Photo by Anton Darius on Unsplash

MUSIC STREAMING IN GERMANY

REVENUE SITUATION IN THE GERMAN MUSIC STREAMING MARKET 2022

GOLDMEDIA GMBH

STUDY COMMISSIONED BY:

GEMA

ABOUT THE STUDY

Goldmedia was commissioned by **GEMA** to carry out this survey on the revenue situation in the German music streaming market from April to August 2022.

METHODOLOGY OF THE STUDY:

Goldmedia has conducted an extensive **desk research** on the situation of the German and the international music streaming market. Based on the analysis and the opinions provided by experts, **remuneration calculations** were carried out regarding the German market.

An essential part of the study were numerous **expert interviews** with artists as well as associations, composers, lyricists, music publishers, labels, distributors and streaming services. The interviews were made by (video) calls and partially in writing.

Beyond that, an **online survey among GEMA members** was held between 24 May 2022 and 23 June 2022 with n=4,278 GEMA members participating. They are full or part-time composers (n=3,444), lyricists (n=523) or music publishers (n=230). Numerous respondents are also performing artists, producers or working for music labels.

FOCUS OF THE STUDY:

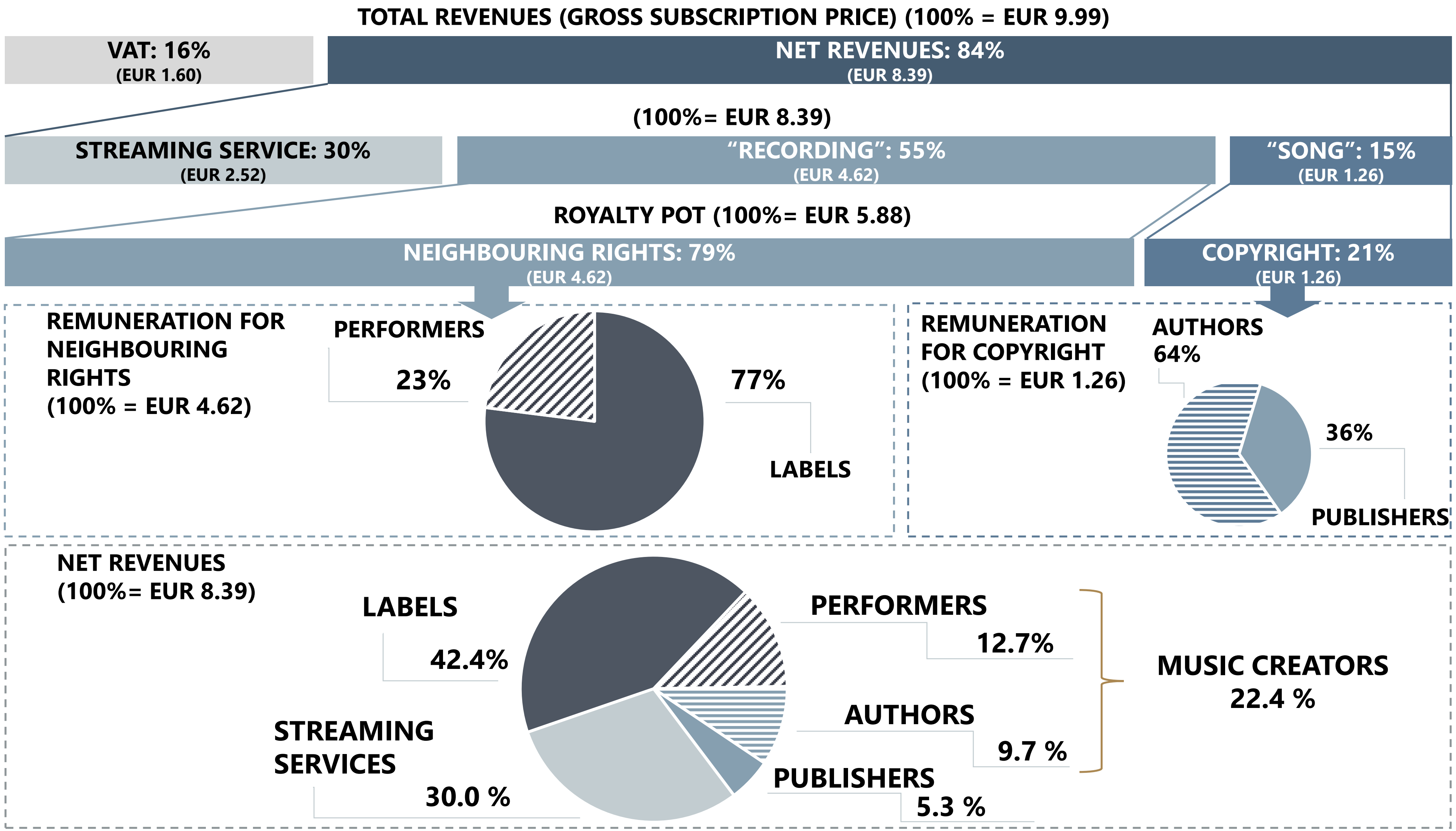
The focus of this study lies on **music streaming services** such as Spotify, Amazon Music, Apple Music or Deezer. As **content providers**, they offer licensed music only, and the making available of the music generally takes place through the provider itself.

Platforms such as YouTube, TikTok or Instagram, where so-called user generated content is uploaded by the users themselves in addition to the licensed contents, may well be of enormous importance for the distribution and use of music, but do as hosting providers not feature as the main focus of this study.

Carolin Kebekus
Musician, comedian

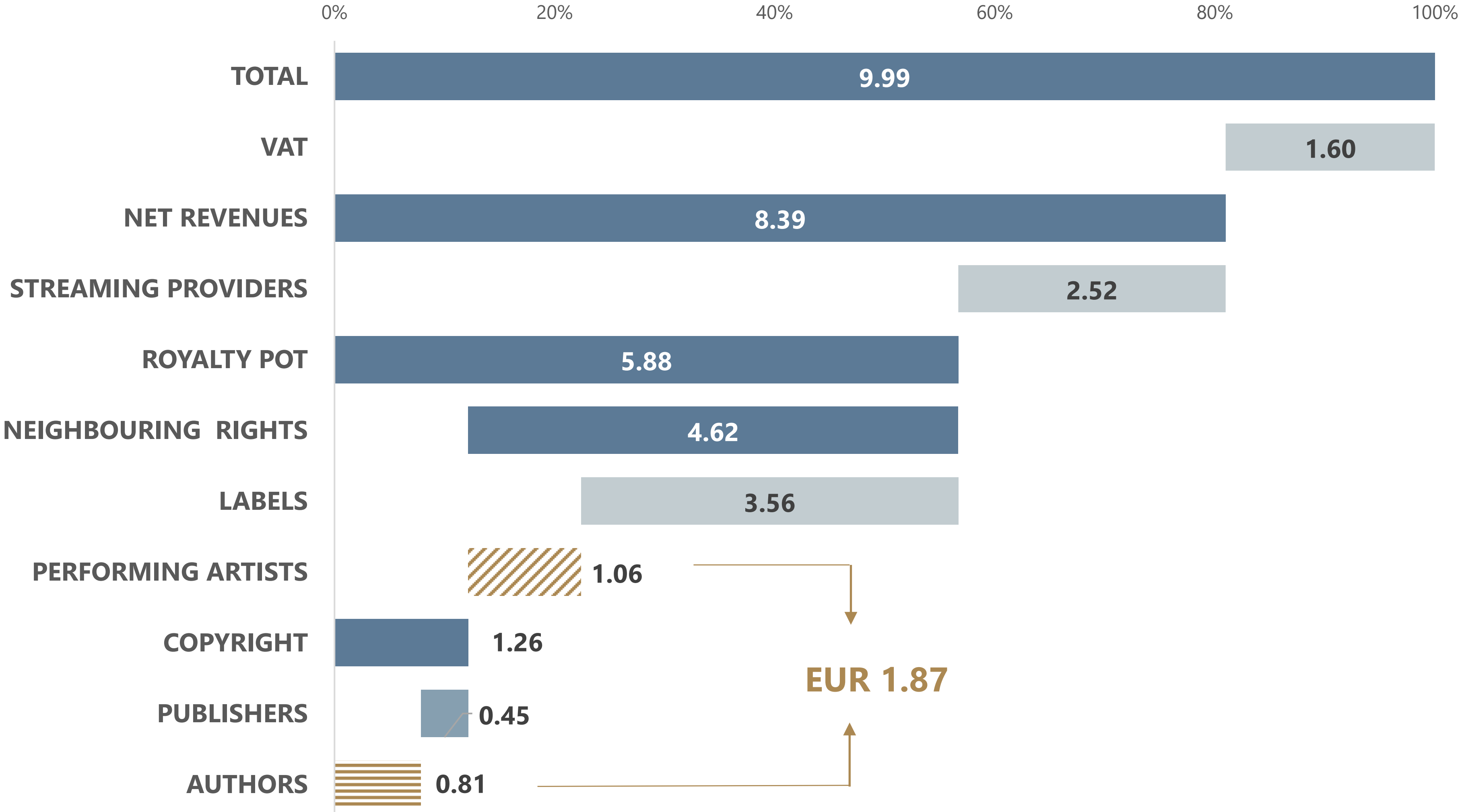
"In the medium-term, we will not be able to avoid streaming services; that's why it is so important to point out problems and call for improvements!"

SUMMARY: MUSIC STREAMING REMUNERATION



Source: Goldmedia analysis; basis: monthly fees for a standard streaming subscription; rounding differences are possible

DISTRIBUTION OF THE REVENUES FOR A MUSIC STREAMING SUBSCRIPTION



Basis: Monthly revenues for a standard music streaming subscription (single account) in Germany in 2022
Source: Goldmedia analysis based on expert assessments; rounding differences are possible

KEY FACTS (I): MUSIC STREAMING IN GERMANY

1. The German music market has been increasingly shaped by streaming since 2012. Today, music is available more easily, can be used more individually and is also cheaper than ever before.
2. A large number of the music creator respondents generally view streaming as an opportunity to reach a larger audience.
3. Spotify is the most-used music streaming service in Germany, followed by Amazon Music and Apple Music. Single subscriptions at a typical price of EUR 9.99/month are common; there are also multi-user and family subscriptions, free, ad-financed offers and bundle tariffs. The average revenue per user (ARPU) is following a downward trend. As such, the monthly Spotify ARPU decreased from EUR 6.84 to EUR 4.29 among paying subscribers worldwide between 2015 and 2021, a decline of -37%.
4. Nearly half of the German population (45%, as of 2021) are music streaming users. Of these, about two thirds stream via paid subscriptions, one third use free, ad-financed offers.
5. Music streaming is a billion-Euro-market. More than 2 billion Euros are expected to be generated by the involved market players in Germany in 2022. The importance of streaming will continue to grow in Germany. Compared to leading countries such as Sweden, the development is still delayed.

KEY FACTS (II): MUSIC STREAMING REMUNERATION

6. Despite rising usage figures and the great economic significance, many music creators have so far hardly participated in the success of music streaming. 89% of the music creators surveyed as part of this study assess the remuneration from music streaming as inadequate overall.
7. From the net turnover in music streaming in the case of a standard single subscription, about 30% remain with the streaming services, 55% are paid out to the neighbouring rights side (labels and musicians), 15% to the copyright side (composers, lyricists and music publishers).
8. Music creators, i.e. musicians and authors together, receive about 22% of the net revenues. The share of music creators is thus significantly below the revenue share of the streaming services (30%) and the labels (42%).
9. Playlists and music recommendations based on algorithms have a considerable impact on the reach and the commercial success in the streaming market. However, the underlying criteria are perceived as non-transparent by music creators.
10. Current mechanisms of the streaming economy tend to strengthen the position of older, commercially successful catalogue titles. Newcomers and musical niches are left with a correspondingly lower share of revenues.

Björn Ulvaeus
CISAC President
Songwriter and musician

"If we accept that the song – or the creative work of any repertoire – is the foundation of our creative industries, why do we then accept the near-invisibility of the creator in the commercial value chain?
These creators are where our creative industries start. Without their work, the global "creative sector", worth billions of dollars, would just not exist."