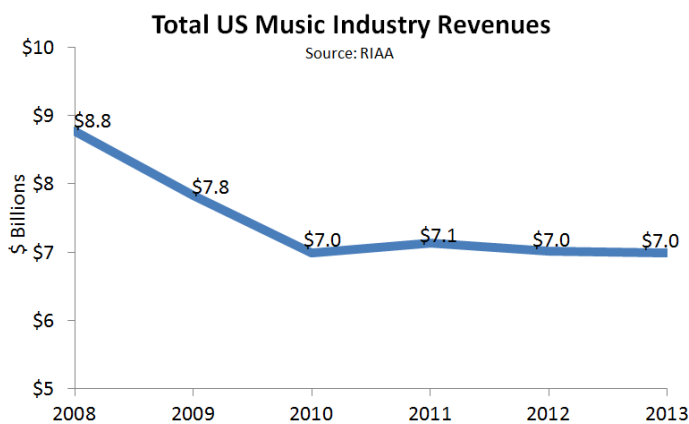


# News and Notes on 2013 RIAA Music Industry Shipment and Revenue Statistics

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In 2013, strong growth in streaming revenues contributed to a US music industry that was stable overall at \$7 billion for the fourth consecutive year.

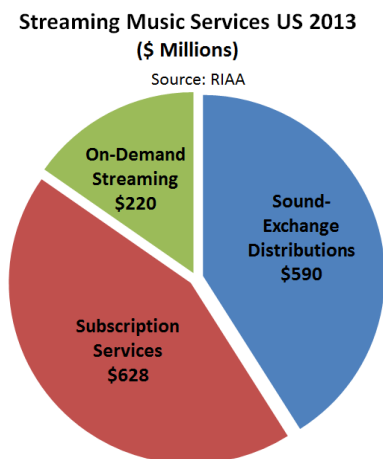
**Figure 1**



Overall, this was a decrease of 0.3% versus 2012 revenues (at wholesale, the industry was \$4.8 billion, up 1.9% versus 2012).

The increase in digital sales was driven by streaming music services, which at \$1.4 billion were up 39% versus 2012. This category includes revenues from subscription services (such as Rhapsody and paid versions of Spotify, among others), streaming radio service revenues that are distributed by SoundExchange (like Pandora, SiriusXM, and other Internet radio), and other non-subscription on-demand streaming services (such as YouTube, Vevo, and ad-supported Spotify).

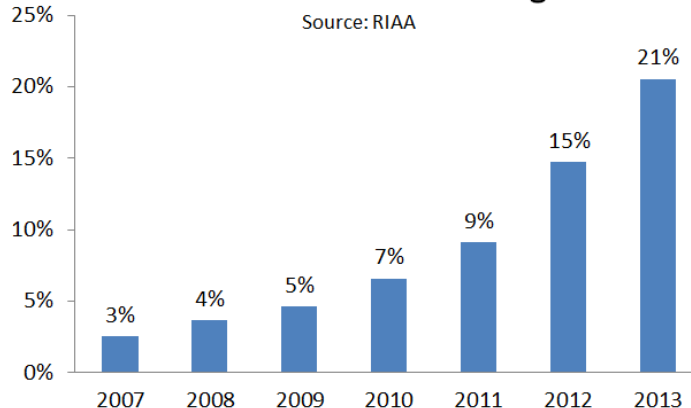
**Figure 2**



These streaming services have grown rapidly over recent years, contributing 21% of total industry revenues in 2013, compared with just 3% in 2007.

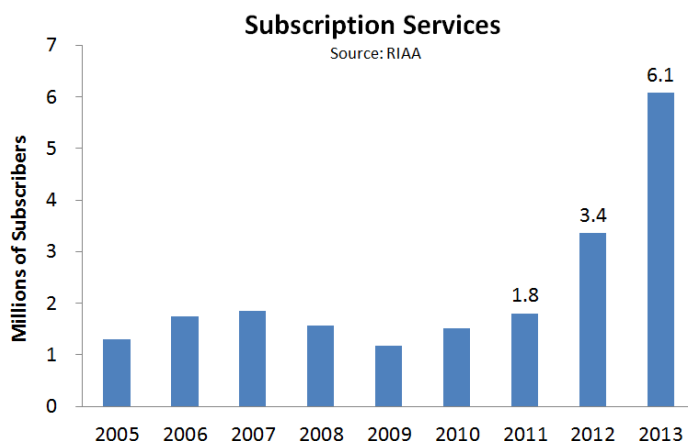
**Figure 3**

## Proportion of Total Music Industry Revenues From Streaming



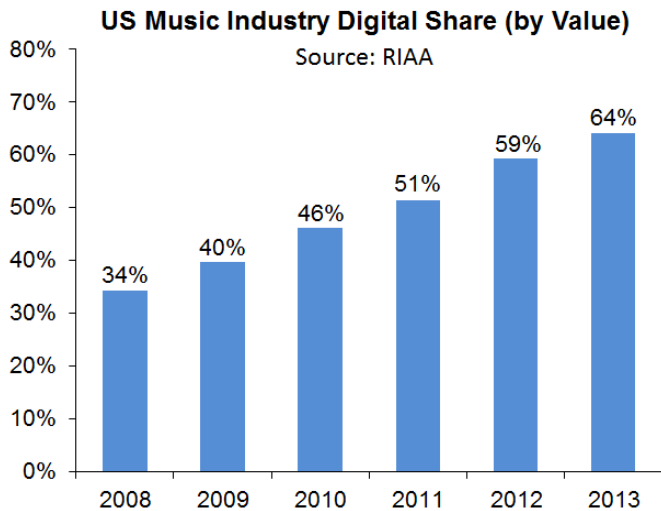
Paid subscription services grew the fastest of the digital formats, up 57% to \$628 million in 2013. Growth came not just in dollars, but in the number of subscribers as well, with the annual average totaling over 6 million subscriptions.

**Figure 4**



Overall, digitally distributed formats grew 7.6% to \$4.4 billion, a new high, and accounting for 64% of the overall market by value (note Synchronization excluded from this figure).

**Figure 5**



Specifically, revenues from permanent digital downloads (including albums, single tracks, videos, and kiosk sales) declined 1.0% to \$2.8 billion. There were 118.0 million digital albums sold in 2013, up just 1.1% versus 116.7 million in 2012. Total value of digital albums was \$1.2 billion, up 2.4% versus the prior year. Digital track sales volume was down 4.5% to 1.3 billion, and the total sales value of tracks was down 3.4% to \$1.6 billion.

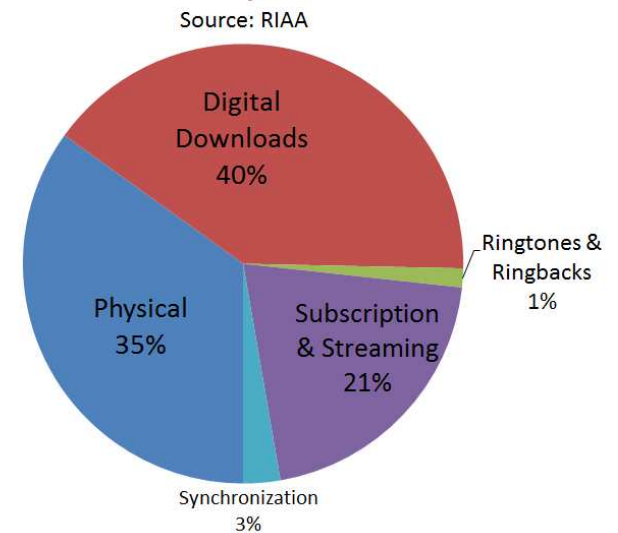
Shipments in physical formats continued to decline in 2013, overall down 12% in value from \$2.8 billion in 2012 to \$2.4 billion in 2013. CDs continued to be by far the largest physical format with 87% of the physical market. Vinyl continued to buck the physical sales trends as shipments grew 33% to \$211 million in 2013.

Revenues from Synchronization were \$189.7 million, down 0.5% versus 2012.

Overall, 2013 sales results show the continuing emergence of streaming music models as meaningful contributors to industry revenues. As recently as 2009, 95% of US music industry revenues came from traditional purchasing (with the majority in physical formats). In 2013, 21% of revenues came from streaming models, where fans can listen to vast libraries of music either for free or as part of a subscription, and nearly 2/3 of total revenues came from digitally distributed formats. All of this shows the music industry today has grown into a diverse digital business teeming with a wide variety of innovative services catering to all types of music fans.

**Figure 6**

**US Music Industry Revenues 2013**



Please note that the RIAA presents the most up-to-date information available in its annual industry revenue reports and subscription-only online statistics database ([http://www.riaa.com/keystatistics.php?content\\_selector=riaa-shipment-database-log-in](http://www.riaa.com/keystatistics.php?content_selector=riaa-shipment-database-log-in)). Based on additional market research, historical data has been updated for 2012.

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202/775-0101



## 2013 Year-End Industry Shipment and Revenue Statistics

202-775-0101

### United States Unit Shipments and Estimated Retail Dollar Value (In Millions, net after returns)

#### Digital Permanent Download

	2012	2013	% CHANGE 2012-2013
(Units Shipped)	1,392.2	1,328.9	-4.5%
(Dollar Value)	\$1,623.6	\$1,569.0	-3.4%
<b>Download Single</b>	116.7	118.0	1.1%
<b>Download Album</b>	\$1,204.8	\$1,233.5	2.4%
<b>Kiosk<sup>1</sup></b>	2.0	3.7	90.6%
	\$3.7	\$6.1	67.9%
<b>Music Video</b>	10.5	8.4	-19.6%
	\$20.8	\$16.8	-19.6%
<b>Ringtones &amp; Ringbacks<sup>2</sup></b>	69.3	39.2	-43.4%
	\$166.9	\$97.6	-41.5%

#### Digital Subscription & Streaming

	2012	2013	% CHANGE
<b>SoundExchange Distributions<sup>3</sup></b>	\$462.0	\$590.4	27.8%
<b>Paid Subscription<sup>4</sup></b>	3.4	6.1	81.3%
	\$399.9	\$628.1	57.1%
<b>On-Demand Streaming (Ad-Supported)<sup>5</sup></b>	\$170.9	\$220.0	28.7%

#### TOTAL DIGITAL VALUE

	2012	2013	% CHANGE
	\$4,052.7	\$4,361.5	7.6%

	2012	2013	% CHANGE
<b>Synchronization Royalties<sup>6</sup></b>	\$190.6	\$189.7	-0.5%

#### Physical

(Units Shipped)	2012	2013	% CHANGE
(Dollar Value)	\$2,485.6	\$2,123.5	-14.6%
<b>CD</b>	198.2	172.2	-13.1%
	\$2,485.6	\$2,123.5	-14.6%
<b>CD Single</b>	1.1	0.6	-41.4%
	\$3.2	\$2.4	-24.2%
<b>LP/EP</b>	6.9	9.4	35.2%
	\$160.7	\$210.7	31.1%
<b>Vinyl Single</b>	0.4	0.3	-18.8%
	\$4.7	\$3.0	-37.2%
<b>Music Video</b>	6.0	4.7	-21.8%
	\$116.6	\$104.7	-10.2%
<b>DVD Audio</b>	0.0	-0.1	-711.1%
	\$0.2	-\$0.5	-371.0%
<b>SACD</b>	0.1	0.0	-30.8%
	\$1.3	\$1.0	-27.1%
<b>Total Physical Units</b>	<b>212.7</b>	<b>187.2</b>	<b>-12.0%</b>
<b>Total Physical Value</b>	<b>\$2,772.4</b>	<b>\$2,444.8</b>	<b>-11.8%</b>

	2012	2013	% CHANGE
<b>Total Retail Units</b>	<b>182.9</b>	<b>159.1</b>	<b>-13.0%</b>
<b>Total Retail Value</b>	<b>\$2,584.3</b>	<b>\$2,267.7</b>	<b>-12.3%</b>

#### TOTAL DIGITAL AND PHYSICAL

	2012	2013	% CHANGE
<b>Total Units<sup>7</sup></b>	<b>1,803.3</b>	<b>1,685.6</b>	<b>-6.5%</b>
<b>Total Value</b>	<b>\$7,015.7</b>	<b>\$6,996.1</b>	<b>-0.3%</b>

% of Shipments <sup>8</sup>	2012	2013
Physical	41%	36%
Digital	59%	64%

Retail Value is the value of shipments at recommended or estimated list price  
Formats with no retail value equivalent included at wholesale value.

Note: Historical data updated for 2012 and 2011

<sup>1</sup> Includes Singles and Albums

<sup>2</sup> Includes Master Ringtunes, Ringbacks, and prior to 2013 Music Videos, Full Length Downloads, and Other Mobile

<sup>3</sup> Estimated payments in dollars to performers and copyright holders for digital radio services under statutory licenses

<sup>4</sup> Streaming, tethered, and other paid subscription services not operating under statutory licenses.

Volume is annual average number of subscribers for subscription services.

<sup>5</sup> Ad-supported audio and music video services not operating under statutory licenses.

<sup>6</sup> Includes fees and royalties from synchronization of sound recordings with other media

<sup>7</sup> Units total includes both albums and singles, and does not include subscriptions or royalties

<sup>8</sup> Synchronization Royalties excluded from calculation

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