

# Music & Gaming

A new way to play

MIDiA. twitch

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## ABOUT MIDIA RESEARCH

MIDiA Research is a market intelligence and consulting firm with longstanding expertise in the business of entertainment and digital media. We are the definitive source for cross-entertainment business analysis, providing a deep understanding of trends and innovations shaping the entertainment market and audience behaviours, which help businesses formulate commercially actionable strategy to navigate the evolving digital content and consumption landscape. Our clients leverage our expertise and insight, proprietary multi-country consumer data and market forecasts to help them make smarter decisions faster. For more details visit our website: [www.midiaresearch.com](http://www.midiaresearch.com).

## ABOUT TWITCH

Launched in 2011, Twitch is an interactive live streaming service for content spanning gaming, music, entertainment, sports, and more. At any given moment, on average, more than 2.5 million people come together from all over the globe to interact around this distinct form of entertainment that is created by the shared interactions of millions. There's something for everyone on Twitch. Visit: [www.twitch.tv](http://www.twitch.tv).



# INTRODUCTION

After half a decade of streaming-driven growth, the global music business had never looked in better shape by the end of 2019, then came COVID-19. While the pandemic did not fully disrupt the recording industry or the consumption of music (with 12% more overall entertainment time to spare, music consumption made a net gain in 2020), it certainly turned music creation on its head – both in terms of production and performance. For music artists, DJs and anyone involved in live music shows, 2020 was a shocking blow to working life. Cancelled tours and festivals did not come with insurance or furlough income for most music creators and supporting crews.

The enforced hiatus on musicians' performing careers has sparked a reassessment on the sustainability of income streams for creators, in turn shining a light on the viability of current business models for music streaming. More music is created and distributed, and music is more readily accessible than ever before.

Not only that, music is also better value for money than ever before too. But while the good times have rolled for music consumers, the underlying issues for musicians have fully surfaced.

Although total music revenues have grown, many creators simply cannot earn enough from streaming to sustain a career from music. The fragmentation of streams across the vast streaming audiences on digital music services result in declining royalty rates overall.

Meanwhile, the valuable access points (playlists, charts) that can drive enough volumes for meaningful incomes, are not obtainable for the large majority of artists. Not only that, artists are struggling to build loyal audiences on streaming services and social networks, where valuable digital real estate and the data about these are well kept secrets: precious assets for the platforms themselves, but inaccessible for the vast majority of artists. While creators can get access to myriad data

on streaming counts and when and where they are played, data about who is listening and how to reach out to them is harder to come by. This makes developing meaningful relationships with these audiences more difficult for artists and for the most part, not in the interests of those major platforms, who, a) are more focused on consumption, and b) want this valuable user data for themselves (to help further drive consumption).

In today's music business, the consumer boom is rapidly leading to a creator bust. For the music industry to untangle itself from this dysfunctional loop, it needs to find new ways of monetising fandom, not simply relying on consumption. Artists need new ways to connect and transact more productively with their immediate fan bases. In the 'old days' buying music (CD, cassette, vinyl) was monetising fandom, because paying a premium for an individual artist's work bought the sense of belonging to the 'fan club' for the consumer. It came with a sense of pride, bragging rights

and the cultural cache of the collector. While royalties on these formats were not any higher than on streaming, the individual price paid by the fan was much higher – allowing artists a clear route to commercial and financial success.

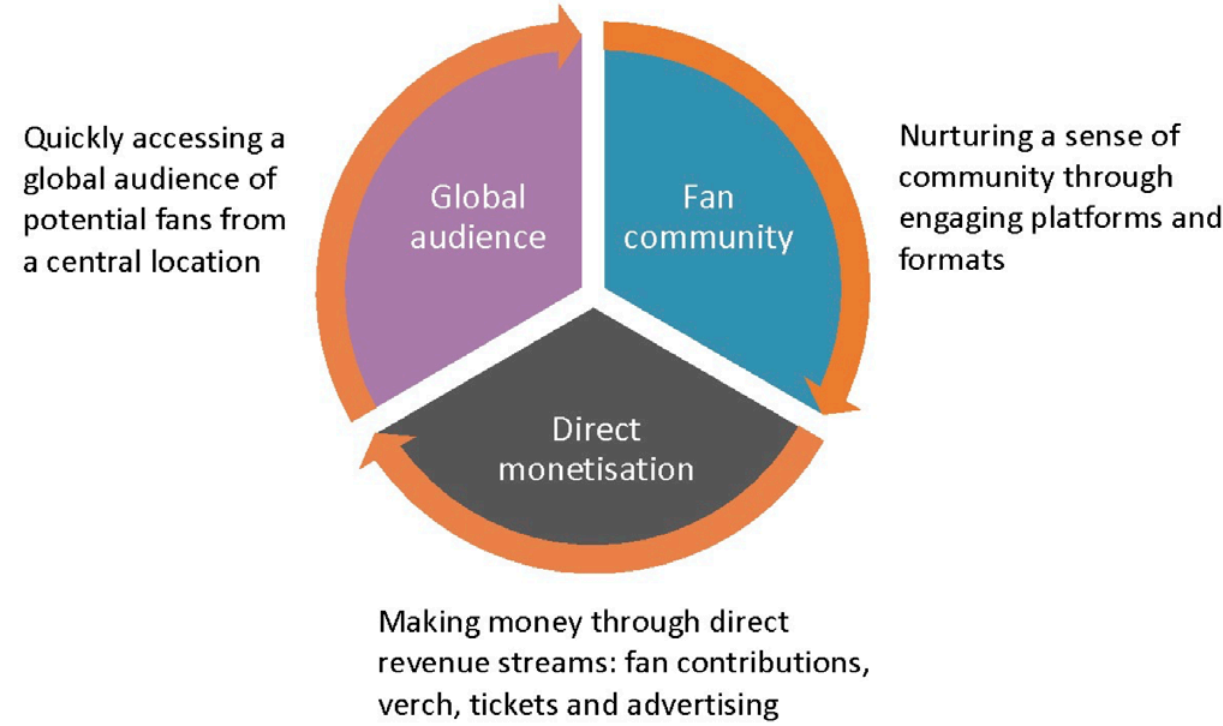
In the streaming era, it is a different story. As music fans listen to more not less, and constantly make the trade-off of what to listen to with their limited time available – it is closer to a sampling world. Added to this, music audio is fast becoming a secondary activity, something that people do while doing something else. Streaming's second-order effect is to turn much of music listening into sonic wallpaper, making it harder for artists to cut through. While the consumption value is still there, the connection and the commitment are lost. Fandom value is diminished and is progressively harder to convert to remuneration for artists. Getting consumers to 'listen to songs' is no longer the most optimal way of generating fans, or monetising fandom.

FOSTERING A NEW  
RELATIONSHIP WITH FANS

The current situation has led artists to think about other ways to get their music to audiences, and better ways to make money back – so they can keep on making music, make a career from it and keep that career going. In contrast to audio, live-streamed performances put the artist-fan relationship centre stage, switching the music experience from passive to active, from lean back to lean in. Live streaming has emerged as a key opportunity for artists, catalysed by the global pandemic’s impact on the live music business.

Many artists have been able to monetise virtual online performances through tickets, fan contributions, virtual and real merchandise and in some cases, sponsorship and advertising revenue. What is more, to achieve this, there are multiple options now; artists do not necessarily need to sign with an agent, travel the globe on tour, sign a record deal or give away their copyrights. They do not have to gain a million streams, tens of thousands of followers or get tracks onto top playlists. They do not have to run the treadmill of endless radio and press promotion.

Instead, artists can use live streaming performances to focus on the three elements that drive a new and better relationship with their fans: instant global reach, community development, and direct monetisation. As they do this, many artists are realising that audiences of hundreds can be enough to put on viable online performances, where they can make more money in a three-hour session on Twitch than they can from one million streams. On live-streaming platforms, these three elements come together quickly for those artists ready to engage by performing live sets regularly, even to small audiences – the flywheel can start to spin quite rapidly.



IN THIS REPORT

In this report, we look at how this new way to develop and monetise fans has become critical for a growing cohort of artists that have engaged fully with live-streaming platforms. We will see how this process is leading to more fundamental changes in how artists find, entertain and bond with fans. We examine how this phenomenon – catalysed by the necessity for artists to connect with fans online when touring has been impossible – represents a new format for the music industry. Music companies are looking to the games industry for the next wave of growth, and with good reason. In 2020, games revenue was almost four times the total size of the global

music industry, and is set to continue to grow much faster. The audience of gamers globally has changed beyond recognition over the past decade, from a strong skew to young males to a much more diverse and broad population.

This growing and highly-engaged audience also loves music, with music often a key element to the in-game experience, as well as to gameplay streaming. However, the opportunity goes far beyond licensing music to gaming platforms. With the gaming industry successfully growing to £138 billion in value – 68% of that through in-game monetisation – the music industry and its global community of creators, has a huge opportunity to translate such a model into music.

# MUSIC LOOKS TO GAMES

In terms of consumer demand, games and music have always shown a strong overlap. MIDiA's global consumer data reveals that 10% of consumers watch 'games-related videos every month', but this rises to 18% among music streaming subscribers. Music and gaming first blew up with Activision's Guitar Hero, and later with the infamous in-game radio stations of Grand Theft Auto, which became a music industry promotional phenomenon.

10% of consumers watch 'games-related videos every month'.

This rises to 18% among music streaming subscribers.

Gaming has continued to grow its influence in music. This comes partly as the gaming industry has continued its exponential growth, and partly with the rise of cross-entertainment games worlds such as Fortnite and gamer entertainment video platforms such as YouTube, Twitch and Facebook Gaming, which during 2020 become proxy main stages in the absence of real live concerts.

As music and games continue to overlap in the attention economy, multiplayer online games have been making strides to become next-generation venues for fan experience. This was not caused by COVID-19, but instead catalysed by it. Games and gaming platforms have become the place of fandom and image expression in the digital era because:

- Digital image expression is more important than ever before (a testament to this is the increasing purchases of in-game items which are purely cosmetic, i.e. do not buy any progress in the game). This sector itself is worth just over half of in-game spending.
- Games are built to be interactive, which allows consumers to create and share experiences, across all content formats. In this aspect, the closest competitor to games is social media.

- Gamers have a propensity to spend to express their fandom. Some 13% of online multiplayer gamers buy physical music merchandise, compared to 8% of music streaming subscribers and 4% consumer average.

Unlocking monetisation of fandom in the growing gaming entertainment worlds is only just the beginning. One quarter of games video viewers and 35% of live music streamers buy 'digital items' in games. Furthermore, games video viewers (13%) and live gameplay streamers (27%) are significantly more likely to buy music artist merchandise than music streaming subscribers (8%).

Bringing live concerts inside games was a good first step, and artists have been making revenues from virtual goods and badges. In times without 'in real life' (IRL) live events, it is a powerful way of generating fans, creative expression and honing performance skills. But the art of virtual performance (whether that be musicians live streaming or performing as an avatar in a game) is now going much further, now actually becoming a sustainable, thriving industry sector – one that will continue to exist on the music landscape even after IRL events return.

## THE GAMES OPPORTUNITY IS WAITING TO BE TAPPED

The real challenge for the music industry will be to reimagine and expand the way it currently participates in the gaming opportunity, building above and beyond sync and standard licensing. Music experiences in games have also too often been focused on marketing and promotion, for driving streams and ticket sales. To realise the full potential, music needs to become part of the game experience itself and thus tap audience demand and unlock in-game spending, which is where the real money lies.

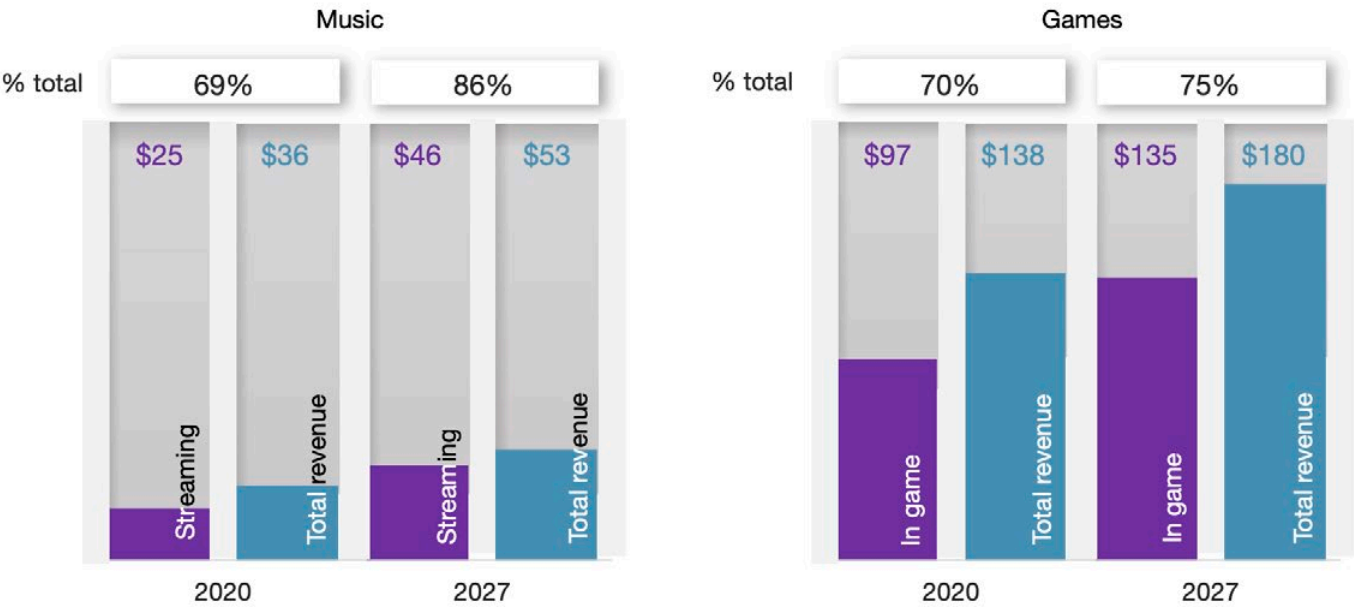
The time is right to explore deals and strategies that are designed to be more native to gameplay environments, whether it be revenue share on in-game items, or 'renting out digital real estate' for a digital festival, with the right to sell items inside the virtual festival environment. If the music industry wants to truly capitalise on the gaming opportunity, it needs to become a part of it, not just settle for supplying it.

GAMES COMPANIES MADE GAMES ABOUT FANDOM AND IDENTITY

Although games fans are also music fans (and music runs through the veins of most games) the games and music businesses have pursued very different commercial models. This is important because the business models reflect user experiences in these sectors. Gamers express their fandom and engagement in very different ways when they play games compared to when they engage with music.

Figure 1: Rather than simply monetising access, games companies unlocked large scale spending by using access to monetise activity

Music and games revenue, global, billions USD



Source: MIDiA Research Music Model and Games Model



In-game spending was worth \$97 billion in 2020

With around half of global in-game spending accounted for by ‘cosmetic items’ (avatars, badges, skins), there is a clear picture of gamers using in-game spending as a means of displaying their identity. These days, it is easy to take games fandom for granted, to assume that it was always there. But it is not the case. It was the result of gaming companies strategies: the concerted implementation of a clear strategic vision that nurtured games fandom and turned it into a highly-vibrant audience and commercial marketplace.

This monetisation of fandom represents even more than just a commercial advantage the games industry has built over music, it is the foundation for making fandom matter more to gamers. In the latter third of the 20th century, music was the

central cultural reference point through which people could identify themselves, youth especially. Fandom was baked into music – through band T-shirts, to fan clubs, to belonging to musical tribes. Streaming’s all-access, song economy has gradually eroded this fandom to a supporting role, progressively shifting music from a passion pursuit to a ubiquitous utility.

As music fans expect to consume ever more new music for the same all-access price, gamers dive deeply into the games and platforms they obsess about – spending as much time and money as they can afford. They build relationships in the games they play and develop a sense of community and belonging there, thus further solidifying fandom.

This fandom gulf between music and games continues to grow, and has contributed to the substantial difference in scale of those two businesses. Music companies have begun to realise that as their industry has grown, it has also transferred much of its previous fan value into the subscription and song economy. Now is the time for music companies not just to work out how they can participate in the games industry’s fan economy, but to learn how to bring some of its practices into the music industry.



# THE GAMER AS A MUSIC FAN

In the interconnected nature of the digital entertainment landscape, gamers and music fans are a key audience overlap. The most engaged gamers are also some of the most avid and engaged music fans. Music has long played a

central cultural role in games and that intersection has never been more relevant and apparent, whether that be GTA Radio, Travis Scott's Fortnite extravaganza or Tones and I performing in Splash on Roblox.

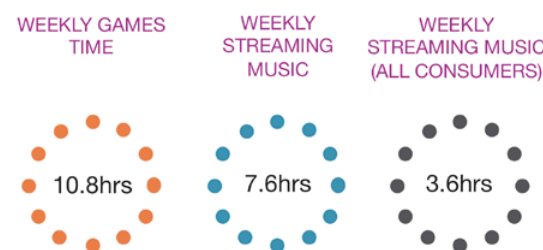
**Figure 2: The most engaged gamers are also some of the most engaged music fans**

Gamer aficionado profile, US, Canada, Australia, UK, Germany, France, Sweden, South Korea, Brazil, Q4 2020

## Gamer aficionado profile



Gamer aficionados are the most engaged gamers. They spend above average hours a week gaming and spend more than above average a month on games.

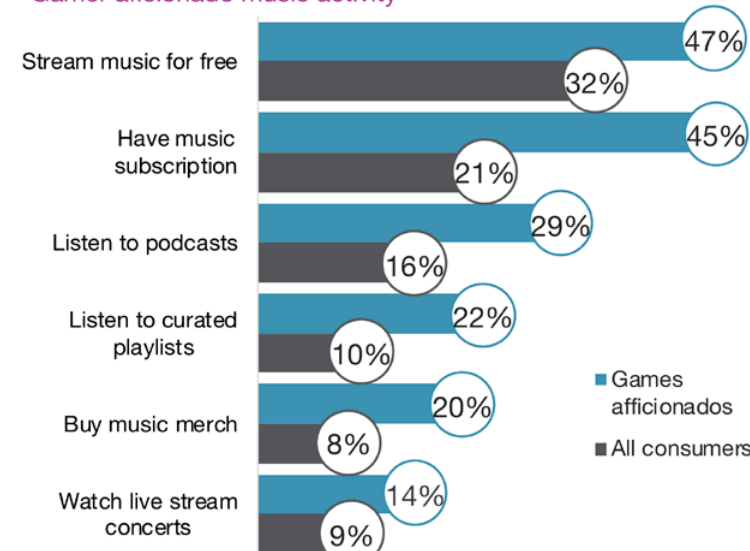


Source: MIDiA Research Consumer Survey 12/20 n = 9,000

Gamer aficionados (i.e. those who play for above average hours per week and spend more than above average per month) are the most important segment to the games industry. This audience segment generates the majority of games revenue and activity. But they are so much more than just gamers, engaging with all forms of digital entertainment more than the average consumer. Nowhere is this more visible than music. Though

gamer aficionados spend an impressive 10.8 hours a week gaming, they also listen to streaming music for 7.6 hours, more than double the rate of the average consumer. Indeed, nearly half of them regularly stream music and have a music subscription, which is more than double the consumer average. But their music activity goes far beyond audio streaming, engaging with all other key music activities at around double the rate of

## Gamer aficionado music activity



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overall consumers. Of particular importance is buying music merchandise, where 20% of gamers (versus 8% consumers overall) engage, illustrating willingness to pay a premium in order to express their fandom. This is a key growth opportunity in interactive digital environments, be it games, or fan-supported live streams.

Engaging games aficionados with music is so important not just because of the scale of the opportunity nor even the growing role music plays in games, but also because games are where some of the world's most valuable music fans spend so much of their time. Crucially, more time than they spend on audio streaming platforms. If an artist wants to reach their fans throughout more of their day, then they need to find them in games environments.

## GAMES FANDOM IS A MODEL THAT MUSIC CAN EMBRACE

The importance of the games fan economy stretches far beyond the games themselves. By unlocking gamers' willingness to pay for experiences, games companies have catalysed gamers into consumers that spend money to express their fandom. They have also actively fostered environments in which interaction with peers (both collaborative and competitive) help further drive willingness to pay, in order to help, keep up with or get ahead of peers.

This dynamic is seen most clearly in the relationships that gamers have with their favourite gamer creators, routinely paying them directly via donations, tipping, subscriptions and virtual items on video platforms like Twitch and YouTube and even via games themselves. Fortnite for example, enables gamers to allocate a share of their in-game spend to their favourite creator. This games creator-fan dynamic exists for two key reasons:

1. Gamers have become acclimatised to ad hoc spending as a means of expressing fandom
2. Meanwhile, gaming creators (e.g. those who stream their game play) have used video streaming platforms as a way to create deeper relationships with their audiences.

If the first point is the manifestation of games company strategy, the latter is a reflection of the efforts of game creators themselves. Video platforms are genre-neutral, so the monetisation and engagement tools available to gamers are equally available to music artists. But whereas music has traditionally used video as a platform from which to shout ("here's my latest single, now watch it"), games have used video as a place where the audience can have a conversation with each other. Until COVID-19 spurred a music live-streaming boom, music video almost always meant a promo video, a one-to-many format with a highly-polished, stylised view of the artist. Rarely an expression of that artist's true personality.

Gaming creators however, release videos regularly - some every day - and when these are posted, fans see the creator speaking directly to them. Nowhere is this digital intimacy clearer than in live gameplay streams, where fans feel like they are part of what is happening and engage directly with comments, tipping and virtual items. Real time monetisation is simply the commercial outcome of how games fans express their fandom in real-time environments. Fans also understand that live streams represent something different than on demand videos, that the moment exists there and then by being a part of what happens.

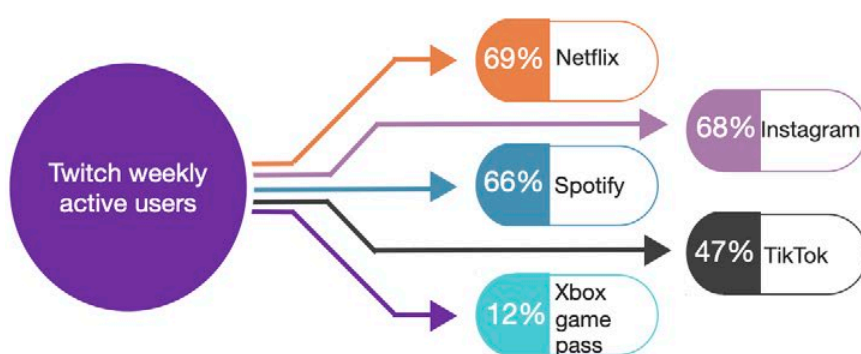
The last five years has seen entertainment shift from synchronous linear experience to asynchronous on-demand experiences. Now that on-demand is so pervasive, audiences are increasingly craving digital experiences that

deliver synchronous, shared experiences, with live streaming the main driving force of this cultural moment rebound. While it would be unrealistic to suggest that all music artists should start doing daily live streams, there is a ripe middle ground between that and the occasional music promo video. The surge in live-stream concerts during the COVID-defined year that was 2020, demonstrates that there is appetite among fans and artists alike. The commercial potential has also been demonstrated with ticketed live-stream concert revenue reaching \$0.6 billion in 2020. But while this is encouraging, it reflects the music business simply using new(ish) technology to replicate old world models. The experience of the games fan economy illustrates just how much further this can go when artists start to think about their fan bases in a similar way to how games creators do.

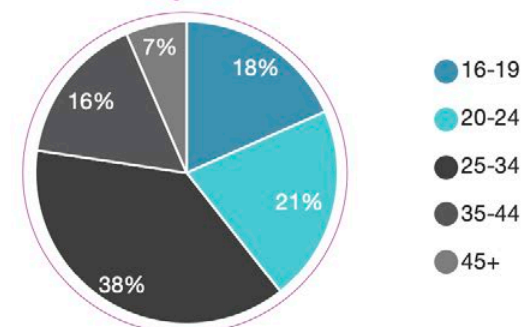
**Figure 3: Twitch users are highly-engaged entertainment and music consumers**

Gamer aficionado profile, US, Canada, Australia, UK, Germany, France, Sweden, South Korea, Brazil, Q4 2020

Share of Twitch WAUs that use other selected apps weekly



Twitch WAU age distribution



Twitch WAU gaming activity

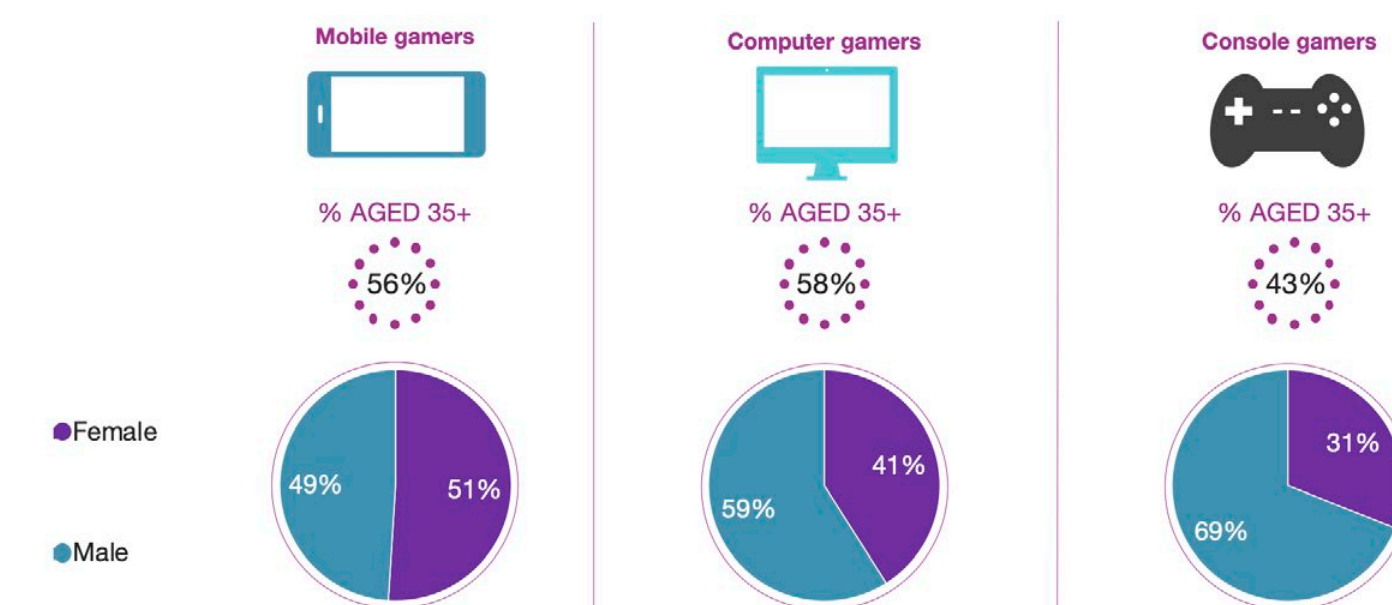


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Twitch has had a reputation of a gamer-centric platform, often viewed by the music industry as niche, and only suitable for particular artists – mostly electronic producers and artists. However, thinking of gamers as genre specific or demographically limited (to 'under 30s males) is an outdated view.

**Figure 4: Gamers are an increasingly diverse audience with clear differences across different gaming platforms**

Key demographic characteristics of gamers by gaming device



Source: MIDiA Research Consumer Survey 12/20 n = 9,000 (US, UK, Canada, Australia, France, Germany, Sweden, South Korea, Brazil)

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The gamer community has a reputation for being the domain of young males, but the sector has been steadily broadening to the extent that the assumption is beginning to look outdated:

- Gaming has been closing the gender gap:**  
 The overall games audience is approximately 41% female, which is not that dissimilar from

These days, gaming is part of mainstream culture – as we have said, with gamers over-engaging and over-spending across most entertainment sectors and genres. Music companies should view gamers as a generous opportunity to target the most valuable entertainment audiences.

the 47% that are music subscribers. Of all the main games platforms, mobile has the highest female share at 51% and until recently was majority female. Even PC gaming reaches 41% female. Console gamers most resemble the traditional gamer profile with just 31% female gamers, and the smallest share aged 35+. While mobile gaming is at 50:50 (and has been known



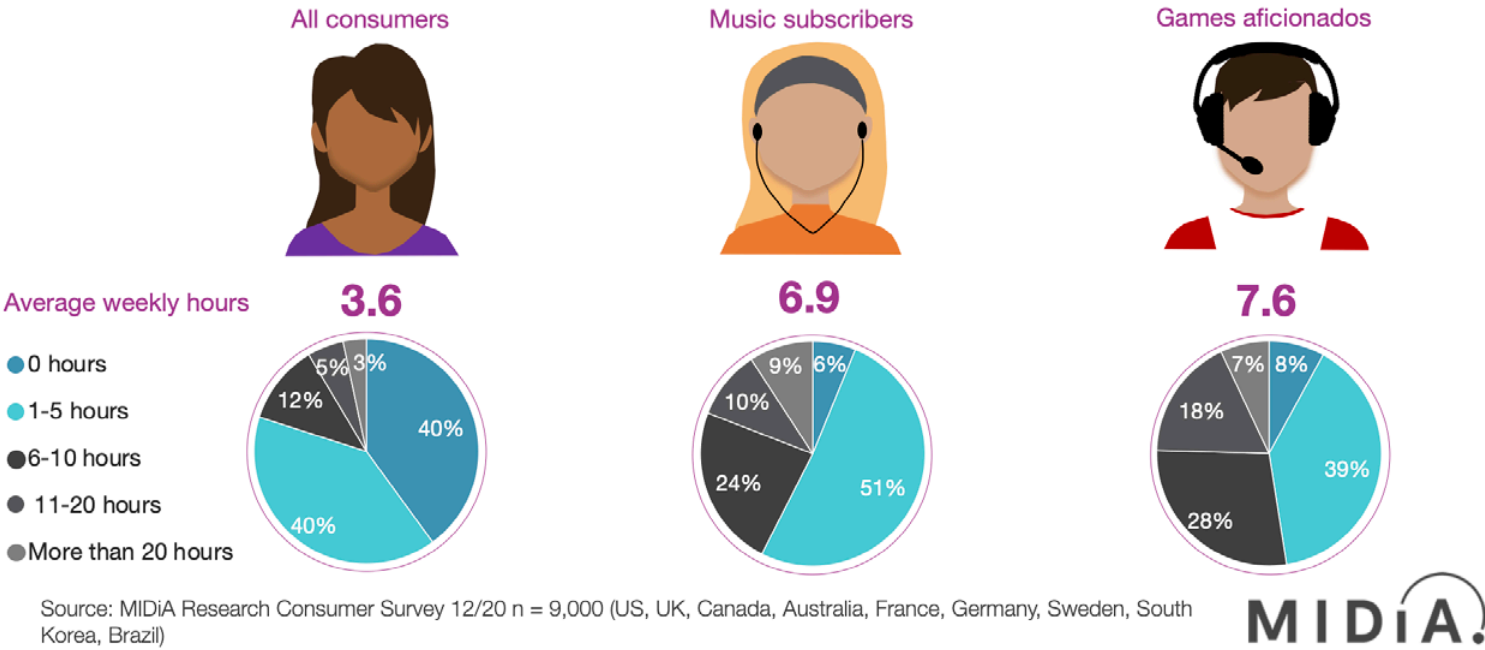
to skew female up until recently), PC (41% female) and console (31% female) drag the average down.

- **Gaming is cross-generational, not just for kids:** Contrary to popular belief, games are firmly embedded across generations, with

56% of mobile gamers, 58% of PC gamers and 43% of console gamers aged 35+ years old. Over the coming years, games-related video communities, though currently skewing younger than average gamers, will follow a similar pattern.

Figure 5: Games aficionados are even more engaged with streaming music than music service subscribers

Time spent listening to streaming music by segment, Q4 2020

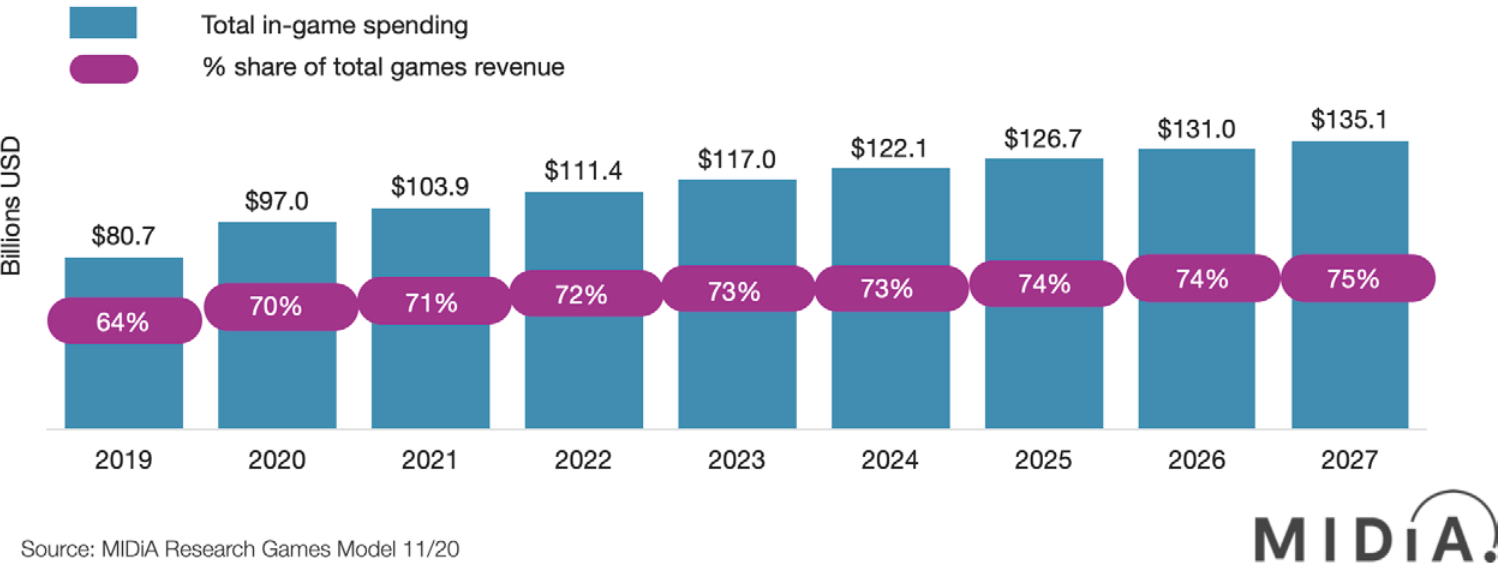


Games aficionados are more engaged with music than even music subscribers are, spending 7.6 hours a week listening to streaming music compared to 6.9 hours for music subscribers. In addition, they are more likely to listen for more than 11 hours a week than subscribers and are more likely to spend more on music formats from merch through to live. Games aficionados illustrate the degree of opportunity for artists and music companies to reach highly-engaged audiences.

Crucially, these audiences are highly acclimatised to the fandom monetisation models prevalent in the games economy, from in-game purchases for cosmetic items, through to tipping games streamers. It is not unreasonable to assume that these same consumers would find it natural to cross transfer their games spending habits to their favorite artists, given the right experiences, contexts and tools.

Figure 6: Growing in-game spending means more focus from games companies and a growing opportunity for music

In-game spending forecast, 2020-2027, Global, billions USD



The games economy monetises its audiences in multiple ways, including subscriptions, sales and in game spending, the latter of which represented 70% of global games revenue in 2020. Around half of that was spent on cosmetic in game items, monetising gamers' demand for expressing themselves and projecting their identity in games. In-game spending dwarfs the global recorded music revenue – \$97 billion to \$35.9 billion (retail values) in 2020.

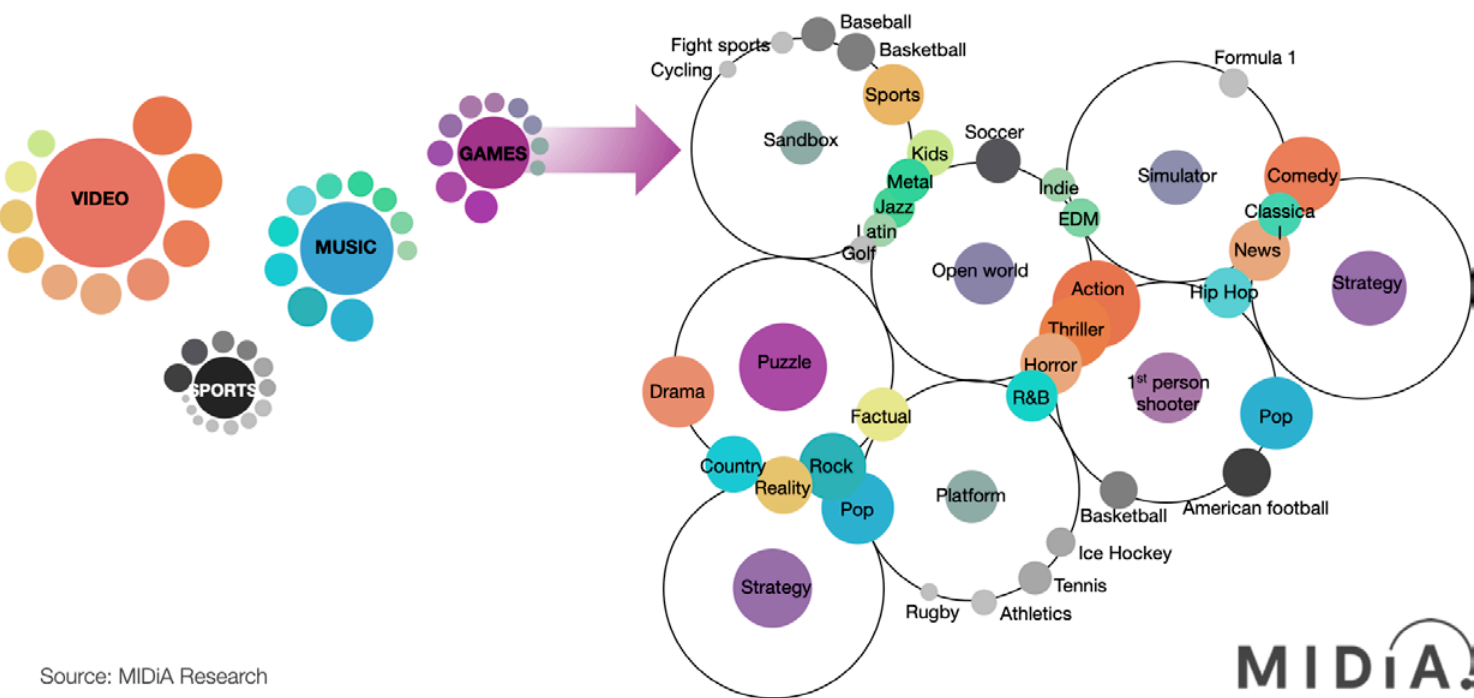
Naturally, not all in-game spending is addressable by music. Whereas music consumers generally have to leave digital environments to spend ad hoc (e.g. vinyl, CDs merch), the games economy has built it into the very core of its proposition. Both the parallels and opportunity for music are clear but the industry reference points also, and perhaps more importantly, translate to the creator side of the games economy.

# EMBRACING FANDOM

In the past, gaming used to be thought of as a niche environment only suitable for specific types of artists. Gaming's current cultural status calls for thinking about gamer communities as entertainment consumers from all walks of life, rather than a single specific consumer segment. The key question is how, rather than if artists can find suitable opportunities within gamer communities.

**Figure 7: Games fans have an intriguing mix of predictable and less expected fandom for other entertainment genres**

Games subgenre fans with highest over indexing for fandom of other entertainment subgenres



Cross-entertainment insight is important for artists and labels to identify the right activations, but also to help ideate the correct role music (or the artist) should play in each particular experience.

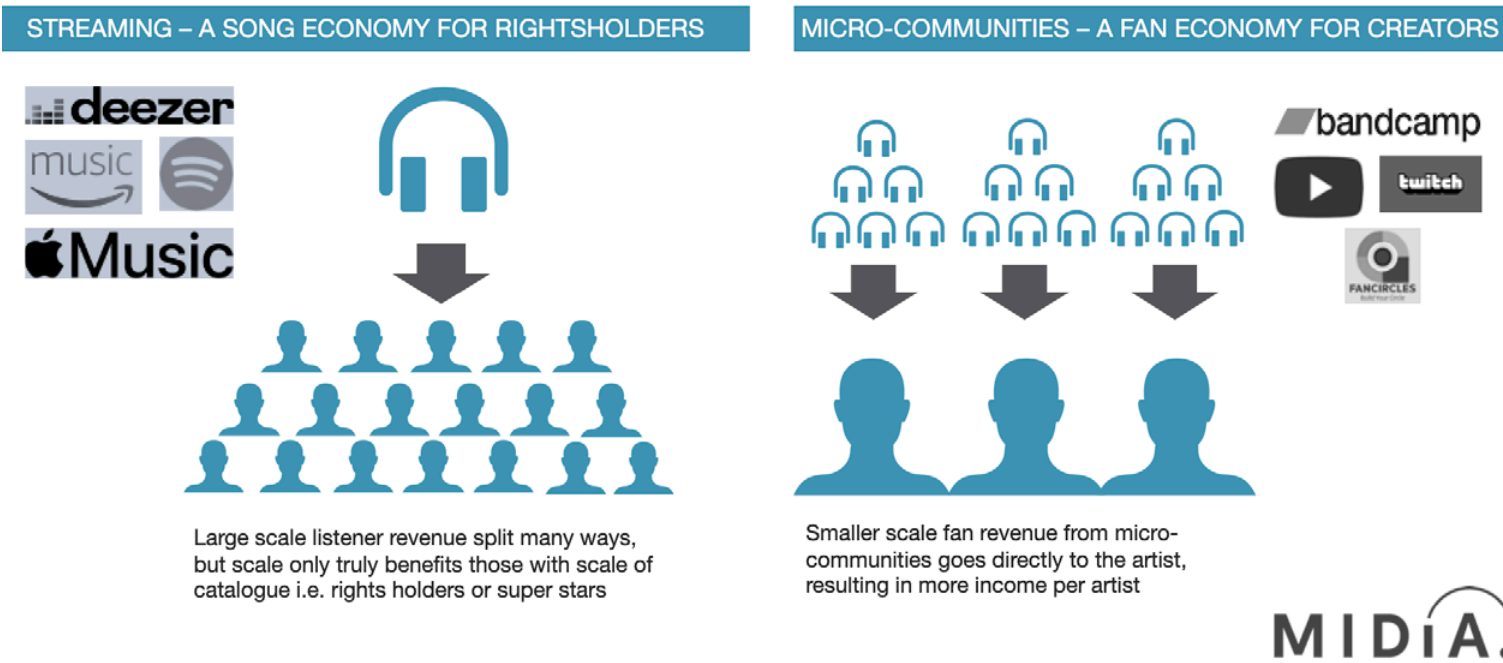
For artists to establish a presence in the right gamer communities effectively, the key is to gain a holistic understanding of their audiences' entertainment lives across sectors. Alongside consumer data and insight, the ability of having direct conversations with fans enables artists and labels to gather invaluable qualitative findings about their audiences across entertainment.

In some cases music performance may be the leading aspect of a streaming session. In others, it may be the artist simply discussing favorite movies, or playing their favorite video game.

The more that artists can understand about their audiences, the stronger relationships they will be able to form with them. For example for indie music fans, the right game to reference to a gamer-centric audience could come down to whether their fans prefer comedy or action on TV.

**Figure 8: Micro-communities: Streaming is a song economy that favours rights holders, a parallel fan-centric economy is needed to drive creator income**

Conceptual overview of creator income flows from streaming versus micro-communities



Music's monetisation of access resulted in a finite revenue opportunity, within streaming music subscriptions at least: the more that music subscribers do, the more ways the finite pot of revenue is shared. Conversely, the more that gamers do, the more that they spend. Music needs the upsell capability and monetising fandom

The former are fans of simulators, while the latter are more likely to be fans of open world games. Classical music can find target audiences among simulator and strategy games, and find likely common interest in news.

is it. But this is more than an opportunity, it is a market need. Audio streaming is a song economy that works well for rights holders and superstars, but it does not add up for the majority of artists. One million streams generate between \$1,000 and \$3,000 for an artist, depending on their deal structure.

The economics of streaming do not add up for smaller artists, but fandom can. Music rights holders and creators alike need there to be a vibrant fan economy to complement streaming’s song economy. Creators need it to generate meaningful income, rights holders need it to ensure their talent can build sustainable careers and benefit from the marketing halo effects that audio streaming creates. Meanwhile, artists that own their own rights have even more flexibility and agility to make the most of artist-fan platforms. By embracing fan monetisation tactics used within

the games economy, artists can generate revenue that might be relatively modest at an industry level but sizable at an industry artist level. Streaming creates macro industry revenue but generates micro artist revenue. Fan monetisation can flip that equation, swapping large, low ARPU audiences with fragmented attention for small, high ARPU audiences with concentrated attention. In the fan centred model, more of the consumer’s spend and attention is on a smaller number of artists, meaning that more money makes it to the artist, pretty much whatever the revenue splits may be.

# CREATORS GOING WITH THE FLOW

We have demonstrated why artists might begin to see gaming and live-streaming platforms as a key part of the mix. In this section, we will show how some artists have transformed their careers in the toughest of times, through embracing these new approaches to how they reach and engage with their fans.

## GETTING THE BEST FROM LIVE STREAMING ENVIRONMENTS: SOME TWITCH CASE STUDIES

In this section, we look at some short case studies of very different artists that have thrived on Twitch by utilising the features on the platform to create highly-engaging, interactive sets for fans – with audiences varying in size from under 100 to tens of thousands. Central to success for most artists,

has been regular streaming sessions, sustained over time. In this way – artists have been able to experiment and then find their preferred streaming method, learn to use the available tools and features and, most importantly, build up their audience. These tools and features can be used for different streaming strategies:

## LIVE STREAMING PRACTICES

Live streaming is more than simply performing live, it is about understanding that a unique moment is being created with the audience and in turn, that the nature of the artist-fan relationship is being remodelled. These are some of the emerging best practices that help catalyse this shift:

- **Regular sessions:** fans enjoy tuning in to artist

sets frequently, so artists have used Twitch to stream daily or weekly.

- **Longform sets:** Artists have thrived by doing longer sets on Twitch, sometimes for 2-3 hours or longer – interspersing co-creation sessions with performance.
- **Empowering moderators:** artists have had success working with moderators – super-fans who host and run the set, managing interactivity, harnessing the fun, fostering inclusion and managing safety.
- **Interactivity:** through using chat artists and audiences can share their enjoyment of the session, favourite moments and share ideas
- **Co-creation:** as well as performing sets of finished tracks, many artists have succeeded by co-creating with their audiences, from songwriting sessions to share-screen Ableton production sessions.
- **Fan competitions:** Artists can encourage fans to battle it out to pick the next track on the setlist, or contribute beats or session artwork.

Of course, just as critical to artists these days, is income generation. Live streaming has not just been a temporary lifeline for artists unable to play live ‘in real life’. The format and the platforms hosting live streams, offer a range of ways for artists to make revenues. The variety of income streams is important – giving artists the chance to experiment and focus on the form of monetisation that works best for them and their fan base. Platforms like Twitch and YouTube have helped enabled a vibrant game streamer sector to flourish,

with gamers not only building large, engaged followings but monetising them in multiple ways, including:

1. Fan-supported streaming contributions
2. Fan subscriptions
3. Verch, premium comments and emotes
4. In-game spending revenue shares
5. Share of advertising and sponsorship revenues

While there are many fundamental differences between game creators and music artists, there are nonetheless plenty of similarities. What is more, there are tactics that have not yet been widely adopted by artists but there are already emerging case studies that illustrate that many of the game fan dynamics can readily transfer into music. Whether that be artists finding success on Twitch, such as Disclosure or to K-Pop artists like BTS using the Weverse platform to tap superfan demand and behaviour. We are only just at the start of what will likely be an extensive period of experimentation and innovation, helping artists use digital tools to build a depth of fan engagement that is currently lacking within most audio streaming services. In the old world, using video to pursue entertainment-related KPIs was all about the number of eyeballs. This approach was well aligned for pursuing consumption and ‘spray and pray’ marketing campaigns. Now the era of direct fandom monetisation, fandom trumps reach. With niche the new mainstream, artists need to shift focus from seeking the most listeners to finding the most engaged fans.



# CASE STUDY: MXMTOON

mxmtoon (also known as Maia) is a singer-songwriter from Oakland, California, who has six million monthly Spotify listeners and over 500 million streams. She makes music that began as 'bedroom pop' but has since blossomed into full-blown acoustic-electronic pop – intimate and catchy. Her debut album, the masquerade, was released in September 2019, and the two part EP

release, dawn & dusk, followed last year. She has a daily podcast called 365 days with mxmtoon.

**First streamed on Twitch: April 2020.** mxmtoon's two-hour sets showcase her signature ukulele play, with renditions of both original songs and on-the-fly covers (sometimes of songs suggested by viewing fans), interspersed with songwriting sessions, Minecraft play and sometimes pure chat.



## What made you start to stream on Twitch?

I love playing video games in my free time, and Twitch felt like a space where I could cultivate a community and share that love with other people! Starting streaming just seemed like a natural next step in trying to connect even further with my audience.

## How did you decide what you wanted to stream in your sessions?

I tend to just play it by ear. I know what sort of games my followers enjoy the most, and I also know what makes my content unique. I spend a lot of time playing games like Minecraft to reach out to new people, but also balancing that with Just Chatting or Music content as well, given that I feel those categories are what keep people coming back.

## What do you enjoy most? What do your fans seem to enjoy most?

I love Just Chatting streams a lot. I feel like that category allows me a lot of freedom to make whatever content I want and really connect with the people who are watching my streams. I know my own community is very involved with the Minecraft side of Twitch as well though, so I try to vary my categories with that understanding.

## How does streaming on Twitch fit into your overall work – both now during the pandemic – and after the pandemic?

I've been streaming since 2017, so it's been nice to have something familiar throughout a tumultuous

past twelve months. I do not have as frequent of a streaming schedule, largely because streaming is not my primary job but just something I enjoy doing in tandem with my music career, so I try to bookend my weeks by live streaming Friday and Sunday. I'll still keep trying to stream when the pandemic is over, but it'll be interesting to see what I'll be able to do given the inevitability of having to go back on tour.

## Do you make money on Twitch? How does it fit into making a living as an artist?

I do! People subscribe and donate if they want to, and I try to think of other ways I can use my space there to help different causes. For around eight months I was doing weekly charity streams, now I 'eventise' them a bit more, but I think Twitch has helped me really feel like I can use my platform to champion social justice moments and rally my audience together.

## What would you say to other musicians/artists about Twitch and how to work with the platform?

Find what makes you unique. Maybe you become an expert at a videogame on Twitch, you share your creative process while making a song, you do visual arts live for people to see. Consistency is really important too, even if you're not streaming every single day, try to find ways to check in with your audience on a consistent basis, and do so for a solid three hours. As musicians we are not fully used to essentially putting on a show for that much time, but three hours tends to be a minimum, you should aim for more!



# CASE STUDY: JOHNNY AND HEIDI

Johnny Bulford and Heidi Raye got together as a duo after both had over a decade of success as country singer-songwriters. Johnny is a three times platinum selling country music writer, while Heidi has been featured on Spotify's Wild Country and New Boots playlists.

**First streamed on Twitch: June 2020.** They have been streaming the Johnny and Heidi show on Mondays, Wednesdays and Fridays on Twitch. The duo reach an audience between 100 and 1000 for their sessions, and now have over 20,000 followers on the platform.



## What made you start to stream on Twitch?

We've been staff songwriters and recording/touring artists in Nashville Tennessee for 15 years and we were looking for a platform where we could share our original music with a new audience, as well as our existing one.

## How did you decide what you wanted to stream in your sessions?

We knew we wanted to take requests and learn new covers/perform our favourite cover songs and share our catalogue of originals. We like to be silly, so we play a few chat inclusive games while keeping the show family friendly so that our viewers do not have to send the little ones away.

## What do you enjoy most? What do your fans seem to enjoy most?

Being able to sing for people and connect with them in a way we were not able to in the past. Our community seems to enjoy the chemistry between us and the way we love each other and work together. We are very blessed to have built a strong community based on kindness, positivity and inclusivity.

## How does streaming on Twitch fit into your overall work – both now during the pandemic – and after the pandemic?

We are full time content creators with the bulk of our week being dedicated to live streaming on Twitch and writing, recording and releasing original music. We are slowly starting to resume IRL shows, however, touring will no longer be our main focus like it was in the past. We plan to continue to focus on Twitch and everything we do outside of that is a means to support our growth on the platform.

## Do you make money on Twitch? How does it fit into making a living as an artist?

Yes, we do. We have been very fortunate that streaming has helped supplement our existing income. We've been very blessed to have had a little success in the music industry, but it was not until we found our Twitch family that our years of hard work and dedication were validated.

## What would you say to other musicians/artists about Twitch and how to work with the platform?

It's like with anything, if you want to be successful, you have to work really hard, want it really badly, be prepared to struggle and know that it is going to be a long process. There is an audience out there of wonderful people ready to consume live music and interact with artists, it's just a matter of putting the time and effort in, being consistent and always putting your best talent and content out there.

# WHAT NEXT FOR ARTIST-CENTRED STREAMING?

The pandemic began with major platforms like YouTube, Facebook, Instagram, Twitch etc. opening the door to live streaming. However, the demand grew, and supply followed. Many took to the concept of live streaming very quickly - Dreamstage, LiveXLive, Stagelt et al. having been taking full advantage of the pandemic situation. Companies like Dice, Bandzoogle and Bookmyshow (India) did not think twice before they created a live streaming business parallel to their existing ticketing or direct-to-fan platforms.

Such services may look like niche players, but they serve large, highly engaged audiences and a growing community of independent artists – which in turn make up a growing proportion of both supply and value of the music industry. Music creators are a large, addressable audience 15 million strong, of which five million are self-releasing direct artists, representing some one billion dollars in recorded music revenues. For these artists, competing on mainstream music services is tough, if not impossible. Consider that 60,000 tracks are uploaded to Spotify every day.

Sometimes, the best way to engage fans does not simply mean playing your music to them. Many live streaming sessions that have led to success for artists on Twitch have not been music focused at all - but Just Chat sessions, gaming sessions and other expressions of an artist's personality or passion. So long as the music is part of the conversation somewhere, it can work. Some of the case studies in this report illustrate the varied ways artists can communicate with fans.

For many, live streaming started out as a solution towards creating a live experience between artists and fans in the midst of the pandemic. However, its rising popularity as well as growing opportunity calls for the music industry to take a page out of the games industry and understand that digital intimacy is the key to opening the box to monetising fandom. The benefits can be multiplied when they are taken to music fans who are also gamers, audiences that will most quickly understand and translate the concepts of digital fandom across to music.

Artists can replace 'shouting from the rooftops' about new music in over stylised music videos, with authentic, personality centred live streaming. They can have real conversations around their art and things that make them who they are. Live streaming focuses on the three elements that create a new and better relationship with their fans: instant global reach, community development, and direct monetisation. As artists embrace live streaming, they are realising that audiences of hundreds can be easier, more satisfying and viable than one million streams. Through gaming platforms like Twitch and others, artists have found a new stage, a new form of communication and a new way to build a fan base. It is a new way to play.