

The Roster

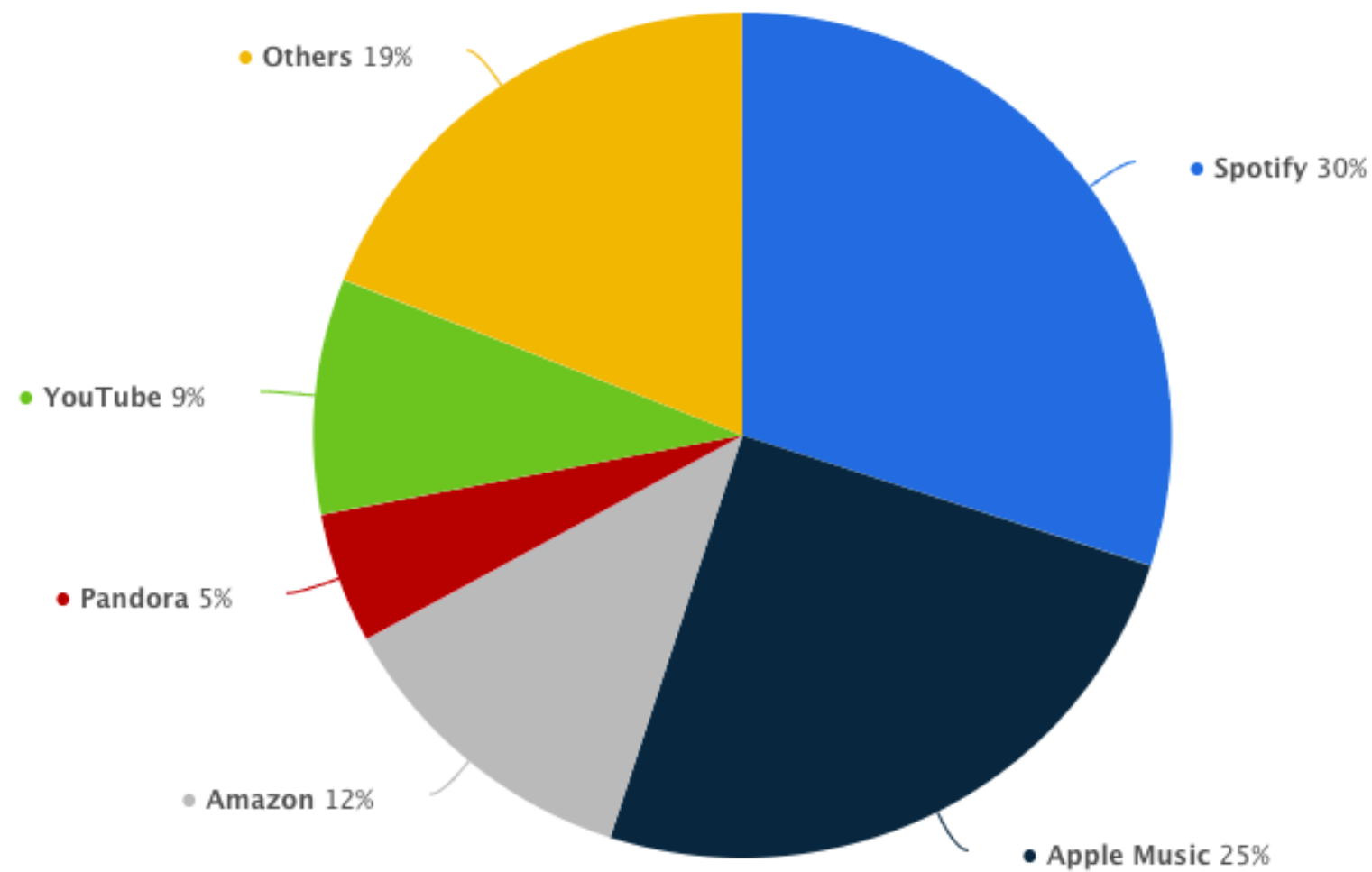


Which genre and decade of artists to invest in
and advertise?

By Kanchana Sundar

On demand

Over the last few years, music streaming has become the dominant form of music distribution around the world. Today, streaming makes up over half of global revenue from the selling of recorded music.



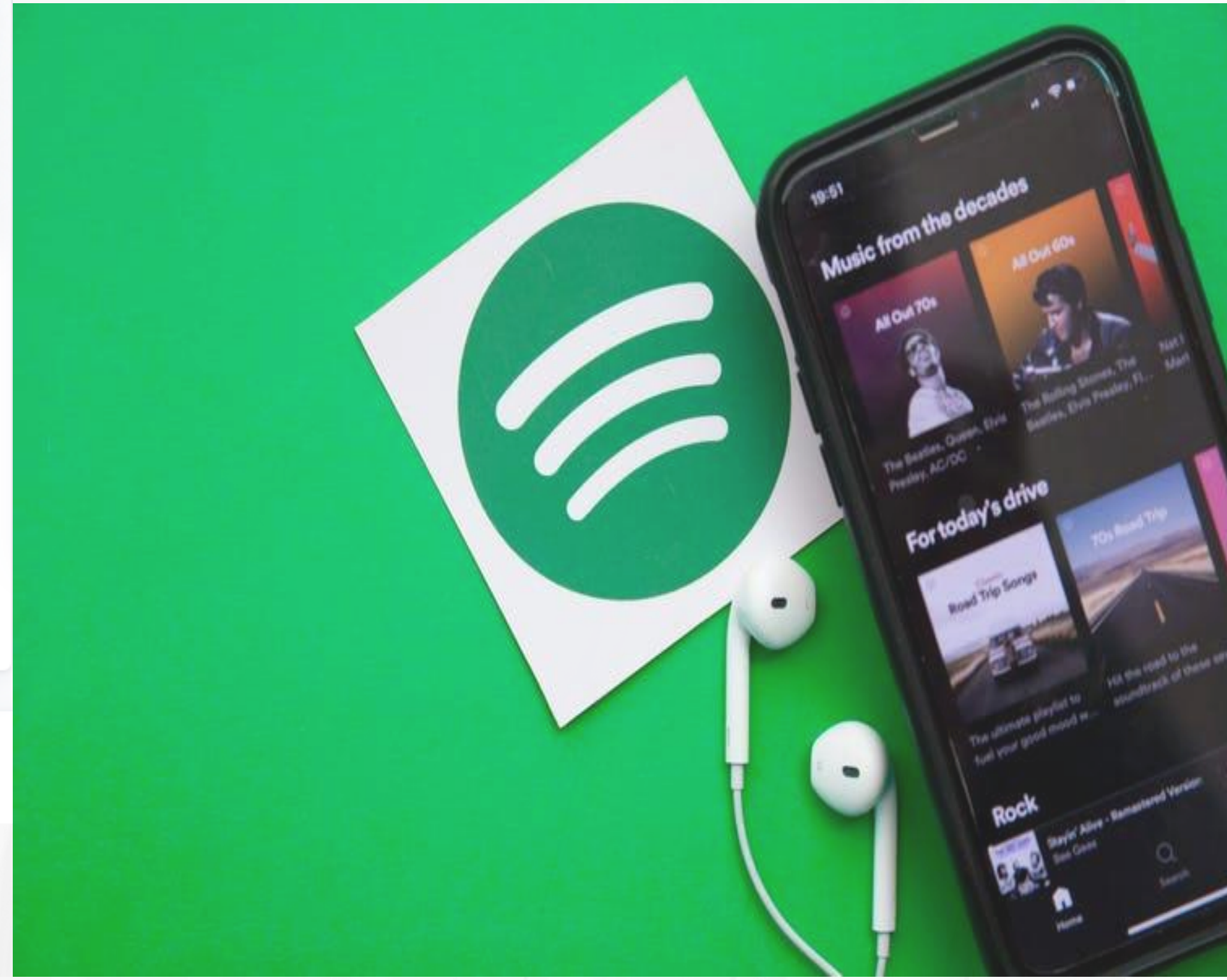
© Statista 2021

[Show source](#)

[Additional Information](#)

Subscriber share of music streaming services worldwide Q1 2020

Published by [Statista Research Department](#), Sep 15, 2021





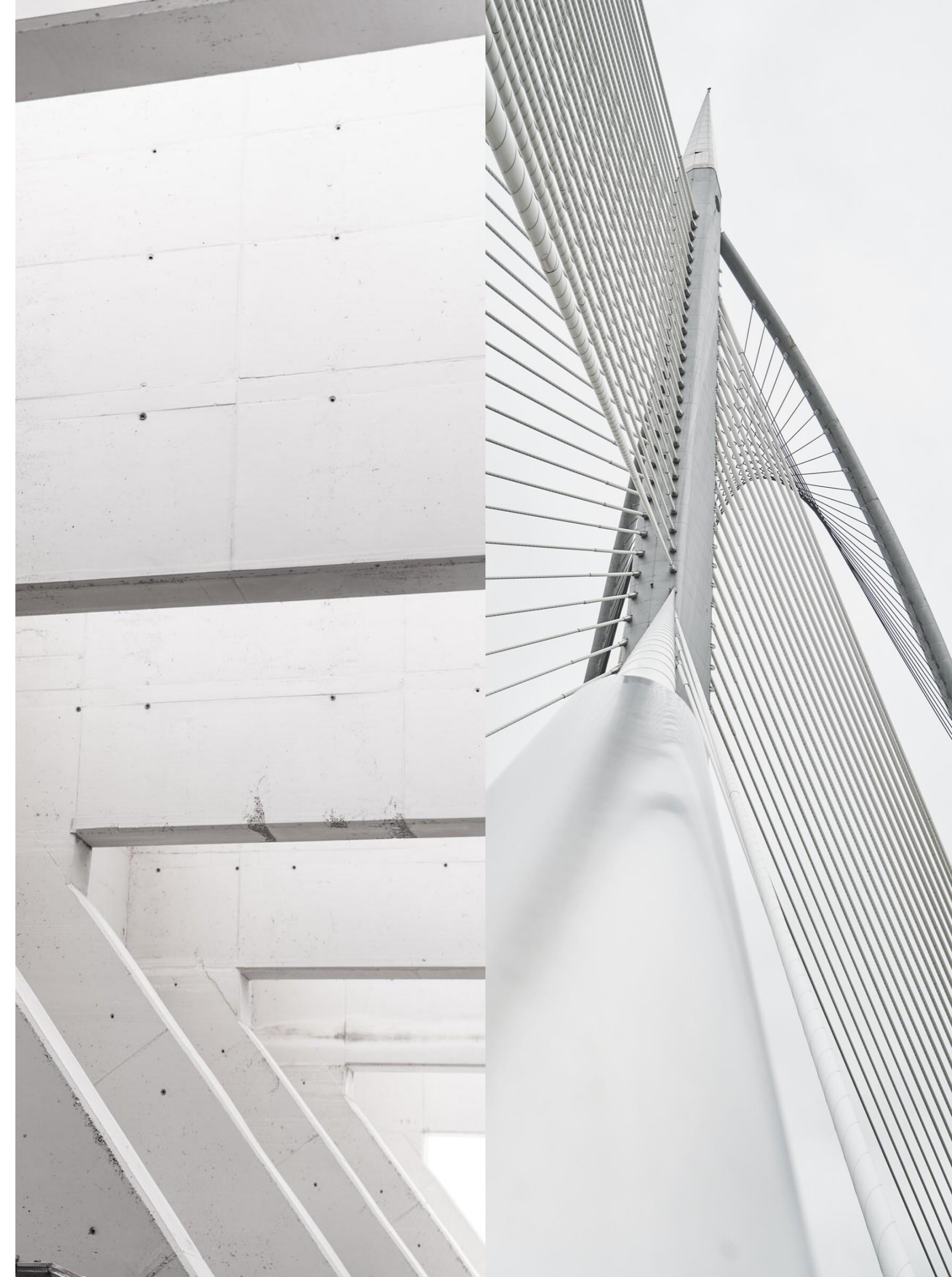
Basic Assumptions:

- There's one general audience for both listening and advertising.
- Rates of streaming are consistent from year to year without investment or advertising.
- The amount of investment is the same regardless of the artist's genre or decade.
- The recording costs for each artist is the same regardless of the artist's genre or decade.
- Other factors such as Covid-19 has greatly disrupted the way music is being consumed and this will be taken into account.

Covid-19

How the pandemic has boosted music streaming:

The pandemic restricted music artists from performing live or going on world tours and as such there has been a huge increase in music streaming due to a variety of streaming platforms and competitive subscription fees.



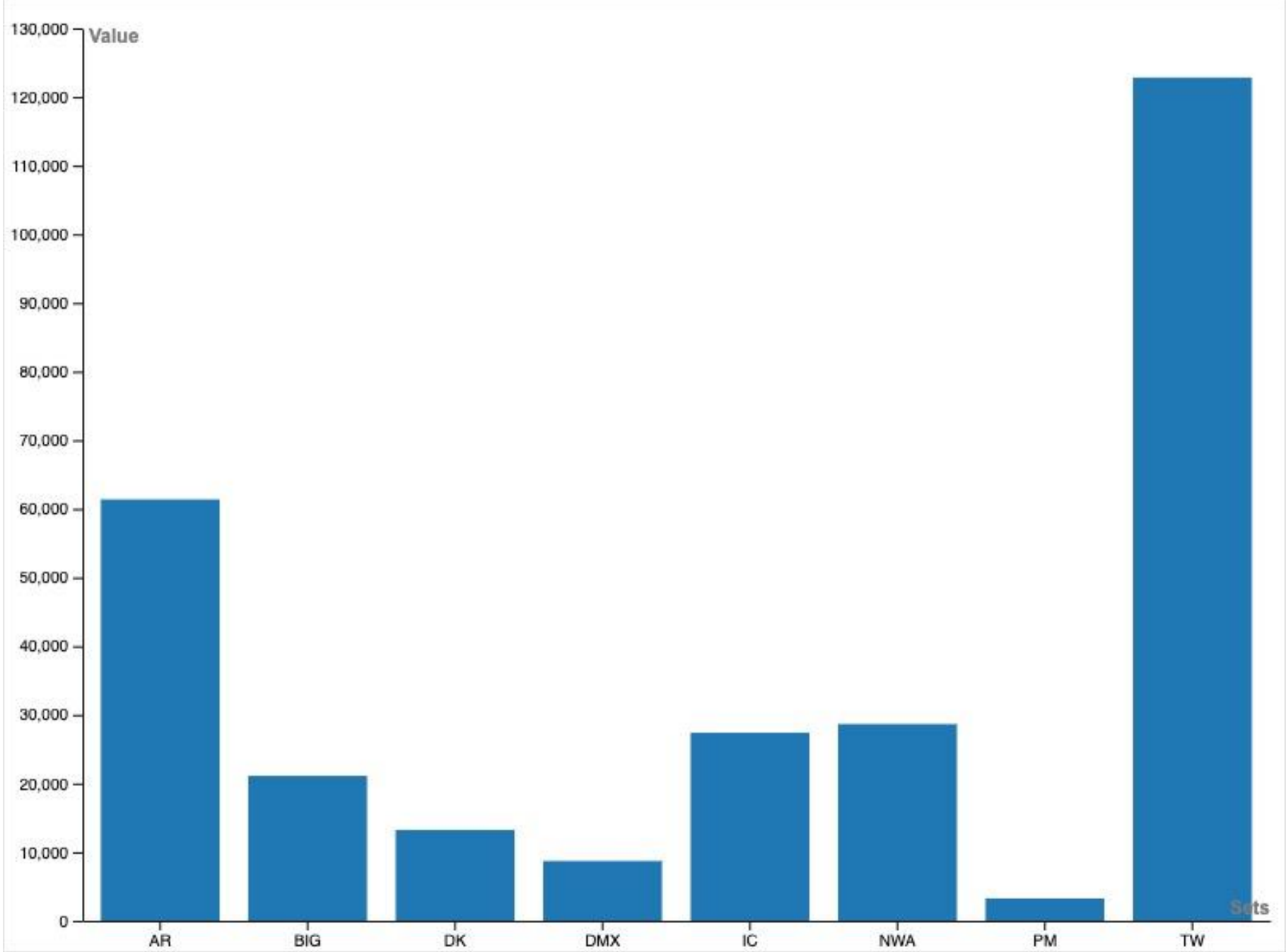
Other Factors

According to a recent article by The New York Times, it was said that the genre of music matters and it had been recorded that ***rock artists are fetching more music streams*** than Hip-hop and R&B artists mainly due to the scale of audience for their music.

Popular playlists have been increasingly streamed by people worldwide given its ease and accessibility in usage. However, according to an article by “The Conversation”, given that one-third of the streaming pie is constituted by playlists featuring the world’s prominent musicians, the effect of such playlists has ***increased the streaming of prominent musicians*** and reduced the streaming of smaller artists.

Data Processing

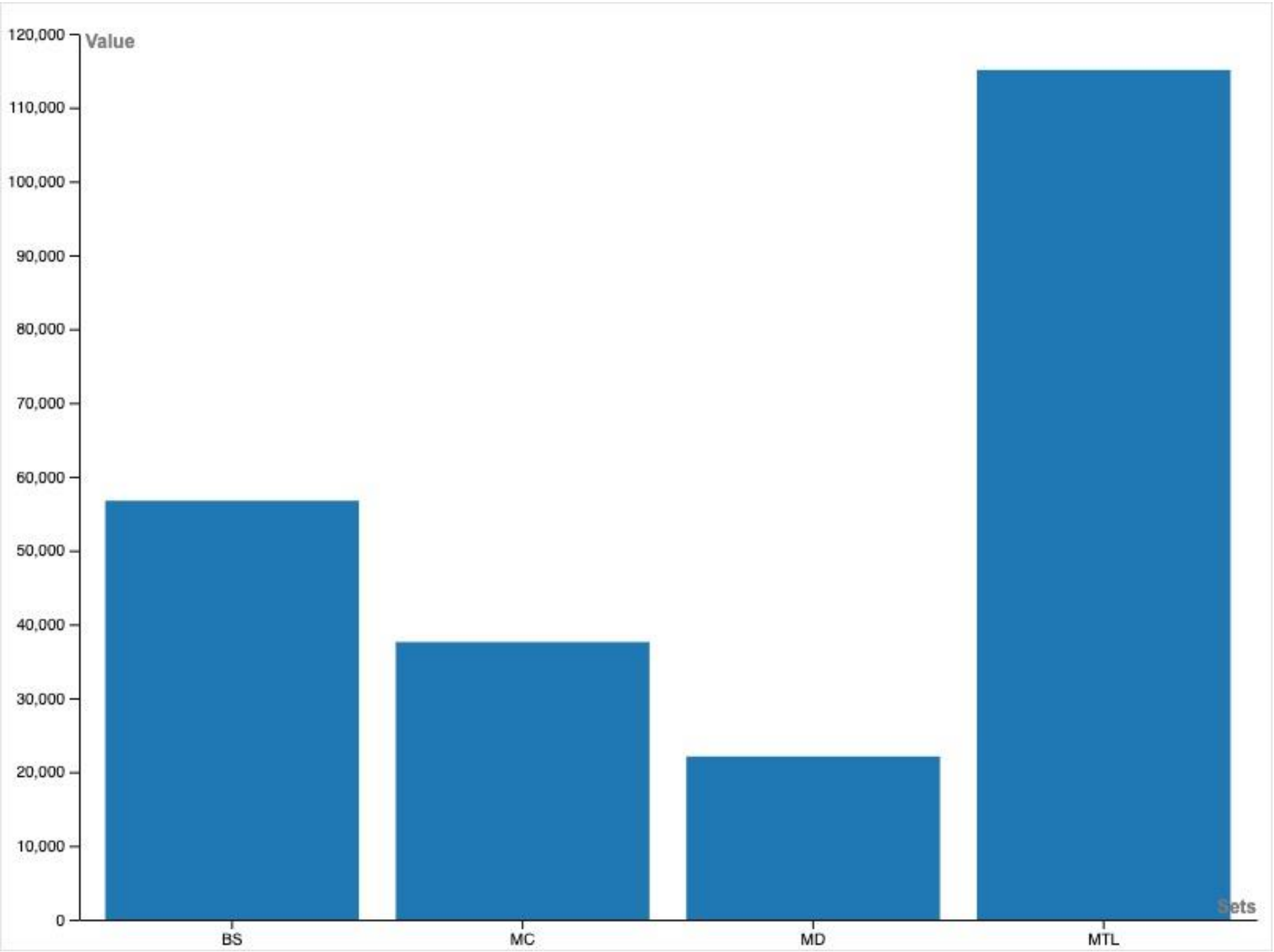




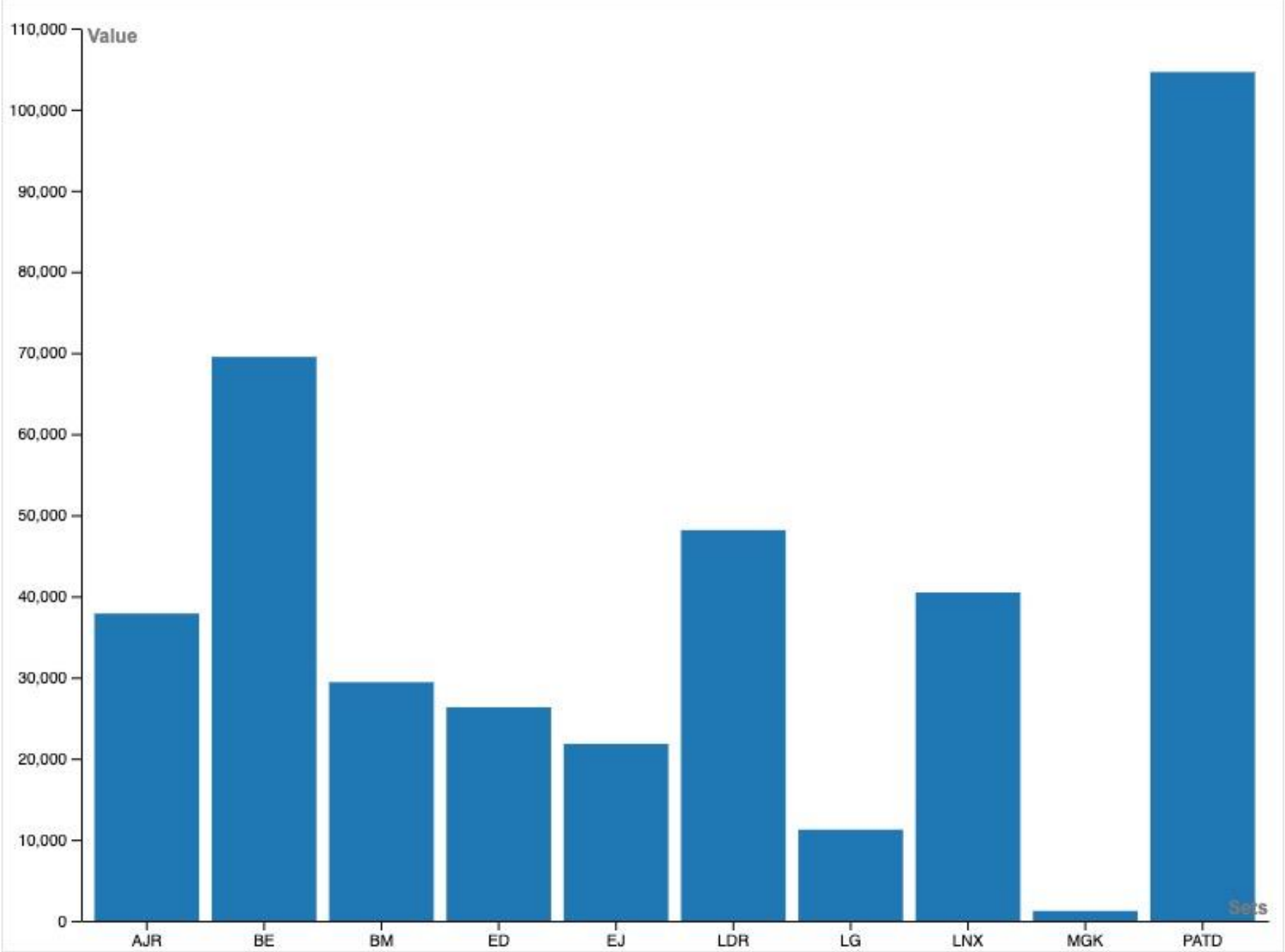
Hip Hop Artists' Revenue from Music Streaming

The Hip Hop artist with the greatest revenue is The Weekend (TW), who is an artist from the 2010 decade. His revenue from music streaming is that of \$122832.2125.

The Metal artist with the greatest revenue is Metallica (MTL), who is an artist from the 1990 decade. His revenue from music streaming is that of \$115089.218.



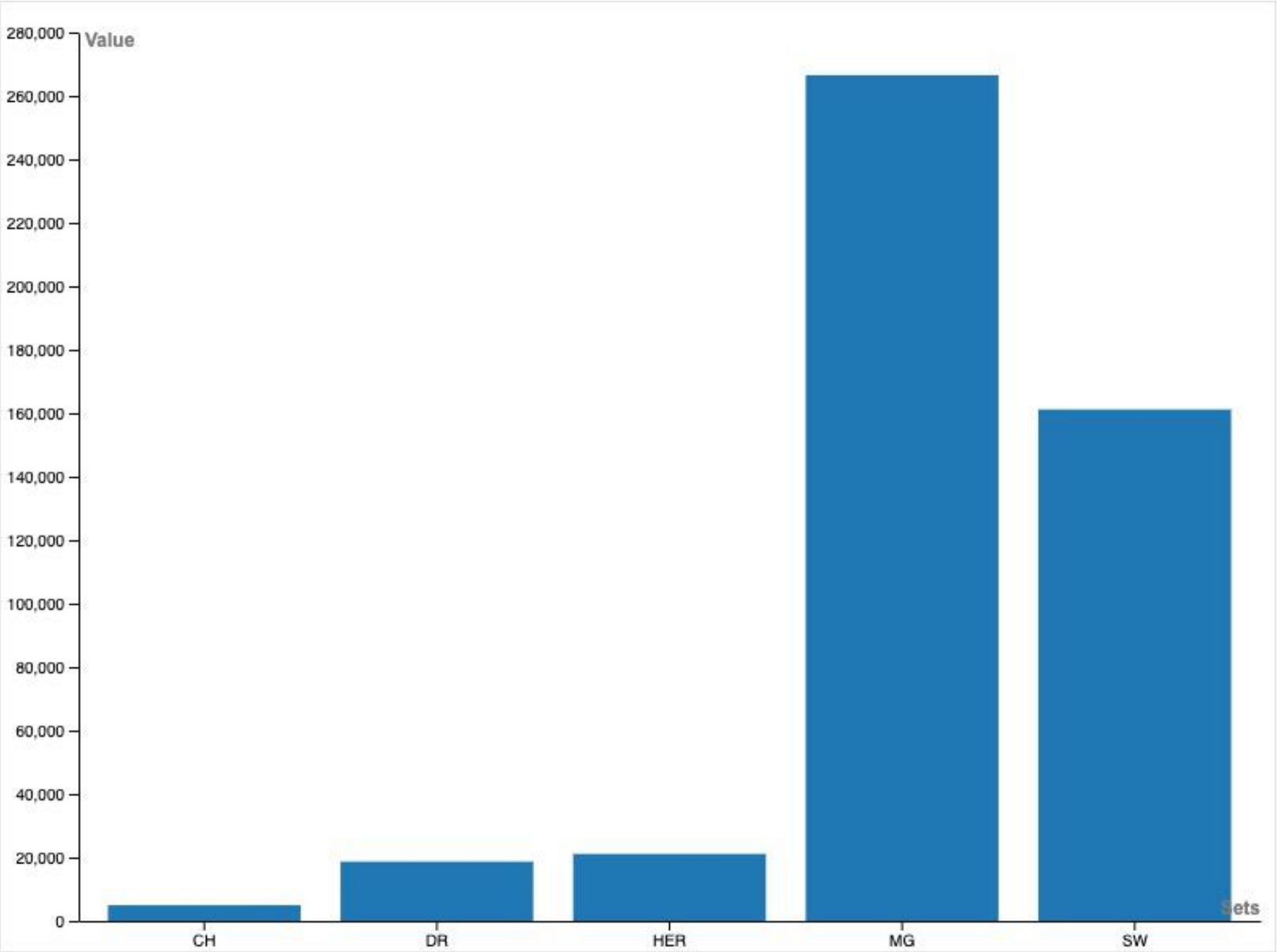
Metal Artists' Revenue from Music Streaming



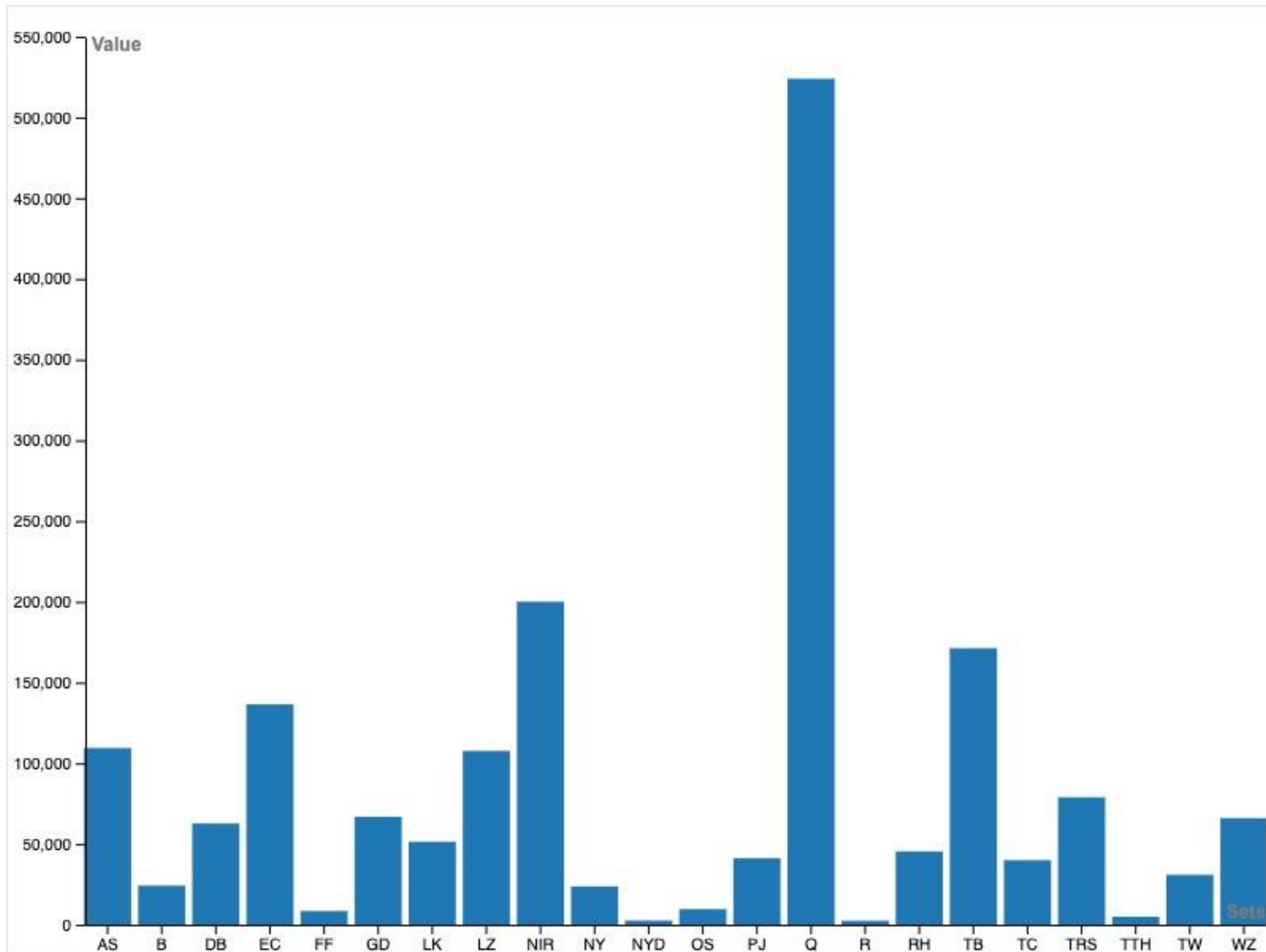
Pop Artists' Revenue from Music Streaming

The Pop artist with the greatest revenue is Panic! At the Disco (PATD), who is an artist from the 2000 decade. His revenue from music streaming is that of \$104615.9375.

The R&B artist with the greatest revenue is Marvin Gaye (MG), who is an artist from the 1960 decade. His revenue from music streaming is that of \$266533.125.



R&B Artists' Revenue from Music Streaming



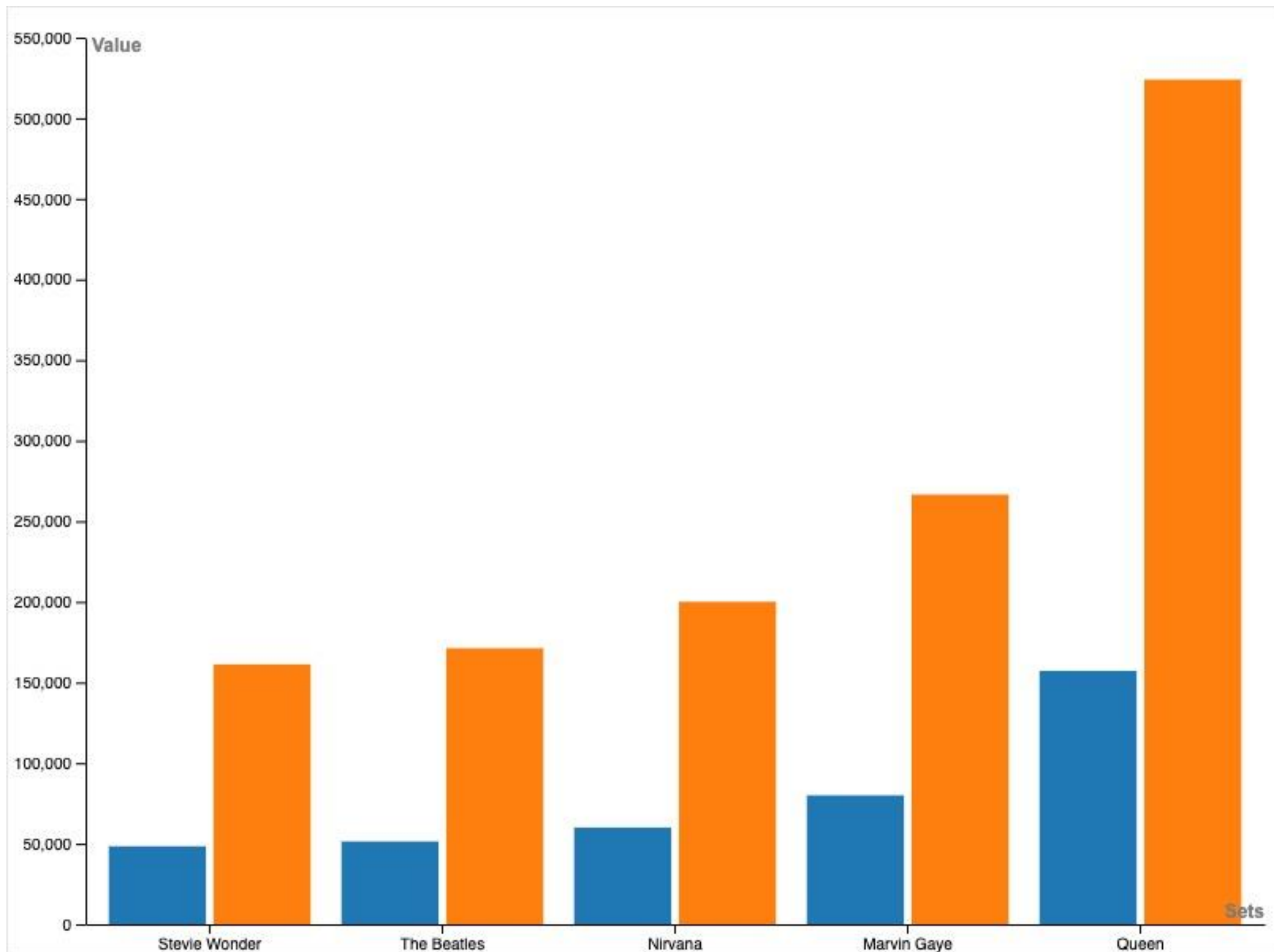
Rock Artists' Revenue from Music Streaming

The Rock artist with the greatest revenue is Queen (Q), who is a Rock artist from the 1970 decade. Their revenue from music streaming is that of \$523971.0625.

Important point to note:

Queen, the Rock artist with the greatest revenue from music streaming has the total overall revenue in comparison to artists from all the other genres music.

There is a sharp difference when comparing Queen's overall revenue of \$523971.0625 with that of all the other artists from other genres of music.



Top 5 artists with the highest ROI

Orange bar: Revenue from streams

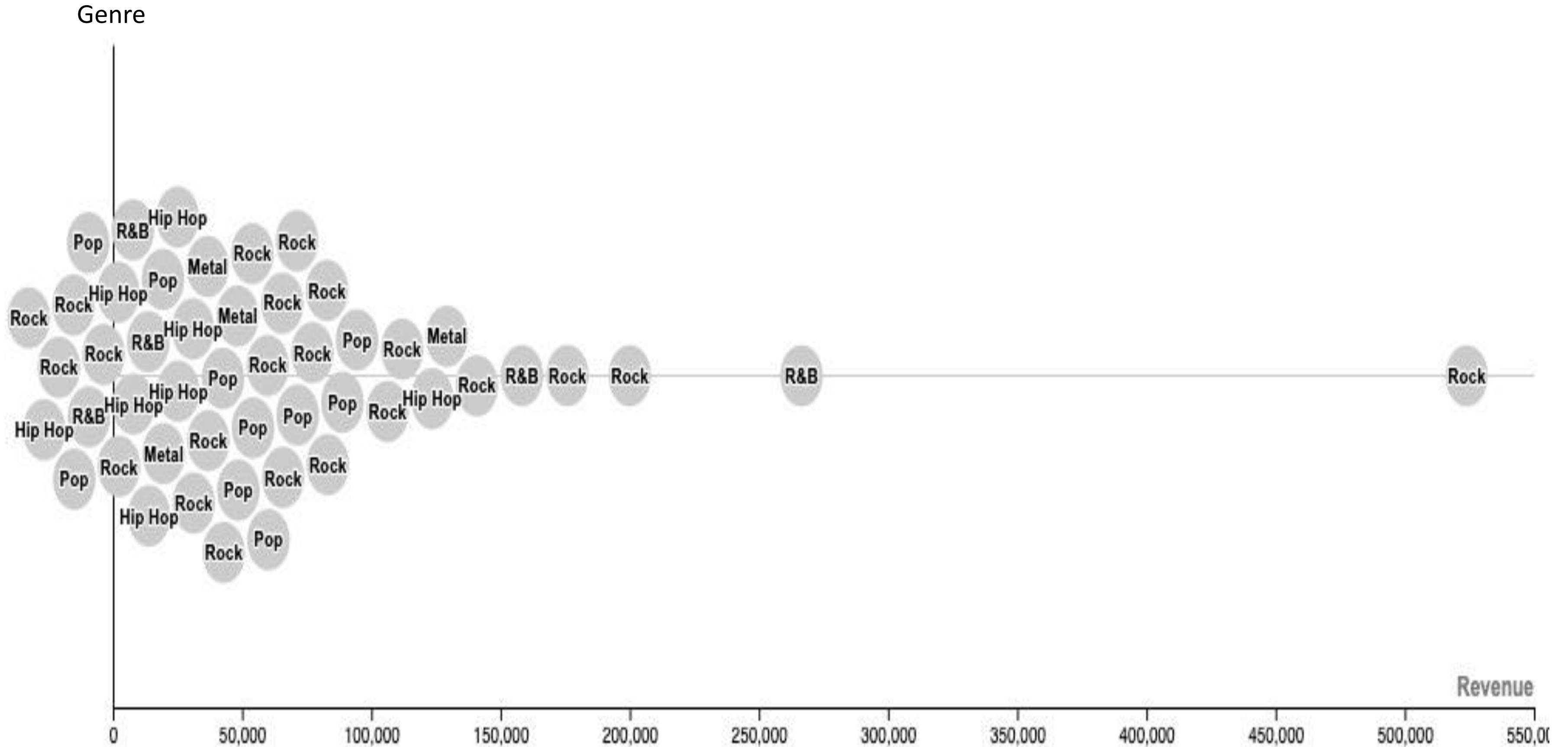
*Blue bar:
Return on Investments
(ROI)*

Takeaway:

The artist with the highest revenue and in turn the highest ROI is Queen. Queen is an artist from the Rock genre and from the decade of 1970.

There is a sharp difference between Queen's revenue and ROI in comparison with the remaining top 4 artists who are Marvin Gaye, Nirvana, The Beatles and Stevie Wonder (in decreasing order).

Plotting Genre against Revenue

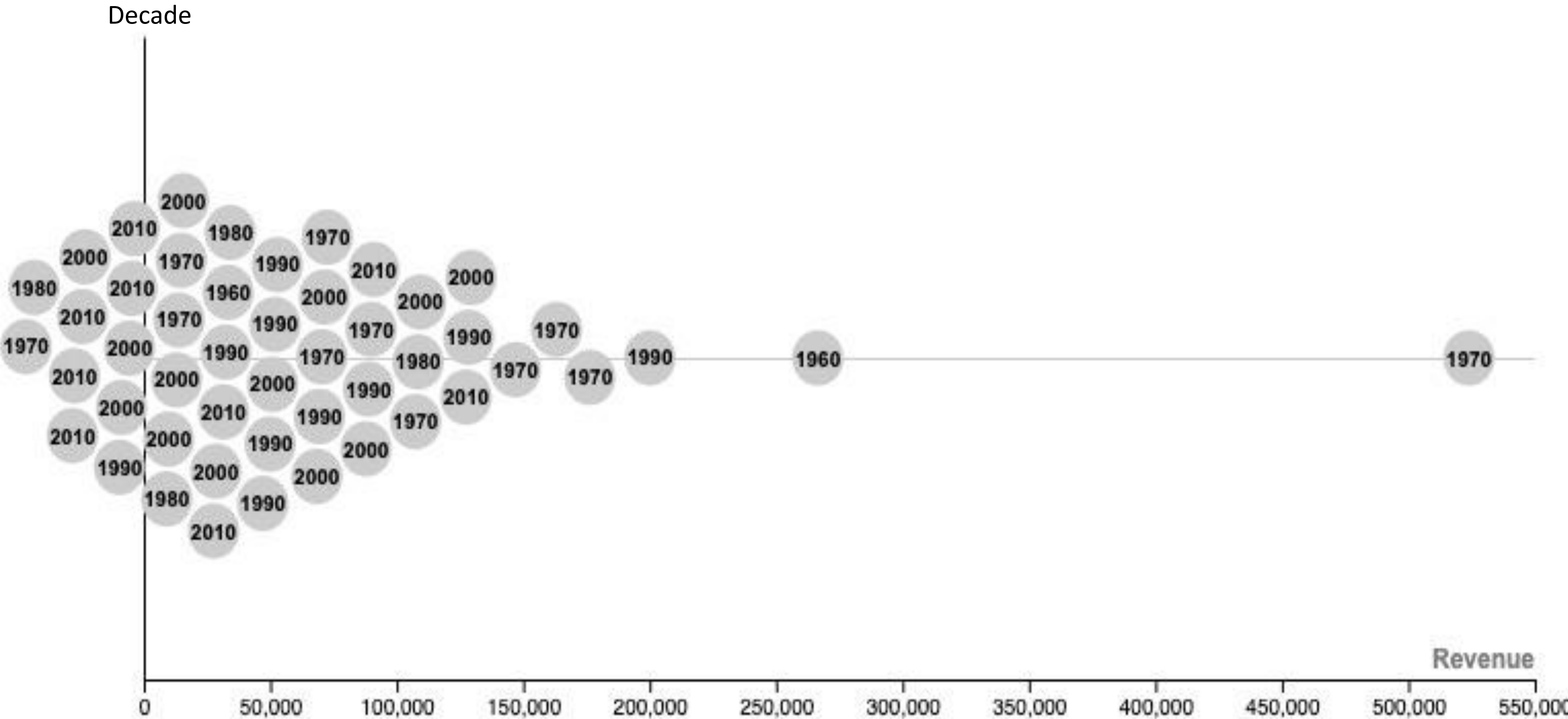


Rock

is the genre that has artists generating larger revenues from music streaming.

3 out of 5 of the top revenue generating artists are of the Rock genre.

Plotting Decade against Revenue

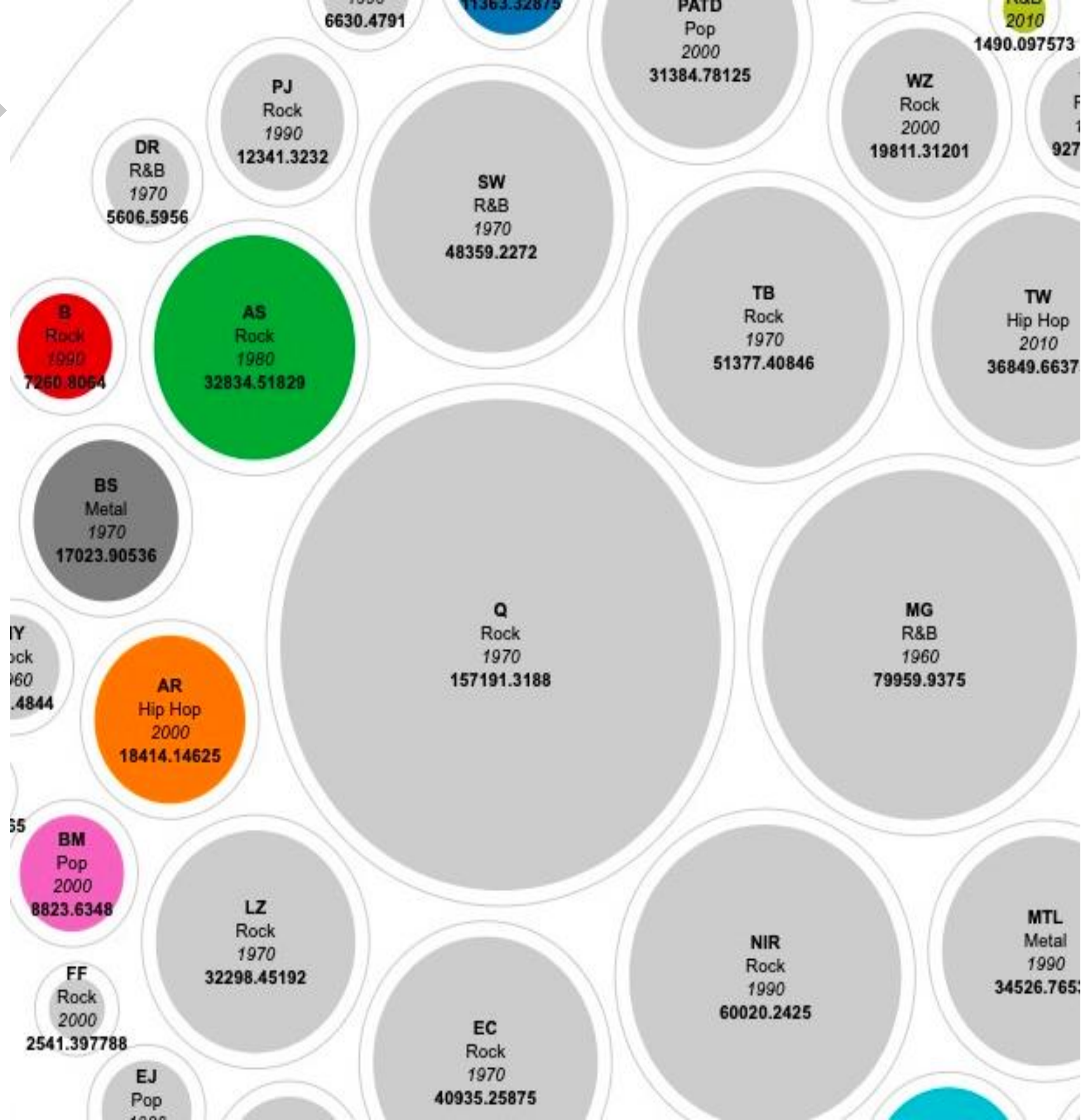
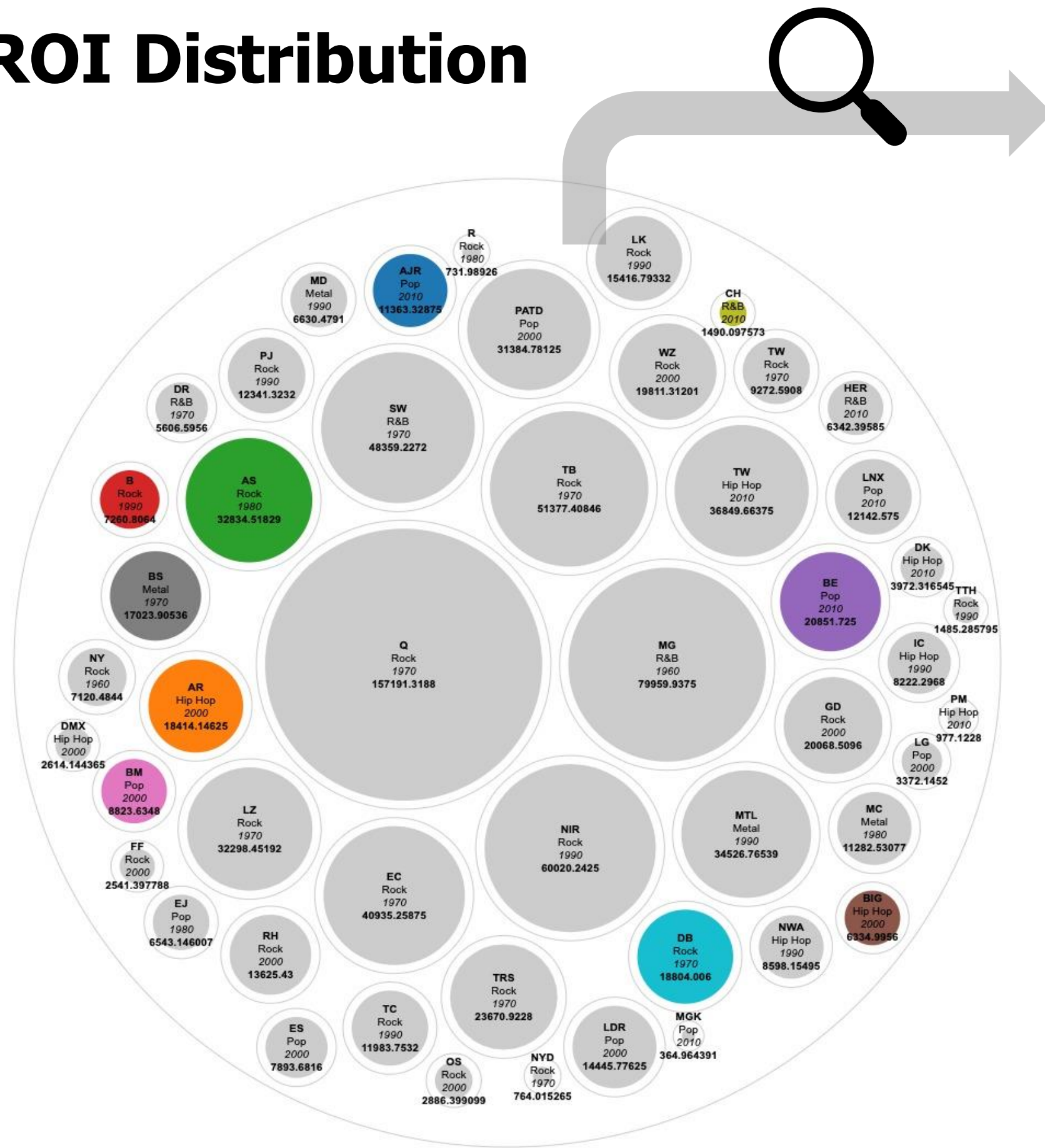


1970

is the decade with artists generating larger revenues from music streaming.

There is a greater proportion of artists from the 1970 decade generating revenue greater than \$150,000.

ROI Distribution



Rock artists from the 1970 decade look to have a larger proportion in the ROI distribution.



Artist	Genre	Decade	Rate	Streams	Revenue	Recording Cost (40% of revenue)	ROI
Stevie Wonder	R&B	1970	0.004	40299356	161197.424	40299.356	48359.2272
The Beatles	Rock	1970	0.00735	23300412	171258.0282	42814.50705	51377.40846
Nirvana	Rock	1990	0.0125	16005398	200067.475	50016.86875	60020.2425
Marvin Gaye	R&B	1960	0.0125	21322650	266533.125	66633.28125	79959.9375
Queen	Rock	1970	0.0125	41917685	523971.0625	130992.7656	157191.3188

Formula used to calculate the ROI:

$$\text{ROI} = (\text{Revenue} - \text{Recording Cost}) * 40\%$$

For the purpose of the speculation, I am assuming the recording costs to be 40% of the total revenue. I am also assuming the amount invested by the investor to be \$50,000 and that would translated to approximately 40% in return on investment (ROI).



Foresight

Advertising

It would be best to advertise in the genre and decade of artist with a greater number of streams as this would translate into a greater revenue and greater profitability. A greater number of streams would mean that they have a larger scale of audience that are already familiar with the artist's name brand and might already be fans of this artist as well. This would make them a good target audience for any advertising campaigns.

Return on Investment (ROI)

The return on investment (ROI) for each artist is directly proportional to the revenue generated from music streaming for each artist. The greater the revenue, the greater the ROI since we are assuming the recording cost and the amount invested to be the same for all artists.

Forecasted Recommendation

In light of this, it is my recommendation to invest as well as advertise in the **Rock genre** from the **1970 decade**. The genre of Rock and the 1970 decade is predominant in the artists with the Top 5 ROI. Also, it is important to note that the artist with the greatest revenue and in turn the greatest ROI is Queen, who is an artist from the Rock genre and from the 1970 decade.