

AUDIENCENET AUDIOMONITOR SURVEY THE VALUE GAP

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The value gap describes the growing disparity between the value YouTube extracts from music and the revenue it returns to the music community – those who are creating and investing in music.

Since 2015, AudienceNet has launched the Audiomonitor project in the

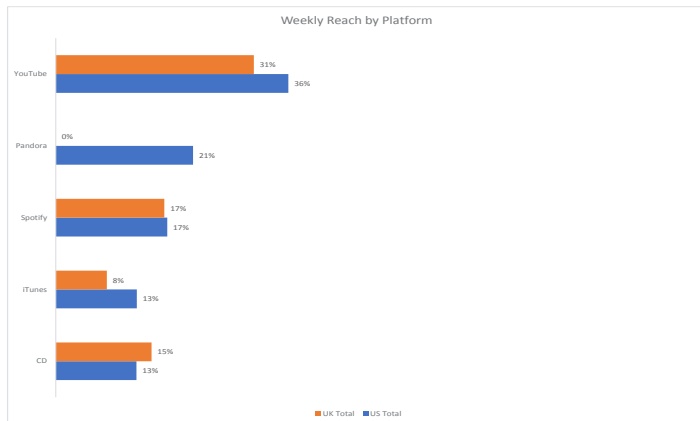
UK and the US. In 2018, the Audiomonitor project expanded to countries such as France, Germany, China and Nigeria. It measures the audio consumption of the country across all formats, genres and devices. As a Q-step intern, I was tasked with using the 2017 US and the UK Audiomonitor data to explore the problem of the value gap in the music industry.

Objectives

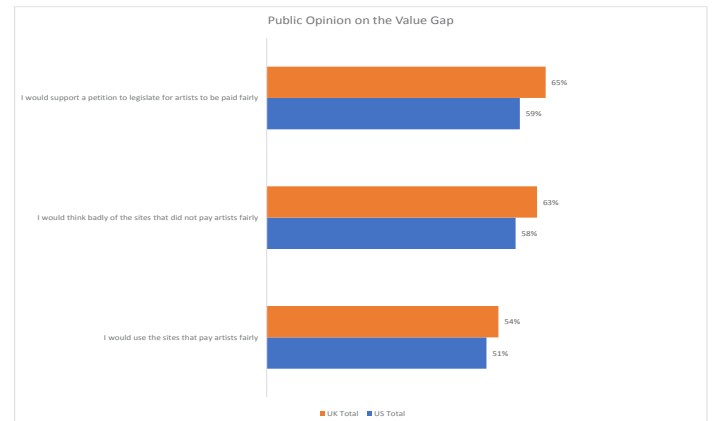
- To research on the causes of the value gap
- To analyse the 2017 Audiomonitor data to explain the significance of this problem
- To analyse data on the public and artists opinions on the music gap
- To suggest potential solution for the value gap

Method

Before the data analysis process, I conducted a secondary research in order to explore the causes of the value gap. Then, I conducted analysis on the latest audio consumption data provided by AudienceNet using mostly Excel. I focused on the US and the UK sample. This resulted in a sample of 6003 entries.



Q: Which, if any, of the following have you used in order to listen to audio content (music or speech) for five minutes or more at any one time during the last seven days?



This graph shows the consumer perspectives on the value gap. It indicated the importance of spreading the message out. The respondents were supportive of closing the value gap if they were informed about it.

Findings

- The first and the most ratified international online copyright agreements, the World Intellectual Property Organization Internet Treaties, were adopted 9 years before YouTube was founded and more than 12 years before other major on-demand music streaming platforms like Spotify and Apple Music existed.
- From publicly available data, International Federation of the Phonographic Industry estimates that Spotify paid record companies US\$20 per user in 2017. By contrast, it is estimated that YouTube returned less than US\$1 for each music user.
- At 36% and 31%, YouTube is the most popular on-demand music platform in the US and the UK respectively, reaching around twice as many Americans and British than competitor Spotify (17%) over a weekly period.

- As well as having the highest market penetration, YouTube also took the majority share of on-demand streaming listening time at 38% in the US. 29% and 30% of American and British 16-24-year-olds said that they don't pay for music streaming services because they prefer listening to music on YouTube respectively.
- In terms of online discovery, YouTube was overwhelmingly dominating, especially among , 63% and 51% of 16-24 year-olds Americans and British typically discover music on YouTube respectively. Followed by recommendation by friends.
- At 32% and 31%, YouTube captured the majority of new music listening, making the platform America's and UK's biggest 'go-to' source post discovery.
- If Americans and British were aware that some online platforms paid artists fairly, and others paid them as little as possible, more than half would support closing the value gap with actions, including support a petition for fair pay and using the sites that pay artists fairly.