



# AI Music: Artists vs Machines

OC&C Perspectives

December 2025

*Document Not for Wider Distribution*



**OC&C**  
Strategy consultants



# Snapshot



**While some warn of ‘AI Armageddon’, the transformational impact of AI music may be more muted**

- 1** AI tools are accelerating and democratizing music creation...
- 2** ...nevertheless, royalties & streaming remain highly concentrated within a few of prominent ‘human’ creators.
- 3** Openness to AI is mixed across consumers, streaming platforms, rights holders & creators.
- 4** The market is rapidly maturing, with several lawsuits acting as the precursor to strategic partnerships.
- 5** While the ‘end-state’ remains uncertain, recent developments provide insight into the direction of travel.

# 'AI-enabled' music can come in different forms, with potential to be utilized across a variety of use cases – this report focuses on AI-generated originals

## 'Types' of AI Music

## Description

|                                     |                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>'AI-assisted' Original Music</b> | <ul style="list-style-type: none"> <li>Created by professional artists using AI to enhance the creative process</li> <li>Tools support writing, mastering, and/or production (e.g., lyric suggestions, voice enhancement)</li> </ul>                                                                                               |
| <b>AI-generated Original Music</b>  | <ul style="list-style-type: none"> <li>Generated entirely by AI tools, producing synthetic vocals &amp; instrumentation from text or audio prompts</li> <li>This includes both <b>auto-generated music</b> (little to no human input) and <b>personal / custom music</b> where users provide prompts to generate tracks</li> </ul> |
| <b>AI-generated Deepfakes</b>       | <ul style="list-style-type: none"> <li>Created by AI replicating existing artists' voices or styles <u>without consent</u> to create new songs or mimic performances</li> </ul>                                                                                                                                                    |

## Music Use Case

## AI Examples

### Lean Forward Music

Chosen intentionally and engaged with directly



- Fully AI bands or artists

### Mood Music

Consumed in background to fit mood or setting



- AI-generated soundscapes

### Production Media & Soundbeds

Used to enhance visual media e.g., film, social



- AI tracks for TikTok videos

### Ambient Music

Played in public or commercial spaces



- AI music stations for cafes

'Active' Listening

Functional & Ambient Use Cases

# There have been numerous notable examples of AI-generated music in the headlines over the past year

## Popular AI Music ‘Artists’, Select Examples

### ‘Mainstream’ Hits



**Breaking Rust**  
>50m Spotify Streams<sup>1</sup>

- AI-generated country music artist, Breaking Rust gained prominence with the release of singles & an EP
- Breaking Rust debuted **at No. 9 on Billboard’s Emerging Artists chart**
- Despite passing 50m streams, most listeners remain unaware the band is AI-generated

### ‘Undercover’ Artists



**The Velvet Sundown**  
~8m Spotify Streams<sup>1</sup>

- AI-generated indie band, The Velvet Sundown released two viral albums and racked up millions of streams before fans learned that the band was entirely AI-generated

*“The Velvet Sundown released two albums before admitting their music, images and backstory were created by AI”*

The Guardian, July 2025

### Deepfake Tracks



**“Heart on My Sleeve”**  
>600k Streams  
(Spotify Total)

- **Anonymous TikTok creator**, Ghostwriter977 used voice-cloning models to create a track imitating Drake & the Weeknd
- The track went viral in days, generating tens of millions of plays before **takedown requests** from labels led platforms to remove it

### ‘Talent-Backed’ Singers



**TaTa Taktumi**  
Timbaland  
[Producer]



**Xania Monet**  
Tulisha  
‘Nikki’ Jones  
[Poet]

- Producer **Timbaland** has released tracks that pair his beats with his AI vocalist **TaTa Taktumi**
- Poet **Xania Monet**, who uses AI tools for production, instrumental, and vocals, signed a **\$3 million record deal** in November 2025

1. Last 12-month Spotify streams as of December 2025

Source: Viberate, Luminate, Spotify, OC&C analysis



# Suno & Udio are the most prominent consumer-facing track generation platforms, but there are a variety of AI-enabled tools targeting other use cases

## Music Platforms – Overview & Positioning, Select Players<sup>1</sup>

Select Examples [as of December 4, 2025]

|                                | <u>Consumer-focused</u><br><i>Full track creation aimed at widespread consumer adoption</i>                                                                                                                                          |                                                                                                                                                                                     | <u>'Prosumer'</u><br><i>Consumer &amp; Professional applicability, often targeting B2B use cases</i>                                                                                                                   |                                                                                                                                                          | <u>Professional Tools</u><br><i>Point solutions for artists to enhance human-led production</i>                                                                                                                                           |                                                                                                                                                                       |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                |                                                                                                                                                     |                                                                                                    |                                                                                                                                     |  Mubert®                                                              |                                                                                                                                                        |                                                                                    |
| Full Prompt-to-track Creation? | ✓                                                                                                                                                                                                                                    | ✓                                                                                                                                                                                   | ✓                                                                                                                                                                                                                      | ✓                                                                                                                                                        | ✗                                                                                                                                                                                                                                         | ✗                                                                                                                                                                     |
| Music Type                     | All Types                                                                                                                                                                                                                            | All Types                                                                                                                                                                           | Background Music                                                                                                                                                                                                       | Background Music                                                                                                                                         | Background Music                                                                                                                                                                                                                          | All Types                                                                                                                                                             |
| Major Catalog Access           | Warner (partial)                                                                                                                                                                                                                     | Universal & Warner (partial)                                                                                                                                                        | Kobalt & Merlin (partial)                                                                                                                                                                                              | Proprietary<br><i>Platform-owned royalty-free catalog</i>                                                                                                |                                                                                                                                                                                                                                           | N/A<br><i>sample marketplace, not full-track catalog</i>                                                                                                              |
| Overview                       | <ul style="list-style-type: none"> <li>Consumer-facing end-to-end platform</li> <li>Focus on creation, <b>not monetized distribution</b></li> <li>~\$2.5bn valuation, ~\$200m revenue pa and almost 100m users since 2024</li> </ul> | <ul style="list-style-type: none"> <li>High appeal to <b>both consumers &amp; artists</b></li> <li>Positioned as <b>'Fan Interaction Platform'</b> (post-UMG / WMG deal)</li> </ul> | <ul style="list-style-type: none"> <li>Leading voice synthesis tool, <b>launched music gen tool</b> in 2025 using licensed data</li> <li>Focus on <b>production music</b></li> <li>~\$3bn+ valuation [2025]</li> </ul> | <ul style="list-style-type: none"> <li>Mature <b>B2B platform</b></li> <li>Emphasis on real-time generative <b>electronic / ambient music</b></li> </ul> | <ul style="list-style-type: none"> <li>Pro soundtracking platform with &gt;50k <b>human-made</b> tracks</li> <li>AI voiceover &amp; editing tools but <b>not end-to-end AI track generation</b></li> <li>\$180m revenue [2024]</li> </ul> | <ul style="list-style-type: none"> <li><b>Creator toolset &amp; royalty-free marketplace</b></li> <li>AI-assisted <b>tools to enhance human production</b></li> </ul> |

1. Placements along the spectrum are directional given that some players offer a mix of consumer and professional tools

# AI tracks are a rapidly growing share of tracks and uploads on DSP platforms, but they remain an insignificant share of consumption today

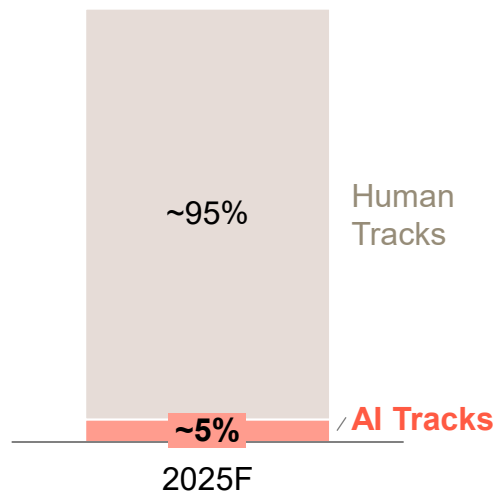
## AI Music Penetration of Uploads & Streams

### AI Share of Tracks & Uploads

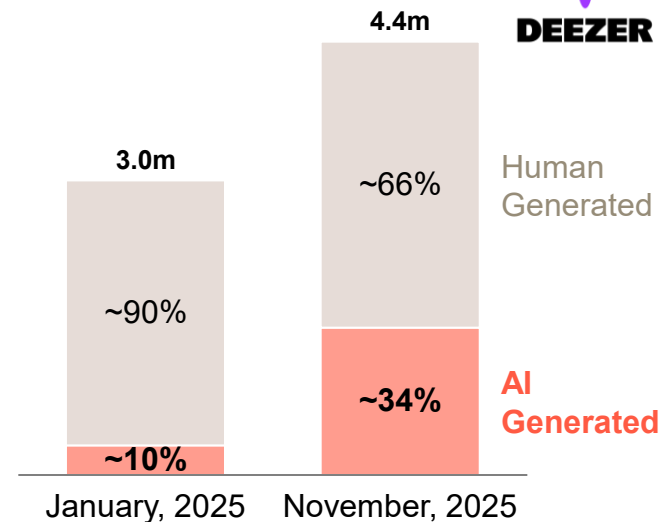
AI-generated tracks could represent up to 5% of total tracks on DSPs by the end of the year...

...With rapid acceleration in AI uploads throughout the course of 2025

Total Tracks by Generation Type  
(YE 2025F)



# of Track Uploads on Deezer  
(Monthly 2025<sup>1</sup>)



### AI Share of Streams

However, AI tracks comprise less than 1% of streams today

~0.5%  
of streams on Deezer in 2025 were  
fully AI-generated

*High volumes of 'slop' & resilient  
concentration of 'hits' leave little  
room for AI-generated tracks to  
gain momentum*

**Spotify** has also reported a rise in AI content, **removing ~75M "spammy tracks"** in the last 12 months

1. Deezer has only reported upload metrics for 4 months in 2025

2. Consensus among industry participants and supported by analysis of track & artist stream concentration

Source: PRS for Music, Deezer Press Releases, ElevenLabs Press Releases, Spotify, Expert Interviews, TuneCore, OC&C analysis

# AI music has been contained within the 'tail' so far: a small number 'hit' tracks receive the lion's share of streams (and share of royalties)

**Total Tracks and Streams by Tier**  
(% Share, # of Tracks/Streams, 2025F)

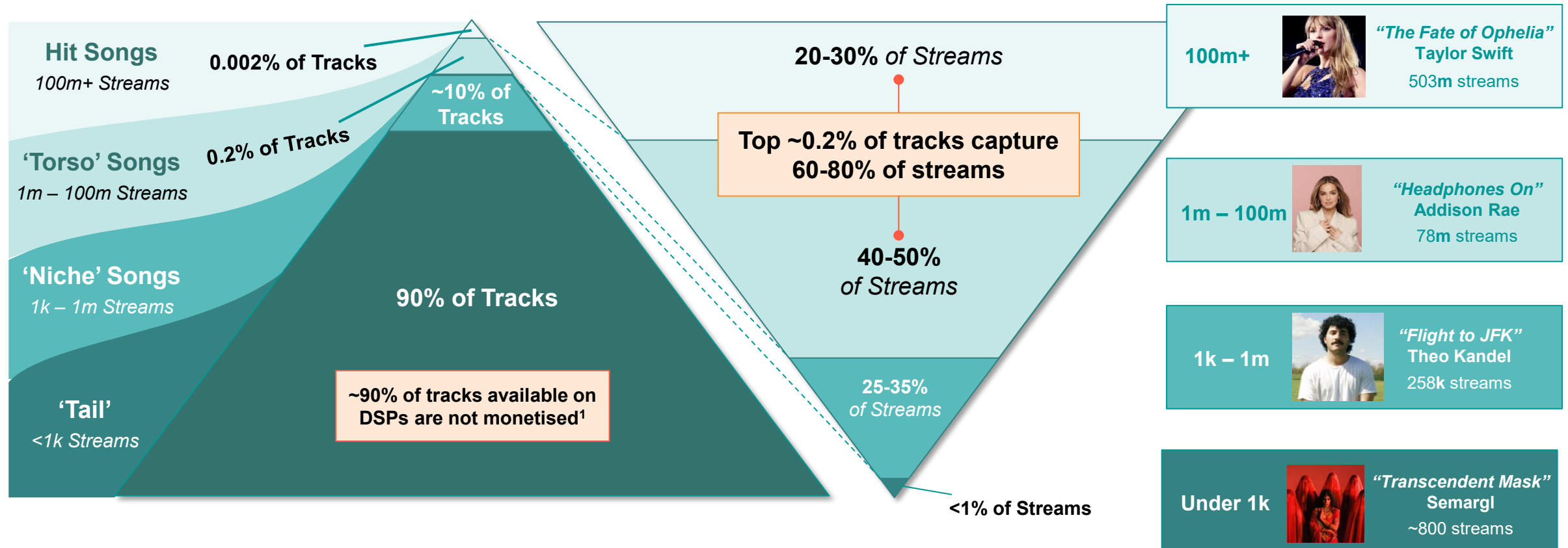
Illustrative, as of December 4, 2025

## Tiers of Songs by annual Streams

## Total Tracks (~230m)

## Total Streams (~5tn)

## Example Tracks # Annual Streams



1. Based on Spotify's >1k stream threshold. Data in pyramids inclusive of all streams, not just those on Spotify

2. Streams for example tracks are L12M streams on Spotify

Source: Luminate, TuneCore, OC&C Market Model, OC&C analysis

# Songs and artists have historically been reliant on backing from DSPs and labels to break through – we do not expect this to change in an AI world

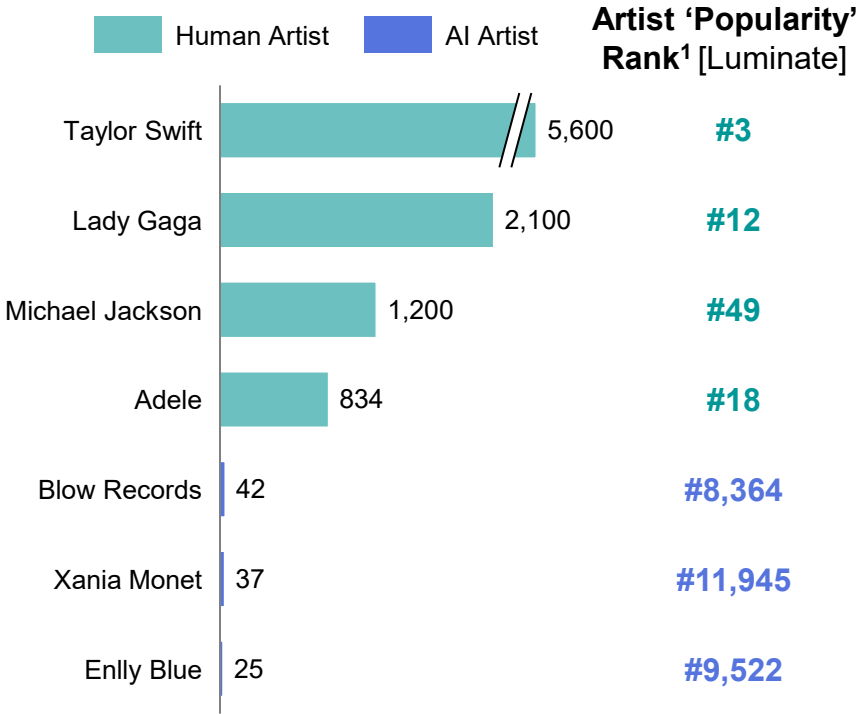
## Role of Labels and DSPs in Success of Music

Resources available to high quality artists have historically enabled them to maximize marketing & distribution reach

AI tracks & artists don't have the same resources, and even the success stories still lag far behind human 'hits'

| 'Top' Artist Resources            | Description                                                          | Select Examples                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Label Promotion                   | Amplify artists' reach through marketing & distribution              | <div><div><div>"Astronaut in the Ocean" by <u>Masked Wolf</u>:</div><ul style="list-style-type: none"><li>• <b>100m</b> streams from 2019 to Jan 2021</li><li>• <b>1bn</b> in Aug '21 alone, after re-releasing with Warner's promotion</li></ul></div><div></div></div> |
| DSP / Platform Promotion          | Variety of tools for artists to drive discovery & engagement         | <div><div><div><u>Natalie Perez</u> grew daily listeners in US &amp; MX by ~60% using <b>Spotify tools</b></div><div></div></div></div>                                                                                                                                  |
| Live Performance + Event Presence | Live shows & events drive outsized opportunity for fan engagement    | <div><div><div><u>Olivia Rodrigo</u>'s <b>SOUR Tour</b> in 2022 drove ~150% increase in streams</div><div></div></div></div>                                                                                                                                            |
| Social Media Presence             | Discovery tool & allows fans to feel 'connected' to favorite artists | <div><div><div><u>Tate McRae</u> building initial fanbase with viral clips before <b>landing label deal</b></div><div></div></div></div>                                                                                                                               |

Total Spotify Streams by Artist, Millions of Streams  
Last 3-months as of December 4, 2025



1. Reflects Luminate's model ranking for each artist based on Spotify performance – stream volumes weighted based on recency, global vs market-normalized consumption, and active audience engagement signals  
Source: Luminate, Press Statements, Spotify, OC&C analysis

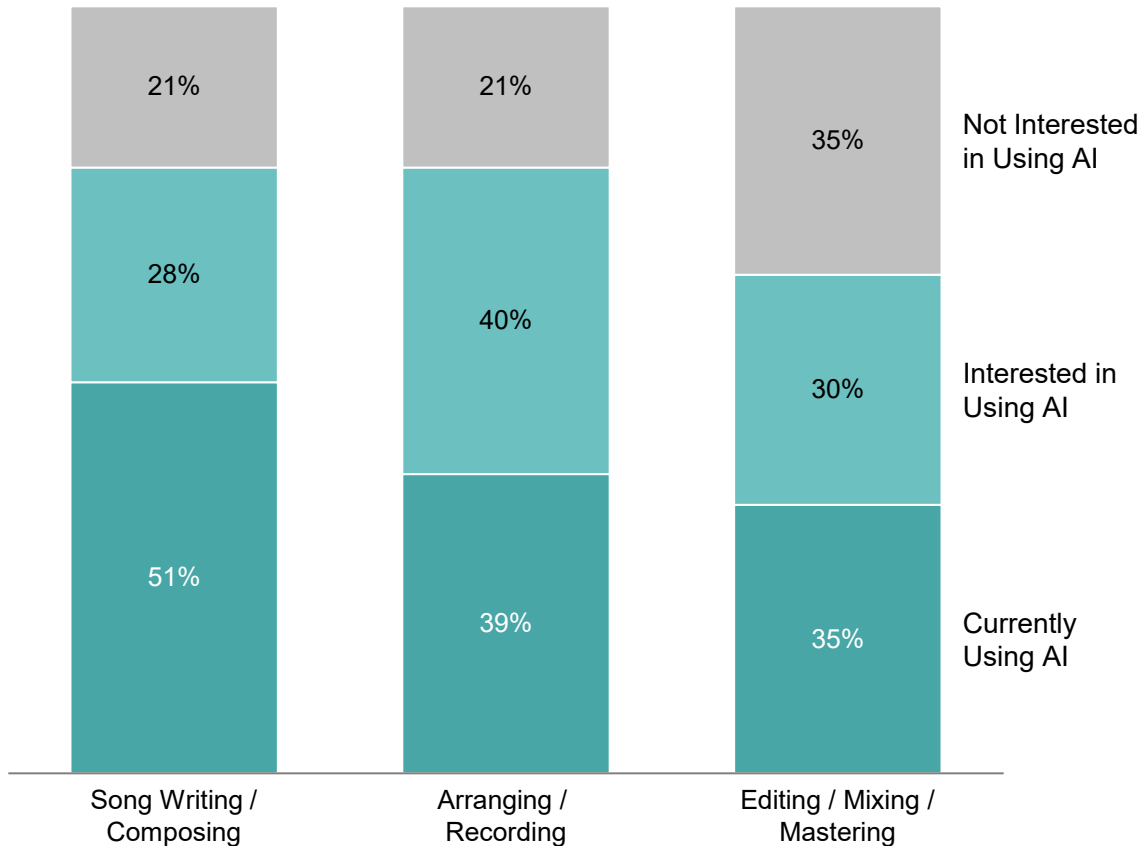




# Most artists have already adopted AI tools across various stages of creation, but overall sentiment around impact on artistry is mixed

## AI Adoption & Sentiment – Artists

% of Music Creators<sup>1</sup> Using AI by Stage in Creation, 2024



Some artists have concerns about AI...

*“AI is a great thing, but it **shouldn't rip creative people off** – make sure you **protect the creative artists**, or you're not going to have them”*

Paul McCartney

*“This music substantially dilutes royalty pools paid to artists... it **poses enormous threats to our privacy, identities, and livelihood**”*

ARA Open Letter

...while others are actively embracing it

*“AI music is going to be beneficial to everyone... it's going to really be a **new way of creating...and I'm going to lead the way**”*

Timbaland

*“**Many young artists are interested in AI** and see these platforms as a direct path to secure a top chart position”*

Expert – Music Major

1. “Music Creators” are defined as adults aged 18+ who create music; Survey results from Activate Technology and Media Outlook Report, 2024

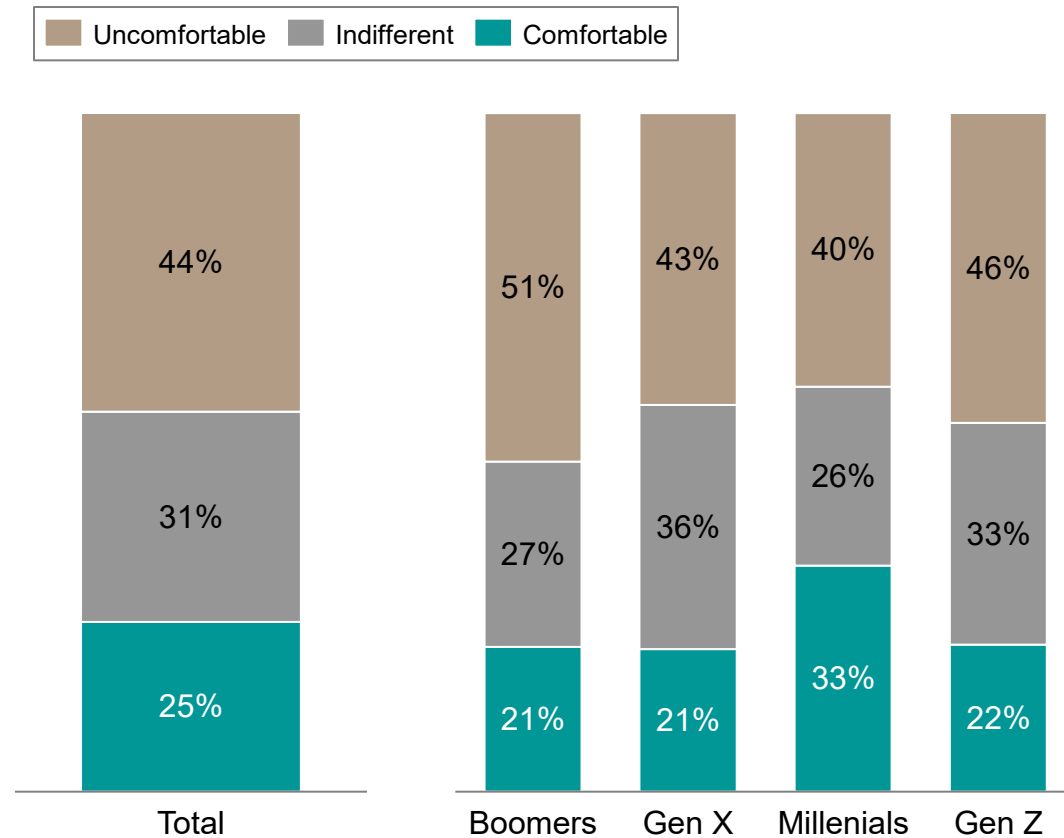
Source: PRS, Activate, Expert Interviews, OC&C analysis

# Nearly half of all consumers report being uncomfortable with the idea of an AI-generated original track, though many remain open to ‘hearing it out’

## Consumer Sentiment on AI Music

### US Consumer Comfort with AI Original Songs, 2025 (% of Listeners)<sup>1</sup>

Q: How do you feel about generative AI being used to create a new original song?



A material portion of consumers remain hesitant about engaging with AI music...

...but certain segments remain open to it & many listeners admit curiosity

*"I am not that crazy about [Randy Travis AI song] after learning it was AI. **AI songs just make me feel different than regular music**"*

Fan Quote via Wide Open Country

*"**Penetration will hinge on consumer attitudes** towards AI music – older age groups seem quite turned off by it and I don't see that changing."*

Expert – DSP

*"**We don't yet have any evidence** that the average Joe will be willing to listen to AI tracks."*

Expert – AI Platform

**66%**

*of music listeners say they would listen to 100% AI-generated music at least once<sup>2</sup>*

*"I don't care if it's real or not. **It sounds like [Randy Travis] and I'm so happy [he is] making music**"*

Fan Quote on IFPI Case Study

1. "Comfortable" is defined as "somewhat" or "very comfortable", Survey from Luminate US Entertainment 365 Q3 2025. N = 1,433

2. Based on November 2025 Deezer Consumer Survey across 8 countries (including the US and UK)

Source: Luminate, Deezer, Expert Interviews, OC&C analysis

# DSPs have already deployed a variety of ‘artist-centric’ tools, but efforts to protect human catalogs & royalties will have direct impact on AI penetration

DSP AI Governance Overview

Select Examples

|              | DSP Method                  | Description                                                                                                                                                            | Examples of DSP Steps                                                                                                                                                                                   |                                                                                                                                                                                                                      |
|--------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                             |                                                                                                                                                                        |                                                                                                                                                                                                         |                                                                                                                                                                                                                      |
| Discovery    | Playlist Exclusion          | <ul style="list-style-type: none"><li>Restrict unlabeled or fully AI content from playlists</li><li>Limit / remove AI content from recommendations</li></ul>           |  <b>DEEZER</b>                                                                                                       | <ul style="list-style-type: none"><li>Excludes AI or low-quality ‘noise’ tracks from playlists &amp; recommendations</li></ul>                                                                                       |
|              | Fraud Detection + Penalties | <ul style="list-style-type: none"><li>Penalize distributors tied to platform malpractice</li></ul>                                                                     |  <b>Spotify</b>                                                                                                      | <ul style="list-style-type: none"><li>Charge labels &amp; distributors when flagrant artificial streaming is detected</li></ul>                                                                                      |
|              | Quality Filters             | <ul style="list-style-type: none"><li>Remove or de-prioritize lower quality ‘AI slop’</li></ul>                                                                        |  <b>Spotify</b>                                                                                                      | <ul style="list-style-type: none"><li>Removed ~75m ‘spammy’ tracks over L12M</li></ul>                                                                                                                               |
|              | AI Music Labelling          | <ul style="list-style-type: none"><li>Require uploader disclosure that content was AI-generated</li><li>Effectively detect &amp; label content as AI</li></ul>         |  <b>DEEZER</b><br> <b>YouTube</b> | <ul style="list-style-type: none"><li>Launched an AI detection system in 2025</li><li>Require uploader to tag as AI<sup>1</sup></li></ul>                                                                            |
| Monetization | Artist Centric Weighting    | <ul style="list-style-type: none"><li>Shift payouts toward verified, professional artists</li><li>Minimize dilution from passive and / or AI-heavy listening</li></ul> |  <b>DEEZER</b><br> <b>Spotify</b> | <ul style="list-style-type: none"><li>Weighting that benefits active listens &amp; down-weights functional streams</li><li>Working to establish system for up-weighting non-functional streams<sup>2</sup></li></ul> |
|              | Monetization Thresholds     | <ul style="list-style-type: none"><li>Require minimum streams or listeners for royalty access</li></ul>                                                                |  <b>Spotify</b>                                                                                                    | <ul style="list-style-type: none"><li>Require 1k+ streams per year + minimum # of unique listeners to earn royalties</li></ul>                                                                                       |

“AI is reshaping how music is created & experienced. We want to build this future **hand in hand with the music industry, guided by clear principles & deep respect for creators**”

Co-President and Chief Product and Technology Officer 

“Gen AI has the potential to positively impact music creation & consumption, but its use must be guided by responsibility & care to **safeguard the rights & revenues of artists & songwriters**”

Co-President and Chief Business Officer 

1. Specific to YouTube (not YT Music) – uploader tag is done when initially uploaded to YT platform & still in place when ingested into YT Music (no internal labeling specific to YT Music for tracks uploaded by distributors)

2. Exact nature of conversations is not clear, but consensus among several perspectives was that efforts are underway to establish a structure in partnership with labels & distributors

Source: Deezer, Spotify, Expert Interviews, OC&C analysis



# Major rights holders moved decisively to litigate against AI platforms, but recent partnerships indicate a shift in posture toward ‘control & monetize’

Evolution of Rights Holder Posture toward AI, 2020 to Today  
Select Examples Focused on Universal, Warner, and Sony

Select Examples

| 2020-22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2023-24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2025+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>The Wild West &amp; Tool Experimentation</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <i>Proliferation &amp; Legal Mobilization</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <i>Licensed Partnership &amp; Controlled Innovation</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <ul style="list-style-type: none"><li>• <b>Hands-off posture &amp; governance toward generative AI</b> – outputs were low-quality &amp; non-threatening</li><li>• <b>Adoption largely centered around Professional AI tools</b></li></ul> <div><div><u>Stem Separation Tool</u><br/></div><div><u>Mastering Tools</u><br/></div></div> <p>Variety of other point-solution tools emerge, covering the range of production activities</p> | <div><div><u>2024</u><br/>Universal, Warner, and Sony file twin copyright infringement suits for using licensed data to train models</div><div><br/>vs<br/></div></div> | <div><div><u>October 2025</u><br/><br/>“Together, we can foster [an] AI ecosystem in which artists, songwriters, and tech companies can all flourish”<br/>EVP &amp; CDO, Universal</div><div><u>November 2025</u><br/><br/>“This partnership marks a shift from conflict to collaboration in AI”<br/>EVP &amp; CDO, Warner</div><div><u>November 2025</u><br/><br/>“Our focus is ensuring artists are compensated fairly &amp; that AI is built on licensed models. This is a major step forward.”<br/>CEO, Warner</div></div> |



# In general, music rightsholders have been comparatively successful at constraining AI tools from unlicensed usage versus other IP categories

## Relevant Lawsuits

|                                                                                                             | Case                                                                                                                             | Case Details (Date of Filing)                                                                                                                                                                                                                     | Status / Winner                                                                                             | Potential Implications                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Music</b>           | <b>Major Music Groups vs. Suno and Udio</b><br> | <ul style="list-style-type: none"> <li>UMG, Sony, and Warner filed twin suits for copyright infringement for using licensed data to train the algorithm <b>(2024)</b></li> </ul>                                                                  | <b>UMG, Warner<sup>1</sup></b><br><i>Restrictive Licensing deals for both with Udio and Warner for Suno</i> | <ul style="list-style-type: none"> <li>Confirms that aggressive litigation can be converted into exclusive or semi-exclusive licensing deals for majors</li> <li>Suggests leading AI music tools are likely to migrate to licensed, walled-garden models</li> </ul> |
|                                                                                                             | <b>CMOs/ PROs vs. AI Platforms</b><br>          | <ul style="list-style-type: none"> <li>Koda (Denmark), GEMA<sup>2</sup> (Germany) sued Suno for same infringement as majors <b>(2025)</b></li> <li>GEMA sued OpenAI for reproducing licensed song lyrics without payment <b>(2024)</b></li> </ul> | <b>CMOs/PROs</b><br><i>OpenAI found Liable (2025)</i><br><br><b>Suno Case Unresolved</b>                    | <ul style="list-style-type: none"> <li>All IP owners will be willing to address the issue head-on, meaning AI platforms need to be just as careful with smaller / indie rightsholders</li> </ul>                                                                    |
|                                                                                                             | <b>Music Publishers vs. Anthropic</b><br>       | <ul style="list-style-type: none"> <li>UMG, Concord, and ABKCO sued Anthropic for distributing lyrics and using them to train model <b>(2023)</b></li> </ul>                                                                                      | <b>Unresolved</b>                                                                                           | <ul style="list-style-type: none"> <li>Could introduce a precedent for how lyric-centric cases are approached</li> <li>Anthropic's motion to dismiss was denied, indicating outcome is not yet certain</li> </ul>                                                   |
| <br><b>Other AI x IP</b> | <b>New York Times vs. OpenAI</b><br>          | <ul style="list-style-type: none"> <li>NYT alleged unauthorized use of its articles for training and verbatim / near-verbatim outputs <b>(2025)</b></li> </ul>                                                                                    | <b>Unresolved</b>                                                                                           | <ul style="list-style-type: none"> <li>OpenAI has been ordered to disclose ~20 million anonymized chat logs</li> <li>Signals willingness of courts to probe AI training data and outputs in depth</li> </ul>                                                        |
|                                                                                                             | <b>Getty Images vs. Stability AI</b><br>      | <ul style="list-style-type: none"> <li>Getty claimed that URLs to Getty's images were included in a dataset used to train model, infringing Getty's copyright and database right <b>(2024)</b></li> </ul>                                         | <b>Stability AI defeated claims ('25)</b>                                                                   | <ul style="list-style-type: none"> <li>UK court ruled that since training didn't occur in the UK, Getty's case was moot, demonstrating the importance of jurisdiction</li> </ul>                                                                                    |

1. UMG & Warner settled case with Udio following partnership in Oct. and Nov. 25, and Warner settled case with Suno following partnership in Nov. 25;

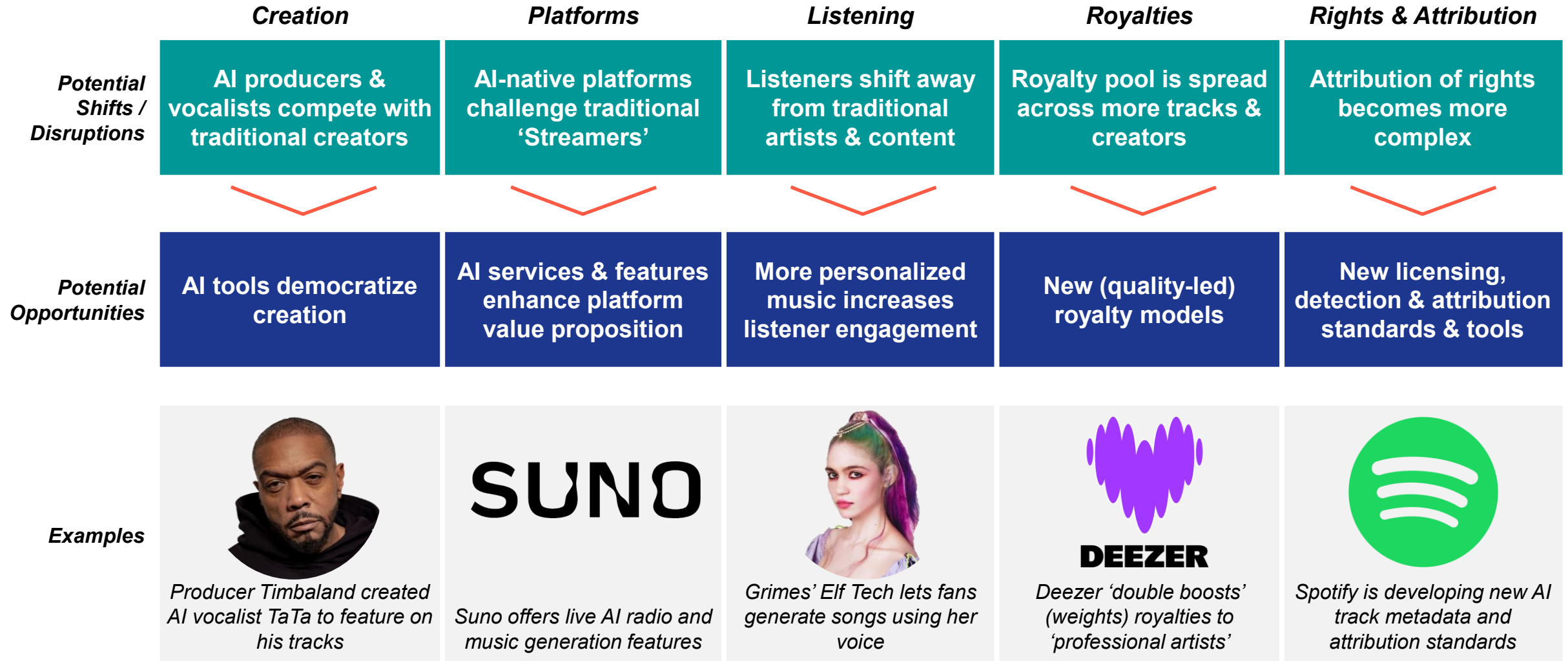
Source: Company Websites, OC&C analysis

2. GEMA also sued Udio with the same claim as majors



# AI has the potential to disrupt the market in a wide range of ways: impacts & opportunities differ by stakeholder

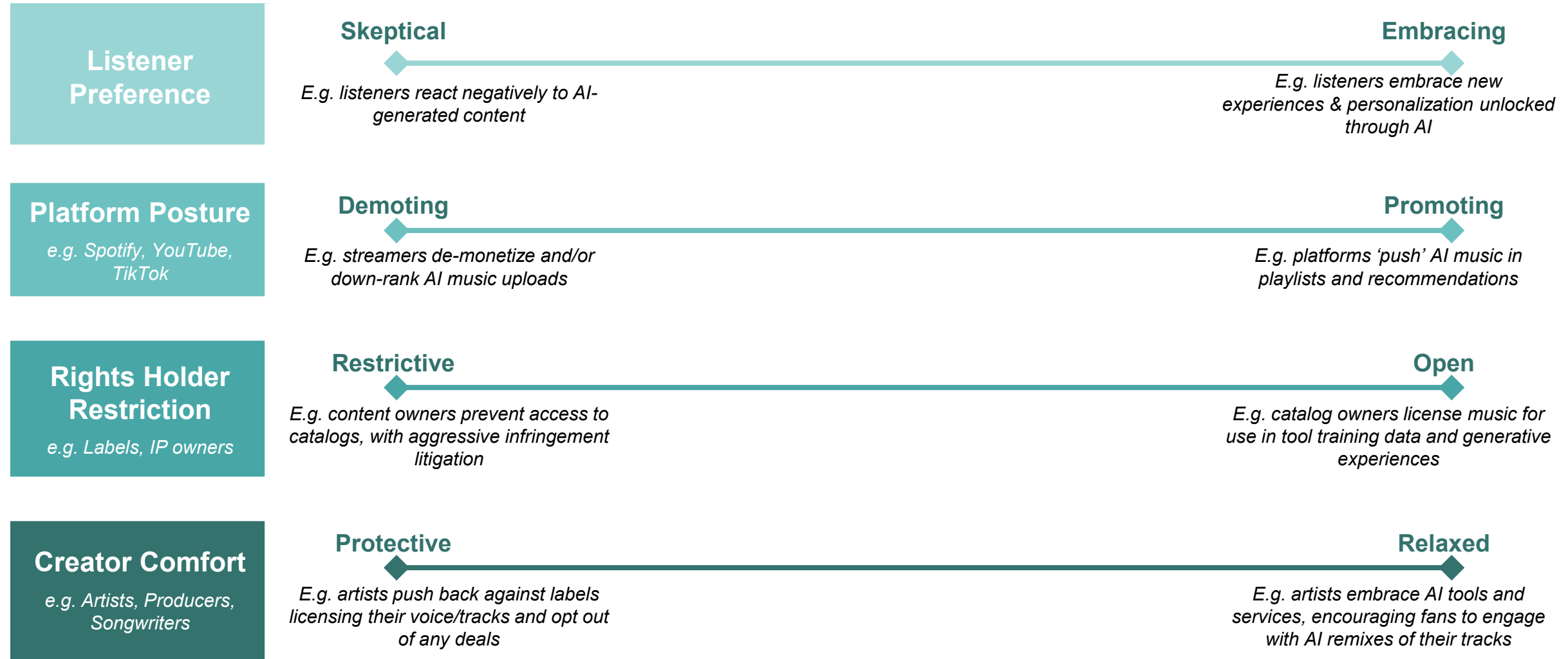
## Potential Disruptions & Opportunities



# The 'end-state' depends on the extent to which stakeholders embrace AI: different 'scenarios' can be envisioned depending on how each reacts

## End-State Determinant Axes

## Illustrative Reactions



# There are several important questions facing music industry stakeholders as they (re)position themselves in this changing landscape

Examples – Not Exhaustive

## ***Listening Habits***

*Will consumers embrace AI-generated music? Will we see AI hits and mega “artists” break into the top tier?*

*Which consumer segments and listening ‘use cases’ will be the most embracing of AI music?*

## ***Platform Strategy***

*How will platforms integrate AI music? Will platforms adjust algorithms to promote or demote AI content?*

*Will major new platforms emerge serving AI music creation, consumption and sharing / customization?*

## ***Royalty Distribution***

*How are streaming monetization models likely to evolve?*

*What will be the impact of AI on the size, growth and distribution of the overall royalty pool?*

## ***Creator Behaviors***

*How will album release cycles change/accelerate given AI tools?*

*How reliant will AI-native creators be on traditional labels, publishers & rights holders?*

If you'd like to discuss these topics further, we'd love to hear from you



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**「Thank you!」**



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