



representing the
recording industry
worldwide

GLOBAL MUSIC REPORT 2023



→ STATE OF THE INDUSTRY



In an ever developing and rapidly changing music market, we offer our artists a tailor-made service

to fit their unique needs. We continue to push hard to achieve the success our artists deserve whilst giving them the space and resources they need to make great music!"

Konrad von Löhneysen
Managing Director, Embassy of Music



Whilst we continue to bring high quality content into the world from hugely innovative creators, we

must all recognise that the worth and importance of this creativity can be diminished if we don't proactively maintain that value everywhere consumers experience content. The recording industry represents the music that drives the growth and success of many other businesses, so we must be vigilant against any race to the bottom offered up to consumers. With new chapters on the horizon such as the Metaverse and AI, we will continue to protect our creators as we navigate a new complex rights model."

Rob Stringer CBE
Chairman, Sony Music Group



To succeed, music's future must be artist-centric. As we enter our industry's next exciting chapter, we must

remain focused on our shared goal: a robust, growing and sustainable music ecosystem. This is an environment in which great music is not drowned out by an ocean of noise, where music is easily and clearly accessible for fans to discover and enjoy, and an environment in which the creators of all music content—whether in the form of audio or short-form video—are fairly compensated and can therefore thrive for decades to come."

Sir Lucian Grainge
Chairman & Chief Executive Officer, Universal Music Group



Music thrives at the intersection of culture, technology, and commerce. It's the single most influential global

art form, with an unmatched ability to attract audiences, drive social interaction, transcend borders, and unite people. Despite this power, it's still undervalued compared to other forms of entertainment. We're excited to unlock the industry's next phase of growth by championing extraordinary artists and songwriters, building long-term careers and loyal fan communities, while developing innovative business models and high impact tech products. Our future is a whole universe of opportunity."

Robert Kyncl
Chief Executive Officer, Warner Music Group

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GLOBAL MUSIC MARKET 2022 IN NUMBERS

+9.0%
GLOBAL REVENUE GROWTH

8TH
CONSECUTIVE YEAR OF GROWTH

US\$26.2BN
VALUE OF GLOBAL RECORDED MUSIC REVENUES

67.0%
OVERALL STREAMING SHARE OF GLOBAL REVENUE

10.3%
GROWTH IN SUBSCRIPTION AUDIO STREAM REVENUE



Sam Smith photo by Michael Bailey Gates

INTRODUCTION

THIS REPORT RELAYS THE STORY OF TODAY'S CONSTANTLY GROWING AND EVOLVING MUSIC WORLD.

Today we have an incredible, kaleidoscopic array of music coming from a diverse group of artists across the globe.

Music continues to grow globally, and artists are increasingly interconnected with fans as a result of the worldwide infrastructure and investment from record companies.

Alongside this, record companies are building and developing local teams around the world who are on the ground, working with current and emerging artists from a growing variety of music scenes. This is driving music's development whilst enabling fans to seize the expanding opportunities to embrace and celebrate their own local artists and culture.

The core of a record company's mission remains partnering with artists to help them achieve their greatest creative and commercial potential. Today, that partnership has expanded into more areas and more parts of the world as record companies increase their focus on innovation.

This has created new and diverse opportunities for artists to connect with their fans; from harnessing cutting edge technology – ranging from creating immersive music experiences to enhancing health and fitness activities – to reimagining opportunities to tell artist stories through films, TV and brand partnerships and much more.

However, as the opportunities for music continue to expand, so too do the areas in which record companies must work to ensure that the value of the music artists are creating is recognised and returned. This challenge is becoming increasingly complex as a greater number of actors seek to benefit from music whilst playing no part in investing in and developing it.

Ultimately, however, the story of this report is one of innovation and growth and, above all else, great artists and their music.



FRANCES MOORE
Chief Executive, IFPI

GLOBAL CHARTS

MOST POPULAR ARTISTS & BEST SELLERS OF 2022



TOP 10 GLOBAL RECORDING ARTIST CHART 2022

01



Taylor Swift

02



BTS

03



Drake

04



Bad Bunny

05



The Weeknd

06



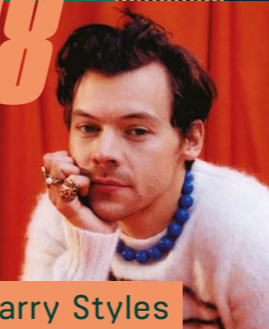
SEVENTEEN

07



Stray Kids

08



Harry Styles

09



Jay Chou


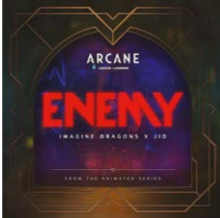








10



Ed Sheeran

The IFPI Global Recording Artist Chart measures consumption across all formats (including streaming formats, digital and physical albums, and single sales) and all countries in a calendar year. It is weighted based on the relative value of each method of consumption.

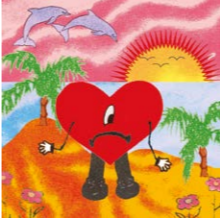









GLOBAL TOP 10
SINGLES CHART 2022

GLOBAL SUBSCRIPTION STREAMS EQUIVALENT		GLOBAL SUBSCRIPTION STREAMS EQUIVALENT	
 01 HARRY STYLES AS IT WAS 2.28BN	 06 IMAGINE DRAGONS & JID ENEMY 1.26BN		
 02 GLASS ANIMALS HEAT WAVES 1.75BN	 07 ED SHEERAN SHIVERS 1.23BN		
 03 THE KID LAROI & JUSTIN BIEBER STAY 1.74BN	 08 GAYLE ABCDEFU 1.22BN		
 04 ELTON JOHN & DUA LIPA COLD HEART (PNAU REMIX) 1.34BN	 09 BAD BUNNY & CHENCHO CORLEONE ME PORTO BONITO 1.21BN		
 05 THE WEEKND SAVE YOUR TEARS 1.32BN	 10 ED SHEERAN BAD HABITS 1.20BN		

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

Source: IFPI

GLOBAL TOP 10
ALBUMS CHART 2022

 01 BAD BUNNY UN VERANO SIN TI	 06 STRAY KIDS MAXIDENT
 02 TAYLOR SWIFT MIDNIGHTS	 07 SEVENTEEN FACE THE SUN
 03 HARRY STYLES HARRY'S HOUSE	 08 BLACKPINK BORN PINK
 04 BTS PROOF	 09 OLIVIA RODRIGO SOUR
 05 ENCANTO CAST ENCANTO OST	 10 ED SHEERAN =

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

Source: IFPI

GLOBAL MARKET OVERVIEW 2022

THE GROWTH OF THE GLOBAL INDUSTRY CONTINUES

Rising to US\$26.2 billion, the global recorded music market grew by 9.0% in 2022.

Revenues increased in every region and in each of the world's top 10 markets, with China moving into the top five for the first time ever and Brazil re-entering the top 10. Growth came from a wide range of revenue sources: once again there was a rise in revenues from streaming, physical, performance rights and synchronisation, with only downloads and other (non-

streaming) digital seeing a decline. Subscription streaming was the leading driver of growth (+10.3% to US\$12.7 billion). Overall streaming (including subscription and advertising-supported), accounted for the highest proportion of the market, increasing to a 67.0% share of the overall market in 2022 up from a 65.5% share the prior year.



TOP 10 MUSIC MARKETS IN 2022

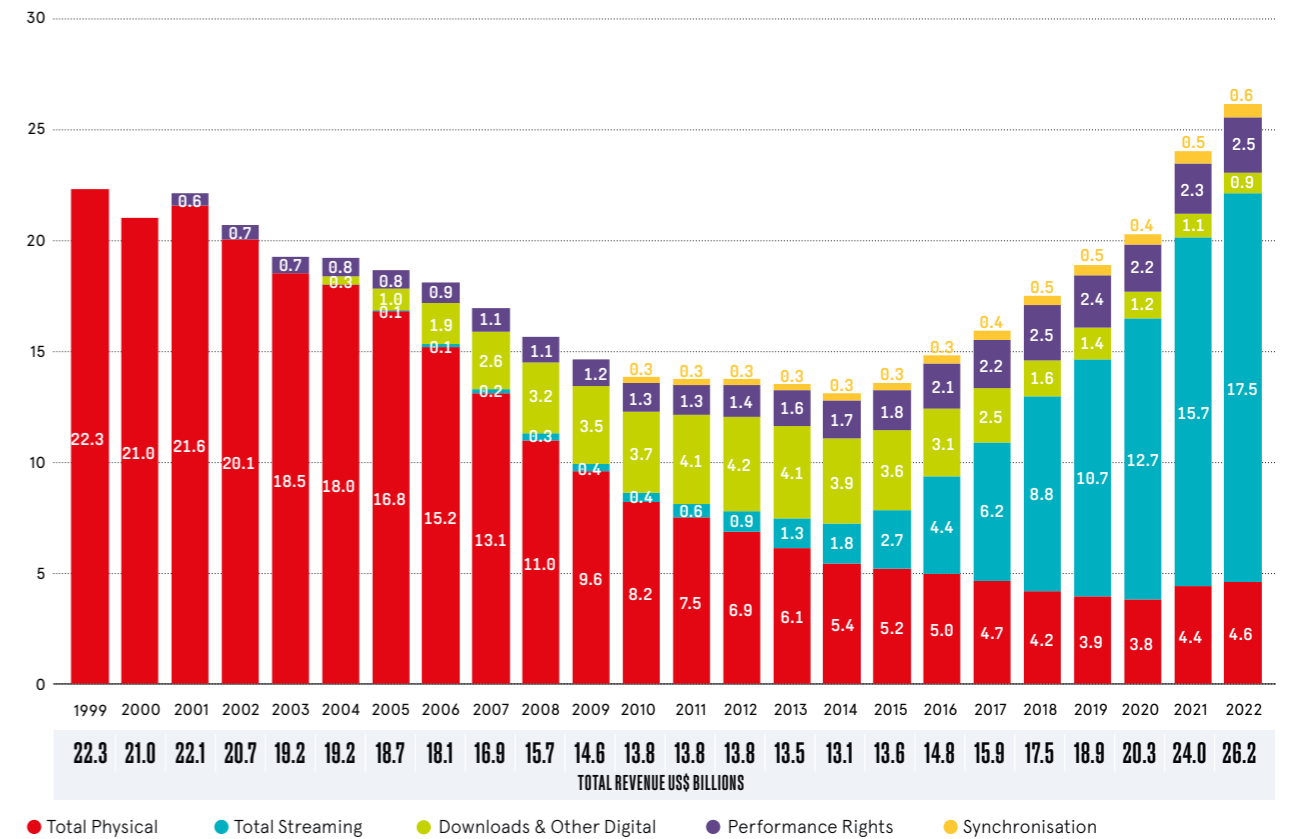
- 01 USA
- 02 JAPAN
- 03 UK
- 04 GERMANY
- 05 CHINA
- 06 FRANCE
- 07 SOUTH KOREA
- 08 CANADA
- 09 BRAZIL
- 10 AUSTRALIA

+9.0%
GLOBAL RECORDED MUSIC MARKET GROWTH

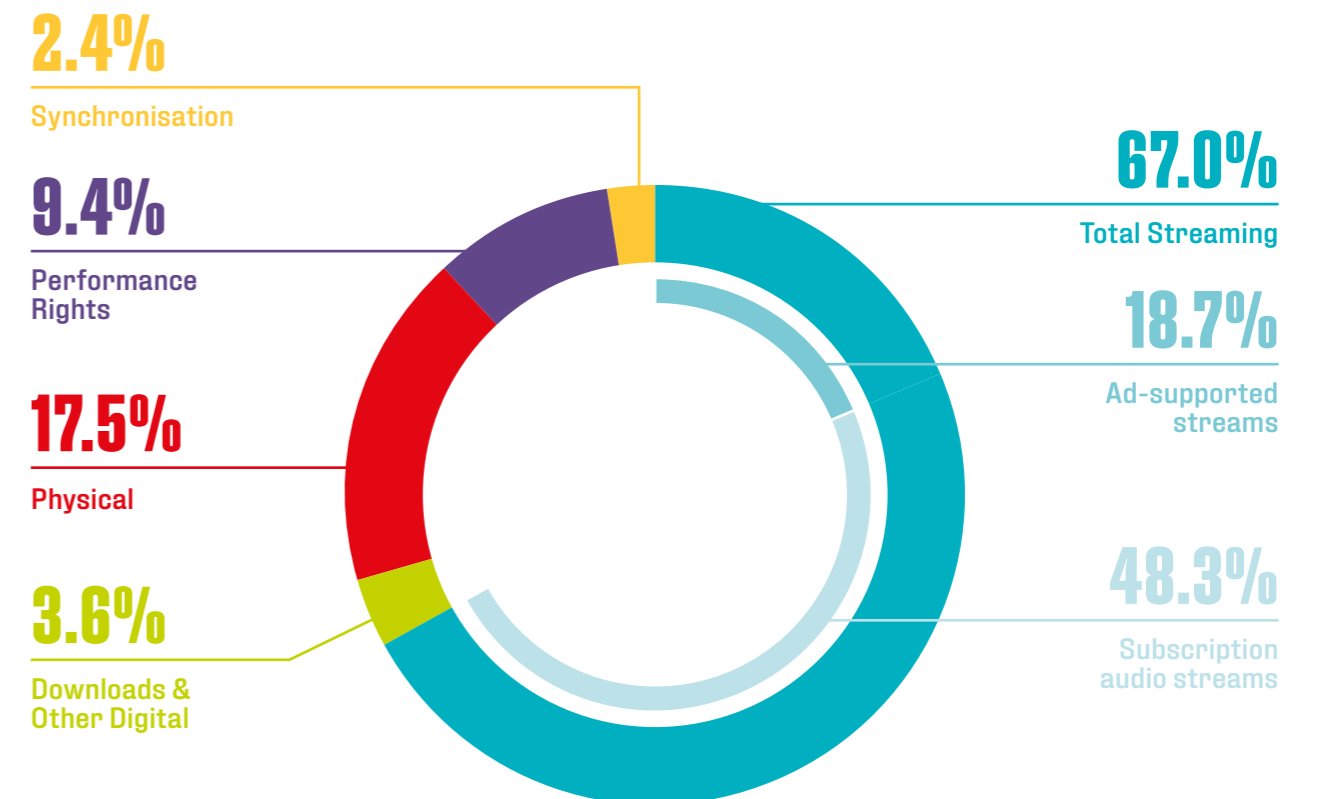
+11.5%
GROWTH IN OVERALL STREAMING REVENUES

589m
USERS OF PAID SUBSCRIPTION ACCOUNTS

GLOBAL RECORDED MUSIC INDUSTRY REVENUES 1999 - 2022 (US\$ BILLIONS)



GLOBAL RECORDED MUSIC REVENUES BY SEGMENT 2022



FIGURES BY FORMAT 2022

In 2022 there were revenue gains across nearly all format categories, with streaming continuing to dominate the global revenue mix. Whilst growth rates across all formats were lower than the prior year – with the exceptional growth in 2021 partly attributable to a post-pandemic boost – there were double-digit gains in streaming and resilience in the physical market.

PHYSICAL

→ Physical format revenues – including CDs, vinyl and other physical formats – increased for a second year running, albeit not matching the prior year's growth (+16.1%) which had been stimulated by a post-pandemic resurgence. Growth of 4.0% equated to US\$4.6 billion in revenues, taking physical to a 17.5% share of the overall market. Within this, revenues from CD and other physical revenues saw a slight decline (-0.4%) whilst vinyl's upward trajectory – sustained for more than a decade – continued with growth of 17.1% in 2022. Physical saw its strongest performance in Asia once again, with that region accounting for almost half the global revenues for physical (49.8%).

PERFORMANCE RIGHTS

→ Revenues from performance rights – the use of recorded music by broadcasters and public venues – grew by 8.6%. Reaching US\$2.5 billion in 2022, the revenues surpassed their pre-pandemic levels in 2022 and made up 9.4% of the global market.

STREAMING

→ Global revenues from streaming continued to increase in 2022, seeing double-digit growth (+11.5%) and reaching US\$17.5 billion. Although this was a slower rate of growth than the prior year (+23.9%), there was a varied picture across the globe with some regions posting big climbs in streaming revenues. Revenues from subscription streaming grew by 10.3% globally, reaching US\$12.7 billion in 2022.

DOWNLOADS & OTHER DIGITAL

→ In an expected trajectory, downloads and other (non-streaming) digital – representing just 3.6% of the overall market – was once again the only format category to experience decline in 2022, as streaming continued to increase its foothold as the dominant digital format. Within this, revenues from permanent downloads fell by 19.6% to US\$644.4 million whereas other non-streaming digital formats, including mobile personalisation grew by 12.2%.

SYNCHRONISATION

→ Accounting for 2.4% of the market in 2022, synchronisation – revenues from the use of recorded music in advertising, film, games and TV – maintained strong increases, posting another year of growth exceeding 20% and reaching US\$640.4 million.

FIGURES BY REGION 2022

Once again, the recorded music market saw growth in every region across the globe in 2022. Four regions posted double-digit gains, outpacing the overall growth rate of 9.0% and Sub-Saharan Africa overtook Middle East and North Africa as the fastest growing area.

EUROPE

→ The world's second largest region for recorded music revenues saw growth of 7.5% in 2022. UK, Germany and France remained the three largest markets in Europe, all posting growth (+5.4%, +2.2% and +7.7% respectively).

Europe's revenues from streaming accounted for more than a quarter of revenues from the format globally (26.0% share) and also accounted for the highest proportion of revenues from performance rights (54.9% of global performance rights revenues).

MIDDLE EAST & NORTH AFRICA

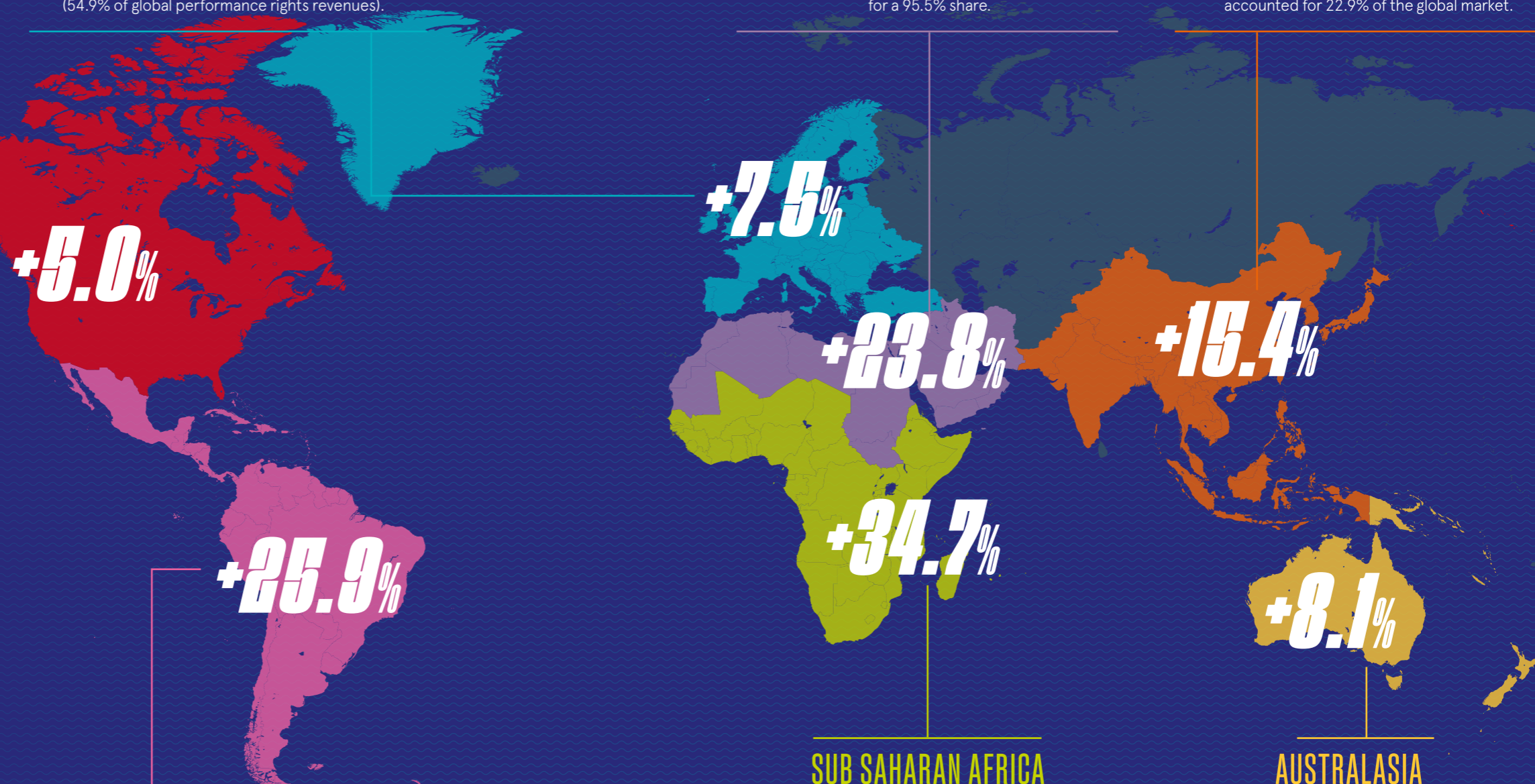
→ Posting the world's third highest growth rate in 2022, Middle East & North Africa saw revenues from recorded music climb by 23.8%.

Streaming accounted for the vast majority of the market, with those revenues accounting for a 95.5% share.

ASIA

→ Asia experienced double-digit growth for the third consecutive year, up by 15.4% and outpacing the overall global growth rate.

Japan, the region's largest market saw a second year of consecutive growth (+5.4%) whilst the region's second largest market – China – saw a significant rise of 28.4% pushing it into the top five markets globally for the first time. Overall revenues from Asia accounted for 22.9% of the global market.



USA & CANADA

→ Maintaining its foothold as the world's largest region for recorded music, revenues in the USA and Canada increased by 5.0% in 2022; a slower rate than the prior year (+21.8%) when exceptional market growth had been partially driven by a post-pandemic boost.

Both USA (+4.8% in 2022) and Canada (+8.1%) remained global top 10 markets, with USA the single biggest national market in the world, exceeding US\$10 billion for the first time. Overall the USA & Canada region represented 41.6% of the global market.

LATIN AMERICA

→ Revenues in Latin America rose by 25.9% continuing a decade-plus trajectory of growth.

Every market saw double-digit growth, including the region's two largest markets, Brazil (+15.4%) and Mexico (up steeply by 24.3%). Once again, streaming revenues dominated, accounting for 85.2% of the Latin American market.

SUB SAHARAN AFRICA

→ With a steep increase of 34.7%, and the only region to see more than 30% growth, Sub-Saharan Africa became the fastest growing region for recorded music revenues in 2022.

Growth was boosted by a strong climb in revenues in South Africa, the region's largest market (+31.4% versus a modest 2.4% growth the prior year).

AUSTRALASIA

→ In Australasia, Australia – remaining a top 10 market – experienced growth of 8.1%, driven largely by streaming. Similarly New Zealand saw recorded music revenues increase by 8.0%.

Overall, recorded music revenues in the Australasia region rose by 8.1%, an increase on the prior year's growth rate of 4.7%.

THE CONSTANTLY EVOLVING PARTNERSHIPS BETWEEN ARTISTS AND RECORD LABELS

At its core, a record company continues to be focused on partnering with artists to find creative and commercial success. Today, that partnership has expanded into more areas and more parts of the world; creating more opportunities to reach and connect with an increasingly diverse fanbase.

Referencing the likes of Aya Nakamura's Francophone-first collaboration with Fortnite and Spinnin' Records creating NFTs with LGND.io, **Simon Robson, President, International, Recorded Music, Warner Music Group** explains, "Music is integral to so many different elements of our lives and not just through the 'traditional' streaming services; you have social media, health and fitness, gaming and Web3 opportunities and much more. We are constantly trying to develop these opportunities for our artists."



Jay Chou photo courtesy of JVR



BLACKPINK photo by Jungwook Mok

Dennis Kooker, President, Global Digital Business at Sony Music Entertainment, says that in order to do this, record companies must simultaneously serve the immediate needs of artists whilst building towards what they will require next. "Priority number one is executing on what's happening today for our artists – identifying where the opportunities are and what needs to be done now. We're also in a business that continues to evolve in material ways, so we have significant dedicated resources that are focused towards the future.

It's hugely important for the sake of our artists and their ongoing success that we effectively over-deliver for them in both these areas, and that we invest for the future before it happens."

Will Tanous, EVP & Chief Administrative Officer, Universal Music Group, feels it is the entrepreneurial spirit at the heart of record companies that drives the increasing opportunities for artists. "The things we prize are innovation, taking diverse

approaches, giving autonomy to operators, fostering healthy internal competition because at the end of the day, we are a collection of labels all founded by entrepreneurs who believe—in the face of tremendous challenges—that an artist they discover could change the world."

"That spirit is very much alive within UMG. We have a culture that prizes that philosophy and renews that behaviour regularly."

However, Tanous goes on to warn that as the opportunities continue to grow in the music ecosystem, it has become more important than ever to ensure value is returning to those committed to investing in, creating and developing artistry and music.

"Everybody I work with got into this business because working with artists and music is not merely a job, it's a calling. There are a lot of new and different players in the ecosystem now that the industry has returned to growth. We need to make sure the people who are setting the agenda for music are the people for whom

artist development and moving culture forward are the priority—not those who are solely in this to seize financial opportunities in a growing market. Where were those people when the industry was in decline and needed help? We were here, and we were investing all through the difficult years."

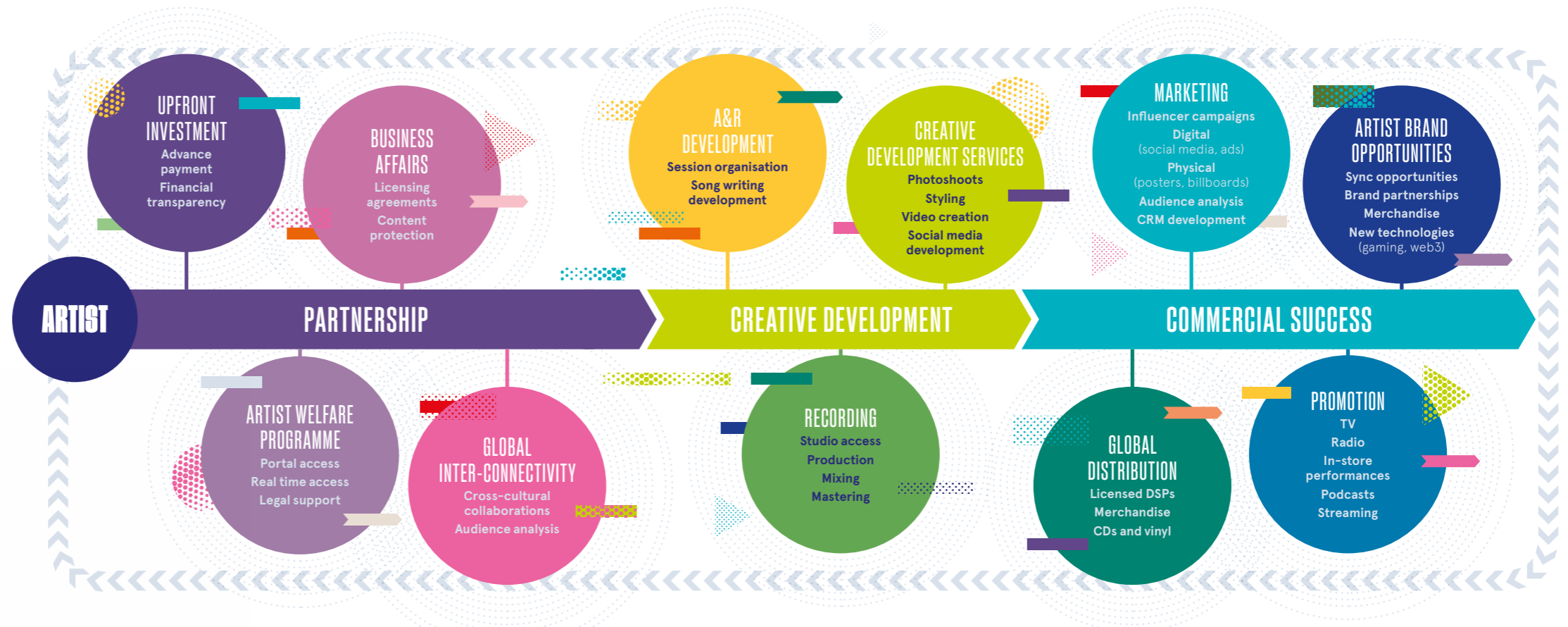


We help extraordinary talent cut through the background noise in our short-span attention economy, enabling them to truly connect with fans and so unlock a universe of opportunities."

MAX LOUSADA
CEO, Recorded Music,
Warner Music Group

DRIVING LONG-TERM CREATIVE AND COMMERCIAL SUCCESS

On the ground, record labels are building teams of skilled executives who can support and enhance an artist's creative vision, whilst also understanding the consumer market that surrounds each project.



“We are a collection of labels all founded by entrepreneurs who believe - in the face of tremendous challenges - that an artist they discover could change the world.**”**

WILL TANOUS
EVP & Chief Administrative Officer, Universal Music Group



These executives vary from marketing professionals, data scientists, promotion teams and beyond – all of whom are trained in understanding each artist's own unique vision and how to bring that vision to a global audience.

Max Lousada, CEO, Recorded Music, Warner Music Group, outlines, “Record labels constantly deliver impact and add value to artists in a fast-changing market. That’s not just about sparking imagination, curiosity or excitement in fans, but also providing the strategic advice artists need to sustain success over the long-term. We help extraordinary talent cut through the background noise in

our short-span attention economy, enabling them to truly connect with fans and so unlock a universe of opportunities.”

Marie-Anne Robert, Managing Director, Sony Music France, agrees, explaining that having a label team that is able to adapt to new challenges is vital in today's highly competitive market. “It's extremely hard to break new artists and develop new talent in a global music market where numerous tracks are uploaded every day and competing for people's attention becomes ever more challenging. That's why we've put tremendous effort into getting the best team on board to manage each project – this team can then adapt more effectively to an artists' needs, put an emphasis on developing the right story around the artist and help foster their creativity.”

From a global perspective, the world for artists now is connected in a way that it hasn't been previously. Record labels, therefore, must work harder than ever to connect different teams in different regions – sharing information, best practice and ideas around how to break artists and build long term audiences in every corner of the globe.

In terms of connecting these dots, **Melissa Thomas, Executive Vice President, International Marketing, U.S. Repertoire, Sony Music Entertainment,** explains, “Today, a music fan's attention is being pulled in so many different directions, wherever they are in the world. To cut through that, we have to figure out a way to bring our artists into that local conversation and help tell their stories in an authentic and compelling way.”

“We've got to constantly think beyond our limits and beyond any traditional barriers or parameters for each and every artist.”

The ways that artists can partner with record companies also continues to evolve, with more flexibility being factored into each partnership, tailored around each artist's unique needs and requirements.



SEVENTEEN photo courtesy of HYBE

Vanessa Bosâen, President, Virgin Music Label & Artist Services, offers a slightly different package of support from a 'traditional' label. At Virgin, artists tend to come with music ready to be launched and looking to buy the expertise and experience of her team to help distribute and market it to fans: "Artists will come to us with their music that is ready, but they need the services to take that music and promote it to the world. That's what we can provide at an outstandingly high standard: a network of all of the independent music capabilities from Universal Music across all of its business units and regions."

"If you're an artist that knows what you want to do with your campaign, you know who you are as an artist, but you still can't cover all the ground yourself – you come to us. It's just too much for any single individual. You can't be your own promotion and marketer, radio and TV plugger – you can't be everything all at once – especially if you want to do it everywhere all at once."

"So, if you are an independent artist you can partner with Virgin, and together we can keep that completely independent feel, but you will have access to all of our services and plug into our global network. We have access to sync and brand briefs via Universal's in-house team – Globe – to the world's best merch system, to the D2C network: all that infrastructure that you wouldn't have had access to before."

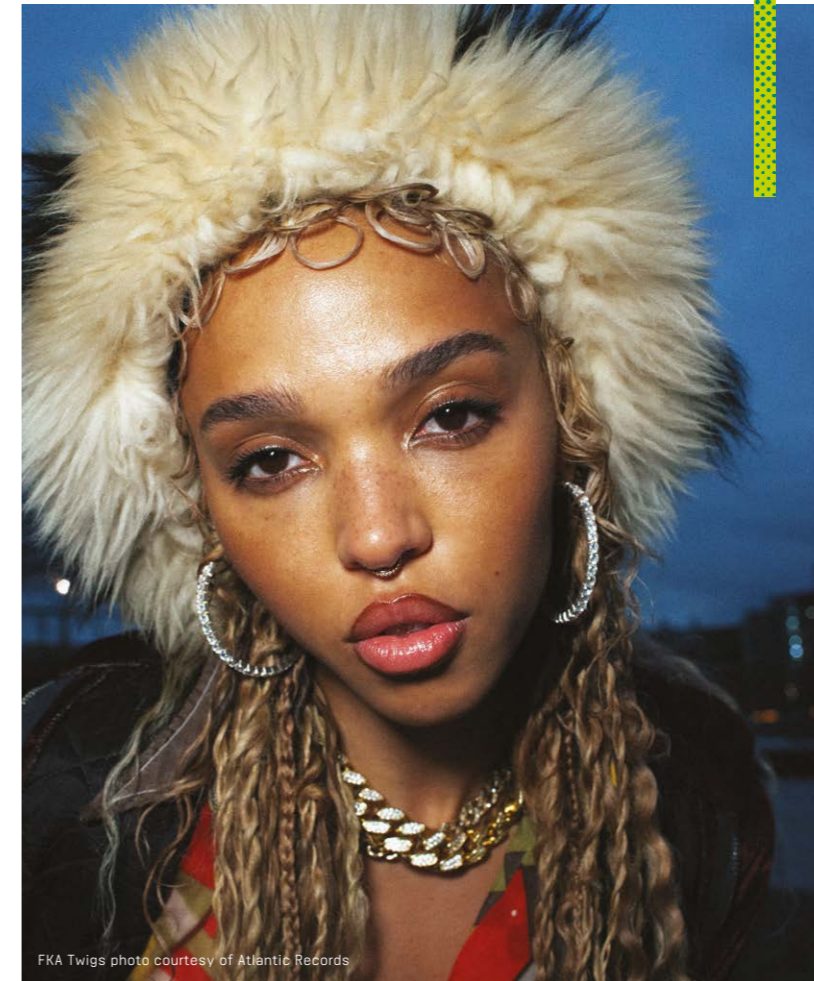
Tanous returns to the subject of the vital role a record label performs today. "You can reduce it to the fundamentals: does an artist need a team to succeed? Most people would say, 'Yes'. What does the team look like? Does it have people who understand music? Does it have people who understand the creative process? Does it have people who understand the platforms? Does the team also have the ability to create and execute a marketing plan for you, not just in your region, but globally?"

"When you start answering all those questions, it becomes clear that there are not that many places that can offer all those resources to an artist. It's most likely a company that has invested heavily in building an infrastructure designed to support artists, a company that has recruited and trained best-in-class teams in every department from data scientists to A&R to global marketing." ♦



We've put tremendous effort into getting the best team on board to manage each project."

MARIE-ANNE ROBERT
Managing Director,
Sony Music France



FKA Twigs photo courtesy of Atlantic Records



We've got to constantly think beyond our limits and beyond any traditional barriers or parameters for each and every artist."

MELISSA THOMAS
Executive Vice President,
International Marketing,
U.S. Repertoire,
Sony Music Entertainment



Tom Odell photo by Rory Langdon Down

A&R: DISCOVERING AND DEVELOPING ARTISTS AND THEIR MUSIC IN 2023

At the core of a record company's DNA remains artist and repertoire (A&R) – the discovery and development of artists and their creative vision. The processes, platforms and skills involved in A&R continue to evolve and expand, albeit with recognisable fundamental roots which still show through.



Jean-Sebastien Permal, VP for A&R, Continental Europe and Africa, Sony Music Entertainment, discusses artist development as the ultimate partnership between record company and artist – and also stresses the pervasive importance of long-term thinking. He says: “A successful artist and A&R relationship starts with a mutual understanding of what we are trying to accomplish from the get-go.

“That’s why we like to have in-depth conversations and ensure we have the same understanding and chemistry with an artist and their teams right at the start. Because our job is to work for the artist, and we can only do that when we understand who they are and where they want to go.

“Once an artist has signed to us, they entrust us with their career, with their life goal and our job is to fight for that goal as hard as they do. And to adapt to them, because we are here to service them, not the other way around. We want artists to know that about us, even before they sign.”

He also outlines the strengths of a record company when faced with the sheer volume of music being uploaded daily across streaming platforms. “The need to grasp the attention of audiences is incredibly challenging and that’s where the value of a record label comes into play, because we help artists cut through that noise using our expertise and all the tools at our disposal.”

An integral piece of what record companies offer, in terms of discovering and positioning new artists, is still the experience and expertise of the A&R team.

Konrad von Löhneysen, Managing Director, Embassy of Music, explains, “That side of what we do as an A&R department has never changed when we are discovering new artists. Right from the start we have to ask ourselves – ‘What do you hear in the music? What do you see in the artist? What is the special position this will have in the market and who is supposed to listen to it? Where can this artist go?’

“I think that in the second that you consider signing an artist, you should know the road to finding their audience.”

“THE REALITY IS, WE HAD TO DO THE SAME JOB AS WE DO WITH EVERY ARTIST, WHICH IS THE JOB WE’RE HERE TO DO: DEVELOP THEM, BE PATIENT, THINK LONG-TERM.”

The single biggest shift in A&R has been in how and where artists are discovered. In some instances, artists can be seen and known around the world in days based on a single track or a short-form video measured in seconds rather than minutes.

For record companies though, this is still the starting point of a much longer game. **Nick Burgess, Co-President of Parlophone UK,** recounts the story of breaking Sam Ryder [see full Case Study on page 24]. Sam had blown up on TikTok, and Burgess says that was how he first came to the label’s attention. But that wasn’t why he was signed.



I think that in the second that you consider signing an artist, you should know the road to finding their audience.”

KONRAD VON LÖHNEYSSEN
Managing Director,
Embassy of Music

He says, “We’re not a label that signs TikTok cover version artists. We set up some studio sessions and we signed Sam because we could see he had star quality and that he’d built a connection with his audience, but then you add in the song-writing skill that became so evident early on, we just thought, this is what we’re in business to do: sign and develop artists like Sam.”

The pre-existence of a large Tik-Tok audience played very little part in that development, “Someone who loves a song and wants to listen to it 100 times is not the same person



who wants to listen to 15 seconds of a Whitney Houston cover. The journey from TikTok to sustained streaming success is complex and nuanced. Huge swathes of fans don’t just jump across from one platform to another.

“The reality was that we had to do the same job as we do with every artist: develop them, be patient, think long-term. We had to build Sam’s career and this whole project as organically and authentically as we would with any other artist.”

Kabiru Bello, VP, Global A&R, Warner Music Group, links back to a wider point about the increasing strength of homegrown talents – and how a connected, global company can make a difference to an artist or track with unrivalled speed and scale.

“There’s been a huge shift with local music having significant impact in domestic markets. It’s something to which we pay close attention and share with our A&Rs around the world. As a team, we participate in A&R meetings across the regions to know what they have and are looking for in terms of artists, songs, collaborations, and this way our A&Rs around the globe stay connected to build bridges for our artists.

“My strategy is to be the global bridge for our A&Rs, where I want to keep them very close and make sure we catch the momentum with ideas, to act fast and activate our teams

globally to amplify them and take things to next level.”

Access to these global networks also facilitates artists with the potential to create cross-cultural collaborations. This in turn can help domestic artists reach wider global audiences. Bello continues, “We have a broad network of artists, producers and writers around the world to draw from, which helps an artist find the right connections. Our A&R team will work with an artist to come up with an idea to collaborate to help increase their audience and global exposure.

“Of course, that relationship has to be authentic, and we approach each collaboration case-by-case. A good example of Latin and European music working together is the track *Dancarina*, a collaboration between two Latin artists, Anitta and Pedro Sampaio, and the French artist Dadju. It was the first collaboration between French and Brazilian artists that did well here and reached the Top 10 in France and #1 on the French Airplay chart.”

Permal agrees, “As a company we try to bring our artists together. For example, if one of our German or Nigerian artists goes to Paris, we want them to meet our French artists or producers because you never know what could come out of that partnership.” ♦



Sam Ryder photo by Edward Cook

↓ CASE STUDY

SAM RYDER

Sam Ryder was one of the biggest breakthrough UK artists in his domestic market in 2022, scoring a No. 2 single with *Space Man* and a No. 1 album with *There's Nothing But Space, Man*.

The common perception is that his rise was built around two things: TikTok and the Eurovision Song Contest (Sam came second in 2022, with *Space Man*, losing thanks to an overwhelming public vote for Ukraine's winning entry).

Nick Burgess and Mark Mitchell, co-presidents of his record company, Parlophone, know that the real story is rather different.

Burgess says, "Sam did come to our attention via TikTok. And I thought, yes, great voice, great personality, interesting artist proposition, but we're not a label that signs TikTok cover version artists."

He saw enough potential, however, to "get him in a studio, see if he's got the writing chops" that would make the difference and seal the deal. Parlophone set up sessions with Amy Wadge and Max Wolfgang – and the first track to emerge was *Space Man*.

"We signed Sam because we could see he had star quality and that he'd built a connection with his audience, but then you add in the song-writing skill that became so evident so early on and we just thought, this is what we're in business to do: sign and develop artists like Sam."

The first big decision was to avoid the obvious route of releasing *Space Man*. Mitchell explains: "There was the possibility that it would have caught fire and almost run away from us, so that the song actually eclipses the artist, and that's not ideal when you're looking at long-term career development."

Burgess continues, "It helped that Sam was now writing more really beautiful songs, so we could put a handful of them out first, as singles and on EPs, to start building his story. We wanted to let people discover Sam, his voice, his personality etc. in a more gentle way rather than maybe have one track dominate and overwhelm him."

Throughout the process, harnessing and interacting with the TikTok audience was in the mix, but wasn't a central pillar. As Burgess says, "Someone who loves a song and wants to listen to it 100 times is not the same person who wants to listen to 15 seconds of a Whitney Houston cover. The journey from TikTok to sustained streaming success is complex and nuanced. Huge swathes of fans don't jump across from one platform to another."

Mitchell explains Parlophone's next steps, "In the background we set up something called Open Stage – it's essentially an email database through which we could start super-serving the most engaged element of Sam's TikTok audience. We wanted to talk

to the people who were actually interested in Sam as an artist. It was a fraction of his TikTok following, but they were true fans.

"The reality was, we couldn't just convert that audience, we had to do the same job as we do with every artist, which is the job we're here to do: develop them, be patient, think long-term."

Burgess agrees, "We had to build Sam and this whole project as organically and authentically as we would with any other artist. When the mainstream media did start to engage, they would quite often refer to him as a 'TikTok sensation', and that was something we have to fight against rather than encourage. We didn't want that notion to define or overshadow him.

"And then, out of the blue, we got a call asking if Sam would do Eurovision. My initial reaction was, 'Hmmm, I don't know...' But then you look at Måneskin's success the year before; it can be a jumping off point for a global rock act, so why not? The key thing is, they wanted *Space Man*. If it hadn't been about the song and Sam we'd have said no.

"Also, the thing is, we'd sit in meetings and say, 'We just need to get him in people's living rooms, he'll take it from there'. Because we'd got to know him by then, we knew what a fantastic personality he had, how likeable he is, how positive he is; we knew, given half a chance, the British public would fall in love with him – and they did."



We had to do the same job as we do with every artist, which is the job we're here to do: develop them, be patient, think long-term."

MARK MITCHELL
Co-President, Parlophone Records

The day after Eurovision, Mitchell recalls, "there was obviously a sense of elation – the event had been brilliant and Sam had been as great, but straight away we had to build on it, carry on the momentum. We didn't want Sam to now become 'the Eurovision guy'."

It was decided an album needed to come out before Christmas, with Burgess working closely alongside Sam and his team to meet

the deadline. "We knew he was no one-hit wonder and we wanted to prove it as quickly as possible.

"It was a very intense period. Sam is very exact, he doesn't just turn up do his vocal and leave, he's a proper artist involved in every step along the way.

"And alongside that, everything the label and Sam did together in terms of marketing and promotion really nailed his narrative – because it was authentic, that's why he's so amazing at articulating his story, because it's all Sam. That all helped set the album up as an important debut from a genuinely interesting and exciting new British artist."



Alison Wonderland photo by Simply G

ARTIST WELLBEING

Record companies are increasingly looking beyond the creative and commercial opportunities they can offer artists to ensure they provide a more holistic package of support. This includes considering an artist's well-being and mental health.

At Sony Music, this work comes under the umbrella of their Artists Forward initiative. **Susan Moultrie, SVP of Artist Initiatives and Business Administration**, explains, "We're constantly looking for ways that we can support our talent throughout their careers, and as our industry continues to evolve and grow, so does our work."

"Our Artists Forward initiative serves as an additional, but vital, component to the traditional roles of finding, nurturing and developing talent. Key areas that it touches on include earnings enhancements, insight tools and educational resources. We want

to be an effective partner to our creative community in the business as it is today – and in the economic realities of today."

The initiative also focuses on artist wellness. Moultrie continues, "The goal with our wellness efforts is really to ensure that our artists feel, as much as possible, that they're in a position to be at their very best as they proceed down their creative path. As part of this, we provide access to counsellors around the world, and they can have sessions with a licensed therapist, in person or virtual, depending on their need. The program is confidential – we don't get any details about the calls or the sessions.

"So if ever one of our creators feels that they need to work through some personal challenges, there's someone they can speak to in that moment."



We are always looking for ways to support our artists and to help them be at their creative best."

SELINA WEBB
EVP, Universal Music UK

Selina Webb, EVP, Universal Music UK, explains, "We are always looking for ways to support our artists and to help them be at their creative best.

"Every artist that signs to one of our labels has the opportunity to check in with a counsellor. Maybe they want to talk about their relationship with social media, or they might need some additional support with the huge pressures which come with just being an artist – the volume of work, the intensity of the work, and the scrutiny.

"Hopefully, they will go away with a very clear message: if you need any help or just a chat, anywhere down the line...it's completely confidential, it's separate from the labels and it's always on, always there, if anything comes up. Because something will come up, being an artist, being in the public eye, especially with the pressure of social media, it's a challenge.

"And there's also specialised advice for staff working with artists. Because they may want some guidance on how to provide the best support."

Doreen Schimk, Co-President, Warner Music Central Europe, agrees with this approach to wellness, saying: "At Warner Music Central Europe, we've always upheld the strong conviction that good mental health is paramount for our artists, employees and our community. For both, we offer comprehensive measures and services."

Fabian Drebes, Co-President, Warner Music Central Europe, explains: "We can rely on our longstanding collaboration with the renowned mental and corporate health specialists at the Fürstenberg Institut, who've made coaching, counselling and support with a holistic approach available to our employees, and now also all to our artists – with exceptional 24/7 access, and services in 16 different languages." ♦



Paul Partohap photo by Habibie Eka Perdhana

DISCOVERING NEW OPPORTUNITIES FOR ARTISTS AND THEIR MUSIC

Record companies today are increasingly focused on helping to discover new opportunities for their artists to connect with their fans. Their music remains at the heart of this whilst the opportunities themselves expand into increasingly diverse areas.

Looking top-down at the landscape today, **Michael Nash, EVP, Chief Digital Officer, Universal Music Group** sees four main areas. "Social media, broadly defined, that continues to be the big prize in terms of opportunity.

"There's a constant evolution of platforms and we're making a persistent push to ensure that our artists are fully participating in the value that they're creating on these platforms – economically – and accessing new ways to better connect with their fans.

"Then there are opportunities to engage with 'super-fans'. We see the opportunity with the devotion to vinyl. Very often it isn't making it out of its shrink wrap. It's less about how it sounds than about fans longing for a deeper connection with artists and we think growth in vinyl suggest a bigger opportunity with a variety of different products and propositions offered directly to them by the record labels, on behalf of the artists.



Sebastian Yatra photo by Erick Quirozaca

"Another area to consider is health and wellness. There's a tremendous opportunity there. Digital fitness is really just the tip of the spear.

"And our experience has been that the artists love being engaged in this area, they're passionate about it. Because music affects everyone's lives; it makes the world a better place. The potential to harness music in this space is incredible, and the artist community is very invested in that.

"Finally, there are the new frontiers of Web3 and the metaverse. These are longer-term opportunities which are developing over the coming years. Web3 is going to enable new forms of digital collectibles, the management and gating of live experiences, the authentication of the super-fan relationship; a lot of very interesting things are going to happen there."

In order to help artists to capitalise on the growing array of opportunities in these new technology categories, **Dennis Kooker, President, Global Digital Business, Sony Music Entertainment**, explains that record companies are focused on building the necessary infrastructure and scale around the music experiences. This includes creating strategies and partnerships that support the creative and commercial success of artists, and investing in the systems to enable more creators to engage with new platforms whilst tracking and understanding the impact they are having.

"In all of these new areas, we want to do more than just react to the opportunity. We work with tech and gaming companies to create the right environment and develop business models and solutions that benefit as many of our artists as possible both now and in the future. To deliver across our roster in a more scalable way, we do our due diligence when forging relationships with new partners, build out teams with the right skillset, and build back-end data and analytics reporting to judge whether collaborations are successful."



"ONE OF THE KEY ROLES THAT WE CAN PLAY IN SUPPORTING WHAT OUR ARTISTS WANT TO DO, IS TO GIVE THEM AS MANY OPTIONS AS POSSIBLE"

Angela Lopes, SVP, Strategy & Investments, Sony Music Entertainment, points out that record companies are able to identify and support new opportunities for artists through their forward-looking strategies and investments. "We have teams around the world that continually monitor what's going on in different markets. They are dedicated to looking at the innovative technologies and business models that are coming up through the start-up community to identify ways in which we can enhance those opportunities to support our artists."

She notes that GenZ is a key demographic of focus as record companies look to build out future opportunities and experiences for artists. "We're seeing Gen Z want to embrace new ways of engaging with artists. There continues to be a greater shift towards next generation platforms, and we are seeing a rise in revenue streams from new categories."

Fan communities also are playing an increasingly important role in evolving music experiences, she says. "We think a lot about how to help artists enhance their direct-to-fan relationships. Fan communities

are a key part of engagement and conversations that happen in many new music experiences, and they're also important drivers of new commerce opportunities for artists."

Lopes says that across their strategies and investments, record companies ultimately provide artists with more choice of partners, services and solutions, plus greater bandwidth to create.

She concludes, "One of the key roles that we can play in supporting what our artists want to do, is to give them as many options as possible, while also de-risking those options for them as much as possible, whether through developed expertise, better economics or data insights."



We think a lot about how to help artists enhance their direct-to-fan relationships."

ANGELA LOPES
SVP, Strategy & Investments,
Sony Music

"WE'VE BUILT A GLOBAL TEAM OF PEOPLE TO HELP GUIDE OUR ARTISTS THROUGH AN INCREASINGLY COMPLICATED LANDSCAPE."

Bob Workman, SVP, International Brand Partnerships, Warner Music and General Manager, WMX UK, emphasises the importance of tailoring new opportunities around individual artists – something that can only be achieved by having interests and expertise in a broad spectrum of developing sectors.

He says, "Our artists have a wide palette of interests, passions, and skill sets, and that's reflected in the audience as well. We are there to help our artists and their music, and ensure their creativity is heard, seen and consumed in many more settings than it would have done previously. We see this as critical and have worked to ensure that we have the global expertise, scale and relationships to be able to do that.

"That's where, certainly within the field of brand partnerships, there's lots of opportunity. We're often engaged in an area or activity that might not be fundamentally about the music. It might be a fashion collaboration, or it might be a values proposition, such as gender equality, or sustainability, or the environment.

"There are more lanes to operate in than ever and we've built a global team of people to be super-aware

of those things and to help guide our artists through an increasingly complicated landscape."

Naomi McMahon, SVP, Head Strategic Marketing & Partnerships, Universal Music Group, gives some insight into her department's reach and infrastructure. She says, "We have people operating across 40 markets—with a global focus on brand partnerships—and we have initiated more than 200 programs in the past year alone.



We are there to help our artists and their music, and ensure their creativity is heard, seen and consumed in many more settings than it would have done previously."

BOB WORKMAN
SVP, International Brand Partnerships, Warner Music and General Manager, WMX UK

"The focus is very much on creating broader strategic partnerships that our artists and labels can benefit from, but then also going in on a domestic level to create local impact, which is important for those artists

that maybe are just starting out in their careers."

She highlights the impact the pandemic had on brand partnerships. "Live [music] was cut off as an avenue and the value of brand partnerships as a way to engage with fans catapulted."

The attraction for brands themselves, meanwhile, remains the same – only stronger. "They understand the value of authentically connecting with audiences. Music is the number one passion point, right? It's the most powerful way for them to reach audiences and fans.

"We sit alongside that, really understanding what those brand partners are doing in music and what they want to achieve. Then creating opportunities for our artists that are mutually beneficial.

"What's great is that alongside this engagement from brands, we've seen artists leaning in in ways that they may have been reluctant to do so before, maybe because it was seen as a distraction, or the return wasn't there. Now we're really seeing huge value when both parties come to the table and understand creatively and commercially what we're trying to achieve."

She concludes, "I feel like we're drawing new maps right now. I love how what we do is becoming part of the norm and that there has been this natural integration of these non-traditional revenue streams into the mainstream commercial picture."

At Sony Music, global branding and design agency Ceremony of Roses works with the artist community to provide merchandise development and services.

Brad Scoffern, Founder & CEO, Ceremony of Roses says that retail and merchandise operates as an increasingly important extension of an artist's brand and creates another way to connect even further with a global fanbase.

Chief Business Officer at Ceremony of Roses, Mary Healy, explains, "I think when you look at the pie chart

of an artist's career, it used to be that you could rely fully on your recorded music and touring as your revenue streams. In today's world there are huge benefits in having a much more diversified pie chart, and brand and merchandise is a huge part of that."

That's why, Scoffern says, music companies today are focused on how merch opportunities fit into the larger equation of an artist's career, and is why they look to ensure that authenticity and the artist's vision is front and centre in products and branding.

He continues, "We strive to have very deep relationships with the leadership of labels, in addition to close relationships with artists and their management. The sooner we can work with an artist and align on what their identity is and start consistently communicating it on merchandise, on their website, on socials and so on, the more successful the partnership will be.

"There has to be a creative vision that runs through everything associated with an artist's brand identity – the logo, the touring branding, the single artwork, the album artwork, what the artist is wearing. It's beneficial for artists if there's consistency running through all of that."

Healy points to the company's work with Columbia Records artist Dominic Fike as an example of developing merch opportunities with an artist's vision. "One of the things that he said in the first meeting was 'nobody really needs another T-shirt.' Sustainability is what's key to him. So he came up with an idea to do some upcycling, and Ceremony of Roses acquired vintage t-shirts and screen printed over them with Dom's new art. The result was a more sustainable and unique item for his fans."

She adds, "We really want artists that we work with to feel like we're a creative partner, not a vendor. I think that's the hallmark of our relationship with our roster. We're not just a transactional 'one and done'. We really build and work with them 365 days a year."



The focus is very much on creating broader strategic partnerships that our artists and labels can benefit from."

NAOMI MCMAHON
SVP, Head Strategic Marketing & Partnerships, Universal Music Group

Chris Onyekweli, High Street Retail Account Director, Warner Music, says: "We want to try and be involved with the artists right from the start, so we can educate and strategise with them. And, of course, the bottom line is that the artist gets approval on everything they do; they're in full control.

"It's a partnership model. We mostly drive the ideas, but either side of that, at the planning stage, we make sure we understand who the artist is, what they want to do, what sort of partners they're interested in, and then at the other end they ultimately say 'yes' or 'no' to everything.

"We work with 400 licensing partners and sell to around 200 different retailers with more than 60,000 individual stores worldwide, from the likes of Sweden's H&M, through Hot Topic from the US, to Australia's Cotton On. The great thing for artists is that they can just plug into that ecosystem."

"And then there's a sales team that focuses heavily on maximising all opportunities. We deal with the logistics, the paperwork – and since Brexit that's become so much more complicated. That's all there for them and taken care of for them, by best-in-class teams."



Lizzo photo by Luke Gifford



"IT'S ABOUT SITTING CALMLY FOR TWO HOURS AND GETTING LOST IN A WORLD, GETTING IMMERSSED IN AN ARTIST'S STORY."

Whilst the rise in short-form video has been well-documented, there's no denying that this is also a golden age for feature length video, particularly music documentaries, which provide unique ways of telling artists' stories in-depth.

Alice Webb, CEO, Mercury Studios, Universal Music Group, says, "People absolutely still love long form, because I think it feeds a very different need in audiences. Short-form feeds a kind of participation, that idea of leaning in and wanting to be involved. Long-form needs a different state. It's about sitting calmly for two hours and getting lost in a world, getting immersed in an artist's story."

Mercury's two highest profile projects over the last year or so have been the four-pronged *My Life as a Rolling Stone* series (featuring extended profiles of Mick Jagger, Keith Richards, Ronnie Wood and Charlie Watts) and *If These Walls Could Sing*, Mary McCartney's history of Abbey Road.



So many of our partners now are global – from streaming services such as Netflix to the big gaming franchises, and our strategy has to reflect that."

TIM MILES
SVP, Sync, UK and Europe,
Warner Music Group

A lower-profile project, *Mars*, was created in partnership with a newer artist, Yungblud, and shows how Mercury can be used to help fulfil a creative vision. Webb explains, "I'm really proud of that. It was inspired by and created with Yungblud, from one of his songs, also called *Mars*, which in turn was inspired by a young trans fan he met on tour.

"It was a kind of a love letter to Northern Britain. It was filmed in Blackpool, set in Blackpool, and around a trans youth support group. It's a story of joy and identity and discovery and kids and northern England, a really important story."

Generally, she says, "We're here to back artists' creativity and be a facility to express themselves through the visual medium in a way they aren't able to do within their labels", adding that "creative freedom is the name of the game, there's no tie-up between an artist's record contract and their work with us, and what we're definitely not here to do is create marketing materials.

"There are now something like one million sync opportunities a year, and to stay on top of that you need scale and you need a global approach."

Another well-established marriage between sight and sound is sync – a sector that has become more global, more complicated and more commercially significant in recent years.

Tim Miles, SVP Sync, UK and Europe, Warner Music Group, says, "So many of our partners now are global – from streaming services such as Netflix to the big gaming franchises, and our strategy has to reflect that. We're now completely joined up around the world, where everything used to be very, very local.

"I think from a label perspective we've never been more of a service industry. We are a community of experts that can add real value. This idea of being a DIY artist is fantastic, but I still subscribe to the fact that you need experts, and you need that network in place.

"Sync is all about networks. It's about knowing the film studios, knowing the game developers, knowing the agencies, and having the experience to know when to push and pull. I've seen lots of people fail at sync because they have smaller catalogues, and they therefore send the same music to the same people over and over again.

"Then, once you get past the creative side and the placement of songs, there's a really complicated clearance process. Plenty of people can go and agree to put a song in a movie, but can they help get the publishing cleared? Can they track down the sample that needs clearing? We handle the whole thing.



Back Number photo courtesy of Universal Music Group

"Due to an explosion of content, there are now something like one million sync opportunities a year, and to stay on top of that you need scale and you need a global approach."

The biggest sync of 2022 was Kate Bush's *Running Up That Hill* in *Stranger Things*. Miles reflects not just on that success but what it says about the strength and future of the sector. "It's the biggest sync ever. By that, I mean it's transcended even what a typically successful sync would do: it's turned a song that was 37 years old into a global hit.

"The numbers don't lie. I think it's at about 900 million streams on Spotify [at time of writing], so it's going to hit that exclusive billion-streams club. There's never been a sync that has been responsible for such traction on streaming services, on radio, in people's lives.

"But I think what's really interesting is it's shone a light on the sync industry and it's shown people why it's really important to pay attention to our sector. I'm saying it in a really positive way, because sync could be overlooked in the past, particularly from a catalogue perspective.

"It's shown some of our artists just how powerful TV and film can be for them, and how in the age of streaming a spark from sync can cause a forest fire – that wasn't possible 10 years ago. In that sense, I think it will have a really powerful legacy." ♦



Sury Su photo courtesy of Sony Music



Steve Lacy photo by Julien Klinczewicz

↓ CASE STUDY

STEVE LACY

Steve Lacy's first project as a solo artist, Steve Lacy's *Demo*, was an un-assuming, no-frills debut – made predominantly on an iPhone and put into the world in February 2017 as an independent release.

This didn't prevent it being heard, and instantly loved, by **Peter Edge, Chairman and CEO of Sony Music's RCA**. He says, "I've been a fan of Steve Lacy since I heard *Demo* and *Dark Red*, which was one of my favourite songs in 2017.

"I was also a massive fan of The Internet, the group he started with. Through his manager, Dave Airaudi, I met Steve and we decided to partner to work together on new music."

Drawn in by the music rather than data, Edge continues the story, "Steve is a unique and extraordinarily talented musician, and a guitarist – which is highly unusual especially in the space that he works in.

"He's melding R&B and Rock and all these multi-genres in his sound. I thought he was a completely new prospect and an incredible talent.

"From day one, Steve had complete freedom to do whatever he wanted. It was and continues to be a total partnership and we are here to support Steve's artistic vision and genius in the best way we can."

Going back to day one, or somewhere near, **RCA COO John Fleckenstein**, says, "For us, this launch had to be elevated but also consistent and respectful of his journey and fans so far. Steve had already built enormous credibility in the creative and music communities and curated a super loyal set of fans who were willing to ride with him to any frontier.

"So, when it came to strategising on how to reach them, a major piece was consistency. We also brought scale. We helped elevate the world around his music, we sought to elevate everything – from how we introduced the music for the first time all the way to our drive to the top of the industry charts after release.

The game-changing track was *Bad Habit* [800 million+ streams to date]. Edge recalls its rise to prominence, "We always knew it was a key track, but nobody can ever predict the kind of success that it had or how explosive it would become.

"*Bad Habit* is an extraordinary success story; the kind that you only dream about which made it all the more thrilling. But Steve felt very strongly and so did we about *Mercury* being the opening single.

"It was something very different for him and he really felt it should be the first song that people heard from his new album, followed by *Bad Habit*.

Fleckenstein continues, acknowledging the part that short-form platforms played in *Bad Habit's* ability to reach his fans, "The song was a genre-defying breakout. If you dug into what was happening on short form – not just TikTok but on Reels, Shorts and all these platforms, you saw fans loving the song.

"The truth is, Steve has immense credibility with a young, short-form video-loving fanbase.

"Steve speaks to that audience fluently where they are hanging out. He gave them something fantastic and they created their own tributes – in droves."

With *Bad Habit* as an accelerator, RCA continued building Lacy as a long-term artist, knowing that the next album *Gemini Rights* was a pivotal career moment.

Fleckenstein discusses the process, "The plan started with complete creative freedom and time in the studio to make something truly great. Then, when he was ready, the cornerstone of the plan was exacting detail around his credibility matched with set up and strategy on the body of work.



From day one, Steve had complete freedom to do whatever he wanted. It was and continues to be a total partnership and we are here to support Steve's artistic vision and genius in the best way we can."

PETER EDGE
Chairman & CEO, RCA

"With partners, with international affiliates, with media – everyone who could help his vision be heard globally was included in that set up process. International coordination and providing a global platform in particular was a huge priority and critical in our set up."

The album went Top 10 in the US and won the Grammy for Best Progressive R&B Album in early 2023.

Fleckenstein continues, "In the social media sphere, it's about staying authentic to his audience and meeting them eye to eye where they live. Steve has a lot of friends in the creative community. These friends were loud with their followers and fans on socials. This shone a light on the path ahead.

"Steve himself uses social media to communicate his wit, creativity and personality and I think this clarity of voice is a major piece of his authenticity today with fans."

Edge concludes by reflecting on the album's international success, "Steve came to New York to connect with the entire Sony Music International team and spent time with him to build that network which undoubtedly helped propel his global presence. These opportunities are what you dream of in building a worldwide campaign.

"The Sony Music international team were big believers and fans from the start, which was crucial to the global success story."

ARTIFICIAL INTELLIGENCE: DEFINING ITS PLACE IN MUSIC

One area of opportunity that is still being defined is artificial intelligence (AI). It is a subject that currently sits at the top of the mainstream agenda, in culture and technology.

Dennis Kooker weighs things up: “We’re supportive of uses of AI where it can help us to work smarter, for example, in helping us to support artists in analysing and understanding fan engagement trends. This is where AI is already a key component to the business and can play a really positive role.

“But there are other applications of AI that increasingly seem oppositional to the essential human factor at the core of artistry and originality that makes music so incredibly unique and beautiful.



Ultimately, we are on the side of artists and their music. Our focus is on building their careers and supporting the authentic connections they want to make with their fans.”

DENNIS KOOKER
President, Global Digital Business,
Sony Music Entertainment

“In particular we have serious concerns about the potential for AI-synthesized voice technology to be used at scale to cover songs and attempt to replace artists. This is something that we need to watch very closely.

“Ultimately, we are on the side of artists and their music. Our focus is on building their careers and supporting the authentic connections they want to make with their fans.”

Michael Nash continues in a similar vein, “AI brings significant innovation potential for our artists. It can be used to help us identify new audiences for our artists in different markets around the world, enhance the quality of music experiences in terms of immersive sound and it can help really optimise technical aspects of audio production too.

“However, when you’re talking about generative AI, there’s a real significant risk for the entire creative community. We’re talking about upholding the rights and interest of artists here, and about a threat to the community across categories.

“Most of these AI systems acquire the essential base of knowledge from which they develop their ‘own’ IP by essentially training on vast quantities of copyrighted content. And they’re not providing any compensation to the people who produce that indispensable source material.

“The bottom line is, a lot of AI developers are just ignoring the ethics of ingesting the creative work of others, or they’re simply justifying it with what we view as a dangerous distortion of the idea of fair use, that is absolutely not going to hold up.

“We’re really excited about all the innovative ways that AI developers who respect artistry are moving culture and the industry forward. There’s an incredible opportunity there. But unless creators are respected and properly compensated when and if their

works are used to train AI, then you’re going to see the world’s creative community potentially suffering a lot of damage in the evolution of generative AI.



We’re really excited about all the innovative ways that AI developers who respect artistry are moving culture and the industry forward.”

MICHAEL NASH
EVP, Chief Digital Officer,
Universal Music Group

“I would put that at the top of a list of industry issues because we need people to understand what’s going on right now. We need to work very hard to define new models so that we can enable generative AI without looking away from what is essentially going to be wholesale hijacking of the intellectual property of the entire creative community.” ♦



Sauti Sol photo by Elie Obati

LOCAL CULTURES DRIVING MUSIC'S GLOBAL GROWTH

As the music industry continues to grow globally, countries and regions are becoming increasingly interconnected whilst maintaining a strong sense of their own creative and cultural identity.

As **Adam Granite, Universal Music Group's CEO, Africa, Middle East and Asia**, outlines, "First and foremost, music has always been incredibly important to cultures around the world – literally since the dawn of civilisation. What we are now witnessing, helped by the expansion of the smartphone, is the explosion of accessibility – billions of people around the world now

have portable music with them at all times. And with this access has come a massive expansion of music services, some free and some paid. This in turn has fuelled our investment into more markets, genres, and ultimately artists, than ever before.

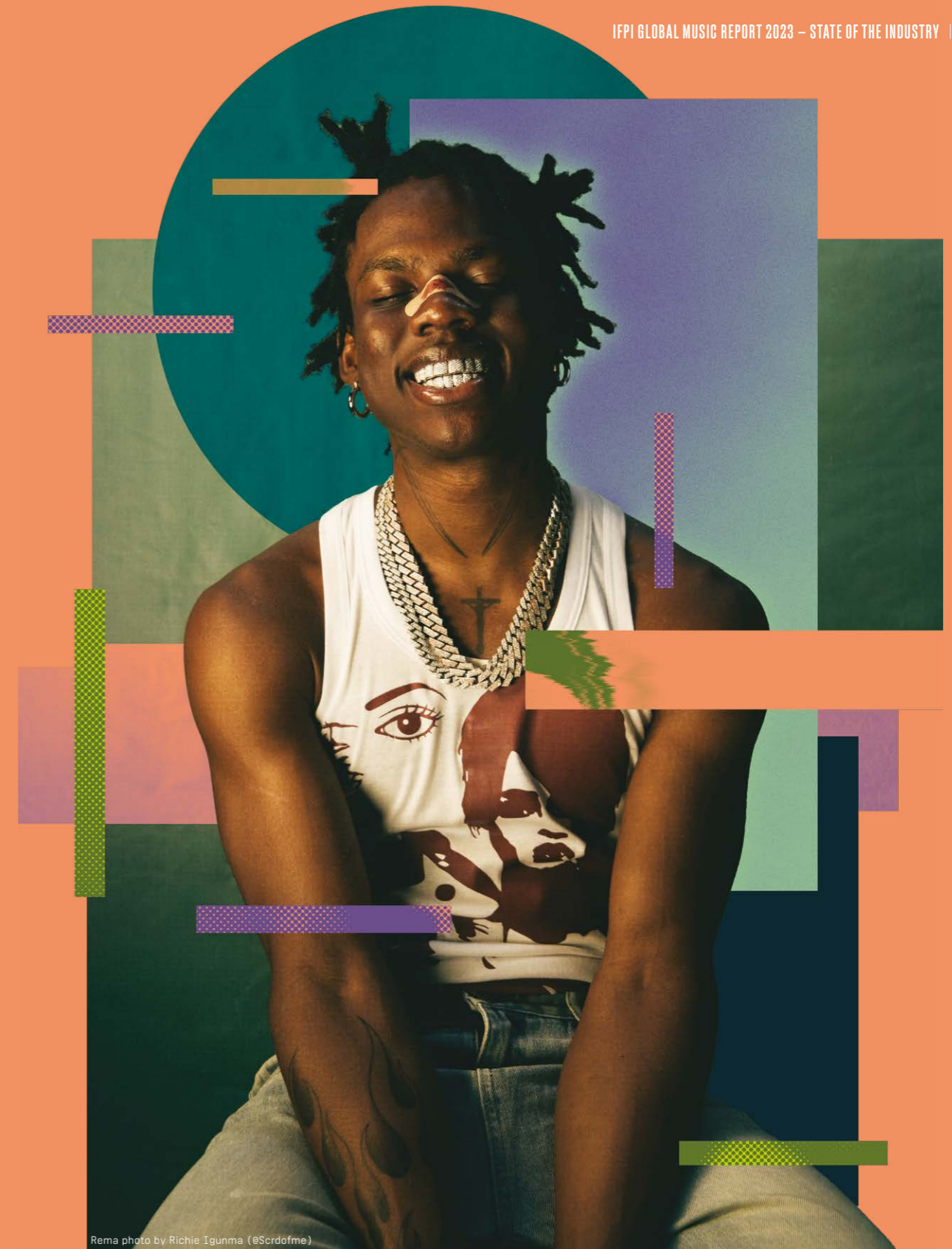
"What is most exciting, however – despite all of our phenomenal industry growth over the past several years – is that in many ways we are still at the beginning stages of the development of this ecosystem on a global basis. There are literally billions more consumers we expect to enter in the coming years."



It's a hyper-competitive world out there, and with domestic music being such a crucial part of a market's growth story it's so important that we look at all opportunities."

SIMON ROBSON
President, International,
Recorded Music,
Warner Music Group

Nogizaka46 photo courtesy of Sony Music Labels Inc



Rema photo by Richie Igunma (@Scrdofme)

Simon Robson, President, International, Recorded Music, Warner Music Group, explains that whilst growth continues around the world, music markets in different countries are at different stages of development. This in turn requires different priorities and demands different strategies from the record companies that are engaging and investing in them. "When we look at the global market, we see the strong growth coming from areas such as Asia, Latin America, MENA and Sub-Saharan Africa, where emerging markets are continuing to grow and evolve.

"We are looking aggressively at all opportunities to invest in those higher-growth markets ensuring we tailor our approach to each one. At the same time, we need to maintain our commitment to more established markets. It's a hyper-competitive world out there, and with domestic music being such a crucial part of a market's growth story it's so important that we look at all opportunities."

Shridhar Subramaniam, President Corporate Strategy and Market Development, Asia & Middle East, Sony Music Entertainment, adds: "We see different markets in different

stages of development. Countries such as China and South Korea have significant growth of fans paying for streaming. The paid ecosystem is established, and now the challenge is to look at the value of music on streaming and social media platforms.

“Then you have a group of other countries, predominantly in Southeast Asia, where the paid music ecosystem is established but nascent. They have a lot more headroom in which to increase the paid user base. When you’re talking about countries with populations in the hundreds of millions, that’s a significant opportunity.

“There is this third group of countries such as India and potentially Egypt, which have very large populous markets who predominantly use ad-supported streaming services and are yet to move to a paid ecosystem. When that happens, you will see a big surge in market growth.”

Subramaniam concludes, “So there’s a journey for these countries in Asia and the Middle East to go on, and we take a bespoke approach in each case to make sure these markets continue to grow and benefit the whole music ecosystem of artists, creators and labels.”

Granite highlights Southeast Asia as another positive story: “As these emerging markets continue to bring new users into our ecosystem, we will continue to see both the subscription and ad-supported sides of the business grow.”

“We’ve seen an explosion in short-form video platforms across the region – music is obviously central to short-form platforms’ entire business model – and that is helping to drive both engagement and revenue.”

In Africa, **Temi Adeniji, Managing Director, Warner Music Africa**, highlights the growing importance of brand partnerships and investments in the live industry across the continent, alongside a possible increase in ad-supported music revenues.

“Across the continent, we’re seeing users switch from traditional media to digital platforms. That shift is benefiting artists and music as they’re at the heart of mainstream digital platforms from audio streaming to short-form video.

“A challenge for the music industry as a whole is to convert users from ad-based services to paid subscription. In South Africa, for example, we only have around four million paid subscribers in a country of nearly 50 million people. So, we have to make sure that more ad-based services act as a funnel to subscription.”

Granite also highlights Nigeria as a country that continues to produce break-out artists, “Nigeria remains an incredibly vibrant market for repertoire that continues to find new audiences around the world.”

He goes on to highlight the Nigerian rapper and singer Rema (whose track *Calm Down* featuring Selena Gomez spent 11 weeks at the top of IFPI’s newly launched MENA regional chart from November 2022 into early 2023) as an example of this. “He’s had a huge year and continues to have great success. He is distributed by our independent label services businesses, Virgin Music Label & Artist Services, working in close partnership with Nigerian label Maven Records. Virgin delivers our premium artist and label services to independent artists and labels. It’s a great example



Stray Kids photo courtesy of JYP Entertainment

of how we’re continuing to see repertoire from that part of the world grow and it’s very exciting.”

The Latin American region saw its thirteenth consecutive year of growth with its market now worth US\$1.3 billion. **Afo Verde, Chairman & CEO Latin America, Spain & Portugal, Sony Music Entertainment**, highlights some of the challenges to this continuing in a sustainable way for the future, “There are a number of wider challenges for our region including political instability and inflation, but ultimately, we have a healthy, growing music ecosystem. The most important thing for us is that people realise that there’s a value to the music they love, and subscribing ensures its longevity and sustainability.”

In the region’s largest single market, Brazil, **Leila Oliveira, President, Warner Music Brazil**, says, “We’re still feeling extremely positive about the music market here. We’re seeing some slowing in the growth of streaming, but other areas, such as brand partnership, opportunities are growing strongly.”

Oliveira also highlights growing engagement with streaming beyond

Brazil’s two biggest cities, “Streaming is long established in São Paulo and Rio, but for the last two years we’ve seen strong growth in regions such as Northeast Brazil, which is home to some 60 million people.



The important thing for us is to have local people who truly and authentically understand the music and artist culture on the ground.”

AFO VERDE
Chairman & CEO Latin America,
Spain & Portugal, Sony Music
Entertainment

“And, of course, Latin music continues to be so relevant globally and an increasing part of the worldwide business. We were hugely proud when Anitta became the first Brazilian star and first solo Latin female artist to top the Spotify global chart.”

Vanessa Picken, Chair and CEO, Sony Music Australia & New Zealand, reports that over 70% of households

in Australia and more than 66% in New Zealand are now paying for music subscriptions and that the focus is now “looking at other ways to increase revenues for our artists to build on the rapid growth of previous years.”

She continues, “There are external factors, mirroring global patterns, of inflation and rising interest rates, which mean we need to shift quickly in terms of how we do business differently and how we capture a good share of a decreasing pot of discretionary spending.

“The growth of paid subscriptions has been hugely significant and has given us a really healthy base, but we need to continue being smart and diverse in our thinking when it comes to giving our artists the best possible opportunities to build and sustain careers.” ♦



Anitta photo courtesy of Warner Records



Noga Erez photo by Dudi Hasson

↓ CASE STUDY

NOGA EREZ

Discussing how independent German label City Slang broke Israeli artist Noga Erez, Founder & CEO Christof Ellinghaus mentions “five years of not sleeping”, “a white knuckle ride” and “an unhealthy degree of expenditure”.

He also leaves you in no doubt that he enjoyed every minute and considers the entire process more than worth it.

Similarly, there is something of a reality gap when he talks of Noga’s subsequent success by saying “somehow it all fell together” – the throwaway phrase covering for five years of commitment and passion, slog and strategy, but most of all persistent evangelising based on belief in an artist.

It is also true, however, that, as with many A&R success stories, this one starts with a bit of luck. Ellinghaus recalls, “We were looking at another band, Son Lux, and while we were looking at some of their videos, we came across one by someone we’d never heard of, Noga Erez, doing one of their songs, *Weapons*.”

“We just fell for her and fell in love with her voice straight away. She played piano, she played in some jazz band, but she was also doing this beautiful, dark, Electro Pop. We flew to Israel, we met her, we saw a show and we did the deal.”

City Slang’s first move was to bring Noga to Europe to play shows, securing tour support slots and shows in major capitals such as London, Paris, Amsterdam and Berlin. “That gained more ground than streaming”, says Ellinghaus, with the major DSPs not that interested at first.

“We actually spent way too much”, admits Ellinghaus, “but we just thought this artist had everything: the talent, the songs, the looks, the attitude. She needs to be noticed, she has to connect... it didn’t connect!” Noga’s first album, *Off The Radar* [2017] garnered critical praise, but made little commercial impact.

Ironically, whilst the major streaming platforms still weren’t on board, it was the placement of a major Apple Music sync that helped sustain the campaign. “We took that money and we made more videos, played more shows, just continually re-invested.”

The turnaround started as Noga embarked on the recording of her second album, *Kids* [2021]. Ellinghaus says, “We did something we don’t usually do: as soon as she gave us a song, we made a video and we put it out. We just kept feeding content out there.

“Sometimes that’s what the job is. You have to shout, you have to create opportunities and stories. The radio is ignoring you, the streaming services are ignoring you, but you build a case that is undeniable.

“At the same time, we realised that we needed to be patient. We’d been too eager. It was for a good reason, because we were so passionate about the music and we believed so much in Noga, but we accepted that we would have to wait.

“In fact, that wait, and the fact that we kept supporting her, kept putting out everything she did, I think, gave her the confidence to explore her creativity even further, and that was what helped really find her own sound and her own voice.”



You have to shout, you have to create opportunities and stories.”

CHRISTOF ELLINGHAUS
Founder & CEO, City Slang

Fuelled by the flow of content (and partly by the COVID pandemic), City Slang switched the marketing emphasis to the digital sphere and got traction on TikTok and Instagram. There was a live-streamed concert that built the momentum and, eventually, a slot on Jimmy Kimmel was secured, while Billie Eilish sang her praises on her Apple Music radio show.

Noga’s second album, *Kids*, came out in 2021 and, as Ellinghaus puts it, “from that moment on, somehow it fell together.”

He continues, “We finally got support from streaming services, Britney Spears posted a clip of her dancing to one of Noga’s tracks, it was a whole series of things just fell into place.”

There has since been a Missy Elliot collaboration on the remix of Noga’s song, *Nails*, and a support slot with Florence and the Machine at Madison Square Garden.

Both were at least partly made possible by Slang City doing a deal with Atlantic Records, who will distribute future releases. Ellinghaus says, “We’re at the stage where we need bigger guns and more connections. That’s what working with Atlantic can bring to the project and it will be interesting to see where we can take it from here collectively.”

THE GLOBAL STRENGTH OF LOCAL REPERTOIRE

One of the key characteristics of today's global music industry is the strength and success of domestic music. Alongside the opportunity for fans to engage with repertoire from almost any part of the world, there is an increasing trend towards embracing and celebrating local artists and culture.

Underpinning this growth is the ongoing investment of record companies, which continue to build partnerships and develop local teams best placed to work with current and emerging artists from a growing variety of music scenes.

Says **Dennis Kooker, President, Global Digital Business, Sony Music Entertainment**, "What we're seeing in today's industry is domestic music increasingly driving engagement in the streaming economy. This is something we directly support with teams on the ground and by using our global expertise in every market to invest in more artists in more countries. This ultimately helps artists maximise the creative and commercial opportunities they have available to them. This in turn produces more opportunities for fans around the world to discover music that feels most relevant to their lives."



Cairokee photo courtesy of Sony Music



DBN Gogo photo by Stundo Majozzi

Adam Granite, Universal Music Group's CEO, Africa, Middle East and Asia, expands: "Local repertoire has always been central. What we are actually experiencing for the first time is the ability to monetise this repertoire. If you were to go back 20 or 30 years ago and listen to the radio in any local market, you would have heard domestic repertoire in local languages, reflecting local culture. Unfortunately, the monetisation of this repertoire was very challenging – particularly in emerging markets where the costs to create, manufacture, distribute, and ultimately sell this repertoire were simply too high. Beyond that, copyright law was not where it needed to be – especially in some of the most populous countries on the planet, and while we've seen progress in key territories, there is still more to do to strengthen copyright in markets such as India.

"However, it is certainly true that it is significantly easier for artists to create music, have their rights protected, and with digital distribution and the growth of the smartphone, monetise it. I want to be clear – this didn't just happen. It has been decades of work as an industry to get to this stage and it continues every day."

"THERE ARE SO MANY GOOD DOMESTIC LABELS IN SOUTHEAST ASIA. AND AS AN INTERNATIONAL RECORD COMPANY, WE NEED TO BE COMPETING ALONGSIDE THEM, BECAUSE THOSE MARKETS ARE SO IMPORTANT."

At **Universal Music Group, Calvin Wong, the company's CEO, Southeast Asia and SVP, Asia**, explains that prioritising domestic success is an important starting point to their artist relationships. "We can't just tempt artists with the promise of an international career, we must first be focused on their domestic success. And then from there we can look at other territories and think about global impact."

To enable this, the right people need to be brought on board. Wong continues, "We're spending a lot of time and effort adding new, talented, local executives to our teams. This is crucial

as we are seeing a generational change in terms of artists, and we must relate to this next generation. The way to do it is to find and develop brilliant young executives in every country."



It has been decades of work as an industry to get to this stage and it continues every day."

ADAM GRANITE
Universal Music Group's CEO,
Africa, Middle East and Asia

He goes on to stress the importance of record companies staying true to their core values in fast-developing territories as much as they are in their traditional strongholds. "We have to continue to build artist development stories. Yes, there are artists who can have a number one hit because a track goes viral. Great, what next? That's the question we must answer. We have to use the viral hit as a catalyst to build a career, not see it as a goal in itself.

"We tell the artist's story, we talk about who they are and where they have come from. When people start to understand more about the artist, they're more likely to engage with the music."

Warner Music's Nicholas Cheung, Regional Director, Hip-Hop and R&B, Asia, also considers the need for authenticity and accessibility as he reflects on the emerging Hip-Hop scenes in his region. "I think when Hip-Hop in Asia really reflects the local culture and ways of life here, it becomes interesting in a way that's not just replicating the Hip-Hop that comes from the West. There's this local superstar rapper named VannDa based in Cambodia. He comes from a refugee family that had to go through some really difficult things.

"He mixed a lot of the traditional elements with new Hip-Hop elements, and he rapped about what he'd been through. It's still Hip-Hop, but it's something different and not a replication of what's in the West.

"The more of these artists who come along, who stand really strong behind their culture and where they come from, I think that can evolve into something truly unique – Hip-Hop, but with its own voice and style."

He also credits the culture of Hip-Hop with adding a new energy to the wider Asian music market. "Hip-Hop has risen as a phenomenon in Asia over the last five or six years. To some people, that came out of nowhere and introduced not just new sounds but new ways of breaking artists and marketing music."

"Who knows, five to ten years from now other Asian music cultures



VannDa photo courtesy of Warner Music Group

including Hip-Hop might become normalised in the same way that K-Pop is a normalised Western scene now.”

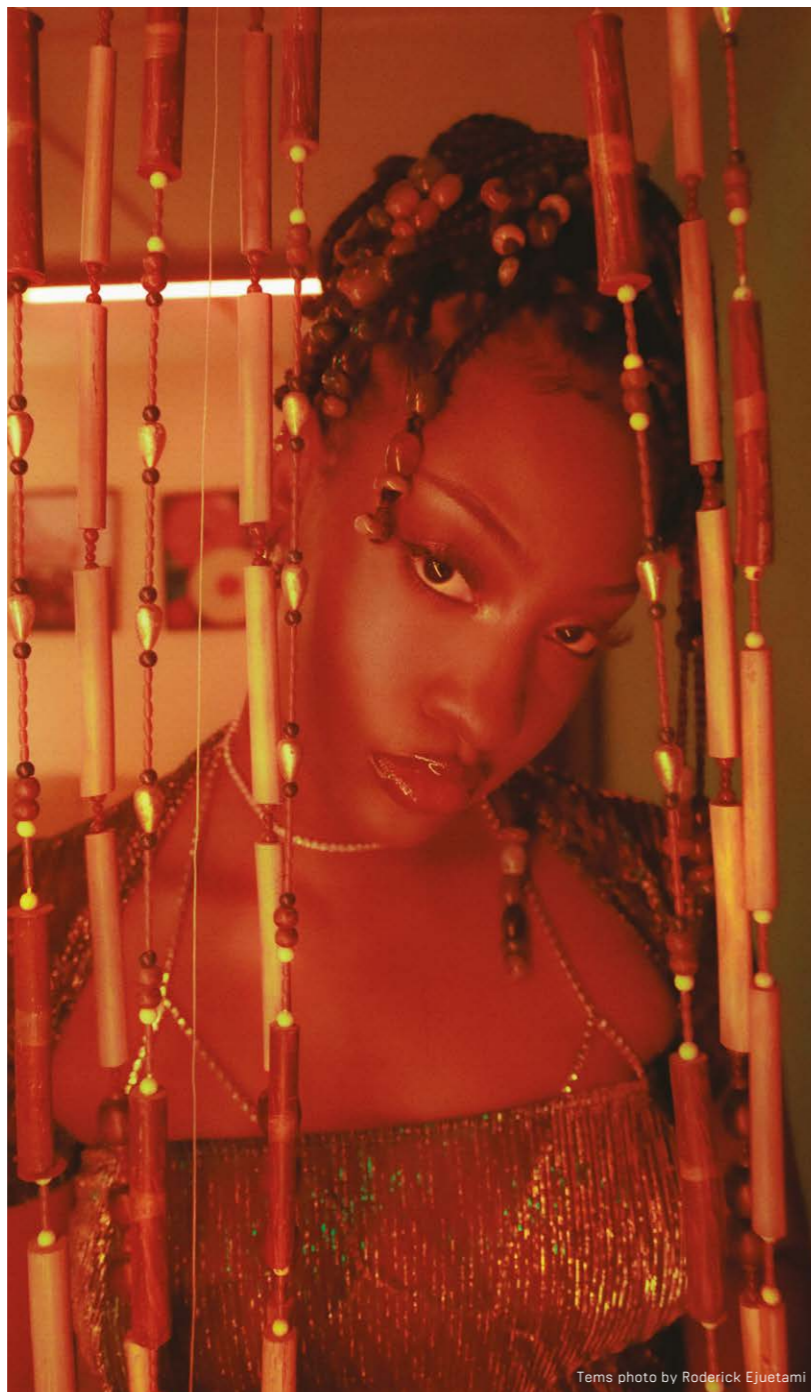
The increasing impact and influence of domestic music is being felt in established European markets as well as emerging regions. Marie-Anne Robert, Managing Director, Sony Music France, says: “In 2022, we grew from 44% local artists in our Top 200 to 60% – and it’s a trend that is still growing.

“This year, in particular, we saw a rise in engagement with Latin repertoire alongside domestic Hip-Hop which is still the most prominent genre, making up half of the Top 200. But in my opinion, you cannot categorise Hip-Hop as one genre anymore, it’s so diverse.”

In **Africa, Temi Adeniji, Managing Director, Warner Music Africa**, highlights the rise of a genre that’s been growing in influence over the past few years. “There’s been tremendous growth and focus on Amapiano, a genre from South Africa, in the last couple of years. It reminds me of where Afrobeats was maybe five years ago when people were just starting to understand it.

“It’s interesting as it’s not melody based, it’s very much vibes and rhythm, and there are no real hooks that people can sing along to, it’s not like a standard melody template. But people are really engaging with the music. Now we’re seeing crossover hits in markets such as Nigeria with artists incorporating a lot of Amapiano elements. I think that means we’re going to see an infusion of Amapiano elements into [the] scenes in other countries. It’s definitely going to be interesting to watch the trajectory over the next few years.”

In terms of mainstream success, the growth of domestic repertoire is probably more accelerated in MENA than anywhere in the world.



“WE’RE CONFIDENT THAT, WITH OUR PARTNERS, WE CAN BUILD AN ECOSYSTEM THE EQUAL OF ANY IN THE WORLD. THAT’S WHY WE’RE SIGNING MORE LOCAL ARTISTS THAN EVER BEFORE.”

Ahmed Nureni, General Manager, Warner Music Middle East, says, “The diversity of musical genres is growing rapidly and each region in the Middle East and North Africa has its own creative musical soul. Our local teams are closely engaging with these newly rising genres with a focus on discovering, developing and helping the artists within them build their careers locally and across the region.

“We’re signing new and established artists in the Middle East and North Africa, while building an ecosystem using our international experience to support the different local Arabic music genres. Artists from our region are hugely creative and we know that we can help them enjoy massive hits by forging collaborations with other performers, as well as the best producers and songwriters.”

Nureni reflects on the opportunities for artists to build relationships with fans outside their home country to build international careers. “We’re ambitious about the scope for cross-cultural collaborations. Lately, we’ve seen several successes stories within the region, having a Saudi artist working with an Egyptian composer, or a Lebanese artist partnering with a Moroccan producer. We’re looking forward to expanding such collaborations on a global scale.”

“Music from the region is starting to get more international traction, often initially driven by Arabic diasporas, but with fans of all backgrounds discovering our great sounds.”

Simon Robson highlights a further dimension to the growing strength of domestic artists, explaining how music fans from large populous countries can propel an artist to global recognition, “We’re working with an Indian artist, King, and have achieved a scenario where his track has made it into the global top 25 on particular streaming services. This has predominantly been driven by a growing number of fans in India engaging with the music. I think this is the sign that Indian music will have an increasing impact and influence on the global charts. King’s success highlights that.”

One region that has seen its music break on a truly global level is Latin America. Afo Verde believes, however, that first and foremost, investment needs to be made locally.

“The important thing for us is to have local people who truly and authentically understand the music and artist culture on the ground. We recently acquired the Brazilian company Som Livre. Instead of integrating it into Sony Music Brazil, we kept the two companies operating independently in the country. This means we can support more artists in Brazil and give them more time, more investment and be closer to more projects.

“With more people you can deep-dive into the culture in a more effective way. You can go to different places. We are not just signing artists from São Paulo and Rio de Janeiro; we can be in more places in the country and closer to every corner of the culture. It’s very cool.”

Afo Verde concludes with a message to fans discovering Latin music for the first time, “If you are curious about Latin music please dive in and dive deep because it’s amazing what you’re going to find. The quality of the music in Latin America is spectacular.” ♦



We’re signing new and established artists in the Middle East and North Africa, while building an ecosystem using our international experience to support the different local Arabic music genres.”

AHMED NURENI
General Manager,
Warner Music Middle East



Fuji Kaze photo courtesy of Universal Music Group

↓ CASE STUDY

FUJI KAZE

By the time that Japanese singer-songwriter Fuji Kaze signed to Universal Music Japan in 2019, he had been uploading piano/vocal cover version videos to YouTube for a decade. And it was the buzz from these videos that led to a meeting that, in turn, led to his record deal.

Deputy Managing Director of Universal Sigma, Universal Music Japan, Mitsuhiro Higashikosono, explains how the A&R process then kicked in: “Kaze had a collection of original songs. They sounded wonderful. Then we started talking to him about how we could add value as a label by bringing in the best producers to take them to the next level.

“Of course, we could only do this by really understanding Kaze and the artist that he wanted to be. He is such a massive talent – we could already see his genius as an artist – so the first and most important part of our job was to understand his vision. It was only when we truly understood what he wanted to do and where he wanted to go that we could really help him achieve that. As our chairman Sir Lucian Grainge always says: ‘the artist must be at the centre of all we do.’”

After diving into Kaze’s music, style, and vision, Universal Music Japan worked to align Kaze’s goals with his overall artist strategy. Higashi continues:

“Kaze has been performing on YouTube since he was a kid – and we wanted to continue to value what’s important to him by continuing that journey and building it even further. Normally in Japan when you are first looking to build an artist’s audience, you would look to put them on TV and arrange media interviews, but we didn’t do any of those things.

“Instead, we chose to focus on what was Kaze’s key priority at that point in his career; that was YouTube, the tool he was most comfortable using to talk to his fans. So that’s where we put our focus – followed by other social media rather than the mass media.”

Kaze’s debut single, *Nan Nan*, came out in 2019. His first album, *Help Ever Hurt Never* followed in May 2020 and reached No. 2 in the Japanese charts.

Due to the COVID-19 pandemic, promotion for the album was limited largely to a drip feed of videos and live-streaming concerts. This potential disadvantage, however, turned out to be an advantage, as this was Kaze’s home turf. The move allowed Kaze and his team to begin building an organic audience outside Japan.

In 2021 he released a single called *Kirari*, which involved a commercial tie-in with Honda, facilitated by Universal. It became Kaze’s first Top 5 hit in Japan.

Last year saw the release of his sophomore album, *Love All Serve All*, which went one-better than its predecessor by topping the Japanese charts.

The real global gear-change came in July 2022 with the surge of *Shinunoga E-Wa on Tik Tok (or social media)*. The song, which translates to ‘I’d Rather Die,’ became the soundtrack to nearly half a million videos created on TikTok.



It was only when we truly understood what he wanted to do and where he wanted to go that we could really help him achieve that.”

MITSUHIRO HIGASHIKOSONO
Deputy Managing Director,
Universal Sigma,
Universal Music Japan

The track started to blow up across Southeast Asia and eventually reached No. 4 in Spotify’s Viral 50 Chart in September 2022.

Higashi says: “It was a big buzz. And as soon as it started, Universal caught it – partly because of data reports and partly because they had offices and expertise ready in the territories where it was taking off.

The track went on to reach the Top 10 in the Global Viral Chart in 70 markets, demonstrating Kaze’s truly global appeal.

“Each country provided support and amplified what Kaze’s fantastic song had started on TikTok. We were then able to take that momentum and run with it around the world. Kaze and his team really appreciated that global reach and the teams on the ground around the world who were working to support Kaze’s vision. They really value that aspect of our partnership.

“It’s interesting, because Kaze sometimes sings in the dialect of his hometown of Okayama in Western Japan, he’s actually from what we would call the countryside of Japan; but his music speaks globally. I think this is what makes him such a uniquely exciting artist.”

At the time of writing, Kaze has more than 11 million monthly listeners on Spotify, the highest number for a Japanese artist, and he’s showing no signs of slowing down.

SECURING A FRAMEWORK FOR LONG-TERM, SUSTAINABLE GROWTH ACROSS THE MUSIC ECOSYSTEM

The landscape for music continues to evolve at a breakneck speed, bringing new ways to deliver, experience and engage with music content – and with more on the horizon. Artificial Intelligence (AI) and increasingly immersive technologies are already affecting us all profoundly, and music is no exception.

While human artistry will always be at the heart of great music, new AI tools offer music great benefits. Some, for example, support artist discovery, others enhance audience identification. Still others enable fans to engage with artists in new ways and some aid in the creative process.

That's why robust copyright rules and regulations remain a critical tool to protect and foster creativity – and the key enabler of effective licensing. The pace of innovation may also mean that other forms of protection and intellectual property – from personality rights to unfair competition rules – need to be strengthened, in order to protect artists and the integrity of the marketplace.

The fundamental policy principles that underpin IFPI's work – to secure a framework that supports a healthy, sustainable, global music industry for the future – include:



KYE photo by Jae Bunny



Peach PRC photo by Jess Gleeson

1.

CONTINUE TO VALUE HUMAN ARTISTRY

The artist must remain at the centre of all that we do. Record companies constantly explore new technologies and innovations, working with artists to develop and use new tools to advance the creative process. This includes the use of artificial intelligence which offers new innovative tools to support artists, from systems that assist in the creative process to those that help with production. However, AI is not and will never be a substitute for human artistry, nor should developers of AI models be allowed to use artists' recordings without authorisations, whether to train their models or to generate new content.

Furthermore, developers of AI models should be required to keep records of the content of others that they ingest and disclose the recordings used in the development of the models.

2.

RECOGNISE MUSIC'S VALUE

Music has both cultural and economic value, and public policies should ensure that that value is fully recognised by all players in the marketplace. It means, among other things, that online operators – including those operating virtual metaverse platforms or content sharing networks running on Web3 technology – must negotiate licences for the music they make available on their services.

Policymakers increasingly understand the value of exclusive rights and robust and clear copyright liability rules, offline as well as online. Exclusive rights and clear liability rules are necessary for rightholders to benefit fairly from their rights.



Day1 photo by Kiera Chevall



Dian Deng photo courtesy of Sony Music



YOUHA photo by PAKBAE

3.

SUPPORT MUSIC'S COMPETITIVE MARKETPLACE

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

The increasingly competitive environment has directly benefited artists, with an IFPI study showing that record companies' payments to their artists have increased by 96% between 2016 and 2021.

Since artists' incomes come from multiple sources, policymakers should support a competitive marketplace where artists and their commercial partners are free to develop new partnerships, to the benefit of all parties and without unnecessary regulatory interference.



Fleetwood Mac photo by Sam Emerson

4.

PROTECT CREATORS' CONTENT

To make copyright systems truly functional and to protect rightholders' repertoire at all times and in every environment, effective enforcement measures and procedures are required. Governments should actively address the most extreme infringements through criminal and administrative actions.

That requires the empowerment of competent authorities to order online intermediaries to block access to infringing and otherwise fraudulent services, following the example of a growing number of countries from India to Latin America and the EU.

Governments should also require that where online hosting providers benefit from liability privileges (also known as 'safe harbours') they take credible and effective measures to keep infringing music off their services, not least once they have been notified of such infringing content.

Furthermore, all intermediaries should take steps to ensure they have accurate identifying information about their business customers and make that information available to right holders and law enforcement agencies who need it for the legitimate purpose of protecting their intellectual property rights.

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