



IMS IBIZA PRESENTS

THE IMS BUSINESS REPORT 2023

MIDiA.

An annual study of the electronic music industry by Mark Mulligan and MIDiA Research for IMS Ibiza.

The 2023 edition

The 2023 IMS business report builds on the success of previous editions to present the definitive view of where the global dance music industry is at.

For the first time, the report is authored by MIDiA Research's Mark Mulligan.

MIDiA Research is a leading provider of research, analysis and data for the digital entertainment business, with a team of analysts and consultants focused on everything related to where tech and entertainment meet.

This year's report features a number of exclusive MIDiA datasets, which have never been used in previous editions.

We hope you find the report interesting, but most importantly, useful!



IMS business report 2023

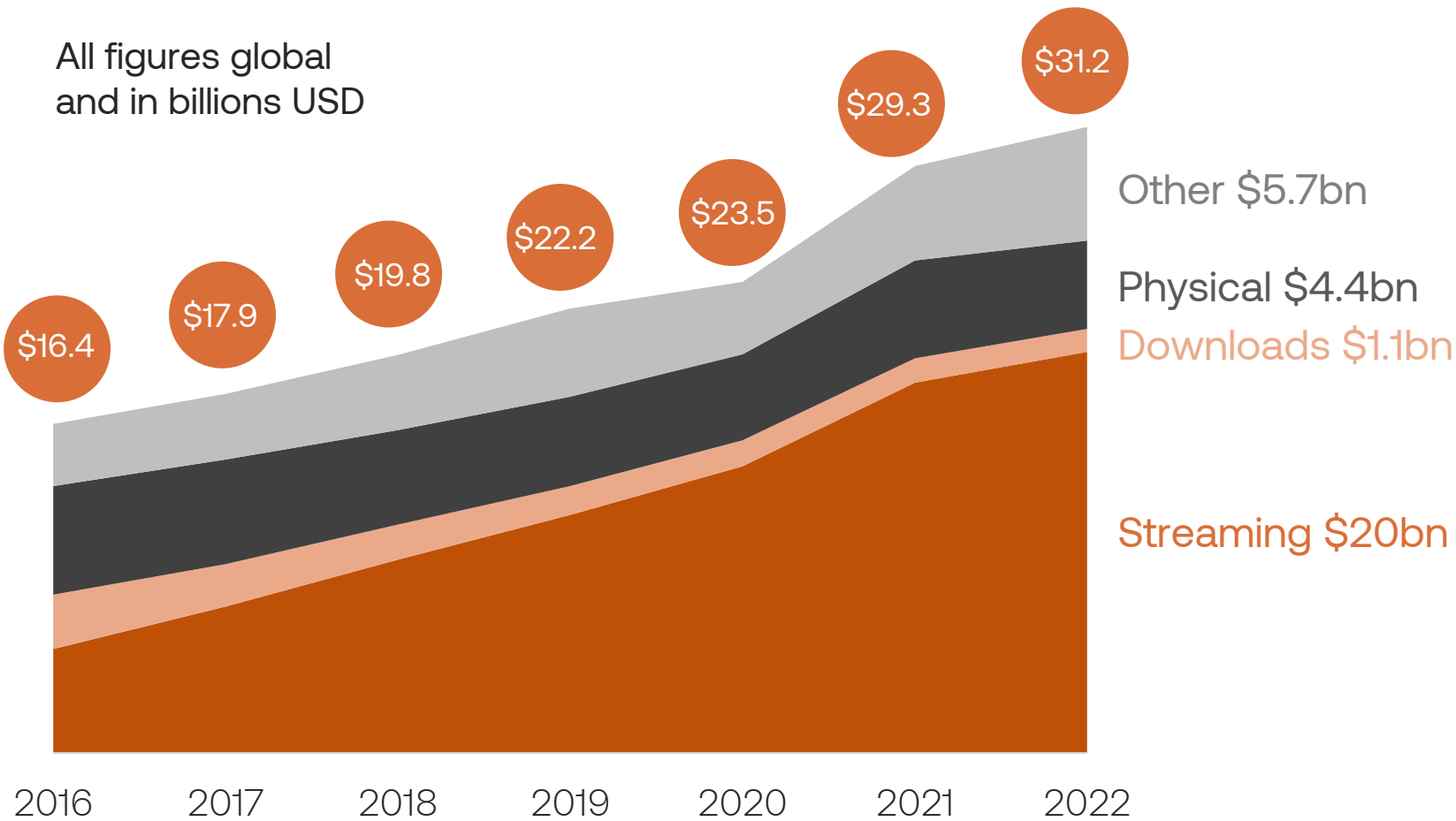
1. **Setting the scene**
2. Fans and creators
3. The industry
4. Market size



Global recorded music

Steadying the ship | Revenue growth slows but remains strong, with 'streaming' and 'other' driving most momentum

All figures global
and in billions USD



2022 was a back-to-reality year for recorded music, with annual growth dropping from 25% in 2021 to 7% in 2022. This was due to a) slowing growth in mature streaming markets; b) the global economy; c) currency volatility; and d) growth settling after the post-Covid book growth of 2021

Non-DSP (e.g., TikTok) and expanded rights are where post-streaming growth will come from

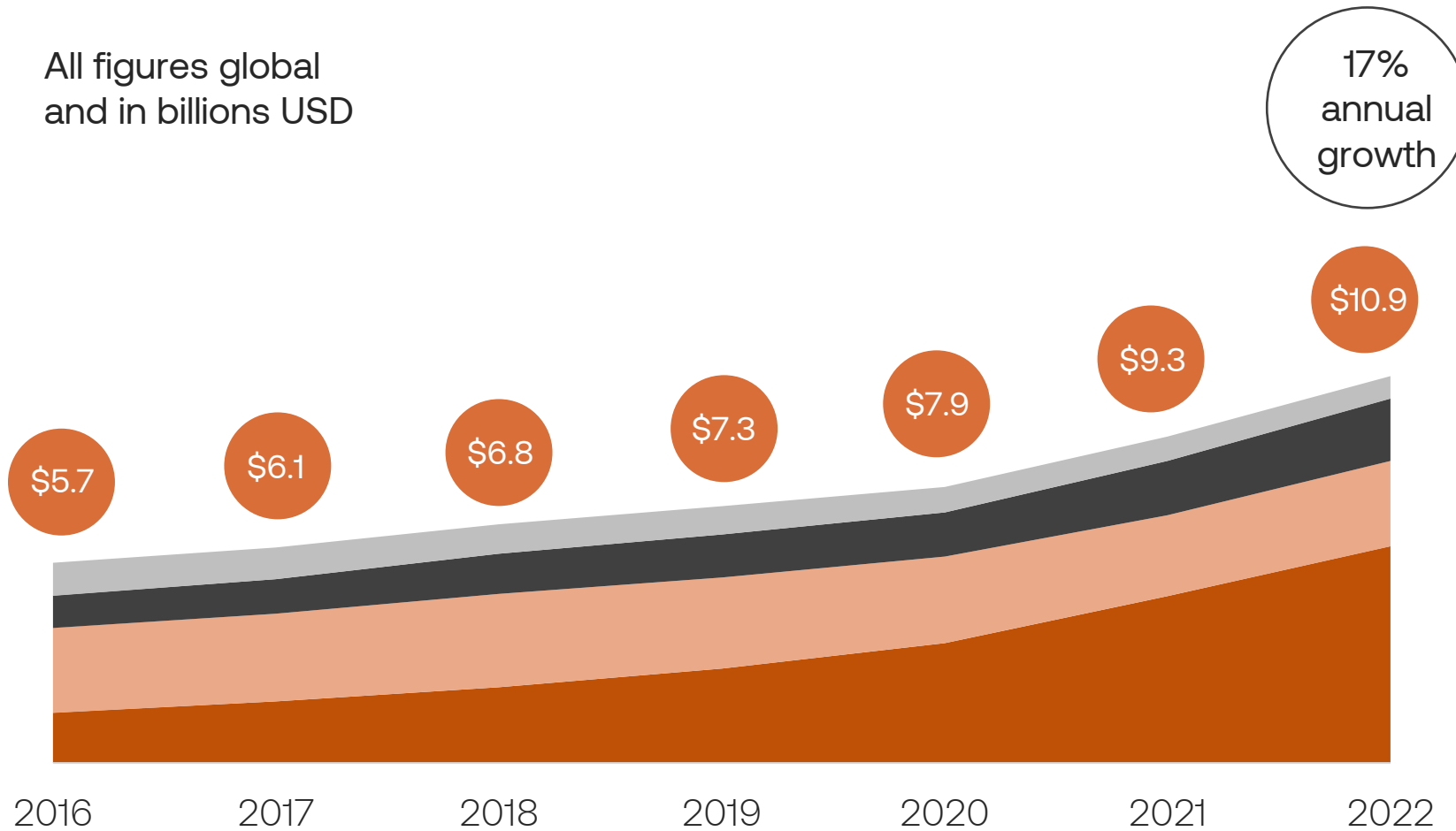
Artists direct (i.e., self-releasing artists) were the fastest growing segment, reaching 6% market share, while majors saw their market share fall from 66% in 2021 to 65% in 2022



Global music publishing

Song economy | Publishing revenues grew more than two times faster than recordings in 2022

All figures global
and in billions USD



Music publishing has become a hot property in the music business, with a host of investors pouring money into catalogue acquisitions. Armada's new \$100 million fund shows that dance music may be the next in-demand genre

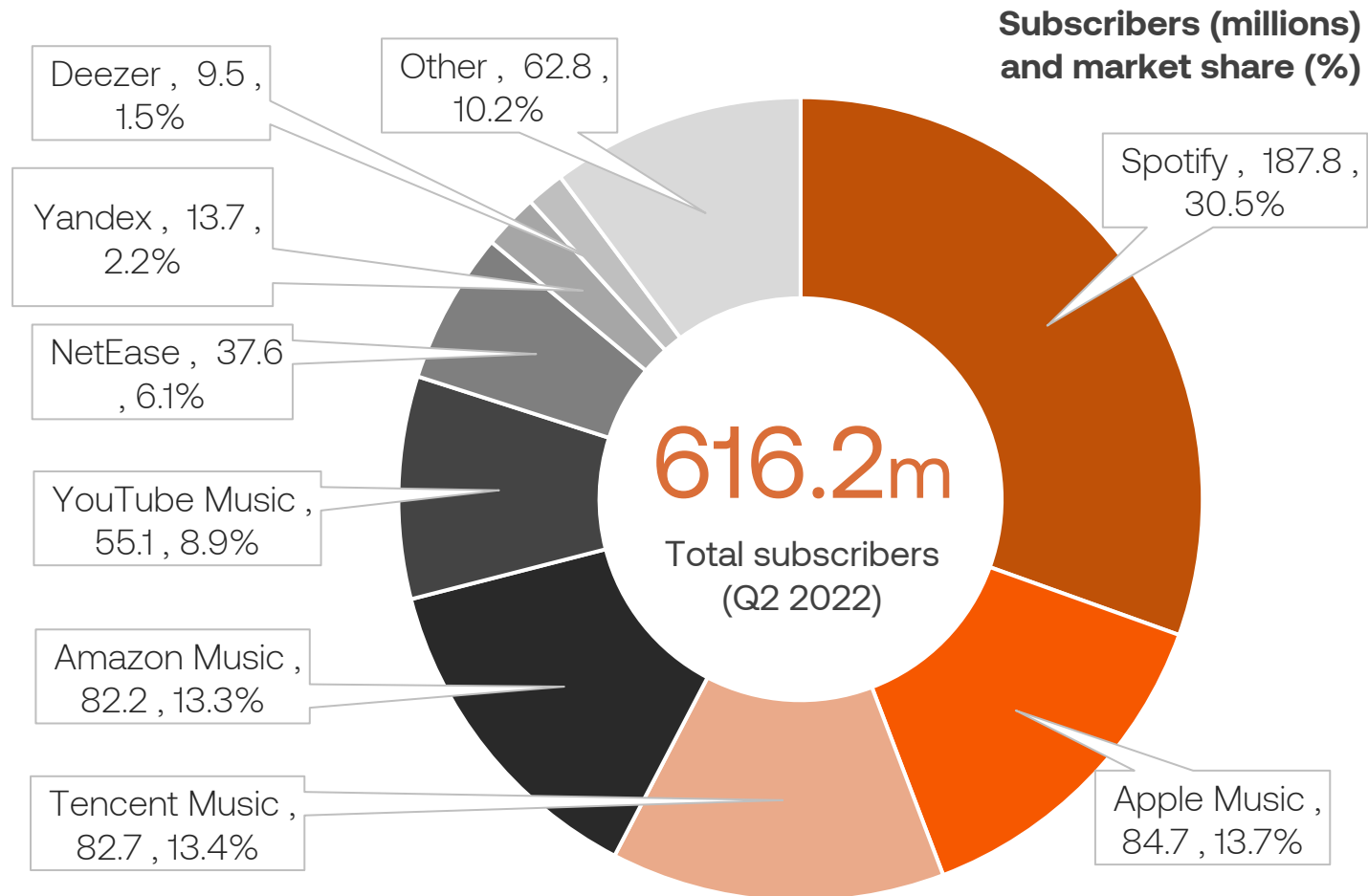
Long considered a safe, steady bet, music publishing has started to outgrow recordings, growing more than twice as fast in 2022

Publishing's growth has been underpinned by steady improvements in rates paid to publishers and songwriters, which means that songwriting is beginning to find its true value in the streaming economy



Streaming music subscribers

Not a one horse race | Spotify has a clear market share lead but accounts for less than a third of global music subscribers



Subscribers outgrew subscription revenue in 2022. Though this means lower ARPU, it points to the strong underlying consumer demand, even in tough financial times

Spotify remains the leading player but is just one part of an increasingly nuanced market, with YouTube and Amazon both making up a lot of ground

Emerging markets is where the strongest growth is happening, especially China

The mid-to-long term future of streaming will be shaped by emerging markets. Fast user growth in these markets will see their global music-culture impact grow too



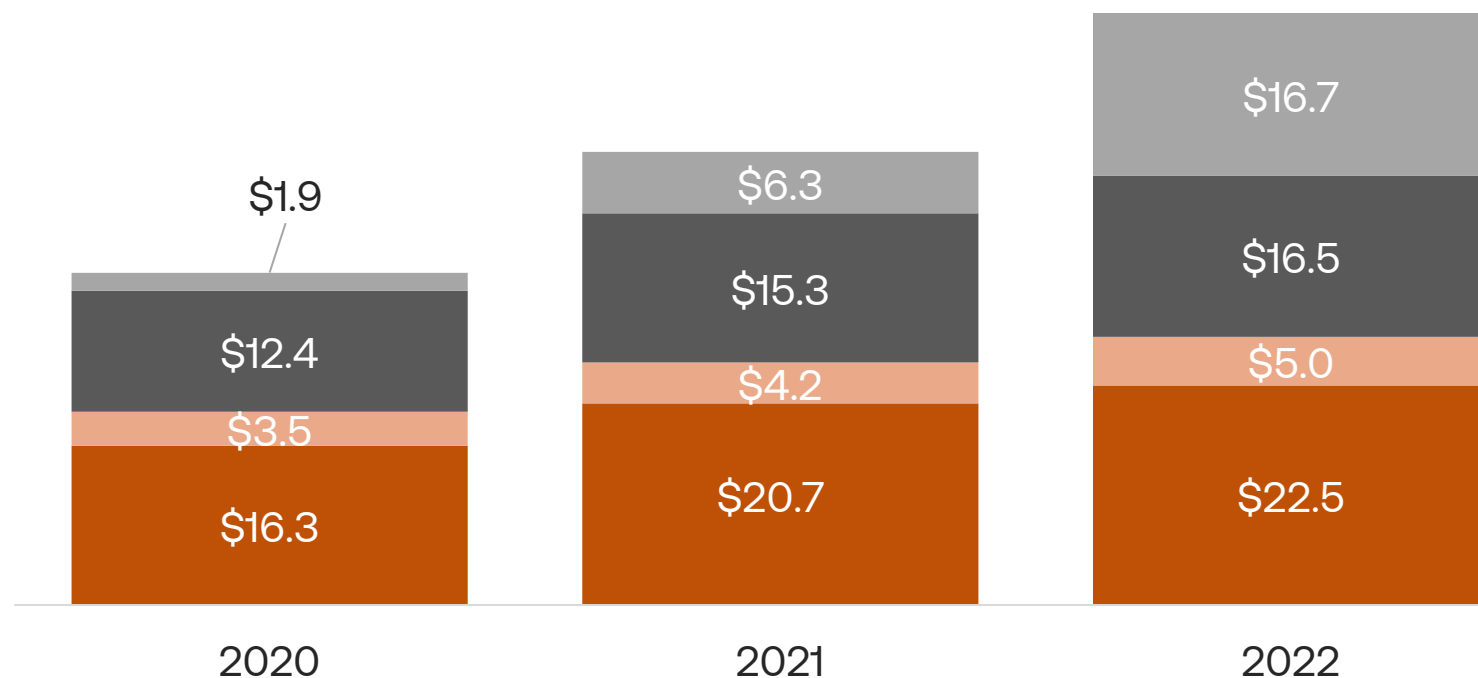
Leading companies' revenue

Growth, everywhere | Revenues grew strongly across the industry, driven especially by live's post-Covid rebound

Combined total	\$34.1	\$46.5	\$60.7
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■ Labels ■ Publishers ■ Streaming ■ Live

Revenue (billions USD)



Despite a struggling global economy, the global music industry's top companies registered strong growth across all industry segments

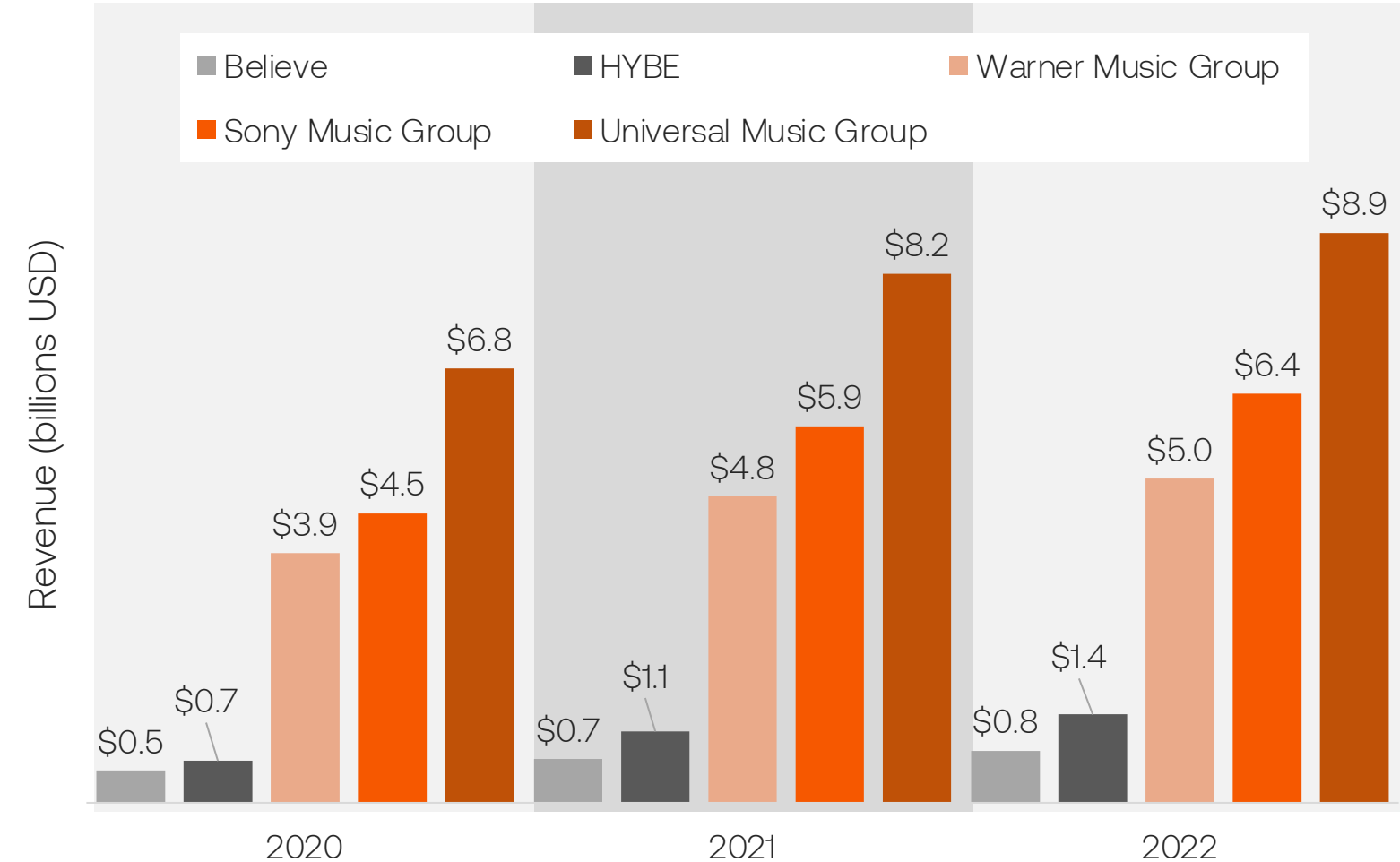
Live grew strongest, with Live Nation's revenues surging above pre-Covid levels. Publishing also grew strongly, outpacing recordings, due to non-DSP (e.g., TikTok), rate settlements, and organic improvements to licensing rates

While much of the economy, including some of the world's biggest tech companies, struggled in 2022, the music industry's leading companies grew strongly, with live and publishing leading the way



Leading labels' revenue

Indie surge | Major labels still the biggest, but the new generation of larger indies are outgrowing the market



The top record labels collectively grew revenue by 9% in 2022, but growth was not evenly spread

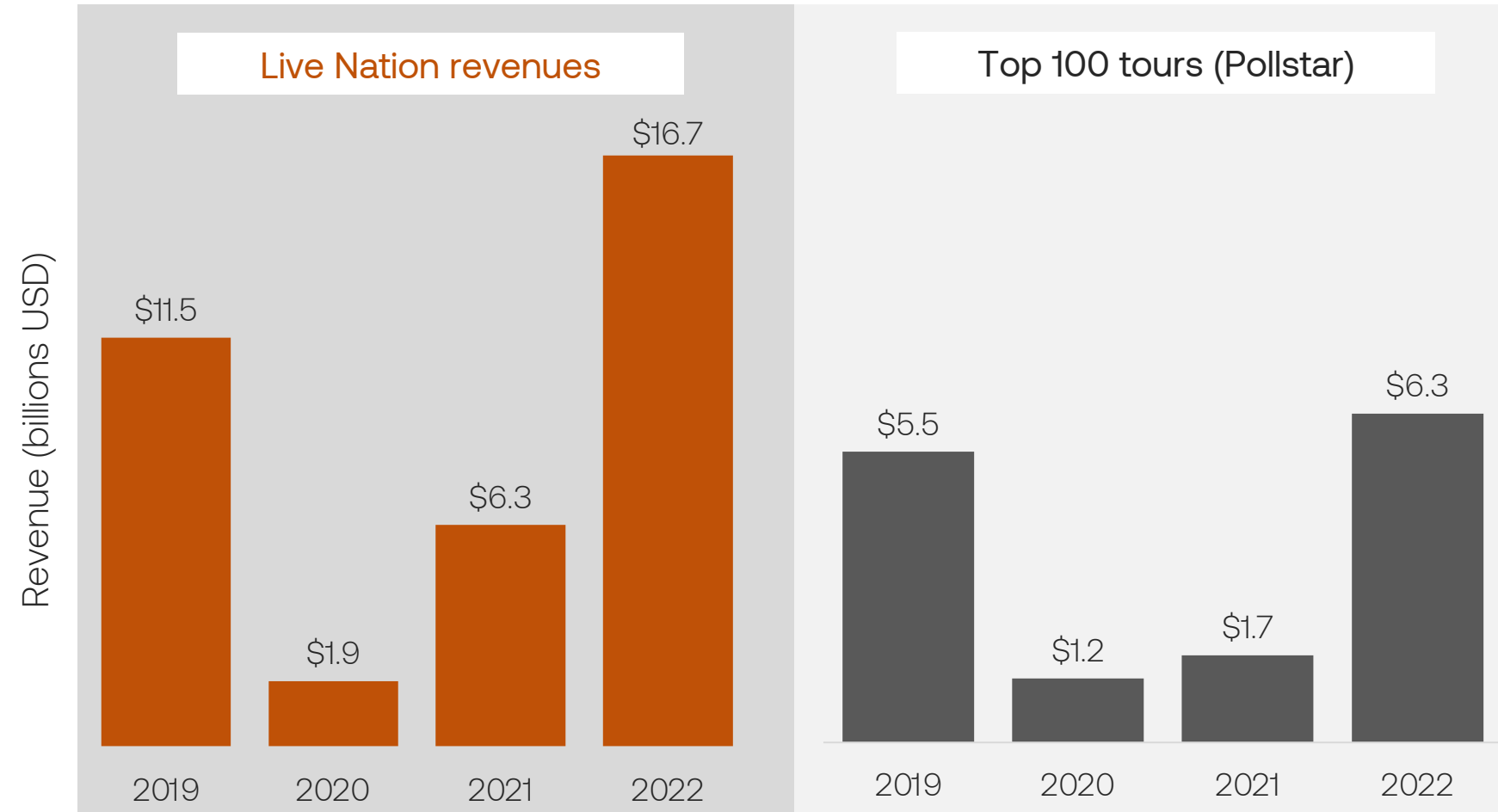
While the three Western majors collectively grew their revenue by 8%, HYBE was up 24% and Believe was up 19%

Record label market shifts happen relatively slowly, but the new breed of large independents are fast gaining market share. Combined with the rise of artists direct and streaming-native, smaller indies, the global recorded music market is entering a new, transformative phase



Live music market

Rebound, and some | Following the Covid downturn, the global live music is bigger and better than ever



The pandemic decimated live music across most markets globally, with small venues and stadiums alike hit hard

Although many smaller venues are still struggling to rebuild, the wider industry is booming once again

In a music world that is dominated by convenient but passion-free streaming, live remains a scarce, unique experience that consumers crave even more than ever, after two years locked-down



Key implications

- The music business' ability to grow in the most challenging of economic environments demonstrates the foundational role that music plays in people's lives, even more than ever when things get tough
- Though recorded music is settling into a steady, long-term growth pattern, its future will be shaped by the rise of independents, self-releasing artists, and emerging markets. Diversity will be the defining characteristic
- Live and publishing will not sustain the same sort of growth as they did in 2022, but they will continue to grow their share of the overall music industry mix



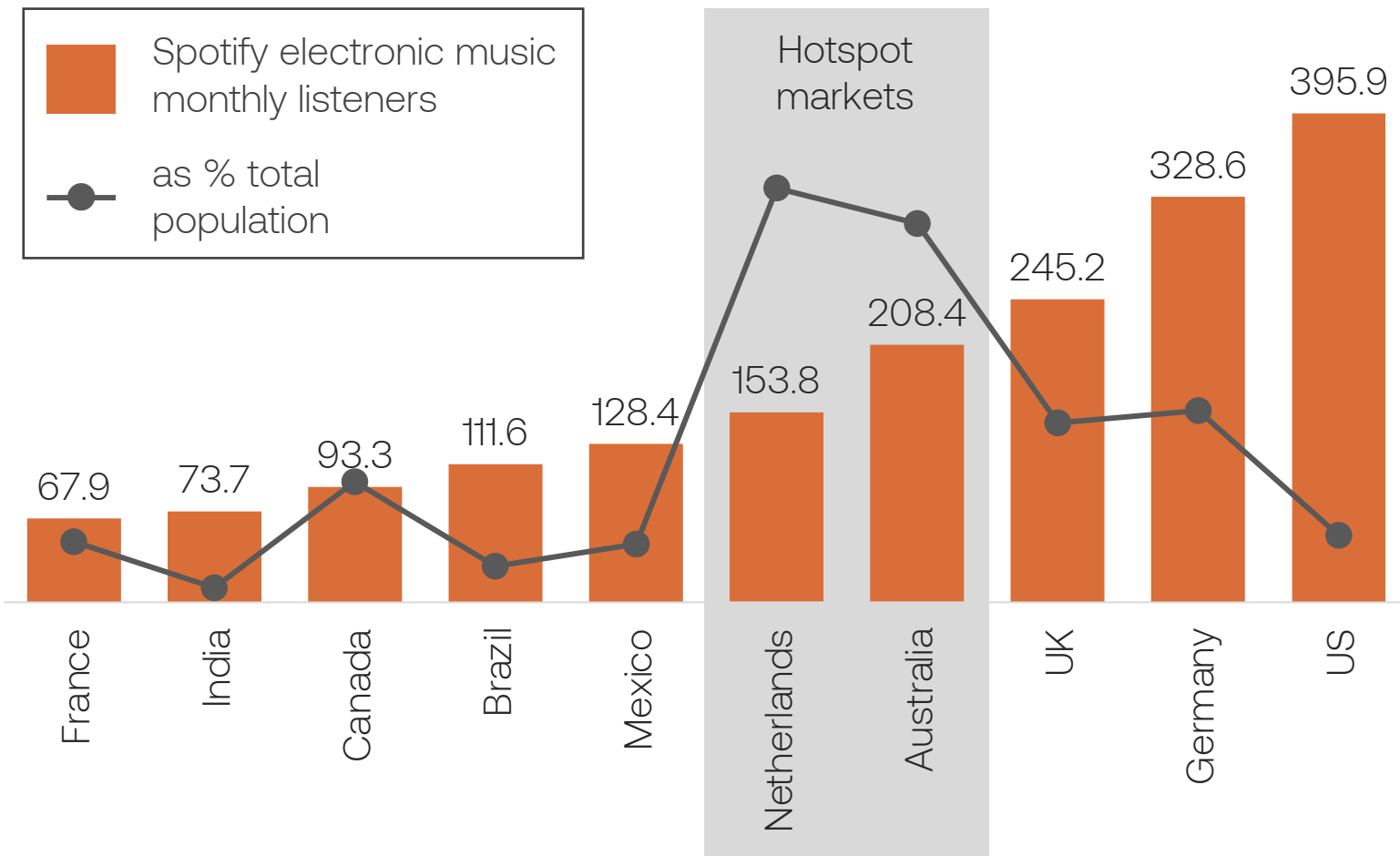
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Spotify monthly listeners **VIBERATE**

Not just size that counts | The usual suspects have most electronic music listeners, but ‘cultural reach’ is elsewhere



US, Germany and the UK have the three biggest Spotify monthly listener bases for electronic music, but they are also three of the world's biggest music markets

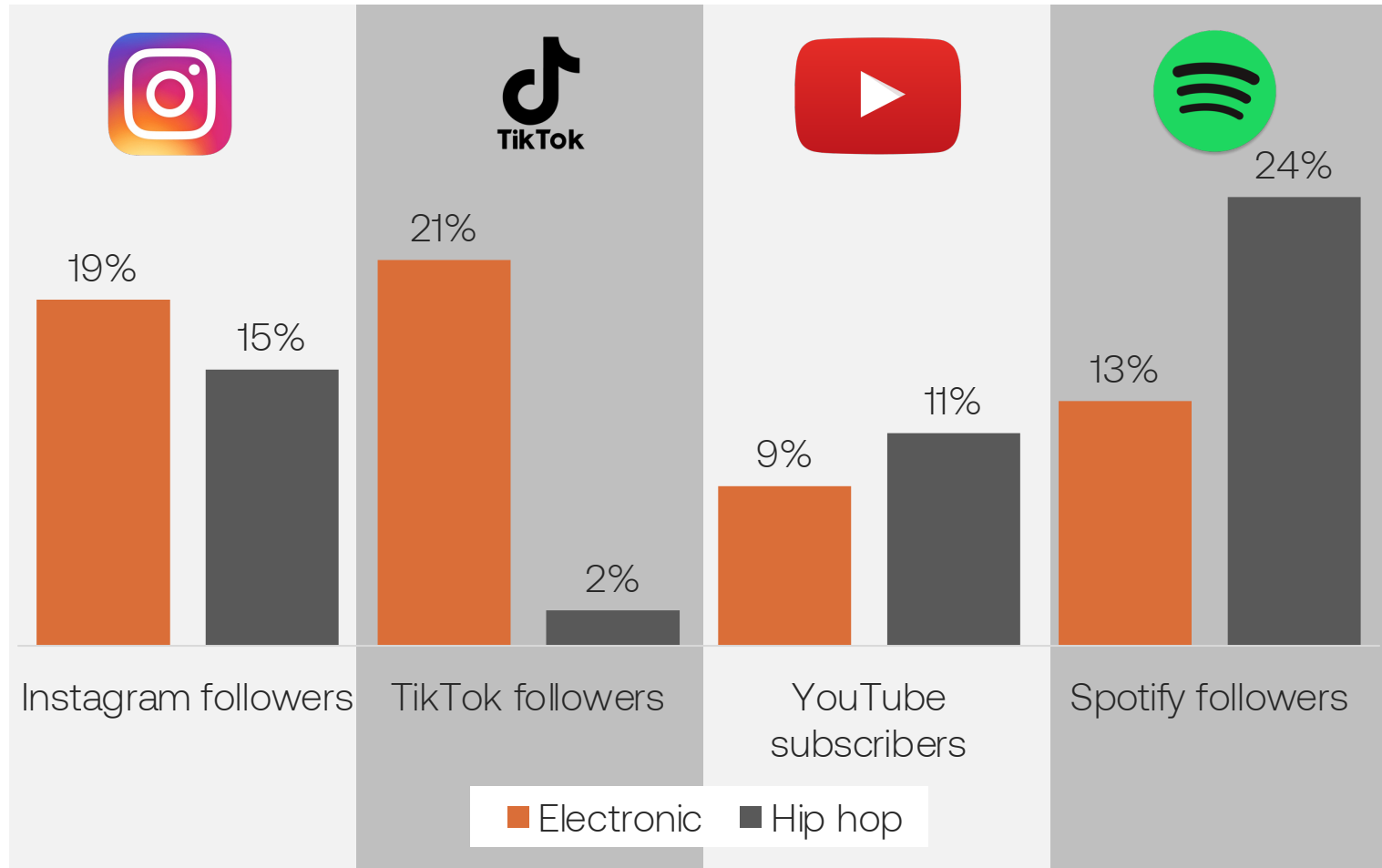
But, while Netherlands and Australia are smaller in absolute terms, they are multiple times higher as a share of the total population (Netherlands rate is seven times higher than the US). Electronic music has more cultural reach and impact here

So do not just look at how big the numbers are. Smaller, passionate markets can be the cultural launchpads for regional and global success



Social and streaming growth **VIBERATE**

Fan growth | Electronic music is outperforming hip hop in social follower growth but losing ground on streaming



Electronic music's fanbase growth is happening most on social platforms, TikTok especially, where it is growing 10 times faster than hip hop. But on-streaming follower growth is strongly outpaced by hip hop

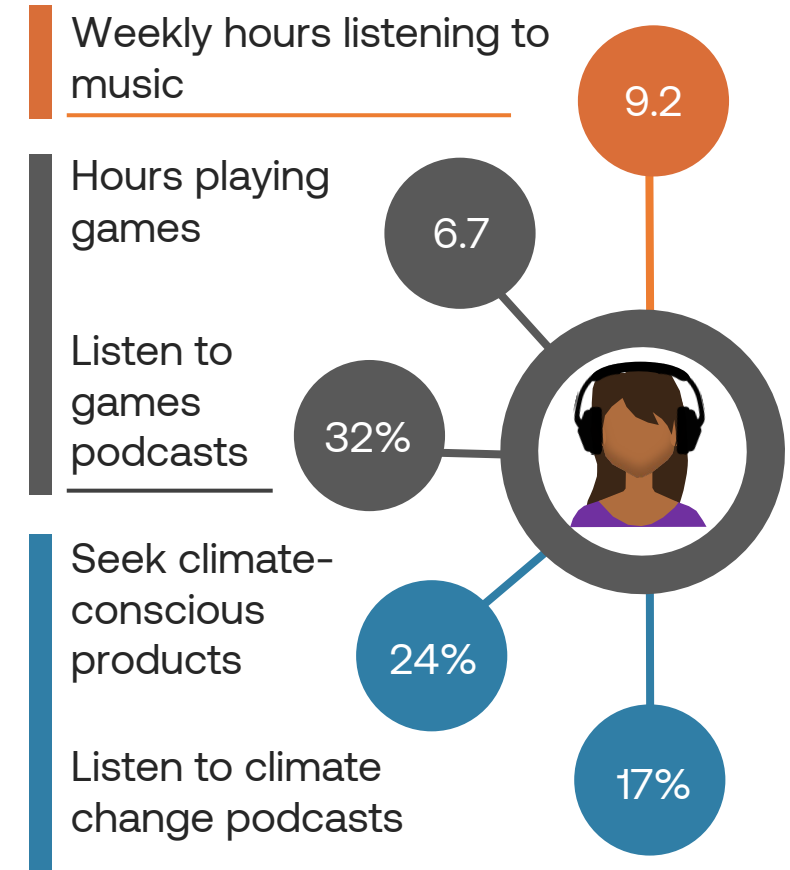
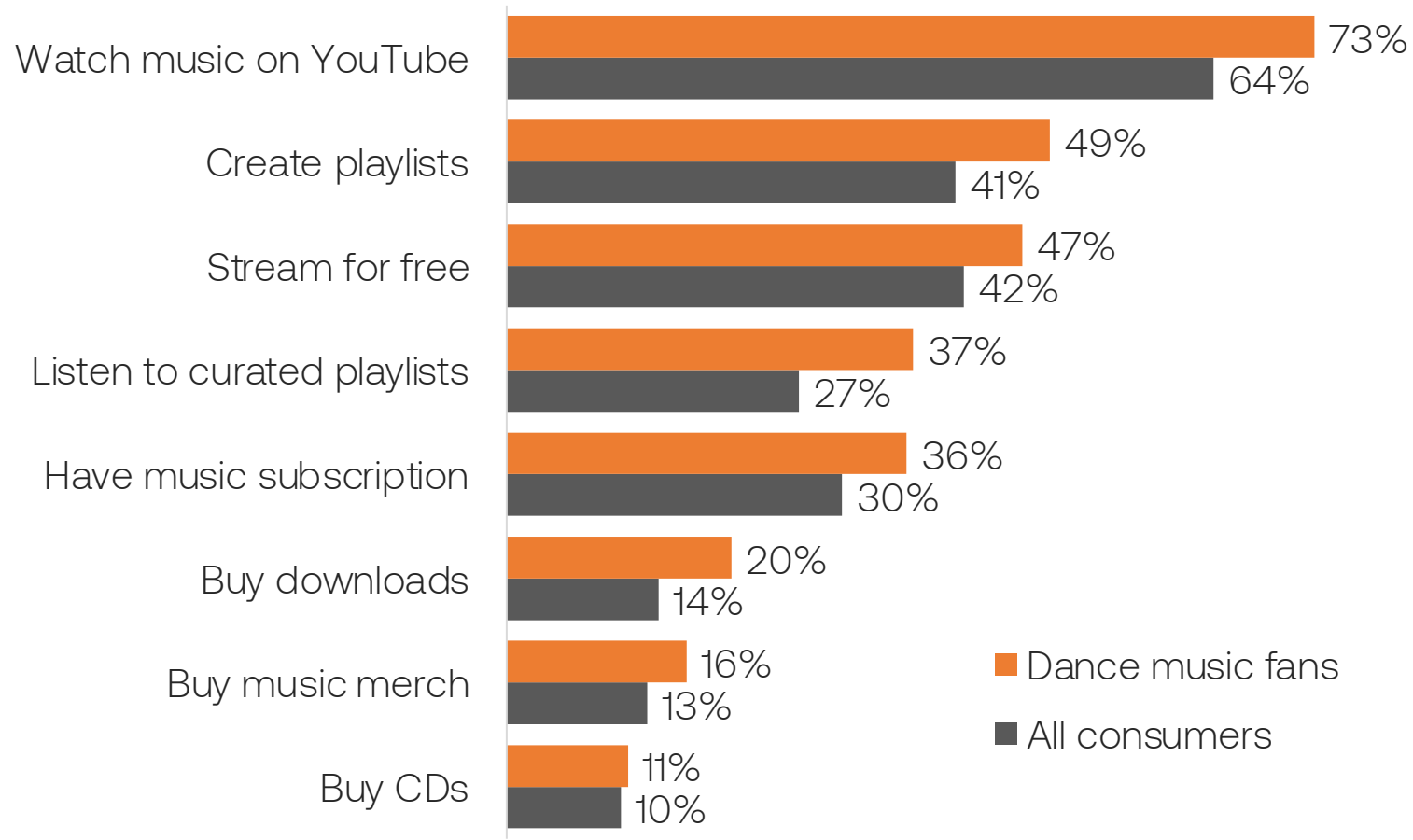
Hip hop's social base is more than four times bigger than dance, but electronic is making up ground. On streaming, the follower count is 3.5 times bigger, so hip hop may be on track to build a similar lead as it has on social (for now!)

But hip hop's streams count lead is smaller (2.5 times bigger) and electronic is growing at the same rate on both Spotify and YouTube



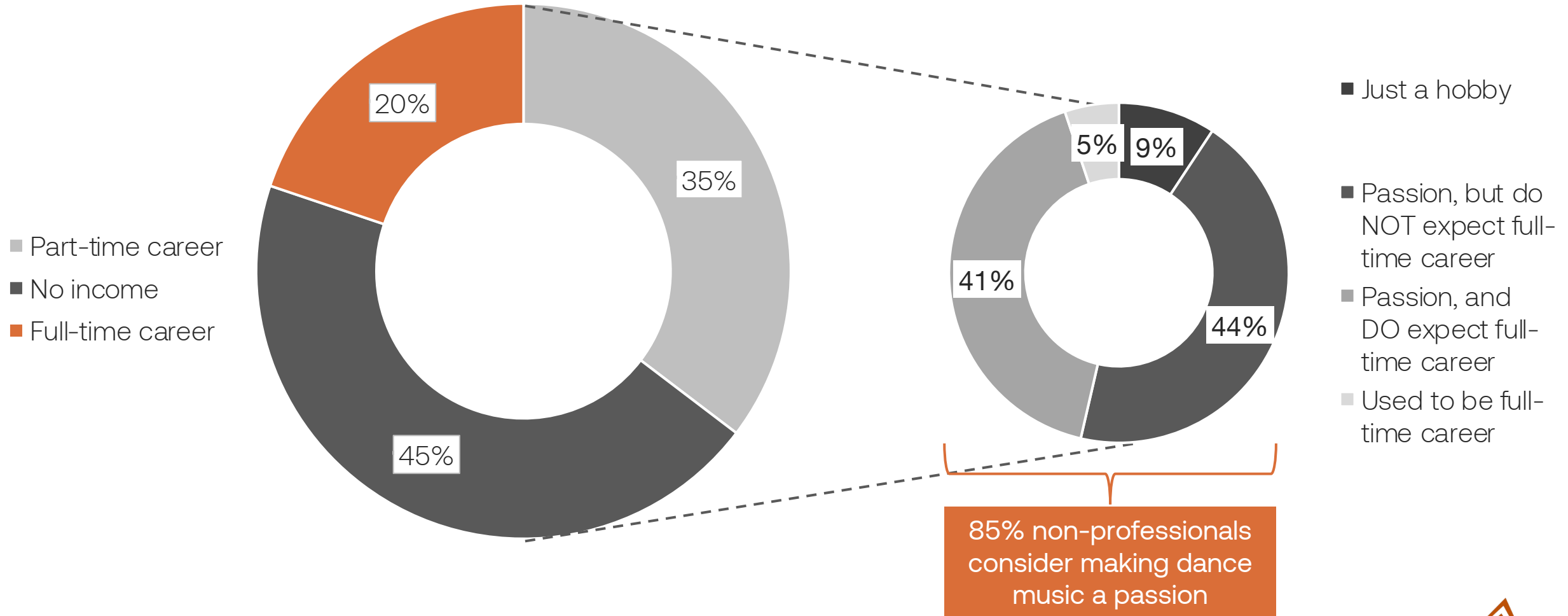
Consumers

Savvy streamers | Dance music fans are super fans, over-indexing for all music activities, but with far wider interests



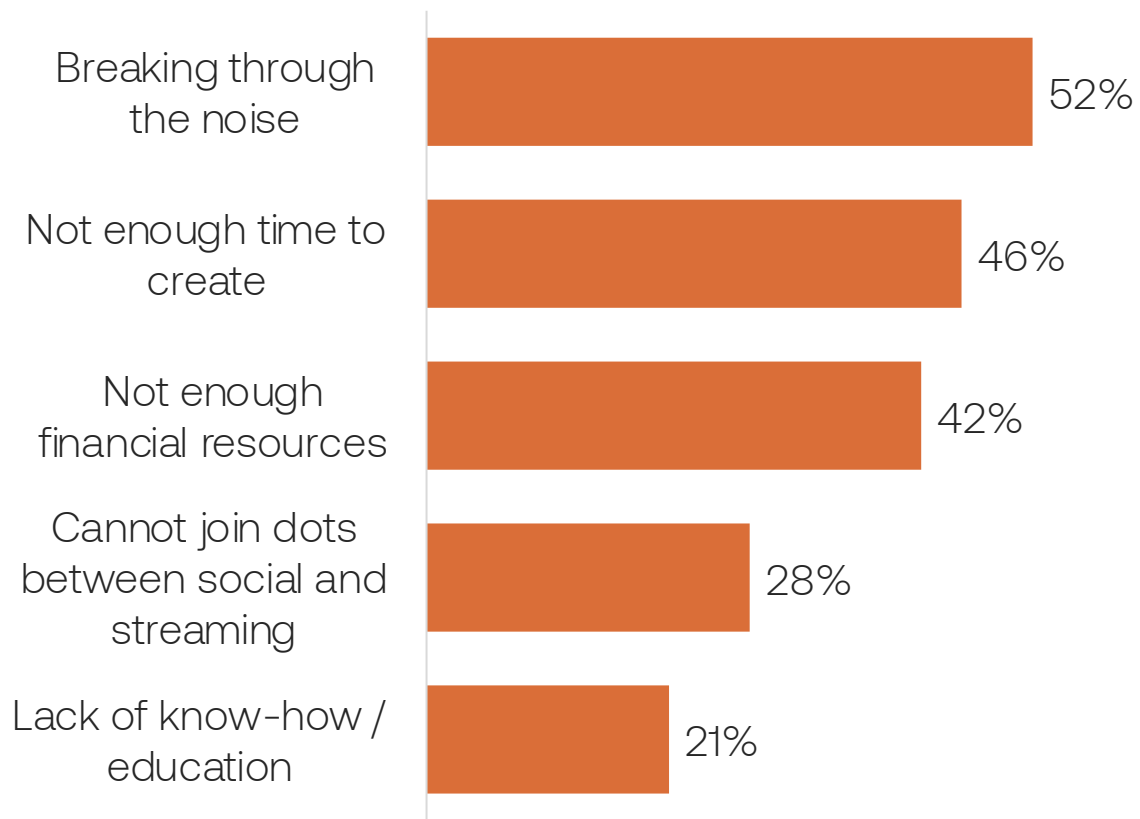
Music creators

Passion project | Only 20% of dance music creators earn their living from it but it's a passion, not a hobby, for most of the rest

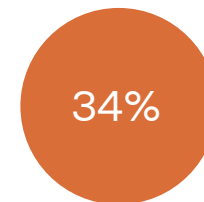
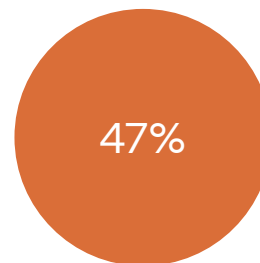


Searching for cut through | Dance music creators carve out careers despite intension competition for audience attention

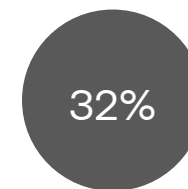
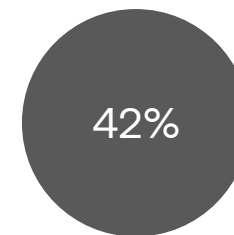
Top five challenges faced by dance music creators



Dance music creators



Overall music creators



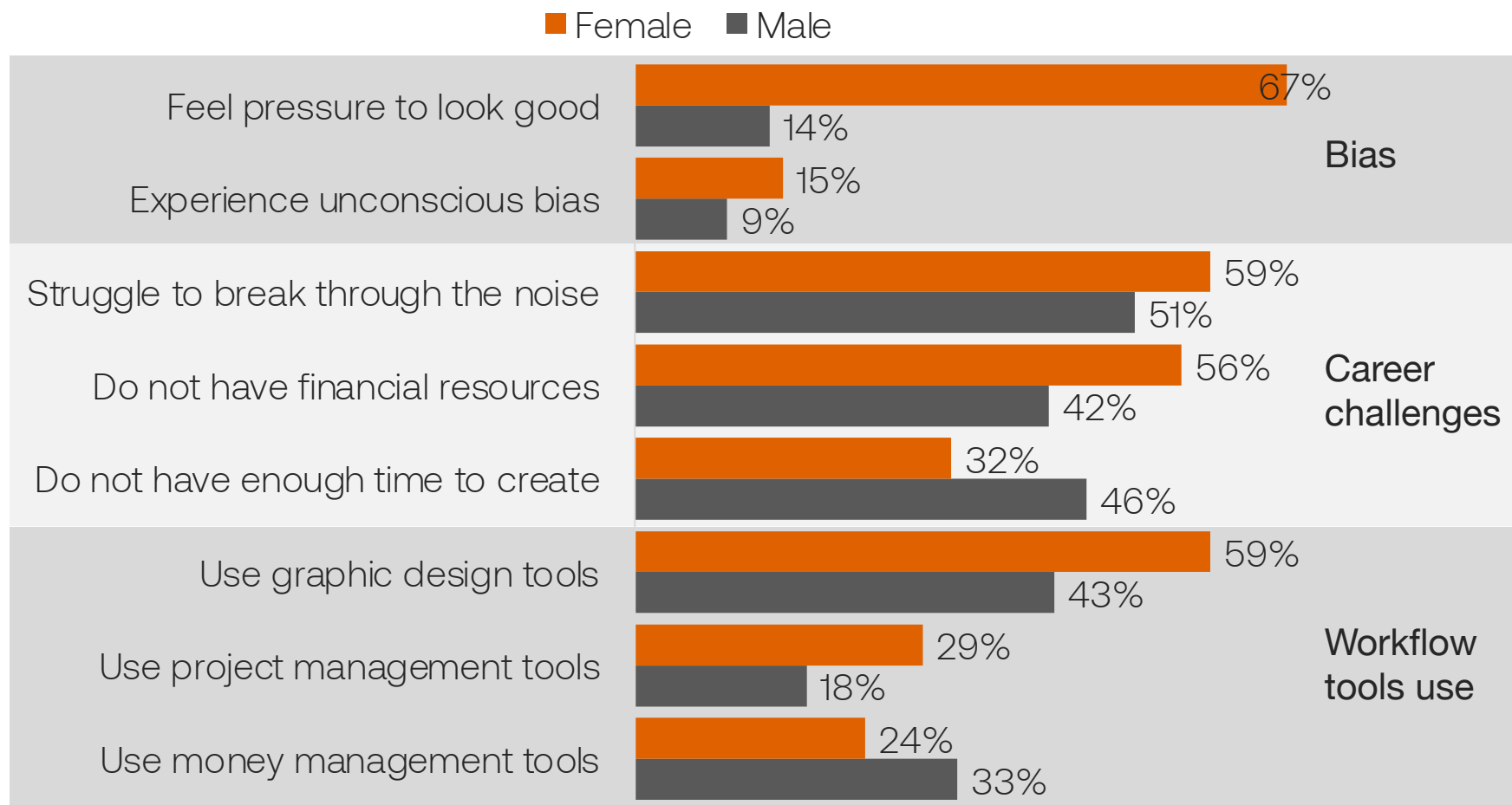
Average annual earnings (including part timers)

Share of total earnings earned from streaming

Share that saw earnings increase in 2022



Uneven expectations | Women creators face challenges, but they are taking sophisticated career approaches



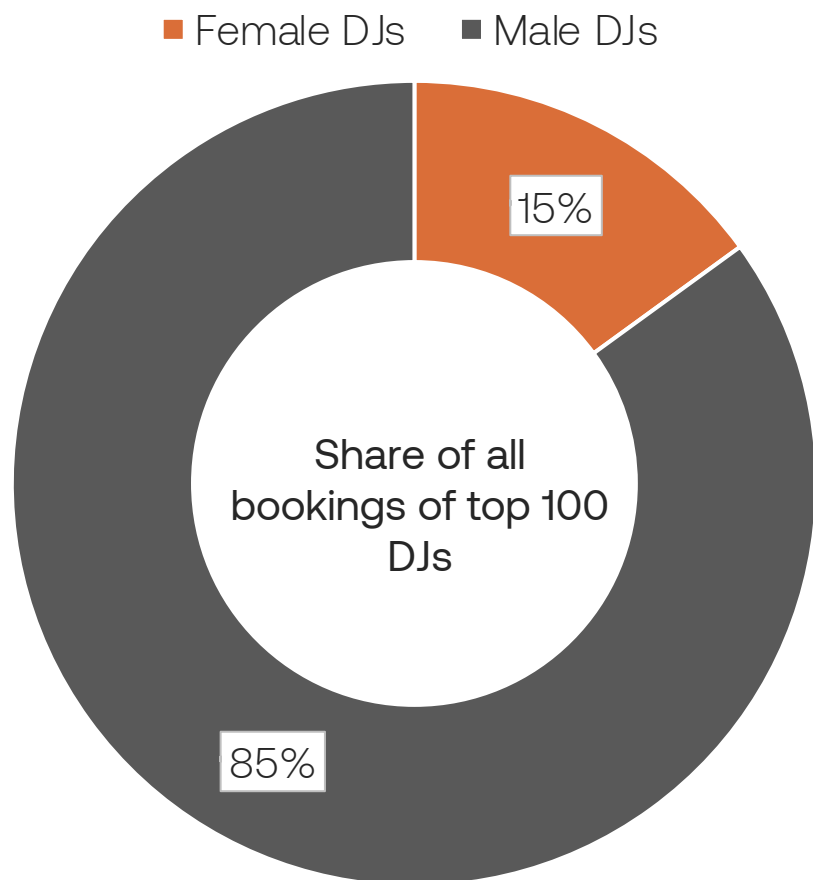
Women continue to feel massively more pressured to look good than their male counterparts, and they are also significantly more likely to experience unconscious bias

Women are also more likely to find it harder to cut through the clutter and have the financial resources to be successful

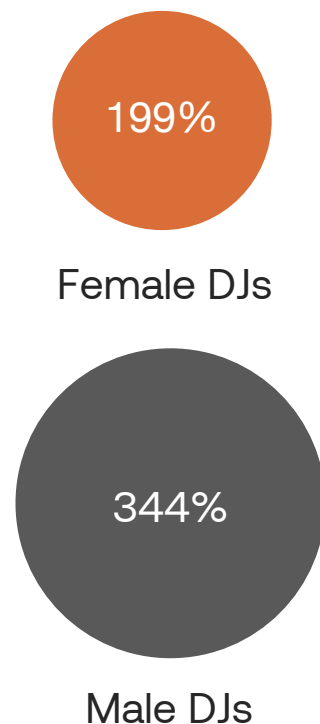
But women are more likely to have a more structured career approach, being significantly more likely to use design and project management tools



Glass ceiling? | Despite the strong growth in success of female DJs, 2022 saw male DJs increase share of global bookings



Bookings growth 2021-2022



Electronic music artists represented 39% of all festival bookings in 2022, up from 33% in 2021

Though female DJs represented 15% of top 100 DJ bookings (festivals and other events), in 2022, this share fell from 21% in 2021

In the post-Covid return to live, male top 100 DJs saw their bookings grow 1.7 times faster than their female counterparts

Building popularity and getting bookings is a virtuous circle, but if female DJs are losing share of bookings to male counterparts, then the *virtuous circle becomes a vicious circle*



Key implications

- With competition for people's attention fiercer than ever, it has never been more important to focus on scenes, cultural reach, and the wider identity of dance music fans
- The traditional lens of professional versus hobbyist is becoming progressively less useful. Passionate hobbyists are now just as able to have streaming hits, but have no intention of making it their living
- More people making more music (which AI will only accelerate) is going to make it even harder to cut through the clutter, which means producers and DJs will need to get better at telling their stories in more places to more people

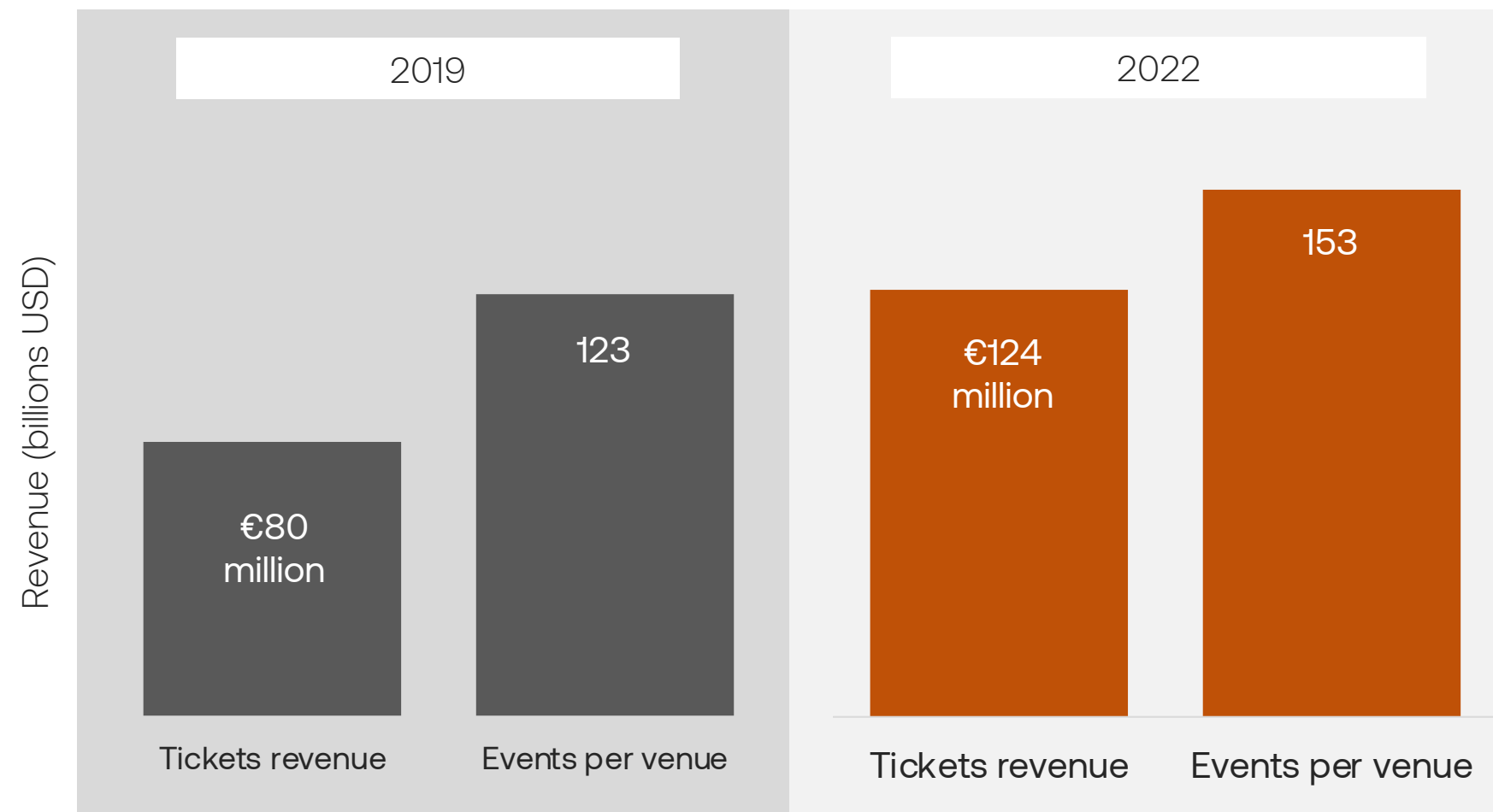


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Back on the dancefloor | Ibiza's clubs emerged post-pandemic with more demand, more nights and more revenue than before



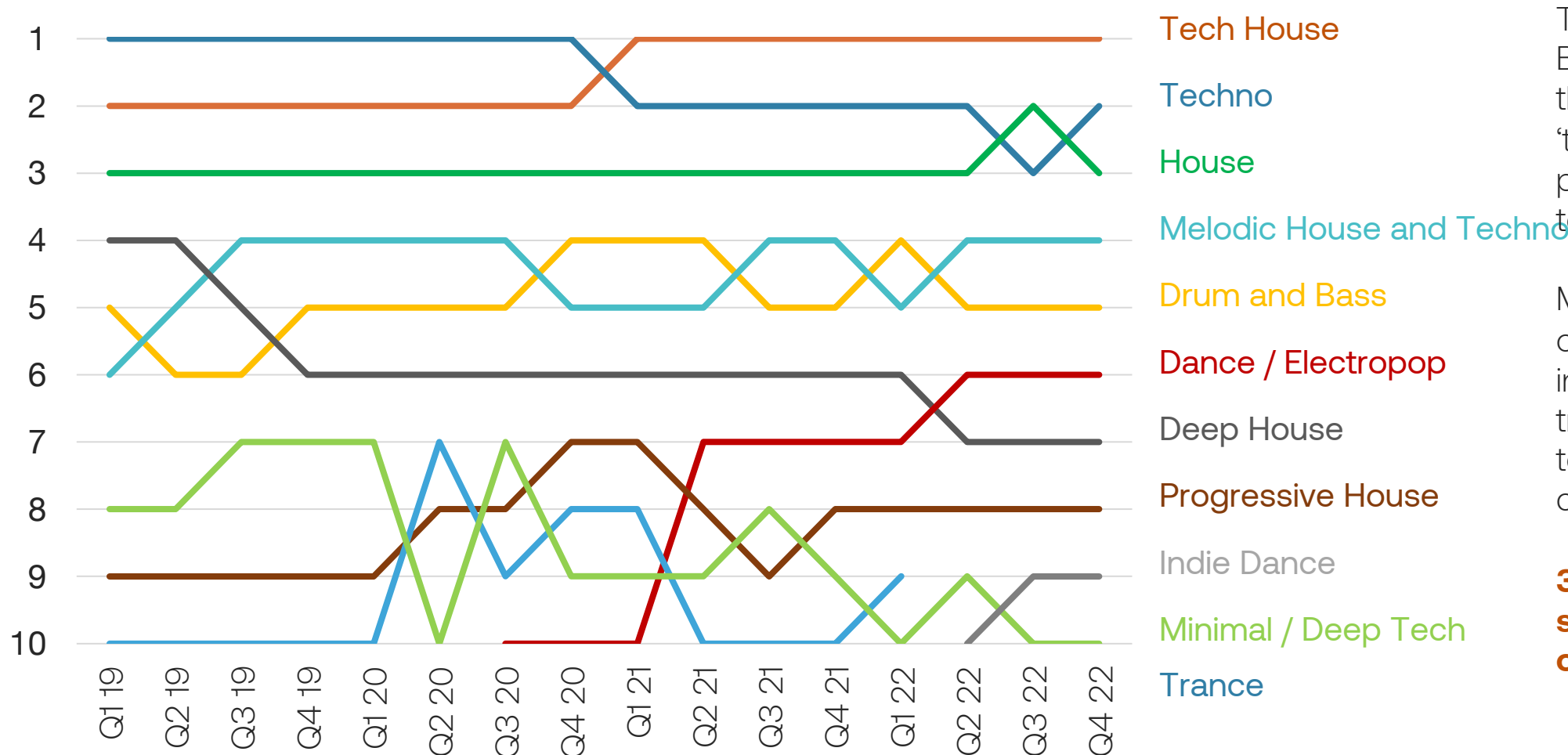
Ibiza club ticketing revenue reached €124 million in 2022, up 55% from the €80 million registered in 2019

This was underpinned by increases in the number of events per venue, average ticket prices, and the total number of tickets sold going from 2 million in 2019 to 2.5 million in 2022

2022 shows us that club culture is stronger than ever post-Covid



Still top | Tech house continues to lead the pack, the leading genre on Beatport for the entirety of 2021 and 2022



The fact that the top four Beatport genres contain the words 'house' or 'techno' points to the prevailing sounds of today's dance culture

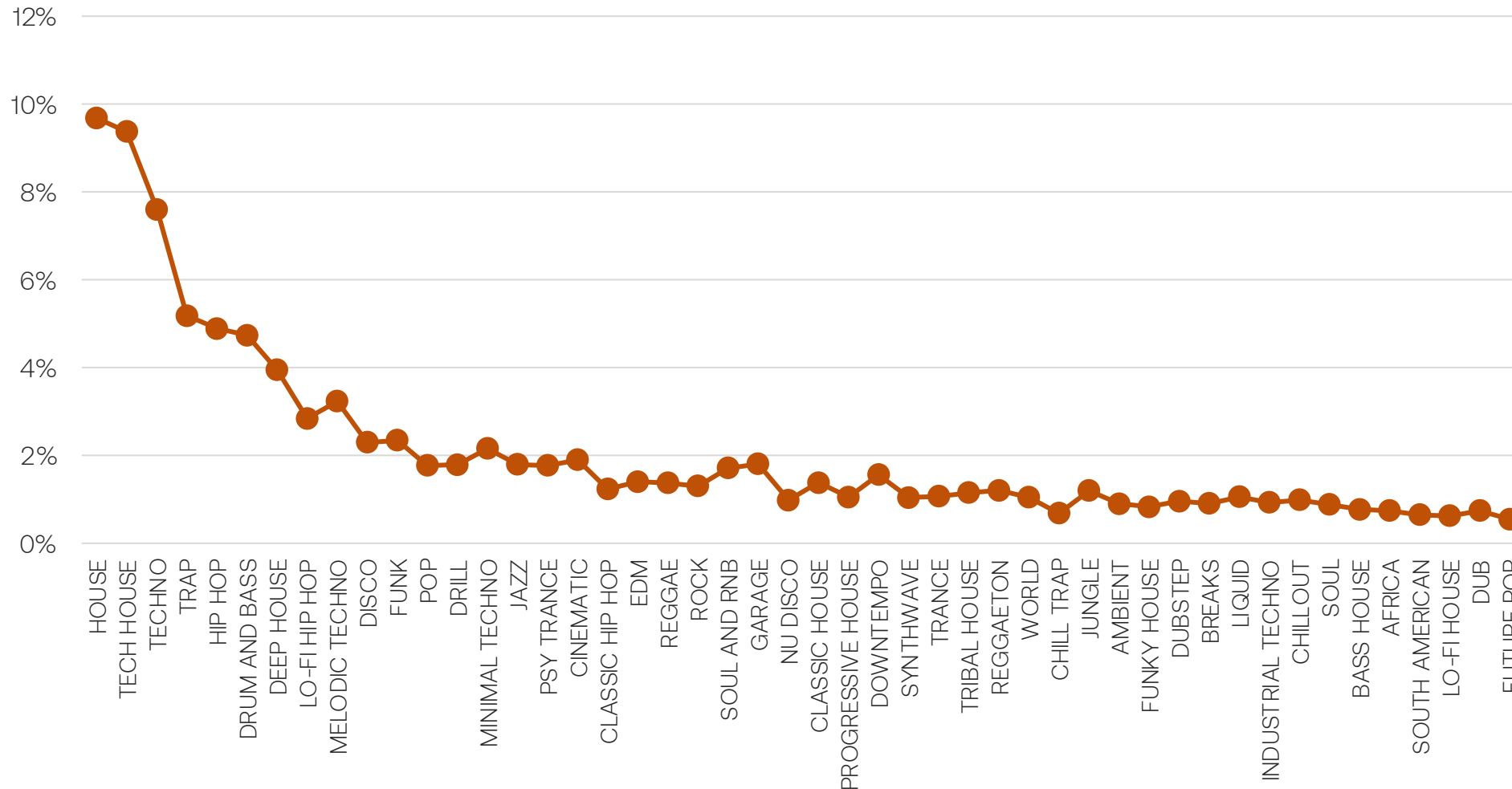
Meanwhile, the rapid rise of dance / electropop and indie dance, coupled with trance falling out of the top 10, points to shifting cultural trends

33% of all Beatport sales come from genres outside the top 10



Most searched for Loopmaster genres

Long-tail rules | Three times as many creators sought out sounds from dance music's smaller genres than the top three



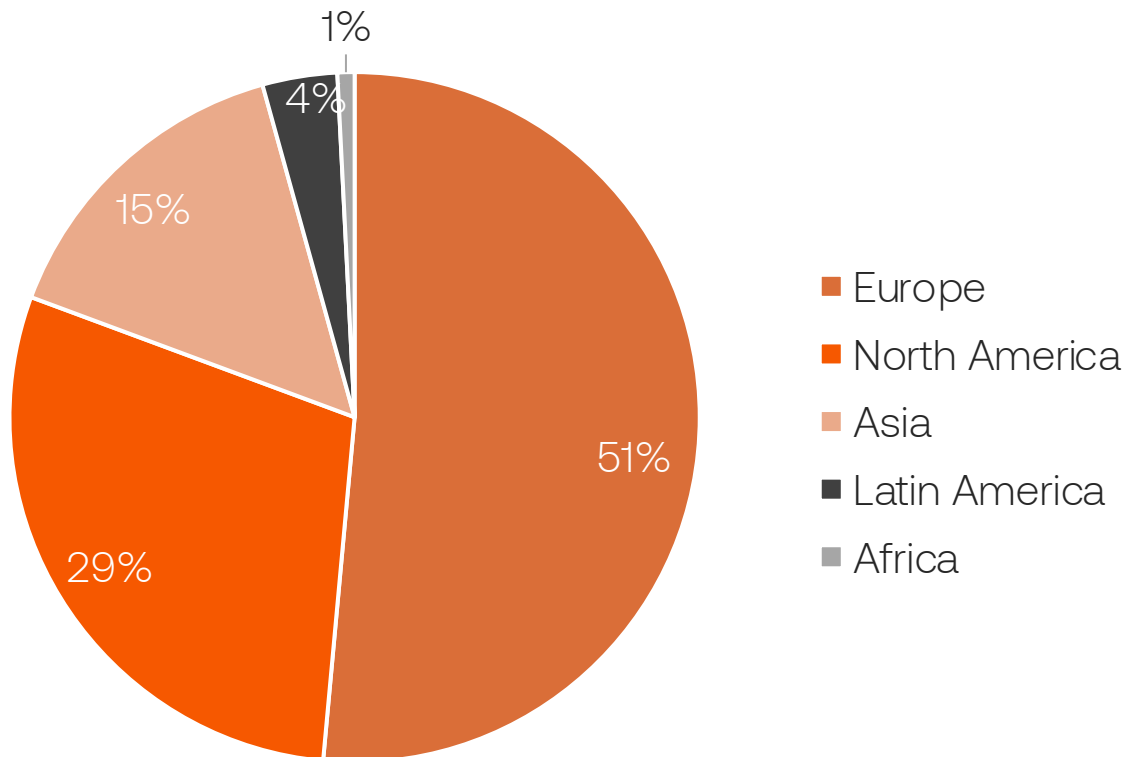
Though Loopmaster's top three searched for genres map to Beatport's most downloaded genres, the massive long tail of genres searched demonstrates just how diverse electronic music production is

Dance music producers are pushing way beyond dance music's top three to create a melting pot of niches and scenes



Ecosystem play | Beatport enjoys an industry-critical role, growing sales while expanding its network of properties

Beatport revenue by region



27k
active
labels

219k
active
artists

Beatport had another strong year, continuing to grow industry-critical download sales, despite the wider download market's continued decline. Download sales have increased 5-10% every year since 2017

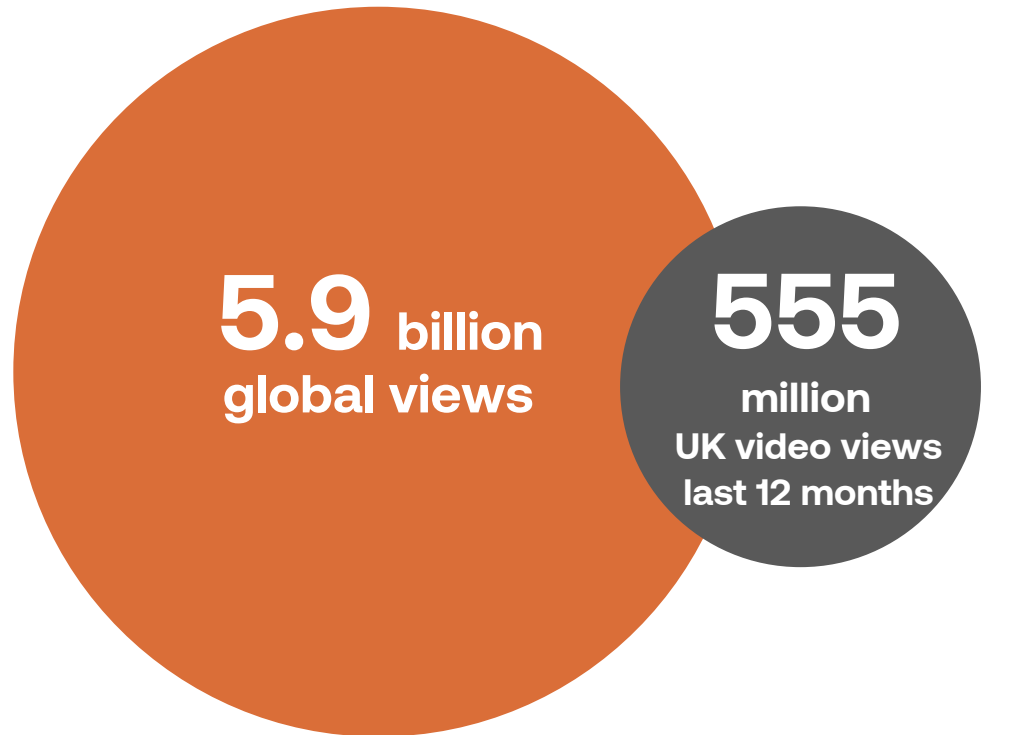
Beatport Group additionally, continues to build a wider dance music ecosystem, adding LabelRadar and ampsuite in 2022, having previously acquired Loopmaster in 2020

Beatport's DJ streaming service is also gaining traction, with strong international subscriber growth (Japan +85%, Netherlands +38%, Brazil +34%)



Fan hotspot | TikTok has fast become the central place for fan engagement and Electronic Music plays a big role there

#ElectronicMusic hashtag performance on TikTok



147% Growth in
daily video
views

TikTok launched #ElectronicMusic as its latest genre campaign in 2021 and hosted LIVEs from the likes of Disclosure, BICEP and David Guetta

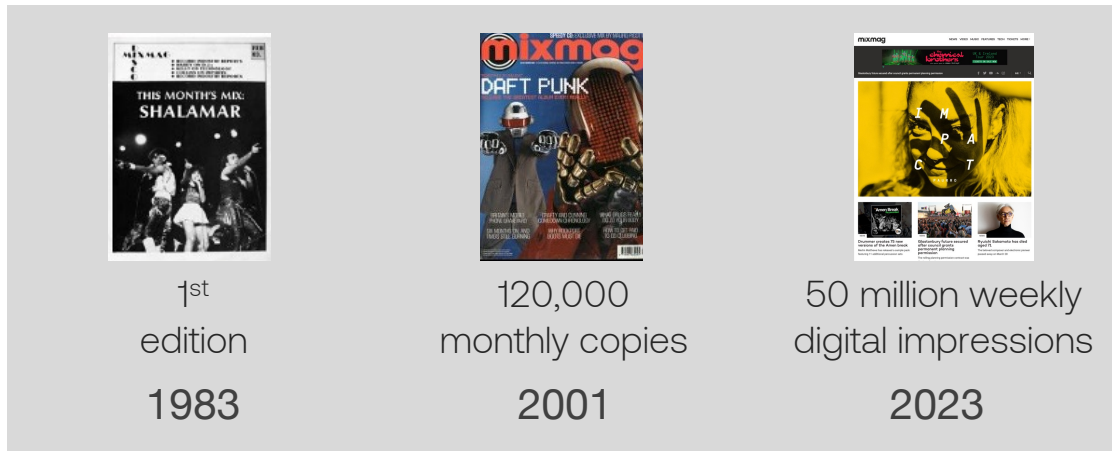
As of March 2023, since June 2022, average daily creations for #ElectronicMusic are up 113%

#1 UK singles for electronic artists that had a viral moment on TikTok (since 2022)

- Calvin Harris & Ellie Goulding - Miracle
- LF System - Afraid to Feel
- Eliza Rose - Baddest of Them All
- David Guetta - I'm Good (Blue)



Cultural pioneer | In its 40th year, Mixmag continues to be a global conduit for dance music culture



2.1
million

TikTok likes

Mixmag celebrates its 40th year in 2023, with a long tradition of being at the centre of dance music culture, evolving as fast as dance music itself

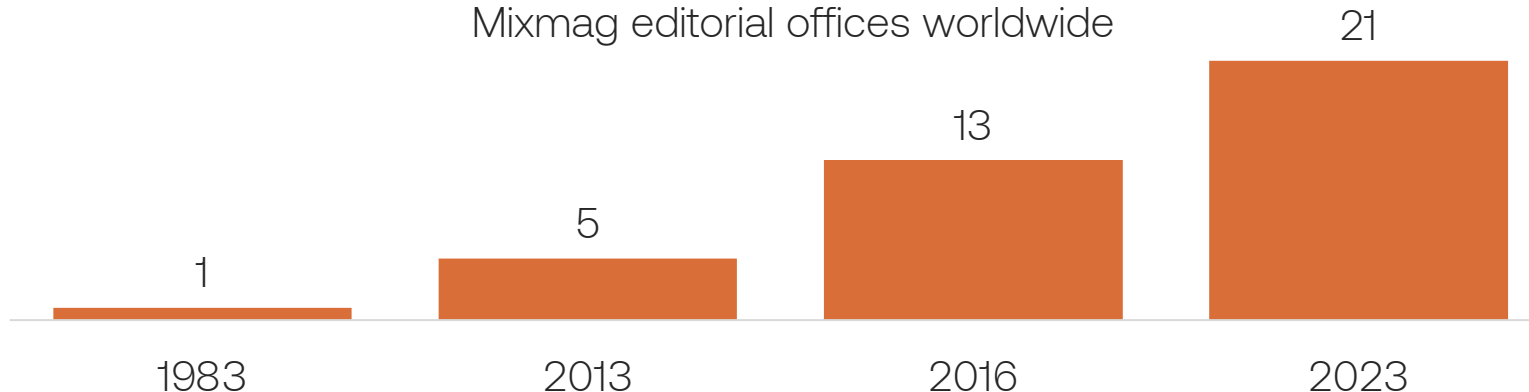
From a pioneering UK print magazine to today's global, multi-platform proposition

Mixmag's YouTube channel has 460 million views and 108 million hours viewed

India has become a focus territory, with successful residences in Mumbai and Goa 2019-2022

Mixmag's Lab India reaches 50 million dance fans and is on track to reach 100 million in 2023

Mixmag editorial offices worldwide



Streaming powerhouse | SoundCloud remains a pivotal part of dance music cultures, with dance streams growing strongly in 2022



320 million
tracks

40 million
artists

24% Growth in dance /
electronic music
plays in 2022

SoundCloud has always had a special role in dance music culture, home to DJ sets, mash ups, rarities, and a place where DJs and producers can connect with their fans around their music

SoundCloud's importance is underscored by the sheer scale of the 320 million tracks and 40 million creators on its platform

2022 was another big year for dance and electronic music on SoundCloud, with plays growing by nearly a quarter compared with 2021



Post-lockdown growth | SoundCloud's listening trends reflect just how quickly dance music culture shifts and evolves

Top 5 global dance / electronic genres

1. House
2. Hardcore
3. Trance
4. Dubstep
5. Techno

Worldwide, post-lockdowns, hard and fast genres got harder and faster. Genres like hard techno and industrial saw a 13% increase in BPMs since the beginning of 2018, and 144% increase in plays in 2022 YoY plays

Listeners to these styles were up 89%. The territories seeing the biggest consumption of these styles included Germany, Australia, the UK and Ireland, Netherlands, and Spain

Top 5 global scenes and dance / electronic communities

1. UK / Irish dance
2. Hardstyle
3. Vinahouse
4. Hard / industrial techno
5. Melodic house and techno

Drum and bass became the third most popular UK dance / electronic genre, and one of the most searched for terms. A rise of more than 59% in plays versus 2021, as tracks from Venbee, Hedex, Bou and Goddard topped the SoundCloud charts

A surge in popularity of dance / electronic tracks from UK and Irish artists, like Ewan McVicker, Elisza Rose, Schak, Belters Only, and LF System, helped House retain the number one position





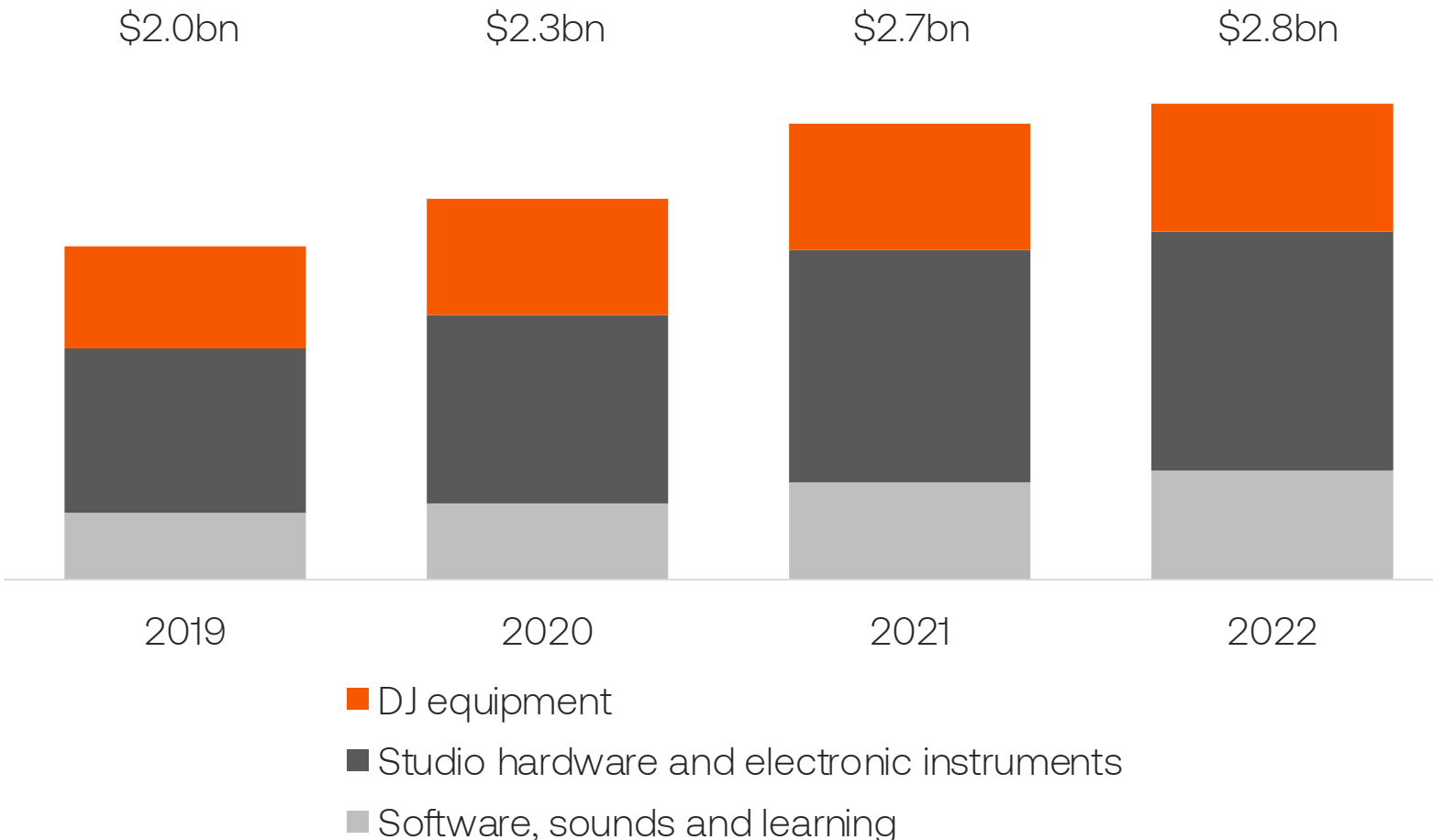
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Production and DJing

Creator culture | With more creators than ever, music software, skills and hardware are becoming a crucial part of the industry



Music production boomed during the pandemic. Though growth slowed in 2022, revenues hit \$6.6 billion, of which \$2.8 billion was dance music producers and DJs

With music software used more across all genres, dance music sounds and techniques will influence all genres

Skills sharing and learning grew fastest, and it was worth \$108 million in 2022. Plus, demand will increase still, due to fast evolving production techniques and new software

This will be a long-term growth area for dance music, with producers constantly seeking to upskill to the fast changing world of music production tech and techniques

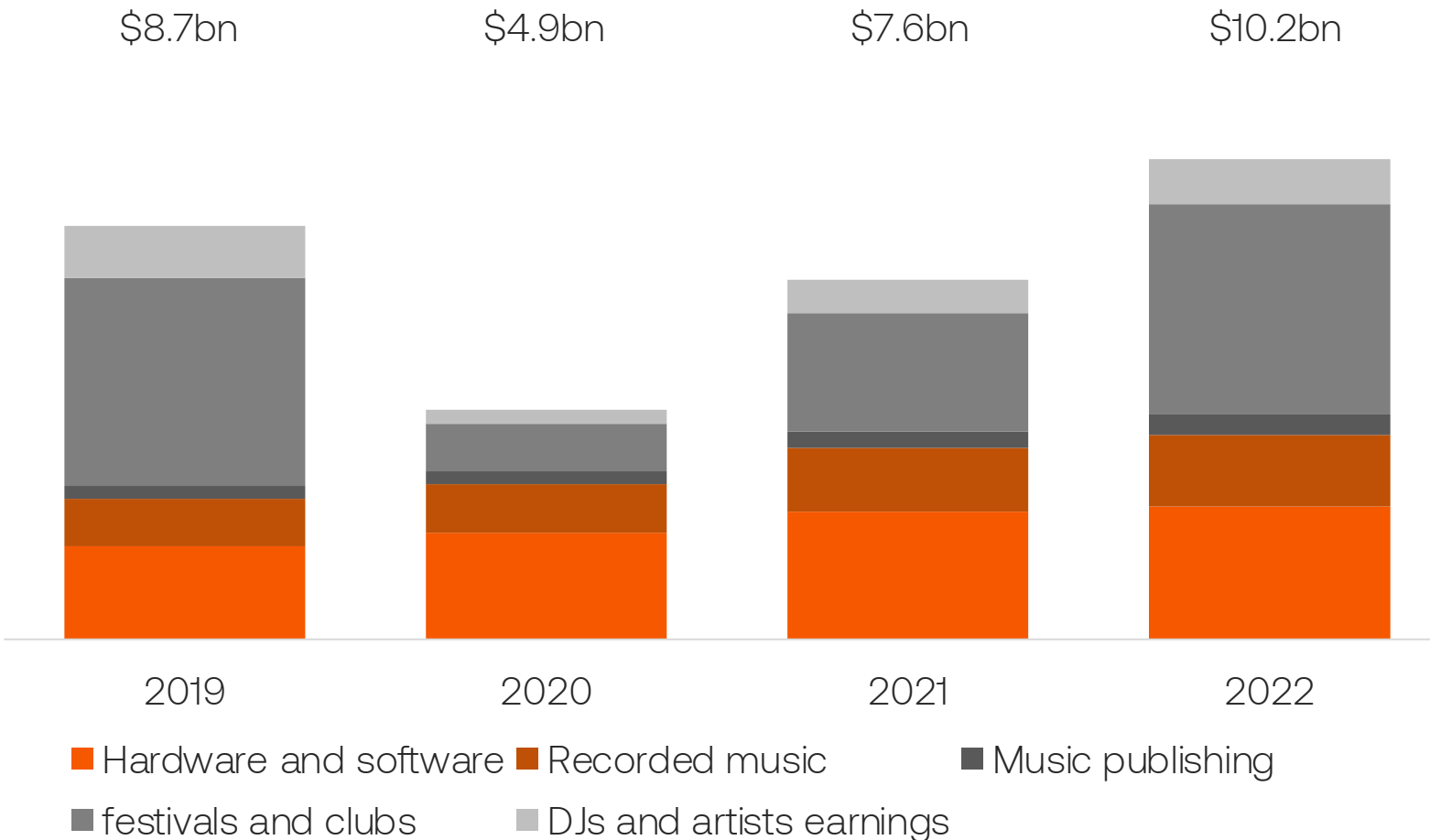


2022 – back to normal (almost)

- **Live:** 2022 was a big year overall for the live industry – the top 100 global tours saw revenue up 276% (Pollstar); Live Nation's revenues were up 166%; and bookings for the top 100 DJs increased by 314% in 2022 (Viberate). Dance music live revenues were up 78% on 2021, reaching \$4.5 billion, which is still slightly up on the 2019 total of \$4.4 billion and actually represents a significant decline in live music industry share. So more growth remains to be unlocked
- **Recorded and publishing:** Combined revenues were up by 13%, reaching \$1.9 billion. Dance music largely grew in line with the wider markets, but slightly increased share
- **Production music and hardware:** Including studio and DJ equipment, electronic music instruments, software, sounds / samples, and skills sharing / analysis, this crucial sector was up by 7%, reaching \$2.8 billion. This growth was broadly in line with the total market

Industry value

Boom time | The global dance music industry grew by 34% in 2022 to reach \$10.2 billion, 16% higher than pre-pandemic



2022 saw festivals and clubs rebound, finally shaking off most of the effects of the pandemic, representing nearly half of all dance industry revenues

Hardware and software was the next largest revenue source, but also the slowest growing

Music rights (recordings and publishing) grew by 14% to represent just under a fifth of the total, with publishing growing fastest

Dance music industry revenue is more diversely spread now than pre-pandemic



Key implications

- Finally, the dance music industry has shaken off the effects of the pandemic, coming out the other side, bigger, better, stronger and more relevant than ever
- The pandemic shone a harsh light on the industry's heavy-reliance on live. Now, that reliance is even higher because of live's huge growth
- There are two key differences from 2019: 1) a resurgent creator tools sector; and 2) a music publishing business that is finally beginning to find its share
- The future is bright, with the rise of creator culture, bringing ever more people into dance music, both as fans and creators, with the creator-fan set to be at the centre of tomorrow's dance music world

The future

Traditional industry

- More non-organic growth still left in live to catch up with 2019 and live industry share
- Growth in music software usage across all genres will see dance music's cultural impact grow
- Resulting in increased share in recordings and publishing

New industry

- Surge in fan content due to music AI tools, etc.
- Continued fast growth of music producers and DJs
- Rise of online scenes and communities



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entertainment through actionable audience and market
insights**

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