Changing the culture of the music industry

Why we need to and how we’re working on it

David @Beglen Boyle, SVP Insight, EMI Music
More slides at links.emi.com/strata
Why do you work with data?
Growing up with data

Child  Teen  Adult

Fun  Mad skillz  Culture
Why does music need to change?
The old world: 

Hits paid for misses
The new world
Billions of pounds per year

UK Record Industry Income

Billions of pounds per year

2011
People aren't paying for music in the way they once did.
So, what did EMI do?

Listen. Understand.
We spoke to people.
Lots of people.
We spoke to 1,000,000 people in 3 yrs.

We’re not done with the conversation:
At any point we’re interviewing 12 people somewhere in the world.

Speak to people.
So, what did they tell us?
70% of people are frustrated with the music industry
70% 😞

I would like to buy new music but I don’t know what to buy.

I used to know where to find music, but now I can’t find what I want.

Too expensive.

I really miss the deeper relationship I used to have with music.

Too cheap.
The most loved form of entertainment

How do people rank different forms of entertainment?

UK data
98% of people say 🎶 is important to them
Our challenge:
For each of our very different artists
In each of our very different countries

Which consumers?  Which music?
Which products?  Which prices?
Which marketing?  Which sales channels?
How?

Data → Insight → Decisions
How?

Data  →  Insight  →  Decisions

People with hearts and minds make decisions. Not data.

(It never works this way. Especially not in music)
Our answer?
A culture of:
EVIDENCE-BASED DECISIONS & REASONED ARGUMENTS

Which **artists**?
Which **countries**?
Which **consumers**?
Which **products**?
Which **marketing**?
How?

Distilling big data

Each segment enjoys music in different ways and needs different music products or marketing.

- Cutting Edge Gadgeteer
- Tastemaker
- Orphan
- Pop Idol
- Casual
- Disenchanted
- Post Music

More engaged with music:

- Higher spend
- Collector
- Pacesetters
- Enthusiasts

Gifting & Catalogue

Hard To Reach

Tight Pocket Enthusiasts

- Orphan
- Want portability, high value, convenience, Easy Access, Sharing.

- Casual
- Impulse purchasing, Simple products, Price, Channel, Non traditional outlets.

- Disenchanted

- Post Music

Want more "Experiences".

Tastemakers

Pacesetters who are drawn to music that is somewhat unknown and less mainstream.

- Want "de-averaged" up, more products with additional content.
- Live, Merch.
- Want more "Experiences".
- "Big data" insight, language, culture

Distilling big data

More engaged with music
E.g. from a million interviews to nine consumer segments

Each segment enjoys music in different ways and needs different music products or marketing.

**Casuals**
- Impulse purchasing
- Simple products
- Price
- Channel
- Non traditional outlets

**Hard To Reach**
- Gifting & Catalogue
- Post Music

**Tight Pocket Enthusiasts**
- Want portability
- high value, convenience
- Easy Access
- Sharing

**Enthusiasts**
- Passion, Marketing
- Product, All genres
- Lifestyle

**Pop Idol**
- Collector

**Pacesetters**
- High Passion
- Cutting Edge
- Want more “Experiences”
- Want ‘de-averaged’ up, more products with additional content
- Live, Merch.

**Tastemakers**
- Tastemaker
- Passion
- Pacesetters who are drawn to music that is somewhat unknown and less mainstream

**Orphan**

More engaged with music.
How?

Principles
We’ve all seen insight projects that work this way:

- Doesn’t ‘work’ for me
- Expensive
- Slow
- Exclusive
- Narrow
- One-off
- Prescriptive
- Not global

‘So what?’
Our principles:

Relevant, cheap and quick insight for all colleagues

Powerful, broad, global and repeatable

That adds to our shared language and guides our decision-making, reasoning
How?

People
(not technology)
The data value chain.

The challenge: people (not technology)

- Identify useful business question where data can help
- Identify appropriate data
- Identify appropriate technology
- Gather, store, make accessible data
- Clean and join with other relevant data
- Identify analysis technology
- Access and analyse data
- Identify dashboard / reporting technology
- Present results in simple but powerful reports
- Interpret results in (a) rigorous and (b) useful way
- Present results, recommendations in a way that is (a) bold and inspiring, and (b) overcomes questions, suspicion to build trust.
How? Prove then build
Prove then build

Example

<table>
<thead>
<tr>
<th>Tech</th>
<th>Scale</th>
<th>Benefits:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excel</td>
<td>1-10 artists</td>
<td>Scale</td>
</tr>
<tr>
<td>Automated Excel</td>
<td>10-100</td>
<td></td>
</tr>
<tr>
<td>Excel Services</td>
<td>100-1,000</td>
<td></td>
</tr>
<tr>
<td>Reporting Services</td>
<td>1,000+</td>
<td></td>
</tr>
</tbody>
</table>
Prove then build

This principle also applies to the level of data science used.
This is how we think.
It’s our culture.
Artists and fans deserve it.
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