



Purpose

To provide comprehensive analytics of music NFT sales performance, tracking key metrics including total revenue, average order value, leading assets, and buyer behavior across different musical genres, enabling artists to make data-driven decisions to help increase their number of transactions.

Background

The Web3 music NFT market represents a surprisingly small fraction of overall NFT activity, accounting for less than 1% of transactions in our comprehensive dataset of 5.25 million NFT purchases. While music NFTs are occasionally bundled with art pieces or collectibles, these combinations remain relatively rare in the broader NFT landscape. Our analysis reveals an interesting breakdown of NFT ownership patterns: only 5,721 collectors exclusively own music NFTs, while 3,568 owners have diversified their portfolios to include both music and other NFT categories. In stark contrast, 608,043 collectors hold NFTs with no connection to music, highlighting the nascent state of music NFTs in the current Web3 ecosystem.

Insights/Findings

Sales Trends

Analysis of monthly sales patterns reveals several significant trends that warrant attention. February (226%) and March (66%) showed exceptional spikes in revenue that have not been replicated since, prompting the need to investigate the specific drivers of this growth. Following this, March demonstrated high transaction volume (7,409) but with a significantly lower average order value (\$422) than February (\$1,889), suggesting a substantial shift in purchasing behavior or pricing strategy. Most concerning is April-July's drastic drop in total sales, though AOV maintained its typical volatile pattern during this period, suggesting the market's core pricing dynamics remain stable despite the significant decline in overall transaction activity.

Analysis of buyer behavior reveals a notable spending disparity between different customer segments. Collectors who exclusively purchase music NFTs spend \$64 less on an average music NFT transaction compared to those who diversify across multiple NFT categories. However, sole music NFT buyers exist in higher quantities, meaning the market structure



resembles a pyramid: a wide base of casual music NFT collectors making smaller purchases, topped by a smaller segment of diversified collectors willing to spend more per transaction.

The combination of music and art NFT purchases emerge as a particularly common pattern, likely driven by platforms that enable collectors to customize artwork and participate in profit-sharing from subsequent resales. This hybrid collecting behavior highlights the importance of cross-category engagement in the NFT marketplace.

Leading Assets

Analysis of the top 10 assets reveals the significant influence of established Web2 artists in the Web3 music space. Shawn Mendes alone accounts for 50% of top-performing assets, while other mainstream artists like Kings of Leon, through their *NFT Yourself* release represent 8% of total sales. This asset alone has over 34 million transactions, with the second highest transaction trailing behind at a little over 122,000. Kings of Leon only released this asset on Web3 platforms, forcing its' listeners to engage with this medium.

These use cases reinforce the market's strong preference for recognized names, with established presences on traditional streaming platforms and major media coverage of their NFT releases.

The electronic and pop genres make up 9 of the 10 top 10 performing assets, which comprise 46% of all music NFT transactions, demonstrating the market's concentration around a small number of high-volume assets.

Recommendations

- Have your Web3 artists establish a presence on traditional streaming platforms to increase their audience reach and potentially collaborate with Web2 artists.
- Target and incentivize cross-category collectors through strategic NFT pairings, such as bundling music NFTs with art NFTs or offering customizable art options, as these



collectors demonstrate higher average spending and represent a significant portion of high-value transactions.

- Time your NFT releases strategically, investigating the market conditions that drove February's exceptional performance to potentially replicate its success.
- Prioritize electronic and pop genres for initial releases, as these demonstrate stronger market performance.

Dashboard

https://public.tableau.com/views/Internship_17314629304640/Dashboard1?:language=es-ES&:sid=&:display_count=n&:origin=viz_share_link

Limitations and Future Changes

The current dataset presented dimensional constraints, primarily offering transactional metrics without deeper contextual information. To enhance analytical depth, I augmented the data by manually categorizing musical genres and conducting detailed research into the top 10 assets' presence across streaming platforms, media coverage, and accessibility.

Future analysis would benefit significantly from enhanced customer demographic data, including age distributions, gender breakdowns, and broader purchasing patterns. This demographic insight would enable more targeted marketing strategies and better understanding of the ideal customer profile for music NFTs. Additionally, while I observed some patterns in cross-category purchasing behavior, a more comprehensive analysis of NFT category relationships could reveal optimal pairing strategies for music NFTs.