



Music makers lose out on \$2.65 billion because of global misuse of personal music streaming services

STOCKHOLM, OCTOBER 15TH, 6AM PDT/9AM EDT - Background music company **Soundtrack Your Brand** (www.soundtrackyourbrand.com) has commissioned Nielsen Music to conduct the largest-ever international study into background music. The study shows that composers, artists, and musicians may miss out on an estimated \$2.65 billion annually (\$138 million monthly) because businesses misuse personal music services in commercial settings (with most small businesses unaware they breach licensing regulations). In the U.S., the study estimates that rights holders miss out on \$888 million annually. In the UK, the study estimates that rights holders miss out on £114 million annually.

Nielsen Music estimated the size of the global market of small businesses with a physical commercial location to be 29.4 million organizations (including retailers, restaurants, hairdressers, and hotels). The study estimated that a potential 21.3 million of these businesses use personal (B2C) services for background music, instead of a properly licensed B2B music service. Among small businesses with 10 or fewer employees, it is estimated that globally, 83% breach licensing regulations in this way. The study estimated the valuation for the global background music industry as \$12.3 billion annually.

Soundtrack Your Brand commissioned the study to highlight what it perceives to be an endemic problem in the music industry, whereby streaming services—which effectively halted music piracy among consumers—have failed to guide businesses towards correctly licensed background music services.

Soundtrack Your Brand also believes the distinct lack of innovation among background music providers has led businesses to continue using consumer services; resulting in the ongoing prevention of music makers from receiving fair, and typically much higher compensation for when their music is used for commercial purposes.

Based on in-store interviews conducted by Nielsen Music with nearly 5,000 small business owners across the U.S., UK, Sweden, Spain, Italy, Germany, and France, the study found:

- An average of 83% of small business owners in these countries pay for and use a personal music service in a commercial setting.
- 71% of small business owners in the U.S. incorrectly believe they can legally use a personal B2C music service in a store.
- 60% of small business owners in the UK incorrectly believe they can legally use a personal B2C music service in a store.
- Nearly a third (31%) of small business owners in the UK did not have a license to play background music, or were unsure whether they did.

Andreas Liffgarden, Soundtrack Your Brand Co-founder & Chairman, comments: "This study should be a wake-up call for the music industry. Music makers are being shortchanged without knowing it. Consumer streaming companies have millions of customers who are actually businesses, who may be unknowingly misusing their services and not paying music makers the money they are entitled to, which is potentially in the billions of dollars."

This article represents Soundtrack Your Brand's opinion based in part on two custom Nielsen Music studies paid by Soundtrack Your Brand: a survey of 5,000 of small business owners, performed between May 10 and July 4, 2018, and a follow-up market sizing study, performed between July 24 and August 1, 2018. Nielsen is an independent measurement organization. Nielsen does not provide legal services or legal opinion, guarantee any results or performance, or endorse, rank, approve, disapprove, or recommend for or against any products or services. All names and marks are the property of their respective owners and no sponsorship, affiliation or endorsement is expressed or implied.

About Soundtrack Your Brand:

Soundtrack Your Brand (www.soundtrackyourbrand.com) helps thousands of businesses strengthen relationships with customers through music. By combining expert curation and world-class tech, Soundtrack Your Brand provides a beautiful all-in-one solution for streaming music to stores, hotels, restaurants, and other commercial settings. Founded in 2013 by Ola Sars, Andreas Liffgarden, and Joel Broms Brosjö, Soundtrack Your Brand is the world's fastest growing B2B music streaming service, working with iconic brands such as McDonald's, Moschino, W Hotels, Joe & The Juice, Aesop, Tag Heuer, Uniqlo and Adidas.

In April 2018, Soundtrack Your Brand announced transatlantic licensing deals with hundreds of rights holders including Sony/ATV Music Publishing, the world's largest music publisher, expanding its catalogue to over 40 million tracks, which increases daily by 20,000 tracks.

www.soundtrackyourbrand.com

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