

ifpi | representing the
recording industry
worldwide

GLOBAL MUSIC REPORT

2021



Our mission to put creators first has been more important than ever in the past year. Hits can now come from anywhere and artists are empowered by future-focused insights, tools and resources to reach global audiences. Breaking down barriers and borders of language, culture and genre around the world, music has made an incredible impact over the last year, bringing communities together to tackle the challenges facing all of us.

ROB STRINGER
Chairman, Sony Music Group

Our continuing commitment is to harness our collective talents and resources to shape culture through the power of music and the artistry and creativity at its core. When, in collaboration with our artists, we come together as a company and as a community, what we can achieve is truly remarkable. That mission is especially important now, as the world has never needed music more.

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

The universe of opportunities for artists and labels is diverse, vast, and fast expanding. There's strong growth in both subscription and ad-supported streaming, with plenty of runway around the globe. At the same time, the pandemic has accelerated consumer adoption in areas like gaming, live streaming, social media and in-home fitness. Music is a fundamental driving force in the success of these platforms, and we're at the forefront of inventing exciting new creative and commercial possibilities.

STEVE COOPER
CEO, Warner Music Group

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STATE OF THE INDUSTRY

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GLOBAL MUSIC MARKET 2020 IN NUMBERS

+7.4%

GLOBAL REVENUE GROWTH

-4.7%

PHYSICAL REVENUE
DECLINE

+18.5%

GROWTH IN PAID STREAMING
REVENUES

-10.1%

PERFORMANCE RIGHTS
REVENUE DECLINE

62.1%

STREAMING SHARE OF
GLOBAL REVENUES



Julie Bergan photo by Paul Edwards

INTRODUCTION

THE ENDURING POWER OF MUSIC

As the world contends with the COVID-19 pandemic, we have once again been reminded of the enduring power of music.

Many in the music community have been deeply impacted. Live music has been put on hold and restrictions have been put in place. For our part, record labels worked to ensure artists were provided with the resources and support to create and record their music. In a time of such uncertainty, it has been wonderful to have new music – some planned, some completely unexpected – experienced and enjoyed around the world.

The music industry is accustomed to constant change. Fortunately, through the years the groundwork that has been laid by record companies to invest in music and license it to an expanding and diverse range of digital services has proved its worth, with digital revenue continuing to drive growth in the industry. The work started by record companies years ago has made possible the positive developments we are experiencing in the recorded music industry today.

We are seeing this growth happen around the world, as record companies continue to expand their geographical footprint and cultural reach to bring music to everyone, wherever they want to listen to it. They have opened new offices, provided employment, and signed new artists, proving the industry to be more globally connected today than at any stage in its evolution.

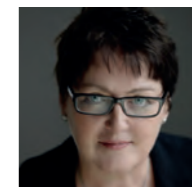
The sector has continued to innovate and create exciting new ways to bring music to fans, connecting us with our favourite artists and introducing us to new ones. Fans can share in cutting-edge, immersive digital experiences, coming together for truly global events. Record labels are creating further opportunities for music to be part of our entertainment experience with short form video apps, helping to develop the relationship of the artist

and fan into one of creator and co-creator. These innovations will continue to add to the rich and diverse ways we can bring music into our lives.

IFPI continues to campaign for a better legal environment for our member record companies to conduct business in around the world. Our work often involves fighting for and defending the rights of those that make music possible. A long-term campaign in China bore fruit last year when the Government established full performance rights. For the first time, revenue for right holders will be generated for the use of recordings in public performances and broadcasts, enabling further re-investment into the music community in the country. I believe it will serve as a key example of how putting the right laws in place can shape a bright future for music.

The music community has also been working to examine its broader contribution to society and its response to social justice movements around the world. These challenges will not be solved overnight, but record companies are committed to doing the work to develop their own environment and to make a meaningful, lasting contribution to the world we want to live in.

These are not easy times, but the music community – with its creativity, innovation and determination – continues to drive forward, to an even greater future. A future where the power of music brings us all closer together.



FRANCES MOORE
CHIEF EXECUTIVE, IFPI

GLOBAL CHARTS

Most popular artists and best sellers of 2020



IFPI TOP 10 GLOBAL RECORDING ARTISTS OF 2020



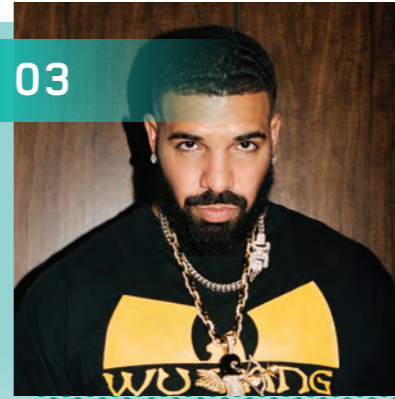
01
BTS

02



TAYLOR SWIFT

03



DRAKE

04



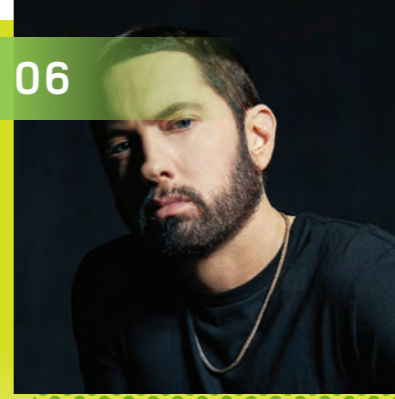
THE WEEKND

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BILLIE EILISH

06



EMINEM

07



POST MALONE

08



ARIANA GRANDE

09



JUICE WRLD




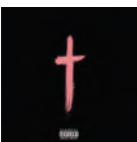



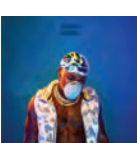
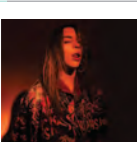
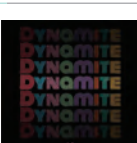
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JUSTIN BIEBER





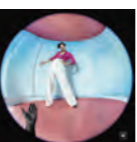
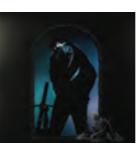
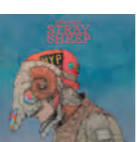


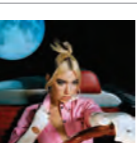
IFPI GLOBAL RECORDING ARTIST OF THE YEAR
Ifpi

GLOBAL TOP 10 DIGITAL SINGLE CHART 2020

| | ARTIST & TRACK NAME | GLOBAL CONVERTED SSE |
|----|---|----------------------|
| 01 |  The Weeknd Blinding Lights | 2.72BN |
| 02 |  Tones and I Dance Monkey | 2.34BN |
| 03 |  Roddy Ricch The Box | 1.67BN |
| 04 |  SAINTJHN Roses | 1.64BN |
| 05 |  Dua Lipa Don't Start Now | 1.62BN |
| 06 |  Future (feat. Drake) Life Is Good | 1.57BN |
| 07 |  Xiao Zhan Made To Love | 1.48BN |
| 08 |  DaBaby (feat. Roddy Ricch) ROCKSTAR | 1.45BN |
| 09 |  Billie Eilish bad guy | 1.36BN |
| 10 |  BTS Dynamite | 1.28BN |






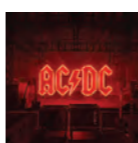



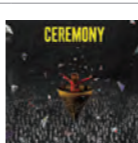
(SOURCE: IFPI)

GLOBAL TOP 10 ALBUM ALL-FORMAT CHART 2020

| | ARTIST & ALBUM NAME |
|----|---|
| 01 |  BTS MAP OF THE SOUL : 7 |
| 02 |  The Weeknd After Hours |
| 03 |  BILLIE EILISH WHEN WE ALL FALL ASLEEP, WHERE DO WE GO? |
| 04 |  BTS BE (Deluxe Edition) |
| 05 |  Harry Styles Fine Line |
| 06 |  Post Malone Hollywood's Bleeding |
| 07 |  Kenshi Yonezu STRAY SHEEP |
| 08 |  Justin Bieber Changes |
| 09 |  Taylor Swift folklore |
| 10 |  Dua Lipa Future Nostalgia |

(SOURCE: IFPI)

GLOBAL TOP 10 ALBUM SALES CHART 2020

| | ARTIST & ALBUM NAME | GLOBAL UNITS |
|----|--|--------------|
| 01 |  BTS MAP OF THE SOUL: 7 | 4.80M |
| 02 |  BTS BE (Deluxe Edition) | 2.69M |
| 03 |  Kenshi Yonezu STRAY SHEEP | 2.54M |
| 04 |  Taylor Swift folklore | 1.99M |
| 05 |  BLACKPINK THE ALBUM | 1.51M |
| 06 |  AC/DC POWER UP | 1.37M |
| 07 |  Justin Bieber Changes | 1.22M |
| 08 |  BTS MAP OF THE SOUL : 7 - THE JOURNEY - | 1.17M |
| 09 |  ARASHI This is Arashi | 1.01M |
| 10 |  King Gnu CEREMONY | 0.99M |

(SOURCE: IFPI)



The Weeknd photo by Nabil Elderkin

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IFPI GLOBAL MUSIC REPORT 2021

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A RESILIENT INDUSTRY CONTINUES TO GROW

GLOBAL MARKET OVERVIEW 2020

In 2020, the global recorded music market grew by 7.4%. This marked the sixth consecutive year of increasing revenues thanks to a continued rise in paid subscription streaming revenues which offset a decline in physical and performance rights revenues.

There was growth in eight of the top 10 markets globally, largely driven by streaming. Revenues from subscription streaming, in particular, increased across the board.

Record companies' ongoing hard work and investment laid the foundations for a now predominantly digital industry and helped to ensure its resilience against the extraordinary circumstances of 2020.

Record companies have continued to invest in artists, as well as in their own infrastructure and networks around the world, to drive the development of the industry. Alongside this, they have engaged in diverse methods of bringing music to fans across a range of digital services, ensuring that there are more opportunities than ever before to experience music.

+7.4%

GLOBAL RECORDED
MUSIC MARKET GROWTH

+18.5%

GROWTH IN PAID
SUBSCRIPTION
STREAMING REVENUES

443m

USERS OF PAID
SUBSCRIPTION
ACCOUNTS

Griff photo by Riccardo Castano

GLOBAL RECORDED MUSIC INDUSTRY REVENUES 2001-2020 (US\$ BILLIONS)

| Year | Total Physical | Total Streaming | Downloads & Other Digital | Performance Rights | Synchronisation | Total Revenue |
|------|----------------|-----------------|---------------------------|--------------------|-----------------|---------------|
| 2001 | 23.0 | 0.0 | 0.0 | 0.0 | 0.6 | 23.6 |
| 2002 | 21.3 | 0.0 | 0.0 | 0.0 | 0.7 | 22.1 |
| 2003 | 19.7 | 0.0 | 0.0 | 0.0 | 0.8 | 20.5 |
| 2004 | 19.1 | 0.0 | 0.0 | 0.0 | 0.9 | 20.4 |
| 2005 | 17.9 | 0.0 | 0.0 | 0.0 | 1.0 | 19.9 |
| 2006 | 16.2 | 0.1 | 0.0 | 0.0 | 1.0 | 19.3 |
| 2007 | 14.0 | 0.2 | 0.0 | 0.0 | 1.2 | 18.1 |
| 2008 | 11.9 | 0.3 | 0.0 | 0.0 | 1.2 | 16.8 |
| 2009 | 10.3 | 0.4 | 0.0 | 0.0 | 1.3 | 15.7 |
| 2010 | 8.9 | 0.4 | 0.0 | 0.0 | 1.4 | 14.9 |
| 2011 | 8.2 | 0.6 | 0.0 | 0.0 | 1.4 | 14.7 |
| 2012 | 7.6 | 1.0 | 0.0 | 0.0 | 1.5 | 14.8 |
| 2013 | 6.7 | 1.4 | 0.0 | 0.0 | 1.7 | 14.5 |
| 2014 | 6.0 | 1.9 | 0.0 | 0.0 | 1.8 | 14.0 |
| 2015 | 5.7 | 2.8 | 0.0 | 0.0 | 1.9 | 14.5 |
| 2016 | 5.5 | 4.6 | 0.0 | 0.0 | 2.2 | 15.8 |
| 2017 | 5.2 | 6.5 | 0.0 | 0.0 | 2.3 | 17.0 |
| 2018 | 4.7 | 9.2 | 0.0 | 0.0 | 2.6 | 18.7 |
| 2019 | 4.4 | 11.2 | 0.0 | 0.0 | 2.5 | 20.2 |
| 2020 | 4.2 | 13.4 | 0.0 | 0.0 | 2.3 | 21.6 |

Total revenue \$US billions

● Total Physical ● Total Streaming ● Downloads & Other Digital ● Performance Rights ● Synchronisation

GLOBAL RECORDED MUSIC REVENUES BY SEGMENT 2020

| Segment | Percentage |
|----------------------------|------------|
| Streaming | 62.1% |
| Subscription audio streams | 46.0% |
| Ad-supported streams* | 16.2% |
| Physical | 19.5% |
| Performance Rights | 10.6% |
| Downloads & other digital | 5.8% |
| Synchronisation | 2.0% |

*INCLUDES AD-SUPPORTED STREAMS AND VIDEO STREAM REVENUES.

TOP 10 MUSIC MARKETS 2020

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

Polo G photo by Phil Knott



2020 FIGURES BY FORMAT

In 2020, recorded music revenues totalled US\$21.6 bn, an increase of 7.4% on 2019 and the sixth consecutive year of growth. Growth was driven by streaming revenues – particularly paid subscription streaming – which more than compensated for declines in revenues across other formats.



STREAMING

It was a strong year for streaming and revenues grew by 19.9% in 2020 to US\$13.4 billion. Paid subscription streaming was the key driver of this, growing 18.5%. Streaming was the dominant format and accounted for 62.1% of global recorded music revenues. It represented more than half of revenues in 48 markets worldwide, an increase of 12 markets from 2019.



DOWNLOADS & OTHER DIGITAL

Music consumption continued the move from an ownership model to an access model in 2020 and revenues from downloads and other digital fell 15.7%. Revenues from permanent downloads declined 17.3% to represent less than 6% of total revenues and just over US\$1.2 bn.



PHYSICAL

Physical revenues fell by 4.7% in 2020 to a total of US\$4.2 bn. This was a slightly slower rate of decline than the previous year (5.3% prior year). Alongside a reduction in revenues from CDs (down by 11.9%), vinyl had a very strong year and revenues grew 23.5% compared with 6.1% in 2019.



PERFORMANCE RIGHTS

Revenues from performance rights – use of recorded music by broadcasters and public venues – declined by 10.1% in 2020 as the COVID-19 pandemic impacted public performance revenues, interrupting more than a decade of continuous growth in this sector.

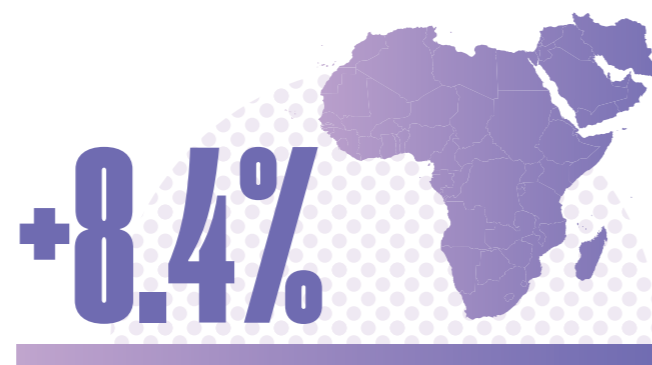


SYNCHRONISATION

Revenues from synchronisation – the use of music in advertising, film, games and TV – declined by 9.4% in 2020 due to production delays resulting from pandemic restrictions after growth in 2019 of 4.4%. Sync's share of total global revenues (2.0%) was slightly lower than the 2.4% recorded in 2019.

2020 FIGURES BY REGION

THERE WAS WIDESPREAD GROWTH IN 2020, WITH LATIN AMERICA MAINTAINING ITS POSITION AS THE FASTEST-GROWING REGION.



AFRICA & MIDDLE EAST

Recorded music revenues in the Africa & Middle East region increased by 8.4% in 2020. This was driven primarily by the Middle East & North Africa (MENA) region, where revenues rose by 37.8%.

Streaming dominated, with revenues up 36.4%. South Africa and MENA combined accounted for 86.7% of the region's revenues.



ASIA

Asia posted growth of 9.5% in 2020, a strong increase on the year prior (3.9%). The year also marked the first time Asia's digital revenues surpassed a 50% share of the region's total revenues.

High regional growth came despite declining income from Japan, Asia's biggest market, which experienced a year-on-year fall in revenues of 2.1% in 2020. Excluding Japan, Asia would have been the fastest-growing region, with exceptional growth of 29.9%.

A record-breaking year for K-Pop drove South Korea to 44.8% growth and the position as the fastest-growing major market in 2020.



AUSTRALASIA

Recorded music revenues in Australasia grew 3.3% in 2020 and the region held a 2.3% share of the global market.

Australia maintained its position as the ninth-largest recorded music market globally, with revenue growth of 4.0%. This was driven by a rise in streaming revenues of 12.8%. Subscription streaming aided this: revenues increased by 14.3% in 2020.

New Zealand remained broadly flat on the prior year, with a small decline in revenue of 0.1%, that equated to a reduction of less than US\$1m. Streaming revenues were up by 3.9% and subscription streaming revenues rose by 4.0%.



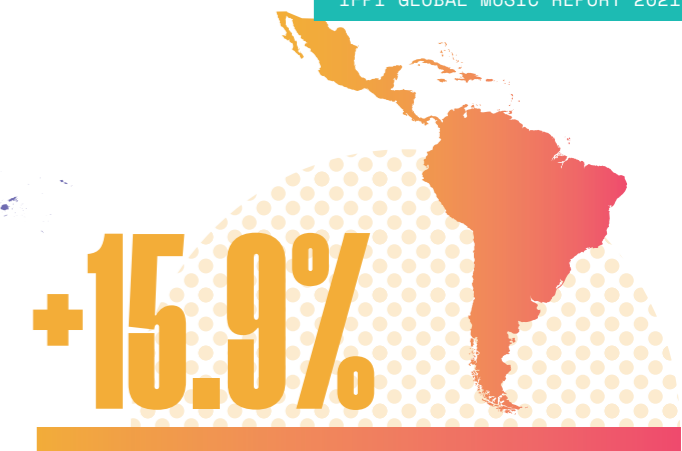
EUROPE

Revenues in Europe, the second largest recorded music region in the world, grew by 3.5% in 2020. Strong streaming growth of 20.7% offset declines in all other revenue formats. The top three markets in Europe contributed over half (59.5%) of revenue in the region.

The UK had a sixth year of consecutive growth and maintained its position as the third biggest market by revenue worldwide. A 2.2% increase in revenue was driven by growth of 15.4% in streaming revenues. Revenues for all other consumption formats declined.

There was growth of 5.1% in Germany, where streaming revenues increased by 24.4%. It was the first year that streaming contributed more than half of total recorded music revenues in the country.

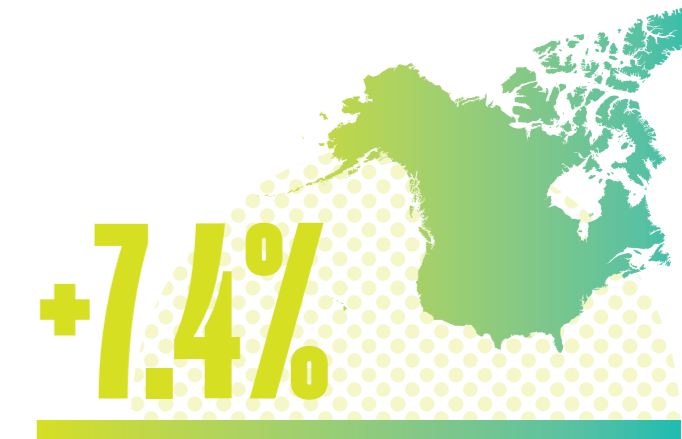
In Italy, the region's fifth largest market and one of the countries most affected by the COVID-19 pandemic, there was double-digit growth in streaming (29.5%), as well as in both paid subscription (29.8%) and ad-supported (31.6%) formats.



LATIN AMERICA

Latin America was once again the fastest-growing region globally. Revenues increased by 15.9% in 2020, which elevated the region's share of the global recorded music market to 3.6%, up from 3.3% in 2019. Latin America remained dominated by streaming revenues, which grew by 30.2% in 2020 and accounted for 84.1% of the region's total revenues.

Brazil was again Latin America's largest recorded music market. Revenues in the country increased 24.5% in 2020. Growth was driven by an increase in streaming revenues of 37.1% and a strong rise in subscription streaming (28.3%).



US & CANADA

The US & Canada region grew 7.4% in 2020, a slower rate of growth than the prior year (11.6%).

The US market grew by 7.3% in 2020. Streaming revenues were up by 12.9%, driven by an increase in subscription revenues of 13.4%. The US again provided a greater contribution to global revenue growth than any other country.

Canadian recorded music revenues grew by 8.1% in 2020. Streaming was the key to growth and revenues rose by 17.8% with subscription streaming income up by 18.2%.

RECORD COMPANIES, DRIVING GLOBAL OPPORTUNITIES FOR MUSIC

Even with international travel severely restricted and many countries closing their borders, the music industry continues to prove that it is more globally connected than at any stage in its evolution.

In the most challenging of circumstances, record companies continue to expand their geographical footprint and cultural reach. Many have opened offices in additional territories, providing employment, and, in the process, are discovering and developing new artists with the potential to build global careers they might otherwise never have had.

Music is intrinsically about culture, so it's key that all our affiliates worldwide have their fingers on the pulse of the local scenes, but we must back that up with a world class global infrastructure.

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

TheIma Plum photo
by Sarah Adamson



"THE MOST EXCITING DEVELOPMENT THIS YEAR HAS BEEN HOW AFRICAN MUSIC HAS BEEN EMBRACED BY FANS WORLDWIDE"

From his global perspective, Simon Robson, President, International, Recorded Music, Warner Music Group, picks out the growth in the African market and the achievements of African artists as a highlight from 2020.

He says: "K-Pop continues to make great strides, of course, but I would argue the most exciting development this year has been how African music and African artists have been embraced by fans worldwide."

"In the case of Warner, we have Master KG with *Jeruselema*, which has been a huge global hit, and Aya Nakamura, the French singer whose music draws on her Malian heritage, signed to Warner Music France, has also been incredibly successful."

Speaking more generally, he continues: "Music is intrinsically about culture, so it's key that all our affiliates worldwide have their fingers on the pulse of the local scenes, but we must back that up with a world class global infrastructure. I want to double down on local scenes and domestic artists, and bring expertise, professionalism and the ability to open up global opportunities for those artists. That is where we can make a massive difference."

Sipho Dlamini, CEO, Universal Music, South Africa and Sub-Saharan Africa, is just as positive about the region's performance and future, and believes it is vital that record companies have a widespread physical presence and a deep understanding of local cultural and commercial nuances.

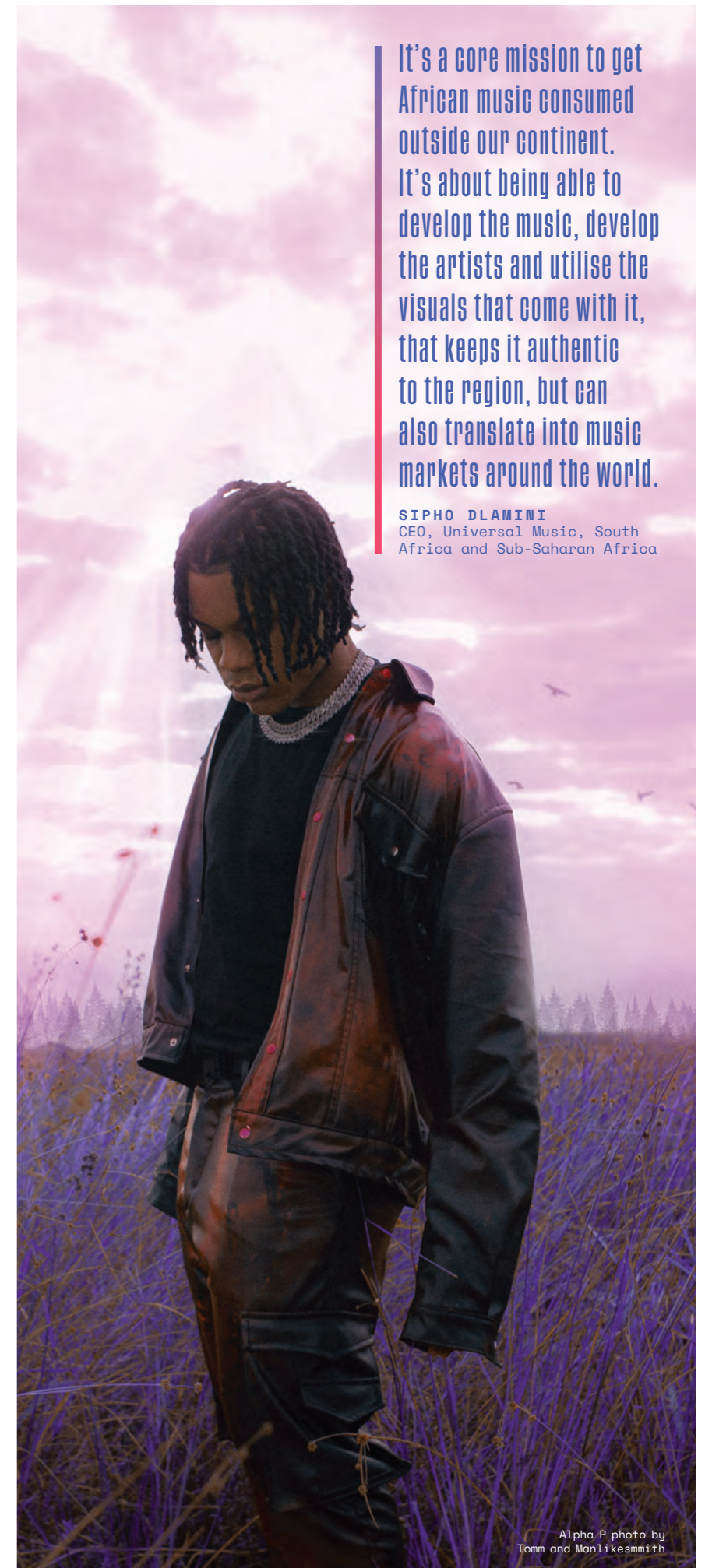
He says: "We now have a network, a regional presence, that allows us to represent artists from different countries on the continent."

+8.4%

**AFRICA & MIDDLE EAST
REGIONAL GROWTH**

It's a core mission to get African music consumed outside our continent. It's about being able to develop the music, develop the artists and utilise the visuals that come with it, that keeps it authentic to the region, but can also translate into music markets around the world.

SIPHO DLAMINI
CEO, Universal Music, South
Africa and Sub-Saharan Africa



Alpha P photo by
Tom and Manlikesmith

“It’s a core mission to get African music consumed outside our continent. It’s about being able to develop the music, develop the artists and utilise the visuals that come with it, that keeps it authentic to the region, but can also translate into music markets around the world.”

“There is no reason we can’t start looking at global superstars from Africa. Ultimately my goal is to reach a point where we have not one or two, but a significant number of African artists who are streaming at the level of Drake or Taylor Swift.”

Daniel Lieberberg, President, Continental Europe and Africa, Sony Music Entertainment, shares a similar vision: “We are seeing dynamic growth in many markets, especially in West Africa, and we are investing in all regions as part of a long-term plan to expand our services for artists and our creative force. African artists are continuing to set global trends and are becoming more popular day after day.”

Record labels’ excitement about Africa’s global potential is echoed by IFPI, which cemented its presence on the continent in June 2020 after opening its Sub-Saharan Africa regional office in Nairobi, Kenya. Angela Ndambuki, IFPI’s Director for the region, sets out the industry’s focus:

“We believe there are limitless opportunities for African artists and their music as they continue to grow in popularity with audiences around the world.”

“However, for Africa’s many and varied music markets to develop and thrive, it’s essential that the right business environment is in place to support them. We are working on behalf of the industry, together with governments and music licensing companies, to ensure the foundations for this are in place –

That’s a key part of the value proposition we bring, a global network, which includes international creative talent, which can be turned on immediately.

SHRIDHAR SUBRAMANIAM
President, Strategy and Market Development, Asia and Middle East, Sony Music Entertainment



Lous and the Yakuza
photo by Lee Wei Swee

including legal and policy frameworks and content protection.”

“YOU STUDY AND LEARN FROM EACH MARKET”

As record labels continue their work and investment in the region, Dlamini stresses the advantages of being sensitive to local ecosystems and attitudes.

“You take a market like Nigeria, where there was an absence of record labels for so long that they developed their own model and their own way of doing business. You can’t just come into that market and say, ‘Move over, this is what we do in the UK and the US, so this is what will work in Nigeria.’ You look at what works there. You study and learn from each market – and from the people on the ground.”

“South Africa, for instance, is probably the most advanced market in terms of infrastructure, with functioning collection societies and a record label body. But in Nigeria, for a long time, artists were recording an album purely as a way to get

themselves known and make money from live performances. Then you go to Ghana or Kenya and they’ve developed different ecosystems to that. Each country has its own unique dynamics.”

Tracy Fraser, MD, Warner Music South Africa, talks of a growing commitment to A&R in the region. “Over the last few years, we have been very focused on developing our roster, and that will continue. We have an A&R department that is now looking for and actively signing and nurturing new local artists.”

“This is definitely not just ‘a market’, it’s somewhere we’re investing in heavily from an A&R point of view, not only in South Africa, but wherever opportunity arises, and great music is being made across the continent.”

“And from that starting point we work with other teams across the Warner global network and make sure we can give our artists the best chance in every territory.”

“WE ARE INVESTING HEAVILY IN NEW LOCAL TALENT WITH A GLOBAL MINDSET”

The global growth of music from Latin America, meanwhile, continues apace. The region was perhaps the first of the non-traditional industry powerbases to emerge as a commercial force and cultural influencer around the world, and it is now established as a fixture in the mainstream across continents.

Ángel Kaminsky, Vice President of Latin Artists Marketing for Universal Music Latin America, says: “The volume of Latin artists breaking into the upper tiers of the global consumption charts is continuously increasing, a clear sign of the cultural relevance of the music.”

“We continue investing in new local talent with a global mindset. The worldwide success of J Balvin, Karol G and Sebastián Yatra, along with the new wave of chart-toppers like Aitana in Spain, Jhay Cortez in Puerto Rico, Danna Paola in Mexico and Luísa Sonza in Brazil, is testament to the impressive achievements of Latin American music.”

Kaminsky is especially excited by the progress and potential in Brazil: “We

firmly believe in Brazil’s rich culture, talent and music as a huge source from which to break global hits and artists.”

“Our focus in the last couple of years has centred around building a strong A&R platform and collaborative network of local artists, with Latin and international producers, as well as crafting unique marketing strategies for our releases.”

Afo Verde, Chairman & CEO, Latin America, Spain and Portugal, Sony Music, states very clearly: “Access changed everything.” He expands: “Through streaming, fans can listen to whatever they want, wherever they are. When we release a track and then analyse where it’s being played, it can just as likely be in the UK, Germany or Switzerland as anywhere else.”

“But that doesn’t just happen, of course. When I see that data, I know it’s because those tracks and those artists are benefiting from the work done by amazing teams in those regions.”

His goal now is to continue to help build global superstars, whilst also mining deeper into the seam of Latin music.

“For me, the real dream is for everyone around the world to get to know more

+15.9%

LATIN AMERICA
REGIONAL GROWTH

When we’re signing and developing artists, we’re not just thinking about how it can work in the UK, we’re thinking about a whole range of markets, how we can deliver the right content, the right visuals, the right stories and the right collaborations to make sure our artists are heard as far and wide as possible.

REBECCA ALLEN
President, EMI Records



Baroes da Pisadinha
photo by Fabio Gallo



Vava photo courtesy of Warner Music China

Latin music, to look a little further. It's like rock and pop from the UK, we knew the Beatles and the Stones, and then we looked further and there was so much to discover. That's where the world is with Latin music, and that's a beautiful opportunity, to be able to really dive into a culture you're only starting to discover."

Iñigo Zabala, President, Warner Music Latin America and Iberia concludes: "Latin America continues to be the fastest-growing music market in the world. It's important to remember that growth is fuelled by artists from a huge range of genres, from Mexican country to Argentine trap. We've invested heavily in expanding our local rosters, but also put a strategic focus on encouraging collaborations between artists across the region and beyond. As the world reopens, artists from the region will be able to benefit from even more opportunities and the future for our industry looks bright."

"WE SHOULD NO LONGER LOOK AT ASIA AS ONE GIANT BLOCK"

Shridhar Subramaniam is Sony Music's President, Strategy and Market

Development, Asia and Middle East. He sees the region as absolutely central to the continued growth of the global industry – and also believes that, as its size and significance expands, it can no longer be viewed or treated as a single region.

He says: "Five to eight years into the future, I think the economic weight of this part of the world, and what it brings, will be obvious – especially when you consider the industry probably hasn't even engaged with a third of the population there.

"So, we should no longer look at Asia as one giant block, it needs to be broken up into hubs: Greater China, Korea, Southeast Asia, India and the Middle East. Each is an economic powerhouse with vast populations, but they're also very different both culturally and economically, and in terms of the evolution of the market and the internal market dynamics.

"Once you do that, the next step is to empower these hubs to become significantly powerful entities in their own right."

We're very focused on trying to take some of our talents from India or China or Africa to the rest of the world. And this is important - not just to diaspora populations but into the mainstream.

ADAM GRANITE
EVP, Market Development,
Universal Music Group

He sees record companies playing a key role in providing a gateway to global success for artists from across the regions. "These markets have become very large very quickly, so much so that the accompanying infrastructure around them hasn't developed at the same pace.

"That's a key part of the value proposition we bring, a global network, which includes international creative talent, which can be turned on immediately. And that means the number one challenge and opportunity locally is to be an artist-friendly, creative-focused beacon for Asian talent."

Cindy Gu, who heads electronic dance label Astralwerks, Asia, is helping to take local acts to new levels, both through local A&R teams and by connecting the band with Universal Music's global reach and resources.

She says: "We signed an act from Indonesia, Weird Genius, about six months ago and began providing them with A&R support and access to the whole Universal network. For example, they have re-mixed tracks from some of our global artists; we arranged for



BTS photo by Big Hit Entertainment

[Dutch-Moroccan DJ] R3HAB to re-mix Lathi, one of their hits. It recently hit 100 million YouTube views, is at nearly 50 million Spotify streams and charted in more than 10 countries.

"Both our Southeast Asia teams and the L.A. team were incredibly excited for the project and worked really closely together – both teams treated it as their own signing in terms of the investment, support and planning they put into it.

"We want to prove ourselves so that when an electronic artist is ready to take their career onto the next level, to look beyond their home territory, we're their first choice."

WE'VE INVESTED HEAVILY IN EXPANDING OUR LOCAL ROSTERS, BUT ALSO PUT A STRATEGIC FOCUS ON ENCOURAGING COLLABORATIONS BETWEEN ARTISTS ACROSS THE REGION AND BEYOND.

IÑIGO ZABALA, PRESIDENT,
WARNER MUSIC LATIN AMERICA
AND IBERIA

longer journey to digitalization – and that the country has hung onto a large physical market share.

"Now, the fact that artists can't tour and no one can go out, has forced people to take the last steps on that digital journey, both in terms of how fans consume music but also how artists have embraced other digital and virtual ways to engage with their fans, and that's something we've been well positioned to help them with."

He goes on to suggest that the rise of German language music has, in some genres, become dominant: "In urban music, German rap has become *the* style and *the* lifestyle. German rappers are currently the most successful artists in the country."

Daniel Lieberberg, President, Continental Europe and Africa, Sony Music Entertainment, also recognises the importance of local repertoire: "Local repertoire is absolutely essential for us and our dedicated teams on the ground. Last year saw record breaking releases from local artists in a number of our European markets, including Apache 207 in Germany, Viktor Leksell in Sweden and tha Supreme in Italy to mention a few.

"Despite some language barriers in Europe, we have managed to build a lot of successful cross-country collaborations in both A&R and promotion, the most recent example being the collaboration between Lous and the Yakuza from

"OUR TEAM IS FUELLED BY A&R"

Sony Music's commitment to supporting hundreds of artists in Germany and Europe was symbolised, in part, last year through the opening of a new 8,000 square metre German and European headquarters in Berlin. The new site, which helps strengthen Berlin's importance as a music hub in Europe, includes state-of-the-art music rooms to record and play new tracks. Due to the pandemic, of course, the facility has yet to be used to its full potential, but Patrick Mushatsi-Kareba, CEO, Sony Music Entertainment, Germany, Switzerland and Austria, manages to find an unexpected positive that lockdown has had in the territory. He says: "It's well established that the German market has overall been on a

Brussels, whose native tongue is French, with some of the biggest artists in Italy.”

Warner also opened a new European office in 2020, this time in Turkey, via the extension of an existing partnership with Doğan Music. Alfonso Perez-Soto, President, Emerging Markets, Warner Music, explains: “Turkey is an important territory with a significant demographic. It has a population of 90 million people and a major diaspora in Western Europe. It’s a very vibrant market that is showing strong growth.

“It’s also, of course, the bridge between Europe and the Middle East, so there’s a really interesting cultural mix, and from that you get a wave of artists who we’re really keen to support and work with.”

The division is headed up by Gülce Özyeşilpınar, who says: “Our team is fuelled by A&R, marketing, creativity and analytics. We are building a great base here for our international artists, while at the same time working on and investing in great local projects.

“Turkey is actually a very local-artist dominated market, something I’m very proud of. We have very diverse domestic talent and a wide range of fluid creators. Hip-hop is huge, but pop is very strong and unique, and catalogue has a huge place here. The opportunities in Turkey are countless, for us and for our artist partners.”

One of Warner’s first signings in Turkey was pop artist Aleyna Tilki, who Özyeşilpınar believes has global potential. “She is the biggest young pop star in Turkey right now and we released her first English language single, *Retrograde*, in February.

“There is a great connection between global marketing and product teams for this project, there is no part of Warner we cannot reach and work with, and from which our artists, starting with Aleyna, will benefit.”

Perez-Soto reflects on the fact that whilst the COVID-19 pandemic may have affected some of their plans in the country, they had laid the groundwork before the disruption to enable the expansion to continue: “I think, ultimately, we haven’t changed our strategy through COVID-19.

We had the right relationships in place to enable our work to continue. We of course had to adjust to the situation, but we were able to keep pushing forward.”

“WE ARE CONSTANTLY CHALLENGING OURSELVES”

Arina Dmitrieva has been with Sony Music Russia for over a decade and was appointed Managing Director in 2013. She is adamant there has never been a better time or brighter future for Russia’s music market.

“We jumped straight past downloads into a streaming market, with 15 million paid users, which is, on the one hand, an amazing number, but I believe we still have huge potential for growth.”



L.I. Zey photo by Eylül Ezik

That growth, explains Dmitrieva, is being fuelled by strong and diverse competition. “Apple has been here for a while, but now we also have Spotify, which had a very successful launch here in July [2020] and they are really focusing on Russia.

“We also have very strong local players, for example VK, which is a social media platform that’s bigger than Facebook here. It used to provide unlicensed music, but, having worked with labels, it is now a fully legal streaming service.

“The fact that we have so many different services, with so many different features, targeting very different consumers, means we can try and connect our artists with wider audiences.”

Another seismic shift prompted by streaming but enabled by record companies in Russia, has been a huge increase in the opportunities for local artists.

“If you look at the charts of various streaming services, they’re heavily dominated by local artists; in some charts it’s up to 90% of the chart. The Russian audience wants to listen to Russian music, so we have to be active when it comes to finding young talent, helping them develop and connecting them with that audience.”

Rebecca Allen is President of the UK’s biggest label, EMI Records, but her vision and ambition for her artists is truly global. Despite having a roster of UK superstar artists, she is as plugged into Universal Music’s international network, and as mindful and respectful of all international markets, as any label leader from anywhere in the world.

She says: “One in 10 songs streamed globally last year was by a UK artist. That shows you that the music industry here is investing in artists more than ever before, but it also shows that as a UK company we have what I like to call a bigger playground of audiences and communities to speak to and share music with.

“India, for example, has become a great partner for us, as have Nigeria and China. We speak to colleagues in those markets on a regular basis now. And when we’re



Kizaru photo by Ibar Veiga

signing and developing artists, we’re not just thinking about how it can work in the UK, we’re thinking about a whole range of markets, how we can deliver the right content, the right visuals, the right stories and the right collaborations to make sure our artists are heard as far and wide as possible.”

Supporting and enabling artists to thrive outside of their local market is a key focus for The Orchard, as CEO Brad Navin explains: “Our relationship with our independent label partners has always been based on doing business together. Investing, empowering and building tools that allow artists and labels to succeed in an evolving market is core to our business.

“We are constantly challenging ourselves and listening to our artists and labels. What do they need to succeed? How can we help take them further? Through our data-focused capabilities, we see what’s happening globally, and apply that to what we do, so we create a continuous strategy for our partners to thrive.”

Adam Granite, Executive Vice President, Market Development, Universal Music Group, reflects on the continued global developments during uncertain times: “I’m very proud of the fact that in 2020, despite the pandemic, we were able to launch multiple new operations in countries around the world, and we’ll continue to do that in 2021.

as opposed to saying from the outset, ‘I’m going to focus on exporting this repertoire for the world first and everyone’s going to enjoy it simultaneously in the same way’. It doesn’t work like that; we’re not making widgets.

“What we can do is find great creative talent in a smaller region, maybe in a part of the world where perhaps limited resources and a lack of infrastructure make it difficult for them to develop their craft, their repertoire and their audience as they would like. That’s where we come in – with resources and a creative skillset to help.

“As a result, we’re very focused on trying to take some of our talents from India or China or Africa to the rest of the world. And this is important – not just to diaspora populations but into the mainstream. We know the talent is there to do that, and that’s a big area of focus for us.”



Divine photo by Shubham Lodha

PARTNERING WITH ARTISTS, DELIVERING FOR FANS



Angèle photo by Charlotte Abramow

With COVID-19 impacting the global live industry in 2020, record companies have played a larger role in helping artists continue to sustain or grow their income, maintain a connection with fans, continue career paths and, in many cases, simply provide a reassuring, well-resourced and constant presence during challenging times.

In many cases, artists suddenly forced into lockdown and no longer able to tour, wanted to make and deliver new music to their fans, sometimes to reflect – and sometimes to distract from – their shared experiences.

“MUSIC BRINGS PEOPLE TOGETHER AND PROVIDES COMFORT AND HAPPINESS LIKE NOTHING ELSE”

Jess Keeley-Carter, Senior Vice President, Global Marketing, Recorded Music, Warner Music Group, says: “More than ever, people were really craving community connection and togetherness – and that’s one of the brilliant things about our artists and about music, they bring people together and provide some comfort and happiness like nothing else.

“So, it’s our job to tailor what we are doing with our artists to suit their needs, and then maximise what they do and get it to as many people as possible – giving people what they need at this time.”

Konrad von Löhneysen, Managing Director at Embassy of Music, reflects a similar experience: “More than ever record companies were the main point of contact, the main focus point and the go-to entity for artists. We definitely released more music than we would have done under normal circumstances; we released music that artists didn’t even know they were going to make at the start of the year.



Aimyon photo courtesy of Warner Music Japan

“I think the pandemic made us focus on the singular purpose of a record company, which is to use our experience and our extensive expertise to maintain and enhance the relationship between the artists and the fans.”

Sylvia Rhone, Chairwoman and CEO, Epic Records, Sony Music Entertainment, says: “We are always focused on our artists, and over the past year, we’ve been fortunate in being able to continue releasing new music, help artists meet the challenge of maintaining their fan bases and increasing their visibility.

“Hits make career artists and career artists make hits. So, for a label, it’s always been about supporting the artist’s vision and allowing them to create by arming them with the insights and resources to expand their visions and grow their audience. There are so many new platforms emerging and data sets being generated in the digital age, and it is our job to filter the noise, help artists prioritize and empower them with delivering their vision so they can fulfill their dreams.

“In short, every artist has an individual strength a special superpower and it is our job as their record label to amplify that vision.”

Adam Granite, Executive Vice President, Market Development, Universal Music Group, says: “There are always disruptive periods in business – and we as an

industry have experienced some very challenging times over the past 20 years. It’s how companies and industries face – and even embrace – those disruptions that determine the next several years for those respective businesses.

That’s one of the brilliant things about our artists and about music, they bring people together and provide some comfort and happiness like nothing else.

JESS KEELEY-CARTER
Senior Vice President, Global Marketing, Recorded Music, Warner Music Group

“I’m very proud that so many of our artists were very active, even while stuck at home, and that we could help them to produce some incredible creative output, delivering songs, albums and visuals that were not expected – but also, more importantly, that reinforced the power of music to their fans, the power to inspire and uplift, which I know was especially welcomed during such difficult times.”

Dennis Kooker, President, Global Digital Business & US Sales, Sony Music Entertainment, acknowledges the work record companies did in terms of keeping a creative outlet open for their artists, and echoes the fact that 2020 saw the

release of plenty of music that would not have been possible without those partnerships with artists.

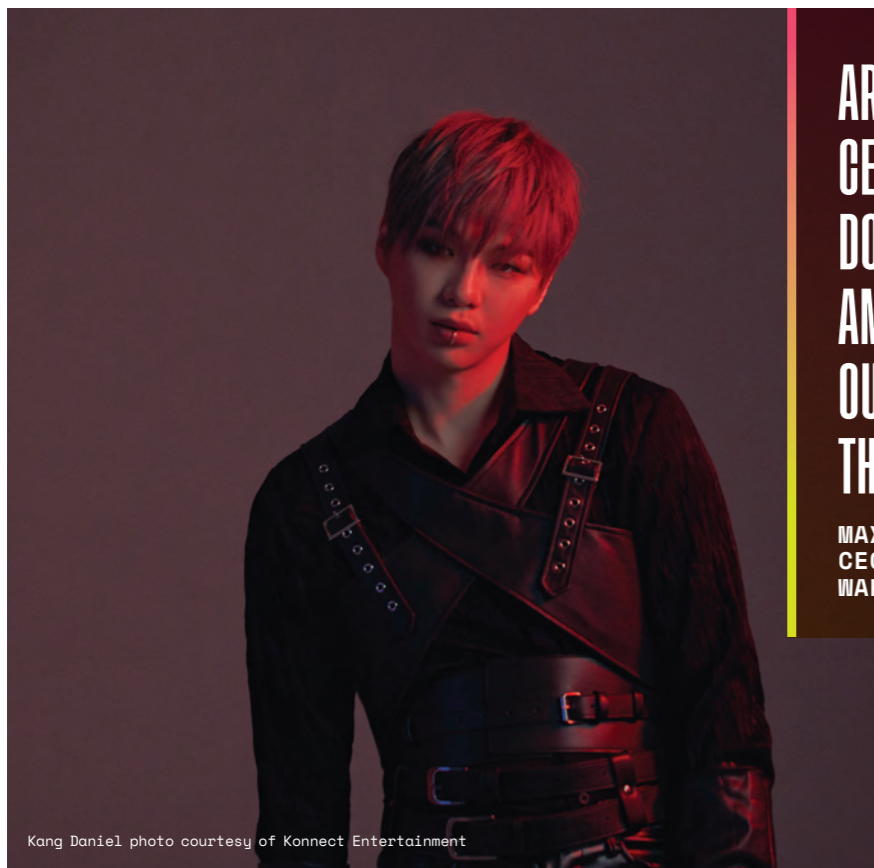
He also highlights how the digital and data-driven nature of the modern music industry, coupled with the fact that so many people were at home and online, meant record companies were able to effectively connect artist and audience.

He says: “We have so much more information and business intelligence about music’s impact, in real time, at the fingertips of a global workforce – and we can put that at the fingertips of our artists and our teams like never before. Frankly, that investment started years ago, but it paid off in a new and major way over the last year.”

“THE RELATIONSHIP IS ACTUALLY NO LONGER ARTIST: FAN – IT’S CREATOR: CO-CREATOR”

It also paid off when it comes to understanding and utilising new digital trends. Kooker continues: “I’ve heard people refer to ‘the creator generation’, and I think that’s true. What we’ve seen is how important music is to that creator community and, therefore, on short-form platforms.

“That’s incredibly exciting because they’re expanding the market for us, expanding the reach of our artists, giving them new outlets and new opportunities. And, importantly, for the most part, it’s now being done in a legitimate way.”



Kang Daniel photo courtesy of Konnect Entertainment

ARTISTS HAVE TO BE AT THE CENTRE OF EVERYTHING WE DO. BECAUSE WHEN OUR AMBITION LINES UP WITH OUR ARTISTS', WE WIN FOR THEM AND WITH THEM.

MAX LOUSADA
CEO, RECORDED MUSIC,
WARNER MUSIC GROUP

Shridhar Subramaniam, President, Strategy and Market Development, Asia and Middle East, Sony Music, echoes Kooker's point, and extends it into the gaming space: "The relationship between an artist and a fan is actually no longer artist: fan – it's creator: co-creator.

"There are similar things happening in games, whether it's the Travis Scott or Lil Nas X concerts (in *Fortnite* and *Roblox* respectively), these are immersive experiences, where I can get a specific avatar and I can participate in many different ways. Nobody is a passive fan anymore; you're engaged – through live streaming, through video games, or short-form video."

Denis Handlin AO, Chairman and CEO of Sony Music Entertainment Australia and New Zealand, has seen the same developments in the markets he oversees: "It goes without saying that short-form video in the last 12 months has been a new driving force for audience development and fan engagement. Through creative brilliance, artists have been able to connect in unique and exciting ways. This means that there has never been a better time for us as an entertainment company to take domestic artists outside of their home country, whilst at the same time break international artists in local markets."

"IMMERSIVE ENTERTAINMENT IS HERE TO STAY"

Another artist who made an appearance in *Roblox* was Atlantic's Ava Max. Simon Robson, President, International, Recorded Music, Warner Music Group, says: "Ava held a listening party for her album on the platform. She had more than a million fans attend and sold virtual merch as part of the event.

"I think the marriage of music and gaming, when done right, is a unique experience which opens up so many opportunities. It's definitely an area we'll continue to explore."

Kooker returns to the theme: "Immersive entertainment is here to stay. The pandemic just accelerated it. Music can and should have a big role to play in the development of immersive entertainment.

"We are particularly bullish about the future of the intersection between music and gaming in particular, to the point where I honestly think it could be a new format for us. We have a creative strategy around it that is not just about huge tent-pole events, but more of an ongoing regular content strategy.

"What I think is truly special about immersive versus other live performance-type events is that it's an unlimited creative format. You can truly hand the keys over to the artist and just say, 'Tell us what you want to do'. There are pretty much no limitations, which means our artists will constantly create new and compelling content in this space, it's a really exciting prospect."

"MUSIC AND ARTISTRY IS ABOUT PASSION AND ENGAGEMENT: GET THAT RIGHT AND THE NUMBERS WILL FOLLOW"

Dave Rocco, Executive Vice President, Creative, Universal Music Group, says that it's all about the music and making the connection between artist and fan real and passionate.

"Music and artistry is about passion and engagement; get that right and all the other metrics of success – the numbers – will follow," he says. "The question is, are you helping the artist tell that story and make that connection with fans real? Are the fans truly engaged? You know when it works because people want more of it."

Rocco highlights the synergy needed between artist and label to take an artist's vision to the next level and reach a global audience: "We are driving to help our artists change culture through artistry. We work every day to help them achieve their greatest creative – and commercial – potential. If an artist wants a certain level of global reach, skillsets, amplification, resource, creative, marketing, finance, labels can provide that and help a career grow vertically and horizontally.

"But every artist is different – and every artist's fans are different. First and foremost, it's gotta be authentic to the artist and the artist's vision. And then – even among the incredible competition for attention – it's gotta grab people and not just pull them in, but have them looking to engage with it repeatedly and in varying ways. That demands a high level of creativity and ingenuity. And to succeed globally requires a team.

"Thousands of people that work at Universal Music Group wake up every day and come to work for one reason: they love music and they love artists. That passion and those skillsets and that experience gets poured into an artist and is their fuel."

Dipesh Parmar, President, Ministry of Sound, echoes this commitment: "The relationship between labels and artists has become far more collaborative than it has ever been. I spend most of my day talking to our artists about issues ranging from making records, finding songs, collaborations, exciting opportunities through new marketing ideas and how we can evolve the artists' vision through new digital media. We've also had a vital role to play in keeping our artists creativity flowing and checking in on them and their mental health. It's my job to ensure we're providing them with the means to continue releasing music and, therefore, providing them with a source of income."



Ava Max photo courtesy of Atlantic Records

At Warner Music Iberia, President Guillermo Gonzalez believes it is this passion that forms the bedrock of successful relationships with his artists – an example being Pablo Alborán, an enormously successful Spanish artist who, in 2020, renewed his agreements with the label following a lengthy relationship. Gonzalez says: "He knows that, in us, he has a dedicated team that he trusts to be open and transparent. It's more than a partnership, we are a team. He wants us to work hard – and we want to work hard for him – and in turn he brings us into his world and on his journey. It's a very special thing to be so closely involved with an artist like that."

In short, every artist has an individual strength a special superpower and it is our job as their record label to amplify that vision.

SYLVIA RHOME
Chairwoman and CEO, Epic Records

That passion and commitment to partnerships with artists is echoed by Joe Kentish, Head of A&R at Warner Records UK: "It's not difficult when someone whose music you really like calls you at nine o'clock at night to play you a new song. That's not a hard thing for me to do. It's enjoyable, and it's fun, and it's part of the job, and it's really great."

Reflecting on the emotional commitment executives often make to artists, he adds: "It is quite emotionally and creatively involving, so it takes a lot out of you in that way. It's not like working until midnight down a coal mine, but you are very, very involved on this journey that they're taking, and you have to be quite available and open in a really creative way."

Nicole Wyskoarko, Executive Vice President/Co-Head of A&R, Interscope Geffen AM, describes labels' partnership with artists in terms of recalling a rocket's flight: ignite; fuel; explosive.

She points to Interscope's work with hip-hop artist DaBaby to illustrate how the energy and commitment of a record label can help propel an artist's journey to new heights: "Obviously, he already had the raw talent and a great team around him. To take it to the next level DaBaby and his

DaBaby photo by Adi Muhtarevic



manager Arnold Taylor, from South Coast Music Group, looked to us for that added 'rocket fuel' to help them make him the global superstar he is now.

"That's what we brought, that additional booster. Finding the right features, bringing in additional producers to expand the sound, taking him overseas really early on, getting him on TV – and knowing how that works when it happens, knowing what we can ask for and push for to make it the best performance possible.

"That's what artists' teams wanted from labels, because they know that's what it takes to take local and national stars and help them achieve global success. DaBaby today is huge all over the world and we are honoured to be his collaborator in helping to get there."

Ultimately, as Max Lousada, CEO, Recorded Music, Warner Music Group, concludes: "Artists have to be at the centre of everything we do. Whether that's honouring and amplifying artistry, whether that's understanding what opportunities we can plug our artists into, or thinking about strengthening the services and support that we offer them. Because when our ambition lines up with our artists', we win for them and with them."

CASE
STUDY



Chen Li Nong photo courtesy of Universal Music China,
photograph by Icoura Chiang

CHEN LI NONG IS TAKING CHINA BY STORM. AND THAT'S JUST THE BEGINNING OF HIS JOURNEY. HE'S ALSO CREATING HIS OWN UNIQUE SOUNDS, SHAPING HIS CAREER AND REACHING FOR GLOBAL SUCCESS - ALL IN PARTNERSHIP WITH HIS RECORD COMPANY, UMG.

Universal Music China first identified Chen Li Nong as a potential breakout star when he appeared as a competitor on television's *Idol Producer*, and later signed him as a solo artist in November 2019. His first UMG single, *Features of Happiness*, was released on New Year's Day 2020 and rapidly broke the 10 million streams barrier.

Building on that success, *Unbelonging* (his debut UMG album) was released in June 2020 and garnered seven sales records on the QQ Music platform, including going Diamond in just one minute – a breath-taking accomplishment. Winning a raft of awards and attention, Chen Li Nong's social media reach has exploded, with a combined total of nearly 19 million followers across all platforms – with more than 17 million on Weibo alone.

I'm delighted to be a part of the Universal Music family. As an artist in my early 20s, having Universal Music work with me closely for the release of my debut album and the many live performance opportunities have given me the BEST beginning to my ongoing music and creative journey. I hope to inspire other young people to chase their dreams just like me.

CHEN LI NONG

Garand Wu, Managing Director of Universal Music China, says: "It's a partnership. To succeed, labels and artists must share a vision. That's why we are confident of success together: we believe in him and his many abilities, his aspirations align with what we see in him, and we believe in our team's experience and ideas from an A&R perspective."

"From the get-go, we worked closely with him and his management on a vision to propel him from China, throughout Asia and to the world. There is J-Pop, there is K-Pop, and there will be C-Pop. And Chen Li Nong will be among the vanguard."

Yvonne Yuen, SVP, Marketing, Greater China, Universal Music, adds: "With Chen Li Nong, the key is his creative input. We recognise his unique talents and we are working to nurture that talent. Our A&R team hunts for the best songwriters to partner with him both as an artist, and as a writer himself. This is an investment, from him and from us, to put that time in as a writer and an artist, and let the music take care of itself."

One step towards international recognition was the single *Masterpiece*, released in late 2020 featuring US actress and singer Hailee Steinfeld. Yuen says: "They connected through music. We worked with Hailee's A&R team to find the right song and she had her input into the English lyrics. The whole thing was a very close partnership between the two artists and with UMG's Republic Records team.

"These collaborations have to be authentic and they have to be organic; those are the qualities on which Chen Li Nong's career will be built, and how he will become known and respected inside and outside China and around the world – by staying true to who he is."

CASE
STUDY


Fortnite

HIT-MAKING ARTIST, PRODUCER, AND SONGWRITER TRAVIS SCOTT IS RENOWNED FOR PUSHING THE BOUNDARIES OF CREATIVITY AND TAPPING INTO THE ZEITGEIST.

However, with the world locked down due to the pandemic, the visionary artist wanted to help his fans – if only just for a small moment – escape the strains born by a global pandemic by giving them a freeing and unforgettable experience in the virtual world.

So, he and his record label, Epic Records, part of Sony Music Entertainment and the wider Sony family, worked on bringing his vision to life.

“At Epic we’re guided by the creators who influence and drive cultural moments and that includes leaders in technology, film, fashion, gaming, art, and content development, like Travis Scott,” says Sylvia Rhone, Chairwoman and CEO, Epic Records. “We have the benefit of plugging into the broader Sony system and giving our artists endless opportunities, so they can create for any audience they want to reach.

“When Travis came to us with a vision of constructing a virtual concert, unbound by the rules of physics and science, where he could give fans a truly immersive experience, we knew we could help him make it happen. Despite being a global star he is still reaching new milestones. He is a creative genius and also a huge gamer, so it was very authentic and natural for him to be partnered with Epic Games to hold his concert on *Fortnite*.”

When Travis came to us with a vision of constructing a virtual concert, unbound by the rules of physics and science, where he could give fans a truly immersive experience, we knew we could help him make it happen.

SYLVIA RHONE
CHAIRWOMAN AND CEO, EPIC RECORDS

On the evening of 23rd April 2020, the combined creative effort of Travis Scott, Epic Records and *Fortnite*'s developers – titled *Astronomical* – was revealed to the world.

“It was an intense and ethereal experience for virtual concertgoers”, says Rhone, “and shows just how in tune Travis

Scott and the developers were from the offset, which led to its huge success.

“When Travis and the developers were collaborating, he could speak their language and respect their artistic process that went into each aspect of his creation. Everyone involved understood that making a connection between Travis’s die-hard fans and *Fortnite* gamers presented a unique opportunity.”

The concert was record setting, drawing 12.3 million concurrent players at its peak and a total 28 million unique players from around the globe who joined across five airings of *Astronomical*. Including repeat viewers, fans showed up for the event a total of 46 million times and of the five tracks performed within the concert game only one was new. Overall streams after the game were 372 million globally.

“Only a third of *Fortnite* gamers before the partnership said they were Travis Scott fans. However, it was all amplified and scaled by the fact we were in the midst of a pandemic and so much of the world was stuck at home. The launch of this activation became a family experience. I had parents calling me about the game because they had never heard of *Fortnite* before, so I do think this has now opened the door more permanently to new opportunities in the virtual world.”

The effect outside of *Fortnite* on Travis Scott’s popularity and entire catalogue was huge. *Sicko Mode* engagement increased 195% worldwide and the *Astroworld* album went back into the top ten. *Goosebumps* from *Birds in the Trap Sing McKnight*, an album that is four years old, increased 228% and his social buzz and engagement rose dramatically, too.

“We definitely exposed him to new audiences, and these are fans that will now stick with him forever. This was truly global and fueled a massive global following for him, in just three days. *Astronomical* illustrates the power of a true brand partnership that is an extension of both the game makers and the artist. That unique intersection was really the true success of the activation. But the only reason it worked was because it was authentic for him to do. He has clearly emerged as one of the leaders in this space as he keeps music in the centre of everything he does, effortlessly integrating his brand into any corner of culture he desires.”

CASE
STUDY

DUA LIPA



Dua Lipa photo courtesy of Warner Records UK

IRONICALLY, REFLECTS JOE KENTISH, HEAD OF A&R AT WARNER RECORDS UK, DUA LIPA'S SECOND ALBUM, *FUTURE NOSTALGIA*, WAS CONCEIVED AND MADE AROUND A SINGLE, SIMPLE CONCEPT: THAT IT SHOULD WORK LIVE IN FRONT OF A CROWD GOING ABSOLUTELY WILD.

Released in late March 2020, circumstances conspired to prevent that live experience from happening, but it proved to be a record that, whilst still to be played to a field full of fans, shifted Dua's career, global profile, and critical standing through several gears (at the time of writing, global sales stand at over 3.3 million album equivalent sales).

Kentish, who signed Dua when she was just 18, describes *Future Nostalgia* as "the absolute apex of what we try to do as a label, which is combine commercial success with creative excellence".

It was, he says, the result of a strong, close and trusting partnership between label, artist and manager. "I'm lucky, because Dua always wants to be engaged. We never stopped talking about music and about what the second record would be like.

"The best artists come with all the raw materials in place, so you end up listening to what someone like Dua wants to do and then using your experience and relationships to create the environment where she can achieve that. You're facilitating someone else's ambition, basically, maybe even expanding it, believing in them, and doing whatever they need to create what they want and get where they want to go."

There were nearly three years between albums one and two, and Kentish concedes all involved were aware of the clock ticking. "There's a natural pressure for artists to get back out there and there's a natural pressure on us as a record company to put out music from big artists.

"But there was understanding on both sides that we needed to stick to our guns, that she had a vision and that we had to wait for the songs to do that vision justice."

As a result, Kentish explains, a side benefit of the success of a record like *Future Nostalgia* is a ratcheting up of confidence for everyone involved, starting with the artist. "The relief is palpable, because they think, I've made difficult decisions, I've stuck to my guns, and it's worked. Same for us. And then next time, when you're feeling a bit nervous about a project, maybe you'll back yourself a bit more."

Everyone, he admits, would have been even more nervous if they had known that *Future Nostalgia's* release would coincide perfectly with the onset of a global lockdown in response to the COVID-19 pandemic – and that this was to be no short-term situation.

[Future Nostalgia is] the absolute apex of what we try to do as a label, which is combine commercial success with creative excellence.

JOE KENTISH
HEAD OF A&R, WARNER RECORDS UK

"We still thought we'd be playing Glastonbury! As the reality dawned, the temptation to put it back was massive. The single was doing really well, so why take a chance?"

"I think the first cue came from Dua. She just said, 'If it's meant to be it's meant to be. Let's put it out and have faith in the record we made.' I felt the same – we knew we had a great record and it felt wrong to sit on it."

As for the record's *raison d'être*, to be played and enjoyed live, the closest alternative was November's Studio 2054 livestream show, which pulled in over 5 million views, including over 1.9 million unique logins from China and 95,000 from India.

Warner Records adapted and, as Kentish says, "that became our world tour, and we did massive amounts of promotion in every significant territory based around that event – it was different, but it was also sort of the same."

He adds: "I watched it again the other day and I'd almost forgotten the whole point of this record, - it is basically a party. And I have to admit, I thought, 'This would have been so good at Glastonbury'."

BEYOND THE MUSIC

2020 was a year when, sparked by a series of shocking incidents and subsequently driven by global and local campaigns, most notably the Black Lives Matter movement, social justice issues rose to the top of the world's agenda at every level – governmental, corporate, and individual.

Record companies have been playing their part – questioning and challenging themselves, while also participating in and contributing to causes, in the community and globally.

“WE NO LONGER LIVE IN A WORLD OF PASSIVE COMPLIANCE”

Eric Hutcherson is an Executive Vice President at Universal Music Group, serving as its Chief People and Inclusion Officer. He reflects on how UMG is evolving, responding to recent events, engaging with its employees and contributing to communities.



Kelly Khumalo photo by Xavier Sear



Kholid photo by Ro. Lexx

To succeed in music uniquely demands collaboration among diverse voices. Having people from diverse backgrounds with different perspectives to shape the narrative and lead the charge is really important and meaningful. Just thinking about my journey, I don't know that I would have had the opportunities I've had in any other industry.

NICOLE WYSKOARKO
EVP/Co-Head of A&R, Interscope

“The notion that you can make this separation between work and life, what is your job and what is society, or what is personal, that's impossible; everything is blended.”

As UMG continues to evolve, he is looking at every opportunity to lead with the focus on the people in the organisation. “The founding principle of what we're looking to do is put people at the centre: putting our employees at the centre, putting our artists at the centre, putting the fans at the centre.

The founding principle of what we're looking to do is put people at the centre: putting our employees at the centre, putting our artists at the centre, putting the fans at the centre.

ERIC HUTCHERSON
EVP, Chief People and Inclusion
Officer, Universal Music Group

“Your employees are the most valuable asset you have, and the experiences they have, the way that they're treated, the way they engage with each other, that all becomes crucial to your success. So, what

we do is create an inclusive environment that allows them to bring their greatest selves to work.

“We want to know, as an employee, what is your experience every day? And how can it be better? Experiential wellbeing will be a key differentiator for how we treat and earn commitment from our staff.

“We no longer live in a world of passive compliance where we tell you what to do. That doesn't work, because in this generation people will opt out of the organisation or they'll create one that is consistent with their values.”

Hutcherson emphasizes the importance of companies being vocal about the values they uphold and what they believe in as an organisation. “Employees will make a decision as to whether or not they are aligned with you. That's how you attract and retain the best people, by standing for something and by actually doing something that makes a difference.

“WE ARE IN A POSITION TO IMPACT THE WORLD”

“My goal is to drive meaningful change towards making this a more diverse and inclusive industry that recognizes

both our differences as well as our commonalities.”

Hutcherson sees this as a mutual goal of both record companies and artists. He believes that this spirit of shared priorities and complementary strengths can effect real change in the areas of social justice and philanthropy.

“And, by enhancing our people's experience, we aim to help transform the experience of our artists, to make sure they feel like Universal is not solely a record company that does business with them, but a partner who can help them make a difference in the world.”

He says: “I love the phrase ‘music is universal’, because it means we are in a position to impact the world, and our artists are at the centre of that. To help build the brand of our artists, to give them a platform to make social change, and to give our employees the platform and support so that they can make changes internally and externally, that's why I'm here.”

Hutcherson both acknowledges and champions the pivotal role UMG's artists play in shaping the future of the industry and broader society.

I think the industry generally is looking to support more women in executive roles, certainly compared to when I started. This industry has to be built around diversity of all types because it has to reflect our market. There are so many amazing young women coming through now, they just need the opportunity - and I think we're committed to providing those opportunities.

TRACY FRASER
MD, Warner Music South Africa



"I'm super excited about the value our artists bring because, frankly, they can drive change at a more rapid pace than perhaps all of our government institutions combined. All our labels are speaking to them every day and what they're finding is artists stepping forward, saying, 'Here's what I want to do, how can you help me do it?'"

"If we can do it right and amplify the voice of our artists to influence change in the way people think and act, imagine how powerful that could be."

He is also well aware that the social challenges being discussed today are not one-off instances but repeats of history's darkest moments: "Black Lives Matter isn't new, it's the latest version of the oldest thing - and I'm glad people are saying it's not okay anymore. I'm cautiously optimistic that people and organisations won't settle back into their norms when the noise dies down."

One development within UMG was the establishment of the company's Task Force For Meaningful Change.

Hutcherson says: "What I was proud of when I joined UMG, and in fact one of the reasons I felt so compelled and happy to join UMG, was that they take action. They created the Task Force For Meaningful Change and went straight to making policy changes, identifying and developing future female and Black executives within the company, creating an intern programme working specifically with historically Black colleges, etc."

"These things will have a long-term effect and they will change the dynamic internally as well as the way we operate and the things we do externally."

"THERE ARE CERTAIN CORE PRINCIPLES AND CORE ELEMENTS THAT ARE UNIVERSAL: RESPECT, DIGNITY, HONESTY, ACCOUNTABILITY, TRANSPARENCY - THESE ARE THE THINGS THAT GUIDE US"

Warner Music's Head of Global Equity, Diversity & Inclusion, Dr Maurice Stinnett, agrees with the importance of sustaining momentum and enshrining initiatives. "The challenge is to keep the work going long after it is politically expedient, sexy and at the forefront of people's minds. When it's no longer a hot button, that's when we continue to do the work that desperately needs to be done."

"When you're not afraid, when you don't think there'll be any commercial repercussions, that's the challenge, that's the long-term commitment to carrying on with the same intensity we've seen over the last 12 months, and that's about doing it because it's right and because it's who we want to be."

He also emphasises the global nature of his task and the importance of recognising the nuances of local issues. "We're in 46 countries across six continents, and my job is to help us think through everything we're doing, in every territory, through the lens of diversity, equity and inclusion."

"There are certain core principles and core elements that are universal: respect, dignity, honesty, accountability, transparency - these are the things that guide us. But I'm also very big on humility, so when we go into territories, we're just listening at first - listening and learning."

"You don't go in there with a pre-packaged, ready-made answer, because it doesn't work. You approach it with cultural humility."

This approach extends to the infrastructure being applied to Warner's work in this area - backed by major top-down corporate commitment. Stinnett says: "They had already established a Global Diversity Council and they allowed me to take the helm of that, and at the same time assemble my team. The resources are huge, they gave me whatever I needed to hire my team and organize everything to run effectively, on a large scale."

"We now have over 50 global employee resource groups focused on specific areas that will drive diversity, equality and inclusion efforts locally - that's boots on the ground and wins on the ground."

Stinnett goes on to explain the synergistic relationship between social justice action being taken within record companies and the wider movement in society: "That's

We now have over 50 global employee resource groups focused on specific areas that will drive diversity, equality and inclusion efforts locally - that's boots on the ground and wins on the ground.

DR MAURICE STINETT
Head of Global Equity, Diversity & Inclusion, Warner Music



Future photo by Daniel Sanwoola

the beautiful thing about the social justice movement, everybody has a role to play.

"I don't discount my role at the corporate boardroom, and I don't discount another person's role marching in the street. We all have our various parts to play, we're rowing in the same direction. If we do that effectively I think that's how we'll see the change we're looking for."

"OUR ARTISTS WANT TO KNOW WHAT WE'RE DOING AND HOW THEY CAN HELP"

Towalame Austin is Executive Vice President of Philanthropy & Social Impact at Sony Music Group. She joined the company in the summer of 2020 and a lot of her early work at the company was as part of its Get Out The Vote campaign in advance of the 2020 presidential election in the U.S.

She says: "We launched an initiative called Your Voice, Your Power, Your Vote. We wanted to make sure as many people as possible knew their rights and had accurate information. It's part of our commitment to advancing social justice everywhere."

"The campaign involved partnering with a huge number of community-based organisations and mobilising more than 80 of our artists to help amplify that message."



The power of music is central to Sony Music's vision of increasing awareness and affecting change across a variety of issues. "Our platform and the voices of our employees and artists can have a powerful impact on society and culture."

Our platform and the voices of our employees and artists can have a powerful impact on society and culture.

TOWALAME AUSTIN
EVP, Philanthropy & Social Impact, Sony Music Group

"Employees and artists are more engaged than ever and want to know how they can help us be more visible and connect with different communities."

She also, however, stresses a 'grassroots' element to the practical philanthropic side of Sony Music's work. "Early in the pandemic, Sony Corp set up a \$100 million fund to support those affected by COVID. In addition to addressing emergency needs, it also supports and partners with communities on issues related to, or arising

from, COVID, such as food insecurities and homelessness.

"We're also supporting High School music programs, because there is special PPE needed to play certain instruments and we're providing that so that bands and orchestras can continue to operate in a safe environment. It's clear you can have a significant impact when you get really involved with and close to communities."

"PEOPLE WANT TO SEE REAL RESULTS AND REAL CHANGE"

Austin's colleague, Tiffany R. Warren, is Executive Vice President, Chief Diversity and Inclusion Officer at Sony Music Group. She stresses the importance of Sony Music's foundation of transparency and willingness to change its company culture which impacts directly on the employee experience. "It's important that our talent both internally and externally see our values reflected in the words, faces and actions of their colleagues and our leaders; that's what we've been doing, because that's how you truly change culture, even before I arrived.

"I've seen it: small changes make big changes; moments lead to movements. If something is needed, when given the right framework, the right environment and the right tools, our talent at all levels create and support meaningful change.

"Sony Music Group's talented community are our leaders of today and tomorrow, and we know it's important that they're growing in a culture of diversity, equity and inclusion. The Company has a track record of engaging with our talent to help change our culture, because that ultimately makes them more exceptional as a manager and as a colleague."

I'm super proud of the work this company has done in terms of inclusion and diversity. I look now at the opportunities given to young women, in terms of coaching and mentorship, and it's incredible.

REBECCA ALLEN
President, EMI Records

P!NK photo by Sølve Sundsbø

Like many leaders across the industry, Warren also recognises and welcomes a shift in attitudes and emphasis. She says: "As a general rule, diversity, equity and inclusion has to continue to go above and beyond what we say and become what we do, who we are. In the corporate world there has too often been a superficial, performative element, but now is the era of action and accountability."

As a general rule, diversity, equity and inclusion has to continue to go above and beyond what we say and become what we do, who we are.

TIFFANY R. WARREN
EVP, Chief Diversity and Inclusion Officer at Sony Music Group



Dadju photo by @FIFOU

As social justice protests spread around the world last summer, we were compelled to take action as a company, spearheading the Sony Music Group "Your Voice, Your Power, Your Vote" campaign during the U.S presidential election. Now, as we move away from the 2020 election with a focus on the transformative issues facing our nation, we have prioritized making a sustained impact in the community by working with organizations that address access to education, healthcare, food and job opportunities.

SYLVIA RHONE
Chairwoman and CEO, Epic Records



Micro TDH photo courtesy of Warner Music Latina

In this age it's not enough to give women powerful titles, we need to recognise past mistakes, our blindspots, our privileges, and work constantly to overcome and make up for them. Music is an unstoppable power for good and our business can and should lead the way for true diversity and inclusion. At Warner, we've a mission to implement this diverse and inclusive culture in every territory, to demand justice and provide safe spaces for artists, industry workers and music fans.

GÜLCE ÖZYEŞİLPINAR
General Manager, Warner Music, Turkey

CREATING A FAIR ENVIRONMENT TO ENABLE MUSIC TO THRIVE

IFPI works closely with its record company members to campaign for fair and sustainable regulatory frameworks worldwide to support the growth and development of the whole music sector. This includes the recognition and effective enforcement of the rights of those who invest in and create music.

While the nature of music markets may vary around the world, we work to introduce the following principles across markets to enable music to thrive globally:

1 RECOGNISE THE VALUE OF MUSIC

Music has both cultural and economic value, and public policies should ensure that all services that distribute music, regardless of how they operate, negotiate market-rate licences with music creators and right holders (those who create and own the music) in a fair, competitive marketplace.

Policymakers around the world increasingly understand the need to ensure that 'safe harbour' provisions are not misused by online platforms to claim exemption from copyright liability and undermine the value of music in the online marketplace. Member States of the European Union are implementing legislation, known as the 'Copyright Directive', to address this issue; the Directive must be transposed faithfully, or it will undo the public policy goal for which it was enacted. In Mexico, the government has introduced 'notice and staydown' conditions to its 'safe harbour' rules that ensure that unlicensed content does not reappear after takedown.

Right holders should also be protected when their music is used in public performances or broadcasts. At the end of 2020, following a long-term campaign led by IFPI and its members, China established full performance rights for the use of recordings in public performances and broadcasts. For the first time, revenue for right holders will be generated for the use of recordings in public performances and broadcasts, enabling further re-investment in the Chinese music community. Singapore has also agreed to recognise public performance rights and is working to implement them. The industry still needs to ensure full performance rights protection in Japan and the US.



Amy Shark photo by Max Doyle



Sfera Ebbasta photo by Haris Nukem

2 ENSURE COPYRIGHT FRAMEWORKS ARE CLEAR AND PROVIDE FOR LEGAL CERTAINTY

Commercial and legal certainty is needed to ensure everyone understands how music can be used legally and to enable them to do so. This means guaranteeing right holders an adequate level of protection through exclusive rights. Where they exist, exceptions to copyright should be limited, clearly defined, and narrowly targeted to deliver a legitimate public policy outcome. Open-ended or 'flexible' exceptions are open to abuse and do not provide the necessary certainty.

3 RESPECT FREEDOM OF CONTRACT

In a fair and functioning marketplace, parties should be free to agree the terms of their licensing arrangements. Interference, however well intentioned, will distort the market, disincentivise investment and undermine the growth of the entire sector. Binding the industry's hands through static regulation – which can never evolve as fast as technology – limits the ability of record labels, artists, and platforms to find the most effective and innovative solutions to respond to an evolving marketplace.

4 TACKLE DIGITAL PIRACY

As the licensed digital music market has evolved with technology, so too has copyright infringement. IFPI and its member companies work non-stop to protect their artists' content by taking action to curb the spread of unlicensed music online, including legal action where necessary to inhibit the operations of services that seek to illegally profit from music.

To help our work, governments worldwide should enact and enforce legislation that requires online intermediaries to block access to services that make unlicensed music available, following the example of a growing number of countries from India to Latin America and the EU. Governments can also require that online hosting providers adopt and adhere to 'notice and stay-down' measures to keep infringing music off their services. All intermediaries should take steps to ensure they have accurate identifying information on their 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. Online intermediaries should not profit from facilitating mass copyright infringement.

THE ECONOMIC CONTRIBUTION OF MUSIC

Music contributes to our lives in so many different, often incalculable, ways. One area we can measure is its economic contribution. According to *The Economic Impact of Music in Europe*, an in-depth study by Oxford Economics that was commissioned by IFPI, the music sector supports two million jobs and contributes €81.9 billion annually to the economy across the EU and UK.

€81.9bn

THE MUSIC SECTOR'S GVA CONTRIBUTION TO THE GDP OF THE EU AND THE UK

THE MUSIC SECTOR SUPPORTS A TOTAL OF

2 MILLION JOBS

(1 IN EVERY 119 JOBS DEPENDED ON THE SECTOR)

€9.7bn

GOODS AND SERVICES EXPORTED TO COUNTRIES OUTSIDE THE EU AND THE UK

€31bn

TOTAL TAX CONTRIBUTION OF THE SECTOR

While this study focuses specifically on the EU and UK, it demonstrates the contribution that music can make to any country, providing the right policy environment is in place.

flowerkid photo by Levon Baird



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IFPI is the voice of the recording industry worldwide, representing over 8,000 record company members across the globe. We work to promote the value of recorded music, campaign for the rights of record producers and expand the commercial uses of recorded music around the world.