
NetEase Cloud Music
Jessie Wang
2017 Development of Chinese Electronic Music Market
Steady Growth In Electronic Music Users In China

Scale and projected scale of electronic music users in China 2016–2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Users (hundred mil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.97</td>
</tr>
<tr>
<td>2017E</td>
<td>2.86</td>
</tr>
<tr>
<td>2018E</td>
<td>3.58</td>
</tr>
<tr>
<td>2019E</td>
<td>4.11</td>
</tr>
<tr>
<td>2020E</td>
<td>4.55</td>
</tr>
</tbody>
</table>

Source:
Electronic Music Is 2nd Most Preferred Genre Among Music Users in China

Distribution of genres surveyed users in China listen to daily in 2016–2017

<table>
<thead>
<tr>
<th>Genre</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop</td>
<td>65.9%</td>
</tr>
<tr>
<td>Electronic</td>
<td>39.7%</td>
</tr>
<tr>
<td>Rock</td>
<td>32.1%</td>
</tr>
<tr>
<td>Folk</td>
<td>25.6%</td>
</tr>
<tr>
<td>Classical</td>
<td>16.8%</td>
</tr>
<tr>
<td>Ethnic</td>
<td>15.0%</td>
</tr>
<tr>
<td>Jazz</td>
<td>13.8%</td>
</tr>
<tr>
<td>Metal</td>
<td>12.4%</td>
</tr>
<tr>
<td>Country</td>
<td>11.3%</td>
</tr>
<tr>
<td>R&amp;B</td>
<td>7.9%</td>
</tr>
<tr>
<td>Hip-hop</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Top 3 genres preferred by users in 2016–2017

<table>
<thead>
<tr>
<th>Genre</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop</td>
<td>54.4%</td>
</tr>
<tr>
<td>Electronic</td>
<td>28.5%</td>
</tr>
<tr>
<td>Rock</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

Source:
Electronic Music Festivals in China Skyrocketing in Number

No. and projected no. of electronic music festivals in China 2016–2018

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017E</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of festivals</td>
<td>32</td>
<td>86</td>
<td>150+</td>
</tr>
</tbody>
</table>

Source:
Steady Increase in No. of Online Plays of Electronic Music

No. and projected no. of electronic music festivals in China 2016–2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Online Plays (bil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>163.05</td>
</tr>
<tr>
<td>2017E</td>
<td>226.08</td>
</tr>
<tr>
<td>2018E</td>
<td>283.68</td>
</tr>
<tr>
<td>2019E</td>
<td>325.06</td>
</tr>
<tr>
<td>2020E</td>
<td>360.86</td>
</tr>
</tbody>
</table>

Source:
Chinese Electronic Music Lovers Profile

- **Gender**
  - Male: 56.8%
  - Female: 43.2%

- **Age**
  - 20-25 years: 24.4%
  - 26-30 years: 28.9%

- **Monthly Salary**
  - 2000-5000 RMB: 26.9%
  - 5000-10000 RMB: 32.5%
  - 10000-20000 RMB: 28.7%

- **City**
  - 62.5% from 1st- or 2nd-tier cities

Note: “Electronic music lovers” is defined as any user who ranks electronic music among their top 3 preferred genres.

Chinese Electronic Music Lovers Profile

**Job distribution of surveyed electronic music lovers in China in 2016–2017**

- **Student**: 29.7%
- **Office worker**: 25.6%
- **Freelancer**: 14.9%
- **Business/service industry**: 12.6%
- **Legal/education professional**: 5.8%
- **Public servant**: 3.3%
- **Mid to high level mgmt.**: 2.2%
- **Unemployed**: 1.3%
- **Other**: 4.6%

**Level of education distribution of surveyed electronic music lovers in China in 2016–2017**

- **Undergraduate/vocational college**: 70.7%
- **High school or vocational high school**: 14.8%
- **Master’s degree or above**: 7.7%
- **Middle school or below**: 7.7%

Development of Online Music Platforms Concerning Electronic Music

2016–2017 Distribution of perceived professional quality of music apps w.r.t electronic music among surveyed electronic music listeners in China

<table>
<thead>
<tr>
<th>Music Platform</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>NetEase Cloud Music</td>
<td>3.8</td>
</tr>
<tr>
<td>Kuwo Music</td>
<td>3.6</td>
</tr>
<tr>
<td>QQ Music</td>
<td>3.3</td>
</tr>
<tr>
<td>Kugou Music</td>
<td>3.2</td>
</tr>
<tr>
<td>Xiami Music</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Development of Online Music Platforms Concerning Electronic Music

2016–2017 TGI of online music platforms among surveyed electronic music listeners in China

<table>
<thead>
<tr>
<th>Platform</th>
<th>TGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>NetEase Cloud Music</td>
<td>122.2</td>
</tr>
<tr>
<td>QQ Music</td>
<td>103.7</td>
</tr>
<tr>
<td>Kugou Music</td>
<td>101.6</td>
</tr>
<tr>
<td>Kuwo Music</td>
<td>92.5</td>
</tr>
<tr>
<td>Xiami Music</td>
<td>86.2</td>
</tr>
<tr>
<td>Migu Music</td>
<td>83.5</td>
</tr>
</tbody>
</table>

Note: TGI (Target Group Index) = (proportion of subgroup with certain characteristics within a target group / proportion of subgroup with these characteristics within the whole) * 100. TGI is indicative of how predominant the target group is within a given context.

Source:
Development of Electronic Music on NetEase Cloud Music
Explosive Growth in Electronic Music Content on NetEase Cloud Music

Growth trend of electronic music playlists on NECM 2016–2017

SPLY growth 128.1%

Source: NetEase Cloud Music internal statistics
Play Count of Electronic Music on NECM More Than Doubled From Same Period Last Year

Yearly play count of electronic music tracks on NECM 2016–2017

SPLY growth 109.3%

Source: NetEase Cloud Music internal statistics
Electronic Music Users on NECM Growing Rapidly, Is 2nd-largest Group Behind Pop Listeners

Number of users who listen to electronic music 2016–2017

SPLY growth 147.0%

Source: NetEase Cloud Music internal statistics
Electronic Music Users on NECM Growing Rapidly, Is 2nd-largest Group Behind Pop Listeners

Distribution of NECM users who listen to non-pop genres 2016–2017

- Electronic: 20.5%
- Folk: 19.1%
- Rock: 18.2%
- OST: 16.6%
- Hip-hop: 6.4%
- Alternative/indie: 5.8%
- R&B: 4.0%
- ACG: 3.0%
- Other: 6.4%

Source: NetEase Cloud Music internal statistics
Electronic Music Users on NECM Have Diverse Tastes in Electronic Music Types

Top 10 electronic music types favored by NetEase Cloud Music electronic music users

- House: 32%
- Trap: 29%
- Trance: 12%
- Dub(step): 8%
- Tropical: 5%
- Future Bass: 5%
- Hard style: 4%
- Techno: 4%
- Drum & Bass: 1%

Source: NetEase Cloud Music internal statistics
Over 50 World-famous DJs & Electronic Music Labels Opened Account With NECM in 2016–2017

- Tiesto
- Armin van Buuren
- Dimitri Vegas & Like Mike
- R3HAB
- Alesso
- Don Diablo
- KSHMR
- Steve Aoki
- Vicetone
- Bassjackers
DJs on NECM Are Highly Active, Have Over 1M Fan Interactions
NECM Offers Diverse Ways To Spread Music

- Playlists
- Comments
- Personalized Recommendations
- Stations
- Columns
- Statuses
- Rankings
- Videos
NECM Offers Diverse Ways To Spread Music
NECM Offers Diverse Ways To Spread Music
NECM Electronic Music Users Love Platform Interaction

Average times accessing comments per week: 75

Average comments posted per week: 16.2
Richest electronic music content
Most active community
Most passionate electronic music users
Most diverse ways to spread music