IMS Business Report 2016
An annual study of the Electronic Music industry

by Kevin Watson
IMS Business Report 2016 covers all aspects of the industry, and results of the IMS Survey

1. **Music**
   Sales of tracks, albums and streaming by country

2. **DJs & Live Acts**
   Profiles of leading artists, including earnings and social media

3. **Clubs & Festivals**
   Popularity of festivals and clubs around the World

4. **Companies & Brands**
   Key players in industry, recent M&A activity and partnerships

5. **IMS Survey**
   Exclusive results from survey of key industry players

6. **Industry Overall**
   Updated estimate of value growth of Electronic Music globally
Global music industry growth is being fuelled by South America, China and streaming services.


<table>
<thead>
<tr>
<th>Country / Region</th>
<th>YoY % Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venezuela</td>
<td>79%</td>
</tr>
<tr>
<td>China</td>
<td>64%</td>
</tr>
<tr>
<td>Argentina</td>
<td>35%</td>
</tr>
<tr>
<td>Central America / Caribbean</td>
<td>33%</td>
</tr>
<tr>
<td>Chile</td>
<td>25%</td>
</tr>
</tbody>
</table>


- 2012: 20m
- 2013: 28m
- 2014: 41m
- 2015: 68m (+66%)

Source: IFPI, Billboard
Dance volume of streams in USA up 33% YoY to 15bn, although share of all formats fell in 2015

Electronic / Dance Music by Format (USA)

<table>
<thead>
<tr>
<th>Streams (bn)</th>
<th>Share of Sales by Format (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.2</td>
</tr>
<tr>
<td>2015</td>
<td>14.9</td>
</tr>
<tr>
<td>+33%</td>
<td>Digital Tracks</td>
</tr>
<tr>
<td></td>
<td>Albums</td>
</tr>
</tbody>
</table>

- Dance’s share of digital track sales (4.2%) still remains higher than the level it was at in 2012
- Album share trending to lower level following significant decline in 2014
- In terms of streams, Dance share fell significantly, but overall volume increased 33% YoY from 11bn to 15bn

Source: Nielsen Music U.S. report
In the USA, 54% of all Dance sales are streams, making it the 5th most popular streaming genre.

- Over half of Dance sales came from streaming in 2015.
- In the USA, total streaming across all genres grew by 93% YoY, in comparison to album and track sales declined 6% and 12% respectively.
- Consumers listened to an estimated 15 billion Dance / Electronic streams in 2015.

**Share of Streams by Genre (USA, 2015)**

- R&B / Hip-hop: 21
- Rock: 18
- Pop: 15
- Latin: 9
- Dance / Electronic: 5
- Country: 4

**Streams as a % of Total Sales (USA, 2015)**

- R&B / Hip-hop: 45
- Rock: 27
- Pop: 35
- Latin: 73
- Dance / Electronic: 54
- Country: 19

In the UK, streaming of Dance music grew at a faster rate than any other genre in 2015 (Jan-Oct)

Streaming Growth by Genre (UK, Jan-Oct 2015)

- Dance grew 3.2% YoY Vs 1.4% market average
- Dance buyers twice as likely to subscribe to music streaming service than other genre fans
- House and Garage are most popular Dance sub-genres in terms of single sales, accounting for 48% of singles

Source: Official Charts Company / BPI
In terms of sales, Dance remained in the top three genres across all formats in the UK in 2015.

- Dance music maintained 7.7% share of album sales in 2015, placing third behind rock and pop.
- Share of Compilations and Singles dropped slightly YoY, but the genre maintained position of 2nd and 3rd most popular, respectively.
- Over 20% of spend on Dance by 13-19 year olds – highest of any genre – equivalent to 11% of total spend by that age group.

Source: Official Charts Company / BPI
Electronic artists dominated Spotify in 2015 – ‘Lean On’ is now most streamed song of all time

**Most Streamed Song of 2015**

*Lean On (ft. MØ and DJ Snake) by Major Lazer*

540m streams

*Now the most streamed song of all time on Spotify*

**Breakout Artist of 2015**

*Kygo*

1 billion streams

*Fastest artist to reach 1 billion streams in just one year*

**Most Viral Track of 2015**

*Sugar (ft. Francesco Yates) by Robin Schulz*

55 appearances

*on Spotify Global Viral 50 chart*

Source: Spotify, Billboard
Electronic Music is the only genre to have shown significant growth in Google searches since 2009.

Google Searches by Music Genre
(Weekly 10th May 2009 – 14th May 2016)

- Electronic Dance Music (May ’16 = 321)
- Pop Music (112)
- Rock Music (51)
- Hip Hop Music (39)

Consistent level maintained since initial peak in April 2014.

Source: Google Trends, Digital Music News
Techno is now the best selling genre on Beatport, overtaking Tech House in Q2 2016.

Best Selling Genres on Beatport (Q1 2014-Q2 2016)

1. Music
2. Techno
3. Tech House
4. Deep House
5. House
6. Electro House
7. Drum & Bass
8. Prog. House
9. Electronica
10. Indie Dance / Nu Disco
11. Trance
12. Minimal

- Now #1 genre on Beatport, #3 just two years ago
- Highest climber since Q1 2014 – up three to #6
- Trance has now fallen to the 10th most popular genre

Source: Beatport
In France, one third of radio stations dedicated >10% of their output to Dance tracks in Q1 2015

Radio Stations in France: Dance Share of Tracks Played (Jan – Mar 2015)*

- Six radio stations in France played Dance tracks over 10% of the time in 2015
- Avicii was the most widely circulated artist on French radio in 2014, with his 25 titles featuring in 48k broadcasts, resulting in 2.5 billion listens
- In terms of music sales in France, in 2014 Dance (labelled ‘Techno–Jungle–House’) accounted for 2%

Note: * Eight stations with highest Dance share shown; Data collected Monday-Friday, 05:00-24:00
Source: GFK, SNEP
Forbes’ Electronic Cash Kings suggests DJ earnings inflation slowed to just 3% in 2015

Forbes Electronic Cash Kings (2012-15)

- Calvin Harris’ 2015 earnings estimated to match the year before ($66m)
- This was more than the top earning basketball player and F1 driver
- Second and third highest earning DJs saw over 20% increase YoY
- Total earnings for remainder of Top 9 actually fell 7% YoY

Note: * Excludes DJ Pauly D
Source: Forbes
## DJs & Live Acts

**DJ**s have on average grown their Soundcloud followers by over 35% in the last 12 months

### Social Media Fanbases of Topdeejays Highest Ranked DJs

(YoY % Change May 2015 to May 2016)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>55</th>
<th>66</th>
<th>106</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>David Guetta</td>
<td>Skrillex</td>
<td>Calvin Harris</td>
<td>Avicii</td>
<td>Tiesto</td>
<td>Daft Punk</td>
<td>Steve Aoki</td>
<td>Hardwell</td>
<td>Martin Garrix</td>
<td>Zedd</td>
<td>Flume</td>
<td>Kygo</td>
<td>Richie Hawtin</td>
</tr>
<tr>
<td></td>
<td>(6)%</td>
<td>2%</td>
<td>23%</td>
<td>4%</td>
<td>(0)%</td>
<td>(5)%</td>
<td>11%</td>
<td>12%</td>
<td>51%</td>
<td>24%</td>
<td>79%</td>
<td>259%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>30%</td>
<td>48%</td>
<td>27%</td>
<td>32%</td>
<td>11%</td>
<td>97%</td>
<td>54%</td>
<td>110%</td>
<td>76%</td>
<td>68%</td>
<td>737%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>60%</td>
<td>22%</td>
<td>36%</td>
<td>26%</td>
<td>39%</td>
<td>15%</td>
<td>15%</td>
<td>28%</td>
<td>64%</td>
<td>15%</td>
<td>91%</td>
<td>111%</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>58%</td>
<td>39%</td>
<td>93%</td>
<td>42%</td>
<td>26%</td>
<td>12%</td>
<td>27%</td>
<td>56%</td>
<td>203%</td>
<td>117%</td>
<td>105%</td>
<td>1574%</td>
<td>31%</td>
</tr>
<tr>
<td>Avg</td>
<td>20%</td>
<td>34%</td>
<td>36%</td>
<td>31%</td>
<td>20%</td>
<td>34%</td>
<td>36%</td>
<td>31%</td>
<td>68%</td>
<td>31%</td>
<td>68%</td>
<td>68%</td>
<td>68%</td>
</tr>
</tbody>
</table>

Source: Topdeejays.com, Facebook, Twitter, Soundcloud, YouTube

**INDICATIVE**
Kygo has added 7,000 social media fans per day in the last year, more than trebling his fanbase.

Kygo Social Media Fanbase by Platform (May 2015 to May 2016)

- Kygo has added 2.6 million fans in the 12 months to May 2016 across four platforms.
- His YouTube subscribers are now 15x the level in May 2015, adding 1,000 per day.
- Total YouTube views have risen to 126 million.
- Facebook likes have increased by 1.4 million to nearly 2 million, with over 180k people talking about his page.

Source: Topdeejays.com, Facebook, Twitter, Soundcloud, YouTube

INDICATIVE
Asian clubs dominate new entries in the 2016 DJ Mag Top 100 – four clubs (out of 20) from China

DJ Mag Top 100 Clubs 2016: New Entries by Country & Continent

- Nine of 20 New Entries in 2016 from Asia
- Three new clubs from Jakarta enter the list – Colosseum Club (#64), Dragonfly (#78) and X2 (#97)
- China added four new clubs, including Elements in Beijing (#65) and Club Cubic in Macau (#81)
- Highest New Entry in 2016 was Omnia in Las Vegas, which opened in March 2016
- First club from UAE entered the list at #49 (White Club, Dubai)

Source: DJ Mag Top 100 Clubs 2016

IMS Business Report 2016 by KevinWatson.net
Across Europe at least 1 in 7 people have recently attended a Dance Music event

Proportion of Population That Have Attended A Dance Music Event in Past Three Years

- **UK**: 16%
- **Spain**: 33%
- **Netherlands**: 14%

Average Spend on Dance Festival Ticket

- **UK**: €91
- **Spain**: €53
- **Netherlands**: €51

Note: * Proportion in past one year, not three years

- Ticketmaster’s 2015 report showed 1 in 6 people in the UK had attended a dance music event in the past three years, rising to 1 in 3 in Spain
- A similar survey by ING in the Netherlands found 1 in 7 people had been to a dance music event in the past year alone
- Attendees at Dance music festivals pay on average around €50 per ticket in Spain and the Netherlands, rising to £70 in the UK
Electronic Music related events in the US are the only ones showing a YoY increase in attendance

Stated Attendance at US Live Music Events by Type (YoY Change 2014-15)*

- Club Events with no Specific Headlining DJ
- Club Events with a Specific Headlining DJ
- Small Live Music Sessions At A Club / Bar
- Music Festival
- Live Concert with Main Headliner
- Live Concert with Multiple Headliners

In 2015 51% of Americans stated they had attended a live music event, up from 44% in 2014

Club events with no specific headlining DJ showed the biggest YoY change, up 3%

Other Electronic Music related types of events were also up YoY, whereas live concerts and music festivals showed no increase

Note: *Question: About how many of the following types of live events, if any, do you attend per year?
Source: Nielsen Music 360 Report 2015
Tomorrowland ticket prices have risen 12% pa since 2012; 2016 edition sold out in just 40 mins

**Tomorrowland Full Madness Pass**

*Ticket Price (2012-2016)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Ticket Price</th>
<th>CAGR% 2012-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>€173</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>€199</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>€238</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>€263</td>
<td>12%</td>
</tr>
<tr>
<td>2016</td>
<td>€273</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Industry Press, Tomorrowland, Social Networks*

- Tomorrowland festival is expected to welcome c.180k fans in July 2016
- Tickets for the weekend are priced at €273, c.60% more than in 2012
- Total social media fanbase has now reached nearly 18m, with c.700m YouTube views

**INDICATIVE**

Two Weekends

Sold out in 40 minutes

Source: Industry Press, Tomorrowland, Social Networks

- Facebook: 8.4m
- Twitter: 2.0m
- YouTube: 5.0m
- Instagram: 2.5m
EDC Vegas is estimated to have contributed $1.3bn to the economy over the past five years.

EDC Vegas Spending & Economic Impact (2011-2015)

- A recent study estimated the economic impact of the past five EDC Vegas events was $1.3 billion.
- The 1.7m attendees spent c. $640m over that time on various things, including transport ($94m) and food and beverage ($189m).
- Insomniac spent c.$160m, generating impact of $280m.
- Spending has also generated an estimated $81m in state and local taxes.

Note: * Excludes talent costs
Source: Insomniac, Beacon Economics
Already in 2016, there have been dance festivals in Cuba, Vietnam, the Philippines & Panama

- **Day After Festival**
  - Panama City, January 2016

- **Manana 2016**
  - Santiago de Cuba, May 2016

- **Vietnam Electronic Weekend**
  - Hanoi, Vietnam, April 2016

- **ZoukOut Boracay**
  - Boracay, Philippines, April 2016

Source: Event websites
Live Nation continues focus on Electronic Music with recent Warehouse Project share purchase

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse Project*</td>
<td>April 2016</td>
<td>• Bought shares in WHP and Parklife Festival based in Manchester, UK</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Partnership to enhance future growth</td>
</tr>
<tr>
<td>Union Events</td>
<td>February 2016</td>
<td>• Acquired festival portfolio of Canadian promoter</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Includes Chasing Summer in Calgary</td>
</tr>
<tr>
<td>MAMA Group*</td>
<td>August 2015</td>
<td>• Takeover of UK festival and venues operator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Organises Lovebox festival in London</td>
</tr>
<tr>
<td>Founder’s Entertainment</td>
<td>May 2016</td>
<td>• Parent company of NYC based multi-genre festival The Governors Ball</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Same location as AEG’s Panorama</td>
</tr>
</tbody>
</table>

‘We continue to see great success in our European festivals such as ... electronic events including Electric Daisy Carnival and Creamfields’ *Live Nation Annual Report 2015*

Note: * Acquired by LN-Gaiety Holdings Ltd
Source: Live Nation, Industry Press
Two major Electronic Music sellers have both driven 11% YoY growth in key revenue streams

Electronic Music Seller

- Central America was highest growing region YoY (+31%)
- N. America (+14%) and W. Europe (+10%) also high
- Vinyl sales up 60% since 2011

Ministry of Sound

- Digital Revenue up 17% YoY
- Streaming volumes in 2015 >4.5x higher than year before
- No change in # of compilations released

Note: * 12 months to May 2016
Source: Industry Organisations

IMS Business Report 2016 by KevinWatson.net
Companies & Brands

DJ Product sales worth $141m+ in USA; Digital DJ Controllers fastest growing product segment

**DJ Product Sales by Type: USA**  
(YoY % Change in Units Sold 2013-14)

- In the USA the DJ Product market grew 1.7% to $141m in 2014, the most recent year of data available.
- Digital DJ controllers were the fastest growing segment, with unit sales up c.15% and retail value up 6.25% YoY.
- In total, they accounted for one third of retail value.
- Turntables also saw strong growth, with volume of sales increasing 10% YoY.

Respondents asked to rate the importance of seven drivers of future success for the industry

**A. SFX / Beatport Sale**
The successful sale of SFX assets such as Beatport to organisations who understand the Electronic Music industry

**B. Streaming Revenue Model**
Soundcloud and other streaming platforms introducing fair revenue share mechanisms for artists and labels

**C. Government Legislation**
Governments working with promoters and the wider industry to develop appropriate legislation and regulation for Electronic Music venues

**D. Proportion of Women**
A higher proportion of women in key roles within the Electronic Music industry, including DJs, artists, and promoters

**E. Approach to Drug Harm**
A joined-up approach to reducing harm from drugs, involving key industry players and governments

**F. Mainstream Media**
Further acceptance, respect and promotion of Electronic Music in mainstream media

**G. DJ & Artist Fees**
More transparency and lower inflation in DJ and artist fees

Source: IMS Survey 2016
Most important driver of future industry success is fair revenue share mechanisms for streaming

Question asked: Please answer how important you think each of the following drivers are for the future success of the Electronic Music Industry

Source: IMS Survey 2016 (n=163)
Female respondents ranked ‘a higher proportion of women’ as second most important driver.

### Importance of Drivers for Future Success of Industry

<table>
<thead>
<tr>
<th>Rank</th>
<th>Driver of Future Success</th>
<th>Rank</th>
<th>Driver of Future Success</th>
<th>Rank Vs All</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Streaming Revenue Model</td>
<td>1</td>
<td>Streaming Revenue Model</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Approach to Drug Harm</td>
<td>2</td>
<td>Proportion of Women</td>
<td>+4</td>
</tr>
<tr>
<td>3</td>
<td>Government Legislation</td>
<td>3</td>
<td>Approach to Drug Harm</td>
<td>-1</td>
</tr>
<tr>
<td>4</td>
<td>SFX / Beatport Sale</td>
<td>4</td>
<td>DJ &amp; Artist Fees</td>
<td>+1</td>
</tr>
<tr>
<td>5</td>
<td>DJ &amp; Artist Fees</td>
<td>5</td>
<td>Government Legislation</td>
<td>-2</td>
</tr>
<tr>
<td>6</td>
<td>Proportion of Women</td>
<td>6</td>
<td>SFX / Beatport Sale</td>
<td>-2</td>
</tr>
<tr>
<td>7</td>
<td>Mainstream Media</td>
<td>7</td>
<td>Mainstream Media</td>
<td>-</td>
</tr>
</tbody>
</table>

Question asked: Please answer how important you think each of the following drivers are for the future success of the Electronic Music Industry.

Source: IMS Survey 2016 (n=163 all respondents, n=32 female respondents)
Global Electronic Music industry now worth $7.1 billion – 60% more than three years ago

Industry Overall

Global Electronic Music Industry Annual Value

- Industry growth slowed significantly in the past year, to 3.5%
- Outlook is still positive, driven by several key factors, including:
  1. **Streaming growth** – fastest growing music ‘format’ globally; Electronic Music well positioned due to demographic bias
  2. **New regions / markets** – Electronic Music festivals and clubs launching in many high-growth developing markets, such as South America and China
  3. **USA market maturity** – evidence that recent explosive growth is translating into sustainable wide-scale appeal

Want to find out more? Contact us using the info below

Find out more about International Music Summits across the World, including IMS Ibiza, IMS Asia-Pacific and IMS Engage

Search ‘International Music Summit’ online

@IMSIbiza on twitter

Contact the author, download sources used in the report, browse other Electronic Music Industry insight, and join the community

Visit www.danceonomics.com online

@KWdotnet on twitter