# Electronic Music Industry

## Recorded Music
- Tracks, albums & compilations
- Categorised as ‘Electronic’, ‘Electronica’, ‘Dance’, etc

## DJs & Live Acts
- Individuals and collectives
- Responsible for dissemination of electronic music via broadcast channels

## Broadcast Channels
- Clubs & Festivals
- TV advertising
- Films
- Radio stations
- Websites

## Brand Sponsorship
- Major collaborations between DJs / Artists and Brands

## Other
- Other electronic music related industries, activities and organisations, including:
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Dance Music was the highest growing mainstream genre in terms of 2012 digital track sales in the USA

USA Digital Track Sales by Genre: YoY Change (2011-2012)

- Dance music digital track sales grew by three times that of any other major genre in 2012
- The genre maintained its position as 5th most popular in digital track sales
- Overall, digital tracks made up 80% of total volume
- Dance album volume and share fell YoY, but relative ranking improved by one

Dance Music share of album sales in the UK grew for the first time in five years in 2012.

Dance Music Share of Album Sales in UK: YoY Change (2007-12)

- Album share rebounded strongly in 2012, driven by Calvin Harris & David Guetta artist albums.
- Also, Compilations represented over 50%.
- After a strong rebound in 2011, share of single sales remained flat, but Dance moved up above R&B to become the third most popular genre.
- Dance accounted for 12% of the 3.7 billion tracks streamed in 2012.

Source: Official Charts Company / BPI
Calvin Harris has dominated the charts, with tracks from his album 18 months achieving up to c.1 billion ‘plays’

Calvin Harris: 18 Months Album - User Generated Views/Plays by Source (as at 05/13)

Previous years: David Guetta – When Love Takes Over (‘10): 50m; SHM – One (‘11): 50m; Avicii – Levels (‘13): 150m

Source: channel websites, official chart bodies, Google, BPI, Music Metric, Wikipedia, IMS Analysis
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Guetta remains most popular on Facebook, but a number of other DJs have high fan base growth & engagement

Source: Facebook, topdeejays.com

<table>
<thead>
<tr>
<th>Facebook (May ’13)</th>
<th>Total Likes (m)</th>
<th>Likes Added per day (k)</th>
<th>Fans Talking About (k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Guetta</td>
<td>40</td>
<td>45</td>
<td>Fast growing</td>
</tr>
<tr>
<td>Tiësto</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skrillex</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daft Punk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deadmau5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armin Van Buuren</td>
<td></td>
<td></td>
<td>Told about</td>
</tr>
<tr>
<td>SHM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avicii</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJ Bl3nd</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul Van Dyk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardwell</td>
<td></td>
<td></td>
<td>Up &amp; coming</td>
</tr>
<tr>
<td>Richie Hawtin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eric Prydz</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diplo</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Facebook, topdeejays.com
Some DJs and artists have a relatively stronger following on Twitter, with a wide variation in tweet frequency.

<table>
<thead>
<tr>
<th>Twitter (May ’13)</th>
<th>Total Followers (m)</th>
<th>Tweets per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>10</td>
<td>0</td>
<td>30</td>
</tr>
</tbody>
</table>

- Guetta still has a managed account with a huge number of followers, but limited tweets.
- Daft Punk do not have an obvious official account.
- Diplo is the undisputed ‘king’ of the tweeters, clocking an average of nearly 30 a day since joining the service in 2008.

Source: Twitter, whendidyoujointwitter.com
Topdeejays.com ranking shows gains for Skrillex & Steve Aoki and New Entries from Calvin Harris & DJ Bl3nd

<table>
<thead>
<tr>
<th>2011*</th>
<th>2012*</th>
<th>Chg</th>
<th>2013</th>
<th>DJ / Artist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>↑</td>
<td>1</td>
<td>David Guetta</td>
</tr>
<tr>
<td>12</td>
<td>3</td>
<td>↑</td>
<td>2</td>
<td>Skrillex</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>↓</td>
<td>3</td>
<td>Tiësto</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>↓</td>
<td>4</td>
<td>Deadmau5</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>5</td>
<td>Calvin Harris</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>6</td>
<td>Daft Punk</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>←</td>
<td>7</td>
<td>Armin van Buuren</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>↓</td>
<td>8</td>
<td>Swedish House Mafia</td>
</tr>
<tr>
<td>18</td>
<td>13</td>
<td>↑</td>
<td>9</td>
<td>Steve Aoki</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>10</td>
<td>Moby</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>11</td>
<td>DJ Bl3nd</td>
</tr>
<tr>
<td>-</td>
<td>8</td>
<td>↓</td>
<td>12</td>
<td>Avicii</td>
</tr>
<tr>
<td>5</td>
<td>7</td>
<td>↓</td>
<td>13</td>
<td>Paul van Dyk</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>14</td>
<td>Hardwell</td>
</tr>
<tr>
<td>-</td>
<td>12</td>
<td>↓</td>
<td>15</td>
<td>Afrojack</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>16</td>
<td>Chemical Brothers</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>17</td>
<td>Diplo</td>
</tr>
<tr>
<td>9</td>
<td>11</td>
<td>↓</td>
<td>18</td>
<td>Justice</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>19</td>
<td>Kaskade</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>NE</td>
<td>20</td>
<td>Benny Benassi</td>
</tr>
</tbody>
</table>

Topdeejays.com Ranking (May 2013)

- Guetta remains number 1 in 2013
- Skrillex continues his progress, moving above Tiesto into 2\textsuperscript{nd}
- Big New Entries for Calvin Harris (5\textsuperscript{th}) and Daft Punk (6\textsuperscript{th}) following recent chart successes
- Steve Aoki is another strong climber – up to 9 from 18 in 2011
- Also new entries for some older artists due to overall plays of their music – Moby & the Chems
- DJ Bl3nd, Hardwell & Diplo also enter chart for first time this year
- Falls for Armin, SHM & Avicii

Note: ranking based on topdeejays.com algorithm, incl. Facebook, Twitter, MySpace, YouTube, Soundcloud, Last.fm
* Previous years taken in same month, but used HypeThatSound.com ranking based on sum of fans / followers
Source: topdeejays.com, Hype That Sound .com
It appears DJ BL3ND’s fans are engaging with him online as much as fans of other top DJs.

Source: Facebook, YouTube (as of 8th May 2013)
What is behind the DJ BL3ND ‘phenomenon’?

**Branding / Image**
- Distinct character and image – mask, freakshow podcast, etc
- Easily searchable name – BL3ndr (similar to deadmau5)
- Unique terminology online – signs off with ‘x_O’

**Fan Engagement**
- Engages constantly with fans through social media platforms
- Makes them feel part of the ‘brand’ by referring to them as BL3NDERS – similarities with Lady Gaga and ‘Little Monsters’

**Music Accessibility**
- Produces podcasts, downloads and YouTube videos for fans
- Provide easy access to his music and has potential to lead on to paid-for downloads
- 20m Soundcloud plays

Source: artist website, industry press
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Hardwell’s performances at the Ultra Music Festival in 2013 resulted in a 300% increase in the social media fans he added each day.

**Hardwell: Fans Added per Day**

(Feb – May 2013)

YouTube views of his set on the UMF channel were 3x that of Armin or Romero.

Source: Music Metric Fantracker, Google News, Industry Press, YouTube
It’s not only DJs & Artists who have big social media followings – some events have over 3m fans

Source: Facebook, company websites, industry press, beatport
Festival growth in the USA has continued apace, with 2013 capacity growth by c.500k

USA Electronic Music Festival Capacity by Event (2007-2013E)

- Total capacity has grown at c.50% pa since 2007
- Capacity has exploded in 2013, thanks to UMF moving to 2 weekends, TomorrowWorld launching and further expansion of EDC
- USA now boasts some of world’s biggest dance festivals, including:
  - EDC LV (300k)
  - UMF (330k)
  - TomorrowWorld (150k)

Note: * Includes EDC New York, Colorado, Chicago, Dallas & Orlando; ** Includes Detroit Electronic Music Festival, Wavefront & Spring Awakening festivals
Source: event websites, Wikipedia, Resident Advisor, Billboard, industry press
The largest EDM clubs in Vegas make over $600m pa, with two huge additions arriving in 2013

EDM Clubs in Las Vegas by Revenue* (2012/13)

<table>
<thead>
<tr>
<th>Club</th>
<th>Existing clubs revenue pa from EDM</th>
</tr>
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<tbody>
<tr>
<td>XS Nightclub</td>
<td>$625m**</td>
</tr>
<tr>
<td>Marquee LV</td>
<td>$400m**</td>
</tr>
<tr>
<td>TAO LV^</td>
<td>$200m**</td>
</tr>
<tr>
<td>Surrender Nightclub</td>
<td>$150m**</td>
</tr>
<tr>
<td>Pure Nightclub^</td>
<td>$200m**</td>
</tr>
<tr>
<td>Tryst Nightclub</td>
<td>$100m**</td>
</tr>
<tr>
<td>LAVO LV</td>
<td>$50m**</td>
</tr>
<tr>
<td>Hakkasan LV**</td>
<td>$150m**</td>
</tr>
<tr>
<td>Light**</td>
<td>$50m**</td>
</tr>
</tbody>
</table>

Note: * Based on Nightclub & Bar Top 10 2013; ** IMS estimates; ^ Partially EDM focussed – 50% revenue assumed to be attributable to EDM nights
Source: Nightclub & Bar; IMS Estimates
In the last year, there has been close to $300m worth of M&A activity in the EDM industry.

May 2012 c.$40m

June 2012 c.$2m

May 2013 c.$50m

February 2013 c.$50m

March 2013 c.$100m

+ Disco Productions, Miami Marketing Group, Life In Color

INDICATIVE

Note: values are reported estimates of purchase price, which may have been for only a proportion of company;
Source: Industry Press
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<td></td>
<td>• Radio stations</td>
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There have been a number of high-profile brand sponsorship campaigns involving DJs in 2013.

- Nervo joined artists such as Pink on the roster of CoverGirl.
- Deadmau5 has been key asset of Sonos marketing.
- Ralph Lauren remix of Silhouettes achieved >1.6m views.
Overall, our estimates suggest the Global EDM Industry is now worth over $4.5 billion annually.

Electronic Music Industry Revenue by Sector (2012/13)

- **Other Products**
  - High sales of production & DJ hardware & software

- **Recorded Music**
  - Estd 5.1% share of global record sale revenue

- **Brand Sponsorship**
  - Number of high-profile campaigns

- **Live / Broadcast**
  - Significant growth in festival capacity
  - Vegas adopting EDM

Source: Music & Copyright by Informa Telecoms & Media, IFPI, industry press, Dance-onomics by EVAR, IMS Analysis
For further information on the IMS, please visit:
www.InternationalMusicSummit.com

To find out more about the author, please visit:
www.KevinWatson.net