

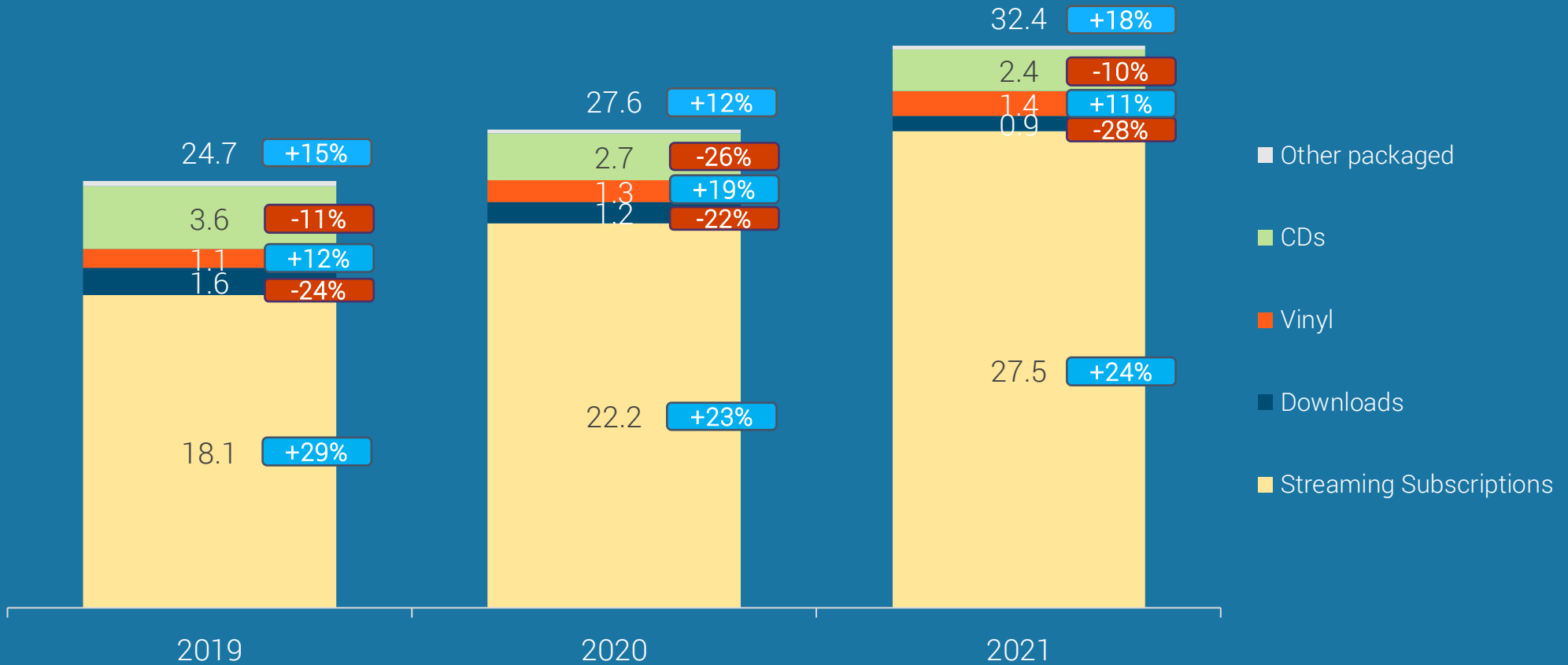
June 2021

# MEDIA-TECH BUSINESS FORUM: MUSIC AND VINYL MARKETS UPDATE

Alexandre Jornod

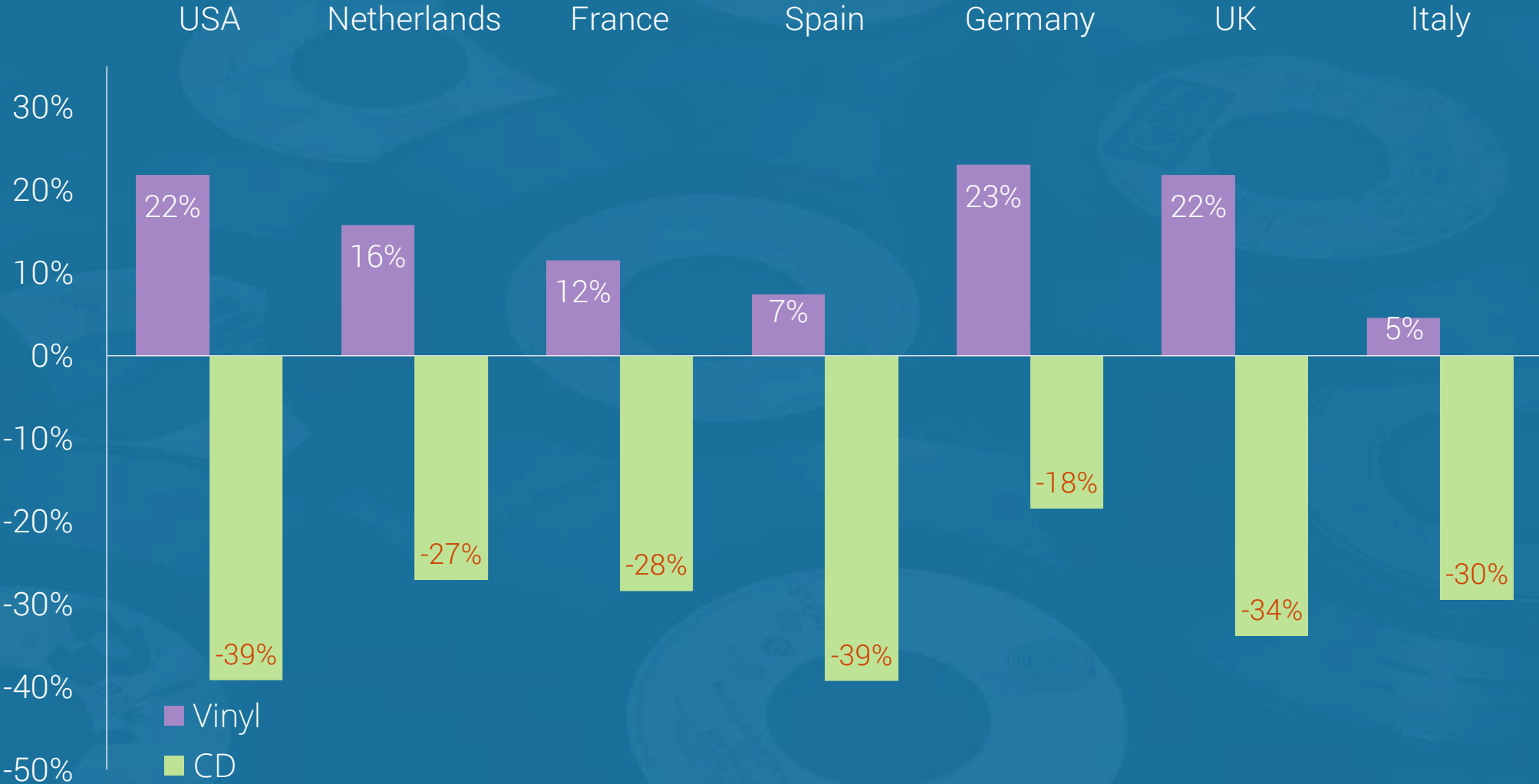
# GLOBAL MUSIC MARKET OVERVIEW

## Recorded Music Retail Value Outlook, 2019-2021 (\$Billions)



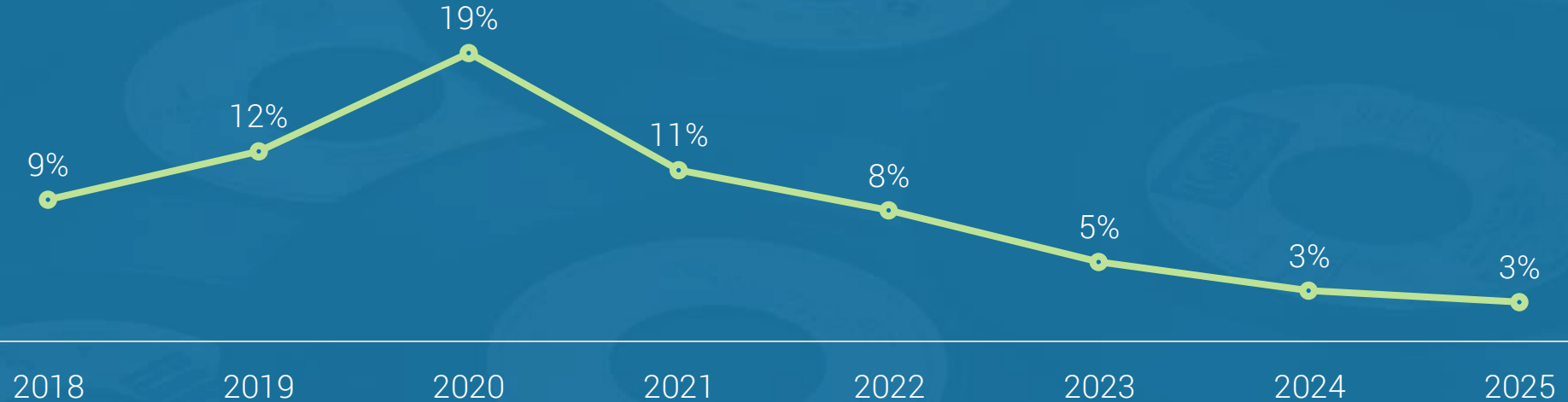
# VINYL CONSUMPTION BOOMED DURING LOCKDOWN

## Vinyl vs CD Consumer Spend Decline Rates: 2020



# FORECAST ASSUMPTIONS FOR VINYL GROWTH

Growth of Global Consumer Spend on Vinyl, 2018-2025 (f)



2020

- Lockdown = More Time Available
- More Discretionary Income
- Uptake of Turntable Sales
- Increased Interest for Vinyl
- Development of Online Channels

Best Case Scenario

Drive long-term growth for Vinyl

Worst Case Scenario

Decline after COVID

# UPDATE ON PHYSICAL RETAIL LANDSCAPE

## Uncertainty on Music Retailers Survival

| Shift of consumer spend from shops to online threatening music retail

- Brick & Mortar sales in the UK declined 48% in 2020
- HMV, biggest music retailer in the UK close 3 stores in 2020
  - 10 additional stores could close
- Media-Markt also plan on closing 14 stores in Europe



| Shrinking in-store space dedicated to physical music in non-specialist retailers

| Many record stores at risk of bankruptcy

- Even when opened, social distancing rules restrain capacity
- Online sales helped some stores to survive during lockdown



| Footfall likely to remain impacted even after COVID

# THE STREAMING OPPORTUNITY FOR THE VINYL MARKET

## Streaming making vinyl more accessible

| HD streaming introducing more consumers to high-quality audio

- Apple Music disrupting the market

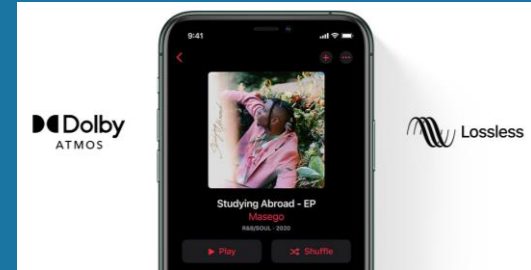
| Expected to drive sales of premium audio devices

| Streaming services helping music discovery

- Expand addressable audience for vinyl buyers
- Streaming for daily listening – Vinyl for quality listening

| Can even directly drive sales of vinyl

- E.g. Spotify and Merchbar



## About Futuresource

Futuresource Consulting is a specialist research and knowledge-based consulting company with a heritage stretching back to the 1980s.

Its insight and global market coverage are based on informed regional expertise, ensuring its portfolio of world-class clients is fully supported in research, analysis, strategic planning and decision making.

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## Talk to us...

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