

Discover your *edge*

Tuesday, 16 August 2016

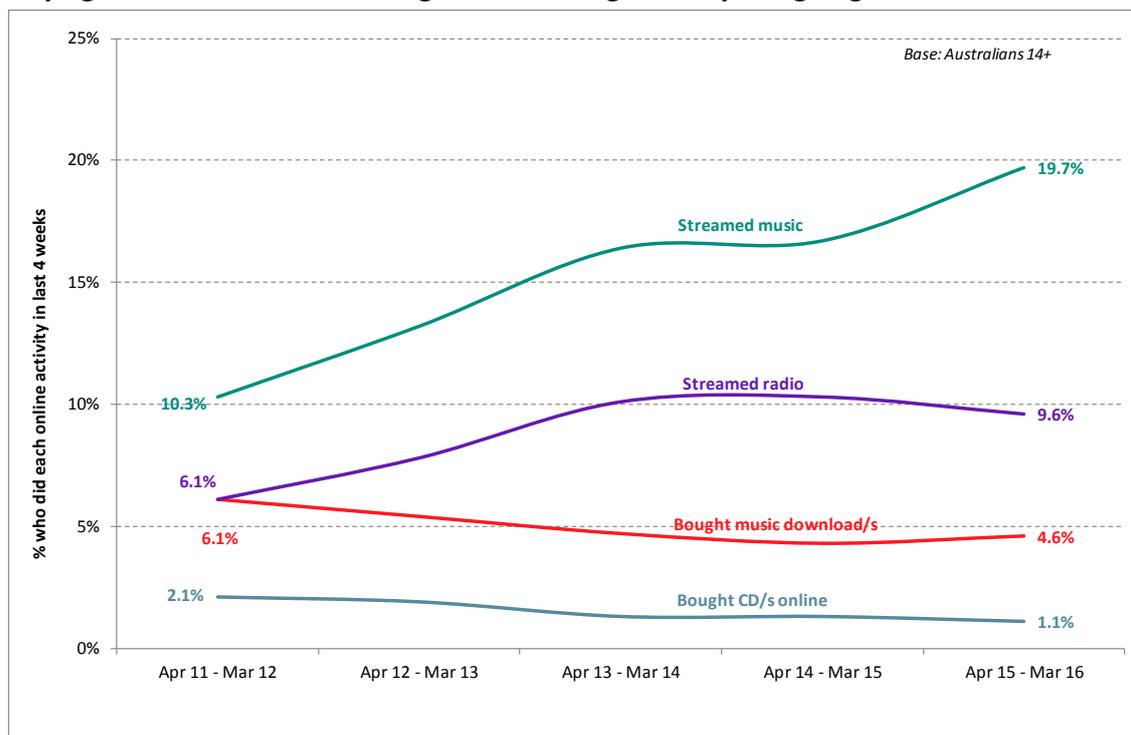
Streaming taking its toll on online music purchases

Once upon a time, music fans bought their favourite artists' work on shellac 78 rpm records. Then came vinyl records on 33 and 45 rpm, music cassettes, CDs, minidiscs (anyone remember them?) and, more recently, online music downloads. From physical items to disembodied digital files, music as a commodity – and where it can be purchased -- has undergone a dramatic evolution. And this evolution is continuing even now, with online CD and music download sales losing ground to the growing popularity of streaming, as the latest figures from Roy Morgan attest.

While the popularity of online shopping continues to skyrocket in Australia, with 41.2% of Aussies 14+ making at least one purchase via the internet in an average four-week period (up from 31.6% in 2012), CDs and music downloads have not kept pace with this growth. In fact, both products have been on a downward trajectory over the past few years.

In the 12 months to March 2012, 6.1% of the population paid to download music and 2.1% purchased CDs online in any given four-week period. As of March 2016, these figures had slipped to 4.6% and 1.1% respectively. In the meantime, the proportion of Aussies who streamed music online in an average four weeks grew dramatically, from 10.3% in 2012 to 19.7% in 2016. Streaming radio also gained popularity, with 9.6% of the population now doing it (up from 6.1%).

Buying music online vs streaming: the recording industry's ongoing evolution

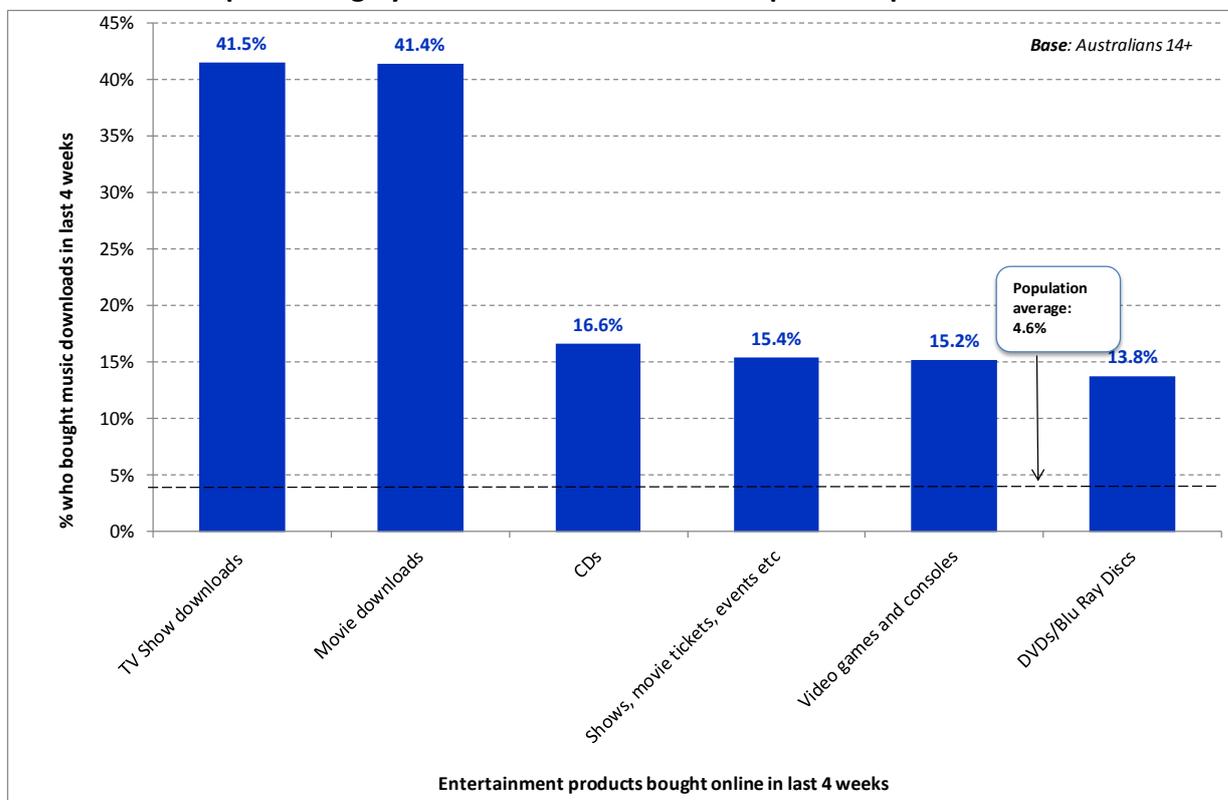


Source: Roy Morgan Single Source (Australia), April 2011-March 2016, average 12-monthly sample=50,952

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However, in this shrinking market, certain consumer groups remain well above average for purchasing music online: for example, people who also buy other entertainment products online. Most strikingly, Australians who purchase movie or TV show downloads are almost 10 times as likely as average to buy music downloads as well!

Music download purchasing by other online entertainment products purchased



Source: Roy Morgan Single Source (Australia), April 2015-March 2016, n=50,392

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

“Ever since CDs knocked vinyl from its perch back in the 1990s, the music publishing industry has been evolving at a vertiginous rate. While record stores still exist (and vinyl is making a comeback), online shopping changed the face of music retail just as it did many other retail categories. But now, things are changing once more. The online space remains as crucial as ever to our music consumption, but the advent of streaming – whether free (eg. radio station apps) or by subscription (eg. Apple Music) – has impacted sales of downloads and CDs.

“However, music downloads in particular still have some devoted buyers. As discussed above, people who buy other entertainment products online in an average four weeks are dramatically more likely to also purchase music downloads, representing an irresistible opportunity for internet retailers to cross-promote their products.

“And this is just the tip of the iceberg. With the deep data provided by Roy Morgan Single Source, music publishers and online retailers can explore consumers’ demographics, attitudes, leisure activities and online-shopping habits to identify

precisely who is more and less likely to continue buying music downloads and/or CDs online – and tailor their marketing campaigns accordingly.

“For example, Roy Morgan data reveals that Australians who go to see live rock/pop music in any given three-month period are more than twice as likely as the average Aussie to purchase downloadable music in an average four weeks. What’s more, an above-average proportion of people who stream radio or music also buy music downloads...”

For comments or more information about Roy Morgan Research’s online shopping data, please contact:

Roy Morgan Research -- Enquiries

Office: +61 (3) 9224 5309

askroymorgan@roymorgan.com

Related research findings

Browse our extensive range of Online Shopper profiles, including [People who have bought Music to Download](#) and [People who have bought CDs Online](#).

Compiled with data from Roy Morgan’s Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2