

# Insights Matter: Music Insights for the Global and Asia Pacific Markets

All That Matters | September 2024

### Introduction



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LUMINATE SAN FRANCISCO / LOS ANGELES

# Agenda

- **01** Who is Luminate?
- O2 State of Streaming
- 03 Local Artist Trends
- Metadata Challenges (and Solutions) for Royalty and Search

# Who is Luminate?

### Luminate

The trusted independent leader in entertainment consumption, audience intelligence and data management



**Consumption Activity** 



Audience Insights



Global Intelligence



Data Management



### In Good Company



































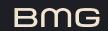


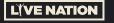


kreators network

believe.









### What Data Are We Sharing Today?

Full Country Level Visibility Streaming and Digital Sales	Top 49 music revenue markets, including all key Asian markets — Japan, South Korea, Philippines, Indonesia, Malaysia, Thailand, Vietnam, Hong Kong, Singapore, Taiwan, India and Australia/New Zealand
Research Suite: More Audience Insights	Audience Insights into 30 countries including: Japan, South Korea, Philippines, Indonesia, Malaysia, Thailand, Vietnam and Singapore
Data Management and Matching	The world's Largest database Of musical identifiers, pairing artists and songwriters to their recordings and works

**Digital Streaming Platform Data Partners Include** 





































### **Luminate Next Gen Connect**

01 Reimagined user interface

02 More global data partners

Faster processing for more powerful insights

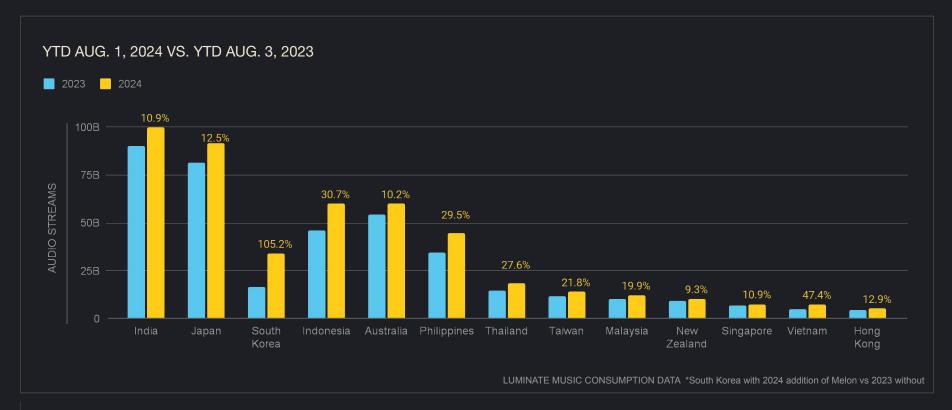
Accessible by via UI, API or data share via Snowflake







### Top Audio Streaming Markets - Asia & Australia/NZ





# State of Streaming

### Global Metrics (1H 2024)

2023+

2024+

**Global On-Demand Streaming: Audio** 

1.99T

2.29T

+15.1% Vol. Change

U.S. On-Demand Streaming: Audio

616.5B

665.8B

+8.0%

Ex-U.S. On-Demand Streaming: Audio

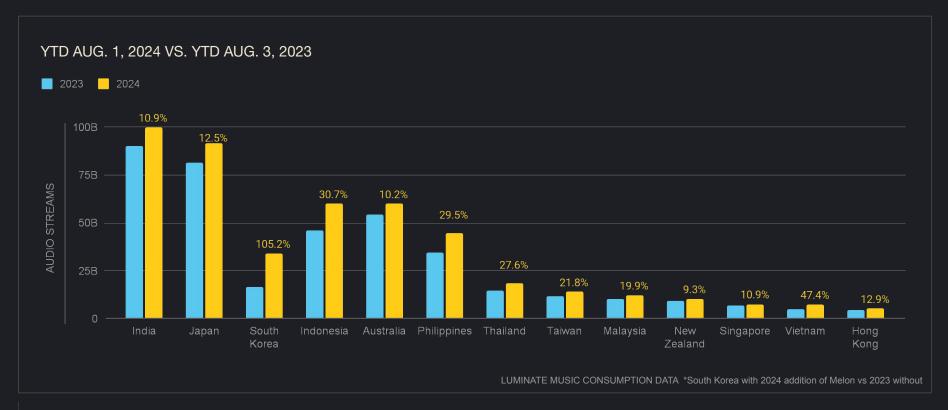
1.37T

1.62T

+18.2% Vol. Change

+ 12/29/23 - 6/27/24 (AS COMPARED TO 12/30/22 - 6/29/23 - 6/27/24 (AS COMPARED TO 12/30/22 - 6/29/23 - 6/29/23 - 6/27/24 (AS COMPARED TO 12/30/22 - 6/29/24 (AS COMPARED TO 12/30/24 (AS COMPAR

### Top Audio Streaming Markets - Asia & Australia/NZ



Diverse listening habits are seen when looking at the genres that over or under index in different countries compare to their region

Indonesia

**Philippines** 

**Thailand** 

Japan

Australia

Indonesia			
Top 3 Over-Indexing Genres	Top 3 Under-Indexing Genres		
Punk	Traditional		
Holiday/Seasonal	New Age		
Alternative	Country & Folk		
Compared to the rest of Asia	9		

Diverse listening habits are seen when looking at the genres that over or under index in different countries compare to their region

Indonesia

**Philippines** 

Thailand

Japan

Australia

The Philippines				
Top 3 Over-Indexing Genres	Top 3 Under-Indexing Genres			
Alternative (Deeper Dive: Indie Rock 2.56 index)	Traditional			
Country & Folk	New Age			
Religious	Classical			
Compared to the rest of Asia				

Diverse listening habits are seen when looking at the genres that over or under index in different countries compare to their region

Indonesia	Thailand			
Philippines	Top 3 Over-Indexing Genres	Top 3 Under-Indexing Genres		
The sile and	Thailand  Country & Folk  Only Country & Folk Over-Indexes in Thailand compared to the rest of Asia	Religious		
Inaliand		New Age		
Japan		Reggae		
Australia	Compared to the rest of Asia			

	Top Country & Folk Artists in Thailand:
	1. Taylor Swift
	1. Dìaw Ayùn
	1. Meentra Intira
	1. ວสันต์17
1	1. Mek Abhisit

Diverse listening habits are seen when looking at the genres that over or under index in different countries compare to their region

Indonesia

**Philippines** 

Thailand

Japan

Australia

Japan			
Top 3 Over-Indexing Genres	Top 3 Under-Indexing Genres		
Jazz	Religious		
Rock	Traditional		
Soundtrack	Country & Folk		
Compared to the rest of Asia			

Diverse listening habits are seen when looking at the genres that over or under index in different countries compare to their region

Indonesia

**Philippines** 

Thailand

Japan

Australia

Australia			
Top 3 Over-Indexing Genres	Top 3 Under-Indexing Genres		
Country & Folk	Pop		
Alternative	Traditional		
Punk	Holiday/Seasonal		
Compared to the rest of AU/NZ			

# Which Generations Drive Streaming? Younger listeners are driving audio streaming adoption

88%

of Millennial Filipino music listeners are music streamers

86%

of **Gen Z music listeners in Indonesia** are music
streamers

**68%** 

of **Gen Z music listeners in Japan** are music
streamers

# **#1 Source of Music Discovery**How Music Streamers find new content

**Video/Audio Streaming** 

**78%** In Indonesia

**Social Media** 

74%

In The Philippines

**Television** 

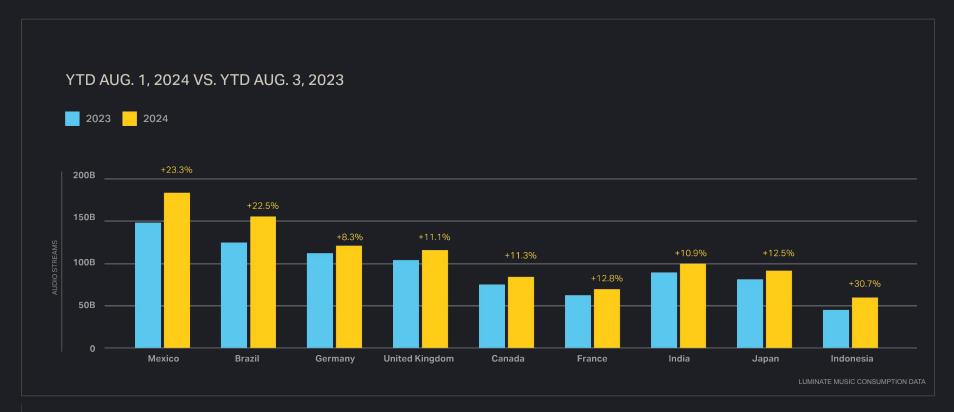
**52%** 

In Japan

# Local Artist Trends Who's Listening Where?



### Top Global Audio Streaming Markets Ex-U.S. India, Japan, Indonesia included in Global Top Markets



### Asian Countries Vary Significantly With How Engaged They Are to Foreign Content

Percentage of Listeners Engaging With Music Content From Other Countries

95%

of Filipino music listeners engage with foreign content

**74%** 

of Singapore music listeners engage with foreign content

**57%** 

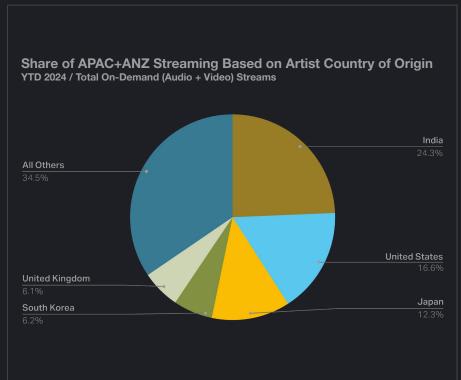
of **Japanese music listeners** engage with foreign content

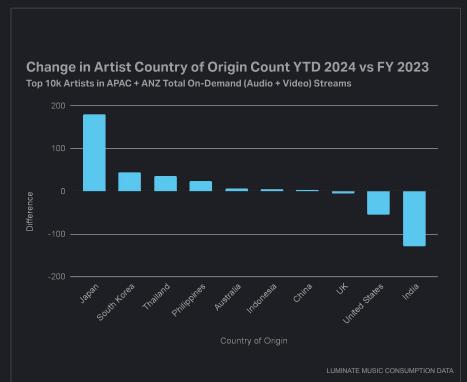
LUMINATE INSIGHTS MUSIC 360 - PHILIPPINES, SINGAPORE, JAPAN - 2023



### Top 10K Artist Streaming Share by Country of Origin: APAC + ANZ (Regional)

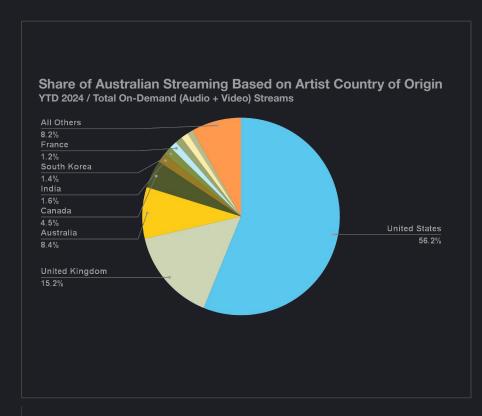
Artists from Japan gain the most through 2024 in total APAC + Australia/New Zealand streaming share (+5.3 share points) as 180 more Japanese artists are ranked in the regional Top 10K than last year

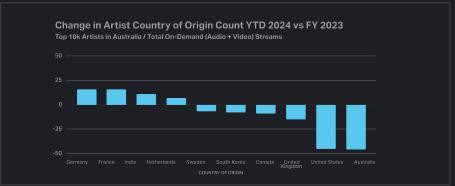




#### Top 10K Artist Streaming Share by Country of Origin: Australia

Artists from the United States are getting more popular (+2.1 streaming share points in 2024), but European artists are gaining more prominence throughout Australia's Top 10K Artist Rankings



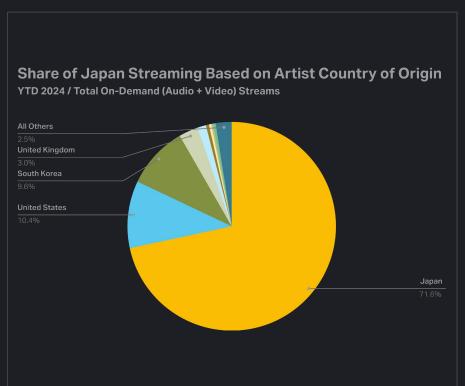


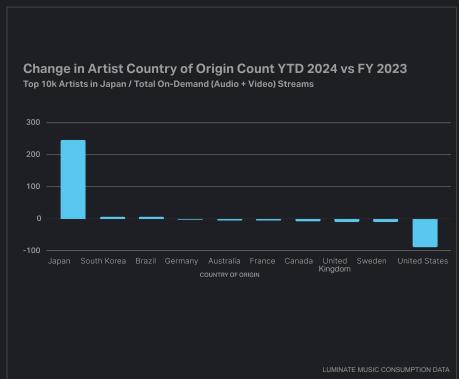
Top 5 German and French Artists in Australia			
Rank	German Artists	French Artists	
1	Milky Chance	David Guetta	
2	Lunax	Daft Punk	
3	Zedd	DJ Snake	
4	Robin Schulz	M83	
5	Rammstein	Bob Sinclar	

LUMINATE MUSIC CONSUMPTION DATA

#### **Top 10K Artist Streaming Share by Country of Origin: Japan**

Artists from South Korea gained the most streaming share (+.7 share points), but 247 more local Japanese artists are included in Japan's Top 10K Artist Rankings so far in 2024 while the U.S. loses the most





### Who is the Young Japanese Music Fan?

Snapshot: The Gen Z Music Listener in Japan

### Music Discovery

44% discover music on video and/or audio streaming services

### Music & Social Media

+138% more likely to listen to music that their friends have posted than the average Japanese social media user

### **Engaging With Foreign Content**

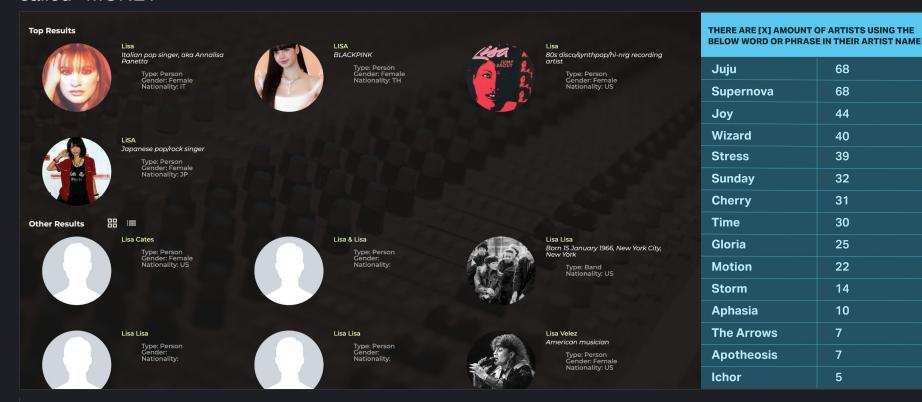
-27% less likely to listen to music by artists from other countries than the average Japanese music listener

# Metadata Challenges (and Solutions) for Royalty and Search



### Difficulties Identifying the Proper Rights Holders

Everybody has the right to be named LISA and everyone has the right to create a song called "MONEY"



### **Unmatched and Unclaimed Royalties**

Example: In the U.S. more than \$1 out of every \$6 of mechanical royalties remains undistributed

Impact of Royalty Reprocessing (\$ in millions)	2021 USAGE			2022 USAGE	
As of March Distribution (see year in chart)	2022	2023	2024	2023	2024
Blanket Royalty Pools Processed by The MLC	\$674.0	\$674.0	\$674.0	\$738.5	\$738.5
Less Royalties for Voluntary Licenses	(\$98.2)	(\$100.7)	\$(101.8)	(\$39.2)	(\$40.0)
Blanket Royalties Collected by The MLC	\$575.8	\$573.3	\$572.2	\$699.3	\$698.5
Royalties Directly Distributed by The MLC	\$421.3	\$453.2	\$469.1	\$543.2	\$572.7
Royalties Pending Distribution	\$154.5	\$120.0	\$103.0	\$156.0	\$125.9
Total Blanket Royalties Distributed	\$519.5	\$553.9	\$570.9	\$582.5	\$612.6
Year over Year Increase		\$34.5	\$17.0		\$30.2
Royalties Directly Distributed by The MLC	\$421.2	\$447.4	\$462.6	\$540.3	\$568.8
Royalties Matched for Distribution by DSPs Under Voluntary Licenses	\$98.2	\$100.7	\$101.8	\$39.2	\$40.0
Royalties Matched to be Processed with Adjustments	\$0.1	\$5.8	\$6.5	\$2.9	\$3.9
Blanket Royalties Pending Distribution	\$154.5	\$120.0	\$103.0	\$156.0	\$125.9
Year over Year Decrease		\$34.5	\$17.0		\$30.2
Unmatched Royalties	\$91.8	\$63.6	\$53.8	\$87.4	\$67.1
Unclaimed Royalties	\$59.8	\$54.5	\$47.6	\$62.1	\$52.9
Matched Royalties on Hold	\$2.9	\$1.9	\$1.7	\$6.6	\$5.9

**16.25%**\$120M USD - or 16.25% - of the royalty funds collected

the royalty funds collected by The MLC in 2022 remains Unmatched or Unclaimed as of the March 2024 distribution, much of which could be International Revenues

THE MLC ANNUAL 2023 REPORT:
'PS://WWW.THEMLC.COM/HUBES/2023%20ANNUAL %20REPORT PDF

## Quansic: World's Largest Music Asset Identifier Database and Matching Service

230M+

**12.7M+**Releases

100M+
Recordings

**15M+**Artists

22.5M+

39.8M+

SOURCE: LUMINATE QUANSIC DATA

### Luminate's Quansic Data Management Service finds missing metadata and streaming activity

- Songwriter ISWC <-> Recording ISRC
- Artist disambiguation and linking
- Sends fixed data back to customer





### Case Study: Global Major Label Artist

Songwriter royalties on 3% of streaming were Unclaimed Luminate estimates a minimum of \$64k USD in just Mechanical and Performance Royalties in the U.S. alone to be recovered (does not including ex-US streaming royalties)

SOURCE	ISRCS	TOTAL STREAMS	% OF TOTAL STREAMS
Anonymous PRO existing ISRCs claimed	1,239	12.3B	97%
ISRCs Unclaimed (cover versions, etc) using Quansic	215	349M	3%
TOTAL	1,454	12.6B	100%

### **Key Takeaways**

Global streaming opportunities are growing - worldwide audiences are embracing new content

Seven markets from APAC+ANZ are outperforming Global and Ex-US Audio streaming growth — use country activity data to activate your growth plans

Younger audiences that drive streaming discover new artists via DSPs and social media- target new technologies for new audiences

Identifier usage is key to minimizing complex metadata issues in today's Global marketplace - ensure all streaming activity and subsequent royalties are reporting correctly