



White Paper

Trends Around Online Music Streaming And Online Radio

2015

by
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Market Realist:

<http://marketrealist.com/2014/07/must-know-key-trends-signifying-music-streaming-market/>

Internet Radio has started to become more popular than “Over-the-Air” AM/FM Radio

According to a survey conducted by Edison Research, the popularity of Internet Radio has increased over the last year or so. There are 67% more people listening to Internet Radio compared to only 23% more people listening to “Over-the-Air” AM/FM Radio. Some of the reasons cited by people for the preference of listening to Streaming Live Radio instead of local “Over-the-Air” AM/FM radio in the survey conducted by Edison Research were as follows:

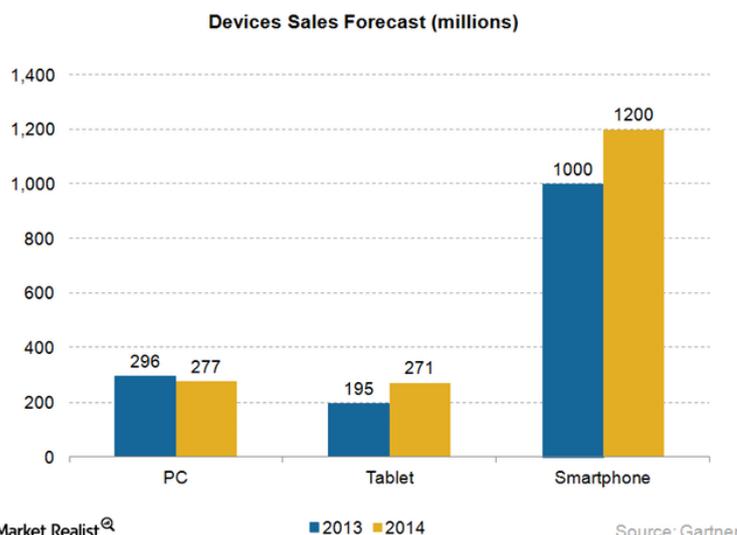
- There are more types of audio programming to choose from
- The player often tells you what song is playing
- You get a clearer signal
- You like to listen to live radio stations from outside your local area
- It’s more convenient than listening on a regular radio
- You want to listen to a live event—sporting event or music event

To learn more about the increasing trend in listening to Internet Radio, continue reading the next sections in this series.

More people are listen to Internet Radio from personal computers

In the previous part of the series, we discussed the changing preference of consumers towards Internet Radio from the traditional way of purchasing individual songs and listening to “Over-the-Air” AM/FM radio. We discussed that while Pandora (P) is the leading player in the Internet Radio market, Apple (AAPL), Google (GOOGL), Samsung (SSNLF), and Amazon (AMZN) are some of the upcoming players in this market.

According to the previously mentioned report from Edison Research, 78% of the people listen to Internet Radio from their personal computers (or PCs)—desktops and laptops. 70% of people listen to Internet Radio from Smartphones and only 45% listen to Internet Radio from Tablets. Let’s try and find out why more people use PCs to listen to Internet Radio despite the structural decline that we are seeing in the PC market.



Smartphone market is about 4x that of the PC market

According to a report from Gartner and the previous chart, the PC market could decline from 296 million in 2013 to 277 million in 2014. The tablet market could show strong growth by increasing from 195 million in 2013 to 271 million in 2014. Smartphone sales will increase from one billion to 1.2 billion during the same time period. Despite smartphone market being about 4x that of the PC market, the Edison Research report claims that more people listen to Internet Radio from PCs.

Internet connectivity could be the reason for more Internet Radio usage on PCs

Many people rely on Wi-Fi connectivity at home or the office to connect to the internet. People tend to use PCs at home or in the workplace, which is possibly why they connect to Internet Radio more often. Generally people are on the move when they're carrying smartphones or tablets. Also, many people don't prefer to have a separate 3G or 4G data connection to connect to the internet on these devices because of the cost involved. Even if they subscribe for data connection, internet connectivity could be an issue at subways or at remote areas. Connectivity issues discourage them from using their smartphones and tablets for Internet Radio.

PCs the most used mode for listening Internet Radio

According to an Edison Research report, people listen to Internet Radio the most from their laptops and desktops compared to their smartphones and tablets. This is surprising considering the personal computer (or PC) market is one-fourth that of smartphone market. The main reason for this could be that people tend to use their PCs at home or work where the Wi-Fi connectivity is easily available to listen to Internet Radio. People tend to carry their smartphones or tablets when they're moving. They don't prefer to use their 3G or 4G data to connect to the internet because of the cost involved.

Google Trends

Google ario.tamat@gmail.com

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Interest over time

News headlines Forecast

Term	Average
musik	~100
gratis	~35

Regional interest

Worldwide > Indonesia

Subregion City	Interest
Central Kalimantan	100
Jambi	98
Maluku	93
Riau	92
West Kalimantan	87
Gorontalo	87
Central Sulawesi	87

Related searches

Top	Interest
download musik	100
lagu	90
mp3 musik	90
mp3	85
alat musik	65
musik indonesia	40
download lagu	35

Rising	Change
musik utopia	+4,600%
alat musik ritmis	+300%
stafa musik download	+180%
stafa	+140%
stafa musik	+140%
musik dj terbaru	+60%
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Alexa

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By Category	3 blogspot.com
	4 Youtube.com YouTube is a way to get your videos to the people who matter to you. Upload, tag and share your... More
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	9 Kaskus.co.id We are The Largest Indonesian Community people come here to share information or interest, to b... More
	10 Twitter.com Social networking and microblogging service utilising instant messaging, SMS or a web interface.

Number 4 is Youtube. Why?

People listen to music through Youtube – arguably, the biggest music streaming site in Indonesia is Youtube.

The others vying for the streaming crown:

Spotify

Deezer

Guvera

Rdio

Ohdio.FM

Research Takeaways

McKinsey:

“Music is even more digital: upward of two-thirds of usage involves streaming services, MP3 files, or satellite radio.”

http://www.mckinsey.com/insights/telecommunications/developing_a_fine-grained_look_at_how_digital_consumers_behave#sthash.pqgmE4cf.dpuf

“News and music are more popular than ever, but traditional modes of delivery are giving way to digital”

<http://mckinseyonmarketingandsales.com/digital-disruption-evolving-usage-and-the-new-value-chain>

Midia:

Digital Native music behaviour is evolving at a far faster rate than music industry product strategy. Some of the key behaviours are:

- Online music video and radio are the two most widespread music activities for Digital Natives, both with 69% penetration.
- With 52% penetration, streaming is the digital music zeitgeist for Digital Natives.
- Digital Natives differ from other consumers most in free music activity.
- P2P adoption is widespread but it is a new wave of piracy technologies, such as free music downloader apps and YouTube rippers that appeal most to Digital Natives.
- Free music downloader apps are most widely adopted by Brazilian Digital Natives – with 48% penetration - whereas YouTube is popular across all markets.
- Music matters to Digital Natives, with 85% stating music is an important part of their life.
- A third of Digital Natives say they do not need to pay for streaming music because they get all they need from YouTube for free.

<http://www.midiaresearch.com/blog/view/the-digitally-native-music-consumer-blog.html#>

“...music branding helps brands to identify and differentiate themselves, moreover to go beyond conventional marketing and brand concepts. Music establishes loyalty through exclusive contents offering real experiences via music concerts. The personality of music icons is essential in the engagement process of customers for the brand and band itself, which reveals as an intangible asset nowadays in financial evaluation of brands as well. “

The Strategic Integration of Music Branding and its Evolution in the past 10 years, Kinga Jentetics, University Of Budapest

<https://musicbusinessresearch.files.wordpress.com/2012/06/13-jentetics-kinga-the-strategic-integration-of-music-branding.pdf>

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Amplifying Brands with Streaming

Friday, March 20
3:30PM - 4:30PM

Austin Convention Center
Room 18D
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VENUE INFO

PEOPLE ALSO STARRED

- ★ 24/7 Fan Engagement in the 21st Century
 - ★ 21st Century Patronage: Brands Empowering Artists
 - ★ Curating the Stream: Reaching 1M Spins Before Radio
 - ★ Give It Away Now: The "Value" in Free Music
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Brands utilize streaming music to amplify their identity and create engagement with their consumers. We will explore how companies integrate streaming music services as well as customized players to increase engagement and brand loyalty. Hear from streaming services, music discovery platforms and brands to discuss some of the innovative promotions they've been involved in. We'll also talk about the role of a curator for branded streaming campaigns.

Hashtags

#sxsw #Amplify

Presenters

MODERATOR
Craig Snyder
Dir, Music Partnerships & Licensing
VL Group

Craig Snyder oversees music partnerships and licensing for VL Group, an integrated digital agency that delivers music and experiences. VL creates and delivers music campaigns and integrations for m...

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Jonathan Barnes
Dir of Partnerships
8tracks

Jonathan Barnes heads up business development at 8tracks, working with rights holders, advertisers and distribution partners. Prior to 8tracks, he managed the music education nonprofit MIMA Music...

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Isaac Bess
Music Business Dev
YouTube

Isaac Bess started in the music business in 1994 at New York's Matador Records. After stints in Tokyo as a music journalist, and ten years in San Francisco at independent labels (Quannum Projects) ...

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Drew Thurlow
Sr Mgr/Artist Partnerships
Pandora

DREW THURLOW
SENIOR MANAGER, INDUSTRY RELATIONS, PANDORA

As Senior Manager of Industry Relations at Pandora, Drew is responsible for helping develop Pandora's growing role in the music business...

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