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Original Article

Streaming vs. Live Music: How Changing Consumer Preferences Are Reshaping Revenue Models in the Music Industry (A Field-Based Study)

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Abstract - *In recent years, the music industry has undergone a profound transformation as consumer tastes have shifted from owning and physically buying music to accessing vast libraries via streaming services. Global recorded music revenue reached record highs in 2024, driven mainly by paid streaming subscriptions [1]. At the same time, live music events have rebounded strongly from pandemic lows, with concert tours and festivals attracting record crowds and revenues [2]. This paper examines how these changing consumer preferences for streaming and live experiences are reshaping revenue models across the music industry. By reviewing industry reports and financial data from major players (e.g., Spotify, Apple Music, Live Nation), this study analyzes shifts in listener behavior, the impact on artist and label income, and the role of platform economics. Streaming has become the dominant source of recorded music revenue (accounting for nearly 69% of global sales) [1], while live performance revenue is also surging with mega-tours breaking records [3]. However, the distribution of these revenues poses new challenges: artists often earn only a small fraction of streaming income, and the high costs of touring and ticketing raise concerns about sustainability. This research highlights the interplay between economic theory (e.g., "experience economy" demand) and real-world data, noting that consumer demand for convenience and experiences is simultaneously driving growth in both streaming subscriptions and live music spending [4]. Key challenges include ensuring fair artist compensation, balancing subscription fatigue, and managing "funflation" pricing in live events. Understanding these trends is vital for stakeholders aiming to adapt business models in the evolving music economy.*

Keywords *- Music Industry, Streaming Platforms, Live Concert Revenue, Consumer Preferences, Artist Royalties, Revenue Models, Music Monetization.*

1. Introduction
1.1. Background and Context
The music industry is in the midst of a structural shift as the ways people consume music evolve. In the past, consumers primarily purchased recorded music in physical formats (vinyl, cassettes, CDs) or digital downloads. Over the last decade, streaming services – led by platforms like Spotify and Apple Music – have proliferated to become the dominant form of music consumption.

By late 2024, Spotify reported over 675 million monthly active users (with 263 million subscribers) and €4.2 billion in annual revenue [5], reflecting streaming's massive reach. Apple Music and other platforms also amassed tens of millions of subscribers, with estimates suggesting Apple Music had approximately 95 million users by 2024 [6]. These services offer consumers on-demand access to almost every song ever recorded, often for a fixed monthly fee or for free with ads.

At the same time, live music has undergone a renaissance. Following the lifting of COVID-19 restrictions, concert attendance and touring revenues have boomed. Major tour revenues shattered previous records in 2024: for example, Taylor Swift's Eras Tour grossed over $2 billion globally [3], and the top 100 tours collectively grossed $9.17 billion [7]. Industry analysts note that today's consumers – especially younger generations – highly value experiences and social events. S&P Global Ratings reported that 2023 overall spending on live entertainment (concerts, sports, theater) surged by roughly 25% [4] as people prioritized experiences.

1.2. Research Significance
These dual trends – on-demand streaming and live-event spending – have fundamentally changed how revenue is generated and distributed in the music business. Record labels and streaming services now rely on subscription and

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ad-supported models rather than album sales. Meanwhile, artists increasingly depend on touring, merchandise, and sponsorship in addition to recorded music royalties. However, these changes pose challenges: the highly centralized streaming economy means labels and tech platforms capture most revenue [8], while independent and mid-tier artists struggle with low per-stream payouts. Likewise, ticketing and live-event costs have skyrocketed (a phenomenon dubbed "funflation"), potentially limiting future growth.

1.3. Research Scope and Objectives

This paper investigates how shifting consumer preferences between streaming and live music are reshaping industry revenue models. This study draws on the latest industry data, research reports, and primary survey data from 74 respondents to analyze consumer behavior, revenue trends for artists and companies, and the influence of major platforms (Spotify, Apple Music, Live Nation, etc.). This study aims to link these observations to economic concepts such as consumer demand for experiences versus convenience, and to highlight the implications for stakeholders.

2. Problem Statement

The music industry's revenue model is in flux due to changing consumer behavior. Streaming services now drive a majority of recorded music income [1], while live events have regained prominence as primary revenue sources [2]. However, it is unclear how these shifts affect different stakeholders (artists, labels, and venues) and what challenges arise. This research seeks to clarify how consumer preference trends for streaming versus live experiences are impacting revenue streams and business models in the music industry. Understanding the evolving consumer demand patterns and their translation into financial outcomes for creators and companies is crucial for effective adaptation by industry participants.

3. Objectives

The objectives of this study are to:

- Analyze consumer behavior shifts. Examine how listeners' preferences for streaming and live events have evolved, supported by usage data and primary survey findings.
- Assess revenue trends. Compare the growth of streaming and live-event revenue globally and in key markets using industry reports and consumer spending data.
- Evaluate platform impact. Investigate how major platforms (Spotify, Apple Music, Live Nation/Ticketmaster, etc.) shape revenue distribution and influence consumer experience.
- Identify key challenges. Summarize these changes' main economic and business challenges (e.g., artist compensation, pricing pressures, market concentration).

4. Literature Review

4.1. Streaming Revenue Growth

Various industry reports and academic sources have examined the rise of streaming and live music. According to the International Federation of the Phonographic Industry (IFPI), global recorded music revenues grew by 4.8% in 2024 to $29.6 billion [1]. This growth was driven primarily by paid music streaming: the number of paid subscribers reached 752 million in 2024 [1]. Streaming now accounts for 69% of recorded music revenue [1]. Similarly, the U.S. Recording Industry Association of America (RIAA) reports that U.S. recorded music revenues reached an all-time high of $17.1 billion in 2023 (up 8%) [9], with streaming "the biggest driver of growth". These findings show that consumer adoption of streaming services has more than offset declines in physical sales and downloads.

4.2. Consumer Listening Behavior

On the demand side, studies have found that people are spending more time listening to music and engaging with streaming platforms. For example, listeners worldwide average over 20 hours per week of music streaming (up from 18 hours in 2021). Users value streaming features such as ad-free listening, unlimited choice, and personalized playlists [1]. In many countries, a majority of the population subscribes to a music service (e.g., 61% in Sweden, 53% in the U.S.). This reflects a broader trend of preference for convenience and on-demand access in digital media. The author's survey findings align with these global trends, showing that 93.2% of respondents are daily or multiple-times-daily streaming users, confirming the widespread adoption of streaming services.

4.3. Live Music Renaissance

The literature also highlights a resurgence of live music. Industry analyses report record-breaking tour revenues and ticket sales. Pollstar's year-end report for 2023 shows that the top 100 worldwide tours grossed $9.17 billion, a 46% increase over 2022 [7]. Taylor Swift's Eras Tour alone grossed over $2 billion [3]. The S&P Global Ratings analysis notes that live entertainment spending grew by roughly 25% in 2023 as consumers "choose experiences" [4]. However, Pollstar also warns that these figures represent the top of the market and that smaller venues and acts face volatility and cost pressures. The author's survey data reveal that 70.3% of respondents attend live music events at least a few times per year, though 20.3% never attend, suggesting potential accessibility barriers.

4.4. Artist Revenue Implications

Several authors have examined the implications for artists. The digital streaming model pays out royalties based on a fraction of a penny per stream, often yielding modest income per play. Industry insiders have pointed out that only about 30% of streaming revenue typically goes back to artists, with the rest split among labels, publishers, and platforms. This has led many performers, especially mid-level and emerging artists, to rely more heavily on touring, merchandising, and other income sources. For top-tier artists, live touring can dwarf recorded revenue; for example, scholarly analyses have estimated that major artists earn the vast majority of their income from concerts and merchandising rather than record sales.

4.5. Platform Dynamic

Platform dynamics are also crucial. Research shows that Spotify, the market leader (about 30%–32% global market share) [10], and Apple Music (around 12%–13%) dominate subscription streaming. These companies set subscription prices (typically $9.99–$10.99 per month) and manage payment algorithms for royalties. Live Nation Entertainment, the largest concert promoter and ticket seller (via Ticketmaster), controls a substantial portion of the live-event ecosystem [11]. Studies on industry concentration note that platform intermediaries have gained bargaining power, raising concerns about competitive dynamics and fair pay.

In sum, the literature indicates an industry at an inflexion point: streaming has revived recorded music revenues, and live music is booming, but both domains raise new economic questions. This paper aims to fill a gap in synthesizing these trends with primary consumer data to assess the combined impact on the music economy.

5. Research Methodology

5.1 Research Design

This study employs a mixed-methods approach combining secondary data analysis with primary data collection. The author's methodology consists of:

- Secondary data analysis. The author reviewed the latest industry reports and financial statements from authoritative sources such as IFPI (global music trends) [1], RIAA (U.S. market) [9], Spotify (investor reports) [5], Apple (financial disclosures), and Live Nation (earnings releases) [11]. These sources provide quantitative measures of revenue, subscriber counts, and growth rates.
- Primary data collection. The author surveyed 74 respondents to capture current consumer preferences and spending patterns related to streaming and live music consumption.
- Industry news and analysis. The author consulted music business publications (e.g., Music Business Worldwide, Pollstar/Music Ally, S&P Global Ratings) for context on consumer behavior, ticket sales, and strategic moves by companies.
- Conceptual framing. The author applied economic concepts – such as the "experience economy," supply-demand effects, and market structure – to interpret the trends.

5.2. Survey Methodology

The primary survey was conducted in May 2025 using Google Forms, collecting responses from 74 participants regarding their music consumption habits, spending patterns, and preferences. The survey included questions about:

- Streaming service usage frequency and spending
- Live music event attendance and expenditures
- Value perception of streaming vs. live experiences
- Price sensitivity and future spending intentions
- Music consumption preferences

5.3. Data Limitations

The study's limitations include the convenience sampling method for the primary survey, geographic concentration, and reliance on self-reported data. The survey sample size of 74 respondents limits generalizability, and the focus on Indian currency (₹) suggests regional specificity. All data points and claims from secondary sources are cited to their original sources to ensure accuracy.

6. Analysis

6.1. Consumer Behavior Shifts

The clearest change is the consumer gravitation toward streaming platforms. Globally, paid music subscriptions exceeded 752 million in 2024 [1]. Spotify grew its Premium subscriber base to 263 million by Q4 2024, reaching 675 million total users by Q4 2024 [5]. The author's survey data strongly supports these global trends, with 93.2% of respondents reporting daily or multiple-times-daily streaming usage. This represents near-universal adoption among active music consumers, reflecting preferences for on-demand access, personalized recommendations, and vast libraries (the "Long Tail" of music).

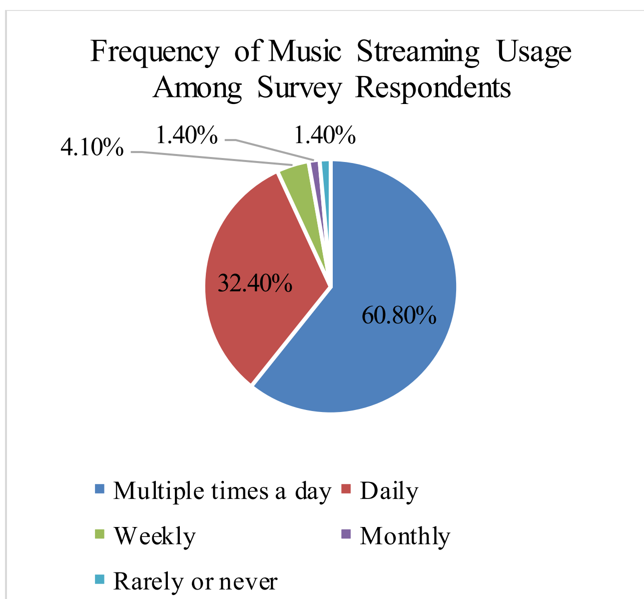

Fig 1

At the same time, evidence shows that consumers value live music experiences. The post-pandemic environment triggered a surge in event attendance. For instance, Live Nation reported selling 144 million concert tickets through October 2024, up 3% year-over-year [11]. The author's survey findings indicate that 70.3% of respondents attend live music events at least a few times per year, with only 20.3% never attending. This suggests a broad interest in live music.

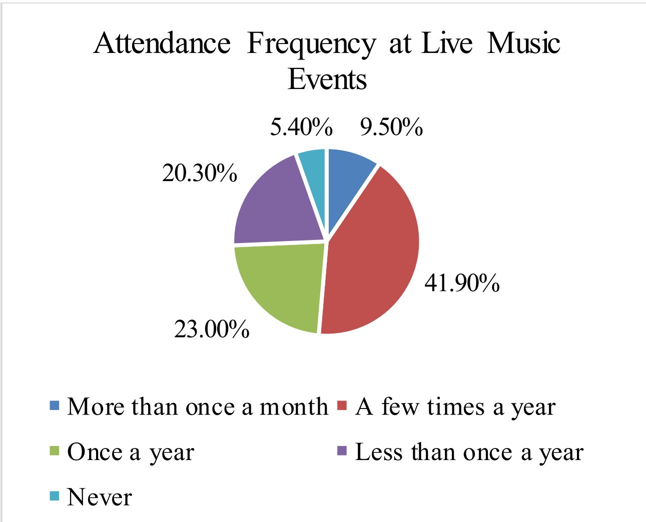

Fig. 2

6.2. Revenue Model Transformation

The shift to streaming has fundamentally altered revenue distribution. The author's survey reveals that 59.5% of respondents spend more on streaming subscriptions than live events, while only 18.9% spend more on live events. This spending pattern aligns with industry data showing streaming's dominance in recorded music revenue. Additionally, 81.1% of survey respondents report buying less physical music since streaming became popular, confirming the displacement of traditional album sales.

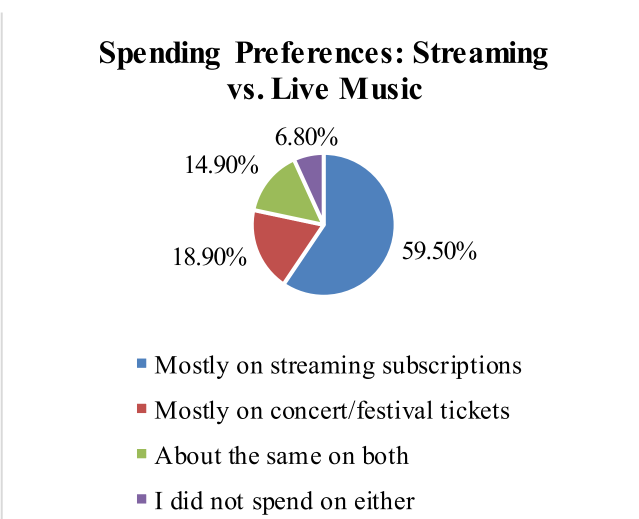

Fig. 3

A streaming platform typically pays rights holders (labels, publishers) a portion of subscription and ad revenues. Estimates suggest roughly 70% of streaming platform revenue goes to these rights holders, with the remaining ~30% indirectly reaching artists (after splits with labels and management) [8]. Consequently, per-stream payouts to individual artists can be very low (often fractions of a cent). High-profile artists with massive streaming volumes can still generate significant royalties. Still, many critics argue that this model benefits larger acts signed to major labels, while independent musicians struggle to earn a sustainable income from streaming alone.

6.3. Value Perception and Price Sensitivity

The author's survey data reveals important insights into consumer value perception and price sensitivity. Regarding value perception, 73.0% of respondents believe streaming services offer good value for money, compared to 55.4% who feel the same about live events. This suggests that streaming's convenience and extensive catalogue access are highly valued relative to cost.

Price sensitivity analysis shows that streaming services have greater pricing power than live events. When presented with a hypothetical 20% price increase, 59.5% of respondents would keep their streaming subscriptions, while 52.7% would reduce live event attendance. This indicates that streaming has achieved stronger price inelasticity, likely due to its low absolute cost and high perceived value.

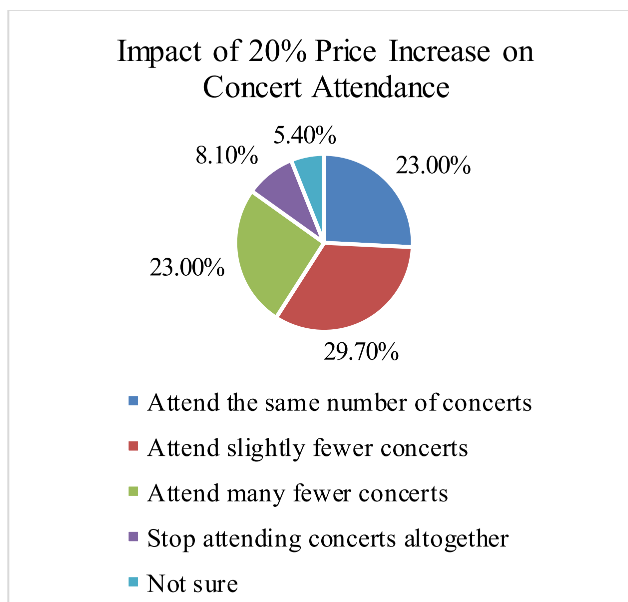

Fig 4

6.4. Platform Impact

The leading digital platforms have an outsized influence. Spotify has pioneered personalized streaming with algorithmic playlists, achieving 23% year-over-year MAU growth in 2024 [5]. Apple Music, with roughly 95 million subscribers by 2024 [6], follows a similar subscription model but without a free tier. In the live sector, Live Nation Entertainment controls a substantial portion of the ecosystem through Ticketmaster and venue ownership [11].

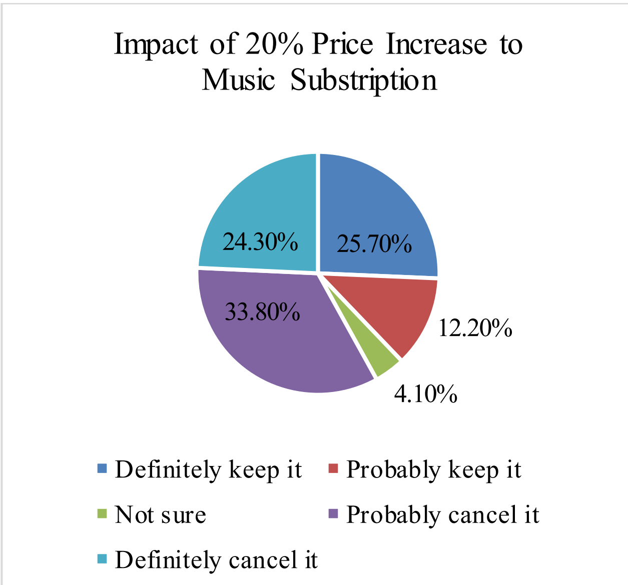

Fig. 5

The author's survey data suggests that platform power extends to consumer behavior. The high percentage of daily streaming users (93.2%) indicates successful platform adoption and engagement. However, the complementary nature of consumption is evident: 47.3% of respondents enjoy both streaming and live concerts equally, suggesting that platforms in both sectors can coexist and even reinforce each other.

6.5. Future Spending Intentions

Looking ahead, the author's survey reveals continued streaming growth potential. When asked about future spending intentions, 39.2% of respondents plan to spend more on streaming services next year, compared to 27.0% who plan to spend more on live events. Additionally, 21.6% plan to spend equally on both, indicating that the dual-revenue model is becoming entrenched in consumer behavior.

This aligns with industry forecasts and economic theory: streaming's convenience and low marginal cost make it attractive for regular consumption, while live events remain valuable for their unique experience qualities but face constraints from higher costs and accessibility barriers.

7. Findings

7.1. Streaming Dominance Confirmed

From the author's analysis, several key trends and challenges emerge. Recorded music revenues are increasingly concentrated in streaming, with the author's survey confirming widespread adoption (93.2% daily users). Industry data show that streaming now accounts for 69% of global recorded music revenue [1].

Major platforms like Spotify [5] and Apple [6] capture most of this market, with consumers expecting easy, on-demand access to catalogs. The streaming boom has made recorded music revenue more predictable through monthly subscriptions but also more dependent on continual engagement and platform loyalty.

7.2. Complementary Consumption Pattern

The author's survey reveals that rather than competing directly, streaming and live music often complement each other. While 59.5% of respondents spend more on streaming, 47.3% enjoy both streaming and live concerts equally.

This suggests that streaming services may actually stimulate interest in live events by increasing artist exposure and fan engagement.

7.3. Physical Music Decline

The survey data strongly confirms the decline of physical music purchases, with 81.1% of respondents buying fewer physical media since streaming became popular. This represents a fundamental shift in consumer behavior and industry revenue models, moving from ownership to access-based consumption.

7.4. Price Elasticity Differences

The author's analysis reveals important differences in price sensitivity between streaming and live events. Streaming services demonstrate greater price inelasticity, with 59.5% of consumers willing to maintain subscriptions despite a 20% price increase.

In contrast, live events show higher price sensitivity, with 52.7% of consumers indicating they would reduce attendance if prices rose by 20%.

7.5. Platform Power and Market Concentration

Industry revenue increasingly flows through a few powerful intermediaries, raising concerns about fairness and competition. The author's survey data suggests successful platform adoption, but also indicates that accessibility barriers (20.3% never attend live events) may limit the reach of live music platforms.

7.6. Future Growth Trajectories

The author's survey indicates continued streaming growth preference, with 39.2% planning to spend more on streaming versus 27.0% on live events.

However, the substantial percentage (21.6%) planning to spend equally on both suggests that the industry is moving toward a stable dual-revenue model rather than winner-take-all competition.

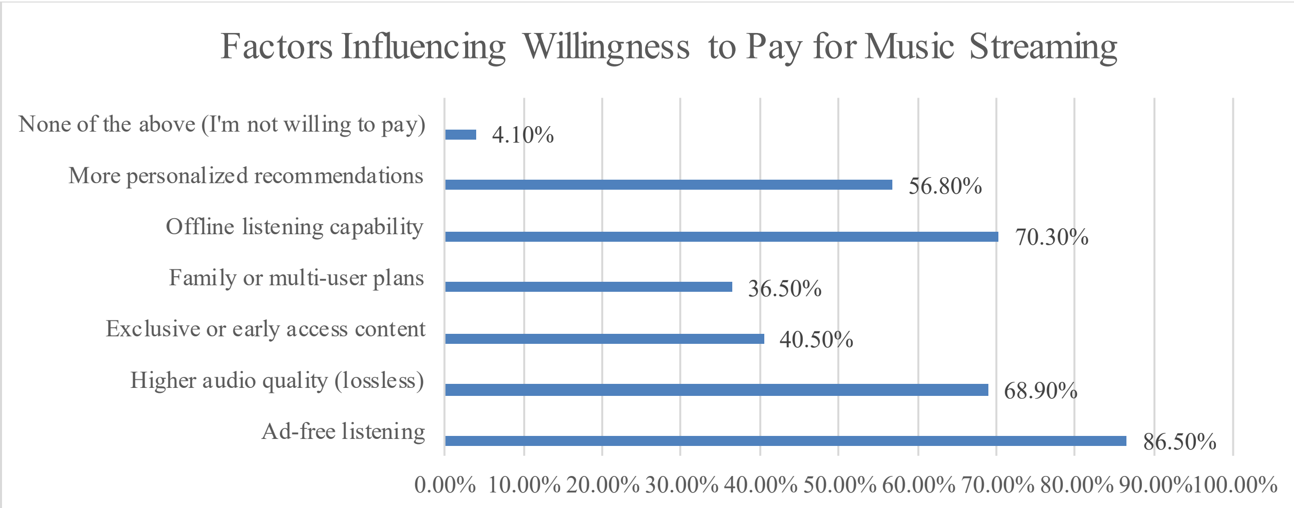

Fig. 6

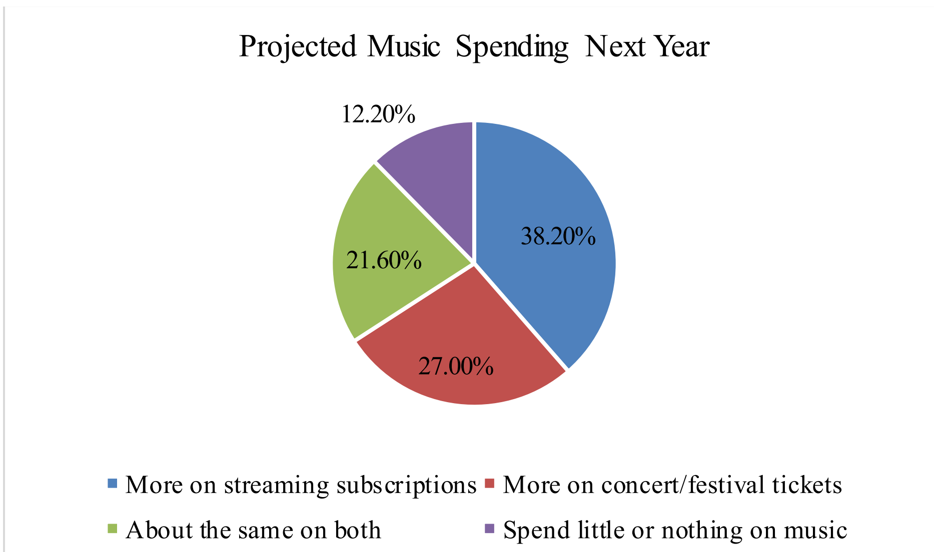

Fig 7

8. Conclusion

8.1. Summary of Key Findings

Changing consumer preferences have undeniably reshaped the music industry's revenue models. Streaming has surged to become the centerpiece of recorded music, providing users with unprecedented access and driving global revenue growth [1]. The author's primary survey of 74 respondents confirms these trends, with 93.2% reporting daily streaming usage and 59.5% spending more on streaming than live events. Live music has also rebounded impressively, with 70.3% of survey respondents attending events regularly, though accessibility barriers affect 20.3% who never attend.

8.2. Implications for Industry Stakeholders

The author's analysis shows that digital streaming and live events are not mutually exclusive but rather complementary in today's ecosystem. Streaming platforms extend artist reach and maintain daily audience engagement, while live performances deliver unique value and substantial revenue.

However, the evolving model brings challenges: artists receive smaller revenue shares from streaming [8], while live event costs and accessibility barriers may limit future growth.

8.3. Economic Theory Validation

The findings align with economic theory about experience goods and convenience services. Streaming's price inelasticity (59.5% would maintain subscriptions despite 20% price increases) reflects its role as a convenient, low-cost service. Live events' higher price sensitivity (52.7% would reduce attendance with 20% price increases) aligns with their nature as discretionary experience goods [4].

8.4. Future Research Directions

Future success in the music industry will depend on balancing these dynamics. The survey finding that 47.3% enjoy both streaming and live equally suggests opportunities for integrated business models. However, addressing accessibility barriers (noted by 20.3% who never attend live events) and ensuring fair artist compensation remain critical challenges.

Limitations and Future Research

This study is subject to several limitations. First, the use of convenience sampling and a modest sample size (74 respondents) limits the generalizability of results to wider music audiences. Respondents are mainly from urban areas, possibly skewing preferences toward technology adopters. All responses are self-reported—potentially introducing recall or response bias. The survey does not segment data by age, gender, or income, which could further affect music consumption patterns.

Finally, cross-sectional data captures only a single point in time, so trends may shift as industry dynamics evolve. Future studies should increase sample size, diversify respondent demographics and regions, and track consumer behaviors over time to provide more representative and robust insights.

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