

Music streaming gives record companies a boost

SINGAPORE: Stiff competition among technology companies for a share of the burgeoning online music streaming market has given traditional record companies a much-needed boost, a top Universal executive said.



Universal's Max Hole says that music streaming is likely to change the way that music is distributed to consumers worldwide. Image: [Home Electronics Inside](#)

Industry leaders such as Apple, Google, Amazon and Microsoft are increasingly seeking to provide for tech-savvy consumers willing to pay to stream their favourite tunes.

With legal music downloads declining, this is a shot in the arm for the record companies representing major artists, Max Hole of Universal told a conference in Singapore.

"In the past a lot of the technology companies were not very respectful of music," Hole, who heads Universal Music Group's international business, told the Music Matters conference.

"Now the competition for users of their services and the attention music streaming is attracting is really game-changing. You've got real competition between all the technology compnaies, and they are very interested in us as owners of music."

The music industry has been grappling for years with how to make money from music distributed on the Internet, and streaming services such as Spotify are seen as a possible model to generate revenues.

Apple after Beats streaming service

News reports this month have suggested that Apple is eyeing a US\$3.2bn buyout of headphone manufacturer Beats

Electronics -- mainly to capitalise on its recently launched streaming service, Beats Music.

Beats is part-owned by Universal, the world's biggest record company, as well as Jimmy Iovine, a top executive heading one of its labels, and rapper Dr Dre.

Google-owned YouTube is also planning a subscription music streaming service and has already negotiated separate agreements with Universal, Sony and Warner.

Microsoft offers music streaming through its Xbox Music service, while Amazon is reportedly working on something similar.

Speaking to AFP at the sidelines of the three-day conference, Hole confirmed that Universal owns a "small equity stake" in Spotify, currently the world's biggest music streaming service.

Hole said Universal's policy was to "license to as many business partners as we can so that the consumer has as many choices as possible in the legitimate music business".

"Streaming services are a useful tool in the fight against rampant piracy that has wracked the music industry since the rise of the Internet," Hole added.

"If you come up with great alternatives for music services, most consumers will gravitate towards the legitimate service," he said.

In his keynote address to the conference, Hole urged major companies in the music industry to continue to make inroads into rising Asian markets such as China, India and Indonesia, which he said represented huge untapped markets.

"In the last 50 years, the music industry has made 80% of its money in about 10 countries," Hole said, adding that such a split is bad for business, bad for artists and bad for fans.

"China constitutes just two percent of global music revenues - less than the takings from New York state," he said.

"Of course piracy is largely to blame, but let's not use this as an excuse to hide behind wider issues of limited licensing, problems with pricing and a narrow approach to (talent scouting)," he said.

Source: AFP via I-Net Bridge

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