

News and Notes on 2015 RIAA Shipment and Revenue Statistics

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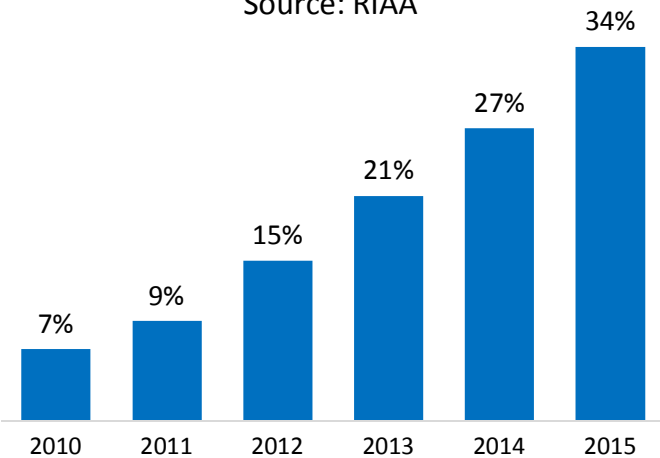
The U.S. recorded music industry continued its transition to more digital and more diverse revenue streams in 2015. Overall revenues in 2015 were up 0.9% to \$7.0 billion at estimated retail value. The continued growth of revenues from streaming services offset declines in sales of digital downloads and physical product. And at wholesale value, the market was up 0.8% to \$4.95 billion – the fifth consecutive year that the market has grown at wholesale value.

2015 was a milestone year for streaming music. For the first time, streaming was the largest component of industry revenues, comprising 34.3% of the market, just slightly higher than digital downloads.

Figure 1

Proportion of Total US Music Revenues From Streaming

Source: RIAA

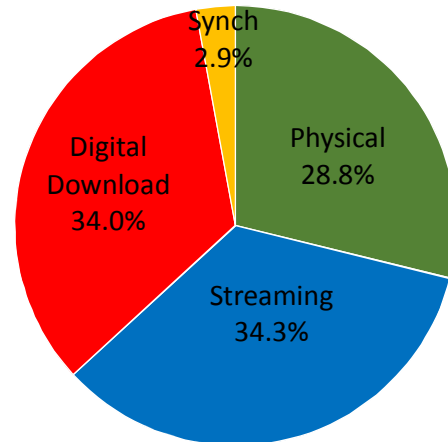


The streaming category includes revenues from subscription services (such as paid versions of Spotify, TIDAL, and Apple Music, [among others](#)), streaming radio service revenues that are distributed by SoundExchange (like Pandora, SiriusXM, and other Internet radio), and other non-subscription on-demand streaming services (such as YouTube, Vevo, and ad-supported Spotify).

Figure 2

US Revenues 2015

Source: RIAA



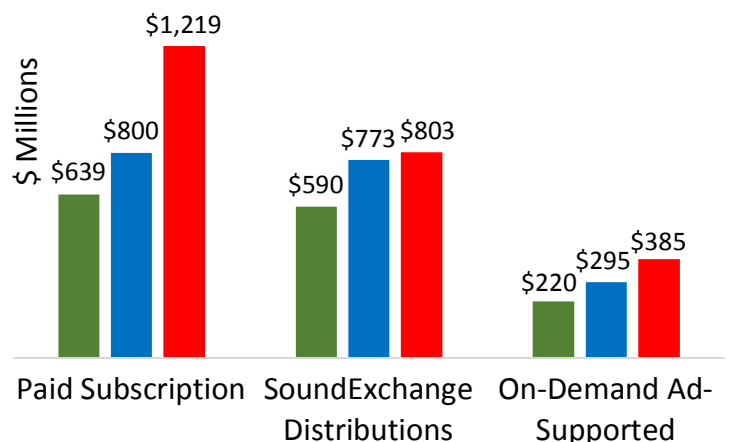
All parts of the streaming music market grew in 2015, and total streaming revenues exceeded \$2 billion for the first time ever. Combining all categories of streaming music (subscription, ad-supported on-demand, and SoundExchange distributions), revenues grew 29% to \$2.4 billion.

Figure 3

US Streaming Music Revenues

Source: RIAA

■ 2013 ■ 2014 ■ 2015



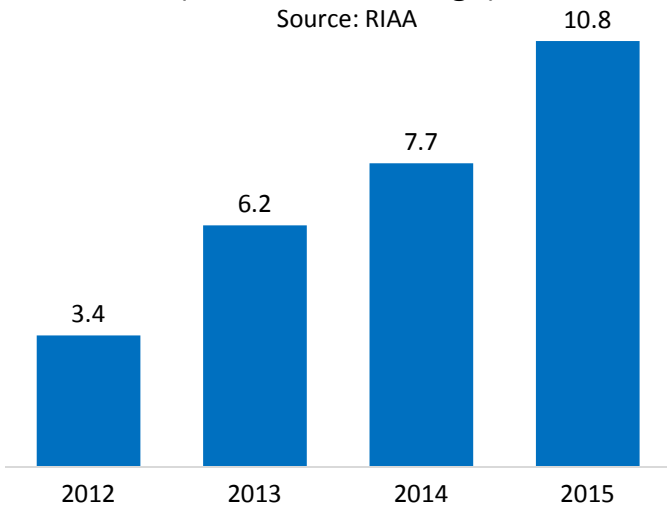
Paid subscription services were the biggest – and fastest growing – portion of the streaming market. The launch of new services like TIDAL and Apple Music made this one of the most watched and talked about spaces in the industry. In 2015, revenues from paid subscriptions

grew 52% to \$1.2 billion. At the same time, the number of paid subscriptions grew 40% to an average of 10.8 million for the full year.

Figure 4

**Paid Subscriptions
(US, Annual Average)**

Source: RIAA



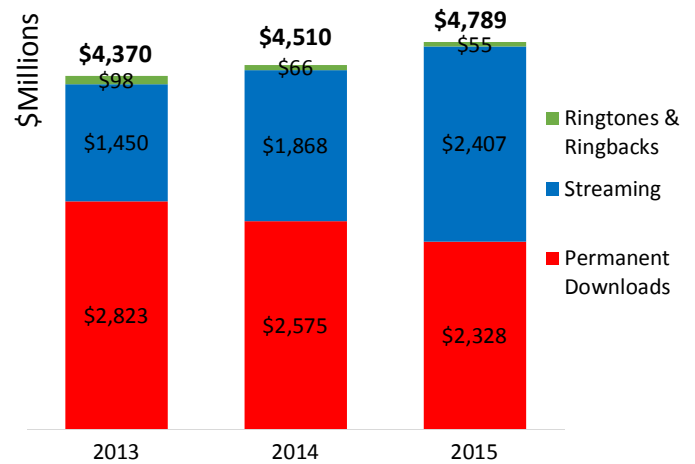
SoundExchange distributions grew 4% to \$803 million, and on-demand ad-supported streaming grew 31% y-o-y to \$385 million.

Digital accounted for 70% of the overall market by value, compared with 67% in 2014 (note Synchronization excluded from this figure). Even though digital download revenues (including digital tracks and albums) declined 10% to \$2.3 billion, the total value of digitally distributed formats was up 6% to \$4.8 billion, compared to \$4.5 billion in 2014.

Figure 5

US Digital Music Revenues

Source: RIAA



Total value of shipments in physical formats was \$2.0 billion, down 10% versus the prior year. Vinyl LPs were up 32% by value, and at \$416 million were at their highest level since 1988. Synchronization royalties were \$203 million, up 7% versus the prior year.

Overall, the data for 2015 shows a music industry that continues to adopt digital distribution platforms for the majority of its revenues. While overall revenue levels were only up slightly, large shifts continued to occur under the surface as streaming continued to increase its market share. In 2015, the industry had the most balanced revenue mix in recent history, with just about 1/3 of revenues coming from each of the major platform categories: streaming, permanent downloads, and physical sales.

Note – 2013 and 2014 data has been updated.

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2015 Year-End Industry Shipment and Revenue Statistics

202-775-0101

United States Unit Shipments and Estimated Retail Dollar Value

(In Millions, net after returns)

Digital Permanent Download

	2014	2015	% CHANGE 2014-2015
(Units Shipped) Download Single	1,199.1	1,021.0	-14.9%
(Dollar Value)	\$1,407.8	\$1,226.9	-12.8%
Download Album	117.6	109.4	-7.0%
	\$1,150.9	\$1,090.7	-5.2%
Kiosk¹	1.6	2.2	38.4%
	\$2.6	\$3.7	43.2%
Music Video	6.8	3.2	-52.8%
	\$13.6	\$6.4	-52.8%
Ringtones & Ringbacks	26.6	21.9	-17.7%
	\$66.3	\$54.6	-17.7%

Digital Subscription & Streaming

SoundExchange Distributions²	\$773.4	\$802.6	3.8%
Paid Subscription³	7.7	10.8	40.2%
	\$800.1	\$1,218.9	52.3%
On-Demand Streaming (Ad-Supported)⁴	\$294.8	\$385.1	30.6%

TOTAL DIGITAL VALUE

\$4,509.5	\$4,789.0	6.2%
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Synchronization Royalties⁵	\$189.7	\$202.9	7.0%
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Physical

(Units Shipped) CD	142.8	122.9	-13.9%
(Dollar Value)	\$1,832.6	\$1,520.8	-17.0%
CD Single	1.0	0.4	-59.5%
	\$3.8	\$1.2	-67.5%
LP/EP	13.2	16.9	28.3%
	\$314.9	\$416.2	32.2%
Vinyl Single	0.5	0.5	4.1%
	\$5.9	\$6.1	2.6%
Music Video	4.1	3.3	-20.4%
	\$91.2	\$73.2	-19.8%
DVD Audio	0.1	0.2	169.7%
	\$2.1	\$5.4	153.2%
SACD	0.0	0.0	39.8%
	\$0.8	\$1.1	40.5%
Total Physical Units	161.7	144.2	-10.8%
Total Physical Value	\$2,251.3	\$2,024.0	-10.1%

Total Retail Units	141.3	124.5	-11.9%
Total Retail Value	\$2,112.0	\$1,898.0	-10.1%

TOTAL DIGITAL AND PHYSICAL

Total Units⁶	1,513.4	1,302.0	-14.0%
Total Value	\$6,950.5	\$7,015.9	0.9%

% of Shipments ⁷	2014	2015
Physical	33%	30%
Digital	67%	70%

Retail Value is the value of shipments at recommended or estimated list price

Formats with no retail value equivalent included at wholesale value

Note: Historical data updated for 2013 and 2014

¹ Includes singles and albums

² Estimated payments in dollars to performers and copyright holders for digital radio services under statutory licenses

³ Streaming, tethered, and other paid subscription services not operating under statutory licenses

Subscription volume is annual average number of subscriptions

⁴ Ad-supported audio and music video services not operating under statutory licenses

⁵ Includes fees and royalties from synchronization of sound recordings with other media

⁶ Units total includes both albums and singles, and does not include subscriptions or royalties

⁷ Synchronization Royalties excluded from calculation

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