

Apple Music launching into volatile market

Apple's entry into the music streaming business is set to create a fierce battle for dominance and survival in an already crowded marketplace

WHAT IS MUSIC STREAMING?



User listens to music in real-time over internet rather than buying downloads or compact discs

WHY APPLE NEEDS MUSIC STREAMING

(% of iTunes revenue from music sales)

2012 **81**

2013 **71**

2014 **59**

MUSIC STREAMING TYPES



Non-Interactive: Listeners play music, without ability to choose songs. Also known as **Internet Radio**

Examples: Pandora, iTunes Radio



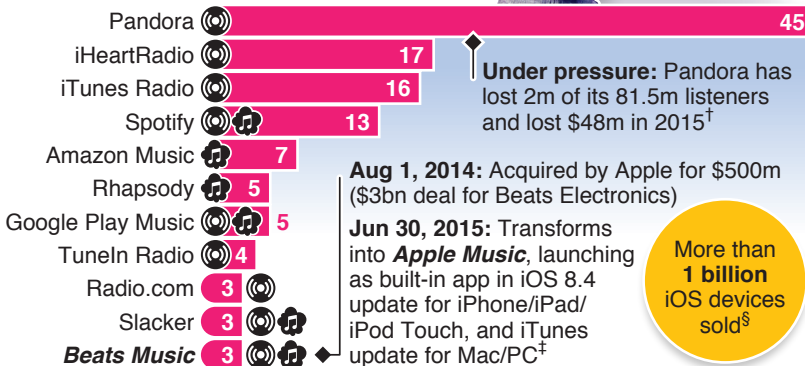
Interactive: Listeners choose songs that are played. Also known as **On-Demand Streaming**

Examples: Spotify, Rhapsody, Google Play Music, Apple Music

Both types can be free (with advertisements) or stream for fee of around \$10/month (no ads)

U.S. MUSIC STREAMING BY BRAND*

(% of respondents using these services)



Apple has cash and clout to entice musicians like **Pharrell Williams** to release tracks exclusively on Apple Music

Music labels earn around **0.2¢** per audio stream

Apple MUSIC

Decline in part due to growing popularity of streaming audio

Jun 30: Williams' "Freedom" will stream exclusively on Apple Music from launch day

Under pressure: Pandora has lost 2m of its 81.5m listeners and lost \$48m in 2015[†]

Aug 1, 2014: Acquired by Apple for \$500m (\$3bn deal for Beats Electronics)

Jun 30, 2015: Transforms into **Apple Music**, launching as built-in app in iOS 8.4 update for iPhone/iPad/iPod Touch, and iTunes update for Mac/PC[‡]

More than **1 billion** iOS devices sold[§]

*Jan-Feb 2015, U.S. telephone survey of 2,002 randomly selected people aged 12 years and over

[†]Jan 1-Apr 27, 2015

[‡]Arrives on Android in Autumn 2015

[§]As of Jan 27, 2015

Picture: AP

Sources: Edison Research, BI Intelligence, Statista, Songtrust, wire agencies

© GRAPHIC NEWS