

Methodology and 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, handling charges, 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 in the respective markets apply 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 2018 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 permanent downloads, subscription audio streams income, ad-supported audio streams income, video streams income, mobile personalisation and other digital. Excludes minimum guarantees (breakage) unless specifically stated on the relevant Country Page.

Streaming:

- **Subscription audio streams income:** income from audio subscription services premium tier and from subscriptions bundled with other services (e.g. subscriptions to Apple Music, Spotify Premium, QQMusic 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 streams income:** income from the free tier of audio subscription services e.g. the free and advertising-supported tier of Spotify, Deezer, or Kugou.
- **Video streams income:** income from video streams monetised by advertising or subscription models (e.g. YouTube Official Videos or VEVO).

Streaming category revision in 2016: IFPI revised streaming categories for the 2016 calendar year. In years prior to 2016, IFPI collected streaming revenue under two categories: paid subscriptions and freemium streams income (the revenue from subscription streaming services); and ad-supported streams income (revenue from audio or video streams monetised solely by ad-supported models). Income from years prior to 2016 could not be restated into the three revised categories. The three streaming categories introduced in 2016 do not correspond exactly to either of the two categories used in 2015 and earlier years. As such, year-on-year comparisons should only be made between the total streaming sector rather than individual streaming categories.

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.

- **Audio single track:** full length single track.
- **Audio full album:** compilations fall into this category if sold as an entire album.
- **Other downloads:** includes music videos (items sold as downloads, exclude streams), playlists, bundles and other.
- **Mobile personalisation and other digital:** includes master ringtones, ringback tones, and other personalised mobile products such as greetings, dedications and voicetones. Also includes other non-categorised revenues such as semi-interactive digital radio service revenues (e.g. Pandora) and cloud income. The category also includes global deals with social media DSPs.

- **Physical:** includes sales of all physical formats, including singles, CD, vinyl 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 MLC's 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 (synch):** 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.

SOURCES

- **Population, language, GDP figures:** The World Factbook (cia.gov/library/publications/the-world-factbook/) unless otherwise stated.
- **Currency, exchange rates:** Oanda (www.oanda.com)
- **Information and technology indicators:** WeAreSocial
- **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 direct.
- **Digital volumes:** IFPI National Groups where available.
- **Global Recording Artist Chart, Global Top 50 Albums Chart and Global Top 20 Digital Singles Chart:** Record companies.

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

FURTHER INFORMATION

The *Global Music Report 2019* was produced by IFPI's **Sales Reporting, Communications, and Insight and Analysis** teams.

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