

New Technology in Music and Creative Entertainment (BMTY7004_LON)

Presentation Assignment.

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INGROOVES: SMART AUDIENCE TECHNOLOGIES

HELPING INDEPENDENT
ARTISTS TO SPEND MONEY
SMARTER. (INGHAM, 2022)



INGROOVES
MUSIC GROUP

**Are you measuring your success
in clicks and likes?**

Shouldn't the goal be for people
to actually listen to your music?

Is it necessary for artists to become full time content creators to simply get people to listen to their music?

Thankfully, the answer is NO.

Make way for the new patented artificial advertising solution patented by INGROOVES that uses machine learning to enable music marketers to identify high value audiences based on streaming behaviour, (INGROOVES, 2023) and convert them into **GENUINE FANS.**

Our patented Smart Audience technology effectively informs targeting that reaches both a currently engaged audience of a track – and obviously nurtures that engagement further. But it also starts to identify audiences who have not yet been strongly exposed to that track, but are nevertheless highly likely to engage with that promoted track, given their current consumption patterns. (Sharma, 2022)

With 60,000 tracks uploaded to Spotify alone each day, amounting to 22 million tracks a year (Benitez, 2023) it is undeniable that we are in an immensely saturated market.

A recent MidiA report found that following the return to pre-pandemic behaviours, music attention spans are shortening, with audiences and consumers becoming increasingly passive in their online engagement. (Mulligan, 2021) Consumer behaviours have shifted considerably, with less time spent online and in the home, and more time spent multitasking.

MidiA describes this moment as the 'attention recession'. (Mulligan, 2021)

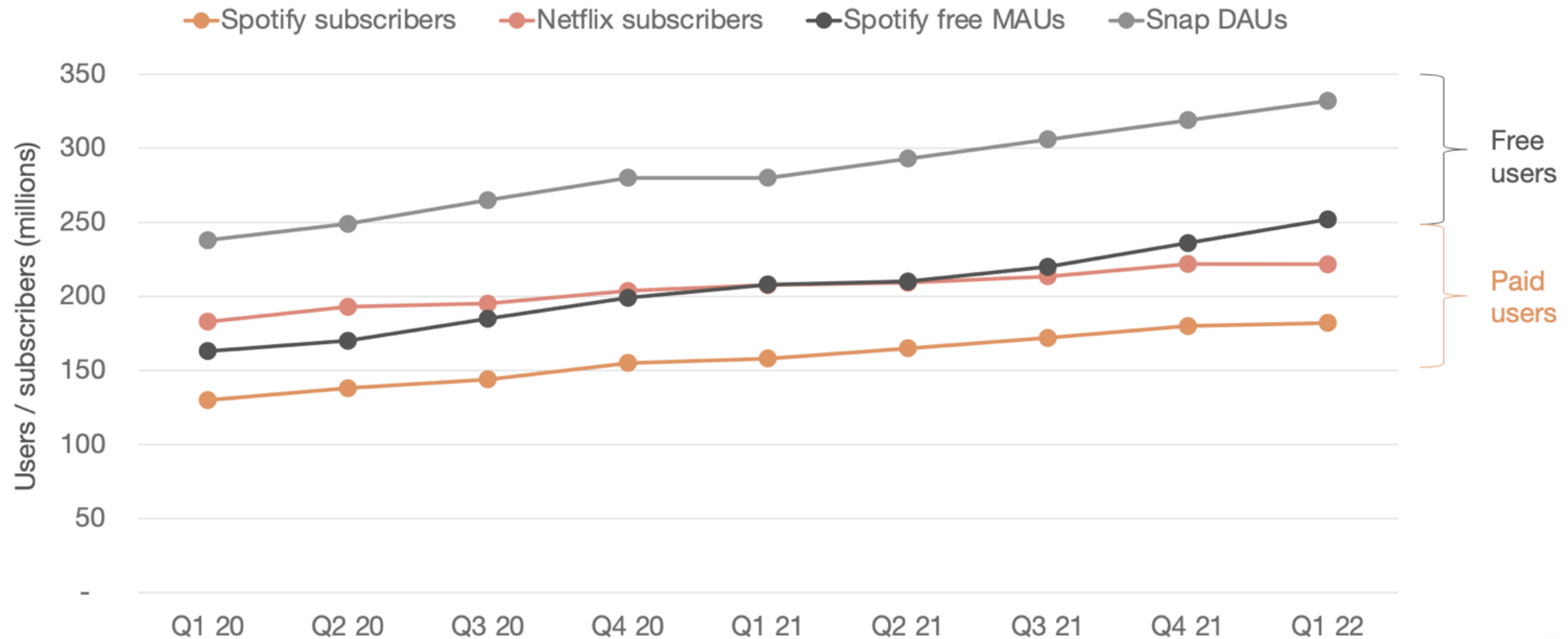
This could in part be attributed to the rise short from content popularised on platforms like TikTok, increasing pressure on artists to create playlist friendly songs and front load their tracks to appease algorithms while spamming timelines

with low value content in an attempt to capture the audience's gaze.

The increasingly fierce competition for consumers' attention is becoming corrosive, with clickbait, autoplay and content farms degrading both content and culture. What matters is acquiring audience and their time, the type of content and tactics that captures them is secondary. In the attention recession, entertainment companies...must appreciate that consumer attention is a scarce resource, not an abundant one - a resource that must be won, not claimed. (Mulligan, 2021)

Paid user growth was first to be impacted first by attention recession and global geo-politics

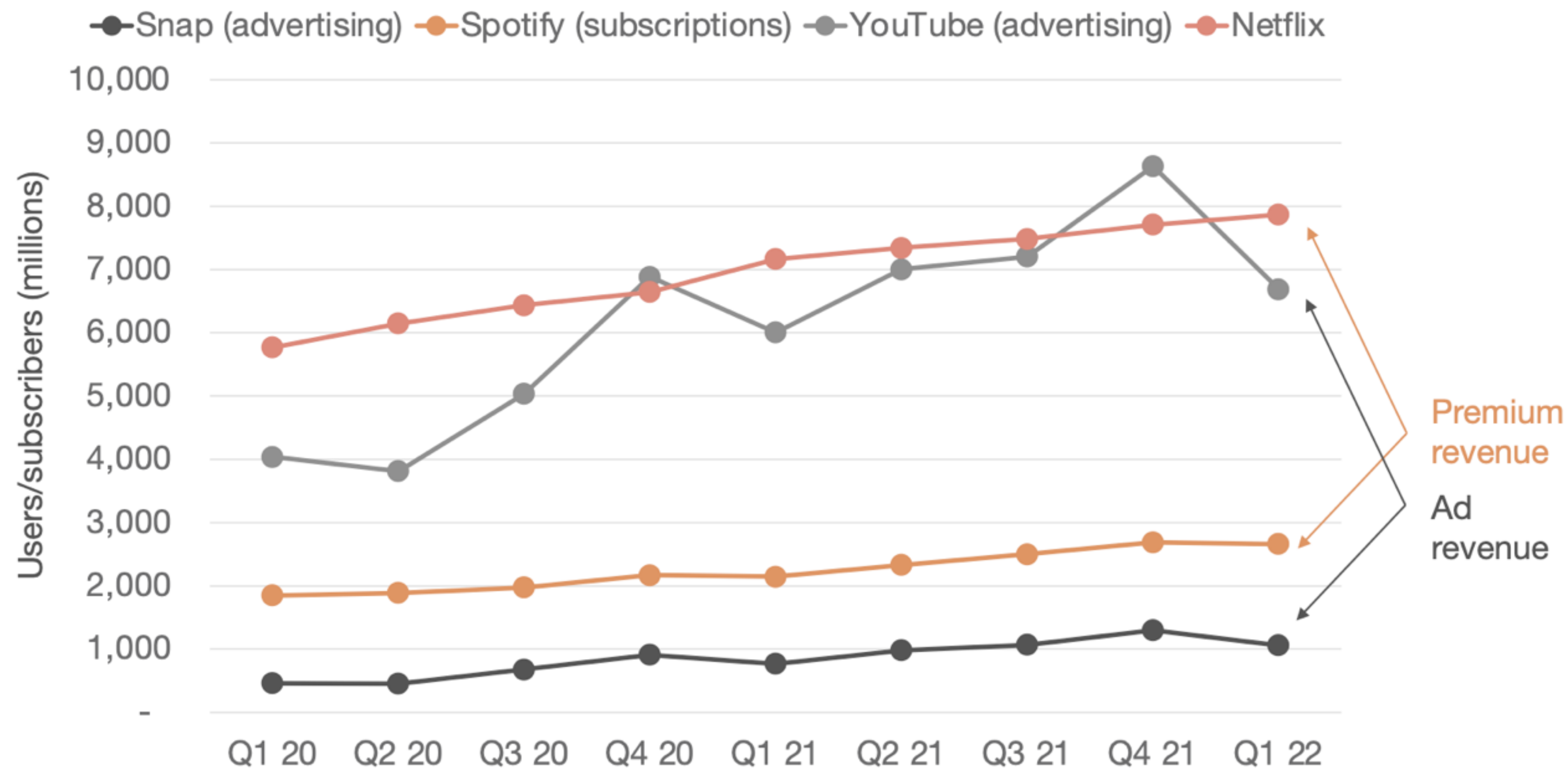
Free and paid users of selected entertainment services, Q1 2020 – Q1 2022, global



Source: Company reports

Ad monetisation was hit most in Q1 22, despite stronger user growth than subscriptions

Free and paid users of selected entertainment services, Q1 2020 – Q1 2022, global



Source: Company reports

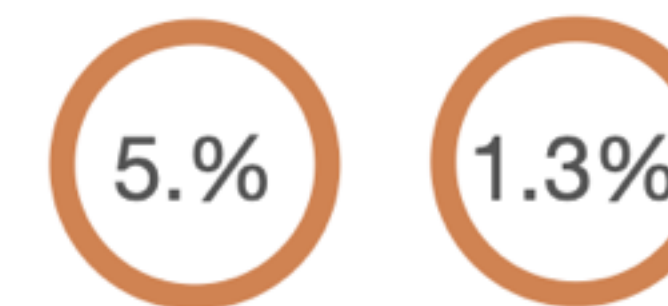
Q4-Q1 REVENUE CHANGE

2021 2022



Ad revenue

2021 2022



Subscription revenue

MIDIA.

Cutting through the clutter of 50,000 new songs every day also delivers diminishing returns for marketing spend. Labels have to spend more to get weaker results. (Mulligan, 2021)

The advent and adoption of new technologies has enabled music businesses to effectively improve their services by utilizing data gathered from streaming platforms, DSPs and social media, which provide valuable analytics on consumption patterns.

Effective audience targeting is crucial for businesses looking to maximize their advertising investments. This is also the case for artists who wish to maximise the value created by their music.

Smart Audience technology further enhances the potential that data analytics present to the music industry. This technology enables a sophisticated data infrastructure that aggregates and

analyzes vast amounts of consumer information, including demographics, interests, online behaviors, and purchase history. By integrating multiple data sources, such as first-party data, third-party data, and real-time data feeds, InGrooves creates comprehensive customer profiles that serve as the foundation for precise audience segmentation and targeting, (InGrooves 2023) enabling artists and labels to increase revenue and reach high value audiences who *want* to stream their music.

The success of Smart Audience ad campaigns is measured by increased conversion into streams versus an increase in ad clicks, giving marketers a powerful new metric with which to measure ROI. (InGrooves, 2023)

Smart Audience Technology can:

- ensure artist campaigns reach the most receptive audience
- increase brand visibility and affinity
- create long term and active business to consumer (or artist to fan) relationships
- transform passive clicks or likes into streams
- empowers marketers to refine their strategy with real time and highly informative analytics
- identify trends and consumer behaviour patterns
- empower artists to focus on music rather than content creation and appeasing algorithms.
- reduce wasted revenue on ineffective ad spend and marketing

The Future of Music Analytics.

Thank You.

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