

Global music market, segmented by total recorded music revenue CAGR 2014–19, and mobile Internet penetration in 2019



Mobile Internet acts as enabler for recorded music revenue

Higher total recorded music growth, higher mobile Internet penetration

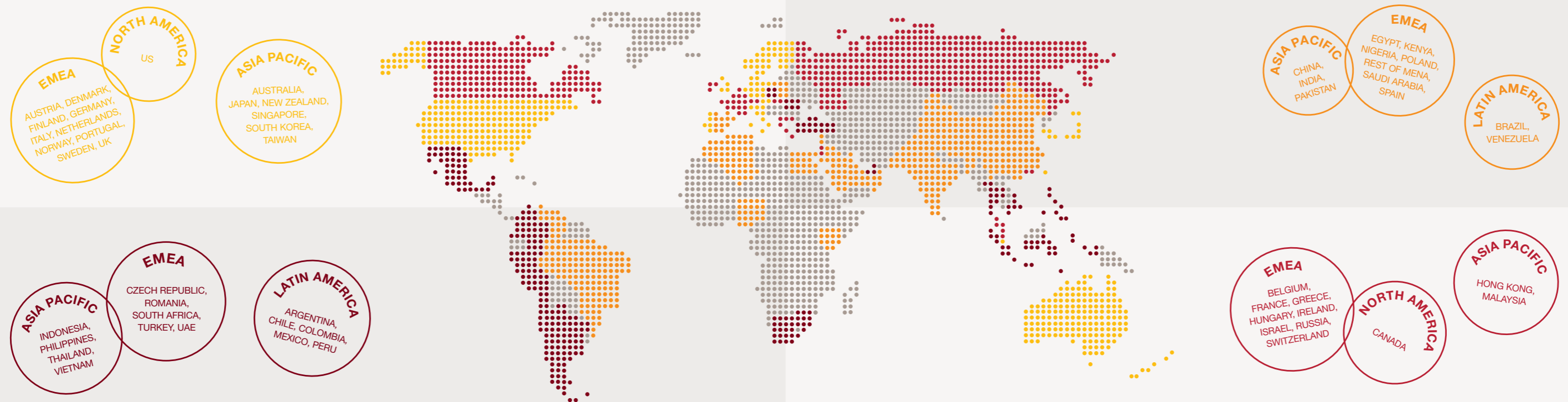
These are markets, including the US and Germany, where streaming via mobile devices has become a key driver of growth in the recorded music market. Streaming revenue has spared these countries the worst of the decline in recorded music seen elsewhere, in large part because high mobile Internet penetration has made streaming services convenient and attractive to consumers. In some markets, such as the UK and Sweden, this will help the recorded music market return to absolute growth over the forecast period.

Note: Markets with total recorded music revenue of -4% or more CAGR to 2019, and mobile Internet penetration of 70% or more in 2019

Higher total recorded music growth, lower mobile Internet penetration

These are primarily emerging music markets with low mobile Internet penetration, such as China and Brazil. This may be due to poor infrastructure, high costs or both. The relative lack of mobile accessibility means these markets are poorly suited to streaming, which typically makes up only a small proportion of recorded music revenue. Their music markets are nevertheless performing well as incomes rise and digital formats become more available. In some, such as Nigeria, growth is being driven by the uptake of legal alternatives in markets where piracy has traditionally dominated.

Note: Markets with total recorded music revenue of -4% or more CAGR to 2019, and mobile Internet penetration of less than 70% in 2019



Lower total recorded music growth, lower mobile Internet penetration

A variety of markets will see lower growth in recorded music, due in part to a lack of mobile Internet infrastructure. Streaming services are most convenient and attractive on mobile devices. Some of these markets, including Argentina and Turkey, would be well placed to take advantage of this huge growth area but for the lack of availability of good-quality mobile Internet. In others, such as the Philippines and Vietnam, piracy remains a major issue, particularly due to the lack of cost-effective streaming services to tempt consumers into the legal recorded music market.

Note: Markets with total recorded music revenue of less than -4% CAGR to 2019, and mobile Internet penetration of less than 70% in 2019

Lower total recorded music growth, higher mobile Internet penetration

These are markets, including France and Canada, which have high mobile Internet penetration but nonetheless poor growth in recorded music. Despite the infrastructure being available, these countries typically have low streaming revenue. In many, such as Hong Kong and Malaysia, there is simply a lack of available services. While these countries will mostly have weak streaming performance in the short term, their existing mobile infrastructure makes them well placed in the longer run to take advantage of the streaming revolution.

Note: Markets with total recorded music revenue of less than -4% CAGR to 2019, and mobile Internet penetration of 70% or more in 2019