



LONG PLAYER: DEFINING THE ROLE OF THE ALBUM IN THE STREAMING ERA

December 2018

BPI ERA MIDiA Album Report

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MIDiA Research leverages multi-country consumer data, **market** forecasts and other proprietary data tools to provide unrivalled insight into the rapidly changing global digital content markets. Our coverage includes music, online video, mobile content and paid content strategy.

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- Album listening is now split across multiple platforms: 38% of UK consumers often listen to albums on CD while 33% often listen on YouTube and 30% on audio streaming
- Music fans turn to albums for nostalgia: 62% of album listeners listen to albums that remind them of a time in their life
- Half of album fans also listen to albums to immerse themselves in the music of their favourite artists
- Younger music fans are embracing streaming while older consumers remain loyal to traditional formats
- The average age of free streamers is 35.3 while CD buyers average 41.8 years
- 42% of UK consumers listen to albums at least weekly and a further 17% listen at least monthly
- 40% of all UK consumers aged under 25 listen to albums at least monthly via streaming
- Genres with older fans skew more towards album listenership than genres with younger fans
- From Radiohead's *In Rainbows*, through Kanye West's *The Life of Pablo* to Drake's *Scorpion*, artists have been redefining what the album can be for more than a decade
- The resurgence of physical sales in South Korea – a mature streaming market – illustrates physical album formats may have a longer-term future
- Engaging super fans with album-delivered merchandise is a key opportunity for older and younger fans alike
- The album can be reinvented in streaming environments; once the now-hypothetical constraint of a set number of tracks is discarded, everything is fair game
- Albums content/songs no longer need to be released all at once. If the release schedule is thought of as blank canvass rather than a rulebook, anything and everything is possible
- The essence of what an album is, is its role as an artist-centric experience, a principle for building 'descendants' in streaming environments
- Different genres will have different futures for the album
- Hip Hop will continue to challenge accepted wisdoms, Pop will harness visual components, Rock will remain close to the traditional album format
- The future of the album will depend upon thinking of it as a framework for bringing artists and fans even closer together



Foreword

When is a record an album? Well, according to the Official Charts, it's when a physical recording features 'over 25 minutes or more than four songs', though in the context of streaming, there need to be 'at least seven tracks (inclusive of singles) from an album available to stream'.

In fact, since audio streams came into being, we've all had to grapple with the increasingly complex challenge of how you define and quantify the success of albums, as it now involves measuring listening, rather than purchase.

In its most recent market update earlier this year, the BPI announced that 135.1 million albums were purchased or downloaded, or 'their equivalent' streamed in 2017. On this basis, album consumption is growing (up 9.5% on the previous year), but we recognise that such a metric is better suited to measuring the evolution of overall music consumption year-on-year than it is to determining whether a song is played as a single or as part of an album. In time, more detailed per-user data may become available at industry level that can help illuminate this question.

For the meantime, however, and given the recent celebration of National Album Day and the 70th anniversary of the album on vinyl format in 2018, it might be appropriate to reconsider what we mean by the 'album'. Perhaps, better still, to even suggest an updated definition that is more relevant for a post-streaming world.

While some commentators are ready to consign the album to the Great Format Graveyard in the sky alongside the 8-track and the Laserdisc, an alternative view is that the album is evolving, as it has always done in response to advances in technology. So, if, for example, you accept that the album should be primarily defined as a particular body of work by an individual artist – bound together not so much by its physical properties and packaging but by an idea, theme or a concept, then is there any reason why it can't also find expression in a series of tracks released sequentially over time via a streaming service? Then the album becomes a larger canvas for an artist to express their emotions or tell their story within their own boundaries of space and time. Such an approach brings to mind the way that Charles Dickens often used to publish his great novels – sequentially; as chapters that can be appreciated individually, but forming part of a work that is richer and more meaningful when considered as a whole.

The notion that an album evolves through time, when combined with the on-demand nature of digital platforms, raises the intriguing possibility that the constituent elements of an album are not fixed, but can be changed by the artist so that the album becomes an ever-changing, organic body of work. Kanye West's *The Life of Pablo* was first published on a streaming service (Tidal) ahead its physical release, and since then Ye has made a series of changes to the track listing, calling it "living art". Kanye clearly doesn't see an album as being incompatible with a streaming environment, and if that's good enough for Kanye (aka WWKD?), should that not persuade the rest of us too?

None of this changes the increasing relevance of playlists in the streaming environment. Streaming platforms are allowing users and services to create their own musical narratives and moods, compiling the music of multiple artists into new combinations that bring new context and meaning. This democratisation of the compilation album is arguably pushing the album into new frontiers, aiding music discovery and encouraging more fans to engage actively in sharing music, while accommodating those who want a 'lean-back', radio-like experience. Yet for some fans this 'snacking experience' may not satisfy their desire to go beyond just enjoying some music, and to connect with the identity and message of the artists that they love. For such fans, the album is an essential prism through which to see the different tones of colour in an artist's palette, and to experience the light and shade that give a true picture of the artist.

But this is just a personal view, and I invite you to read this MIDiA report drawing on the recent BPI/ERA Insight Session at YouTube Space, which explored the role of the album in the streaming era, and encourage you to join in the vibrant discussion surrounding this much-loved music format.

Geoff Taylor,
Chief Executive BPI & BRIT Awards



Entertainment Retailers Association

Declaring the “death” of this, that or the other is a time-honoured journalistic device. Not so long ago – although it seems an age – the papers were full of tales of “the death of vinyl”.

These days of course the headlines are all about the vinyl revival. It is the turn of the album more generally to face the suggestion that its death is nigh.

But, not so fast. The huge success of streaming has inevitably changed how one defines the album. If one defines the album in traditional ownership terms, then of course we have seen a series of double-digit declines in recent years. However, there is strong reason to believe the album is more robust than its detractors would have you believe.

First thing to remember is that albums come in both digital and physical formats, and streaming album tracks on a streaming service is also album consumption. We know that around 55% of those under 25 continue to listen to albums on a weekly basis, contrary to what the media would have you believe.

Today you can listen to albums wherever you might be and in whatever form suits you. The CD format is ubiquitous at retail. One of entertainment retailing’s great achievements was to respond to the CD’s decline by expanding distribution, to ensure that demand can be tapped wherever it arises, be it in the petrol station or clothing store. In this format the album’s unique attributes lend it to gifting – a self-contained musical package idea for birthdays, Christmas and all manner of occasions. Streaming albums is ideal on the move or from your smart speaker.

The album is a unique artist statement, a body of work created to be consumed in its entirety.

It is not a case of album sales declining but a case of the album evolving. It is to exploring the future course of the album to that this report is dedicated.

Will the album continue to be a mainstay of the music fan’s experience? Most certainly—no matter how many times its “death” is declared.

Kim Bayley,
CEO, Entertainment Retailers Association

Introduction

Streaming is putting music economics through their most radical transformation since the birth of the recorded music industry. It is not just the business of music that is being reimagined, the behaviours of music fans and music formats themselves are being reshaped too. In the crossfire is the album: 70 years on from its inception, the album is finding its familiar surroundings transforming before its very eyes. But, change is not code for 'end'. For all of the spectacular industry shifts, albums remain the glue that binds the recorded music business together. Artists still want to create them, labels want to release them and fans want to listen to them. What has changed though, is that one size no longer fits all. Instead, music fans have an amazing diversity of behaviour, delineated by factors such as age and genre.

The album is at a fork in the road, with multiple paths representing not alternative, but multiple futures. Throughout its long history the album was shaped by the formats it was delivered in, from its prehistory as a folder, or 'album' to hold together individual gramophone 'singles', through the four-tracks-a-side LP format of the seventies, to the 16-song CD albums of the nineties. The iTunes Store-dominated download model represented the first real opportunity to do away with format constraints. Although this did give rise to 80-track compilation albums and rich media iTunes LPs, the 16-track template of the 90s remained the album's M.O. throughout the download era. It is only with streaming that we are beginning to see the first signs of truly transformational change. Whether that be Kanye West's *The Life of Pablo* approach of the album as a service (which unfortunately abbreviates to AAAS) or Drake's strategy of album releases as status updates.

The playlist has provided the album with its first genuine format challenger in the best part of a century. Innovative artists and labels are responding in a way that may be blurring the distinctions between what constitutes an album or a playlist. This, however, is just the start. And streaming is still but a part of a much bigger and more complex equation. In today's fragmented and diverse music consumption landscape, the album means different things to different groups of music fans, and they engage with it in different ways. The same is true of artists, with those of different genres taking a very different approach to the album; some retaining a traditional approach, others rewriting the rule book as they go.

In this report we will look at the album at 70, where it has been, where it is now and where it might go.

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HERE AND NOW





The Album: A Brief History

Alongside the feature-length film, the album became one of the enduring artistic mediums to emerge in the 20th century. Standing firmly at the crossroads of the century's two major business developments (mass production and mass media), the factory assembly lines made the LP as a product as inevitable as the car had been half a century earlier, while the rise of magazines, the radio and television fuelled the pop culture that demanded its audible delights.

What became known as 'the album' was first commercialised in 1948, when Columbia Records began to bring out 33 $\frac{1}{3}$ rpm 12-inch extended-play LPs that could play for up to 52 minutes, or 26 minutes per side. Despite this innovation, the following decade-plus saw albums remain a secondary market, with 45 rpm seven-inch single sales continuing to be the primary market for the recorded music industry. Though they released longer works, the careers of notable 50s Rock n' Roll performers such as Elvis Presley, Little Richard and Buddy Holly were driven primarily by single sales. Prior to the 1960s, the notion of the album was awash with a certain strand of elitism – perhaps not entirely coincidentally – the very hierarchies that the social movements of the decade sought to upend. The medium was the preserve of Jazz, Classical, Musicals and Vocal Pop (Frank Sinatra's *In the Wee Small Hours*) circles, while the singles market – at least until the advent of Rock n' Roll – was dominated by showtunes and a plethora of novelty records. During this period the biggest selling albums were often soundtracks.

Early Rock and Pop releases on the medium often tended towards repackaging existing hits alongside weaker, filler material. This began to change when artists such as The Beatles and Bob Dylan began to see the album as an opportunity to create broader and more challenging work. It was not until 1967 in the US that a Pop music album (The Monkees second album) became the biggest seller in a single year. It was a 12-month period that included arguably more seminal releases than any other (Sgt Pepper, Cream's *Disraeli Gears*, the debut albums from Pink Floyd, The Velvet Underground, The Doors and Aretha Franklin's *I Never Loved a Man the Way I Love You* – to name but a few).

This appears a symbolic watershed as the following year, album sales overtook singles for the first time and effectively launched the 'album era' proper.

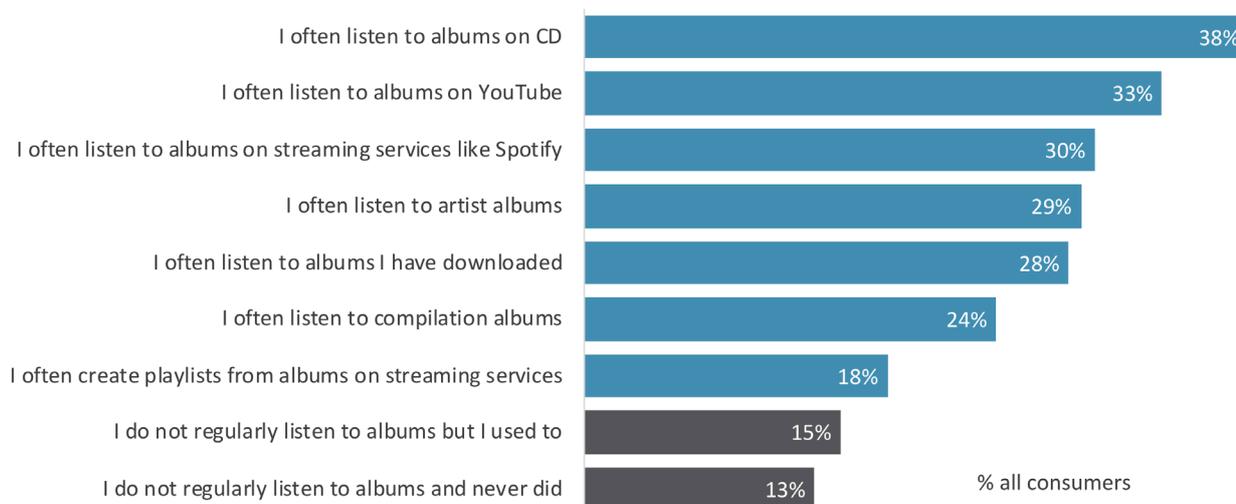
Over the next few decades, the album would become a central cultural reference point in many young people's lives, but this was not exclusively because of the medium's own power. From the late 60s to the early 90s, aside from books, records were the only on-demand form of entertainment in the home at a time when TV choice was both limited and tied to a linear broadcast. Meanwhile home video and gaming systems were not yet mainstream. The world wide web and subsequent popularity of social networks and messaging services would also not occupy significant amounts of teenage time-spend until the mid-00s. But when it did, it utterly transformed teenage media consumption habits shunting music aside in favour of social media. Instagram and Snapchat play more of an identity defining role than music did in the album's peak era.

Albums would outsell singles for 40 years until 2008. Even as new genres emerged, it remained the centrepiece by which artists were judged. However, the launch of the iTunes Store in the early 2000s effectively unbundled the album for the first time, at least legally. For the next decade, although great work continued to be created, the conversation around albums was sometimes more around how they were being released, with examples being Radiohead's pay-what-you-like strategy with *In Rainbows*, surprise releases (Beyonce), Adele's decision to initially withhold 25 from streaming platforms and of course the controversy around windowing (Frank Ocean, Kanye West, Chance the Rapper).

Pondering the future of the album in 2018 is mission critical, and that process must consider the wider possibilities of what albums, now freed from the constraints of physical, can do in the streaming era. Indeed, what they must do to find long-term relevance among a new generation of music fans.

Figure 1: YouTube and Audio Streaming are Now Nearing CD for Popularity as Album Listening Platforms

How Consumers Listen to Albums, Q3 2018, UK only



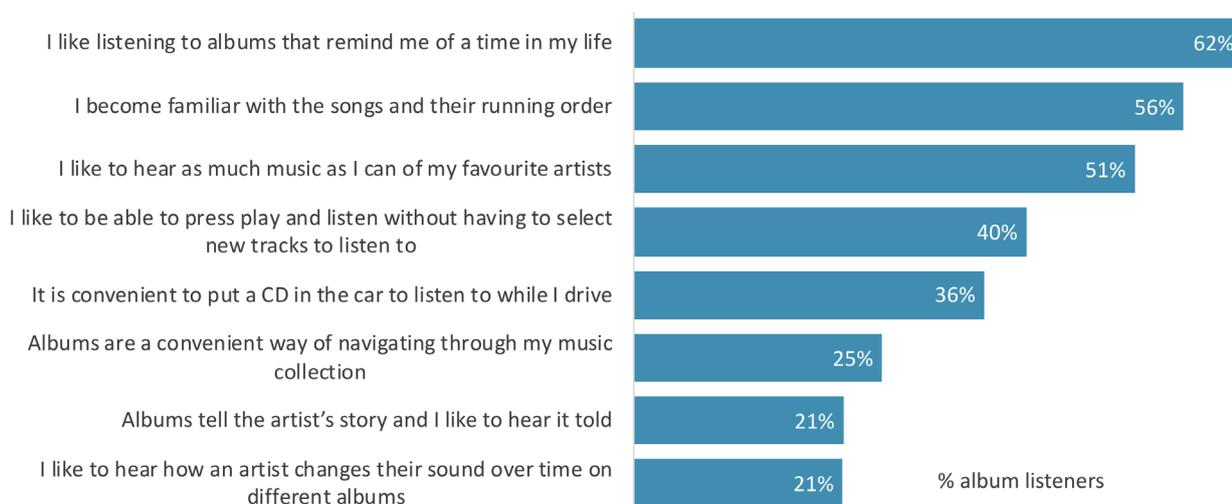
Source: MIDiA Research Consumer Survey Q4 2018, UK only n = 2,000



As the shift to streaming accelerates, sales of albums on music-to-own formats are declining, but album consumption remains a core consumer behaviour, and not just across legacy formats, but digitally too. 38% of UK consumers often listen to albums on CD while 33% listen on YouTube and 30% on streaming services. This illustrates that even though traditional album sales are on the wane, many consumers still engage with albums and are doing so on streaming platforms. Although this does not mean that streaming consumers are necessarily spending the majority of their time on streaming services listening to albums, it does demonstrate that album listening remains part of the music listening landscape. Additionally, the fact that rates for listening to artist albums – 29% – and compilation albums – 24% – are relatively similar illustrates the diverse nature of album consumption.

Figure 2: Nostalgia, Familiarity and Immersion in an Artist's Output are Key Reasons Album Listeners Listen to Albums

Main Reasons that Album Listeners Like Listening to Albums, Q3 2018, UK only



Source: MIDiA Research Consumer Survey Q4 2018, UK only n = 2,000



Diving deeper into why consumers like listening to albums reveals that albums mean many things to many people. Nostalgia is the key reason people listen to albums. 62% of UK album listeners say they like listening to albums to remind them of a time in their life. Music, like smell, is one of the few things that can take us back to a moment in an instant. Music and albums often form the soundtrack to key phases of our lives. The albums we listened to most during those times can almost feel like looking through old photos, recalling those memories and how we felt back then. This is a key reason why catalogue albums are still so important, even in the streaming era. It is a point made by Sony Music's Joanne Kalli when speaking at the BPI/ERA Insight Session on the role of the album:

“We’re talking about albums and that still, fundamentally, is the heart of the story that we’re telling. It’s still fundamental to the artist. It’s just that the approaches have changed and obviously the technology has changed massively.”

After nostalgia comes ‘familiarity’. 56% of album listeners state that they listen to albums because they become familiar with the running order of the songs on the album. This speaks to the effort artists make to tell stories with their albums, to create narratives that link together the collection of songs.

Mercury-nominated artist Novelist puts it like this:

“The songs on my album are all about different sides of me. You can’t really look at the world from one perspective. You’ve got to look at the world from a few different perspectives, and I feel a body of work is how you can do that.”

Listening to albums as a body of work, rather than a few select songs, can also be crucial to unlocking an album as a listening experience for fans, as explained by Public Service Broadcasting’s J Willgoose Esq.:

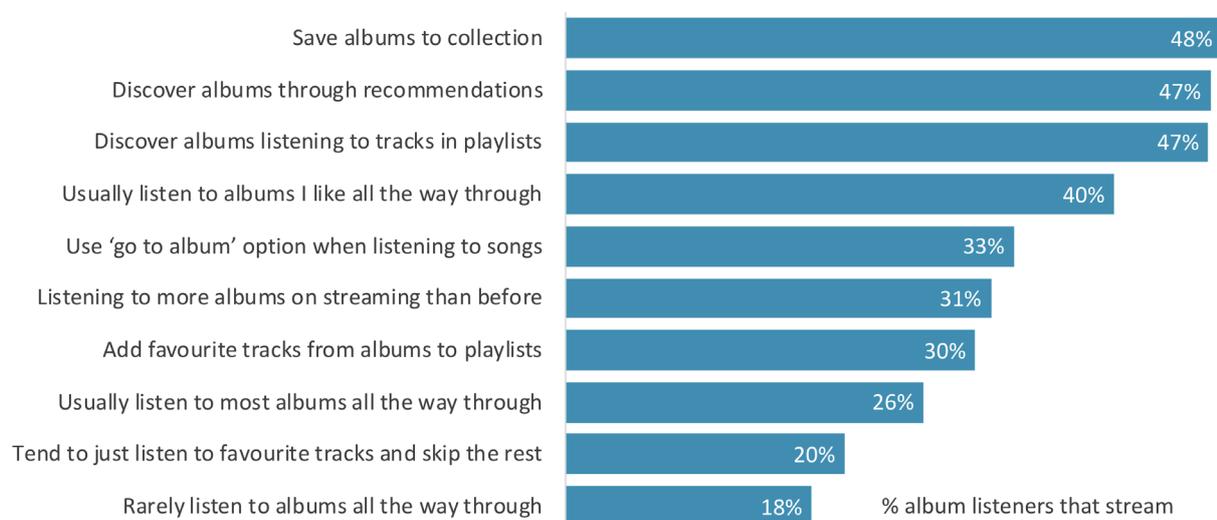
“The music I’ve got the most out of has always been album-related. It has been the stuff I haven’t really understood at first. It kind of seeps into your consciousness, almost rewires your brain in a musical way... and you do need a length of time.”

A corollary of absorbing the album’s narrative is immersing into the artist’s story, with 51% of album listeners saying they like listening to albums because they like to immerse themselves into the creative output of an artist. Albums are artist-centric experiences – a window into an artist’s creative vision and a platform for an artist’s relationship with their fans, a point made by Jacqueline Eyewe (senior marketing manager, Atlantic Records UK):

“The way people consume is reflective of how their behaviour has changed... but what hasn’t changed is what albums mean to artists. It solidifies them as artists, and it solidifies what they want to say.”

Figure 3: Recommendations and Playlists are Key Routes into Albums on Streaming Services

How Streamers That Listen to Albums Interact With Albums on Streaming Services, Q3 2018, UK only



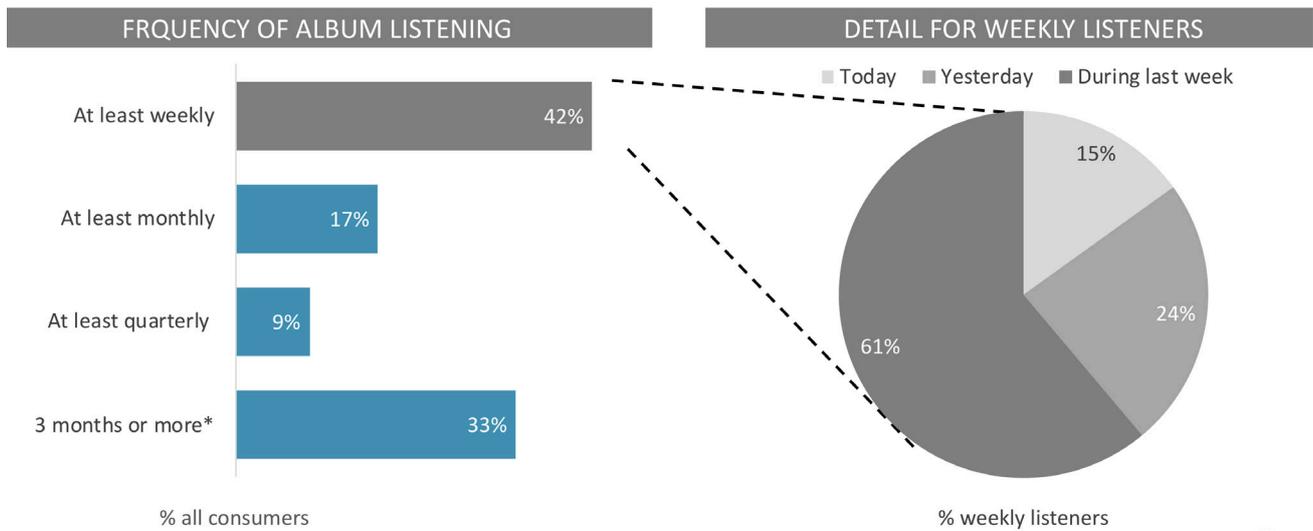
Base = streamers that listen to albums

Source: MIDiA Research Consumer Survey Q4 2018, UK only n = 2,000

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With streaming growing strongly, its impact on album listening will increase with each passing year. Currently, nearly half (48%) of UK album listeners that stream save albums to their collections on streaming services, meaning that among this subset of music fans, albums form an important part of their music streaming consumption. In terms of album discovery on streaming services, listeners that stream albums are equally likely to discover albums through streaming service recommendations, as they are by hearing individual tracks on playlists – both 47%. This indicates that for many music streamers, playlists are not a binary alternative to albums. However, that a smaller share (33%) use the 'go to album' features on streaming services from individual tracks, shows there is still much room for improvement in terms of how streaming services can drive album listening.

Figure 4: Over Half of UK Consumers Listen to Albums Every Month or More
 Frequency of Album Listening, UK Only, February 2018



Source: ERA Entertainment Consumer Tracking Study, Wave 19 2018, n = 1,534

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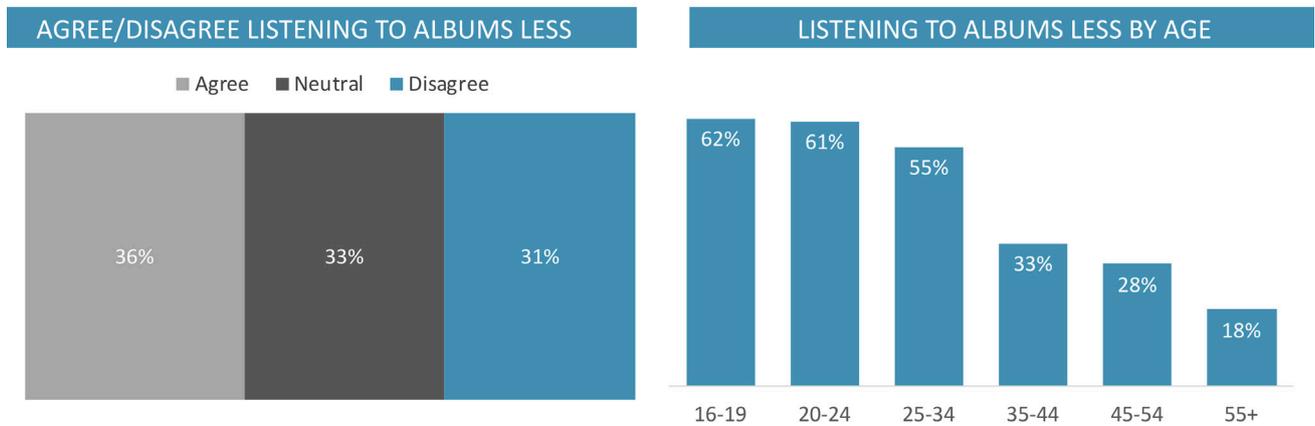
One of the challenges when comparing CD sales data with streaming data is that one measures transactions while the other measures consumption. In short, we do not get to see the actual usage of the CD album after it has been bought. Indeed, when we look at overall music consumption, a more robust view of the album emerges, 42% of UK consumers listen to albums at least weekly and 17% at least monthly. Therefore, more than half of the UK population listen to albums every month or more. A further breakdown among the weekly listeners: 15% listen daily and 24% at least every couple of days. Album listening remains a mainstream UK activity, with a significant base of heavy consumers.

However, age once again plays a determining role. 'At least weekly' listening penetration is actually higher among consumers under the age of 35 – 49%, compared to 43% for those above 35. However, this reflects that under 35s are much more likely to be frequent music listeners as a whole. In fact, only 3% of under 35s do not listen to music weekly, compared to more than a third of those aged 35-plus. Thus, at least weekly album listeners represent 49% of under 35 weekly music listeners but 65% of 35-plus. Furthermore, consumers aged 35-plus represent 63% of all those who listen to albums at least weekly. To be clear, these are still strong figures across the board for album listening, but the role of age is clear.

Age differences become more pronounced still across formats. Of all album listeners, CDs were the album format of choice for 21% of under 35s, compared to 51% for those aged 35 and over. Meanwhile, streaming was the format for just 12% of older album listeners, but 41% for under 35 and rising to 56% for under 25s. This means that 40% of all UK consumers aged 25 and under listen to albums at least monthly on streaming services. The under 25s penetration rate for curated playlists is just 14%. This does not mean that albums account for the majority of streams for younger consumers, but it does illustrate that the format has some resonance among younger music fans within streaming environments.

Figure 5: Playlists are Replacing Albums for Younger Consumers but Older Listeners Remain Loyal to the Album

Consumer Attitudes to Whether they are Listening to Albums Less Because they are Listening to Playlists More, Q1 2018, UK Only



Question asks: I am listening to albums less than I used to because I am listening more to playlists

Source: MIDiA Research Consumer Survey Q1 2018, UK only n = 2,000

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Streaming is changing listening behaviour. 36% of consumers are listening to albums less because they are listening to streaming playlists. Consumer adoption of curated playlists may still be in its relative infancy, but playlists more widely (i.e. including user generated playlists, add to collection etc) have greater traction, especially among under 25s, where penetration is nearly double that of curated lists – 27% compared to 14%. Add the 9% of all UK consumers that listen to stations within streaming services and the combined impact of playlists in a broader sense is clear to see.

In many respects it is radio that needs to be most concerned by the rise of playlists, as they directly compete for the lean-back listening behaviour that radio supports. However, the fact that playlists get progressively better at second guessing the tastes of listeners, and that listeners can skip and rewind, raises the strong possibility that lean-back listening will become a larger share of music listening than it was in the pre-streaming era.

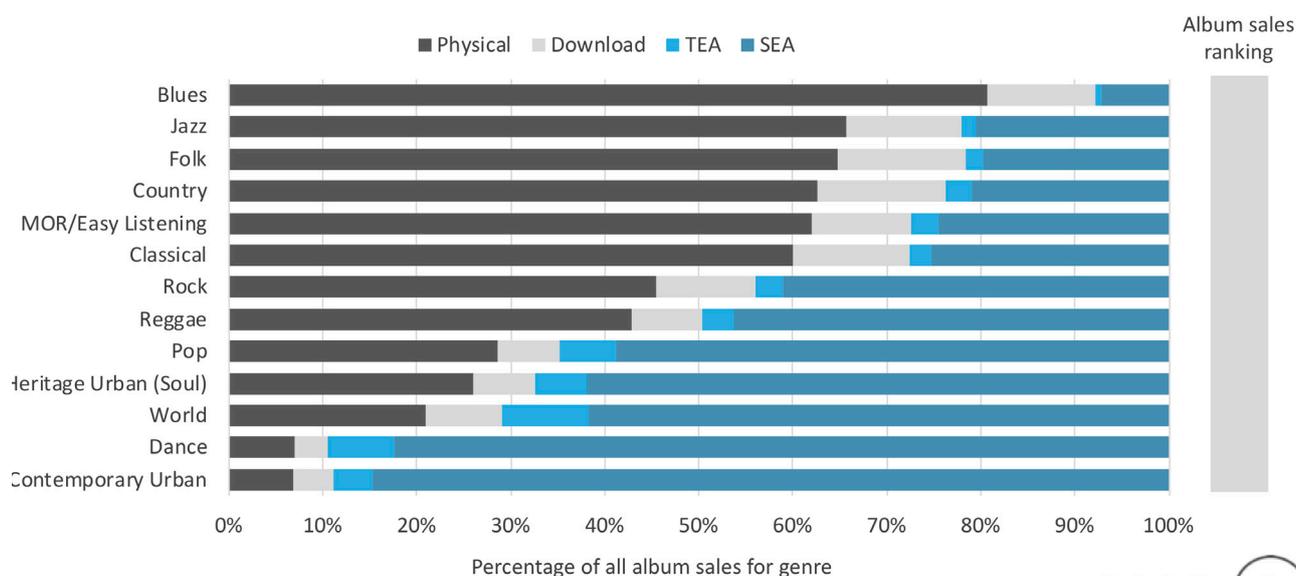
Age and formats are key. Album listening has decreased due to playlists for 62% of 16–19 year olds, 65% of music subscribers and 79% of streaming speaker owners. The implications are manifold. Change is not evenly distributed, which means that albums that appeal to older, less streaming-focused consumers, are much less impacted by the changes in consumption.

Meanwhile, artists with younger fan bases will have to get more and more used to much of their audiences dissecting their albums to listen to individual tracks, often in playlists.

Compilation albums though face arguably the sternest challenge from streaming, with the very essence of what they are being replicated by playlists. Compilation album curation is both an art and a science, but there is nothing intrinsically different about the skillsets of a label's curation team and that of a streaming service, save experience—for now. Compilation albums do however give older consumers the ability to keep their toes in the water, to quickly feel connected with music in a way that they did previously when in younger stages of their lives.

Figure 6: Album Consumption is Hugely Diverse Across Different Genres

Distribution of Equivalent Album Sales by Format and by Genre, September 2017 to August 2018, UK Only



source: BPI/OCC

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Notes: Track Equivalent Albums (TEA) 10 tracks equal one album

Streaming Equivalent Albums (SEA) 1,000 track streams equal one album

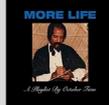
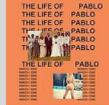
The age impact on genres directly translates to album sales and to album equivalent sales (AES). Blues, Jazz, Folk, Country, MOR and Classical all have older fan bases and have 60% or more of their AES units coming from actual physical formats. At the other end of the spectrum, Contemporary Urban (Hip Hop and R&B) and Dance have the youngest fan bases and have less than 10% of AES coming from physical, with streaming equivalent albums (SEA) accounting for 85% of Contemporary Urban and 83% of Dance units. These latter genres are at the bleeding edge of new music consumption patterns, and actual albums play less of a role here than for genres with older fans.

The extra lens through which these trends need to be viewed, is the volume contribution of different genres to the overall album market, which is in turn a reflection of the affinity for albums of fans of each genre. Blues and Jazz have the highest actual album sales shares but both rank in the bottom third of the genre rankings for contribution to total album equivalent sales. Meanwhile, of the top third in terms of SEA shares, just one – Contemporary Urban – is in the top third for sales. Rock is the genre that catches the eye, exactly midway in the sales-versus-streams rankings, but number one in terms of album sales. Rock might just be the genre best placed to navigate the transition from traditional albums to a new future for albums in streaming.

Streaming and track equivalents are not measures of album consumption nor sales, but they do provide a useful view of consumption trends and act as a bridge between the old and new worlds.

Figure 7: The Album Has Seen Numerous Experiments but its Fundamental Structure Remains Intact

Key Innovation in Album Formats and Release Strategies, 2007 to 2018

My Beautiful Dark Twisted Fantasy	Beyoncé	Once Upon a Time in the Shaolin	Lemonade	Divide	Culture II	Invasion of Privacy	Scorpion	Kamikaze
								
Additional free tracks every week	Surprise release + visual album	Only one copy released	Tidal exclusive + HBO docu	Tracks dominated singles charts	106 minute running time	Album 'got in the way'	90 minutes, 25 tracks	Surprise release
In Rainbows	Biophilia	Magna Carta Holy Grail	1989	25	More Life	Life of Pablo	Whack World	Ye
								
'Pay what you want' release	First 'album as app'	Given free with Samsung phones	Held back from Spotify	Windowed from streaming	Album as playlist	Continually updated	Collection of 1 minute videos	7 track album

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The last decade has seen an impressive amount of album experimentation. While most of the innovation has been in release strategy (e.g. surprise releases, windowing, pay-what-you-want), format innovation though less widespread, has truly pushed the boundaries. These are a few of the key album innovation milestones in the digital era:

- **Radiohead - *In Rainbows***: In 2007, Radiohead fans were given the option to pay what they wanted for the album, reframing the role of the music fan as a music buyer. The album also spawned a MySpace-centred remix competition, with fans able to purchase the track *Nude* to create their own versions, in turn also blurring the distinction between creator and audience. An early trailblazer for the mash-up and meme culture that would rise with the next wave of social platforms.
- **Bjork - *Biophilia***: The 2011 concept album was positioned as an album-as-an-app. Conceived in a time when the creative capabilities of apps and tablets were being explored with vigour, *Biophilia* looked like it could have been an ice breaker for a new wave of interactive albums. The fact it did not presage a new era in albums reflected both the sheer volume of effort in creating such a piece of work, and that the majority of music fans simply liked to listen rather than interact with albums.

- **Beyoncé – *Beyoncé*:** Beyoncé's eponymous 2011 album was notable for two things: 1) being released without prior announcement but still debuting at number one; 2) being positioned as a 'visual album', accompanied by a series of short films.
- **Wu-Tang Clan – *Once Upon a Time in Shaolin*:** A 2015 double album that became the most expensive album in history, with its only copy selling for \$2 million to now disgraced businessman Martin Shkreli. Following a March 2018 court ruling the album could be possessed by US authorities if Shkreli is unable to pay a \$7.4 million fine.
- **Adele – *25*:** Adele's third studio album in 2015 followed her hugely successful 2011 album *21* and went on to sell in vast numbers, illustrating that it was still possible to have global album megahits. In order to mitigate the potential impact of streaming on sales, the album was windowed from streaming services. One of a number of albums that did so during this 'growing pains' phase of streaming.
- **Kanye West – *Life of Pablo*:** Kanye's 2016 album followed a typically controversial media build up but stood out most for two key reasons: 1) It was released exclusively on streaming service Tidal, 2) West continued to make changes to the album after release, describing it as 'a living, breathing, changing, creative expression'.
- **Drake – *Scorpion*:** Following on from his 2017 'album as a playlist' *More Life*, Drake 'carpet-bombed' streaming services in June 2018 with *Scorpion*, a 25-track, 90-minute opus that was more about giving his fans a large collection of tracks that would saturate the playlists, than something designed for end-to-end listening. In doing so it followed a blueprint set by Migos's 24-track, 106-minute *Culture II* a few months earlier in January 2018. Though at the other end of the scale, the 2018 release *Ye* by Kanye West (that is what he was still calling himself when the album was released) was just seven tracks, with the rapper stating, "Man, if we can't kill you in seven songs, we don't really need to be doing the music".



Artist Voices

Songwriters, singers and performers still value the long play as a conceptual body of work that gives expression to their music creativity. The inaugural National Album Day, which took place on October 13th 2018 bore testimony this, with a broad range of artists ambassadors of all ages and genres reinforcing the importance of the album to them, and to their peers also.

Sony Music/RCA recording artist Paloma Faith, for one, said: “I vividly remember being excited by so many classic albums as I was growing up, like Marvin Gaye’s ‘What’s Going On’, Dylan’s ‘Freewheelin’”, and Erykah Badu’s ‘Mama’s Gun’, although, if I had to pick one, the album that most inspired me was Tracy Chapman’s self-titled début. It featured the incredibly powerful ‘Why?’ – a song that has become a real anthem for me, not least as it was the first to bring home the emotional power of lyrics. The way we engage with music may be changing, but for me the album remains the ultimate expression of the songwriter’s craft.”

A sentiment endorsed by Rock icon Alice Cooper: “It would be very hard for me to do something that didn’t follow the album format. It’s hard for me to simply write twelve songs. It’s in my nature to connect them somehow. It’s really neat that this post-millennial generation is buying albums again. I’m from a period of time where the release of a new album was an important thing: you stood in line, you bought it, you invited a bunch of friends, you opened it up, and there was a smell to the vinyl. You checked out the sleeve to discover who was on it, who wrote it. You placed the needle down – it was a ritual.”

Many younger artists are also enthusiastic. Norwegian singer/songwriter and producer, Aurora adds: “The album is, for me, not only a soundtrack to a moment of your life, but also a chance to take a break from it. To listen to a whole story, and be on a whole adventure, where we are taken through different sounds, emotions, and different sides of a heart, and a mind. It’s a way of exploring all the different corners of a creative mind. And, through time, watching it change and grow. Album after album – it’s more than just a moment, but a whole chapter of a life. And that is what an album means to me. All songs standing together like that, really turns them into a beautiful journey.”

While Holly Ross of The Lovely Eggs conveys the essential appeal of the album: “In a way, listening to a great album is a lot like reading a really good book. Each song is its own chapter. And just as you wouldn’t appreciate reading a book if you only read one chapter, it’s the same with an album. You have to take in all the tracks in order and listen to it as a whole to really appreciate what it is that makes an album special.”

As does Warner Atlantic UK artist, Jess Glynne, who recently bagged another No.1 with her sophomore album Always In Between: “Listening to an album can take you on a journey that was never yours to begin with but by the end it’s all yours. The album is timeless and stands forever, and this is why I love it so much.”

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THE FUTURE



The Evolving Role of Retailers

Shifts in the retail landscape have played as strong a role in album consumption trends as formats. In fact, the rise of digital has effectively fused retail and format into the same entity. From Apple's original iTunes ecosystem through to streaming services now, digital music services combine acquisition, collection and playback into one end-to-end solution. Whereas in previous eras retailers sold formats created by third party consumer electronics companies, now they shape the formats themselves within the parameters laid out by music rights holders. It is a model that gives retailers more creative freedom and, even more importantly, enables them to follow consumer demand more than ever.

The outlook for album retailing can be divided into two key segments:

- **Physical:** Older consumers are likely to continue to value physical formats and will thus remain a long-term album customer base for physical retailers and online retailers alike. However, the physical opportunity goes much further. One of the big growth areas over recent years has been special editions and vinyl. Super fans are increasingly buying high-quality, premium physical editions of their favourite artists. Vinyl represents 25% of physical album transactional spend, rising higher for many releases. For example, the Arctic Monkey's *Tranquility Base Hotel & Casino* saw vinyl accounting for 53% of transactional spend. Vinyl's resurgence is a natural consequence of the shift to streaming. With physical music collections being replaced by ever changing playlists and unwieldy cloud collections, many music fans are looking for a medium through which to express their musical identity. Premium physical editions of albums are one such outlet. This market segment has a lot more untapped opportunity within it. Take the case of South Korea. It is the first market globally to record a million subscribers and one of the first to see streaming account for 50% of all revenues. South Korea is a mature streaming market, but in 2017 something strange happened – physical revenues grew 53%. Savvy Korean music companies had started taking tips from the J-Pop playbook and applying them to K-Pop artists like BTS, creating multiple edition releases with different gifts. In this most developed of streaming markets, physical albums have found a new lease of life, essentially as vehicles for merchandise.

While the J-Pop and K-Pop model may not translate so well to the UK – the burgeoning success of BTS notwithstanding, the principle of engaging super fans with album-delivered merchandise in a peak streaming environment still applies. Additionally, Record Store Day and the growth of vinyl sales have illustrated that music aficionados can still be drawn out in large numbers for albums.

- **Digital:** Working on the assumption that the download has a finite shelf life, the longer-term digital future for albums – until / if a new format emerges – will be in streaming. However, to capitalise upon this opportunity, significant innovation and experimentation will be required from retailers, labels and artists alike. Near-term change will be led by innovative artists pushing the boundaries within the existing album format. During this period, the smart streaming services will harvest and analyse every ounce of user data around these format-stretching albums to build an evidence base for what the next generation of albums should look like.



New Models

Mid-way through its transition phase, the album finds itself at a crossroads. As with all transitions, the old and new world will continue to co-exist for some time, but the shift to the new will be inexorable. As the transition progresses, the addressable market for traditional albums will become more tightly focused than it is already becoming. The CD and album download opportunity for mainstream, middle-aged-listener-friendly artists will likely have largely played out within ten years, with around half of the existing market already gone within five.

In contrast, vinyl and special edition CDs should fare well over the same period. As previously discussed, in a peak-streaming world, the case for physical products for super fans becomes ever stronger. Retailers and labels should not however rest on their laurels. There is so much more that can be done with special editions, much of which can be framed within the approach of using special editions as a vehicle for delivering high quality merchandise to discerning fans. The same approach may also prove useful for Pop acts with younger fan bases, taking a leaf out of the J-Pop playbook.

Against the backdrop of these format shifts, we will see changes in how artists themselves view albums. Many of these changes will be defined by genre – more on that below – but we will also likely see a broader trend of artists, most often in conjunction with their labels and management, questioning on a case-by-case basis whether a traditional album is the best fit for their next release. Until now, the album has been the default option, an approach that served the industry well for decades, but that needs to evolve in the streaming era. Some might opt for other ways to release collections of tracks, some might opt for a succession of tracks, while others will still opt for the traditional album. As Atlantic's Jacqueline Eyewe further explains:

“The album still means a lot to the artist. An artist like Young Thug might release a new mixtape every two to three months. That's how quickly his audience wants to consume his music. And that doesn't necessarily fit with the traditional concept of an 'album' but is still loved by the audience the same way. The way people consume is reflective of how their behaviour has changed... but what hasn't changed is what albums mean to artists. It solidifies them as artists, and it solidifies what they want to say.”

Equally though, there will be some artists who will remain wholly loyal to the traditional album format, favouring its ability to allow them to tell a story, as a canvas on which they can paint their vision. Within this meta context, these are three key ways in which we think album innovation will occur within streaming environments:

- **Format stretching:** A small but growing body of artists are recognising the value in using album releases as a way to deliver a large selection of tracks that fans can add to collections and dip in and out of, rather than to be listened to as a creative whole, from start to finish. The tactic has the crucial benefit of increasing playlist exposure, thus improving an artist's overall streaming performance. So, expect more releases like *Scorpion* and Migos's *Culture II* that essentially 'carpet-bomb' streaming services over a concerted release campaign. Experimentation is unlikely to stop there. Once the now-hypothetical constraint of a set number of tracks is discarded, everything is fair game: shorter songs, shorter releases and so on. Though Kanye West's concept of the ever-evolving album is unlikely to catch on with mainstream audiences, this sort of audacious thinking is what will help push album innovation onwards.
- **Scheduling freedom:** Although album release schedules and marketing campaigns still dominate the way labels and artists operate, this model too will evolve. Switching from albums to single tracks, however, is not a viable option for most labels, as the economics of marketing just one track versus an album do not add up across an entire label's roster – other than for exceptions such as specialist dance labels etc. Labels will still want to invest in nurturing and marketing bodies of work but that no longer need to necessarily be released all at once. In fact, in today's congested marketing landscape, cutting through the clutter is ever more difficult and, most pertinently, ever more expensive. So, a single release campaign can get lost in the maelstrom of perpetually updated social feeds. But, imagine swapping that 'rabbit out of a hat' approach in favour of building sustained interest over a period of time, with albums released iteratively. The result could be an engaged audience listening out for the next instalment, perceiving the marketing as chapters in a connected narrative, rather than simply another ad competing for their attention. Some of this thinking is already happening, as noted by the Official Chart Company's CEO Martin Talbot: "The album is almost becoming the punctuation at the end of a project. People are going to start building their campaigns with the album becoming the punctuation at the end of the project." Of course, the chapter approach may not work for all artists, but for others it could be the missing ingredient in reinvigorating album listening on streaming services.

It is not a new idea. The internet is awash with DIY articles on album unbundling, but now, finally, the time is right. However, experimentation with release schedules should not stop there. Once the release schedule is thought of as a blank canvas rather than a rulebook, anything and everything is possible, whether that be frequent track bundles – EPs for those of a certain vintage, half an album at a time, or unlocking tracks through social sharing – a model deployed in 2017 with Ferry Corsten’s concept album Blueprint.

- **Artist-centric experiences:** Perhaps the single most important essence of what an album is, is its role as an artist centric experience. In the analogue era there simply was not any other large-scale means of delivering an artist centric experience other than the album. Now, no such excuse exists. The Internet in its many guises presents a myriad of opportunities. The great irony is that streaming is pushing away from, not towards artist-centric experiences. Following an artist on Spotify hardly counts, and Apple Music’s Connect never really got going. But the fault does not solely lie with the streaming services. Labels and artists too need to put more effort in creating a steady stream of content for their fans in the places they listen to music, not just the places they share photos and message each other. YouTube’s channel structure works really well for native creators like Zoella and DanTDM, but most artists do not follow the approach, except for a new generation of artists that started out on YouTube, such as Hannah Trigwell. More established artists would be well advised to take note. Of course, creating regular content is time consuming and labels already fret they are taking up too much of their artists’ time. Nonetheless, engaged audiences need investment, and the price of investment is rising all the time. An album every year or two with a few singles in between does often not meet consumer needs in the age of the ‘always-on’ fan. And artist centric experiences need not simply be resource draining efforts, extra streams of course means extra revenue, but other models like artist subscription apps from the likes of Disciple Media, SupaPass and GigRev can transform them into incremental revenue streams.

The underlying ethos of all of these approaches is well synthesised by Spotify’s Will Page:

“Think of the album as a means to an end; which is to engage fans in a collective body of work. Don’t get hung up on the album concept or syntax, and do realise there are many means to that desired end.”



Genre Outlooks

One of the recurring themes throughout this report has been growing diversity in album consumption across demographics and genres. Such trends are going to accelerate, in turn shaping the speed by which different genres respond to the album's changing future:

- **Hip Hop:** The genre that is already doing most to challenge accepted wisdoms, Hip Hop will continue to do most to push forward innovation. Most of the experimentation will continue to take place in streaming environments, but expect it to be strongly focused on playing to the strengths of the platforms, to deliver maximum exposure for artists rather than on evolving the creative construct.
- **Dance:** Dance was always a poor fit for albums on streaming. Most Dance artists fare far better as singles artists, with the stretch to a cohesive body of work often a step too far. There are of course very notable exceptions, but as a share of total Dance artists they are a minority. Compilation mixes are a staple of the genre but until streaming services get a better handle on how to process royalties for single stream DJ mixes, the likes of Soundcloud and Mixcloud will pick up much of this listening.
- **Pop:** The sheer diversity of the Pop genre makes it hard to draw any universal conclusions, but for mainstream pop acts aimed at younger audiences, the case for meeting those fans' expectations will most likely skew towards big singles, and a growing focus on visuals. The importance of the brand equity of superstar Pop acts is already widely understood but will intensify in the growing pressure to compete with non-music social stars filling young fans' social feeds. Visually-led content bundles – e.g. a couple of music videos with a supporting artist interview – may prove to be an effective way of pushing beyond the confines of the mega single.
- **Rock:** In many respects, Rock is the home of the album, and in turn the album is the home of Rock. Rock acts old and new, right across the genre's various sub-strands, will, for the next few years, continue to want to create albums and their fans will continue to listen to them. However, a temptation to fall into a 'business as usual' approach would be risky.

As much as the near-term future may look secure, the longer-term outlook will inevitably be shaped by streaming, most probably as the latest Gen Z wave of Rock fans emerge. It may well prove though, that the bands that emerge for this next generation of Rock fans may well already come armed with their own ideas of what a Rock album should be.

- **Easy listening / MOR:** Mainstream acts targeting older, more mass market consumers have the least need to mess with the album structure. Their fans are used to pressing play on the CD in the car and just listening, building comfortable familiarity. But these already older music fans will become progressively less engaged with music and there is little sign that a next generation is waiting to pick up the baton.
- **Other genres:** More specialist genres like Jazz, Blues and Classical will likely retain their album audiences indefinitely. These are already largely retrospective genres, with listening dominated by collections of music created long ago. While new artists may have an appetite for testing the boundaries, many of their audiences will need a little more persuading than fans of other genres.

Conclusions

The album has a long and rich history. Streaming, however, is transforming music consumption at an ever-accelerating rate and the evidence for an industry-changing format transition is clear. The album finds itself at the epicentre of change but that does not have to mean being locked into terminal decline. The traditional album format served the industry with distinction during its analogue era. The fact that there remain loyal bases of mainstream older fans and super fans means that the album need not worry about disappearing any time soon. However, the world is changing, as are music fan behaviours and preferences and the album must change too to keep pace and relevance. Never in any previous period have music fans had so much control. In the distribution era everyone listened to singles, albums or radio because they were the only choices available to them. Now they have an unprecedented choice of listening options, many of which give audiences multiple, customisable choices within them. People are still engrossed by longer-form storytelling and the album still plays that crucial role. Labels and artists alike need to think about how they can make the most of the new realities of music consumption.

We are far beyond the stage of turning back the clock. But at 70 years young, the album has a fantastic opportunity to break out of its format defined constraints and pursue a future defined not by a single path but instead one with multiple ways of meeting music fans diverse needs and tastes. It is time to not just meet music fans expectations but to exceed them, to think of the album as a framework for bringing artists and fans even closer together.





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