

IMI DIGITAL MUSIC STUDY 2023

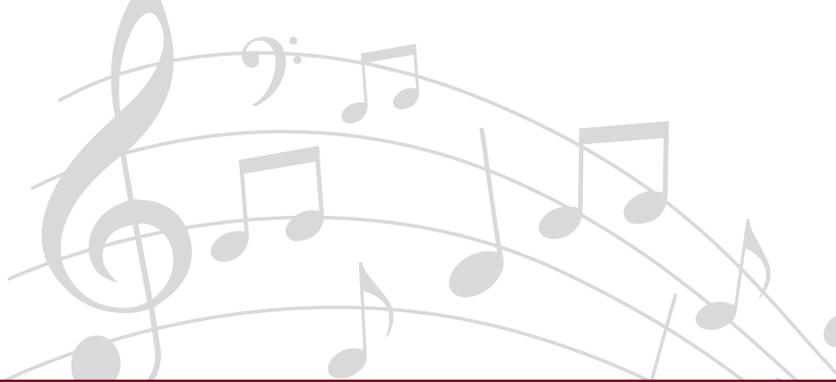
Music Consumer Respect for Human Artistry



THE INDIAN
IMI
MUSIC INDUSTRY

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Foreword

Blaise Fernandes, President & CEO, IMI

Despite archaic copyright laws and rules, the growth in the recorded music industry in India has largely come about as the record labels have managed to build a very healthy streaming economy, ensuring that Indian consumers have access to content on the backbone of our nationwide digital ecosystem. It has been years of consistent hard work by the record labels by reinventing themselves to cope with the ever-changing digital landscape, grappling with online piracy, signing accords with the creative community and challenging non-compliant platforms. Amongst all this, human artistry has been and will always be the epicentre for the recorded music industry.

The old comparison of the music industry being the canary in the coal mine can best be explained as “Whatever technology does to music, it does to every other sector in the media and entertainment landscape five years later”. So, paying attention to tech trends and tech disruptions in the recorded music industry is a must for the whole creative sector and law makers. Kudos to the record labels for early adaptation to digital trends.

The development of the music industry is intricately intertwined with that of technology. Our industry embraces new technologies and the creative and commercial opportunities that these technologies bring about. AI is no exception. The music industry recognizes the potential of many forms of generative AI, from innovating new tools which will enrich creative processes and recommendation tools that will offer consumers a superior offering. The creative community will find amazing new ways to put AI to work as they tell new stories and innovate new sounds.



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At the same time, with the generative AI tools available today, it is important to understand the threat generative AI can unleash to human artistry that has always been the central focus of the creative sector.

If generative AI is left unregulated the livelihoods of millions employed in the music ecosystem and the media and entertainment sector in India and globally could be in jeopardy.

Hence the need for guardrails to be put in place which recognises and respects the value of human artistry. For us to reach the goal of a USD 100 billion media and entertainment industry by 2030, it is necessary for the Government of India to install sufficient guardrails for the use of AI to ensure IP rights, including copyright, is respected and that there are robust rules on transparency.

The key principles to follow when framing a robust policy for the beneficial development of responsible human centric AI are:

1. Copyright protected works must only be used with prior authorisation.
2. Robust transparency obligations must be imposed on AI developers and deployers, to ensure an ethical, responsible and human-centric AI technology. The absence of record-keeping should amount to a presumption of infringement.
3. Purely AI generated works should not be granted copyright protection.
4. Personality/publicity rights of human artists should be respected and adhered to by developers, service providers, and users of Generative AI.

All these measures will help ensure that AI thrives as a technology that enhances rather than threatens human creativity.

IMI welcomes the various initiatives undertaken by the Govt. of India to address the AI concerns relevant to the creative sector as noted below:

1. On 9th February 2024, the Ministry of Commerce issued a press release clarifying the need for permission from rightsholders when the use of copyright-protected works is made in generative AI.
2. On March 15th 2024, the Ministry of Electronics and Information Technology (MeiTY) issued an AI Advisory to the significant social media intermediaries to ensure that due diligence under the IT laws is exercised and measures are introduced by AI platforms for easy identification of deepfake content.
3. The 6th meeting of the GPAI Ministerial Council held on 3rd July 2024 at New Delhi categorically acknowledged the risks and challenges of AI including lack of transparency and fairness as well as protection of intellectual property amongst others.
4. G20 New Delhi Leaders' Declaration acknowledged use of AI for the public good by solving challenges in a responsible, inclusive and human-centric manner, while protecting people's rights and safety. The declaration also highlighted the important elements of fairness, accountability, transparency and explainability to ensure responsible AI developments and use.
5. The UK Bletchley Declaration agreed by 29 countries including India supported the development, deployment and use of AI in a way as to be human-centric, trustworthy and responsible.
6. Communications and Electronics & IT Minister Shri Ashwini Vaishnaw while interacting with representatives from academia, industry bodies and social media companies highlighted the need for an effective response to deepfakes. The Government identified four pillars - Detection, Prevention, Reporting and Awareness - in order to respond to the deepfake concerns.

The recent publication of the Artificial Intelligence Act in the European Union is an important step to the right direction and provides a model for the rest of the world. The Digital India Act (proposed), currently in the works, is expected to address the challenges faced due to Generative AI. If the rules and the public messaging are not clear, there is a high risk that all the risks and too few of the upsides with AI will be realised.





Foreword

David Price, Director of Insight and Analysis, IFPI



This report, based on the largest music-focused consumer study in the world, demonstrates a thriving, lively, and healthy music landscape in India. People spent more time listening to more music in ways which increasingly reward artists and rights holders in the country. More than 70% of all music listening was of artists from India and local genres were the lynchpin of engagement. There is also great pride when Indian artists are successful outside the country and music also brought many a sense of identity.

Yet this continued excitement and spreading engagement with music throughout India comes at a time when the vast majority of music artists and producers are concerned with the rapid growth of AI systems that often ingest copyrighted music without permission and use it to generate new music without compensation to rights holders. Policy discussions on AI could shape the future of the recorded music industry for years to come. It is vital that public sentiment on the topic is a part of that debate.

Though AI may be a new topic to many, IFPI and our major record company members have discussed the topic for number of years. Over time, we worked to produce a series of guiding principles to govern the industry's approach to AI: ways in which we believed the rights of artists and record labels should be respected by AI models and their owners; and ways in which we think it's right for AI systems themselves to work with copyrighted music. We used the opportunity of the Music Consumer Study to understand global consumer sentiment about these principles and about the opportunities – and threats – which AI poses to music creation.



The results showed overwhelming public support for these industry principles and a strong belief that AI models should never take or ingest music without artist or label permission and should never generate music that impersonates or sounds like a real artist if this has not been agreed.

Further, this public support was consistent across countries, regions, age groups, and types of music listeners. Even more positively, the research found that the more a person knew about AI and how AI systems operated, the greater the support for the industry's main policy requests.

Results from India were no different: in addition to Indian respondents reporting higher levels of knowledge about AI and use of AI tools than all but one other country in the MCS (demonstrating the rapid rate of technology adoption and tech literacy in India), India had some of the highest levels of support for music artists and record labels in the world. This is unsurprising given the ways in which music is integral to every level of Indian culture and society.

The familiarity of respondents in India with the ways in which AI can create and generate all kinds of content – including music – was twinned with a respect for human creativity (84% believed that human creativity was essential to music; higher than the global average of 79%) as well as a feeling that human-created music will continue to play an essential role and would remain valuable than machine-generated music (78% agreed; again, higher than the global average of 75%).

Study respondents were also clear that AI systems should never take or ingest music for training without obtaining permission or a license from the artist or their record label (62% agreed). Further, people believed that AI should not create 'soundlike' tracks or impersonate artists without the correct permissions (61% agreed) – already, fake tracks purportedly by Indian artists like Arijit Singh and the late Sidhu Moose Wala or by

international stars like Taylor Swift and Drake have been created and uploaded to YouTube and major streaming services without any involvement of the actual artist. This practice cannot be allowed to continue.

A similar majority (59%) said that AI systems should keep clear records of the music which it has used for training, allowing artists and record companies to assess whether their music is involved with a particular AI model. There was also a feeling that music generated solely by AI should be clearly labelled, so people know what they're listening to, and not be eligible for copyright protection.

This strong level of respect in India for the artist and the record label was repeated elsewhere in South East Asia and globally. It is heartening to see that in a country where music entertains and delights in ways unmatched by others that the artists and record companies which produce that music are supported in policy debates by those who love to listen to them.



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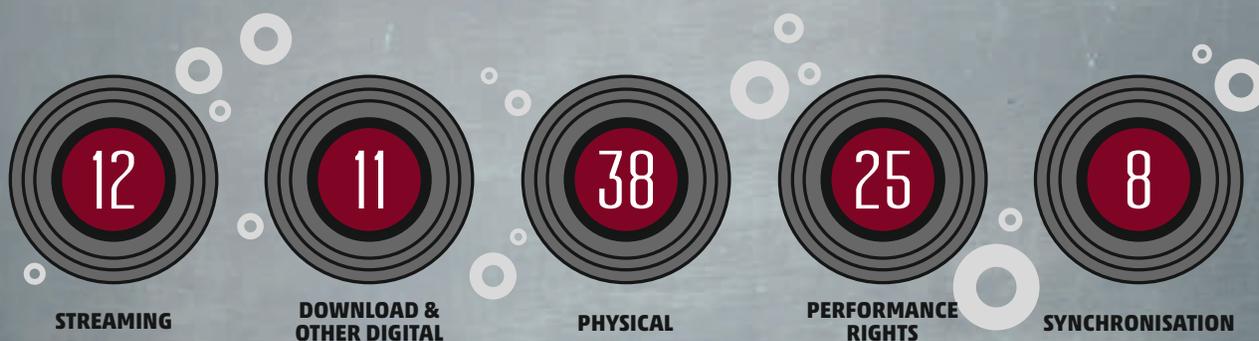
INDIA

Market Overview





RANKS (2022)



RECORDED MUSIC REVENUES BY SECTOR

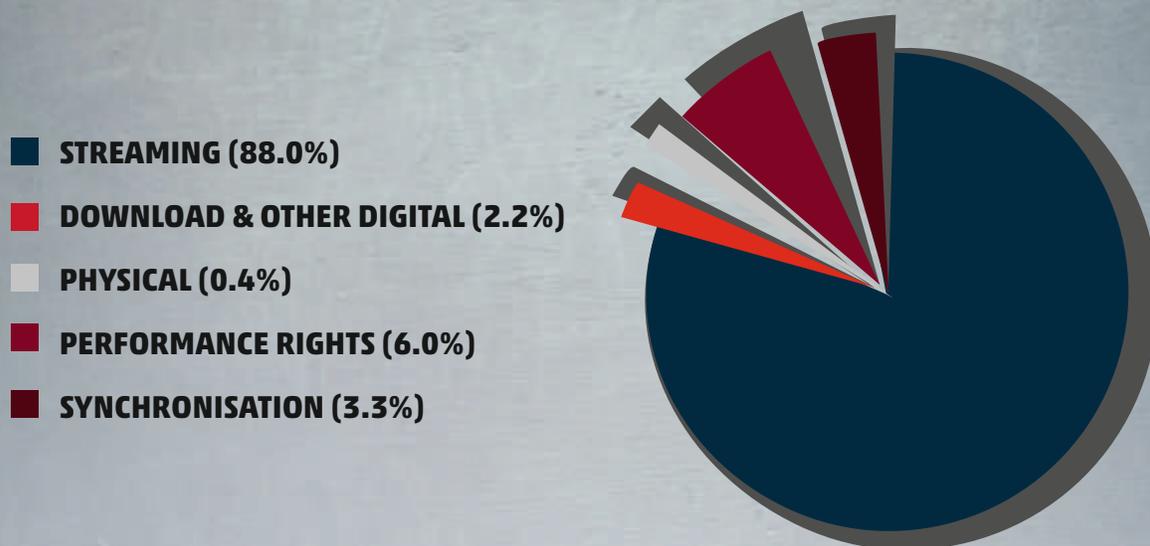
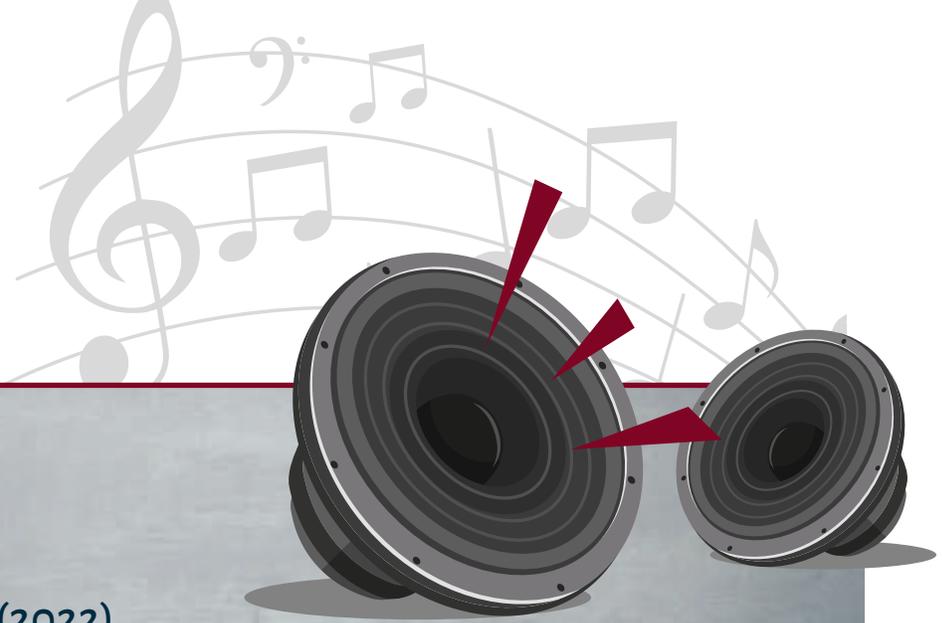


Figure 1: Streaming continues to dominate the share of recorded music revenues (88%), followed by Performance rights (6%) and Sync (3.30%)



REVENUES (2022)

TOTAL	INR 2,503.5 Cr.
Physical	INR 10 Cr.
Streaming	INR 2203 Cr.
Other Digital	INR 55.7 Cr.
Performance Rights	INR 150 Cr.
Synchronisation	INR 83.2 Cr.





INDIA

Music Overview 

The central graphic features a dark blue background with several musical staves and notes in a lighter blue shade. In the lower center, two silver speakers are depicted, with three red arrowheads pointing towards them from the left. The text 'INDIA' is written in a large, white, sans-serif font, and 'Music Overview' is in a smaller, white, cursive font. A red circular icon with two white arrows pointing right is positioned to the right of the text.



69%

people said that music gives them a sense of cultural and social identity

58%

people said that they want music recommendations from people, not algorithms

76%

people said music was important to their mental health



64%

people said that most of their music listening was focused on just a few artists and songs

79%

people said music helps them relax and cope with stress

26.7 hours

the average person aged 16 - 44 spent listening to music each week

69.4%

watched a music live stream in the preceding month (15.5% growth)

61%

people said they deliberately seek out newly released music

75%

people said they are proud when an artist from India is globally successful

70%

people said they like discovering older music that is new to them

84%

people agreed that human creativity is essential in the creation of music

70.8%

time spent listening to music was of artists from India

74%

people said they discovered new artists or music weekly

88.6%

people said they used ad-supported music streaming services

58.5%

people said they used a subscription music streaming service

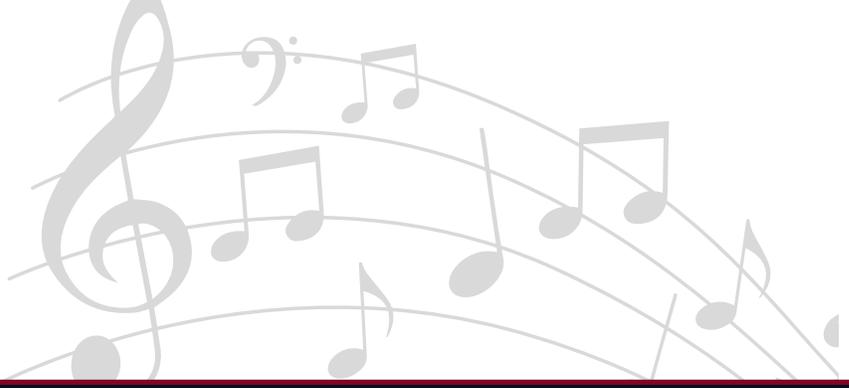
93.8%

people said they used licensed audio streaming



RESEARCH METHODOLOGY,
EXECUTIVE RESEARCH
AND
KEY INSIGHTS





Research Methodology

**Indian Methodology:
Age Group 16-44
Total Panel: 3,004 people.**

This report analyses findings and insights with respect to music consumption in India based on IFPI's 2023 Music Consumer Study. Key findings were published in IFPI's Engaging with Music 2023. The study explored the ways that people engaged with and accessed recorded music in twenty-six countries, including India. Globally, 43,000 internet users were surveyed, with higher number of respondents in larger markets. In India, the study covered 3,004 internet users aged between 16-44. The survey was designed, scripted and analysed by IFPI. Strict gender, age, and regional quotas were set to ensure statistically and demographically representative samples of the online population in each country in accordance with the latest census data. Fieldwork was carried out by AudienceNet in September and October 2023.

Executive Research

Low-cost mobile data: Cost of Mobile Data in India, an average costs 0.16\$ per gigabyte, compared to the global average cost of 2.59\$ as of 2023.¹

Increasing internet penetration: As per TRAI data, there were a total of 936.16 million Broad band Subscribers in India at the end of December 2023.²

¹ <https://www.cable.co.uk/mobiles/worldwide-data-pricing/>
² https://www.trai.gov.in/sites/default/files/QPIR_23042024_0.pdf



Key Insights

There was high awareness amongst Indian music listeners regarding the importance of human artistry in the creation of music and a strong feeling that AI developers must respect music artists and rights holders. More than four-in-five respondents believed that human creativity was essential in the creation of music and a similar proportion believed that human-created music was more valuable than AI generated music. Further, more than six-in-ten agreed that music should not be used or ingested by AI without rightsholder permission. A similar proportion believed that AI should not clone music artists or generate impersonations without permission. Around 60% of the respondents agreed that AI should list any music it has used for training purposes. Nearly two-thirds felt that AI-generated music should be clearly labelled.

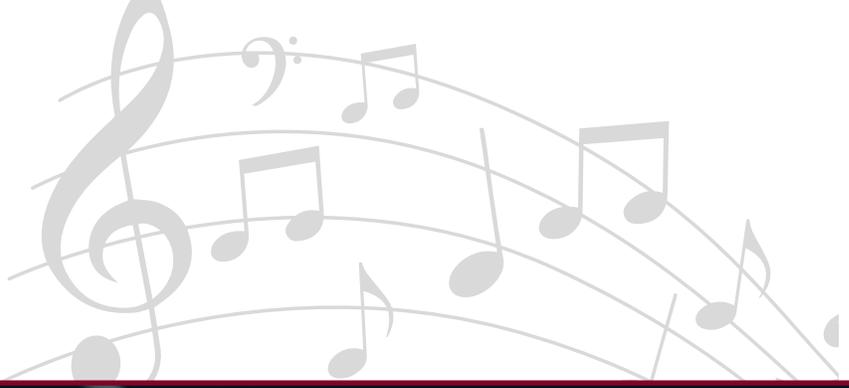
Music continued to play an important role in uplifting the mental and physical wellbeing of individuals. 76% of the respondents in India agreed that music was important for their mental health, while 79% agreed that music helped them relax and cope with stress. 30% of respondents said that they typically listen to music while running, 40% while at the gym, and 27% while walking.

In 2023, the average time spent listening to music per week was 26.7 hrs, an increase of 3.7% compared to 2022 (25.7 hrs). Music listeners typically listened to 7.3 hrs on audio streaming services per week (this includes both subscription audio streaming and ad-supported audio streaming).

The proportion of those who said they used a paid or subscription music streaming service increased to 58.5% (an increase of 14.1%). Figures were highest amongst those aged 25+.

Indian music listeners spent 70.8% of their music listening time focused on music from Indian artists, an increase of 1% compared to 2022. This proportion was third only behind the US (77.6%) and China (71.7%).





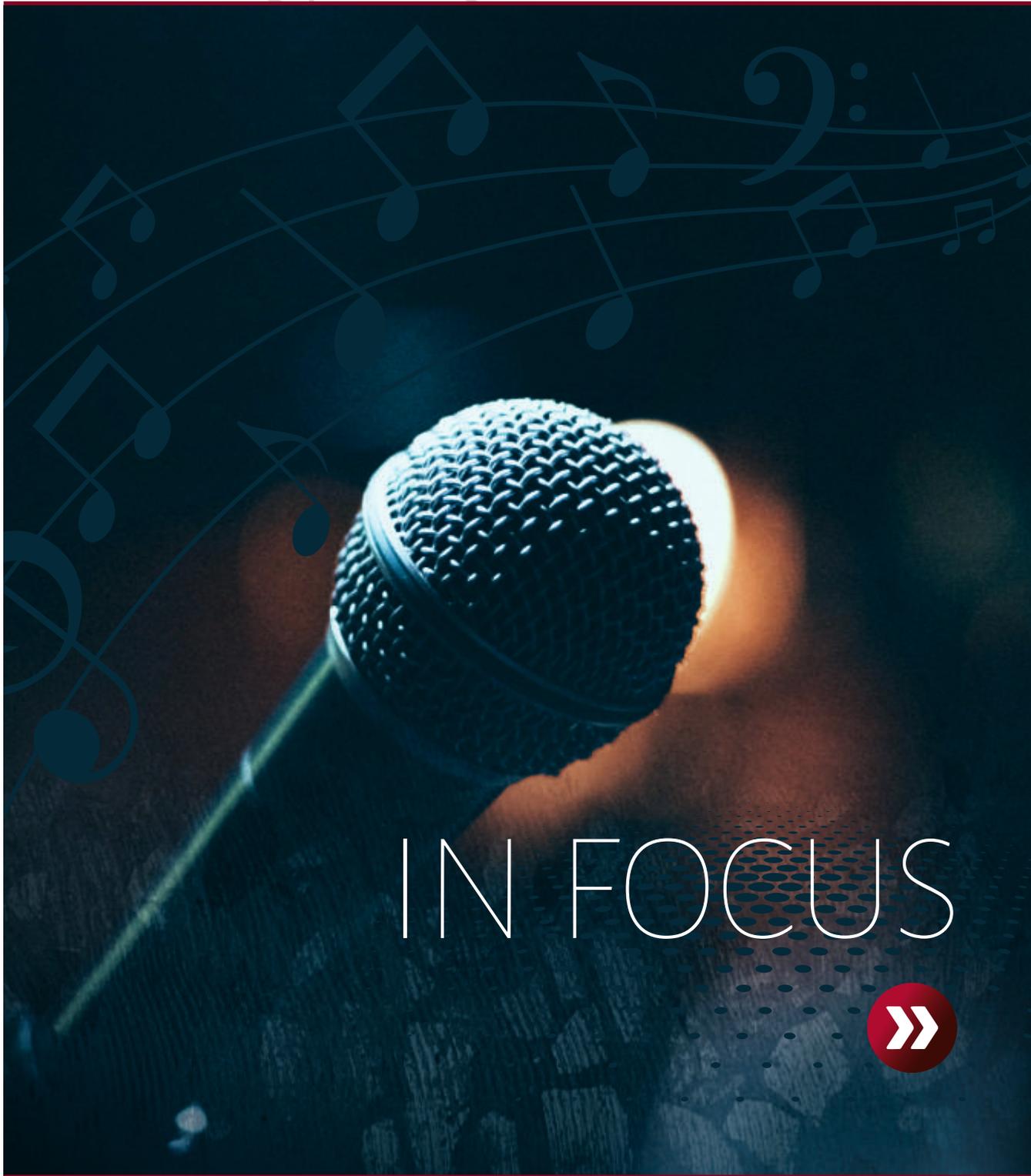
The 8 most popular genres were Bollywood Modern (listened to by 50.5% of the study), Bollywood New Age (44.1%), Bollywood Classic (43.5%), Bollywood Coming of Age (38.6%), Indian Pop (29.2%), Hip-Hop/Rap (26.6%), Indian Hip-Hop/Rap (25.7%) and Bollywood Retro (25.1%).

Additionally, 55.5% of all music listening time was of music in Hindi, Tamil, or Punjabi. This was a slight drop of 2.6% compared to 2022, indicating a slight shift from film music consumption to other genres. The notion of music being solely tied to films is evolving in India, with a growing number of artists releasing standalone albums and engaging in live performances which express their artistic vision beyond the confines of movie soundtracks.

79% of all radio listeners agreed that they listened to radio mainly for music (an increase of 4%), demonstrating the popularity and importance of music on radio stations. Radio consumption in India is highest in the 35-44 age group where 68.1% listen to music through the radio. Radio is a convenient and accessible form of entertainment and information while people are busy commuting to work, doing household chores, and balancing personal and professional life. 66% of respondents agreed that without music, they wouldn't listen to the radio and 85% of radio listeners said that if the radio were no longer to play music, they would look for music elsewhere. This demonstrates clearly that music is central to the radio listening in India.

Stream ripping from sites like YouTube remained the key method for music piracy, especially among younger age groups and mobile apps like Vidmate and Snaptube which are easily installed on Android phones were also a key area of concern. Digital music piracy remains a serious concern for the creative sector that needs to be addressed with constructive policy measures and enforcement tools.





IN FOCUS



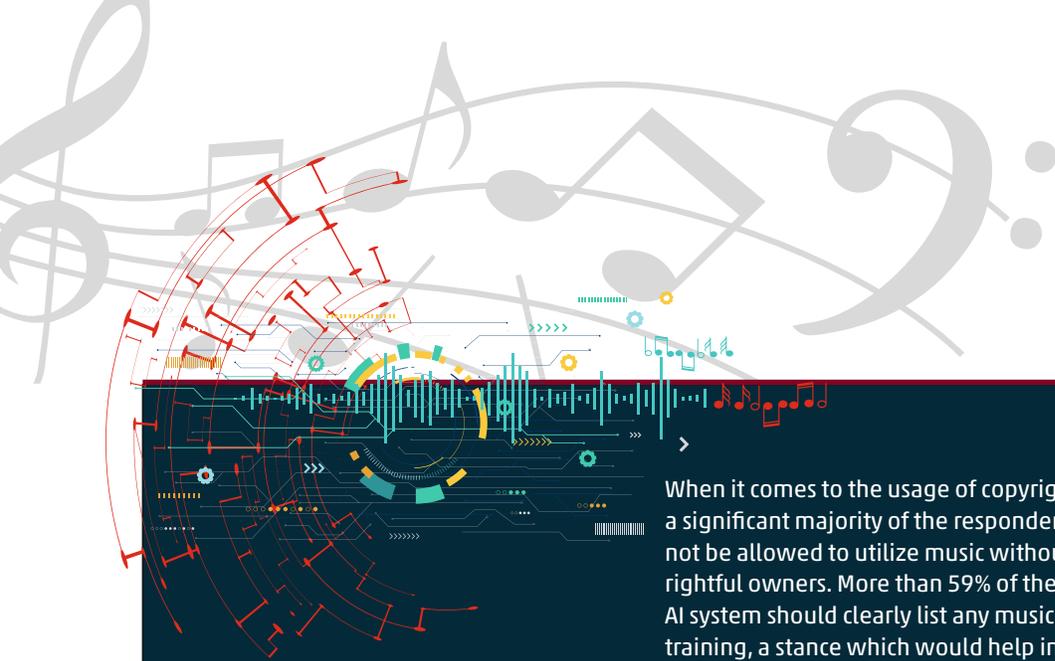


Music and AI

The new technological advancements in AI brings opportunities for creators, songwriters, artists and rights holders to enhance their creativity and grow fan engagement. However, rapid technology advancements in the field of generative AI and the lack of safeguards around AI operations gives rise to the prospect of copyright infringement, emerging challenges from deepfakes, and a clear risk to the importance of human creativity.

The Music Consumer Study found strong public support in India for the rights of music artists and record labels amidst the rush of generative AI systems to gain market share and popularity. More than 80% of respondents agreed that human creativity plays a crucial role in the creation of music, emphasizing the artist's unique and irreplaceable role in the realm of music. A similar figure believed that the value of music created by humans surpasses that of music generated by AI.

More than half were aware that AI can generate music or vocals that impersonates music artists, showing a growing awareness of AI's capacity to output content that closely resembles human-created music. More than 40% said that they had already heard music created by AI.



When it comes to the usage of copyright protected works in AI training, a significant majority of the respondents (60%) agreed that AI should not be allowed to utilize music without obtaining permission from the rightful owners. More than 59% of the respondents also agreed that an AI system should clearly list any music that it has ingested or used for training, a stance which would help in maintaining transparency in AI operations. More than 60% of the respondents also said that music generated by AI should be clearly labelled.

A clear majority (60%) of the respondents believed that there should be limitations imposed on AI operations and also argued that governments should play a role in regulating AI in music to ensure responsible and ethical practices. These figures reflect substantial support for oversight and guardrails of AI to prevent any potential misuse or abuse of technology as it impacts the music industry. There was a clear consensus among the majority of the music listeners regarding the need for ethical guidelines and regulations to govern the use of AI in music creation and consumption.

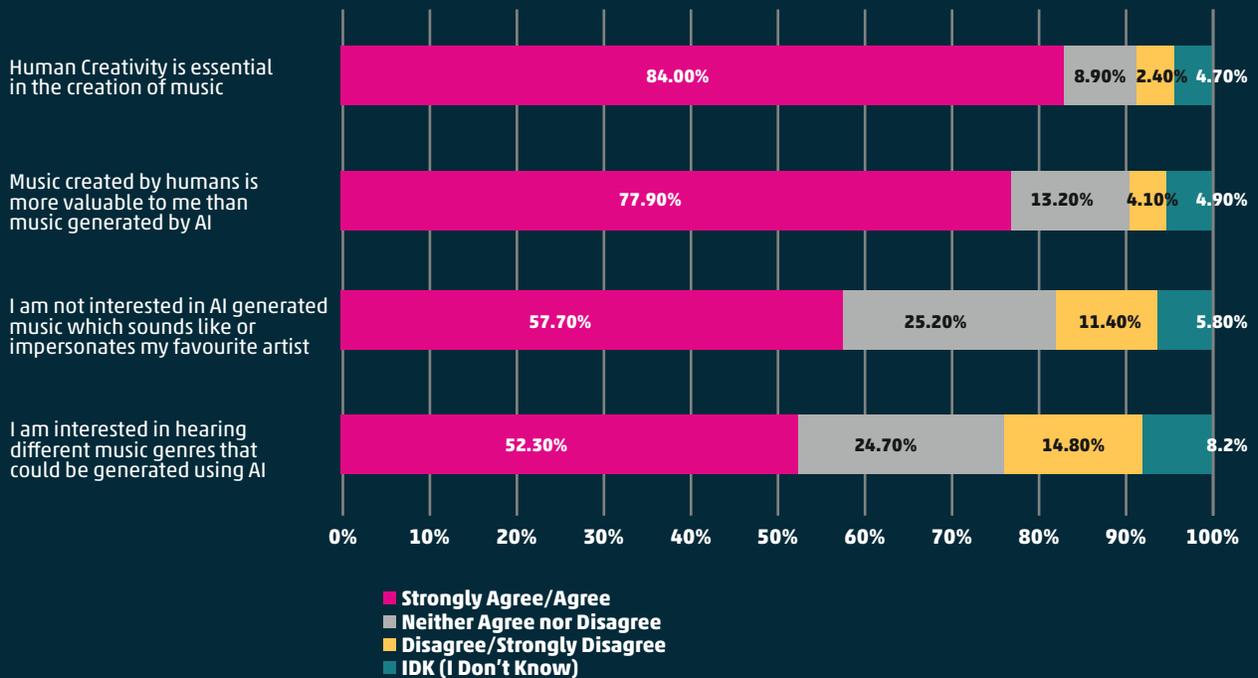


Figure 2: Majority of the respondents feel Human Creativity is key to music creation

Were you aware that AI music or vocals that sounds like or impersonates any music artist?

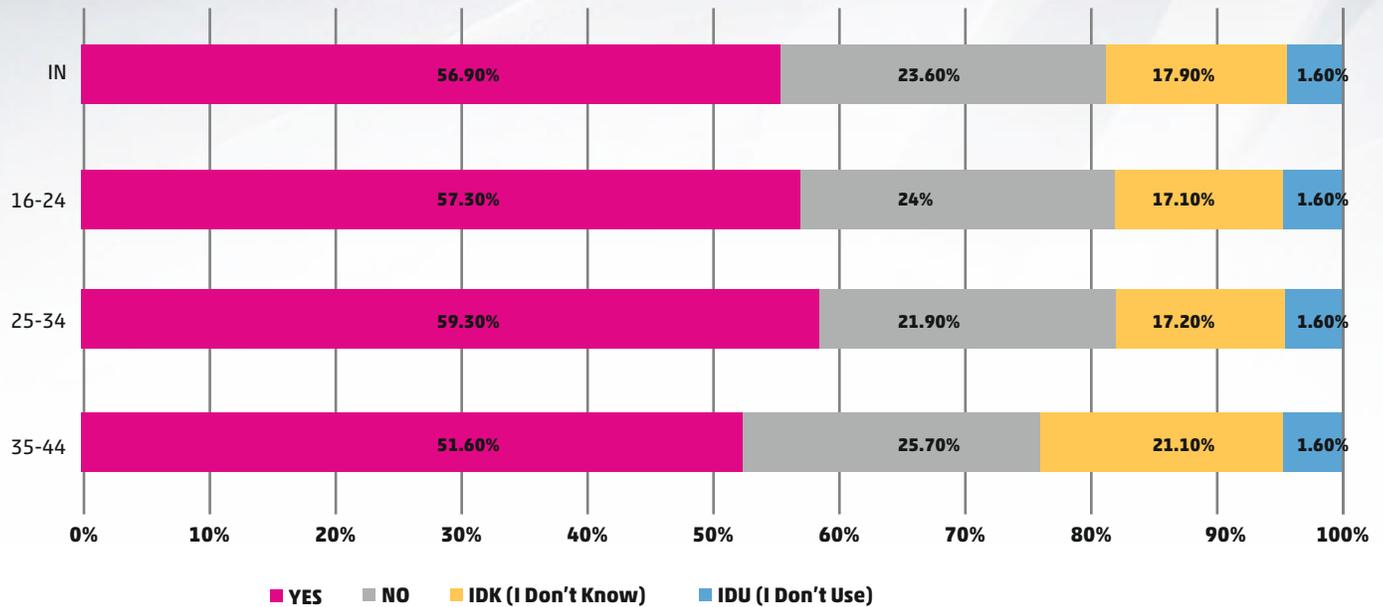


Figure 3: On an average more than 50% of respondents across all age groups are having knowledge about capability of AI to generate Music or Vocals that resonates any music artist

Have you heard any music which you know was created by AI?

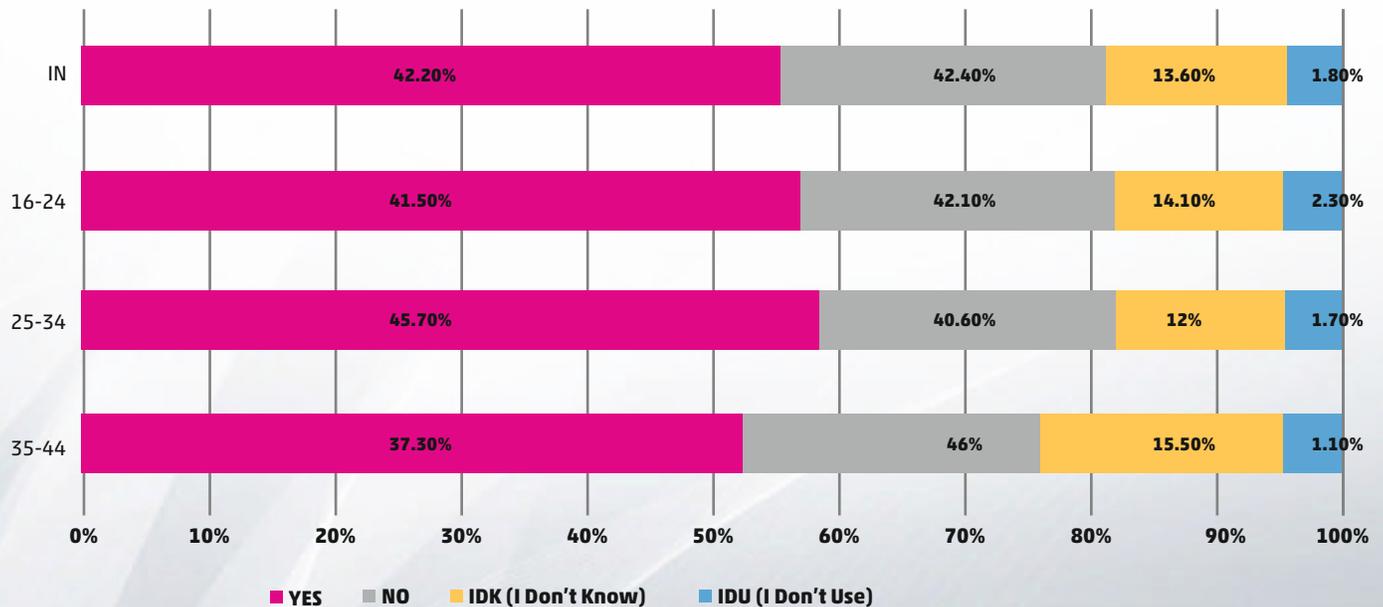
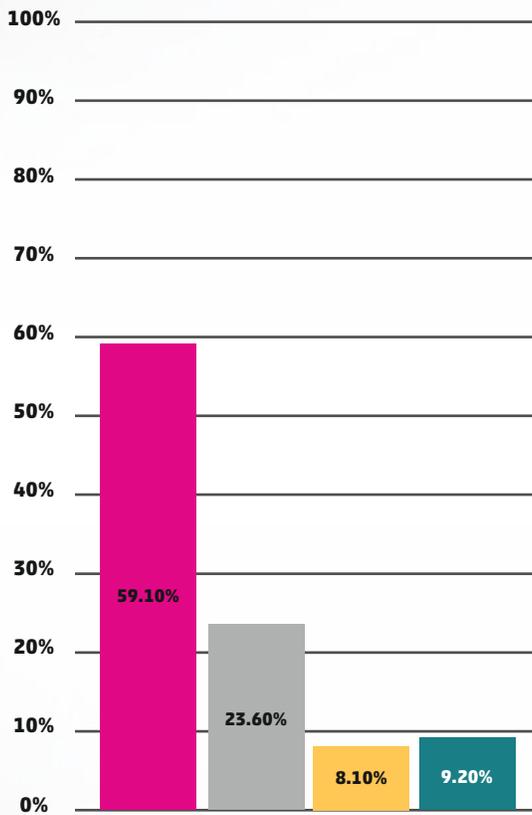


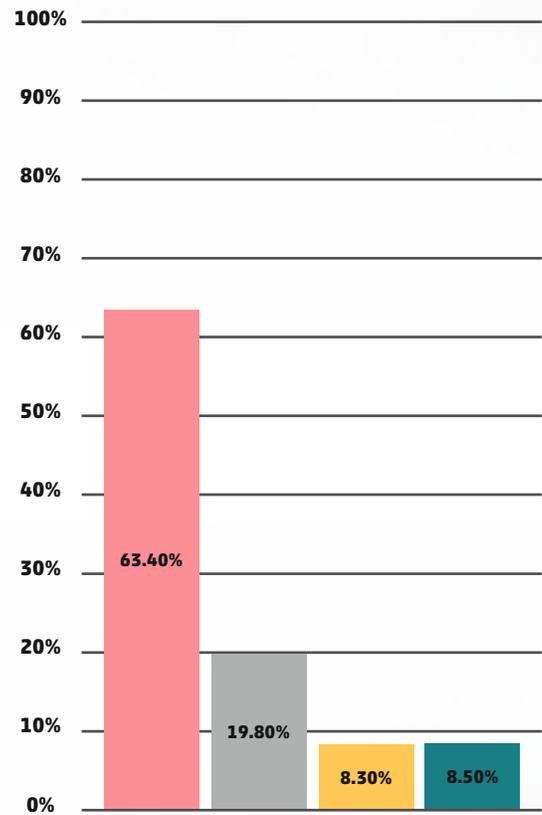
Figure 4: Exposure to any music generated by AI

Transparency / Record Keeping in AI

An AI system should clearly list any music that it has ingested or used for training



Music Generated Solely by AI should be clearly labelled



- Strongly Agree/Agree
- Neither Agree nor Disagree
- Disagree/Strongly Disagree
- IDK (I Don't Know)

Figure 5: Majority of the respondents strongly agree that there should be transparency with respect to trained data (59.10%) and clear labelling of AI generated Music (63.40%)



Mental and Physical Benefits from Music

People are influenced and brought together by music, a powerful tool to positively impact one's mood. A person's intellect, body, general health, and mood are all affected by music's power. Music has been proven to enhance concentration, reduce anxiety, fortify education, and facilitate physical exercise.

Just as music has always helped in coping with stress and unprecedented times, this year too, the report emphasizes how music can improve listeners' emotional and physical well-being. 76% of the respondents agreed that music was instrumental in maintaining their mental health. Also, 79% also agreed that music helped them relax and cope with stress. 69% agreed that music gave them a sense of social and cultural identity, aided by the high figures in India for listening to music from the country (70.8% of all music listening time, with 55.5% of all time spent listening to music in Hindi, Tamil or Punjabi languages).

Music continued to play an increasingly vital role in the physical and mental well-being of people. Listening to music continued to help individuals stay on track and remain focused while also strengthening levels of concentration. Various streaming platforms now provide dedicated playlists and also allow the creation of customised playlists which allow listening while indulging in any activity. People used music to soundtrack eight activities on average, with the youngest age group of 16-19s using music to soundtrack an average twelve activities of their choice.

People listened to music while indulging in various activities, for instance, while walking (27%), running (30%), gym (40%), working (41%), studying (22%), in the car (30%), travelling to work or school (34%), reading (8%), browsing internet (35%) and social media (24%). India reported the highest percentage of people (26%) just listening to music. The power of music extended beyond mere enjoyment, as it has shown positive impact on mental and physical health by providing relaxation, help them cope with stress and anxiety.





Positive impact of Music on their Mental Health

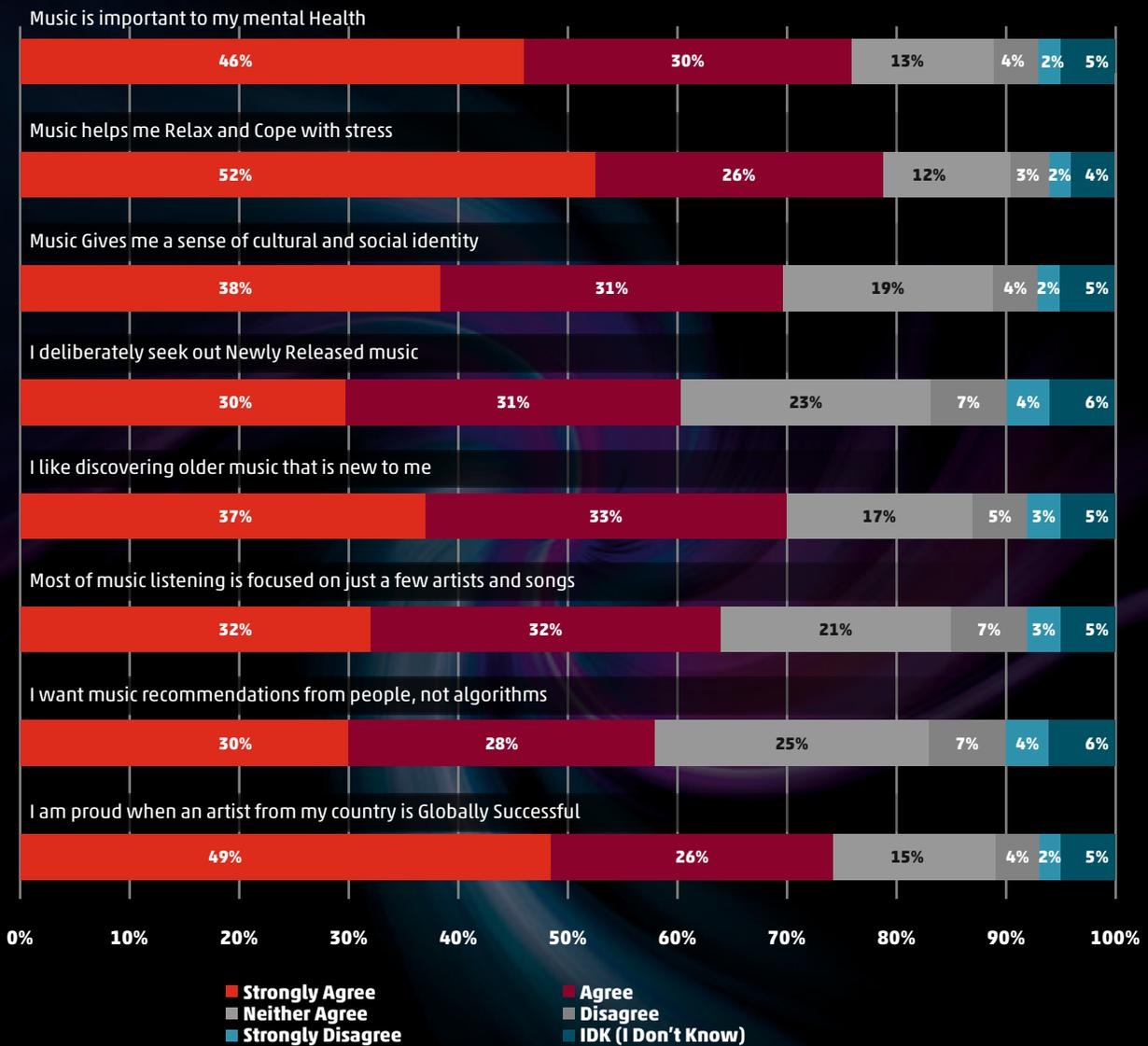
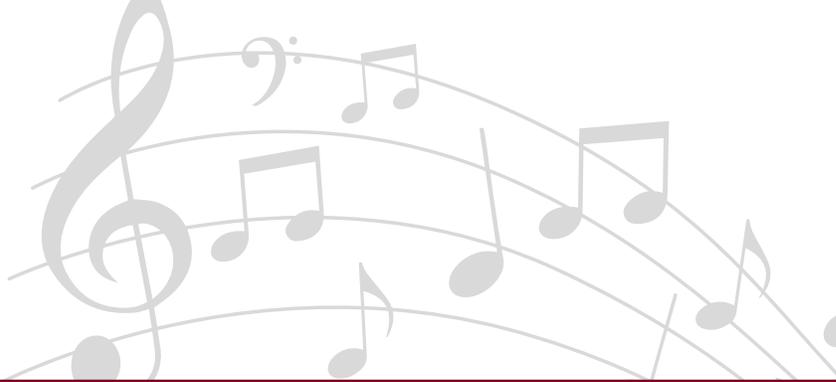


Figure 6: People strongly agree Music is important to Mental Health (46%), Relaxation (52%), Sense of cultural and social Identity (38%).



Important Role of Music in Radio

The radio continued to maintain its steady beat as a popular medium for music enthusiasts. Radio consistently grew over the past few years, with music listenership continuing to be the primary reason for the same. 56.7% of the respondents listened to radio (an increase by 1.8% compared to 2022). The maximum engagement with radio was observed among the 35-44 age group (68.1%) followed by the 25-34 age group (61.5%). These statistics highlighted the enduring appeal of radio across different age groups, with the middle-aged demographic showing the highest level of interest.

While 79% agreed to listening to radio mainly for the music, it is apt to say that music is central to radio listenership in India. 69% (an increase by 3% compared to 2022) agreed that they tune into their favourite radio station because of the music the radio station plays. If individuals couldn't listen to music on radio, then they would most likely listen to music on YouTube (39.5%) followed by music on ad supported streaming service (19%). 85% of the respondents chose music as an option. This further reiterated the fact that music remained to be a major factor in sustaining and increasing popularity of radio.



% of respondents listening to Radio across age groups

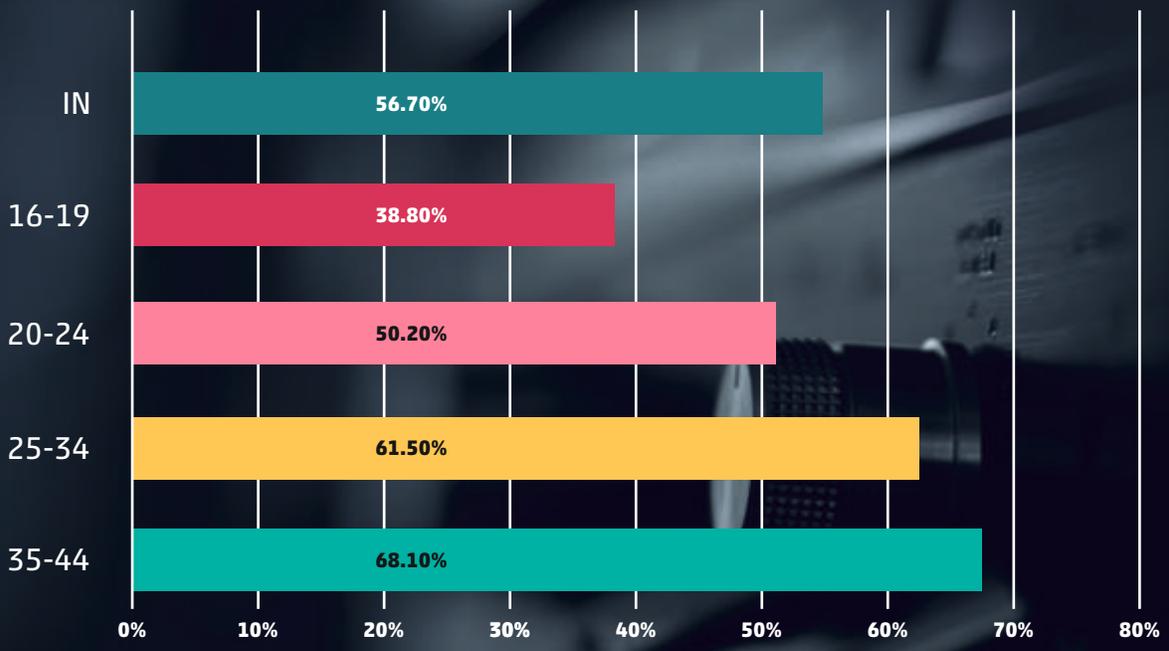


Figure 7: The respondents of age group 35-44 are the dominant consumers of music on radio (68.10%)



Live Streaming

Music Livestream saw an exponential growth in India and growth had been observed across all age groups. In 2023, there had been an increase as compared to 2022 with live music concerts and music festivals being the most popular live streamed events. There was an increase by 15.5% in live stream viewing compared to 2022, with 69.4% of respondents who watched a music live stream in the last month. The maximum engagement was among the 25-34 age group (74.1%, an increase of 14.7%).

% of respondents who watched a music live stream in the last month

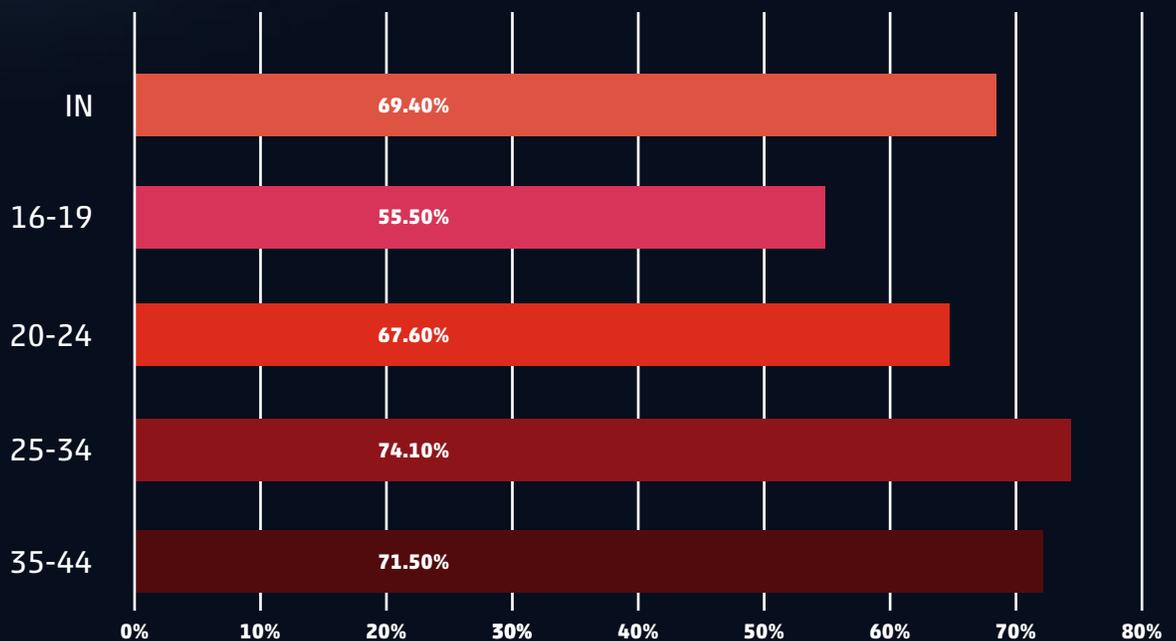
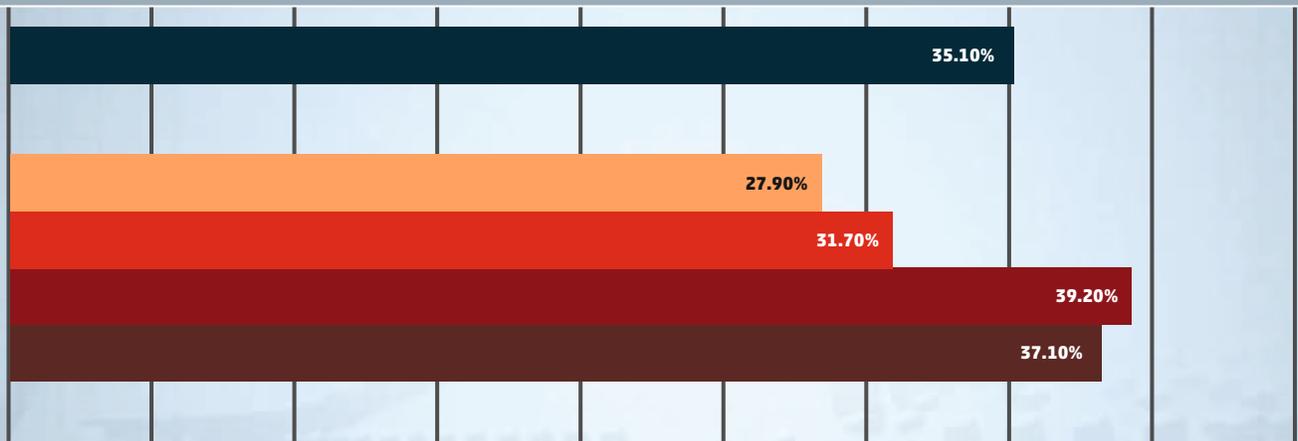


Figure 8: The 25-34 age group constitutes as the most active in streaming live music, followed by 35 -44 age group

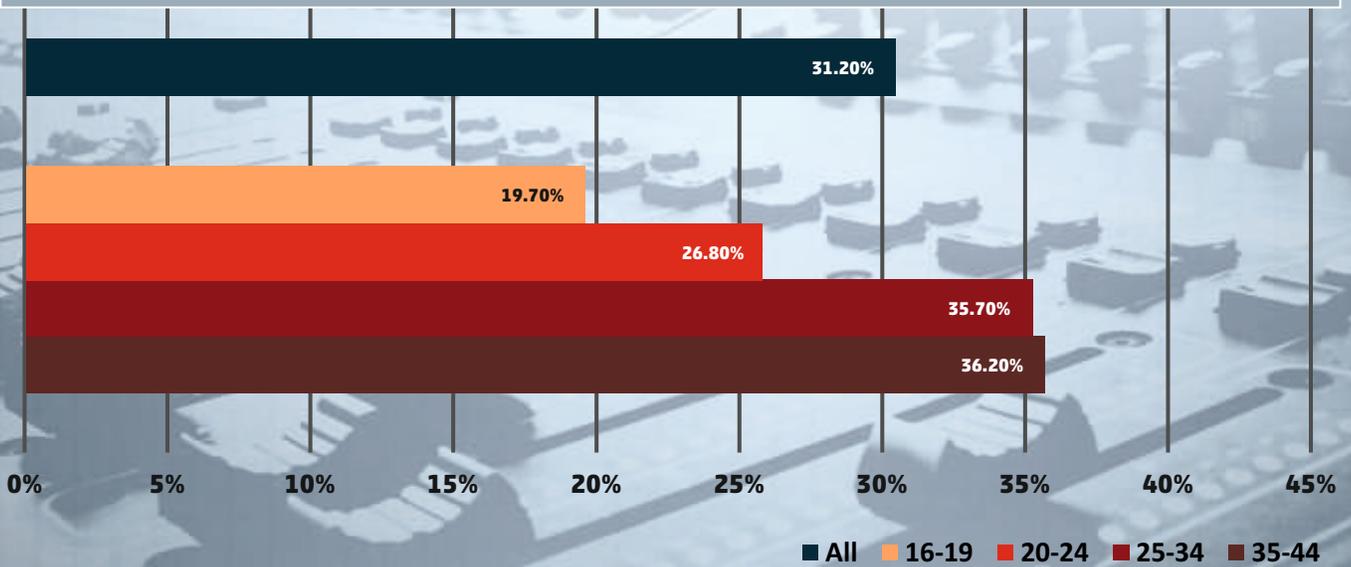


TYPE OF LIVESTREAM

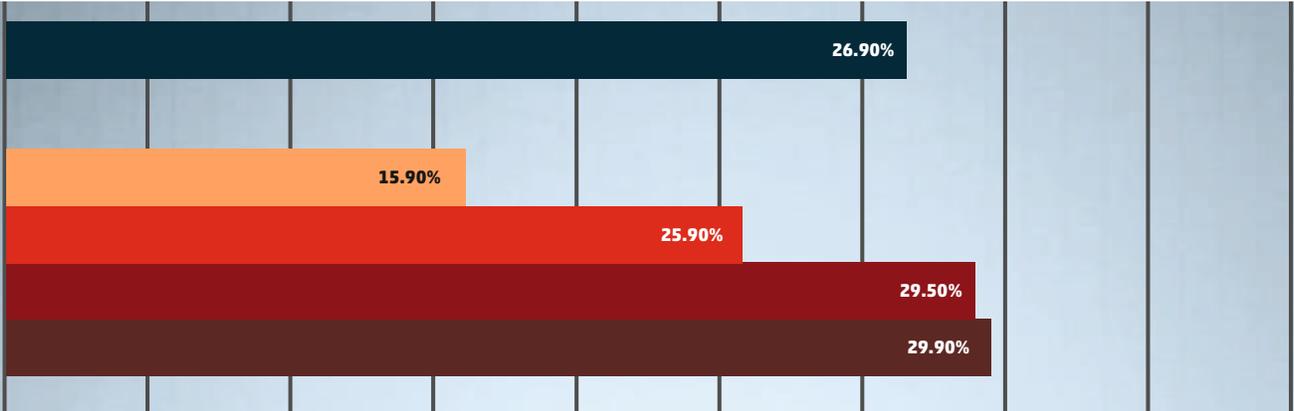
A MUSIC CONCERT STREAMED LIVE WITH OR WITHOUT AN AUDIENCE



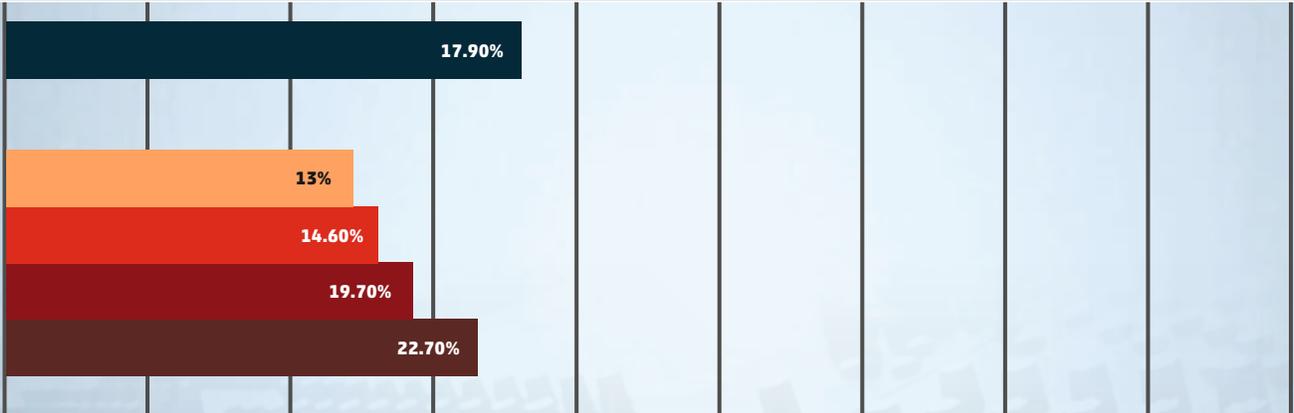
AN ONLINE VERSION OR A LIVESTREAM OF A MUSIC FESTIVAL



AN ARTIST OR BAND PERFORMING LIVE FROM THEIR HOMES OR IN AN INFORMAL SETTING



AN AWARDS CEREMONY STREAMED LIVE



AN ONLINE LIVE DJ SET OR CLUBNIGHT WITH DJS PLAYING LIVE

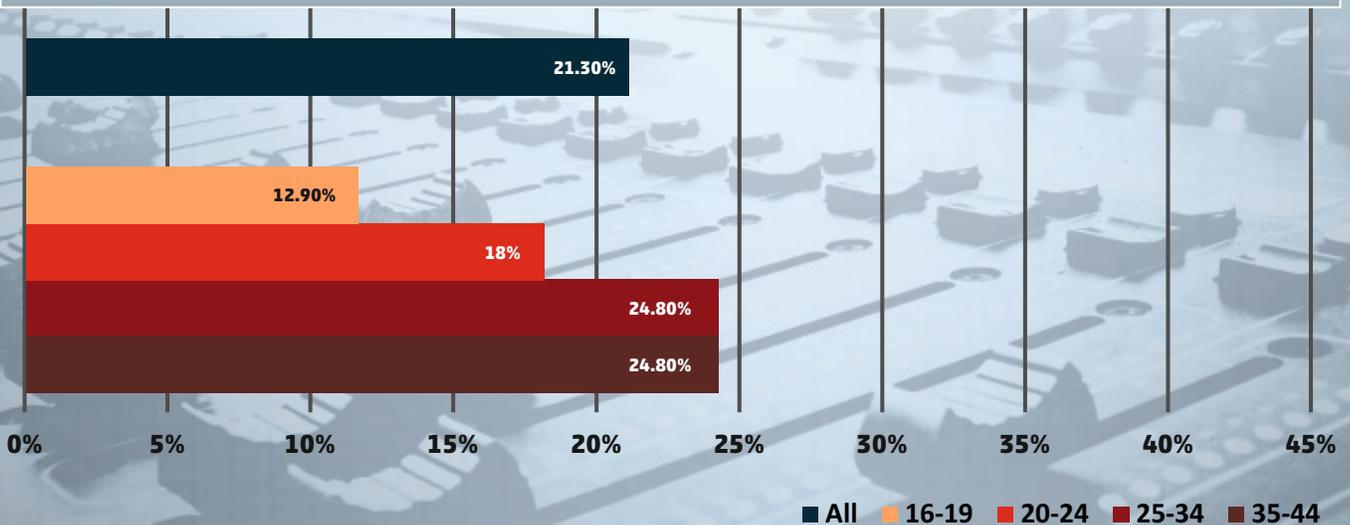


Figure 9: The most popular types of livestreams watched by the respondents were live streamed music concerts (watched by 35.10% of the respondents) and music festivals (watched by 31.20% of the respondents)



Video Streaming as a source of Music Consumption

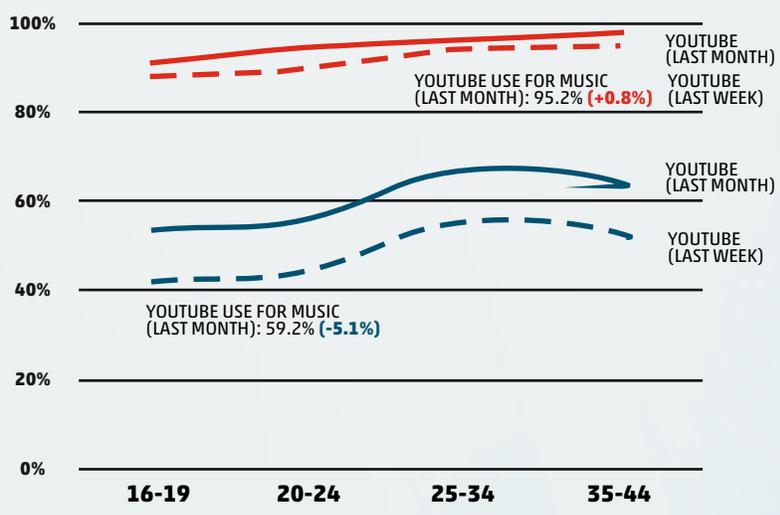
YouTube's ongoing appeal in India was evident from the study. It remained the dominant platform for accessing free music. Impressively, a staggering 95.2% of consumers utilized YouTube for their music needs (an increase of 0.8%), marking a slight increase from the previous figure of 94.4%. This indicates the widespread perception that YouTube is a comprehensive platform that caters to the diverse audio preferences of its users.





YouTube remained a major part of people's lives in India. Interest in YouTube Shorts was higher than almost anywhere else globally

USE OF YOUTUBE MUSIC/ USE OF YOUTUBE MUSIC PLATFORM



TYPES OF MUSIC VIDEOS CONSUMED ON YOUTUBE

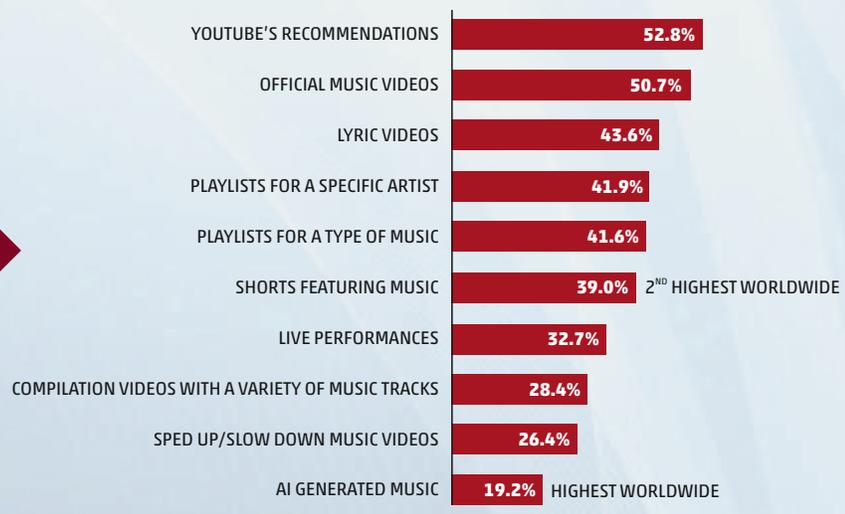


Figure 10: YouTube remains the most preferred platform among respondents for consuming music in the form of music video content.





GENERAL TRENDS





Music Listening in India



An average person in India aged 16-44 spent 26.7 hours listening to music each week, more than 2.5 hours each day. This was an increase by 0.9 hours per week compared to 2022, a rise of 3.7%. This was comparatively higher than the global average of 20.7 hours per week.

Out of the average 26.7 hours spent on listening to music each week, 7.3 hours (27.6%) of time is spent on audio streaming (subscription audio streaming and ad-supported audio streaming). It is followed by video streaming claiming a considerable 5.3 hours a week (19.7%). Short form video and social media jointly accounted for a share of 5.4 hrs a week (20.1%). 87.8% of respondents watched YouTube Shorts and 84.8% watched Instagram Reels which were higher in comparison to any other domestic SFV services. This indicated that Short Form Video Consumption is higher on established social media platforms like YouTube and Instagram.

YouTube was the most preferred streaming service for consuming music in India, with 47.1% of the respondents agreeing that it was their most preferred way to stream music. Spotify was the most popular audio streaming service in India, with higher usage being observed in the 25-34 age group. Listening to music through a streaming service like Spotify, Jio Saavn, etc were similar across all age groups but the younger age group i.e. 16-19 spent 7 hours a week on Short Form Video Apps which was comparatively higher when compared to other age groups. However, all age groups spent an average of 5.3 hrs on video streaming, a trend that has been common to all age groups, this indicated the inclination of people to consume music accompanied by videos.



HOURS OF WEEKLY MUSIC LISTENING

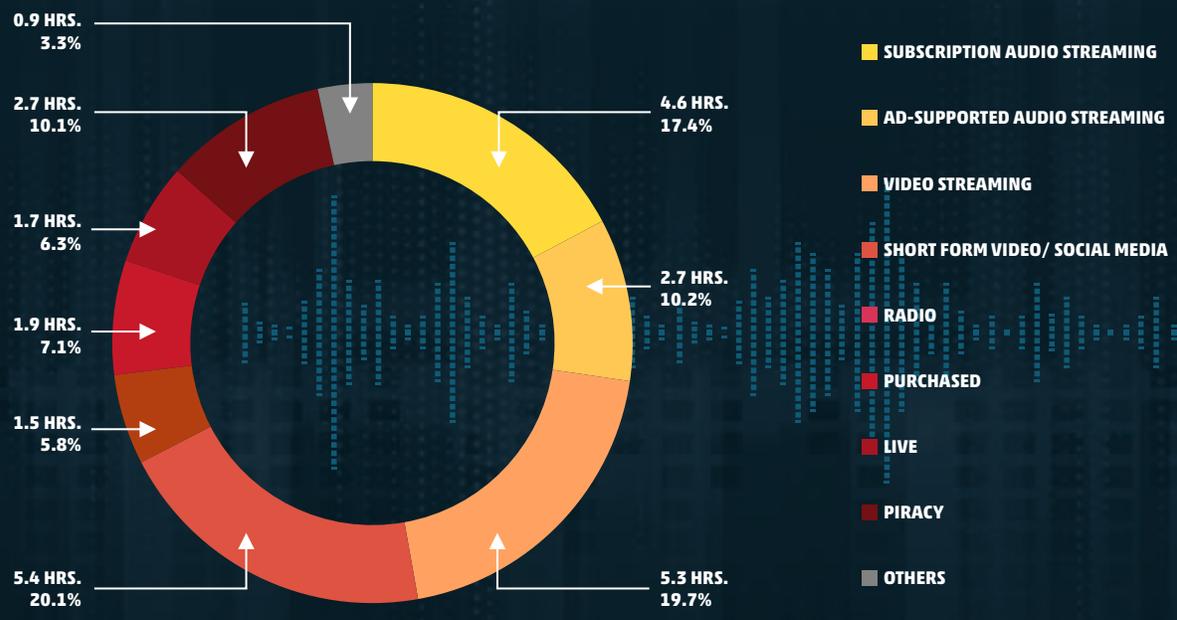
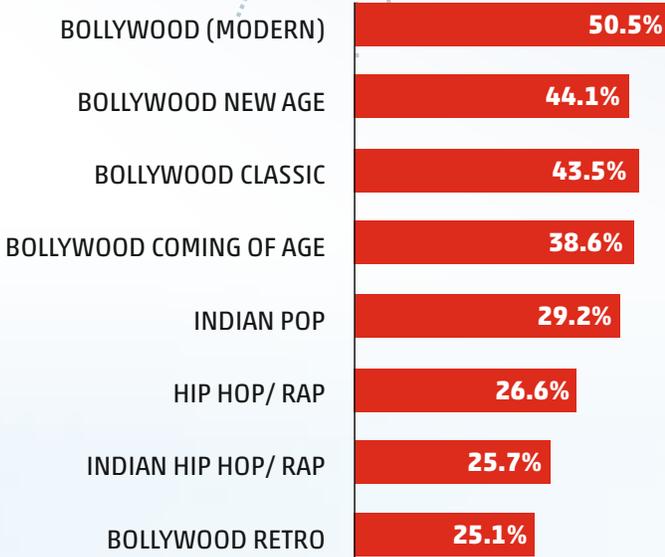


Figure 11: Audio streaming accounted for majority of listening hours (27.6%) followed by short form video streaming (20.1%) of the listening time.



Diversity in Genres



India has been third among the top countries with respect to domestic music listening, only next to US (77.6%) and China (71.7%). In India, 70.8% of the time was spent on listening to artists of their own country (an increase by 1%). And, an average 55.5% of the time was spent on listening to music in domestic languages like Malayalam, Telugu, Hindi, Tamil and Punjabi. Top Genres that individuals would typically listen to were, Bollywood (Modern) which was the most listened to genre preferred by 50.5% of the respondents, followed by Bollywood (New age) (44.1%), Bollywood (Classic) (43.5%), Bollywood coming of age (38.6%). 2023 has been a phenomenal year for Bollywood in terms of films and film driven music becoming very popular among its citizens. Interest in Bollywood (Retros) increased considerably compared to 2022, it was substantially higher in the 35-44 age group. Five out of top eight genres were associated with Bollywood music, affirming that Bollywood related genres were consumed widely in India.





Average % of Time Listening to music by artists from own country

Here, C18 stands for Core 18 Countries: Argentina, Australia, Brazil, Canada, France, Germany, Italy, Japan, Mexico, Netherlands, New Zealand, Poland, South Africa, South Korea, Spain, Sweden, UK, USA

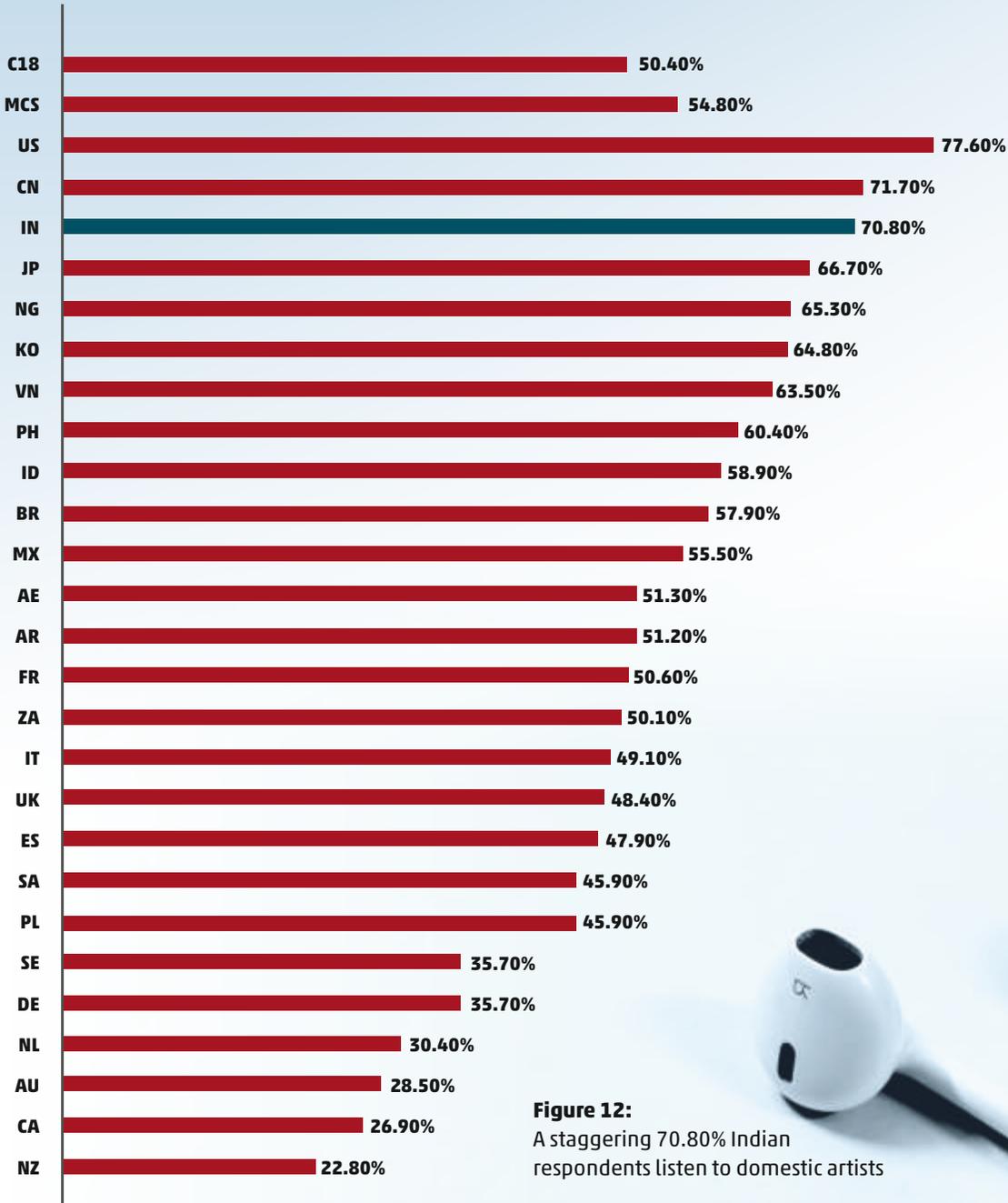


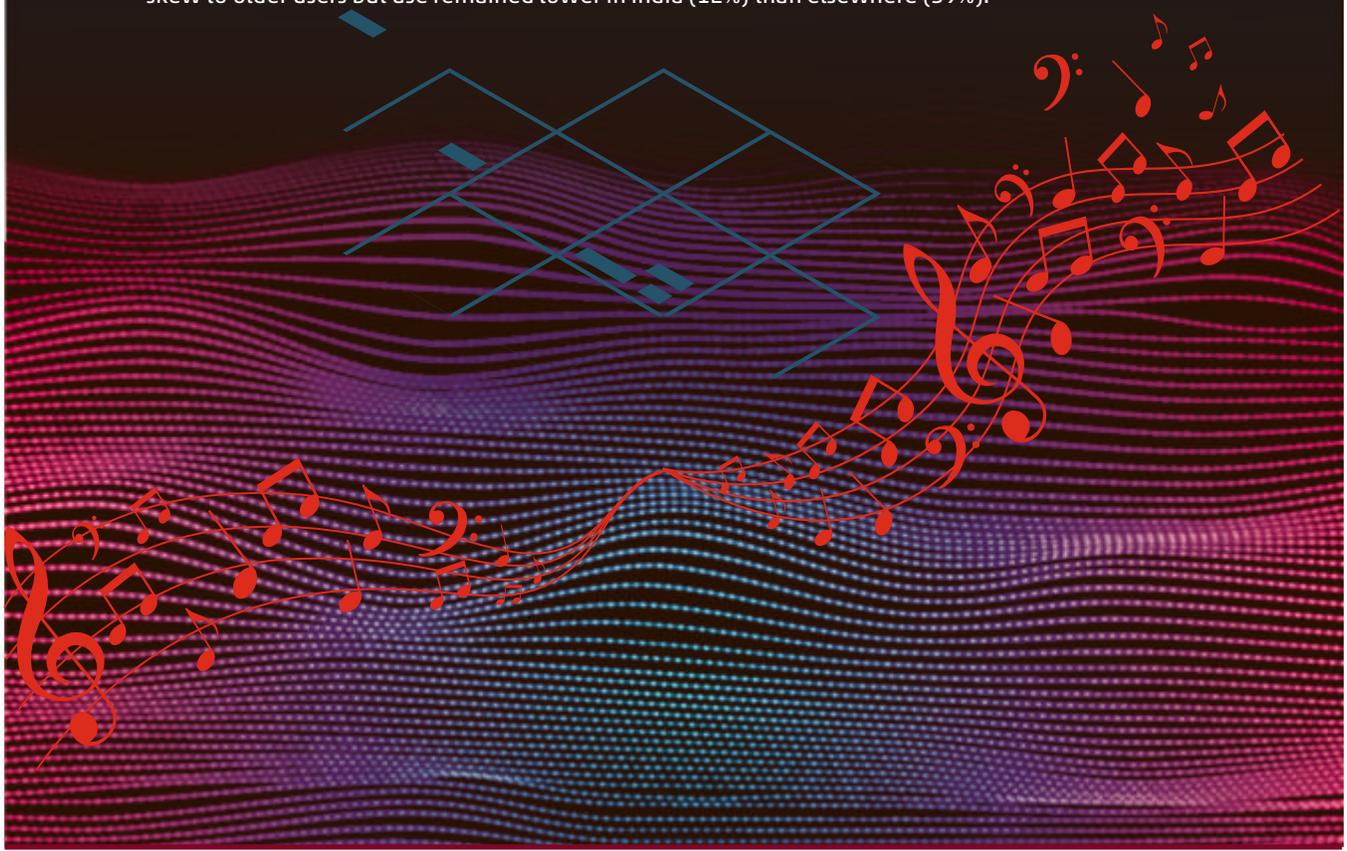
Figure 12:
A staggering 70.80% Indian respondents listen to domestic artists





Music Discovery Landscape

Listeners have been open to discovering and trying new songs and artists due to the wide range of genres being available and the constant influx of new music being released every week. With an abundance of sources of music consumption to choose from, such as streaming platforms, radio stations, and online music blogs, music discovery became an ongoing quest for music enthusiasts. The top three ways of music discovery were TV or film (48%), followed by Social Media (44%) and YouTube (39%). 48% discovered new music through TV and Film, the most popular source, which is also observed in top genres heard, which was dominated by Bollywood (i.e. it was film driven). 44% discovered new music through social media platforms such as Facebook and Instagram, mainly the 16-19 age group, making it one of the key music discovery source/ways for the younger age group. Radio's use for music discovery continued to skew to older users but use remained lower in India (12%) than elsewhere (39%).





Way in which Indian music consumers discover new music

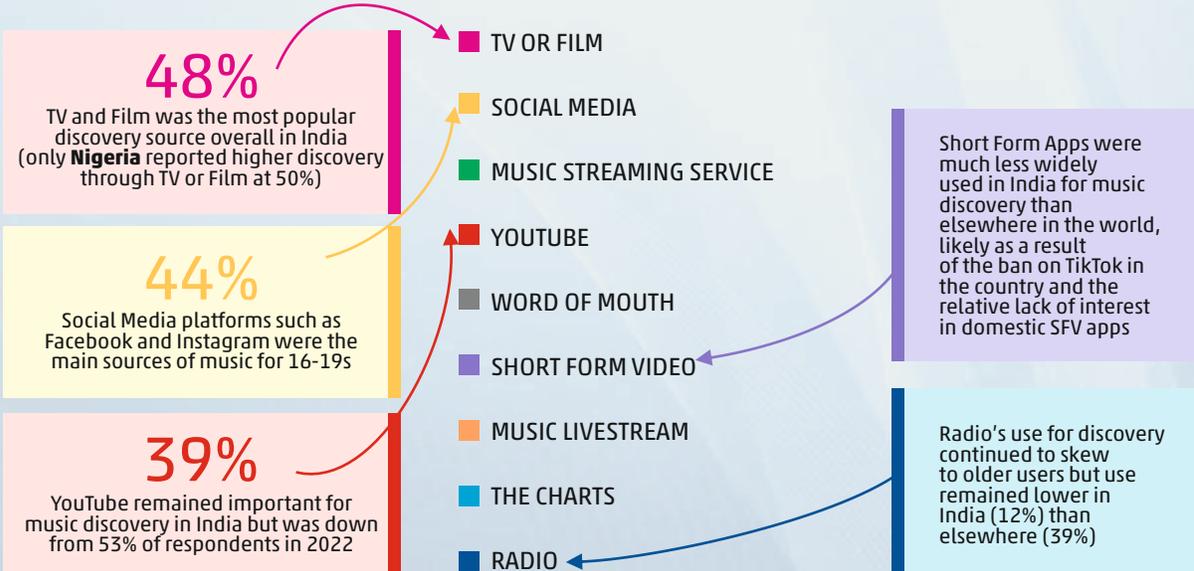
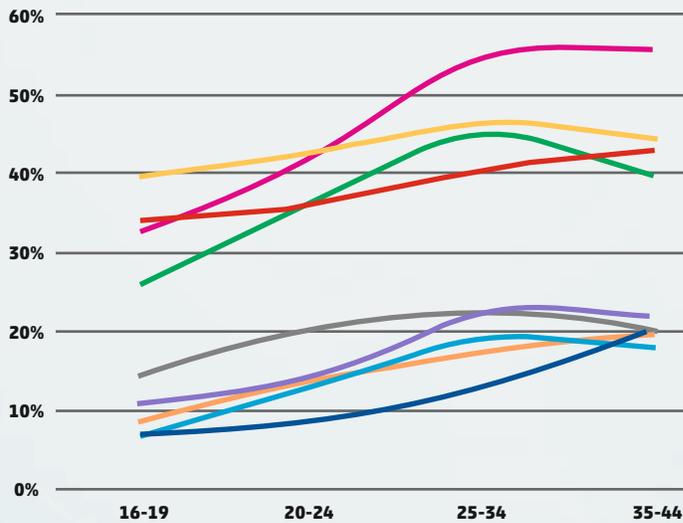
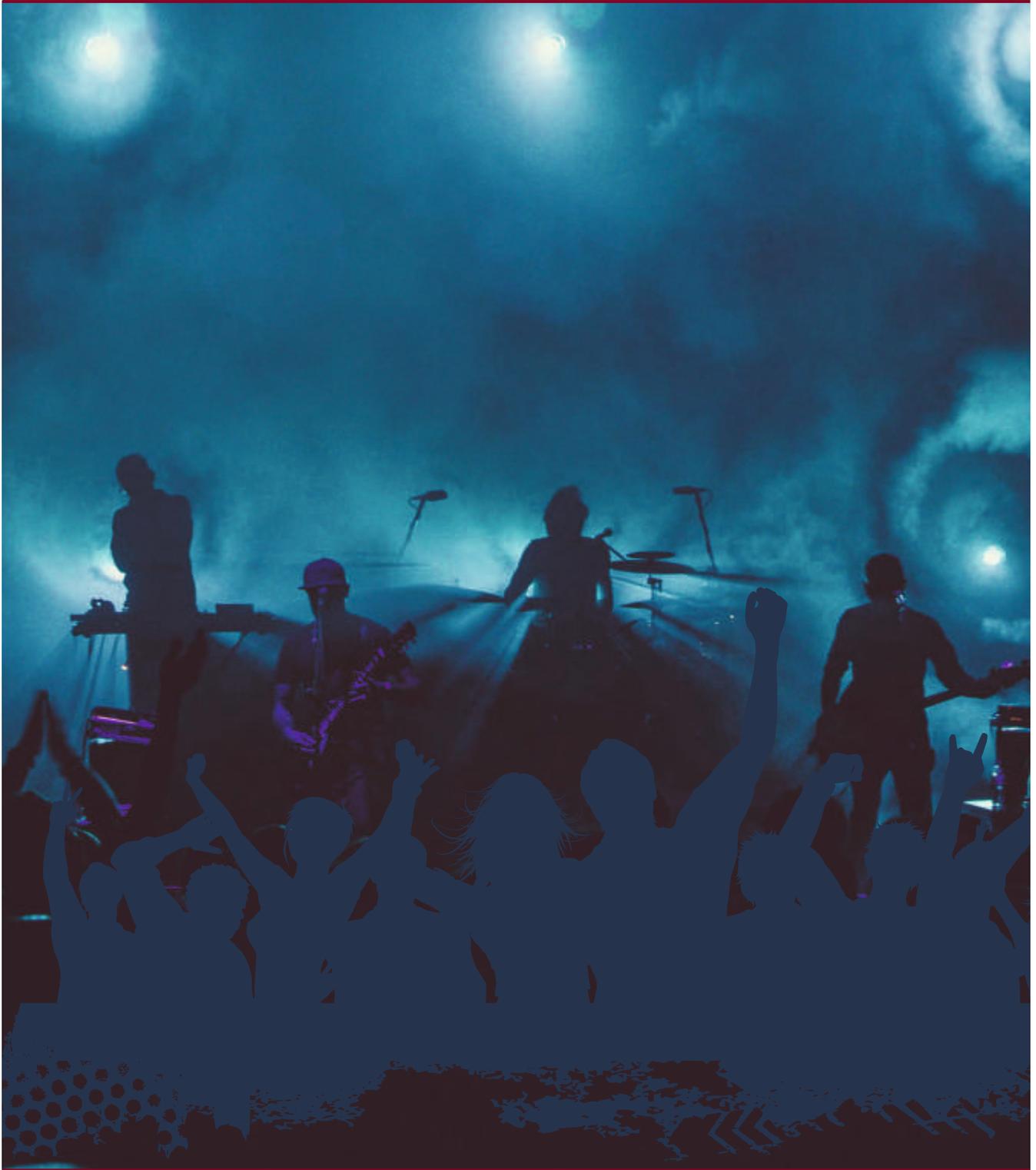


Figure 13: TV and Films are the most popular sources for the Music discovery (48%) followed by social media (44%), while YouTube (39%) still remains important for music discovery in India.





MUSIC EXPERIENCE





Gaming & Social Media

The increased association between music and gaming in recent years had been confirmed by the significant impact that music had on people's gaming experiences. A significant majority of gamers, comprising 51.59% of the total, enjoyed listening to music provided by the gaming platform itself. These individuals found solace and entertainment in the carefully curated playlists and soundtracks that accompanied their gaming experience. A considerable number of gamers (35.67% of the total), preferred listening to their own music while indulging in their favourite games. These individuals found comfort and familiarity in their personal music collection. Among the respondents, 59.7% of the respondents who played PUBG listened to the Game's own music, 25.3% listened to their own music, while 13.6% didn't listen to any music. Whereas, for Grand Theft Auto V, a substantial 61.5% of players engaged with in-game music, while 28.4% opted for their own music outside the game's soundtrack and 9% of players did not listen to any music while playing. This indicated that music was vital to the enjoyment of video games and that the majority of gamers on gaming platforms consumed music in abundance. Also, a majority of the respondents listened to their own music, indicating commercial potential for labels.



Music was vital to the enjoyment of video games

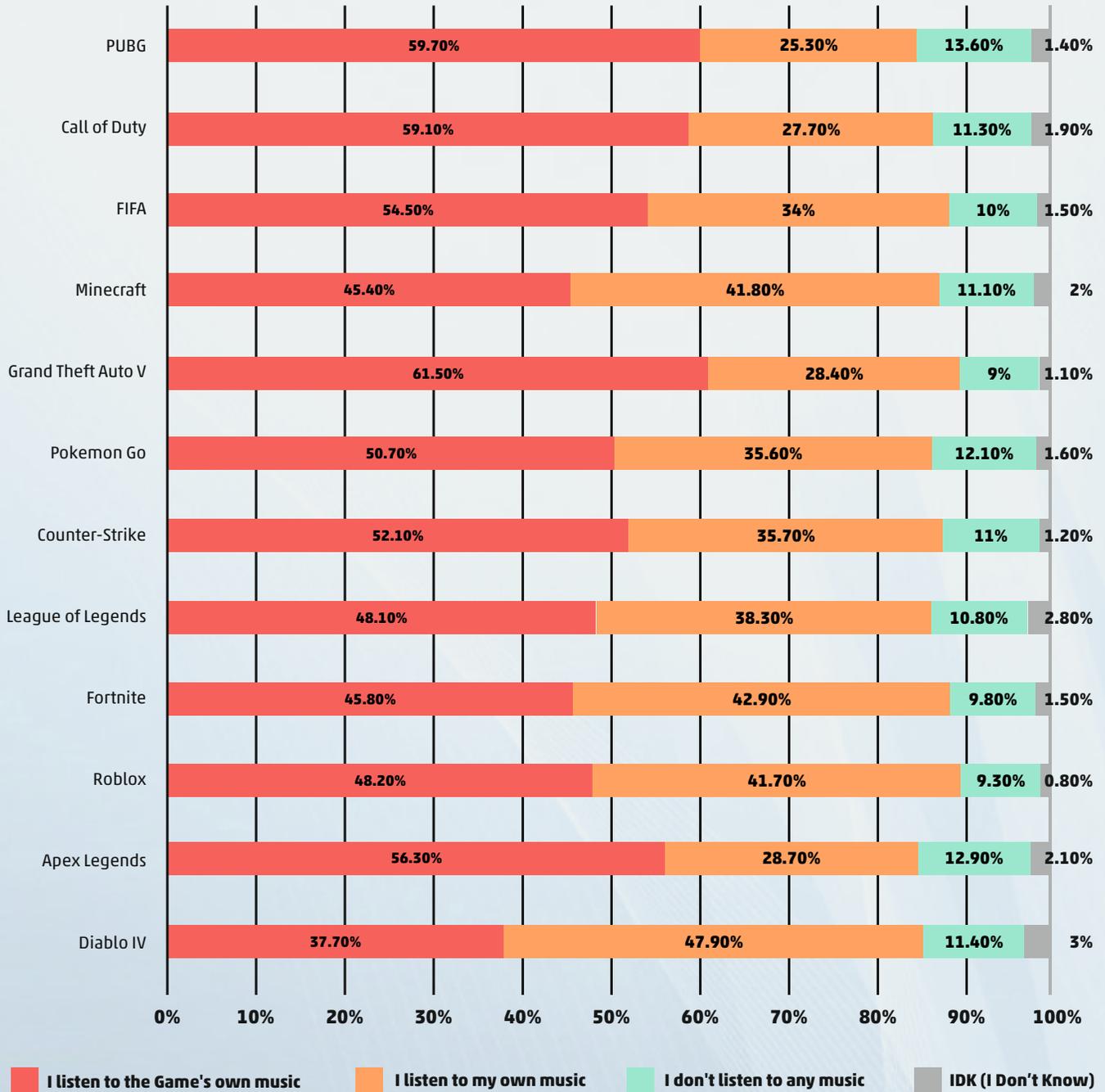


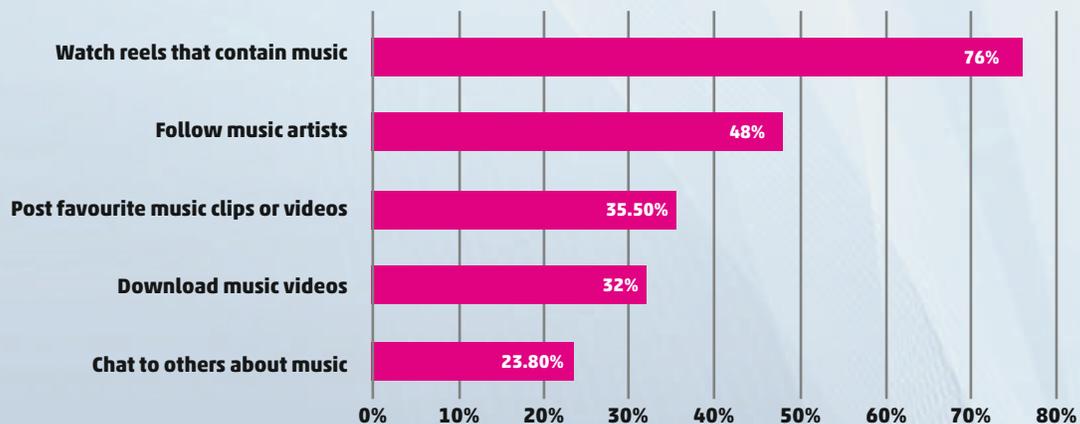
Figure 14: Majority of the respondents, while playing the games they like to listen to the Game's own Music, followed by listening to their own music.



Social Media Platforms played a pivotal role in music discovery among the respondents. Facebook and Instagram were the main platforms for music discovery among respondents in the 16-19 age group. Instagram was used for music majorly by the (16-19) age group, 74% ranked it 1st or 2nd for use of music, 48% followed music artists and 32% downloaded music videos. Facebook was used for music majorly by the 35-44 age group, 40% ranked it 1st or 2nd for use of music, 60.2% watched clips of music videos, 42.7% followed music artists and 40.9% watched full length music videos. This indicated that use of Instagram for music was predominantly amongst the younger age group and use of Facebook for music was majorly in the older age group.

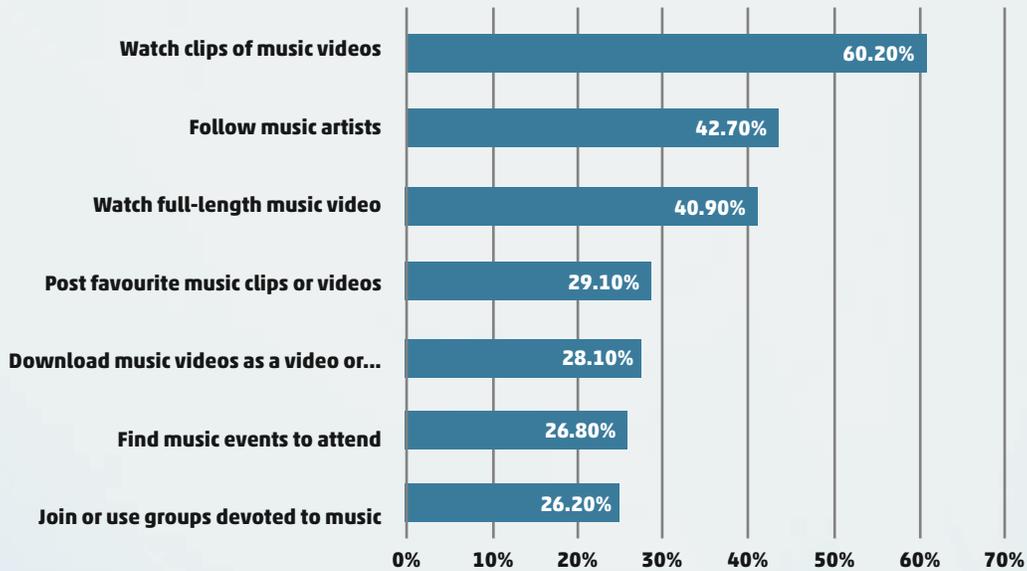


% of respondents who use Instagram for music

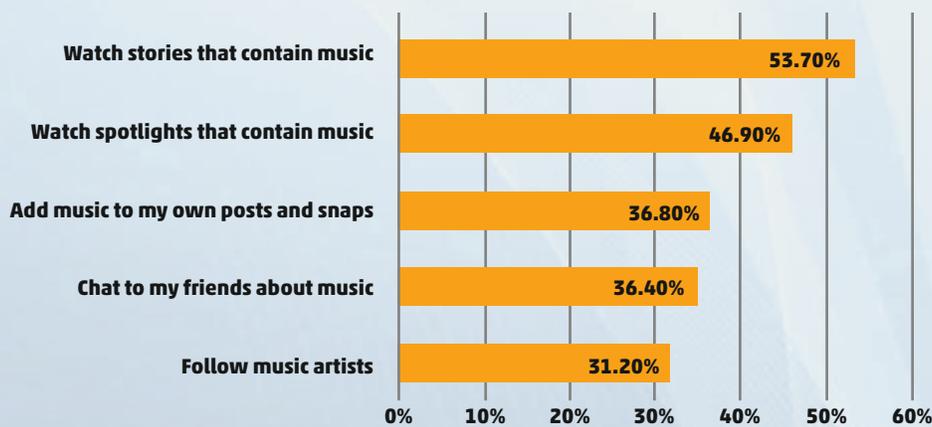




% of respondents who use Facebook for music



% of respondents who use Snapchat for music



Figures 15, 16, & 17 highlights the importance of music for content consumption on social media platforms where Majority of the respondents consume content that contain music.

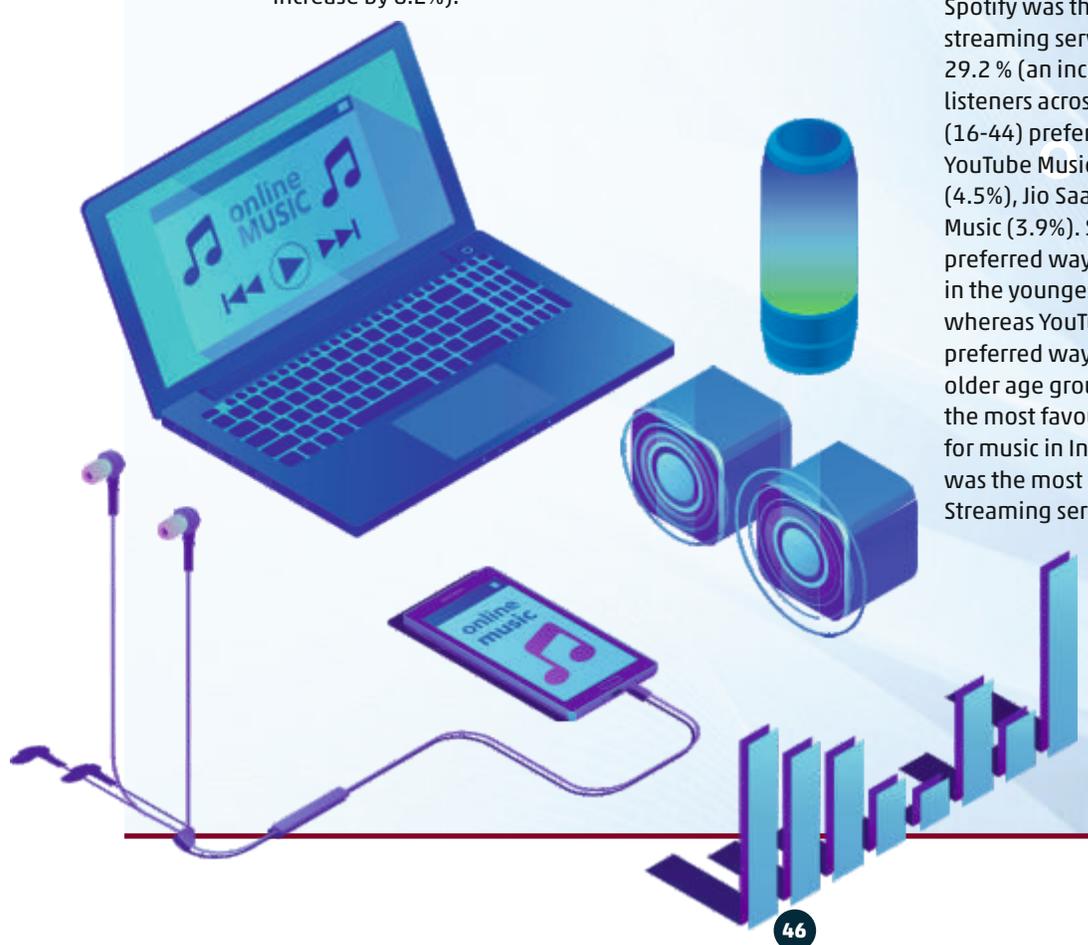


Increasing Audio Streaming

Use of licensed music streaming services was the most preferred way of music engagement with 93.8% respondents agreeing to consuming music via any music streaming service. Use of subscription music streaming services has increased to 58.5% (an increase by 14.1%) as compared to 2022, which was 44.5%. Use of Subscription streaming services was highest among the 25-34 age group (69.5%) who were more likely to pay to listen to music without interruptions. Ad-supported music streaming services observed a growth amongst the 16-19 age group with 89.8% respondents using Ad-supported music streaming services (an increase by 6.2%).

The use of paid streaming services has been growing due to the feasibility and convenience of the service. 25% of the respondents agreed that they used a paid streaming service to listen to what they want, when they want. This further reflected by the fact that 76.5% of the respondents would search for a specific song, 68.2% would listen to music on their own playlists, 65.9% would search for specific artists.

Spotify was the most preferred audio streaming service to stream music. 29.2% (an increase by 9.1%), of the listeners across all age groups ranging (16-44) preferred Spotify, followed by YouTube Music (4.7%), Amazon Music (4.5%), Jio Saavn (4.0%) and Wynk Music (3.9%). Spotify was the most preferred way to audio stream music in the youngest age group (16-19), whereas YouTube was the most preferred way to stream music in the older age group (35-44). YouTube was the most favourite streaming service for music in India, whereas Spotify was the most popular audio Streaming service in India.





Preferred way to Stream Music

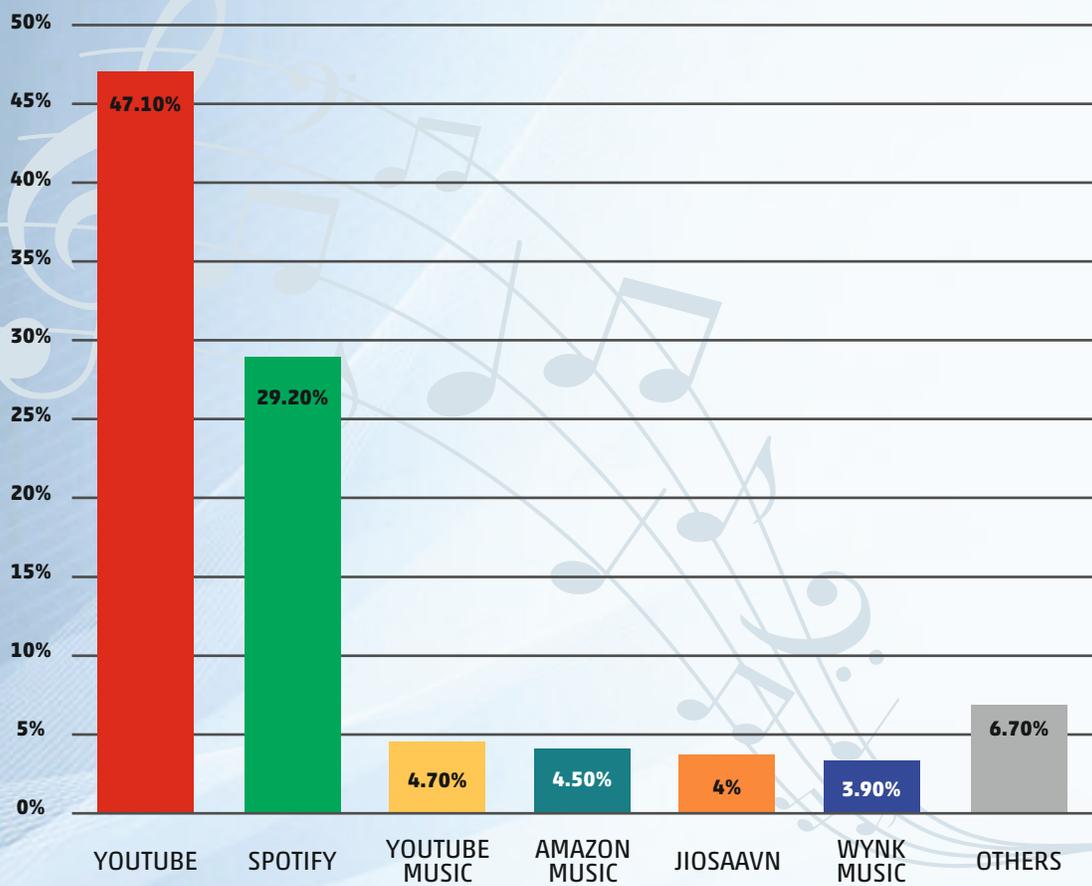


Figure 19: YouTube remained as most preferred way to stream music followed by Spotify (29.20%) and YouTube Music (4.70%)



Subscription-based Music Streaming as a growing preference

The use of subscription music streaming in India witnessed a significant growth with 58.5 % of the listeners choosing paid music streaming service as a mode of engagement, marking a remarkable rise of 14.1%. This surge could be attributed to various factors that enticed users to opt for the premium tier. One of the primary reasons for subscribing to the premium tier was the ability to listen to music without any interruptions. This feature appealed to 33% of the users, allowing a seamless music experience without any disruptions.

Another compelling reason for users to opt for the premium tier was the freedom to listen to what they want and whenever they want with (25%) agreeing with the same reason. This flexibility facilitated the subscribers to listen to music without any interruptions and get access to a rich library of licensed content. Additionally, 25% of the respondents agreed that they paid for music streaming service as they got great value.

Furthermore, the ability to save music to listen offline (26%) was a significant factor in driving subscriptions to the premium tier. Users found this feature appealing as it allowed them to enjoy their favourite music even when they were not connected to the Internet. Additionally, 27% respondents agreed that the premium tier provided them with access to millions of songs. This vast music library ensured that users have a wide range of options to explore and discover new music, resulting in enhancements of their overall music listening experience.

50% of total respondents who used free streaming services chose not paying a fee for music streaming services as they could listen to anything they wanted to on YouTube. YouTube provides for a vast range of content like music, videos and other forms of entertainment. The convenience of finding almost anything they wanted to listen to on YouTube made it a preferred alternative as compared to any premium streaming service. 43% of the respondent preferred using free streaming services as they found paid streaming too expensive. 32% of respondents agreed that they preferred the free version with adverts, and 31% respondents didn't mind interruptions from advertising.

Reasons as to why Indian music consumers prefer use of subscription music streaming

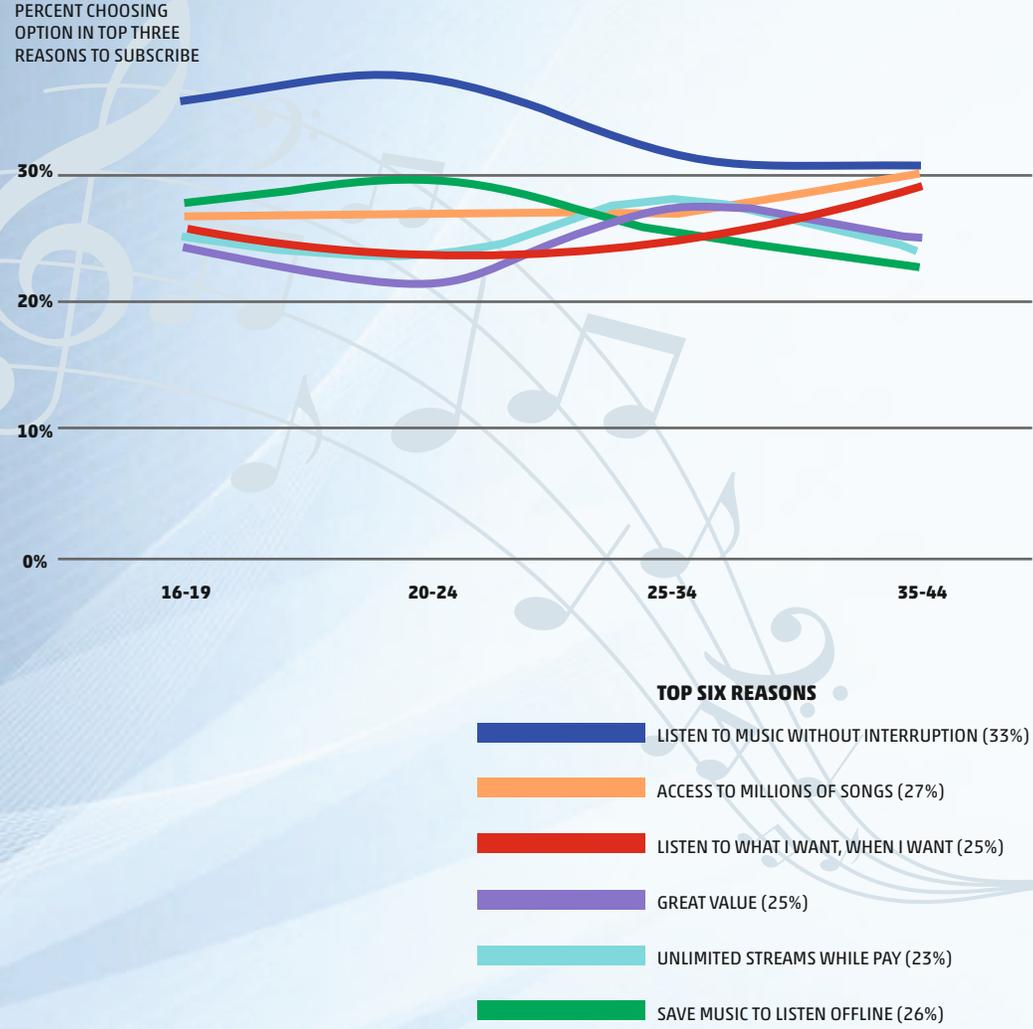
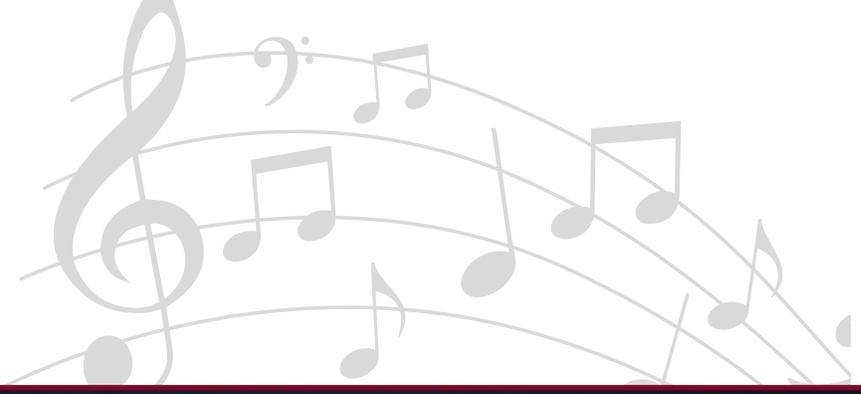


Figure 20: Uninterrupted music and access to a wide range of songs are the top two reasons people are likely to pay for music streaming.





PIRACY





Emerging Forms of Digital Piracy

India has been grappling with a significant issue of digital piracy for some time and there is strong evidence that it continues to restrain the growth of the licensed market. Further, piracy continues to evolve. Besides the conventional methods like cyberlockers and BitTorrent file sharing to pirate music, users are increasingly turning to unlicensed mobile piracy apps, primarily in the form of stream ripping apps like Vidmate and Snaptube.

Other markets, facing similar challenges from music piracy, have adopted a range of methods to tackle the issue. An analysis of content protection methods successfully followed in jurisdictions such as Italy, Spain, and Indonesia demonstrate that government-supported administrative rules and procedures can help provide rights holders with the tools required to start tackling piracy in robust ways.

ITALY

In Italy, administrative copyright enforcement falls under an independent public regulatory authority called the "Italian Communications Authority" (AGCOM). Under the administrative procedure established in 2014, the regulator can order ISPs to remove illegal content or disable access to websites hosting such content within 45 days from receipt of a complaint filed by rights holders or their representatives. The enforcement procedure also lays down a provision to levy a fine in case of non-compliance. The Italian mechanism also provides for "fast-track" procedure (12 days) in the case of massive scale IP infringements and/or repeated infringements. As of 2023, over 240 music websites have been blocked by AGCOM since its implementation and stream ripping activity in Italy has dropped by more than half in the last three years.

SPAIN

Administrative copyright enforcement procedure in Spain was introduced in 2011. The Second Section of the Commission on Intellectual Property, an administrative body attached to the Ministry of Culture and Sports, is in charge. Under the Spanish procedure, the enforcement authority can issue orders that require ISPs to block access to an infringing website; search engines to delist the website from search results; and advertisers to stop advertising on the site. Between 2012 and 2020, the Second Section received complaints against a total of 677 infringing websites from rightsholders. Amongst these 677 websites, 300 websites were ordered to block or remove infringing content in the Spanish territory.³ According to a study published by the Ministry of Culture and Sport in December 2021, the courts have ordered 172 domains to be blocked.⁴ Since the start of 2018, music piracy in Spain has fallen dramatically as stream ripping domains are consistently being blocked.

³ <https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/cultura/Paginas/2020/300620-pirateria.aspx>

⁴ <https://www.culturaydeporte.gob.es/va/dam/jcr:88a3f184-db87-49de-b956-cd2e0ad91a14/boletin-seccion-segunda-cpi-in.pdf>



INDONESIA

In Indonesia, administrative copyright enforcement is primarily carried out by the Ministry of Law and Human Rights through its Directorate General of Intellectual Property (DGIP). The DGIP can recommend KOMINFO (the Ministry of Communications) to block access to copyright infringing content. The Indonesian government blocked over 3,500 websites during the middle of 2019 and April 2022.⁵ One study found that as a result, 74% of consumers moved towards licensed streaming services after piracy streaming sites were blocked.⁶

Recently, there have been discussions in India to move towards robust enforcement framework with stricter regulation on online platforms as part of the proposed Digital India Act as well as formation of administrative mechanism for enforcement of rights online. On July 31st 2023, the Indian Parliament passed the Cinematograph (Amendment) Act, 2023, intended to curb the menace of online film piracy. The Amendment Act introduced provision under Section 7(1)(B)(ii) that clarified that the appropriate Government or its agencies shall not be prevented from taking "suitable action" against an intermediary (such as an ISP) which either fails to expeditiously remove or disable access to infringing material when notified by the government or its agencies.

In November 2023, the Ministry of Information and Broadcasting (MIB) introduced an alternative administrative mechanism to curb film piracy. MIB authorised the Central Board of Film Certification (CBFC) and Information & Broadcasting officers to take instant administrative action and direct intermediaries to take down pirated film content on digital platforms such as YouTube, Telegram channels, websites or other online platforms. The mechanism allows an original copyright holder to apply to take down pirated content. Further, the mechanism obligates the digital platform to remove internet links hosting pirated content within a period of 48 hours.

Such introduction of alternative enforcement mechanism is a step in the right direction. However, it is essential for the government to consider formulation of an alternative enforcement framework to protect music. Such a framework may be administered by a body comprising of representatives from MIB, DPIIT, MeitY and DoT, supported by a body of representatives from the creative industry to identify rogue infringing websites and apps. Such body may be entrusted with powers to enforce IP rights on receiving complaint/s by the Intellectual Property rights holders, enforcement of IP infringement matters and issuance of appropriate directions to Internet Service Providers (ISPs) and other intermediaries including app stores to remove and/or block any notified infringing content/websites, maintaining of an "Infringing Website List" (IWLs) i.e. a list created for the purpose of preventing placement of advertisements on infringing website and smartphone apps. Music is central to Indian culture, entertainment, and the economy. Helping to protect music against piracy in the same way that this protection has been extended to film is essential.

⁵ <https://avia.org/indonesia-continues-to-lead-the-way-in-site-blocking/>

⁶ The Asia Video Industry Report 2022



Conclusion

The Indian recorded music industry revenues have increased from INR 1,691 Cr. in 2021 to Rs.2,503 Cr. in 2022. Despite facing challenges due to the pandemic, the sector has bounced back with increased consumption and music engagement. Music continues to enrich wellness, shape engagement, and define experiences across a variety of platforms. Growth of streaming and a changing consumer demographic driven by the millennials and the Gen Zs are just some of the opportunities that hold immense potential for the industry. These factors, combined with the tailwinds of technological innovation, an expanding internet and smartphone user base, and some of the lowest data prices in the world are sure to propel the industry forward. Record labels through increased investment, artist development, diverse content creation and marketing, have always played an instrumental role in the music ecosystem, ensuring that the demand for music is met and that both the listeners and the artists are satisfied.

Several policy measures such as placing of adequate guardrails surrounding AI platforms to protect copyrights in training of data and the output generated by the AI tools, introducing robust AI transparency and ensuring human creativity as paramount to enable transparent and responsible AI framework. Further, alternative administrative enforcement, and public-private partnerships mechanism need to be explored and implemented to create a strong framework against digital piracy. In addition to this, the misuse of safe harbour provisions must also be addressed in the upcoming Digital India Act so as to ensure that online platforms facilitating unauthorised copyrighted material are held responsible. Such measures are key to promoting the sustainable growth of the music sector driven by greater investment, innovation, and consumption.





THE INDIAN
IMI
MUSIC INDUSTRY

About IMI

The Indian Music Industry (IMI) is the apex body that represents the interest of the music companies a.k.a. record labels on a pan-India basis. IMI is an IFPI affiliate which is the global body that represents the recorded music industry worldwide. Rightsholders including domestic and international music labels form part of this association. IMI is the leading force in India's fight against music piracy and safeguard IP rights of its stakeholders.

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