NIELSEN MUSIC

CANADA MUSIC 360
2018
REPORT HIGHLIGHTS

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Nielsen

WELCOME

We are in an exciting new era of music behaviour. As streaming becomes more popular with each passing year, music listeners in Canada and across the globe are embracing new technologies and devices that are changing the way we experience music.

Nielsen Music continues to provide you a front-row seat to this transformation by interviewing more than 13,000 Canadian music fans over the past five years – millennials, streaming music subscribers and the fastest-growing demo, teens – to identify what they listen to, how they do it and where they spend their money with an ever-expanding range of choices. As the industry's most trusted source for Canadian music consumer insights, we're proud to share these highlights from our fifth annual Canada Music 360 report.

To access the full report with expanded insights, please reach out to me at paul.shaver@nielsen.com. Much like the full report, Nielsen Music has a full suite of data-driven solutions that I can take you through, 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 2018. NOW IN ITS FIFTH YEAR, THE REPORT IS A COMPREHENSIVE, IN-DEPTH STUDY OF WHAT, WHERE AND HOW CANADIANS CONSUME MUSIC – FROM DEVICES AND SERVICES TO FESTIVALS AND BRANDS.

THIS YEAR'S HEADLINES

1 | TEENS AND MILLENNIALS ARE LEADING MUSIC CONSUMPTION

2 | PLAYLISTING RULES STREAMING

3 | TEENS HELP DRIVE MUSIC SALES

4 | NEW TECHNOLOGIES ON THE RISE FOR MUSIC LISTENING

GET THE COMPLETE
Nielsen Music 360 Canada 2018 Report
EMAIL:
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97%

OF CANADIAN TEENS

+

96%

OF CANADIAN MILLENNIALS ARE LISTENING TO MUSIC IN 2018

YOUNG CONSUMERS DRIVING MUSIC'S FUTURE

With 91% of all Canadians listening to music, teen and millennial consumers are at the leading edge of device-agnostic, mobile-heavy consumption behaviours. 93% of teens and 91% of millennials are now streaming music online, compared to 71% of all Canadian music listeners. Teens are more adventurous with new technology, listening to music on an average of 2.6 devices (compared to millennials at 2.3), with smartphones at the top of their list (68% among teens). And they're more likely to pay, too – 34% of both teen and millennial music listeners currently pay for a streaming subscription.

JUST PRESS PLAY(LIST)

98%

OF TEEN MUSIC STREAMERS ENGAGE WITH PLAYLISTS

96%

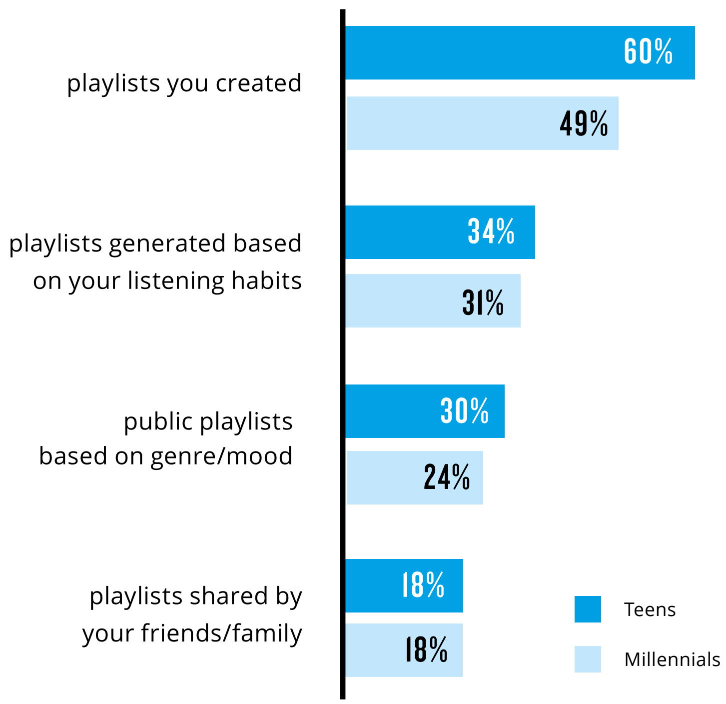
OF MILLENNIAL STREAMERS ENGAGE WITH PLAYLISTS

COMPARED TO

84%

OF ALL CANADIAN MUSIC STREAMERS

WHAT TEENS AND MILLENNIALS ARE STREAMING (ON A DAILY BASIS)



HOW THEY'RE LISTENING

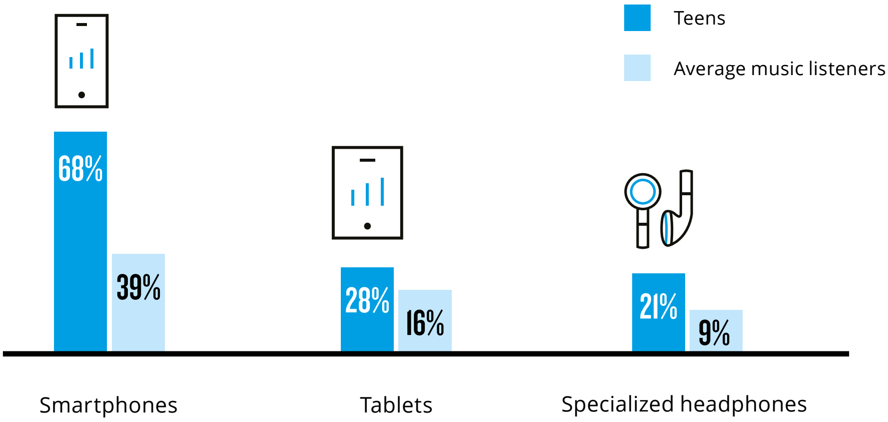
Number of streaming services in the past 12 months

2.6 TEENS

2.5 MILLENNIALS

2.2 CANADIAN MUSIC LISTENERS

POPULAR TEEN MUSIC GADGETS

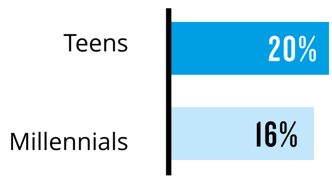


SHOW ME THE MONEY

Among music listeners

Currently pay for a streaming subscription

Likely to start paying in the next 6 months

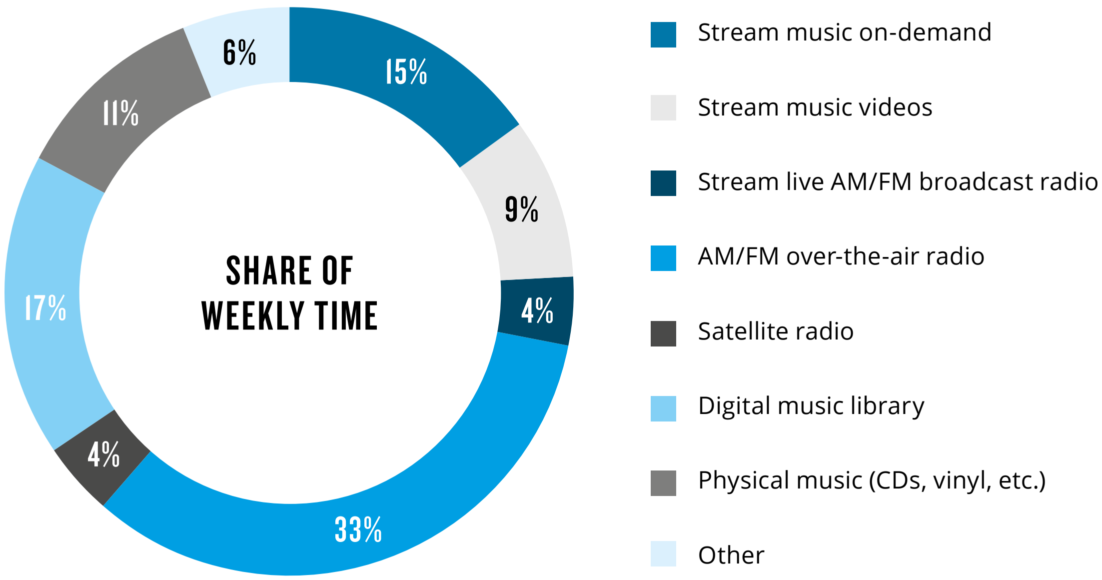


RADIO STILL LEADS MUSIC DISCOVERY

Though streaming usage is still on the rise in Canada, radio remains the number-one source for music discovery. Among all Canadian music listeners, 66% discover new music via the radio, while 43% discover via streaming services and 36% from friends/relatives. Terrestrial channels remain king, with 58% of music listeners listening to "over-the-air" radio at least once in a typical week (including 70% of listeners aged 45-54). Digital radio still has limited penetration, with 7% of listeners tuning into satellite radio in a typical week, and 6% streaming live broadcast radio from an app or website. Part of that relatively low adoption may be due to wireless-carrier contracts: 43% of Canadians said they would be interested in listening to AM/FM radio on a smartphone if it had no impact on their data plan.

WEEKLY MUSIC LISTENING

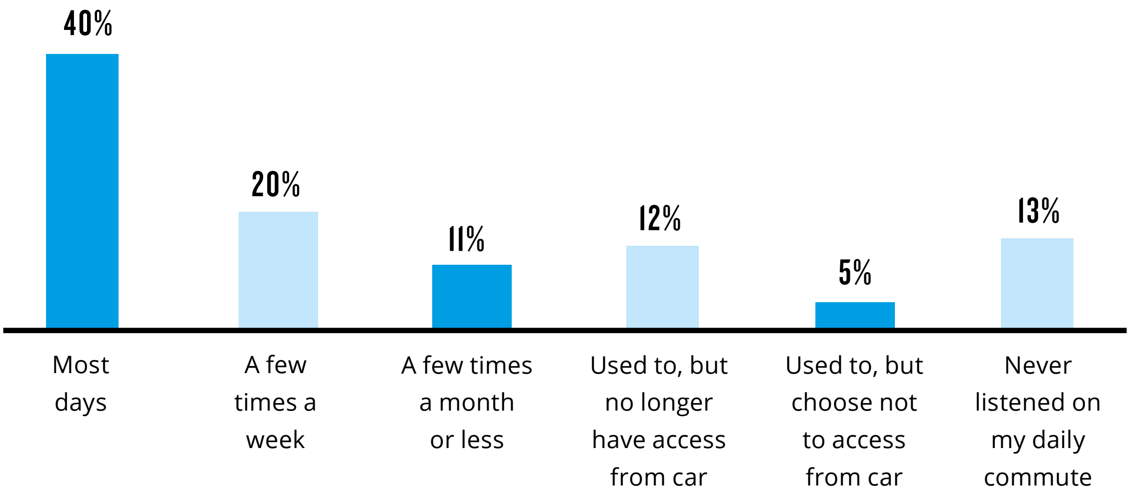
In a typical week, the average Canadian music listener spends most time with the radio and streaming music online.



70%

OF SATELLITE RADIO LISTENERS ACCESS IT FROM THE CAR FOR THEIR DAILY COMMUTE

LISTENERS ACCESS FROM THE CAR ON THE FOLLOWING BASIS...



WHERE ARE LISTENERS STREAMING RADIO?

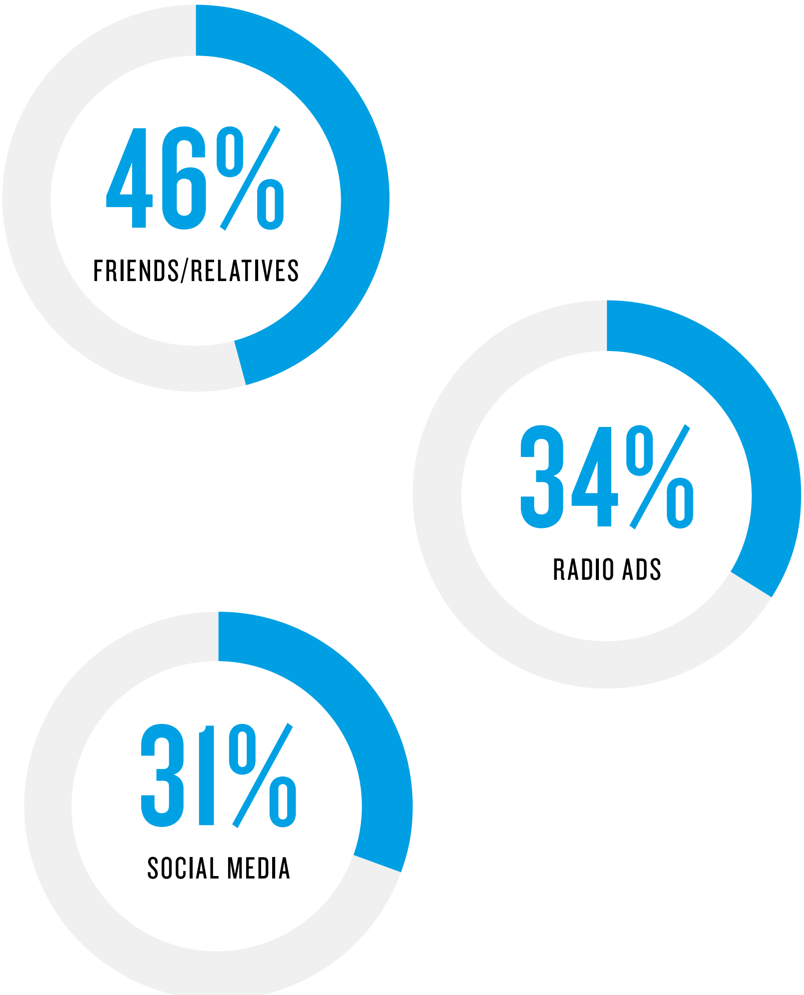
TOP 5 PLACES

70%	40%	27%	11%	10%
AT HOME	IN THE CAR	AT WORK	ON PUBLIC TRANSIT	AT THE GYM

EARLY ACTIVATIONS KEY TO BRANDS ENGAGING WITH LIVE MUSIC

Live music comprises 57% of Canadians' total annual music spend. And with more than half of Canadians (58%) attending at least one live music event throughout the year, there are more opportunities for brands to engage concertgoers early and often. Canadians prefer to get their tickets early – 59% of live music attendees purchase their tickets within a few weeks of the on-sale date if not sooner, with teens over-indexing this behaviour at 71%. Once on-site, 34% of all attendees say they use social media during a live event, led by 58% of both teens and millennials.

TOP SOURCES OF LIVE MUSIC EVENT DISCOVERY:

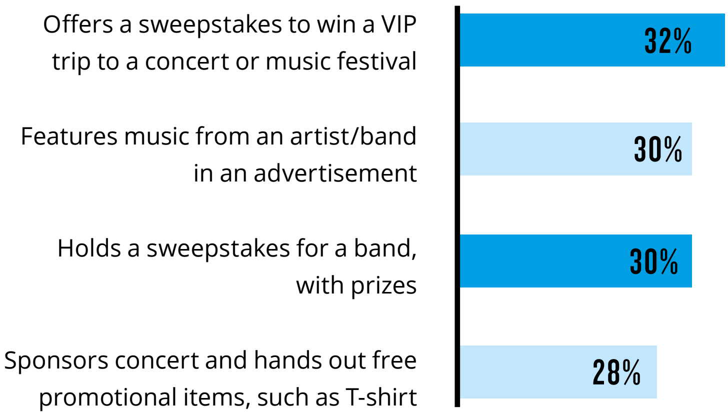


ALCOHOLIC BEVERAGES, FINANCIAL AND AUTO CATEGORIES HAVE AMPLE OPPORTUNITIES IN LIVE MUSIC

With 39% of Canadians attending at least one music concert and 22% attending at least one music festival per year, there are ample category opportunities for brands to engage with these consumers. Among Canadians aged 19+, 73% said they did purchase or plan on purchasing alcoholic beverage products in the next 6 months. Among financial services, 14% of Canadians said they signed up or plan to sign up for a new credit card or open a new bank account in the next 6 months – a percentage that spikes among teens (17%) and millennials (22%). They're driving, too: 9% of Canadians said they have bought, will buy or will lease a car in the next 6 months, compared to 10% of millennials and 13% of 35-44-year-olds.

BRAND FAVOURABILITY

Agree/strongly agree – would view a brand favourably if the brand...



MUSIC 360 CANADA 2018

REPORT METHODOLOGY

- The Nielsen Music 360: Canada Study is a comprehensive, in-depth study of consumer interaction with music in Canada.

- Data for this study was collected March 29, 2018, to April 10, 2018, among 1,446 Gen Pop respondents ages 13+, plus an additional 100 millennials (ages 18-34) and 100 teens (ages 13-17) to bolster analyses. Survey was provided in English and French and was conducted online using a third-party panel. Gen Pop reflects all provinces as well as Francophones.

- Data quotas were set and weights applied based on Canadian census population for age, gender and language preference (English/French) at home.

- Please note that this year's study was conducted among those who are 13+ years of age and also includes Francophones, similar to the 2016 study. The 2017 study was conducted among ages 18+ and was not available in French. Thus, year-over-year changes in this report compare 2018 vs. 2016; we advise against making comparisons between 2017 and 2018 due to the methodological changes.

- This is a syndicated report, containing highlights about consumer behaviour related to music. There are opportunities for additional analyses for custom audiences (e.g. for a specific genre, live event attendees, non-paying music streamers, etc.).

CONTENT SUMMARY

KEY CONSUMER SEGMENTS

(INCLUDING BUT NOT LIMITED TO)

- General Population 13+
- Teens 13-17
- Francophones
- Millennials 18-34
- Music Streamers (Audio/Video)
- 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 each week. Annual money spent on music, including purchasing music in different formats and admission to live music events.

- Importance of entertainment activities, such as music, sports and games
- Percentage of weekly music time spent with each music format for key audiences

MEDIA CONSUMPTION

- Device usage for music
- Social media platform usage
- Which platforms are used to listen to and stay informed about or follow musicians
- Live streaming events
- Audio and video online engagement

STREAMING MUSIC

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

- Awareness of streaming services
- Usage and frequency for top services
- Number of different services tried
- Role of streaming in music discovery
- Activities: playlists, sharing, etc.
- Streaming service usage – free vs. free trial vs. paid subscription
- Priorities and key factors when picking between streaming services
- Importance and engagement with playlists
- Daily playlist listening by type (e.g. genre/mood, self-curated, top lists, etc.)
- Online streaming of concerts/events
- Paid streaming market profile
- Opportunities to grow the paid subscription consumer base
- Barriers to paying for streaming

RADIO LISTENING

Over-the-air radio listeners vs. radio streamers?
What is the overlap? Where is each taking place?

- Weekly listening across platforms
- Where online streaming radio usage is taking place (e.g. car, home, office, etc.)
- Importance of radio to music and artist discovery
- Impact of data restrictions on interest in listening to AM/FM radio on a smartphone
- What sites are used to stream radio
- Usage and frequency of satellite radio in car
- Overlap in radio and streaming listening

MUSIC DISCOVERY BEHAVIOUR

How are people discovering new music? Millennials? Teens?
What drives discovery (radio, friends, social media, etc.)

- Role of streaming and playlisting
- Top social platforms

LIVE MUSIC

Who is attending live events? Who is going to festivals and how do they discover them? How early are attendees getting their tickets?

- Live music event attendance and spend
- Popular event types
- Source of awareness
- Activities while attending (e.g. social media usage, purchase behaviour, etc.)

BRANDED ACTIVATIONS

Best brand activations to reach music fans

- Tours, sweepstakes VIP options, pre-sales, etc.
- Streaming and playlisting opportunities

DEVICES

- Ownership and device usage for music listening
- Number of devices used weekly for music
- Role of new technologies (including voice-activated, wearables, VRs, etc.)

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 would like to know more about the creative process from the musicians/bands I like
- It is important to me to attend a live performance of my favourite musicians/bands
- I've purchased T-shirts or other merchandise from my favourite artist in the past year
- 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 because I'd rather pay a monthly fee for unlimited access to a large library of songs
- 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
- Listening to playlists is an important part of my streaming experience
- Music videos can help me understand the meaning of a song

ACTIONABLE MUSIC INSIGHTS YOU CAN USE

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Nielsen interviewed over 13,000 Canadian music fans since 2013 from key consumer segments such as millennials, streamers,festival attendees and more.

CONSUMER INSIGHTS CUSTOM

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

ANALYTICS RADIO TRENDS GLOBAL

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.

DATA & DEEP DIVE

In addition to in-depth annual Music 360 studies in the U.S. and Canada, this year Nielsen is launching into Germany, UK, India and China. Additional deep dive reports available 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**.

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