

Music streaming sites benefit indie singers at the expense of top 100 artists

December 15 2017

While free or low cost music streaming sources like Spotify decrease the use of paid music platforms, such as iTunes, a new study in the INFORMS journal *Marketing Science*, shows they significantly increase exposure for and access to lesser known or indie artists that fall outside the top 100 or even top 500 listings.

The study, "Changing Their Tune: How Consumers' Adoption of Online Streaming Affects Music Consumption and Discovery" was conducted by Hannes Datta and George Knox from Tilburg University in the Netherlands, and Bart J. Bronnenberg from Stanford University. The authors focused on Spotify, currently the largest streaming provider serving 140 million customers in 61 countries.

"Recently the [music](#) industry has witnessed a marked increase in the number of interactive streaming providers," said Datta. "At present there are over 20 providers offering comparable services in terms of variety and price, the largest of which is Spotify."

The authors studied a randomly selected sample of about 5,000 users that had their music consumption monitored by a third-party music recommendation service, retrieving their music consumption histories for a period of 2.5 years, as well as data on more than 200,000 individual music artists. They reviewed the short-term impact (within two weeks), the medium-term impact (up to six months), and finally the long-term impact (between six and 12 months) that opening a Spotify account had on a user's listening habits.

In the first two weeks after joining Spotify, the number of unique artists a user listened to increased by 62 percent, the number of unique songs increased by 49 percent and the number of unique music genres increased by 43 percent.

In addition, the consumption of artists in the top 100 and top 500 rankings decreased markedly. In the first two weeks of joining Spotify, the number of top artists a user listened to decreased by 16 percent. Overtime, this decrease was maintained at between 7 to 9 percent.

"In addition to the diminishing [consumption](#) share of common favorites, or music superstars, consumers may allocate less of their listening time to their own personal favorite artists," said Knox.

"The shift from purchasing music to streaming music levels the playing field to the benefit of smaller producers, indie artists, or smaller labels," said Bronnenberg.

More information: Hannes Datta et al. Changing Their Tune: How Consumers' Adoption of Online Streaming Affects Music Consumption and Discovery, *Marketing Science* (2017). [DOI: 10.1287/mksc.2017.1051](#)

Provided by Institute for Operations Research and the Management Sciences

Citation: Music streaming sites benefit indie singers at the expense of top 100 artists (2017, December 15) retrieved 20 April 2024 from <https://phys.org/news/2017-12-music-streaming-sites-benefit-indie.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.