NIELSEN MUSIC

CANADA MUSIC 360

2017 REPORT HIGHLIGHTS

Paul Shaver
Head of Nielsen Music Canada

WELCOME

This is an exciting time for Canadian music as the industry is experiencing tremendous growth at home and around the world. With both new and established music platforms continuing to flourish, there's never been a more dynamic time to be involved with this business.

Nielsen Music has interviewed over 8,000 Canadian music fans over the past four years – Millennials, streaming music subscribers and festival attendees among them – to identify who they are, their habits, and how their music consumption and spending levels have shifted in this ever-evolving environment. As the industry's most trusted source for Canadian music consumer insights, we're proud to share these highlights from our latest annual Canada Music 360 report.

To access the full report with expanded insights, please reach out to me at **paul.shaver@nielsen.com**. I'd also be happy to take you through Nielsen Music's suite of data-driven solutions, which can help optimize your business by enhancing fan engagement, maximizing music consumption, building brand partnership opportunities for artists and valuing the impact of live music events.

We hope you enjoy these highlights, and I look forward to connecting with you soon.

THE PAGES IN THIS REPORT OFFER A SNAPSHOT OF THE NIELSEN CANADA MUSIC 360 REPORT, HIGHLIGHTING THE CANADIAN MUSIC LANDSCAPE IN 2017. NOW IN ITS FOURTH YEAR, THE REPORT IS A COMPREHENSIVE, IN-DEPTH STUDY OF CONSUMER INTERACTION WITH MUSIC IN CANADA – WHO MUSIC FANS ARE, WHAT THEY ARE CONSUMING AND HOW, AND THE BRANDS, DEVICES AND SERVICES THEY LOVE.

THIS YEAR'S HEADLINES

1 | MUSIC CONSUMPTION IS RISING

2 | RADIO REMAINS KING EVEN AS STREAMING INCREASES

3 | LIVE ATTENDANCE ON THE UP

4 | ACCESS TO MUSIC AND ARTISTS DRIVING BRAND FAVOURABILITY

Get the complete
Nielsen Music 360 Canada 2017 Report
Email: know@nielsen.com

93%

OF CANADIANS
ARE LISTENING TO
MUSIC IN 2017

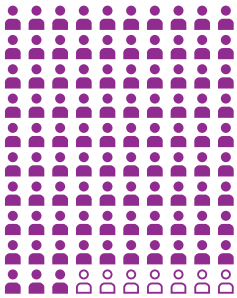
MUSIC CONSUMPTION IS RISING

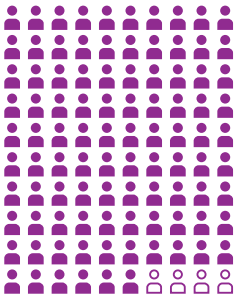
93% of Canadians are listening to music in 2017, up from 89% a year ago. This rise may be explained by the continuing move toward mobile consumption – over half the Canadian population now listens to music via smartphone in a typical week. Listening on tablet devices has also increased and is up to 30% for the general population and 38% for Millennials. Canadians are also spending more time listening to music – an average of 32 hours a week, up from 24. Streamers, meanwhile, tend to listen for 44 hours a week – at home, on the move and at work.

CANADIAN MUSIC HABITS

93%

OF CANADIANS LISTEN TO MUSIC (89% IN 2016)





96%

OF MILLENNIALS LISTEN TO MUSIC (93% IN 2016)

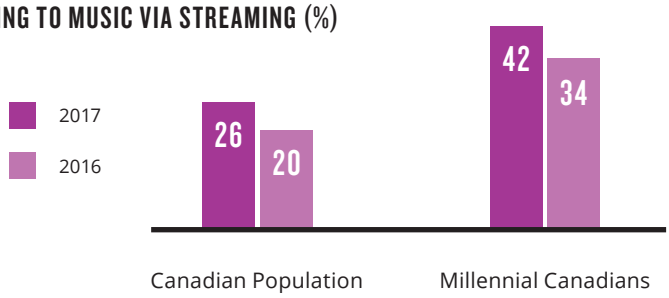
53%

OF CANADIAN MUSIC CONSUMERS ARE LISTENING ON THEIR SMARTPHONES

79%

OF MILLENNIAL CANADIANS ARE LISTENING ON THEIR SMARTPHONES

TIME SPENT LISTENING TO MUSIC VIA STREAMING (%)



Source: Nielsen Music 360 Canada (Millennials: 18-34)

RADIO REMAINS KING EVEN AS STREAMING INCREASES

45% of Millennials listen to music by watching music video streams on websites or apps such as YouTube or Vevo, compared to 30% of the general population. The continuing rise of streaming services has had another impact: there has been a reduction in Canadians listening to songs from their own digital music library, from 38% in 2016 to 35% this year. But despite facing more competition than ever, radio remains strong. 62% of Canadians have listened to music online over the past 12 months (83% of Millennials have done so, too), but radio is the most popular format in a typical week – indeed, AM/FM radio listening in Canada has risen from 61% to 64% in 2017. The time spent by Canadian Millennials listening to music via over-the-air or satellite radio has not changed significantly – 21% in 2017 versus 23% in 2016. A quarter of Canadians, meanwhile, still listen to music on CDs in a typical week.

SHARE OF TIME SPENT LISTENING BY FORMAT

GENERAL POPULATION

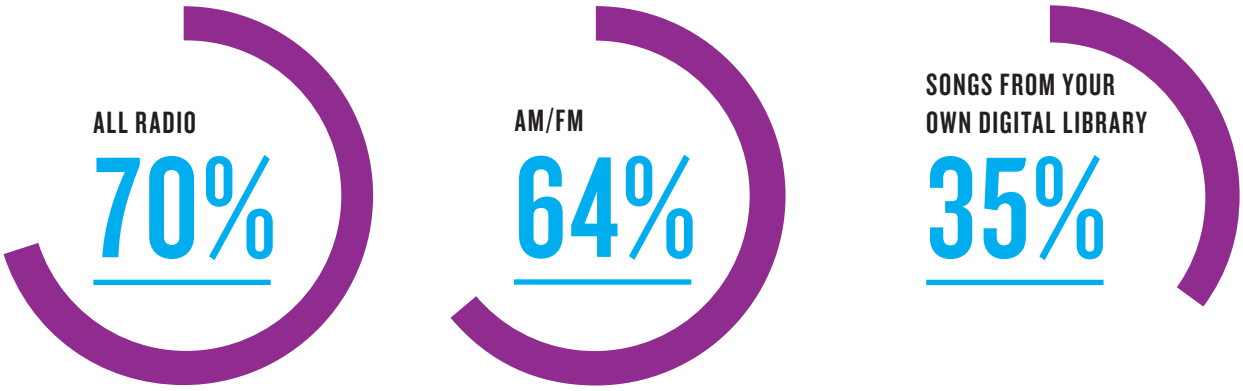
1.	**Radio (over-the-air or satellite)**	37%
2.	Digital music library	19%
3.	Physical music (CDs, vinyl etc.)	12%

MILLENNIALS

1.	**Digital music library**	25%
2.	Radio (over-the-air or satellite)	21%
3.	Streaming music videos	20%

Source: Nielsen Music 360 Canada (Millennials: 18–34)

FORMATS USED IN A TYPICAL WEEK

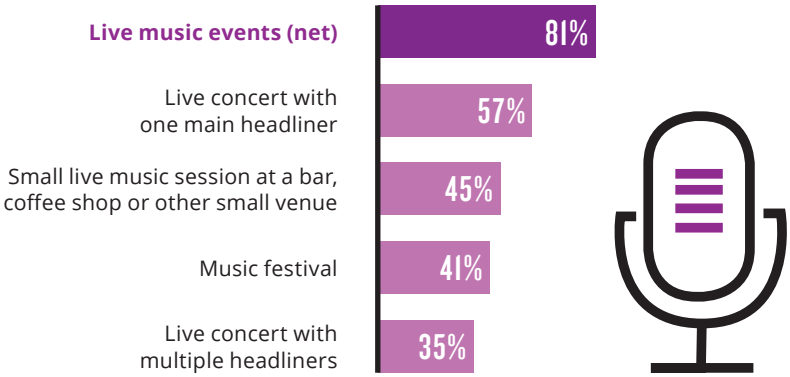


LIVE ATTENDANCE ON THE UP

More Canadians – 59% – are attending live events than in 2016. 70% of Millennials say they do the same. In terms of live events specifically, 48% of Millennials in Canada say they attend music festivals, compared to 41% of the general population; 34% of Millennials attend club events where a DJ is playing, compared to 22% of all Canadians. 57% of the general population have attended a live concert with one main headline act.

TYPE OF LIVE MUSIC EVENT ATTENDANCE

AMONG LIVE EVENT ATTENDEES



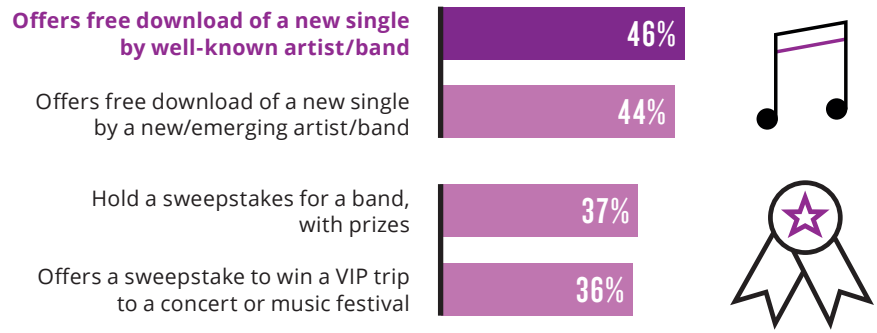
Source: Nielsen Music 360 Canada

Free music downloads are a positive way for brands to win consumer hearts.

ACCESS TO MUSIC AND ARTISTS DRIVING BRAND FAVOURABILITY

Nearly half of Canadians (46%) say they would view a brand more favourably if it offered free downloads of a new single by a well-known artist or band, while 44% say they would regard a brand more favourably if the offer was of a free download by a new and emerging artist or band. Canadians also show favourability toward the use of sweepstakes by brands, while 34% say they would view a brand more favourably if it used music they liked from a well-known artist or band – only 8% say they would view a brand less favourably. The message is clear: brands can win consumer hearts by enabling access to music.

BRAND FAVOURABILITY



Source: Nielsen Music 360 Canada

MUSIC 360 CANADA 2017

REPORT METHODOLOGY

The Nielsen Music 360 Canada survey collects a number of panelist attributes, and takes an in-depth look at their levels of music consumption (including streaming, digital and physical purchases), online media behaviours, live event attendance and brand perceptions. This creates a comprehensive output of the way different types of people interact with different kinds of music, right now. Nielsen has interviewed 8,000 Canadian music fans over the past four years – including streamers, Millennials, festival attendees and others.

Data for this year's study was collected March 22-28, 2017, among 1,287 Gen Pop consumers ages 18+. Surveys were conducted online, and data was weighted to the Canadian census population based on age, gender, region, education and household size.

This research probes into the following questions:

- How do Canadians discover, consume and purchase music?
- What role does music play in their lives and in what context?
- How important is music to this group?
- What do they listen to, when and why?
- How are consumers reacting to having so much choice in how they access music?
- Are they gravitating toward streaming or utilizing a variety of platforms?
- What are the best ways to reach Canadian music listeners and specific segments, such as paid streamers?
- What are their attitudes about their culture and lifestyles, and how do these impact their music-related behaviours?
- What is the opportunity with Millennials and consumers with "Millennial mindsets"?
- How do Canadians react to brands that get involved with music?
- How do they perceive artists that get involved with brands?

GRANULAR INSIGHTS ARE ALSO AVAILABLE BY GENRE.

CONTENT SUMMARY

KEY CONSUMER SEGMENTS

(INCLUDING BUT NOT LIMITED TO)

- General Population 18+
- Millennials 18-34
- Music Streamers (Audio/Video)
- Audio Streamers
- Paid Streamers
- Non-Paid Streamers
- Radio Listeners
- Music Festival Attendees

PANELIST ATTRIBUTES

- Age
- Gender
- Ethnicity
- Region/Province
- Household composition – kids in household
- Household income
- Education
- Employment Status
- Student Status
- Marital Status
- City/Rural
- Postal code

ENTERTAINMENT TIME AND MONEY SPENT

Time spent on music listening as both a primary and background activity. Money spent purchasing music in different formats and admission to live music events.

- Weekly hours spent engaged in all entertainment activities
- Importance of entertainment activities
- % of time spent with each platform of music listening
- Listening in the home and out of home
- Weekly hours spent listening to music in the background
- Annual money spent on entertainment and music by platform

MEDIA CONSUMPTION

- Device ownership
- Social network usage
- Entertainment consumption activities (Music/Movies/Books)
- Which platforms are used to listen to, stay informed about or follow musicians
- Actions taken online (click to buy, listen to podcast, share content, livestreaming)
- On which devices each medium is used
- Genres and artists listened to

STREAMING MUSIC

Streaming: How many people? How has this grown?
Audio or video? What services are they using?
How many services do people use? How often?
How much time with streaming v. radio?
How likely are people to pay for streaming?

- Awareness of streaming services and favourability toward each
- Streaming music subscriptions – current, intent to subscribe
- Loyalty, satisfaction with services
- Rating services on attributes
- Adoption of new services as they come available
- Availability of tracks (i.e., windowing) and implications
- Passive vs active listening
- Activities: playlists, sharing, etc.
- Streaming as a driver of purchasing
- Streaming in car
- Music/video streaming capabilities in home
- Online concerts/events
- Paid streaming market profile
    - Profile of current users, lapsed users and prospective paid streaming users
    - Barriers to paying for streaming
    - Opportunities to activate new paid streaming subscribers

RADIO LISTENING
(BASE: RADIO LISTENERS)

Over-the-air radio listeners v. radio streamers? What is the overlap? Where are each taking place? What's winning in the car? (Radio v. streaming, which streaming service is winning?)

- Time of day tuned in weekdays/weekends
- Weekly/monthly listening across platforms
- Where online radio usage is taking place (car/office)
- Perceived changes in radio listening year over year
- Interest in listening to AM/FM radio on a smartphone if data usage isn't a factor
- What sites are used to stream radio
- Usage of satellite radio, including in car

MUSIC DISCOVERY BEHAVIOUR

How are people discovering new music? Millennials? Radio listeners? Streamers?

- Platforms used, with social drill down
- Preferred attributes of frequented sites

MUSIC ACQUISITION

- How many CDs, digital, vinyl purchased
- Annual dollars spent at digital retailers
- Devices purchased to listen

LIVE MUSIC CONSUMPTION
(BASE: LIVE EVENT ATTENDEES)

Who is attending live events? Who is going to festivals? How much awareness is there of festivals? How do they choose the festival?

- Live music event attendance by type of event
- Source of awareness
- Past major festival attendance
- Future major festival attendance plans
- Social behavior while attending via smartphone
- Livestreaming likelihood and reasons

BRANDED ACTIVATIONS

- Favourability toward brands that are involved with music in various ways (tours, exclusive downloads, sweepstakes, VIP options, pre-sales, etc.)
- Brand associations with music

MOBILE MUSIC
(BASE: SMARTPHONE/TABLET OWNERS)

- Hardware, service providers, operating system used
- How consumers are listening and engaging on their devices

BEHAVIOURAL PROFILE SELF-ASSESSMENT
(SCALE OF 1 – 5 AGREE/DISAGREE)

Example statements:

- I am often the first to try new technologies
- A smartphone is my primary "entertainment device" – it's my "go to" device for social connections, music, videos, games, etc.
- It is important to me to always have the latest technology
- I am the type of person who is loyal to brands that I like
- When I really like a brand, I tell my friends about it
- Whenever I go shopping, I typically buy a little something extra that was unplanned – an "impulse purchase"

MUSIC "FANHOOD" SELF ASSESSMENT LEVEL
(SCALE OF 1-5 AGREE/DISAGREE)

Example statements:

- I connect with friends and family through music
- My friends think of me as a trendsetter when it comes to music
- I like it when I have the "inside scoop" about the music that I like, when I know/learn something that my friends don't know yet
- I would like to know more about the creative process from the musicians/bands I like
- I try to see my favourite artists whenever they tour or play a show near me
- The local independent record store sells music that reflects my musical tastes and preferences
- I've purchased t-shirts or other merchandise from my favourite artist in the past year
- Independent music has more artistic integrity than mainstream/commercial music
- New technologies and services (such as streaming, shared playlists, etc.) have made it easier for me to discover new musicians/bands that I like
- I don't buy as much music as I used to because I am streaming music free from the internet
- I could afford to spend more money on music than I do
- I listen to music on YouTube the way that other people listen to radio
- Music is an impulse buy for me; I don't plan ahead

MARKETING

- Brand favourability based on music marketing strategies like sponsorships, product placement, promotional materials, etc.
- Fan interest level for specific artists
- Brand awareness/favourability
- Source of awareness for different music festivals

ACTIONABLE MUSIC INSIGHTS YOU CAN USE

CONSUMER INSIGHTS

Nielsen interviewed 8,000 Canadian music fans over the past 4 years from key consumer segments such as Millennials, streamers, festival attendees and more.

CUSTOM ANALYTICS

Opportunity for analysis against custom targets and access to the entire study or specific data cuts as a desktop cross-tab for further analysis.

RADIO TRENDS

Get insights into the strength of radio and how it is trending relative to other areas of the Canadian music business despite the shifting music landscape.

GLOBAL DATA & DEEP DIVE

Music 360 Reports on audiences in the U.S., Brazil, Argentina, Mexico and China are also available, as well as deep dive reports for live events, streaming and brand partnerships.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Nielsen Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population. For more information, **visit www.nielsen.com**.

Photography: Front cover: stocksy/Robert Kohlhuber; Page 3: stocksy/Alexey Kuzma; Page 4: Istock/8213erika; Page 7: Istock/PeopleImages; Page 8: Istock/Geber86

nielsen

nielsen