

News and Notes on RIAA 2016 Latin Shipment and Revenue Statistics

Joshua P. Friedlander | Senior Vice President, Strategic Data Analysis, RIAA

Revenues from Latin music in the United States grew 3% to \$176 million in 2016. Streaming accounted for 74% of the Latin market, growing 19% year-over-year. This is the first growth in Latin music revenues since the market's high point of \$754 million reached in 2005.

Similar to the overall music market, strong growth from paid subscription streaming was the primary driver of the increase in revenues for the Latin music genre. Revenues from paid subscriptions grew 89% year-over-year to \$52 million, comprising 30% of the overall market. On-Demand ad-supported streaming revenues were up 45% to \$34 million. Revenues from SoundExchange distributions decreased for the first time, down 25% year-over-year, which is at least partially attributable to SiriusXM eliminating multiple Latin music stations from its satellite radio service.

Sales of both CDs and digital downloads declined in 2016. Digital album downloads were down 39% by value, and individual digital tracks were down 22%. Total digital download revenues were down 28% to \$21 million. Revenues from physical shipments of Latin music products were down 26% to \$22 million. Digital downloads and physical shipments each comprised 12% of the overall Latin music market. Regional Mexican and Pop continued to be the most popular sub-genres of Latin music, accounting for 50% and 41% of physical Latin music shipments, respectively.

“ The dynamics of the Latin market differ in some key ways. For one, Latin music never really transitioned from physical to digital downloads but instead moved directly into streaming. That’s notable and likely one of the reasons the Latin music market experienced growth for the first time in more than a decade. For the Latin labels we represent – who continue to invest in new artists and partner with some of the world’s biggest acts to bring new music to fans – that’s real progress and a notable achievement. At the same time, the disproportionate share of streaming coming from the free, advertising-supported platforms means that the below-market valuation of music resulting from outdated federal laws particularly impacts the Latin market and its potential for future growth. And that makes our recent challenge to policymakers and technology platforms to ‘do better’ especially relevant to Latin music.”

– Cary Sherman, Chairman & CEO, RIAA

Figure 1

U.S. Latin Music Revenues (Retail)

Source: RIAA

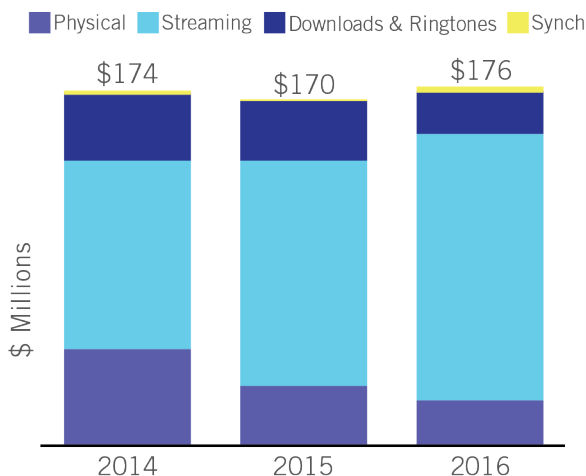


Figure 2

U.S. Latin Music Streaming Revenues

Source: RIAA

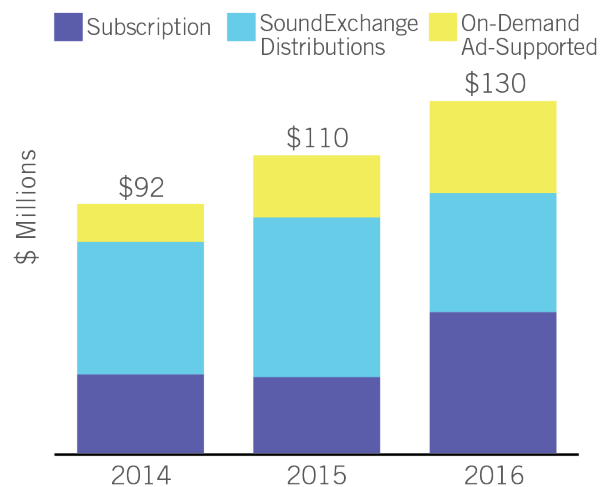




Figure 3

U.S. Latin Music Revenue Sources 2016

Source: RIAA

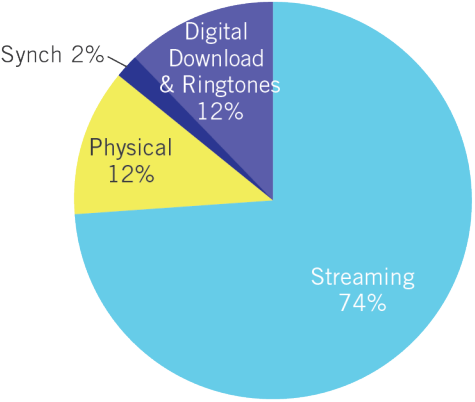
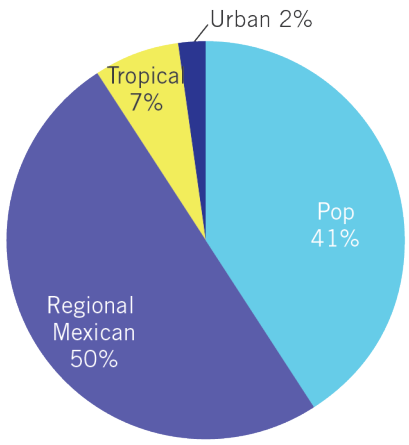


Figure 4

U.S. Latin Music Revenue by Genre 2016

Source: RIAA



Note: Based on physical shipments



Note – Data for previous years has been updated.

The timing of revenue recognition for “Other Ad-Supported Streaming” category resulted in a one-time increase for 2016 revenue totals.

RIAA presents the most up-to-date information available in its industry revenue reports and online statistics database: <https://www.riaa.com/u-s-sales-database>

For news media inquiries, please contact:

Jonathan Lamy
Cara Duckworth Weiblinger
Liz Kennedy
202-775-0101



2016 Year-End Industry Shipment and Revenue Statistics

LATIN MUSIC

202-775-0101



United States Unit Shipments and Estimated Retail Dollar Value (in thousands, net after returns)

For a list of authorized services see www.whymusicmatters.com

DIGITAL STREAMING

	2015	2016	% CHANGE 2015-2016
(Units Shipped) (Dollar Value)			
Paid Subscription	NA \$27,657	NA \$52,151	88.6%
On-Demand Streaming (Ad-Supported)¹	NA \$23,468	NA \$34,059	45.1%
SoundExchange Distributions²	NA \$58,942	NA \$44,235	-25.0%
Total Streaming Revenues	\$110,066	\$130,445	18.5%

PERMANENT DOWNLOAD

(Units Shipped) (Dollar Value)			
Download Singles	13,203 \$16,345	10,234 \$12,738	-22.5% -22.1%
Download Albums	1,155 \$11,031	710 \$6,766	-38.5% -38.7%
Other Downloads³	215 \$371	155 \$273	-27.9% -26.6%
Ringtones & Ringbacks⁴	616 \$1,533	473 \$1,179	-23.1% -23.1%
Total Permanent Download Units	15,189	11,572	-28.4%
Total Permanent Download Value	\$29,280	\$20,956	-28.4%

TOTAL DIGITAL VALUE

	\$139,347	\$151,401	8.7%
Synchronization Royalties⁵	\$1,486	\$2,672	79.8%

PHYSICAL

(Units Shipped) (Dollar Value)			
CD	2,854 \$28,498	2,298 \$21,280	-19.5% -25.3%
Music Video⁶	25 \$414	16 \$221	-36.7% -46.7%
Total Physical Units	2,879	2,314	-19.6%
Total Physical Value	\$28,912	\$21,501	-25.6%

TOTAL DIGITAL AND PHYSICAL

	18,067	13,886	-23.1%
Total Units	\$169,745	\$175,574	3.4%
Total Value			
% of Shipments⁷	2015	2016	
Physical	17%	12%	
Digital	83%	88%	

GENRE BREAKOUT⁸

Regional Mexican/Tejano	50%	Pop/Rock	41%	Tropical	7%	Urban ⁹	2%
-------------------------	------------	----------	------------	----------	-----------	--------------------	-----------

Note: Latin music is defined as product 51% or more Spanish language.
This report only includes shipments of Latin music products.

Note: Historical data updated for 2015

- ¹Ad-supported audio and music video services not operating under statutory licenses
- ²Estimated payments in dollars to performers and copyright holders for digital radio services under statutory licenses
- ³Includes Kiosk singles and albums, and Digital Music Videos
- ⁴Includes Master Ringtones, Ringbacks, and Other Mobile
- ⁵Includes fees and royalties from synchronization of sound recordings with other media

- ⁶Includes DVD music video
- ⁷Synchronization royalties excluded from calculation
- ⁸Based on physical product at suggested list price
- ⁹Urban music formerly included under Pop/Rock genre

Permission to cite or copy these statistics is hereby granted, as long as proper attribution is given to the Recording Industry Association of America.

For information on the RIAA's Premios de Oro y Platino Award celebrating the Latin music marketplace visit www.riaa.com

