



ENTERTAINMENT RETAILERS ASSOCIATION

42- 43 Maiden Lane [4th Floor]
London WC2E 7LL


w : www.eraltd.org

7th February 2022

Dear Dr Coscelli,

Re: CMA Market Study Music Streaming

I am writing in relation to the Competition & Markets Authority announcement of a market study into music and streaming services.

ERA is the digital entertainment and retail association, which has represented the key intermediaries between music, video and games companies and UK consumers for more than 30 years.

For the purposes of the current market study, our relevant members include the likes of Amazon, Deezer, Soundcloud, Spotify and YouTube, although we also number more than 250 indie record shops, supermarkets and High Street names such as HMV and Game among our membership.

Our approach to the entertainment market is outlined in the ERA Manifesto which can be found [here](#). We also co-own the Official Charts Company in the UK, which collates industry sales data and a copy of our most recent yearbook, summarizing key trends in music can be found [here](#)

Our position on the music streaming market was summarised in [our submission](#) to the DCMS Select Committee on the Economics of Music Streaming.

The Committee's final report accepted in full the most important elements of ERA's position:

- The innovation and investment of streaming companies essentially rescued a recorded music industry which faced an existential threat from piracy to the extent that industry revenues have now increased for nine consecutive years;
- Streaming services deliver music fans unparalleled and personalised value-for-money access to music via a number of different business models from advertising-funded to premium subscription, with mainstream services expected to carry upwards of 60 million tracks;
- Around 70% of subscription streaming revenue – a higher percentage than in the case of physical retailing – is paid by streaming services to the music industry;
- The biggest single issue faced by the industry – and the focus of artist and songwriter concerns - is the division of the 70%, something over which digital services have little or no influence.

ERA is playing a full part in the various workstreams being undertaken by the Intellectual Property Office in response to the Select Committee report.

Similarly, if we can be of any help to the CMA in its current Market Study, we would be happy to assist.

