IMS BUSINESS REPORT 2012
COMMISSIONED BY IMS
AUTHORED BY KEVIN WATSON

As presented exclusively to delegates at the
International Music Summit, Ibiza, May 2012
Recently it has felt like our industry is the next Hollywood blockbuster...

This years most talked-about music genre...

“This is the new rock ‘n’ roll”
MTV music & talent programmer

“They’re the new rock stars…DJs”
Singer-songwriter Ryan Tedder

EDM
starring

Madonna  Paris Hilton  Rihanna

** Now showing at clubs and festivals worldwide **

...but what has actually been happening in dance in 2012 – read on...
# Electronic Dance Music (EDM) Industry

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Electronic Dance Music (EDM) Industry

**Recorded Music**
- Tracks, albums & compilations
- Categorised as ‘Electronic’, ‘Electronica’, ‘Dance’, etc
- Published via record labels or released independently, e.g. through the Internet

**DJs & Live Acts**
- Individuals and collectives
- Responsible for dissemination of electronic music via broadcast channels
- Increasing crossover between DJs & live acts

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

**Other**
- Other electronic music related industries, activities and organisations, including:
  - Production/DJ hardware & software; magazines; fashion brands; online communities
Dance Music was the highest growing mainstream genre in terms of 2012 album sales in the USA

Source: Neilsen Soundscan Music 2011 report
Dance Music share of singles sales in the UK grew for the first time in four years in 2011


- Dance music share of singles has been in decline since 2007
- 2011 saw growth driven by a number of top-selling singles including LMFAO – Party Rock Anthem
- Growth looks set to continue in 2012, with the most purchased singles artist of the year so far being David Guetta

Source: Official Charts Company
The biggest EDM track of the last 12 months achieved over 150m global views / plays through all media

Avicii – ‘Levels: User Generated Views/Plays by Source (as at 05/12)

Source: channel websites, official chart bodies, Google, BPI, Music Metric, Wikipedia

Previous years: David Guetta – When Love Takes Over (2010): 50m; SHM – One (2011): 50m
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## Other

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EDM DJs have seen growth of their Facebook fanbases slow slightly in the last year Vs previous 12 months

- Most DJs added less fans in 2011/12 than the previous 12 months
- Exceptions were artists such as deadmau5 & Skrillex
- However, fanbases still grew by >50% for most, with David Guetta still adding the equivalent of a festival crowd every day

**Facebook Fans by Join Period (m)**

- David Guetta: 13.5m fans in year, 37k fans per day
- Tiesto: 3.9m fans in year, 11k fans per day
- Armin Van Buuren: 1.6m fans in year, 5k fans per day
- Deadmau5: 2.7m fans in year, 7k fans per day
- Paul Van Dyk: 0.7m fans in year, 2k fans per day

**Fans Added (2011/12)**

- In Year: May '10 - May '11
- Per Day: May '11 - May '12

Note: As of May 2012; * Total fans as at May 2012
Source: Facebook
Twitter followers have increased exponentially for leading EDM artists & DJs, who are also tweeting more

- Most EDM DJs & Artists have doubled their number of twitter followers in the last 12 months
- They have also begun to tweet much more frequently, sending around 6 per day Vs 3 a year ago
- Tiesto & Deadmau5 remain the biggest tweeters

Note: As of May 2012; * Total followers as at May 2012
Source: Twitter
Hype That Sound chart shows massive growth in Skrillex’s fanbase, making him 3\textsuperscript{rd} post popular DJ

### Hype That Sound Social 100 DJs List (May 2011 Vs May 2012)

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<th>Chg</th>
<th>Name</th>
<th>Fans 2012</th>
<th>YoY Chg</th>
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<tr>
<td>1</td>
<td>David Guetta</td>
<td>37,707,606</td>
<td>92%</td>
</tr>
<tr>
<td>2</td>
<td>Tiësto</td>
<td>13,579,705</td>
<td>64%</td>
</tr>
<tr>
<td>3</td>
<td>Skrillex</td>
<td>8,656,642</td>
<td>1441%</td>
</tr>
<tr>
<td>4</td>
<td>Deadmau5</td>
<td>7,167,547</td>
<td>115%</td>
</tr>
<tr>
<td>5</td>
<td>Armin van Buuren</td>
<td>5,221,187</td>
<td>73%</td>
</tr>
<tr>
<td>6</td>
<td>Swedish House Mafia</td>
<td>3,291,812</td>
<td>134%</td>
</tr>
<tr>
<td>7</td>
<td>Paul van Dyk</td>
<td>2,778,348</td>
<td>64%</td>
</tr>
<tr>
<td>8</td>
<td>Avicii</td>
<td>2,312,943</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Calvin Harris</td>
<td>2,244,342</td>
<td>152%</td>
</tr>
<tr>
<td>10</td>
<td>Paul Kalkbrenner</td>
<td>1,967,880</td>
<td>100%</td>
</tr>
<tr>
<td>11</td>
<td>Justice</td>
<td>1,443,096</td>
<td>68%</td>
</tr>
<tr>
<td>12</td>
<td>Afrojack</td>
<td>1,408,126</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>Steve Aoki</td>
<td>1,361,159</td>
<td>223%</td>
</tr>
<tr>
<td>14</td>
<td>Bob Sinclar</td>
<td>1,320,375</td>
<td>76%</td>
</tr>
<tr>
<td>15</td>
<td>Bassnectar</td>
<td>1,160,224</td>
<td>-</td>
</tr>
<tr>
<td>16</td>
<td>Nero</td>
<td>1,129,107</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>Above &amp; Beyond</td>
<td>1,084,811</td>
<td>120%</td>
</tr>
<tr>
<td>18</td>
<td>ATB</td>
<td>1,070,720</td>
<td>85%</td>
</tr>
<tr>
<td>19</td>
<td>Rusko</td>
<td>1,041,981</td>
<td>127%</td>
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<tr>
<td>20</td>
<td>Excision</td>
<td>1,039,960</td>
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- Guetta & Tiësto unmoved from top two positions in chart comprised of Facebook, YouTube, Twitter & Soundcloud
- Skrillex big mover up to 3\textsuperscript{rd} place after adding over 8m fans
- Avicii & Afrojack enter chart for first time at 8 and 12 respectively
- Also new entries for dubstep / bass artists / DJs Bassnectar, Nero & Excision
- Significant falls for Paul Kalkbrenner, Bob Sinclar, ATB & Rusko

Source: Hype That Sound .com
A phenomenal online fan base means Skrillex is now 3rd in the Billboard Social 50 chart

Source: Facebook, Twitter, YouTube, Billboard / Next Big Sound
There are a number of factors that have contributed to Skrillex’s large & loyal following

**Industry Praise**
- 13% of DJs in the DJ Mag Top 100 named him as their ‘breakthrough DJ / producer’
- He was signed early on to deadmau5’s label
- Awarded three Grammys in 2012

**Combines Genres**
- His music has influences from both Rock and Dance
- One of first artists to cross over into Rock, which is most popular genre in USA and across many other parts of the world

**Bedroom Producer**
- He is young (still only 24 years old)
- Uses home ‘studio’ with basic equipment to make records
- Minimal marketing budget, instead harnessing power of social media
American Festivals and events have lead to significant increases in Skrillex’s fanbase in 2012

Skrillex: Fans Added per Day (Feb – Apr 2012)

- 12th Feb: 54th Grammys, LA
- 16th Mar: SXSW Festival, Texas
- 17th Mar: Ultimate Music Experience Festival, Texas
- 24th Mar: Ultra Music Festival, Florida
- 14th Apr: Coachella Festival, California

These events also drive track sales – the Grammys resulted in a c.30% uplift

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The popularity of Electronic Dance Music has begun to boom in the USA in 2012

Google Searches for EDM by Country (July 2010 – May 2012)

- States with most EDM searches: California, Arizona, New Jersey, Mass., Ohio
- Growth across all search terms, incl. edm music & festivals
- Evidence of EDM popularity supported by USA airplay stats – David Guetta & Nicki Minaj – Turn Me On is most played song of 2012 so far

Source: Google, Billboard
EDM festival growth in the USA has continued pace, with demand matching supply

USA EDM Festival Capacity by Event

(2007-2012E)

- Total capacity has grown by over 45% pa since 2007
- Expansion of EDC & launch of new events will add 150k+ in 2012, taking capacity to c.1m
- USA now boasts some of world’s biggest EDM festivals, such as EDC (300k) & UMF (165k)
- Demand appears to be matching supply – UMF sold out 3 months in advance, Hard Summer tickets selling 5-10 faster than 2011
- Non-EDM festivals have also embraced dance with Coachella 2012 dominated by EDM artists such as SHM

Note: * Includes EDC New York, Colorado, Dallas & Orlando; ** Includes Wavefront & Spring Awakening festivals
Source: event websites, Wikipedia, Resident Advisor, Billboard
Overall, our estimates suggest the Global EDM Industry is worth over $4 billion per annum

Source: Music & Copyright by Informa Telecoms & Media, IFPI, industry press, Pollstar, IMS Analysis
If you have any questions about the report, please email IMSreport@kevinwatson.net or tweet @KWdotnet

For further information on the IMS, please visit: www.InternationalMusicSummit.com

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

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