

We shed light on one of the most overlooked value opportunities for music creators. Here's why streaming for business may soon be the next big thing

The hidden value in music for business



soundtrack your brand



A Nielsen Music study commissioned by Soundtrack Your Brand

Music makers are potentially missing out on billions

Today, listening to music means streaming music. And streaming is where most of the music industry's money comes from.

Most small businesses that play background music also use streaming. Often, they use the wrong services. When music is used to benefit business, the creators are meant to get fair compensation. Personal music services are not designed for business use, which means music makers get less money than they should.

How much less? This Nielsen Music study, commissioned by Soundtrack Your Brand, gives an estimate.

What's the difference between personal and business streaming licenses?

Business licenses give music creators fair, and typically much higher, compensation when their music is used to benefit commercial activity. Consumer streaming services don't include those rights and that's why they aren't allowed to be used in places of business. Their Terms of Use clearly state this.

Sources

soundtrackyourbrand.com/licensing

Spotify Terms & Conditions

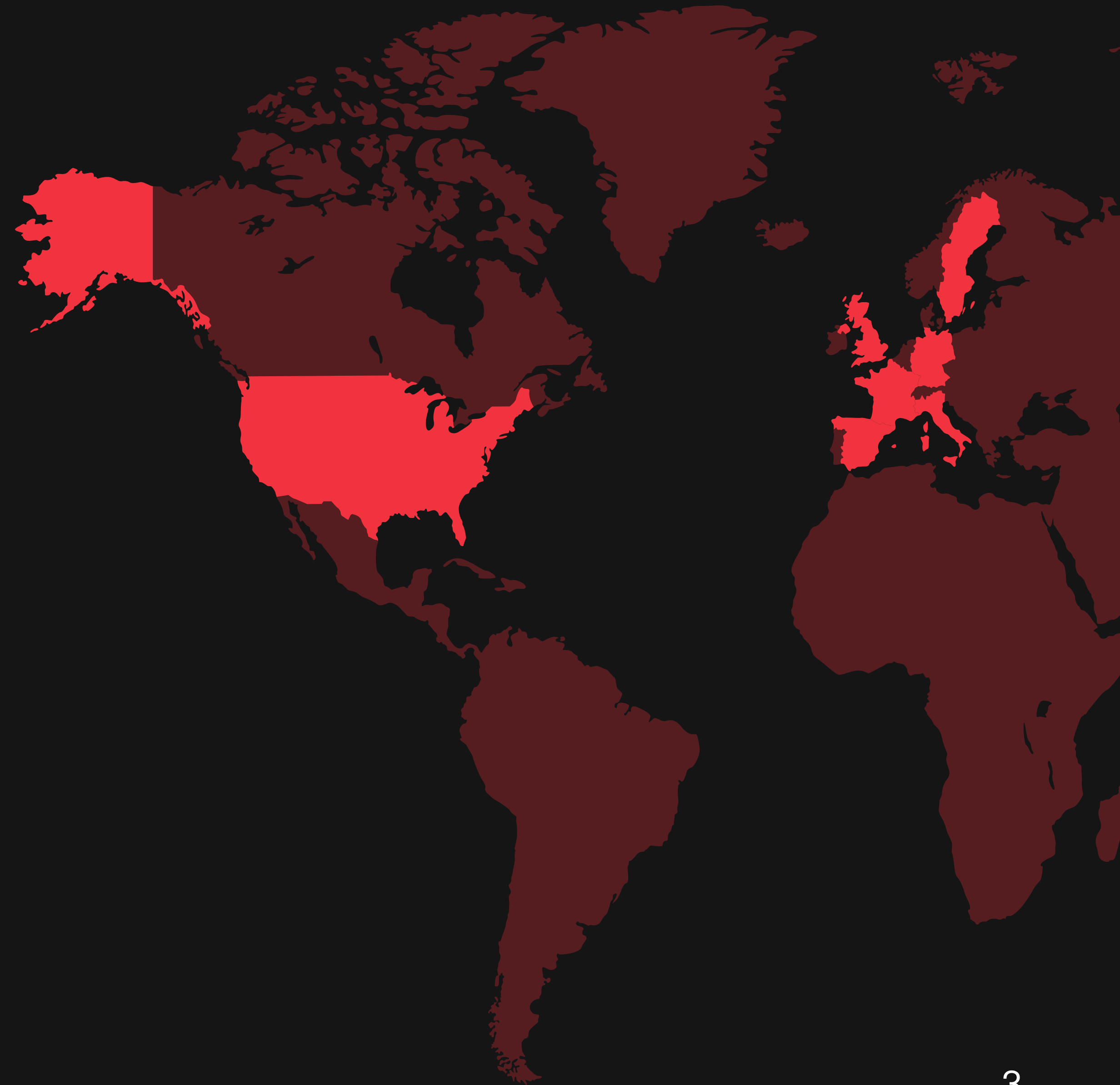
YouTube Terms & Conditions

The biggest study on the background music market to date

Nielsen Music interviewed an estimated 5,000 small-business owners across seven markets on two continents: US, UK, Sweden, Spain, Italy, Germany and France.

The study focused on businesses with a physical location. It excluded those outside the target industries such as construction, transport and broadcasting. It also excluded those that are part of bigger enterprises such as McDonald's and Subway. The estimate is that there is a global addressable market of 29 million.

The results are statistically significant. The margin of error is +/- 4 percentage points at the 95% confidence level.

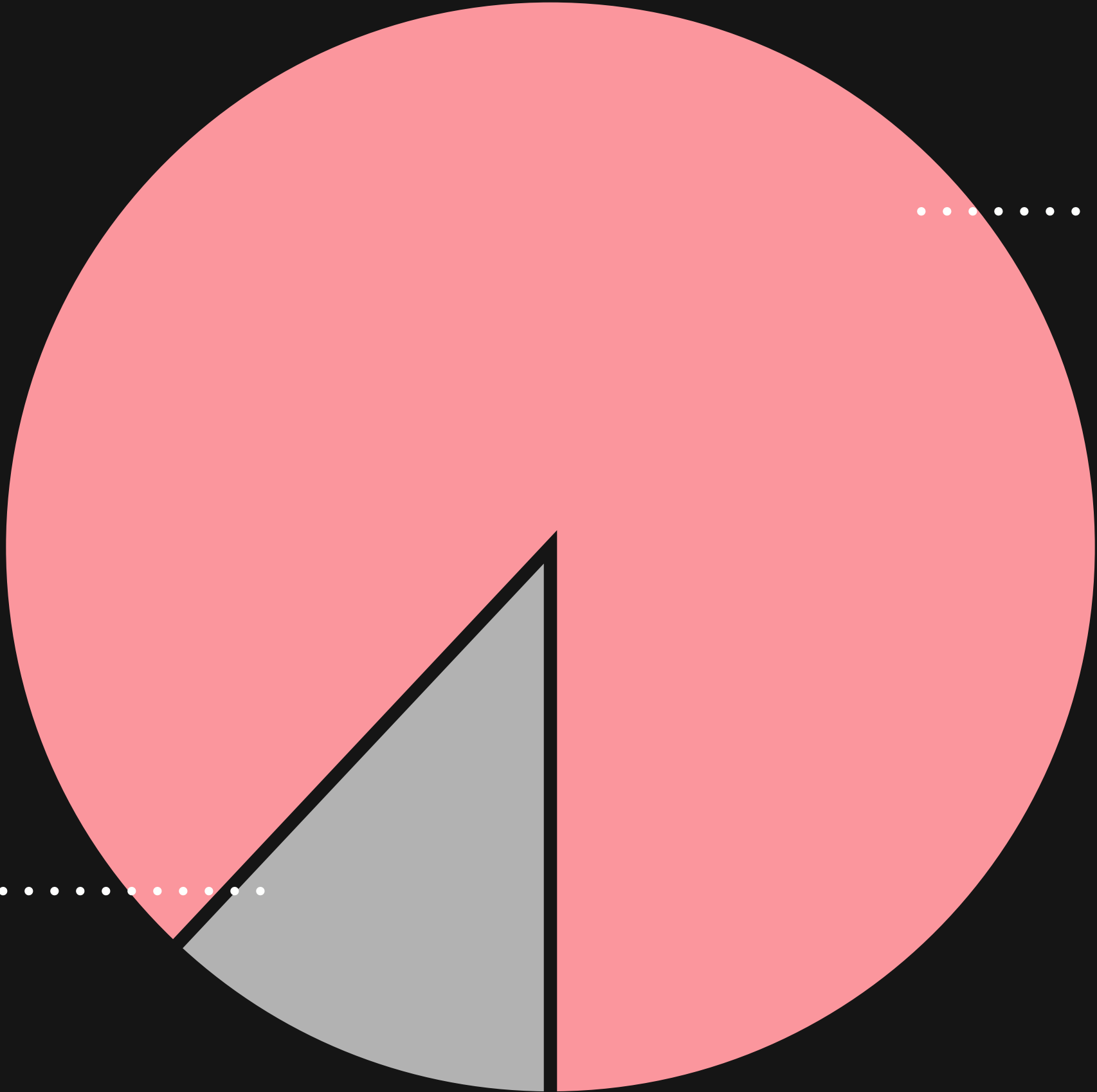


\$2,650,000,000

With 21.3 million businesses using consumer services globally,
rights holders may forfeit a total of \$2.65 billion annually

(An average of \$11.96/mo. is lost for every business that uses a
free personal music service, and an average of \$8.33/mo. is lost
for every business that pays for a personal music service)

Small businesses play music



88%

Play music daily or 4–5 days per week

12%

Play music less than 4 days per week

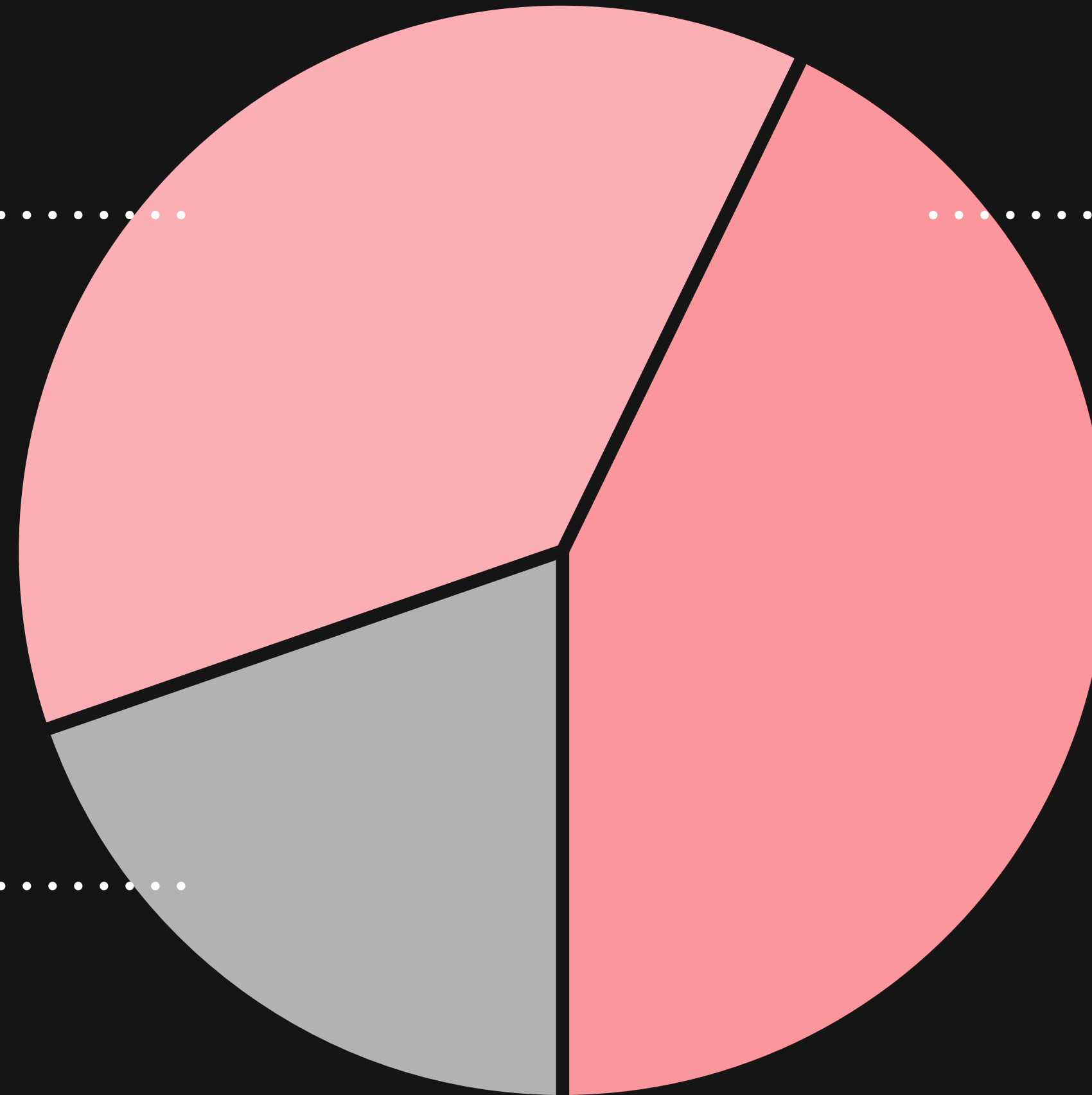
They say music is key

37.5%

Say music is important to their business

19.7%

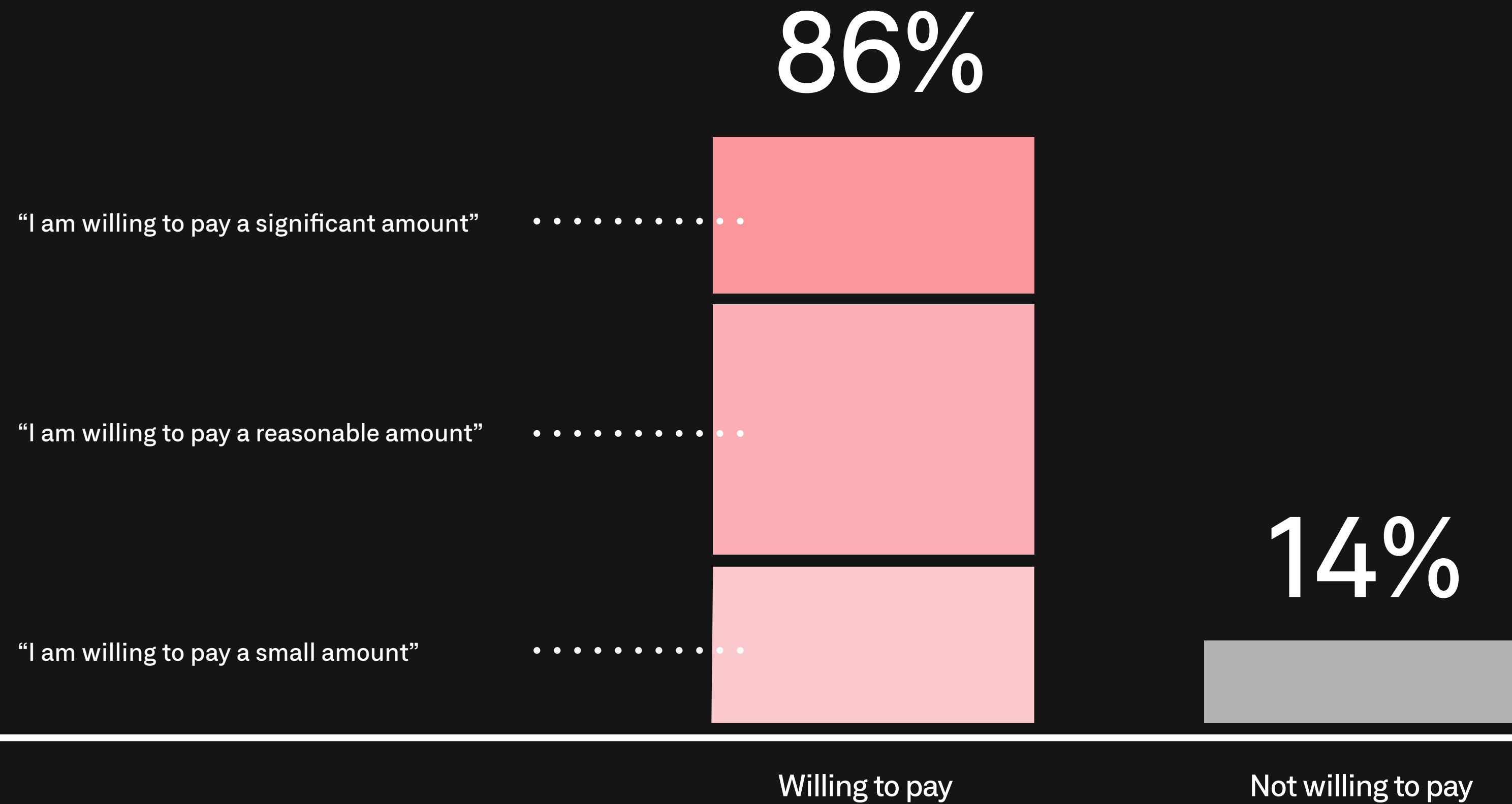
Say music is not important to their business



42.8%

Say music is very important to their business

They're willing to pay



But they're paying for the wrong services

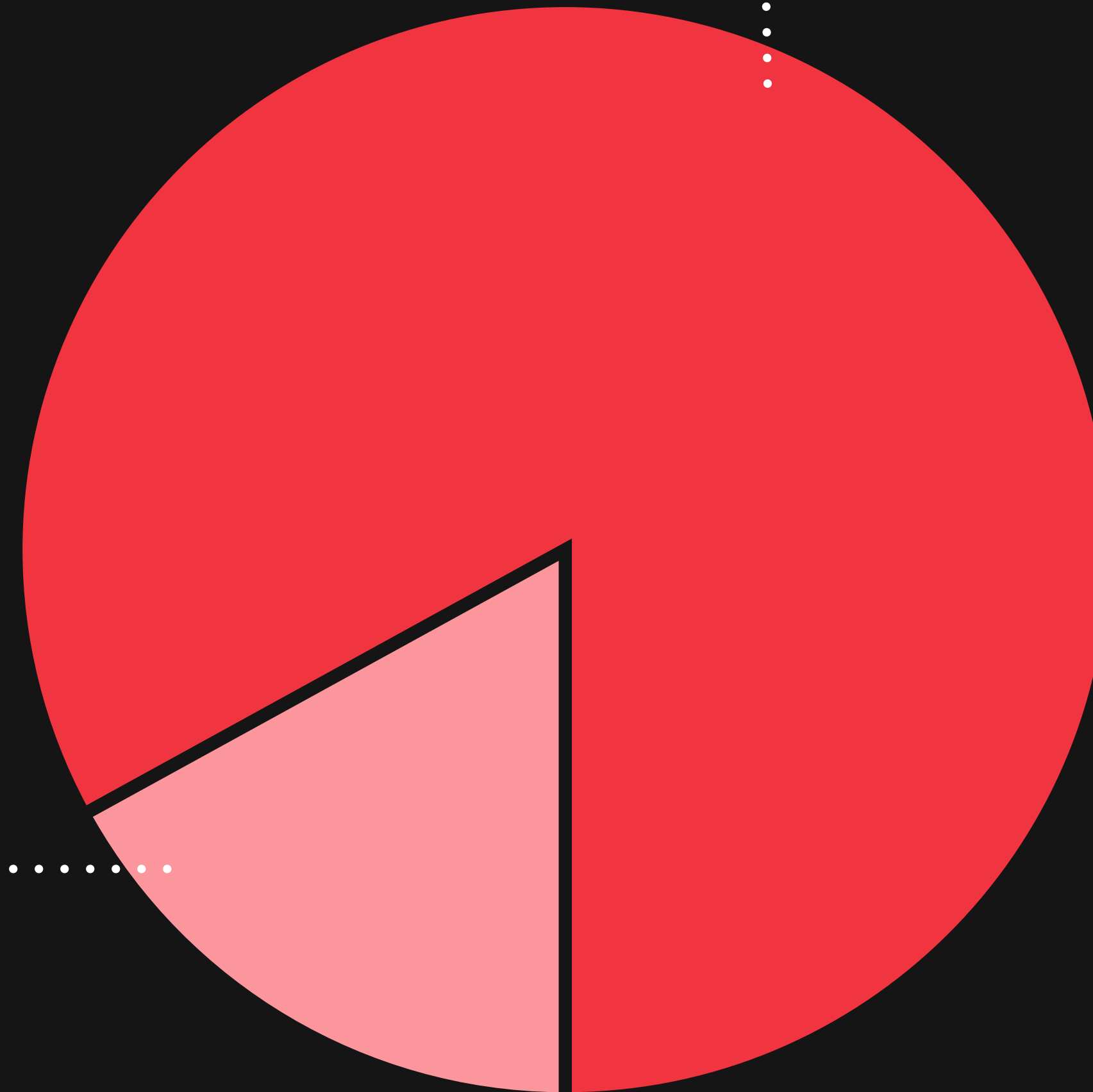
83% (21.3 million) of small businesses who play background music use personal music services

17%

Use music services legal for business

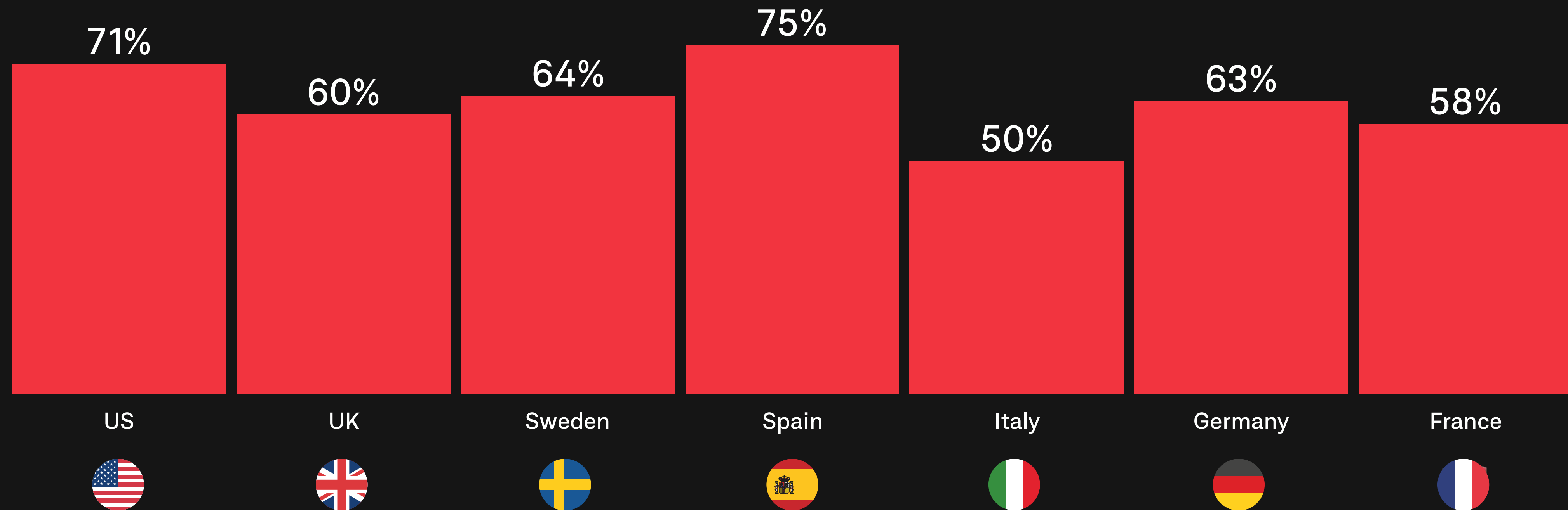
83%

Illicitly use a personal music service



Confusion is widespread

A majority of business owners incorrectly believe a personal music account gives them the right to use it for background music at their place of business



“

Lack of innovation has driven small businesses to choose consumer services, as they are far more accessible and easy-to-use than most business alternatives. We need a new generation of B2B streaming services, attractive to business owners, that make sure music makers get fair compensation.

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Andreas Liffgarden
Co-founder and Chairman
of Soundtrack Your Brand,
previously at Spotify



Afterword

Soundtrack Your Brand is pleased to present this pioneering research on commercial streaming – an often overlooked area of licensing. This study, spanning seven markets across Europe and North America, leveraged Nielsen Music's research teams and unparalleled knowledge of global music licensing to focus on the small business space.

The potential global revenue missed by rights holders is \$2.65 billion. It's a huge opportunity that will benefit consumers, business owners and the creators of the music industry.



Jasmine Moradi
Head of Research,
Soundtrack Your Brand

The results in this report are extracted from two Nielsen Music studies commissioned by Soundtrack Your Brand.

Nielsen Music – Soundtrack Your Brand
B2B Music Research

Nielsen Music – Market Valuation



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This is a custom study by Nielsen Music.
It's commissioned and paid for by Soundtrack Your Brand