

# METHODOLOGY & SOURCES

## METHODOLOGY

- **Trade value:** also known as wholesale value, trade value refers to record companies' revenue from the sale/licensing of recorded music products and content to Digital Service Providers, domestic retailers/intermediaries, net of discounts, returns, taxes and sales allowances. Premium sales (physical and digital) are included. Promotional goods, non-music/non-sound recording artist related income, deletions, cut-outs, distribution fees and income from legal settlements from anti-piracy cases are excluded. All analysis, growth and trends are based on trade value unless otherwise stated. Figures are provided by the record companies to IFPI for the respective markets. The local IFPI National Group in the respective markets applies a 'coverage factor' to the figures to account for non-reporting companies, therefore representing 100% of the market.
  - **US\$ values:** local currency values are stated at independently sourced 2022 exchange rates. IFPI restates all historic local currency values on an annual basis. Market values can therefore vary retrospectively as a result of foreign currency movements.
  - **Digital:** includes subscription streams income, ad-supported audio streams income, ad-supported video streams income, revenues from social media platforms such as Facebook, TikTok and YouTube Shorts, permanent downloads, mobile personalisation and other digital. Excludes minimum guarantees (breakage) unless specifically stated on the relevant country page.
  - **Subscription streaming:** income from audio subscription services premium tier and from subscriptions bundled with other services (e.g. subscriptions to Apple Music, Spotify Premium, QQ Music VIP, or subscriptions bundled with a mobile phone contract). Includes the sale of tethered downloads if purchased as part of an audio streaming subscription, where the downloads are only available during the subscription period.
  - **Ad-supported audio streaming:** income from the free tier of audio subscription services e.g. the free and advertising-supported tier of Spotify, Deezer or Kugou. This category also includes revenues from social media apps for the use of audio tracks and other non-categorised revenues such as semi-interactive digital radio service revenues (e.g. Pandora) and cloud income.
  - **Ad-supported video streaming:** Income from video streams or tethered/temporary downloads monetised via ad-supported models. Includes income from video-on-demand services (e.g. YouTube official videos or VEVO).
  - **Downloads:** may be referred to as 'permanent downloads'. A sale delivered online, via mobile network or kiosk, and sold under a pay-per-transaction (or use of pre-pay). Includes audio single tracks, audio full albums, and music videos and other downloads.
  - **Mobile personalisation and other digital:** includes master ringtones, ringback tones, and other personalised mobile products such as greetings, dedications and voicetones.
  - **Physical:** includes sales of all physical formats, including CD, vinyl, music video and other (e.g. cassette, mini disc and pre-loaded physical devices). CD sales ordered via the internet (e.g. via Amazon) are reported as physical sales.
  - **Performance rights revenues:** income collected by recording industry music licensing companies from third parties for the use of sound recordings and music videos in broadcasting (radio and TV), public performance (nightclubs, bars, restaurants, hotels) and certain internet uses, as well as private copying levy income.
- Note:** in 2015 and for all subsequent years, IFPI amended the methodology and scope of its coverage of performance rights revenues globally and for the US:
- Globally, performance rights revenues now refer to collections by music licensing companies for the use of sound recordings and encompass performers' and record companies' shares for such collections. Performance revenues reported by IFPI refer to all revenue actually received on MLCs' accounts during the relevant year.
  - In the US, SoundExchange collections for internet uses are reported under "Mobile personalisation and other digital". Collections from digital satellite radio and other sources are reported under "performance rights". This reflects the fact that a significant proportion of SoundExchange revenues comes from personalised or semi-interactive digital radio services (such as Pandora) that are elsewhere reported directly by the companies under "digital" revenue. As such, US performance rights now exclude SoundExchange's collections from simulcasting, webcasting, and semi-interactive digital radio services such as Pandora.
  - **Synchronisation revenues:** flat fees or royalties from the use of sound recordings in TV, films, games, and adverts. Figures under this category refer to gross income to the music company generated within the territory, irrespective of repertoire source.

- **Top songs and top albums:** the national top songs and top albums published on country pages are supplied depending on the basis of the chart available from the local IFPI National Group. For further details of what formats are included in each national chart please contact the local IFPI National Group.
- **Rounding:** figures are subject to rounding, which may affect overall totals and percentages.
- **Revisions and updates:** some figures presented in this publication may differ from previous years due to revisions and updates or due to better information becoming available.
- **Subscriber numbers:** IFPI agreed a methodology for the calculation of streaming subscription numbers with international representatives from each of our major members (SME, UMG and WMG), which is consistent with previous years. We also contacted DSPs to validate the accuracy of the IFPI figures.

## IFPI GLOBAL CHARTS

IFPI compiles six Global Charts, which rank the top artists, singles and albums of the year globally. All charts are based on submissions from participating labels across the world, which are compiled and converted into chart units by IFPI.

- The **IFPI Global Artist Chart** and **IFPI Global Album Chart** include all Physical and Digital consumption formats, which are converted by region according to the relative economics (revenue per unit of consumption) of each. All consumption is converted into Album Equivalent Units according to these conversion rates and forms the chart rankings. Due to the sensitive nature of the data used for these conversions, chart units are not published.
- The **IFPI Global Single Chart** is produced in a similar manner to the Artist and Album Charts, but only considers digital consumption formats (Streaming and Downloads). This consumption is converted into Subscription Stream Equivalent Units by region, which form the chart rankings.
- The **IFPI Global Album Sales Chart** considers only physical album sales as well as full album downloads. Rather than being converted, these sales are counted on a unit basis, which forms the chart rankings.
- The **IFPI Global Vinyl Album Chart** considers only vinyl album sales. Rather than being converted, these sales are counted on a unit basis, which forms the chart rankings.
- The **IFPI Global Streaming Album Chart** considers only subscription-based and ad-supported streams. All streaming consumption is converted into Album Equivalent Units according to the aforementioned conversion rates and forms the chart rankings. Due to the sensitive nature of the data used for these conversions, chart units are not published.

## SOURCES

- **Currency, exchange rates:** Oanda (oanda.com)
- **Population:** The World Bank (data.worldbank.org). Except Taiwan – CIA Factbook (CIA.gov) as not available in the World Bank dataset.
- **Proportion of population aged 18–34:** We Are Social (wearesocial.com)
- **GDP per Capita at Purchasing Power Parity, Credit/Debit Card Access:** The World Bank: GDP (data.worldbank.org).
- **WIPO Global Innovation Index Ranking:** The Global Innovation Index is an annual ranking of countries by their capacity for, and success in, innovation, published by the World Intellectual Property Protection organisation (WIPO.int) (2022: c. 132 economies).
- **Average Price of 1GB:** Cable (Cable.co.uk).
- **Mobile Connections at 3G to 5G:** We Are Social (wearesocial.com)
- **National top songs and albums:** Local chart compilers and IFPI National Groups.
- **Top independent labels:** Lists are provided by IFPI National Groups based on market data available to them. Lists may include National Group members only or full market. Methodologies for compilation vary. Lists are alphabetic only and do not indicate market ranking. For further information about a specific national list, please contact the IFPI National Group directly.
- **Global Artist Chart, Global Album Chart, Global Single Chart, Global Album Sales Chart, Global Vinyl Album Chart and Global Streaming Album Chart:** Record companies.

IFPI figures may differ from the reports of local industry groups due to IFPI's required coverage adjustment or a different basis of reporting.