



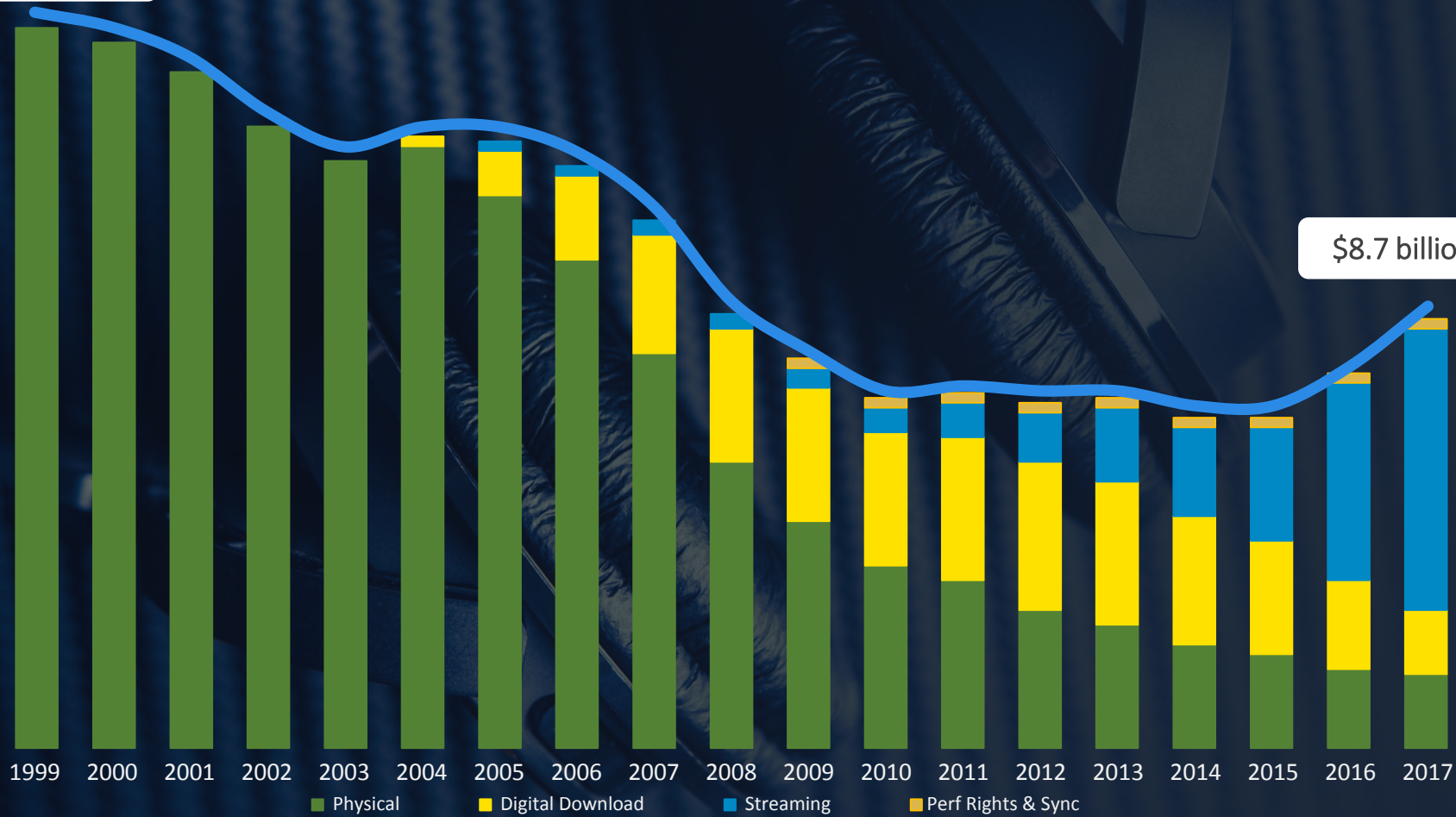
# **ADAPTING TO DIGITAL**

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**Vice President, Public Policy, RIAA**  
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# Modest growth after a long decline



\$14.6 billion



\$8.7 billion

## SYNCH

Music used in broadcast and public performance and royalties from tv, film, and games

## STREAMING

Audio and video streaming revenues, paid and ad-supported, including internet and satellite radio



## DOWNLOADS

Permanent downloads (and mobile revenues)



## PHYSICAL

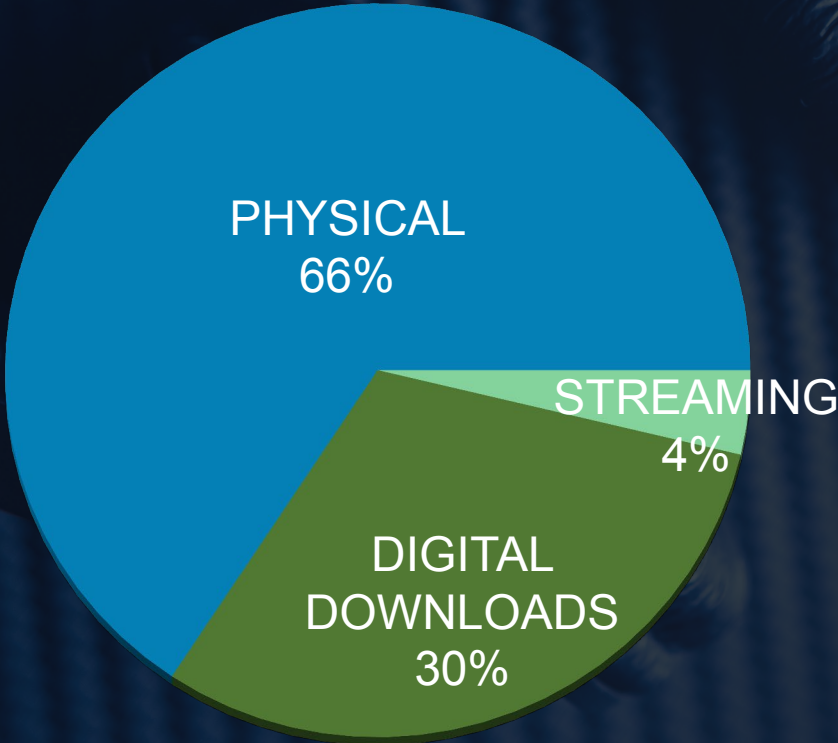
Sales of all physical formats, including CD and vinyl



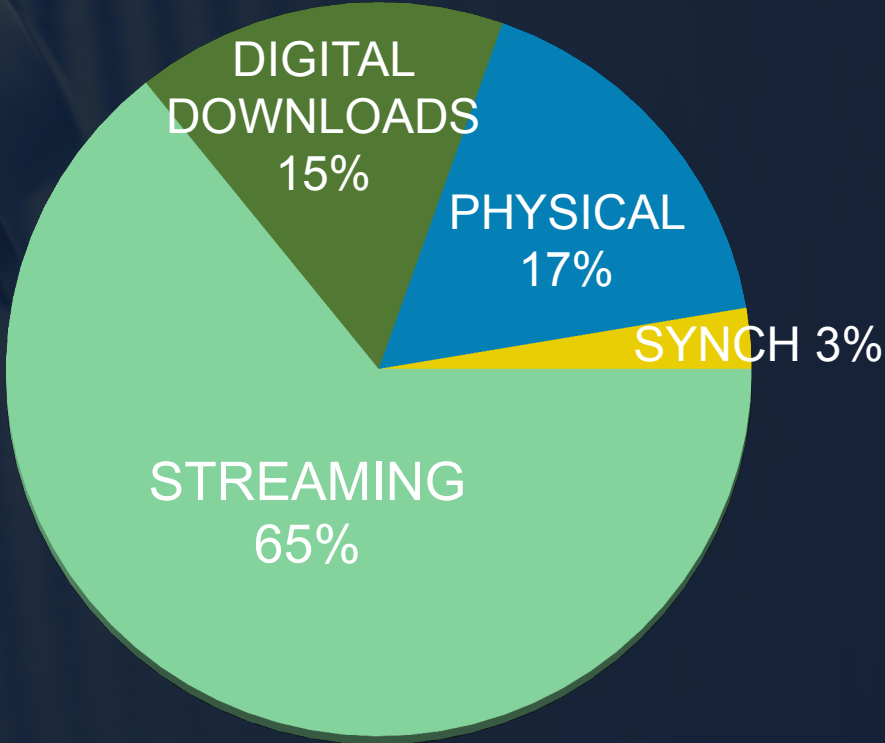
# Revenue Composition:

Streaming Nearly 2/3  
of Market In 2017

U.S. REVENUES 2008

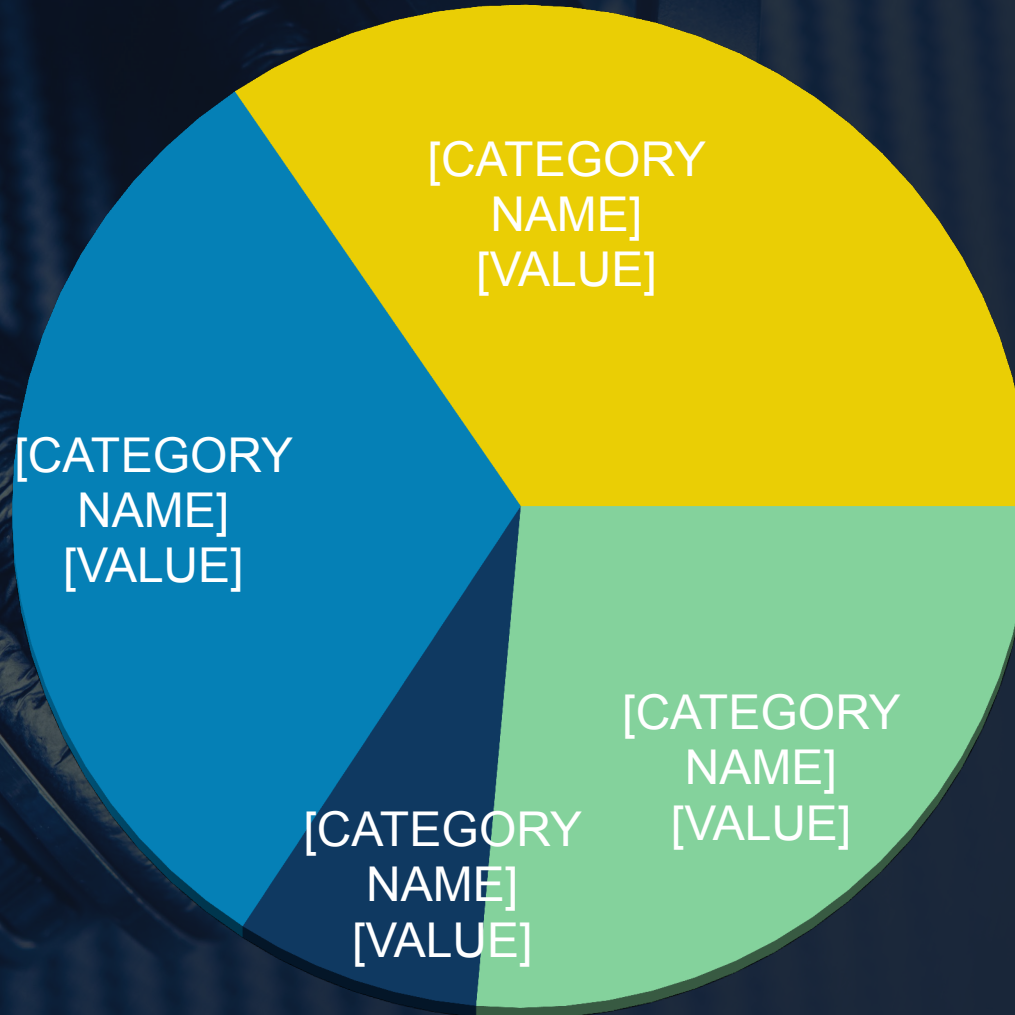


U.S. REVENUES 2017



# First Year With ~ 1 Trillion Streams

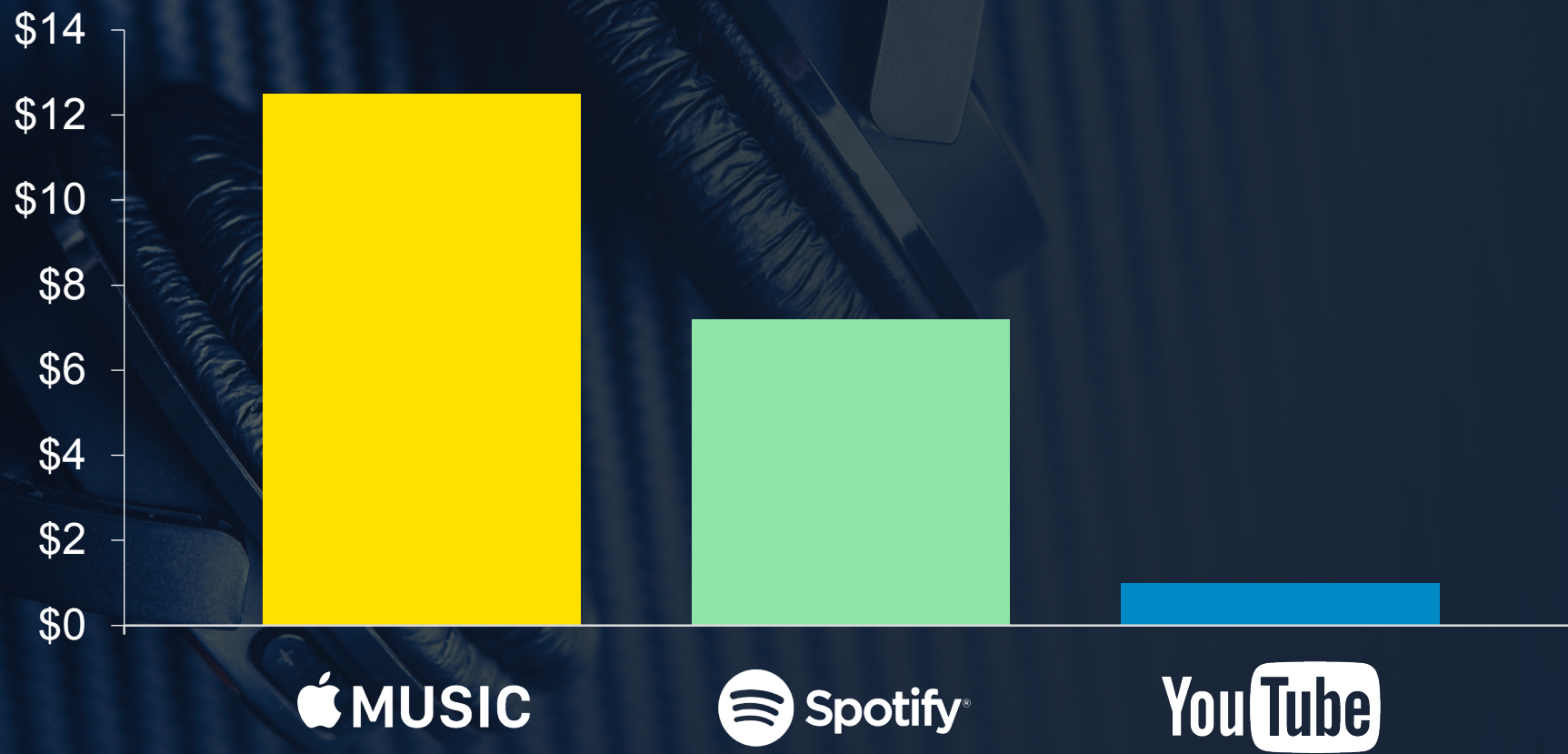
By number of streams



Source: Nielsen SoundScan, BuzzAngle, Pandora public filings, RIAA estimates

# The Value Gap at Work

PAYMENTS TO MUSIC CREATORS FOR 1,000 STREAMS



Source: RIAA Analysis and estimates of company data, MiDIA Research and Manatt, Phelps & Phillips, LLP graphic

\*Note: Spotify blended rate across all service tiers

# Challenges in Monetizing Streaming

AFTER TWO STRAIGHT DAYS OF  
WATCHING YOUTUBE MUSIC VIDEOS,  
A MUSIC CREATOR STILL WOULDN'T EARN A BUCK

58 HOURS STREAMING VIDEO



REVENUE TO MUSIC CREATOR



Note: For the purposes of this analysis, we use worldwide data from MIDIA Research and a graphic from Manatt, Phelps and Phillips, LLP finding that 1,000 YouTube streams is required for a creator to earn \$1.

# Facilitating a Diverse, Competitive Marketplace

**MUSIC MATTERS** FIND MUSIC LEARN ABOUT DIGITAL MUSIC VIDEOS ABOUT US

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Online store offering digital downloads as well as CDs and vinyl records for home delivery.

**Acoustic Sounds SUPER HI-REZ**  
Online store offering high-resolution digital downloads.

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Securely and automatically store in the cloud - at no extra cost - your Amazon MP3 purchases and eligible physical CDs ordered from Amazon, and play them on the web, Kindle Fire, iOS devices, and Android devices.

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Subscription-based, ad-free, unlimited streaming of tens of millions of songs with offline playback.



**Thank You!**