are getting paid

- **This report has focused on sharing simple lessons illustrated with accessible and widely used tech platforms.** However, we need to put pressure on them to get rights and put pressure on labels to give rights

- **Getting rights: We should all put pressure on platforms**

“... I find it almost repulsive that social media companies will leave up foul racist, misogynist and otherwise abusive content, but will whip down DJ live streams within a moment ... **if an organization as big as YouTube is capable of clearing all rights, then so is Facebook. But they don't do it ...**”

- Jules O'Riordan (aka Judge Jules), Partner at Sound Advice

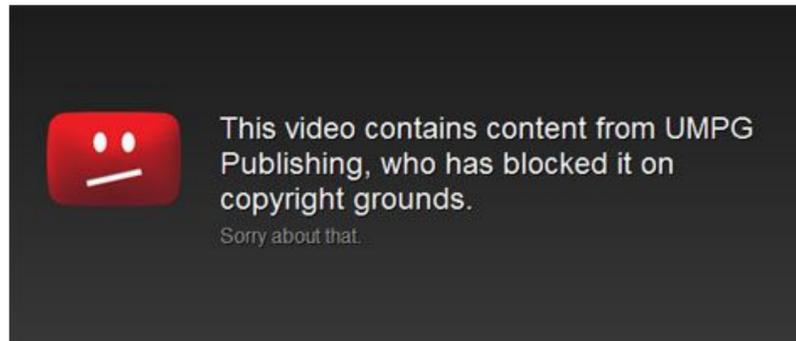
“... **Twitch should pull their finger out. They've got enough money and enough data - they should be able to get the licenses ...**”

- Head of Marketing at major electronic music label who did not want to be identified

- **Giving rights: Labels haven't been as flexible and adaptive as they could be.** We need to pressure them to change

“... If your music got played by a DJ, in a live stream set that maybe had hundreds of 1000s, or even millions of people viewing it and consuming it, the mechanism often still wasn't there necessarily for you as an artist or creator to earn any money from that, because those **licenses are incredibly complex, they tend to work on a territorial basis ...**”

- Silvia Montello, Association for Electronic Music



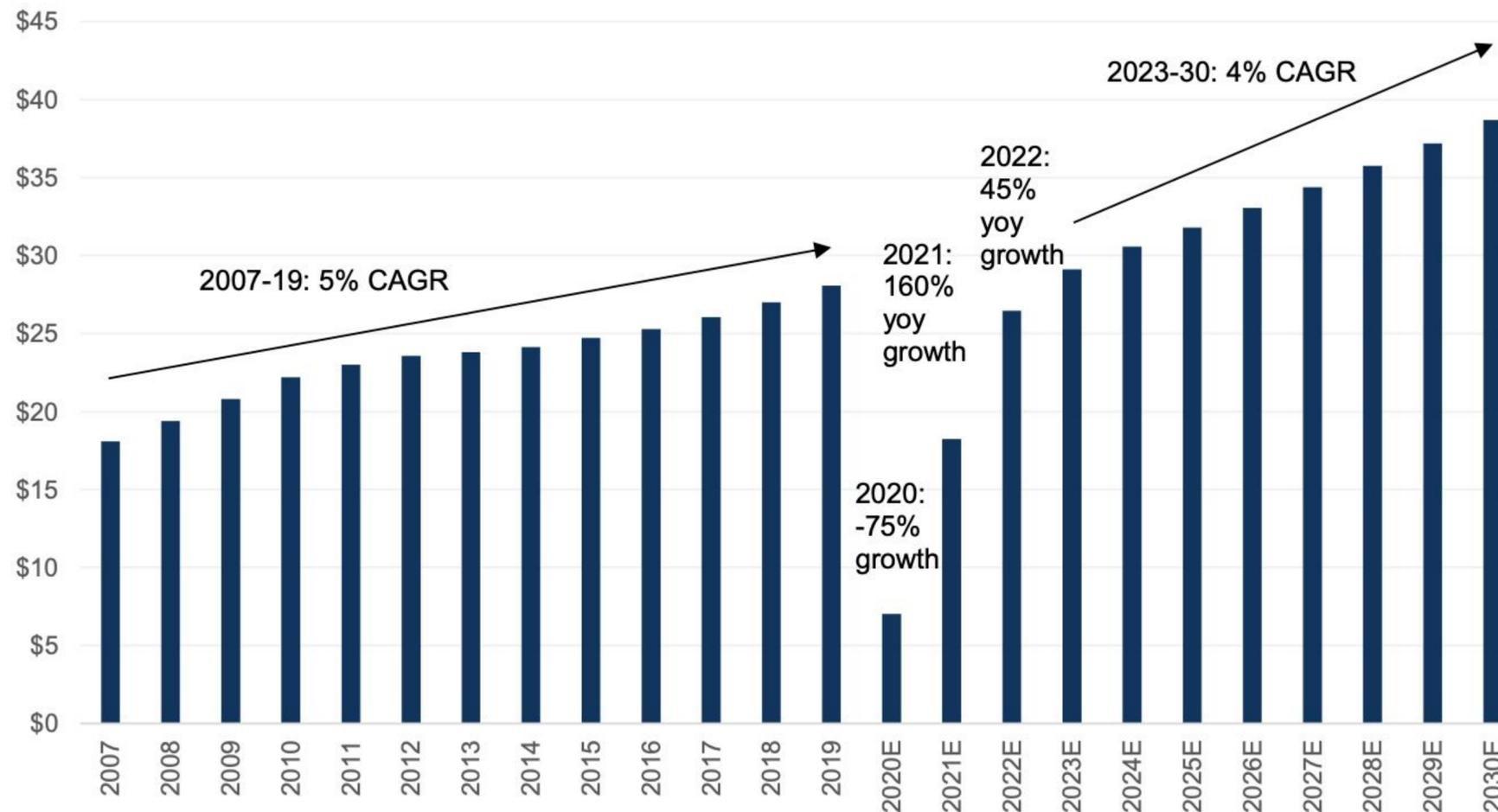
A temporary pause

Goldman Sachs expect a return to live music growth

We expect the global live music industry to decline 75% in 2020 due to the impact of COVID-19 before recovering to 160%/45% growth in 2021/22

-19

Global Live Music market (\$bn) and % growth



Source: PWC, Goldman Sachs Global Investment Research





ENGAGING FANS

1,000 TRUE FANS.

FINALLY



NFTs and other new D2F opportunities offer new ways to realise the old promise. But first you must know who your fans are

For years we have been playing to packed out crowds and leaving without their email addresses. That has to stop

In 2008, when Kevin Kelly, founder of Wired outlined how artists need only 1,000 true fans to make a living, it seemed like a tantalizing but unachievable goal for many. The pandemic accelerated a number of initiatives that now make this aspiration achievable for many more artists.

Never has a music technology gained as much attention so quickly as NFTs did when they sprung onto the scene in the last few months. After experiments with NFTs up to and including 2020, electronic artists finally catapulted them to the forefront of the music industry's attention in early 2021. For all the fuss that's been made over NFTs, we are only in the earliest of early days of seeing their potential. They promise to one day revolutionise streaming payments by making them instant and transparent. We must all push hard on innovation to make these big dreams realisable one day.

Amongst the many other direct-to-fan platforms that sprung up or received extra attention in the pandemic, we picked Sessions and Patreon to illustrate two other pillars of how artists in our industry can directly monetise fans. We look at the data behind each and take lessons from what worked over the last year.

Whichever platforms and technologies you use, you have to start to take direct relationships with your audience seriously, though. "For too long artists / DJs have shown up to gigs and only walked away with the cheque, rather than getting their fan data too" says James Pitt of Minds On Fire / Your Army. "Going forward, we need to start to see every interaction with audiences as a chance to build our lists."

From 1,000 to 300?

New platforms offer new opportunities

“... We had an artist make \$10,000 in a show with just 300 fans in attendance. **This same artist couldn't book a coffee house in the physical world because they lack the fan density.** Livestreaming solves that, thereby enabling an artist to host a successful show long before they have the kind of fan base you need for a viable club date.

You can create a lot of income from a small audience if you create the right experience ...”

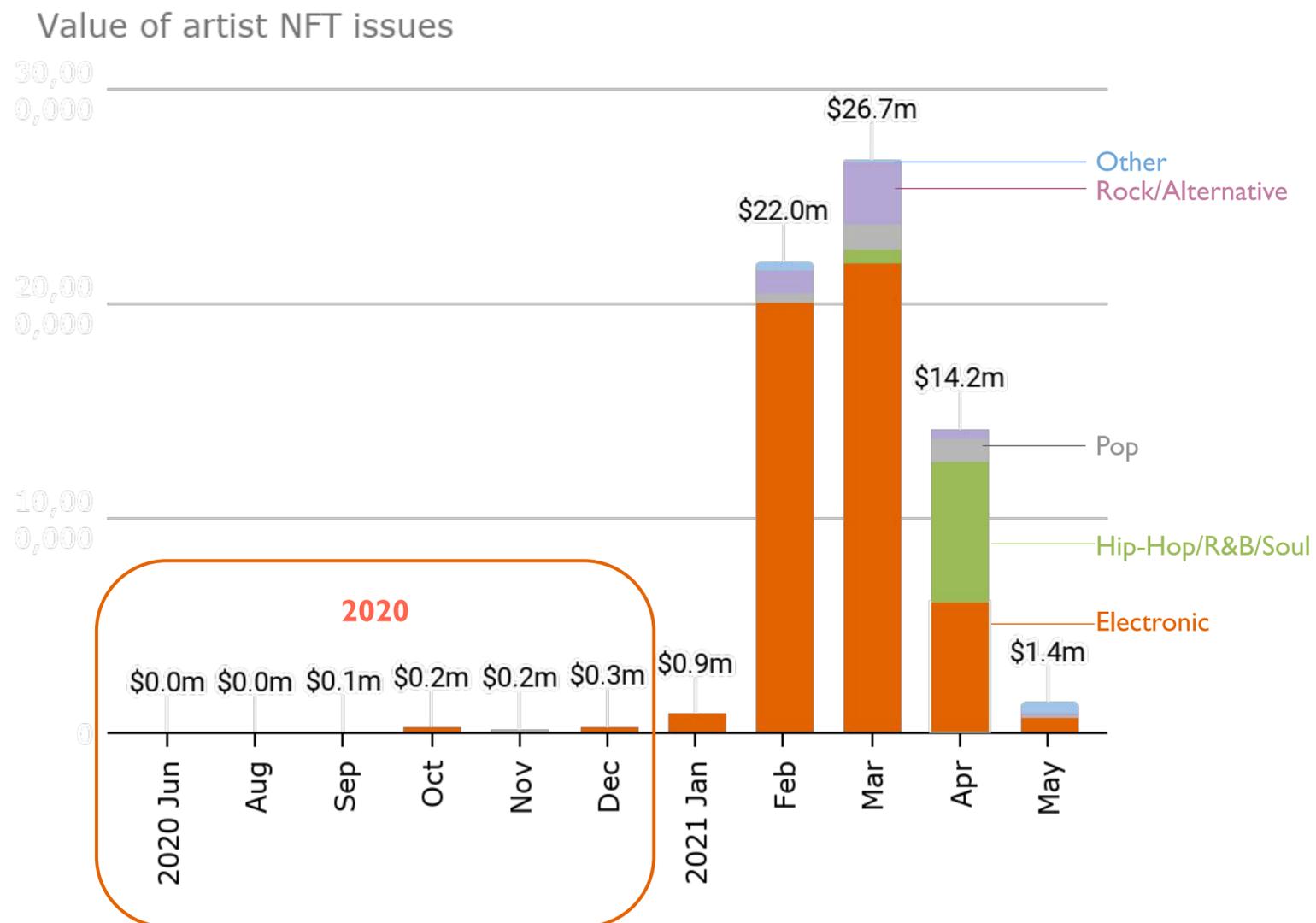
- Tim Westergren, co-founder of Pandora on Sessions his new livestreaming platform



New fan connections

Electronic artists pioneered NFTs for digital collectibles. Now to find the bigger use cases

76% of all music NFT issues worth \$50.2m were issued by electronic artists



Source: IMS analysis of data to 25/5 from Cherie Hu, Water and Music

- Initial enthusiasm by fans shows unmet potential to monetize direct relationships
 - “... NFTs are based on exclusivity and price discrimination (allowing people who want to spend big to do so) - two reasons why gaming has done so well ...”
 - Tim Smith, Riot Games, who publish League of Legends
- Large numbers of fans are not needed. This is about monetising the passionate few
- NFTs have only scratched the surface of uses for the blockchain. We need to push full steam ahead to explore others
 - “... This didn't exist eight months ago. We need to push as many use-cases as we can. To learn. We don't even know what all the uses are yet ...”
 - Dean Wilson, manager of deadmau5, CEO of Seven20 and PIXELYNX



Blockchain and music recognition tech offer the promise of transparency and fairness in payments

\$424m

In February, major streaming music services recently paid this amount in US historical unmatched royalties to a distribution body.

In future: The blockchain offers the promise of a transparent way to get paid instantly and every time

- Music services could use the **blockchain** to bring transparency and fairness to payments. Imagine instant and fully transparent payments when your music is streamed

“We are the most played music in clubs, festivals and bars but we’re the worst paid. The blockchain offers transparency. We could see plays and payments in real time. We all need to push as many use cases as we can”

- Dean Wilson who manages deadmau5



MODA DAO is defining the future of music ownership, distribution and publishing via NFT standards, decentralised governance and automated finance.

- **Music recognition technology** in clubs also offers the promise of increased and transparent payments. The Netherlands and Australia are leading the way here

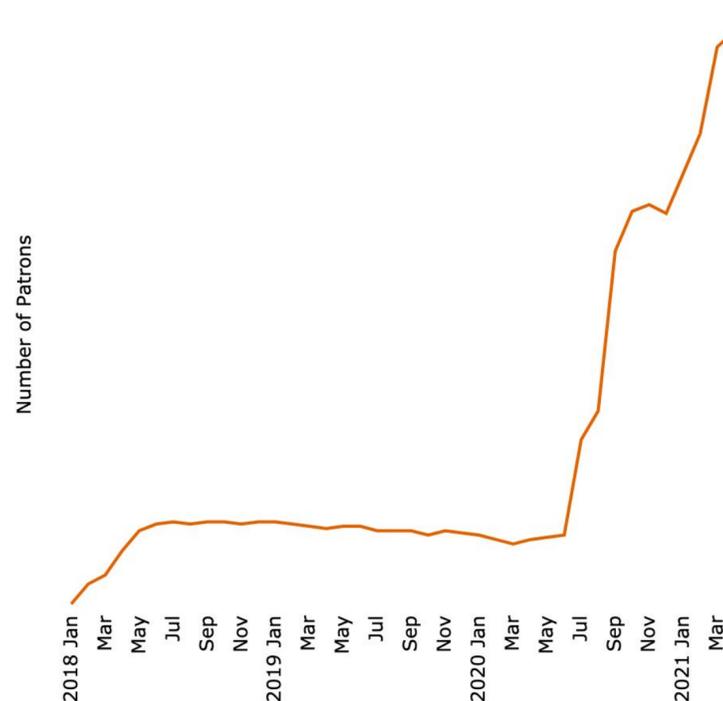
“... I had an artist that received £800 for one play in one club in the Netherlands thanks to music recognition technology - the equivalent of millions of streams ... we need to push for this technology to be rolled out widely. It exists! ...”

- James Pitt of Minds On Fire / Your Army, who publish artists including Cinthie and Alan Fitzpatrick



Deep connections

Patreon soared during 2020. Bill Brewster's shows the opportunity to build communities around expertise



Source: IMS analysis of Patreon data from graphtrreon.com

Bill Brewster's Patreon community grew 20x during lockdown.

IMS spoke to Bill to uncover lessons we should all learn from his Patreon, building on his 15k subscriber [djhistory.com](https://www.djhistory.com):

- **COMMUNITY:** "... I don't think of people who subscribe as fans or customers ... it's a **community of like minded people coming together around similar interests** ..."
- **CORNERSTONE:** "... **I know what I have that's special.** I've been involved in music for nearly 40 years and collecting records for nearly 50. I'm trying to impart some of that knowledge and some tracks you can't get anywhere else ..."
- **CONFIDENCE:** "... **I've always been slightly embarrassed about the self promotion aspect** of being a DJ, it's not something that I'm massively comfortable with ... I had to swallow my pride a little bit on that ... I was worried people would be like 'oh my god he's absolutely shameless' but that's not the reaction that happened at all. No one batted an eyelid. The response was amazing ..."
- **CONSISTENCY:** We asked the industry what else stood out. "**Consistency of community engagement is key.** Through lock down his shows were every week, clockwork. He consistency creates and editorialises his work, again like clockwork." - Matthew Dicks, Head of Talent at MDLBEAST

100 days of weapons / edits

One download every day from my personal collection - an interesting vinyl rip, a personal edit or secret weapon, all of them the highest quality gear.

Plus tracklistings to live sets and other goodies, like the extended version of my paywalled podcast.

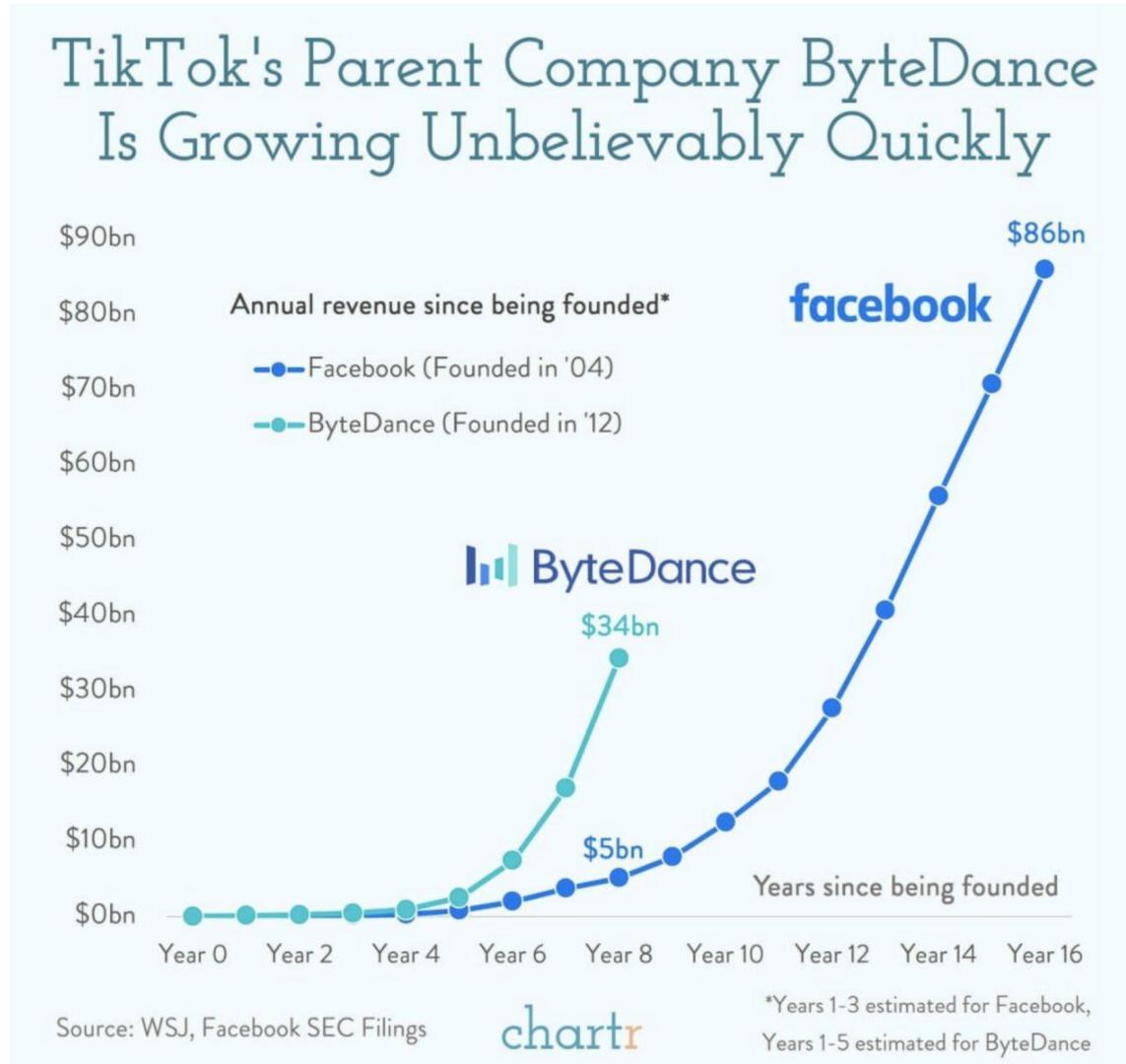
£5 per month

There are now thousands of electronic artists and music organisations active on Patreon. Artists, producers and DJs include M.I.A, RAC, Anamanaguchi, Zola Jesus, Noisia, KOAN Sound, Kid Koala and Kyle Watson, along with label and event brands like London's Rhythm Section International, New York's Nowadays, and San Francisco's DNA Lounge. See *DJ Mag* [here](#)

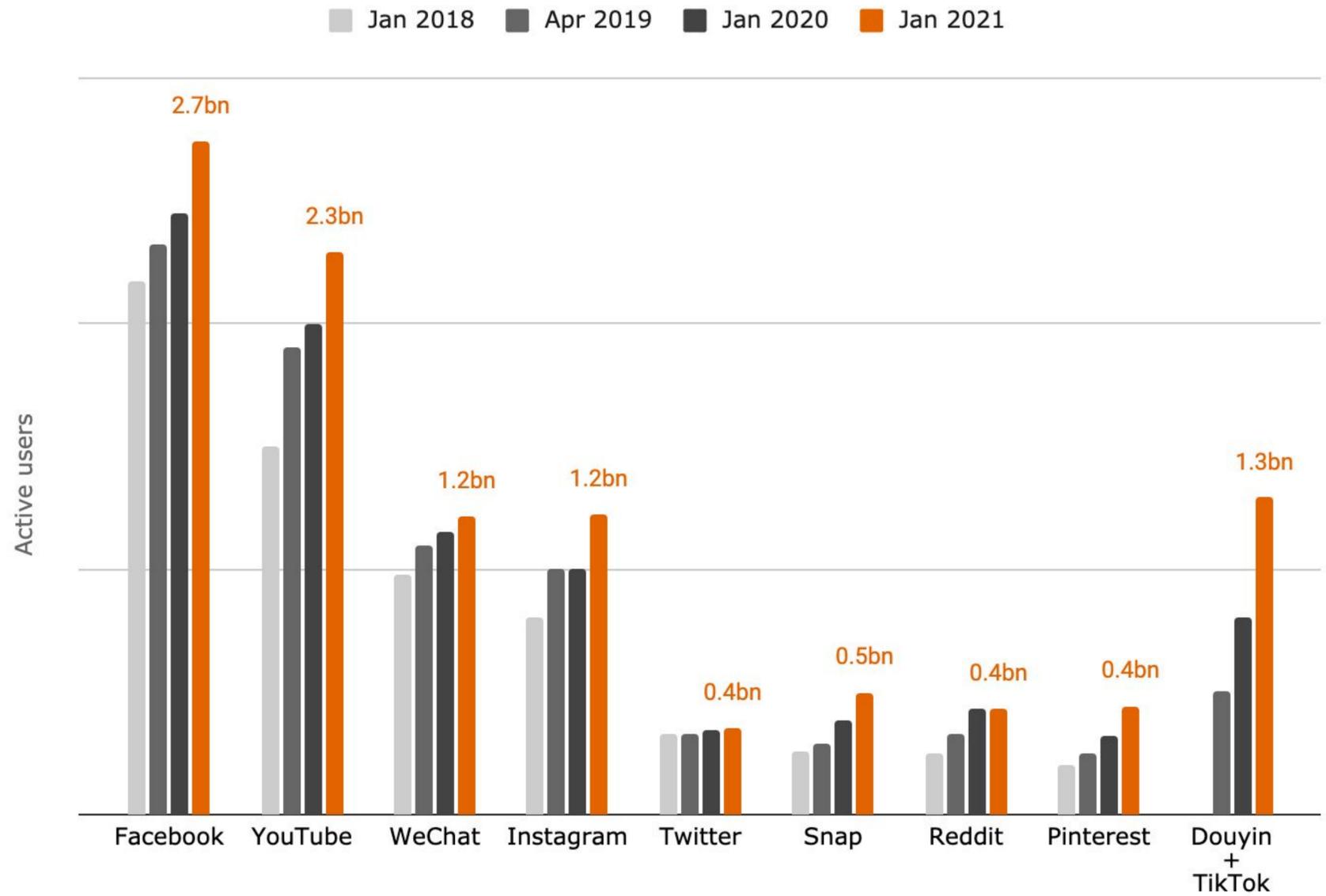


Social climbers

TikTok has exploded to popularity



- \$34B in revenue in 2020 (111% y/y growth!)
- \$19B in gross profit in 2020 (~56% gross margins)
- 1.9B MAU across all products (up 27% y/y)



Source: IMS analysis of data from We Are Social



So much love to give

Electronic music achieved tremendous audience engagement in 2020

We partnered with Shareablee to better understand how the Top 100 Spotify Electronic Music artists had performed across social media:

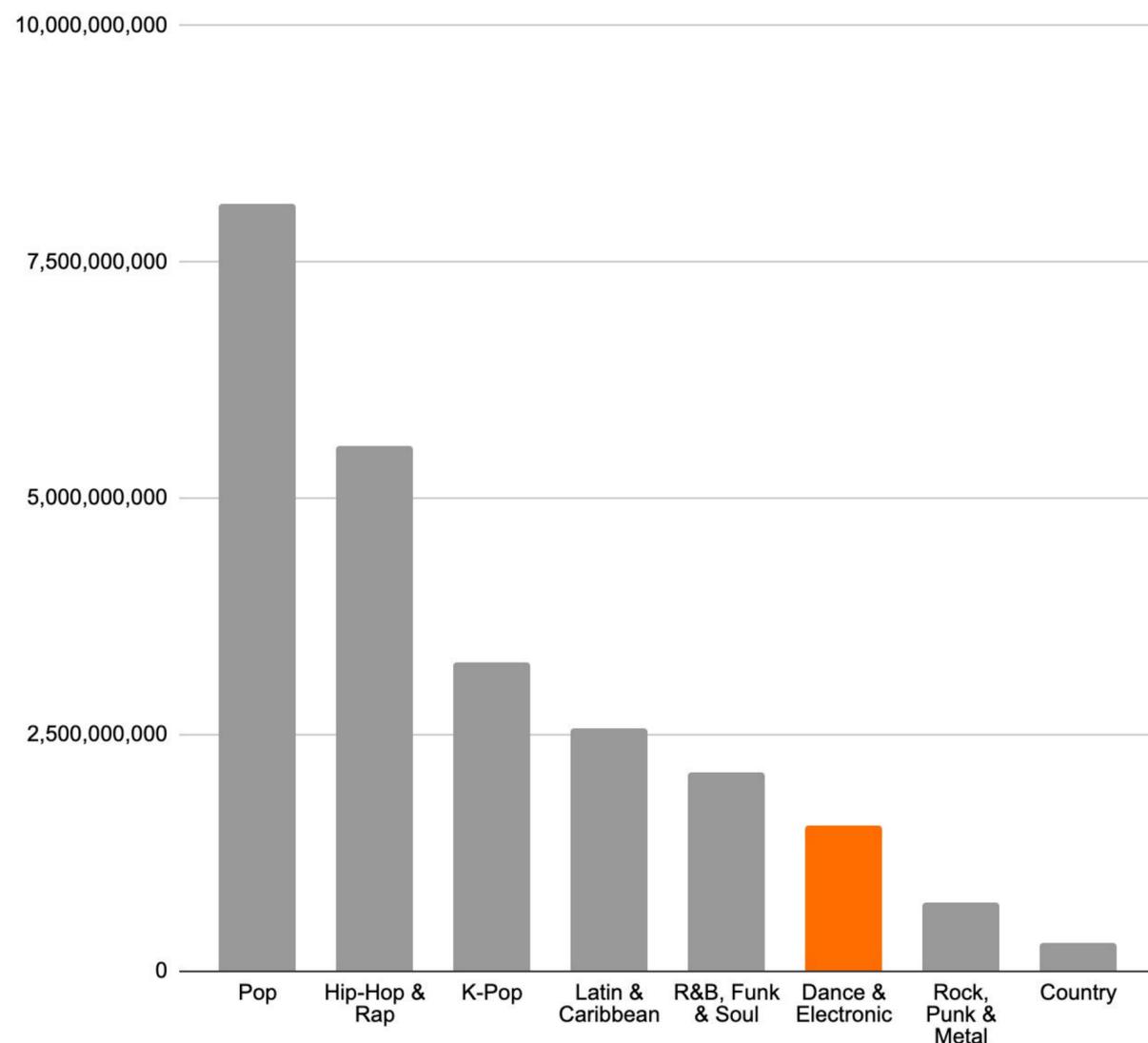
- **Instagram followers** increased by 10% during 2020
- The number of **"love" reactions** on Facebook increased 36%
- **Facebook reactions** increased 43%
- **Impressions** on Facebook increased by 26%
- Facebook **comments** increased by 32%
- Facebook **likes** increased by 50%
- **Overall actions** on Facebook increased by 41%
- Pretty much **every YouTube stat** was up during 2020, including a 76% increase in views and a 319% increase in comments even though the number of videos posted only increased about 3%. This was while other genres like HipHop & Rap saw decreases
- **Electronic Music artists were one of the only categories that did not have an overall drop in cross-platform actions across 2020**
- **So much love to give:** Facebook reactions were **overwhelmingly "love"** for the Electronic Music category



So much love to give

... but there is a lot we can learn from other genres

Cross-Platform Actions by Genre in 2020



Source: IMS / Shareablee analysis of the top 100 Spotify artists for each genre

- Electronic Music generally did not do as well as other genres. In the 8 genres here, it was ranked 6th in overall actions across YouTube, Twitter, Instagram and Facebook
- Electronic Music only accounted for 6% of the share of actions among the eight genres
- Electronic Music artists posted more than some other genres, but still had less engagement as seen here
- The K-Pop genre has a really dedicated fan base who led the other genres (for 'shares' in particular)





~~GAMING~~ THE METAVERSE

TIME TO PLAY



Electronic music soundtracked the pandemic's explosion of gaming. But to find the true opportunity, which comes from deeper engagement, we must play

Forced to stay home, adults and kids alike turned to gaming. The gaming market grew by a record amount and now stands at more than 20x the size of the whole of the electronic music industry. Electronic music has soundtracked many of the games and the livestreams that accompany them. But 2020 caused every artist to look to gaming, and we now face stiff competition for attention.

It is more than just games, though - the Metaverse is a place to hangout as much as to compete. Gaming YouTubers and Twitch stars are to the younger generation what movie stars and pop stars are to older generations. NCE (No Copyright Sounds) are the hits that many in this generation know best.

Technology has evolved to the point where these platforms are forming connected multiverses that offer scope to express unlimited creativity. The boundaries between real and virtual are increasingly blurred, as with K/DA - an artist born from a game. Reality doesn't need to get in the way! In response, "record labels are investing in departments to produce metaverse experiences and festivals are looking to have another dimension in the metaverse" says Yvan Boudillet, music tech advisor with TheLynk.

A huge investment in VR / AR by Apple and others suggest that the digital world is likely to become increasingly important. How can we be at the front of the train?

"Artists have to explore this new frontier" says Christophe Castagnéra of Imagination who is helping artists, brands and festivals with digital experiences, "and the only way to do so is to play."



Metaverse

/'mɛtəvɜːs/

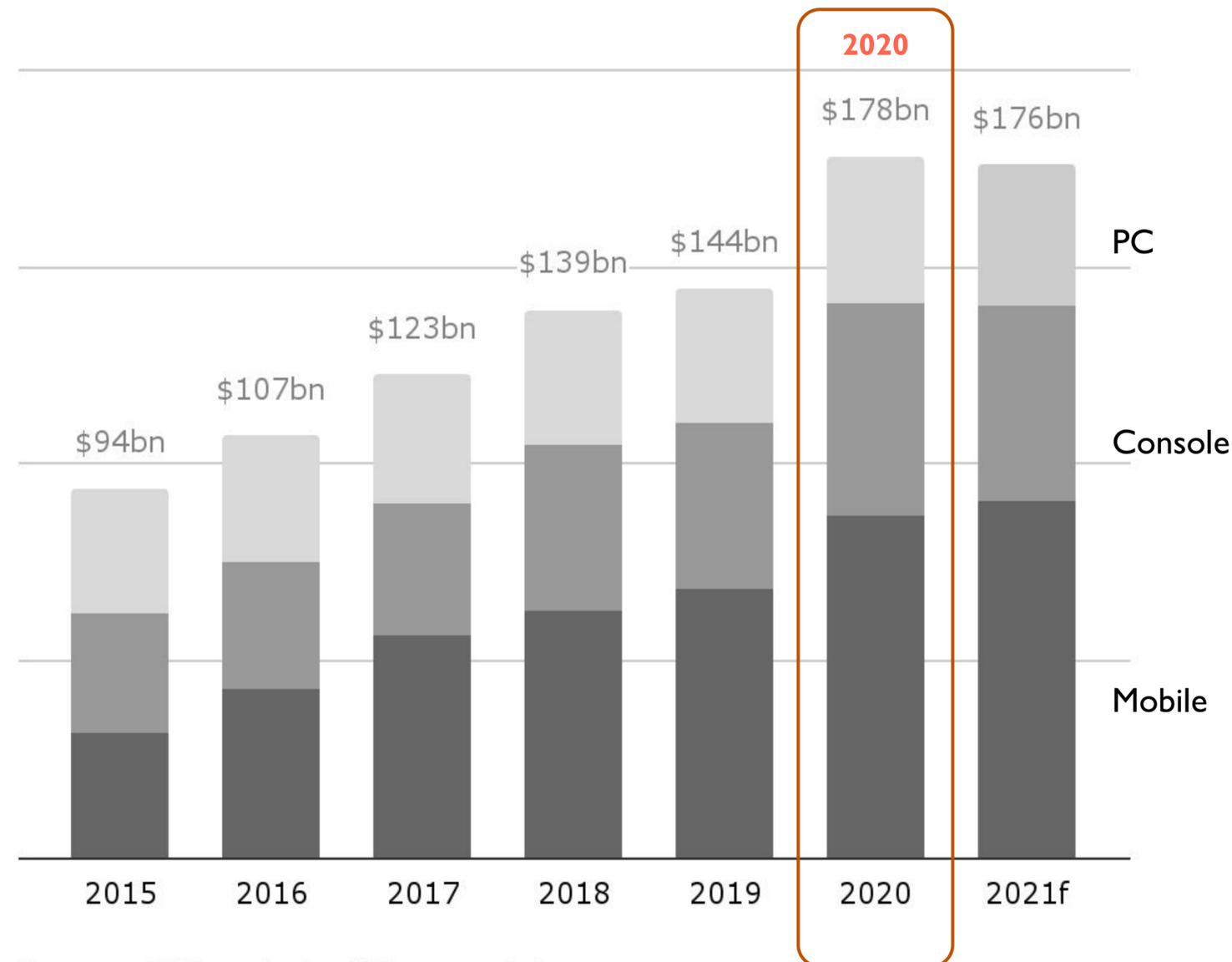
noun

The collection of digital spaces in which users can interact with a computer-generated environment and other users.

Made up of the prefix "meta" (meaning beyond) and the stem "verse" (from "universe").

A growing giant

Gaming is more than 20x the size of the electronic music industry. And growing rapidly. Get involved



Source: IMS analysis of Newzoo data

“While we say the forecast is for the market to decline this year, in the long term, or over more than a few years, there is still very healthy growth. And this year is basically the year where we slightly correct for what was a crazy 2020 for the games market.” - Newzoo
On top of that, the fourth-quarter release of the PS5 and Xbox S/X spurred demand among hardcore gamers and sealed a year of record-breaking growth

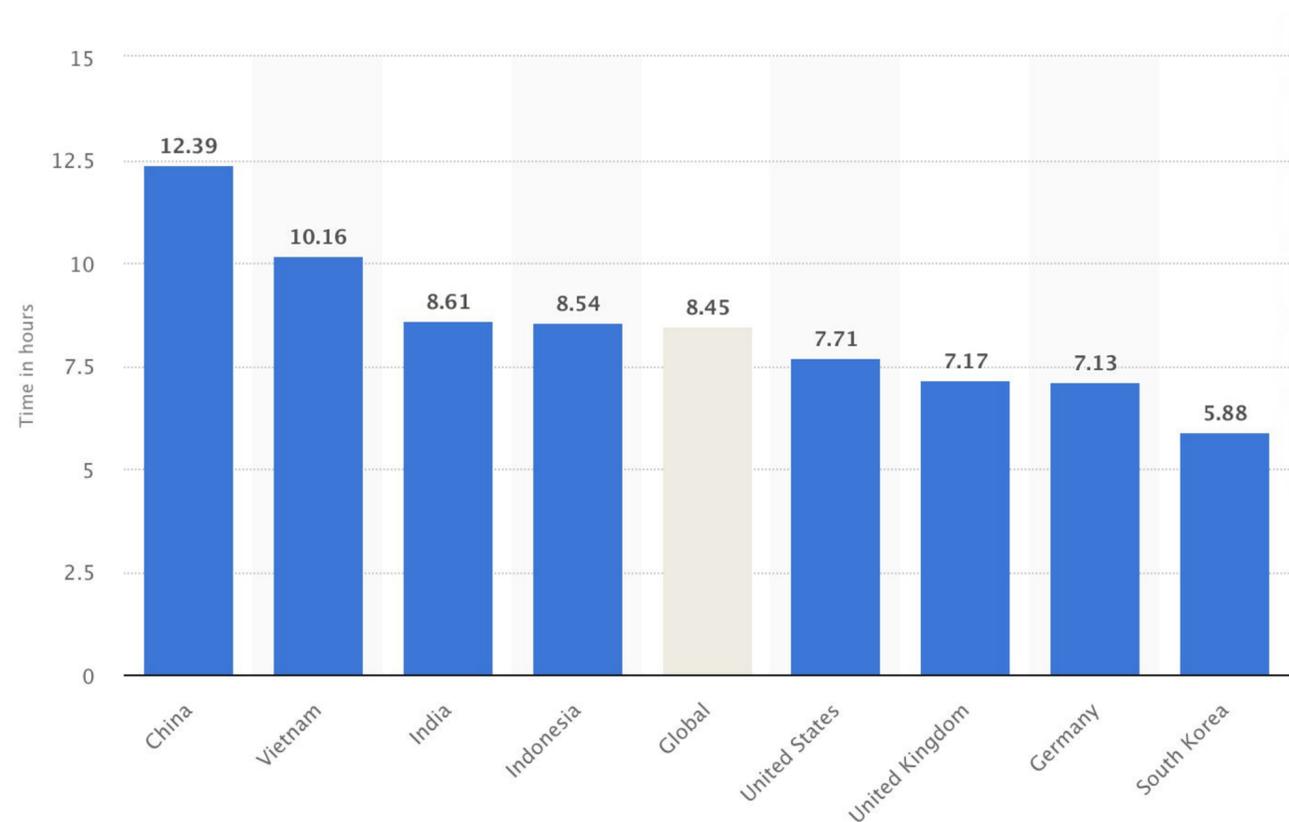
- **Gaming up 23.1%** as people who couldn't go outside or watch sports on TV gave gaming a try (... followed by a slight correction in 2021)
 - **Artists went from soundtracking games to starring in them:** Myriad opportunities opened up. Beyond featuring in the games, soundtracking gamer livestreams and digital merch are huge opportunities to build and monetise audiences
 - **Labels are invested:** Sony has \$250m in Fortnite and a team of 25 'reimagining music through immersive media'. Warner has eight figures in Roblox and a number of partnerships with digital experience companies
- “... During the past fiscal year, we generated nearly \$400m in these areas (social, gaming and fitness revenues), and expect this to become an even more material part of our revenue ...”
- Sony Music Entertainment CEO Rob Stringer



Hanging out

The Metaverse isn't about gaming. It is where people hang out. Be there

Average weekly hours spent playing video games in selected countries worldwide as of January 2021



- **The Metaverse is where kids hang out, spend their money and seek entertainment. We need to be there**

“... Even before 5G, VR or AR, **the digital world is as real to kids as the physical world is to us.** They want digital merch, not IRL presents and favour in-game events over going out ...”

- Christophe Castagnéra of Imagination

“... Kids aren't listening to Radio anymore, they are barely listening to Spotify, but they are watching Twitch and YouTube video game streamers. These are platforms that allow you to organically promote your music through those trusted voices. These are super super powerful. **Ignore them at your peril** ...”

- Duncan Byrne, Marketing Director, Anjuna

“... **It's like the very beginning of the dot-com boom.** We recognised that people are going to spend a lot more time online, that there was value in those experiences, and there was some sort of opportunity ...”

- Ben Vickers, CTO metaverse technology company Serpentine Galleries

- **We should be seeking out opportunities to experiment and innovate and create the future. There is something for everyone**



A metaverse of opportunity

We have only scratched the surface of what's possible

“... **Games are the new venues of tomorrow...**”

- Mark Mulligan, MIDiA Research

“... **These are platforms to build on ...**”

- Yvan Boudillet, music tech advisor / founder at TheLynk

“... **There are no gatekeepers to creativity. This is the democratisation of creativity ...**”

- Inder Phull, PIXELYNX, founded with Joel Zimmerman, Richie Hawtin

A partnership with Rockstar Games “with a view to supporting underground dance music culture worldwide in the physical and digital worlds” and “elevating the scene”



Biggest concert ever? Following Marshmello and preceding Diplo, Steve Aoki and deadmau5, Travis Scott's Astronomical tour in Fortnite. He could have earned up to a half-million-dollar fee for the collaboration that was seen by 27.7 million unique players live, 45.8 million people on the platform in total and hundreds of millions in replays

“... Artists will tour the physical world and the virtual world in future ...”

- Inder Phull, PIXELYNX (founded with Joel Zimmerman, Richie Hawtin)

The Sandbox is a decentralized gaming virtual world linked to Pixelynx, a gaming venture by the two artists as a “portal into the metaverse” and to help artists / brands develop digital collectables and virtual worlds.”



Virtual / digital fusion

Case study: SoundStage preserves the human connection inside the metaverse

“... Many of the next generation of musicians and music executives will have **grown up with the metaverse. They won't see it as weird or strange**, and they will be coming up with all kinds of inventive ideas for how music fits in to these spaces ...”

- Stuart Dredge, Editor, Music Ally

SoundStage:

- Natural, webcam-based interaction
- Guests move around to interact with the environment, dance, and socialize with each other, turning virtual concerts into social experiences just like in real life
- Spatial audio technology blends voice and music



<https://youtu.be/dgZDwioVNOo>





GOOD CAUSES

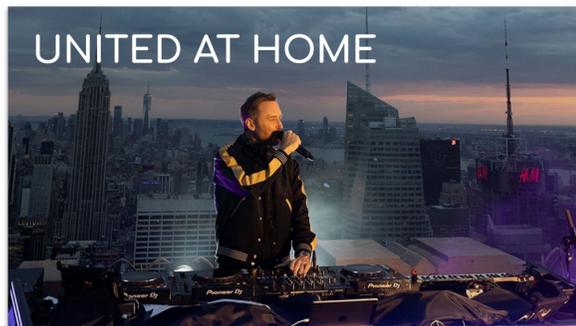
ISOLATION THERAPY



Electronic music helped people feel together
when we had to be kept apart.
And raised record amounts
for good causes in 2020.
How do we keep going?

Record impact

Electronic music stepped up with livestreams that raised record sums

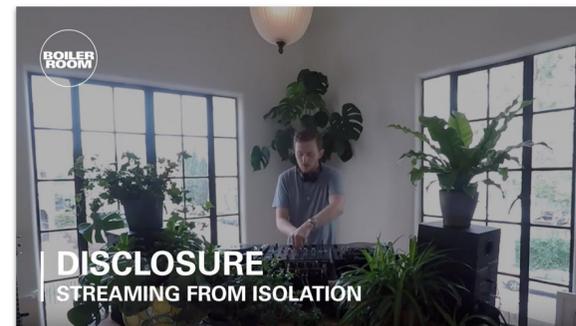


United at Home

Shows in Miami, NYC, Paris and Dubai have gathered over 90M viewers worldwide and raised \$1.7M.

Miami was awarded a Guinness World Record for the most fans watching a livestream!

Money was distributed to WHO, Feeding America, NYC Mayor's Fund, French Hospital Foundation, UNICEF, Restos du Cœur. Over 4.1 Million meals were donated!



Boiler Room

Isolation Series got 18.3M views.

They also spent a lot of time and put a lot of energy in to drawing attention to pandemic-related causes as well as BLM-related causes, raising £55k



Beatport

ReConnect, generated 45m views across 13 events, raising over \$600k for charities and causes, including MIND, In Place of War, Bridges For Music, United Nations Foundation, WHO's Solidarity Response Fund, AFEM members' Covid-19 Hardship Fund, Music Against Animal Cruelty, Set for Love - Last Night a DJ Saved My Life, Impact Lebanon, the Lebanese Red Cross, Arcenciel as well as other music and arts organizations in Beirut.



United We Stream

The campaign for Berlin clubs evolved into a global affair.

Berlin: 40m+ visitors to 73 live streams raising €570,000 donations for 67 clubs in Berlin

Manchester: £583,000 for 30 good causes. 130 grants to the night time economy

Worldwide: Streams from 425 locations in 92 cities worldwide. 2,068 artists have been featured. €1.5m raised



Defected

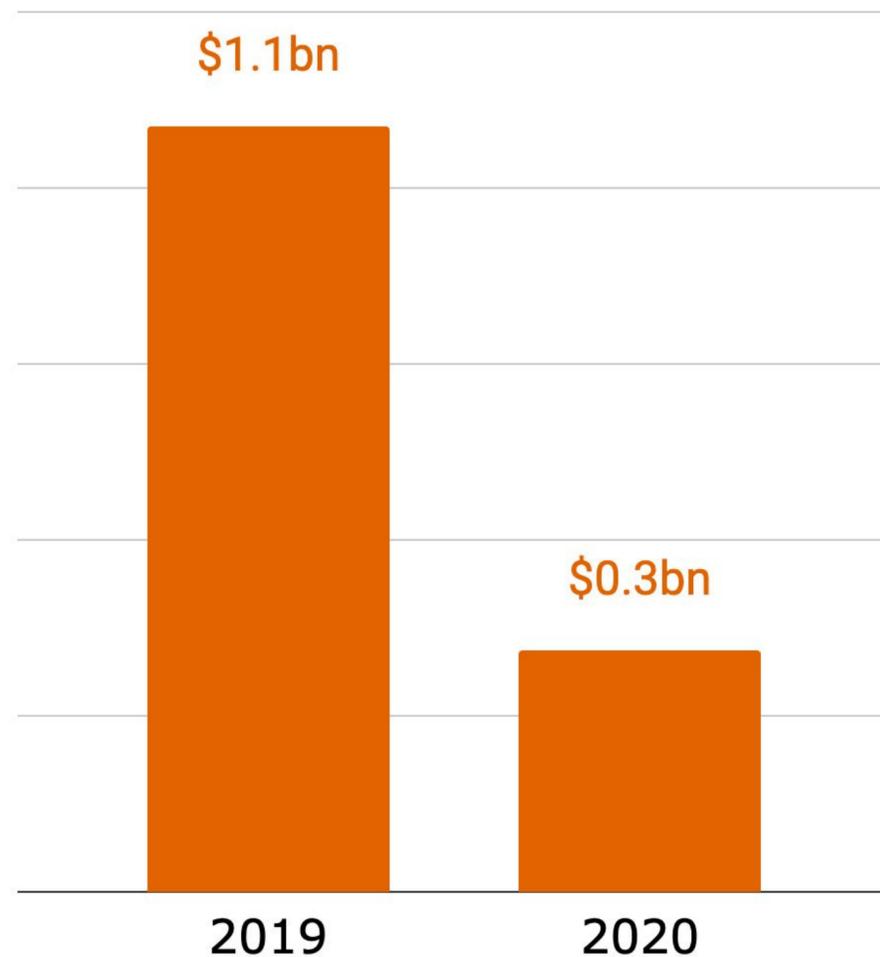
Virtual Festival series accrued over 60 million views, raised nearly \$2 million, including \$1.2 million for the WHO's Covid-19 response fund and £89,930 for Mind among other charitable donations



Charity over cheques

We estimate DJ Income fell as livestreams benefited fans and good causes over artist fees

Value of DJ & Artist Earnings



Down \$743m or 68% on 2019

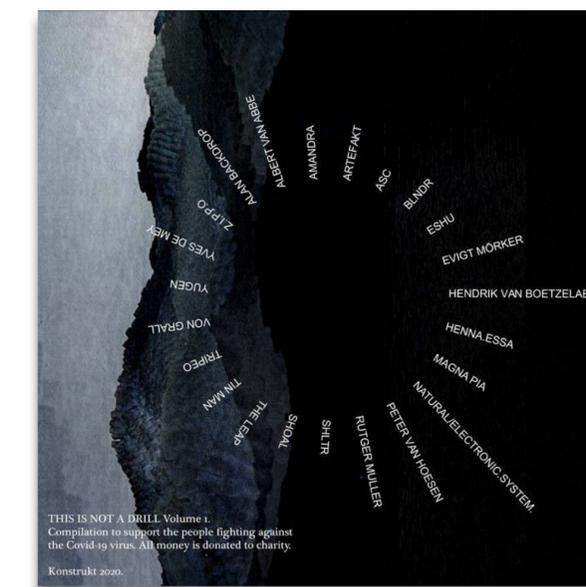
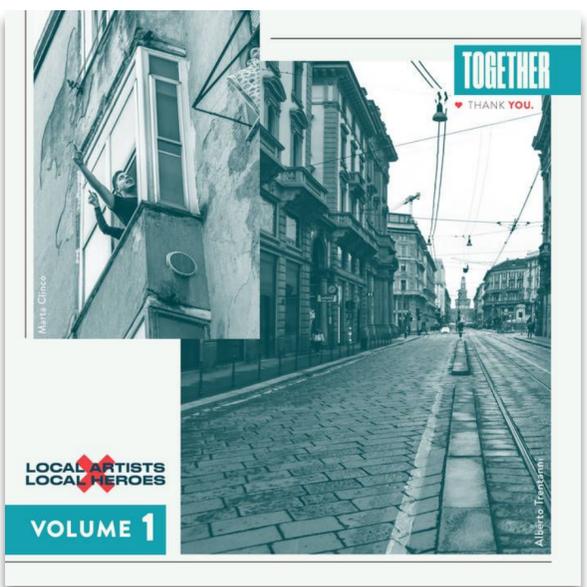
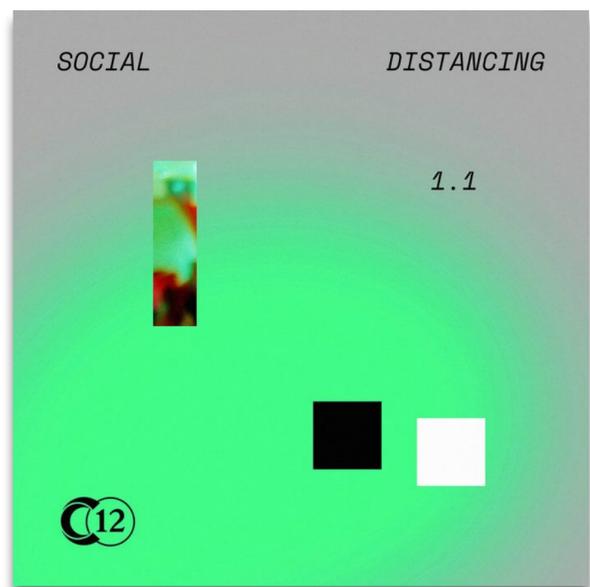
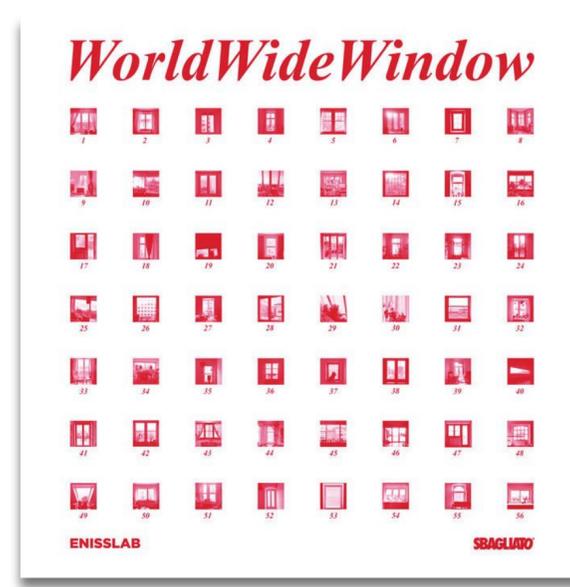
[notes]

Source: IMS analysis of public data and conversations with managers, agents and promoters



Isolation therapy

To buy PPE, pay artists and soundtrack a moment, artists and labels really stepped up



A new routine

Bandcamp Fridays became a new routine for many. And a lifeline for many artists

\$52+ million
From 800,000 fans

- On March 20, 2020, Bandcamp waived their revenue share in order to help artists and labels impacted by the pandemic. The Bandcamp community showed up in a massive way, spending \$4.3 million on music and merch—15x the amount of a normal Friday— helping artists cover rents, mortgages, groceries, medications, and so much more. It was truly inspiring. They went on to repeat this twelve times.
- 40% of buyers pay more than asking price during the pandemic



Case study

Charity compilation

IMS spoke to Neel (Giuseppe Tillieci) a DJ, producer, mastering engineer and founder of the Enisslab Studio about this remarkable album he put together: 56 artists contributing over 6 hours of new material, including music by Caterina Barbieri, Alessandro Cortini, Johanna Knutsson, DJ Nobu, Forest Drive West, Peter Van Hoesen, and Lucy. It raised more than **€20k for the International Red Cross**.

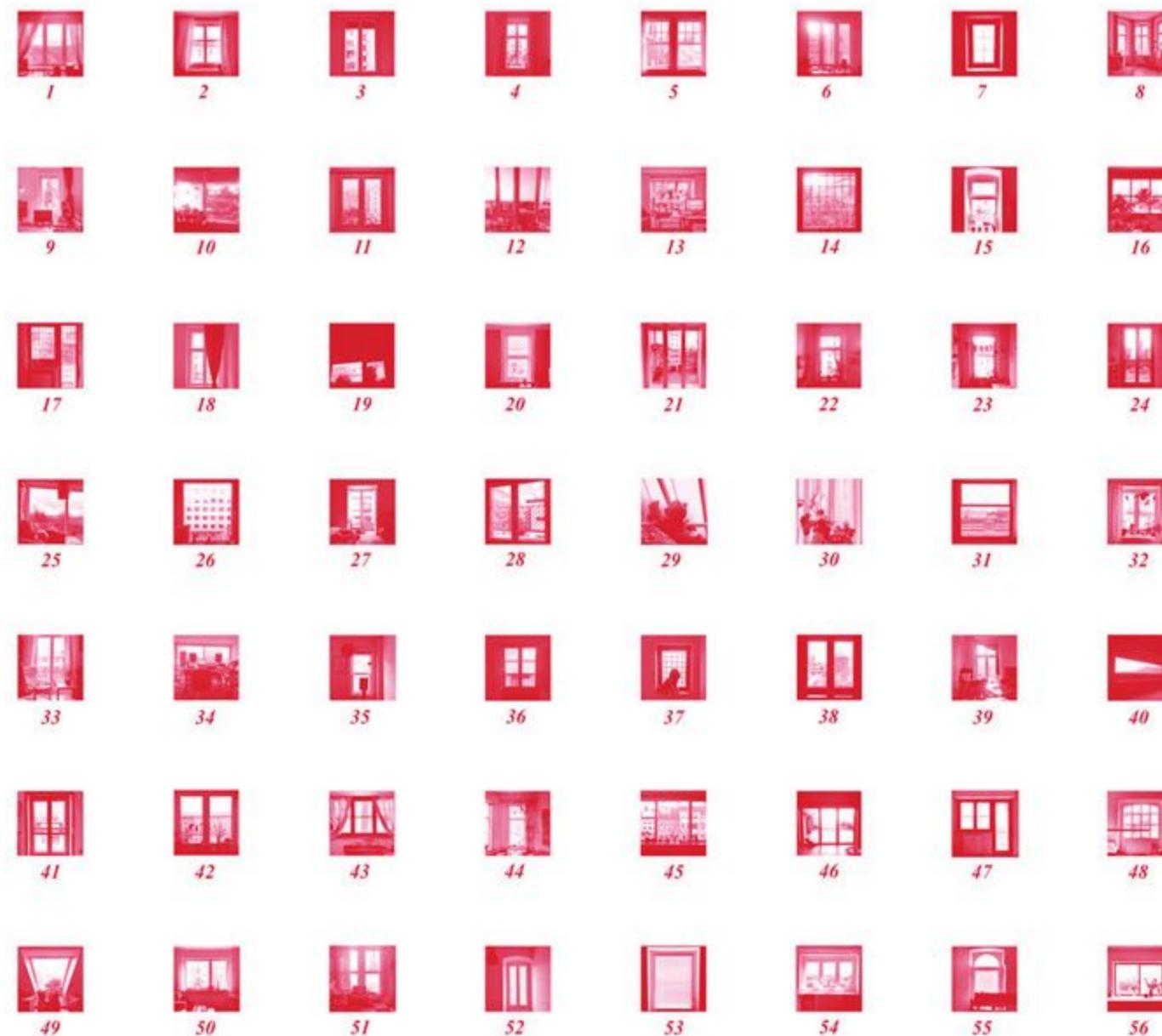
Getting a **compilation of 56 tracks of underground electronic music to the top 5 of Bandcamp's overall rankings** on the week it was released was a remarkable achievement. But there were so many more. Sneaking out of his apartment under cover of darkness to spend days on end in his studio was the only way this could happen. The Italian lockdown was so strict at this time. It is amazing it ever happened.

“It started off as a benefit for Italy, but as Covid-19 spread around the world, more and more artists wanted to be a part of this. I ended up working through all hours as tracks came in from Japan and all over the world.”

“I wanted them to use whichever tools they had available at home to produce music that reflected the time we were in.”
The artwork features the windows the artists looked out while making the music.

“It was three weeks without sleep” Neel tells us. “But it was worth every moment”

WorldWideWindow



ENISSLAB

SBAGLIATO



DIVERSITY

**BREAKING
NEW GROUND**



In 2020 electronic music expanded
its representation and reach,
but true diversity is a long road ahead

Note: While we can't hope to capture the complexities around Diversity in this report, we hope that shining a light on Race, Gender and Geographic diversity helps illuminate both the the progress and challenges we face as an industry.

Race

Electronic music soundtracked and supported racial justice. Now to make sure we deliver on promises



<https://www.youtube.com/watch?v=D9Gj9r2wkls>

During a Black Lives Matter protest in Detroit, Ravers 4 Racial Justice! paid tribute to the city's techno roots while fighting against police brutality.

Many electronic artists, labels, clubs and festivals came out strongly in support of Black Lives Matter.

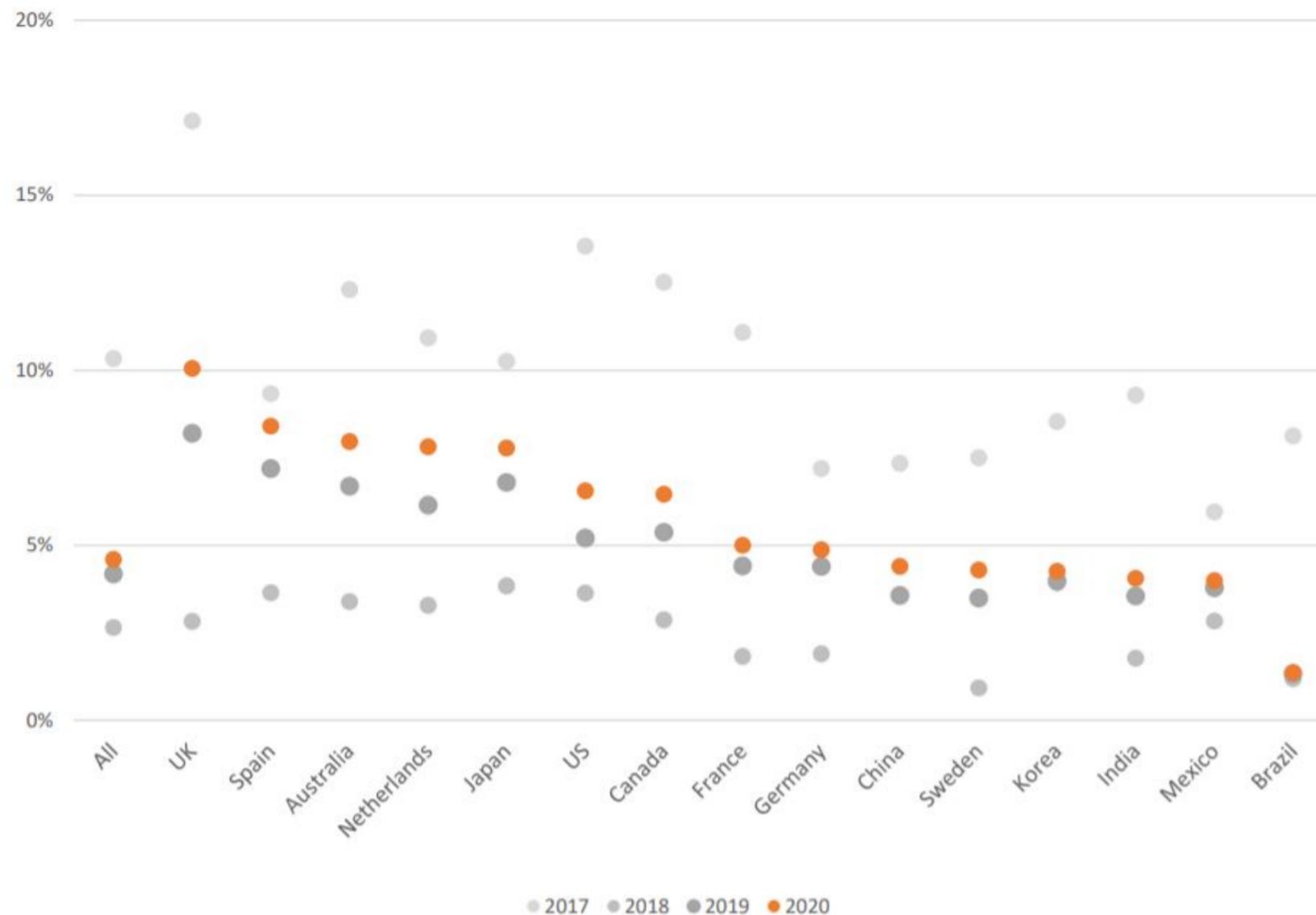
Now, 12 months on, we all must all ask ourselves if we have done everything we can to go beyond soundtracking and supporting to actually delivering on the promise of racial justice. Promises were made in the heat of last summer. *Twelve months later, are we hiring, booking, doing A&R and promoting differently?*



Race: One step forward

Growth in representation and demand for People of Colour in the Top 100 slowed in 2020

Share of Top 100 DJ Google Search Volume for People of Colour DJs



DJs are nominated and voted for by the public and so this offers a useful window into whether we're successful in supporting of People of Colour to find commercial success:

- **DJ Mag's top 100 DJs featured 12 people of colour in 2020.** Up from 8 in 2019, and 8 and 6 in 2018 2017 respectively. However that follows 10 in 2017 and 9 in 2016 and 2015 so the recent growth follows a decline and is not a strong upward trajectory
- **The 12 POC DJs included 4 newcomers**
- **The highest ranking Person Of Colour in 2020 was at #7 which is in line with previous years - the highest ranking POC has ranked at 7-10th for the last 10 years**
- **Search volume for top 100 POC has grown over the last 3 years** (however it comes after a large decline following 2017 - largely due to Major Lazer dropping out of the top 100 DJs). At 5% overall it's still very low
- **POC DJs have highest share of search in the UK and lowest in the Asian and Latin American countries**

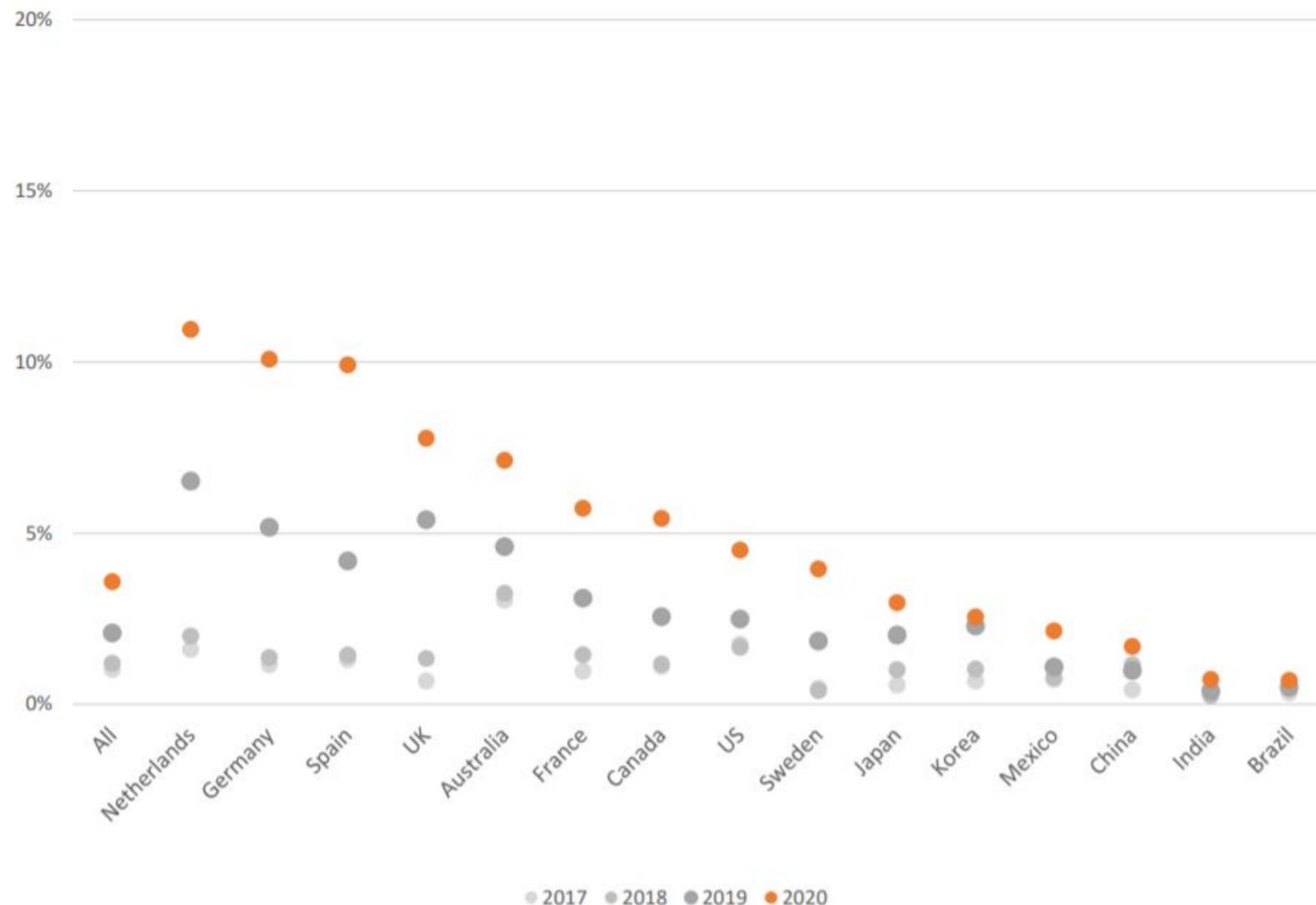
With the industry's commitment to improvement after the events of 2020, will we see a jump in 2021 and beyond?



Gender: Progress but not parity

Female representation in the Top 100 DJs is growing, as is audience demand. There is still a long way to go

Share of Top 100 DJ Google Search Volume for Female DJs



DJs are nominated and voted for by the public and so this offers a useful window into whether we're successful in supporting of women to find commercial success:

- **Representation has grown but has a way to go:** Audiences voted 13 female DJs into DJ Mag's top 100 DJs in 2020. Up from 8 in 2019, 6 in 2018 and 4 in 2017
- **The 13 Female DJs included 5 newcomers**
- **Nervo** were the top female DJs (for the 9th time) and **reached their highest ranking yet at #20**
- Despite improvements in female representation in the top 100, **female DJs account for just 4% of demand** (as measured by Google Search volume) generated by the top 100
- There is considerable variation in search for Female DJs between countries and European countries such as the **Netherlands, Germany and Spain have seen significantly higher growth** over the past 3 years - though still topping out at just 11% in the Netherlands

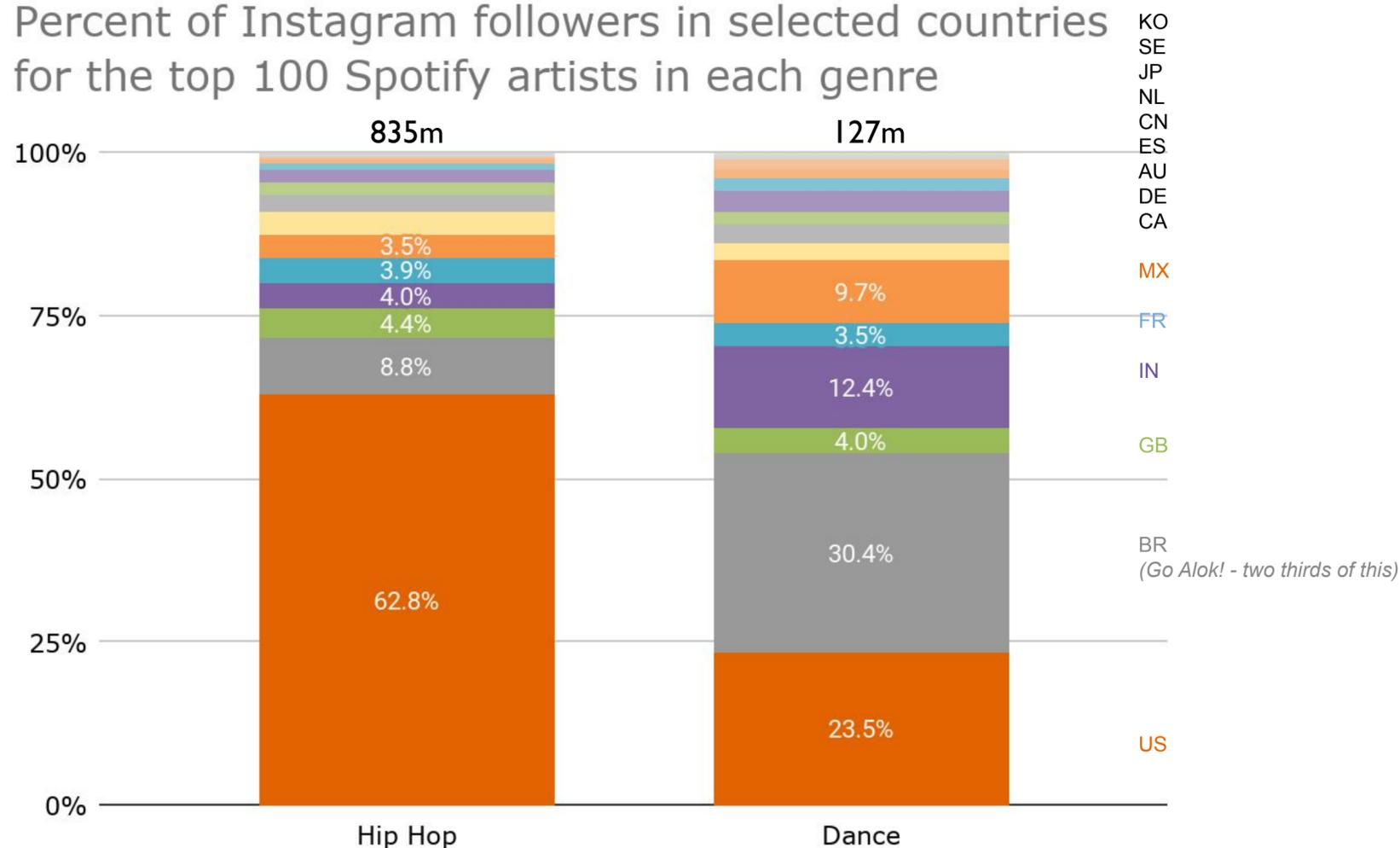
Source: IMS analysis of Google Search data for artists appearing in the DJ Mag Top 100 in a given year and who are identifiable in Google Search data.
 Note: DJs are nominated and voted for by the public. Votes and rankings are driven heavily by the DJs that actively campaign



Around the world

Electronic music is a lot more global than Hip-Hop

Percent of Instagram followers in selected countries for the top 100 Spotify artists in each genre



Source: IMS analysis of Viberate and Instagram data

“... Outside of the US, Hip-Hop very rarely travels, unlike Electronic Music.

Meduza’s Piece Of Your Heart went from zero to a billion streams and a global hit without any kind of cultural barriers...”

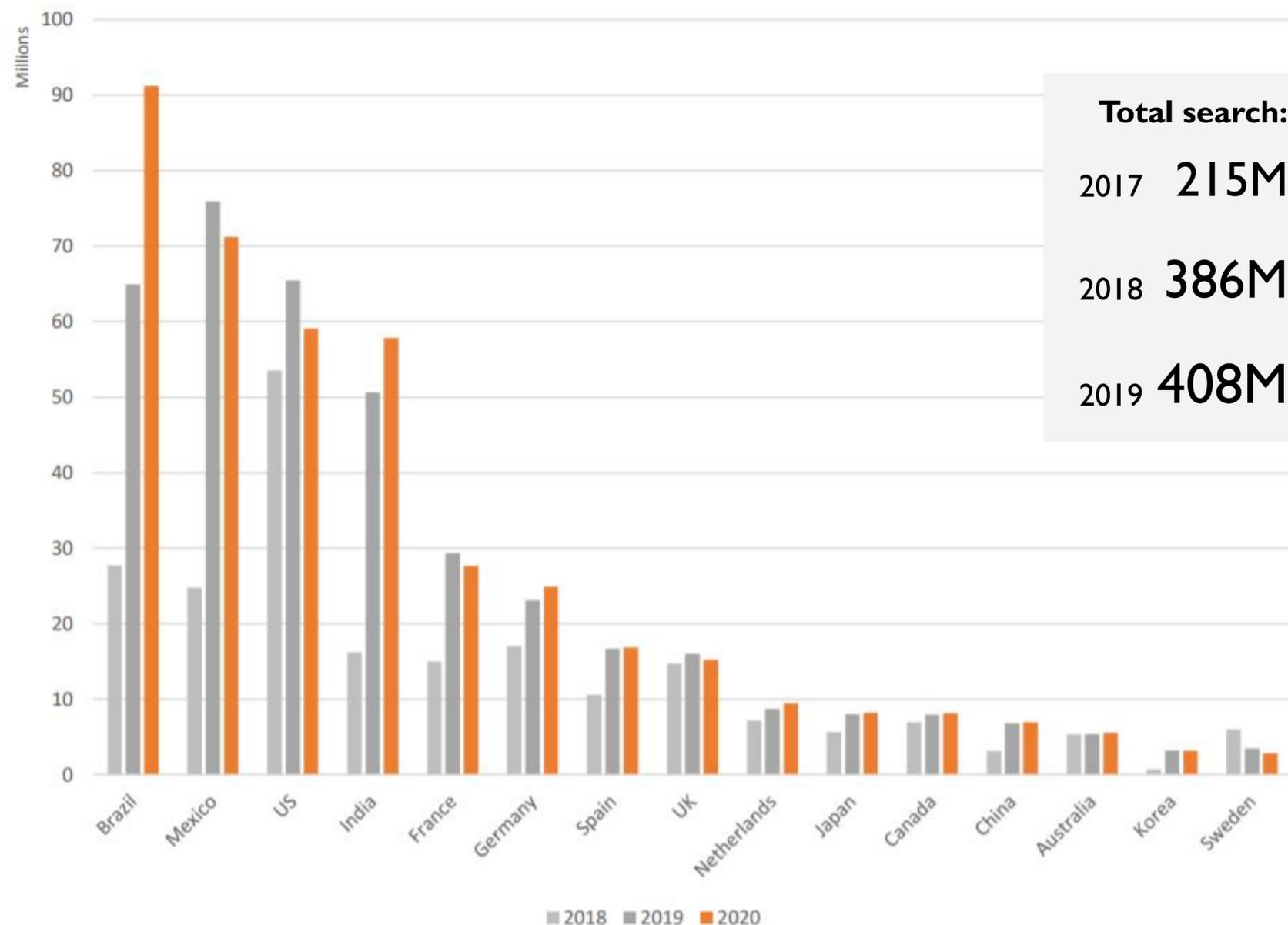
- Anton Partridge, Director of Global Strategy, Electronic Music at Warner



Brazil and India are driving growth

Demand for electronic music is growing. Google Search for the DJ Mag Top 100 DJs has grown over the past three years. Much of the growth in the last year came from new markets like Brazil and India.

Google Search Volume for Top 100 DJs



Total search:
 2017 215M
 2018 386M
 2019 408M

- **Huge search volume in Brazil driven by Alok (a Brazilian DJ). Alok represented 47% of search in 2020 for the Top 100 in Brazil (43M searches)**
- **Alan Walker drove the highest volume of search in 2020 (63M) - 16% of search for the Top 100**
- **Alan Walker is particularly popular in Asia (40% of search in China, 35% in India, 37% in Korea)**
- **Mexico is heavily driven by the top DJs - the top 5 (Alan Walker, Marshmello, Skrillex, Martin Garrix and David Guetta) represent 53% of search in Mexico vs. 39% across the top countries. This trend also applies to China, India and Korea.**

Source: IMS analysis of Google Search data for artists appearing in the DJ Mag Top 100 in a given year and who are identifiable in Google Search data.
 Note: DJs are nominated and voted for by the public. Votes and rankings are driven heavily by the DJs that actively campaign



Saudi a-RAVE-ia

In a country where popular music was outlawed, artists are working to legitimise DJing and dancing



In addition to performance fees, Artists that played had

36.5%
more demand

than those that didn't.

Even 12 months later

Analysis for IMS of publicly available Google Search data as a proxy for demand by Professor Brett Danaher, Chapman University

“... It's been around **underground, behind closed doors**, but today you can **choose to actually be an artist** and make a decent living out of it ...”

- Saudi DJ & Music producer

“... We used to **dream about these things ... to imagine one day it could happen ...**”

- Male, Riyadh, 18-24

“... **I felt like I belonged** a little bit. I don't think in Saudi Arabia I have ever felt like I belonged ...”

- Female, 25-32, Jeddah

“... I didn't believe that Saudi Arabia was going to change. But after this I felt we **will be able to become more open**. I felt honestly that **my life has changed** after that ...”

- Female, 18-25, Jeddah

Source: Interviews with Saudi youth conducted by an independent research agency in January 2021. Reviewed by IMS



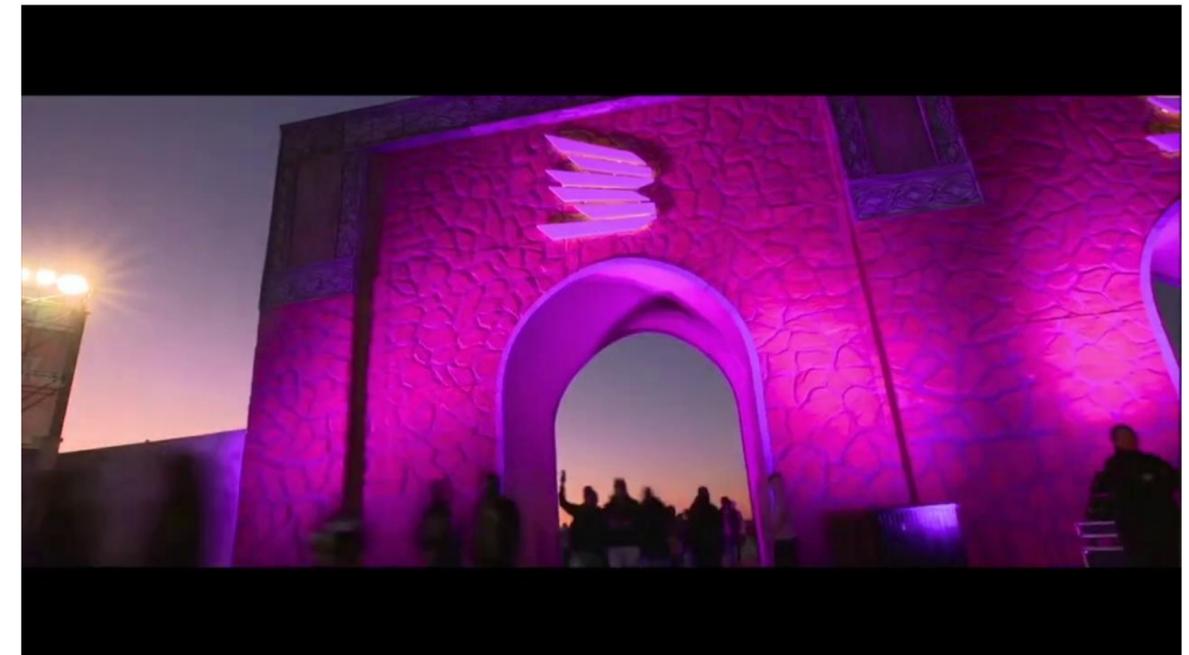
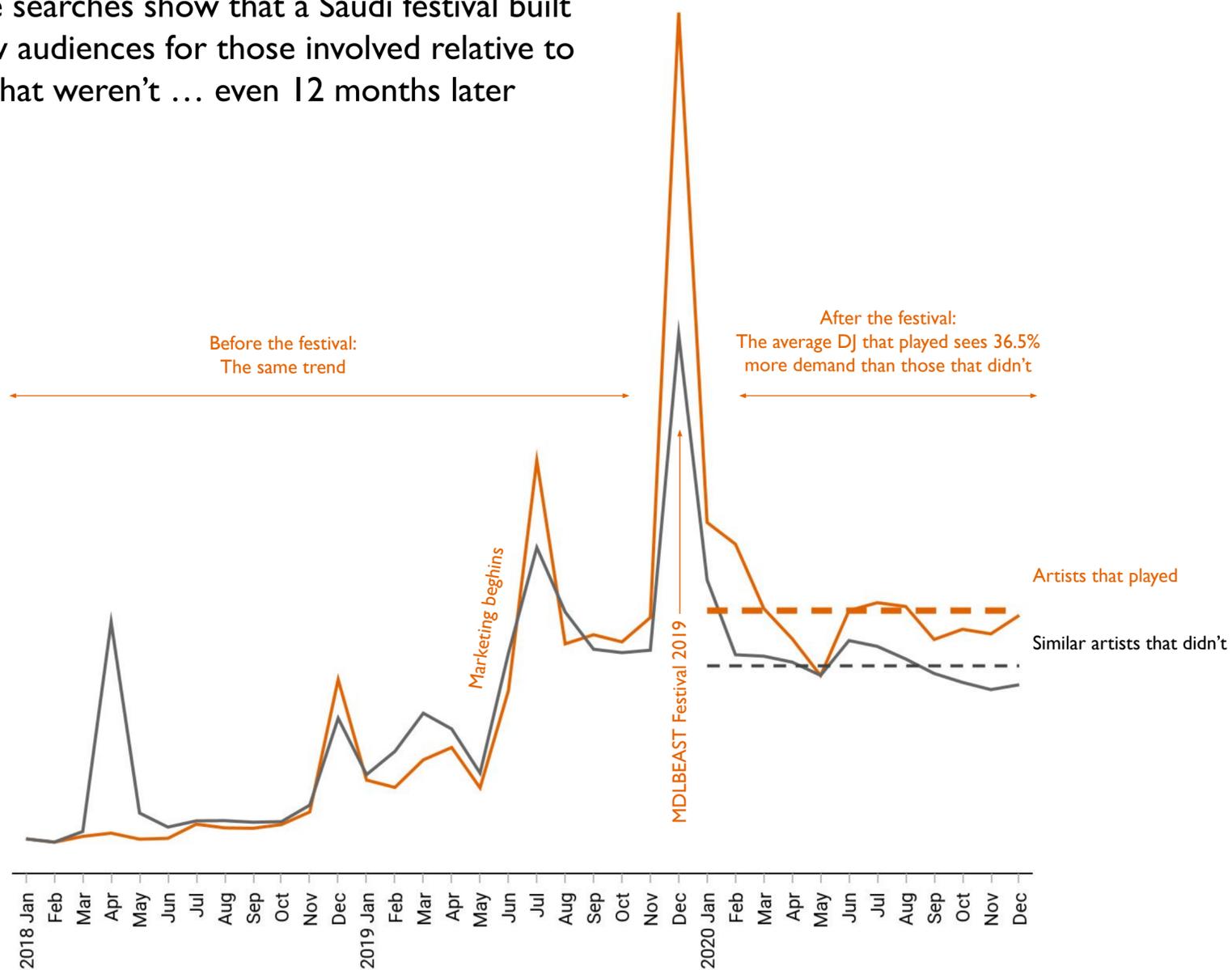
Saudi a-RAVE-ia

A unique opportunity to inspire a generation

Afrojack, Camelphat, David Guetta, Fisher, R3HAB, Sebastian Ingrosso, Tiesto, Black Coffee, J Balvin, Martin Garrix, Steve Aoki and more opened a new market for electronic music

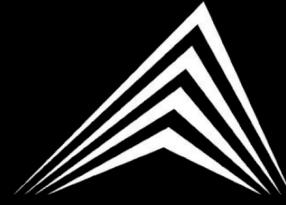
Google searches show that a Saudi festival built big new audiences for those involved relative to those that weren't ... even 12 months later

Google searches in Saudi Arabia indexed so January 2018



Analysis for IMS of publicly available Google Search data by Professor Brett Danaher, Chapman University





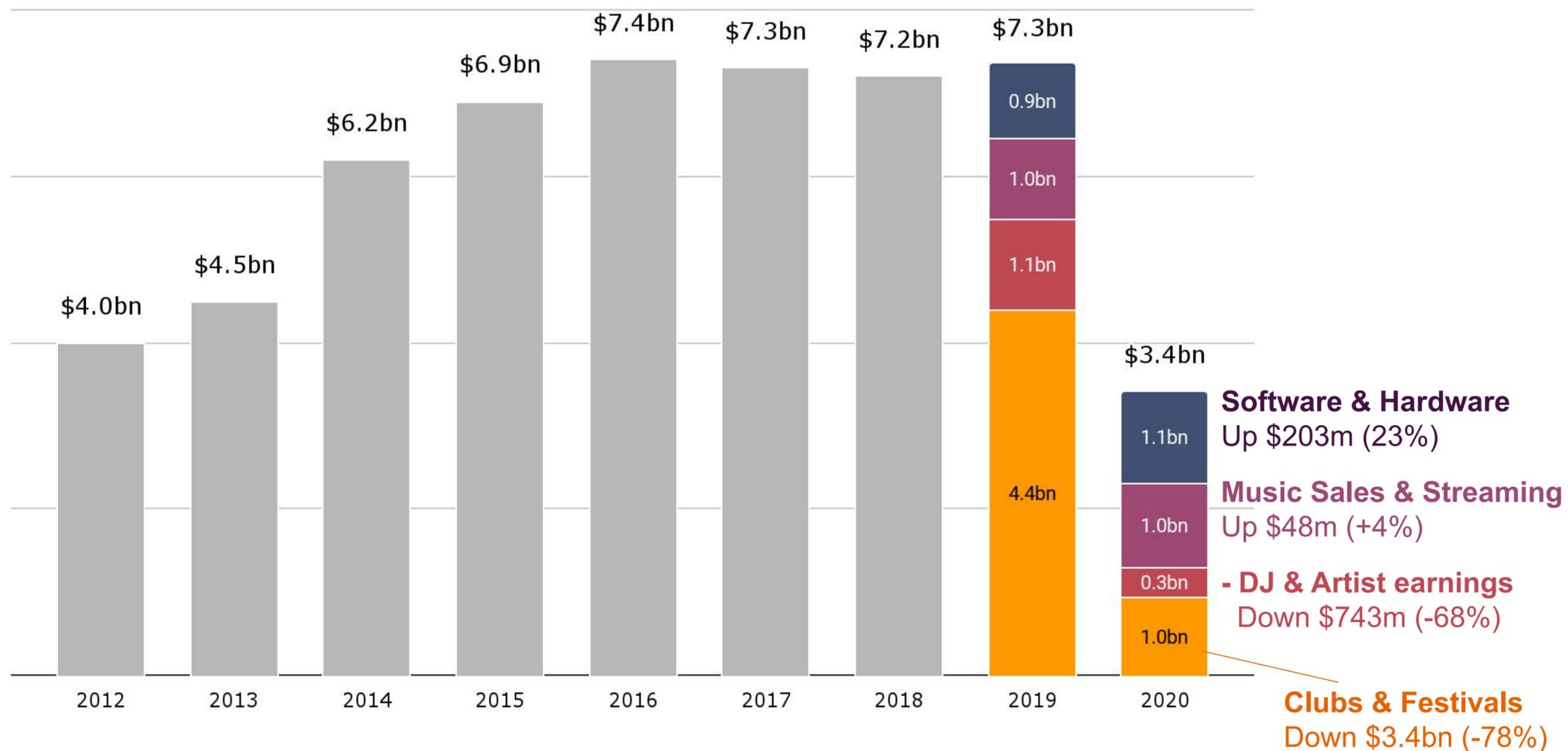
VALUATION

**DOWN
BUT NOT OUT**



Down but not out

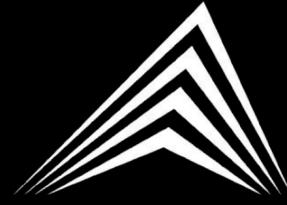
The pandemic temporarily set back our industry to a size last seen more than a decade ago



Under the surface we see everything from record growth to decimation:

- **Recorded music:** strong growth to a record high despite clubs and festivals providing the usual ‘wind in their sales’ to new tracks and artists
- **Clubs and festivals were decimated,** as were **DJ and artist earnings**
- **Software and Hardware’s** lockdown boom in home purchases was bigger than the shortfall from missed higher end trade purchases and chip shortages. A record high!





A note on the
VALUATION

This report tells the story of an industry that found opportunity in the pandemic to innovate and reinvent itself.
We're doing the same.

We can't wait to share a renewed valuation next year.
Expect more input and collaboration from stakeholders across our industry and a valuation that goes beyond the core of artists and music to look at the total economic impact of our scene (including those that work in bars, clubs and festivals) as well as the social impact of the lives that we touch and the impact that we have on them.

Watch this space.





Want more or to help shape future reports?

david@internationalmusicsummit.com

I'm happy to present this
and discuss its implications
with your team!