

SCCR/41/4
ORIGINAL: ENGLISH
DATE: JUNE 1, 2021

Standing Committee on Copyright and Related Rights

Forty-first Session
Geneva, June 28 to July 1, 2021

THE LATIN AMERICAN MUSIC MARKET

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I. INTRODUCTION

Bad Bunny sings only in Spanish and has collaborated with less than a handful of mainstream English-speaking artists. And yet, he was Spotify's most-streamed artist of 2020, with 8.3 billion streams, while his album *YHLQMDLG*, was the most streamed album globally for the service, with over 3.3 billion streams.

Bad Bunny's accomplishment marks the first time an artist that has rarely sung in English tops Spotify's year-end list. And it is not his only milestone. His album *El último tour del mundo* (The Last Tour in the World), released November 27, 2020, became the first, and only, album entirely in Spanish to ever top the Billboard 200 chart, which measures sales numbers for releases of all genres in the United States.

The Bad Bunny milestones highlight Latin music's increasing visibility on the global stage. High-profile collaborations between Latin and non-Latin acts have accelerated, Latin names regularly top YouTube's global charts and the platform's most viewed music video in history is Luis Fonsi's "Despacito" featuring Daddy Yankee, with over 7 billion streams to its name.

On Spotify, beyond Bad Bunny, Latin names make up roughly 20% of Spotify's global 200 list at any given week, and J Balvin has placed among the top 5 most-streamed artists on the service since 2018. In 2020, he placed third, behind Drake and the aforementioned Bad Bunny.

More telling, Billboard's new Global (excluding the United States) chart, which measures digital sales and streaming from over 200 territories, launched in September 2020 with a Spanish track – Maluma's "Hawái" – at No. 1.

It is difficult to overstate these accomplishments.

Despite its apparent glitz and glam, Latin music – defined for the purposes of this report as music that is sung predominantly in Spanish and/or Portuguese (the definition is also used by Billboard, by the Recording Academy and by the Latin Recording Academy) – has for years battled against invisibility.

To the "mainstream," meaning the world that operates mostly in English, Latin music has been a niche at best, save for the occasional bleep in the screen from major crossover acts like Shakira, Marc Anthony and Enrique Iglesias through the years.

That is no longer the case.

Latin music's very good 2020 began with Shakira and Jennifer López performing for more than 60,000 at the SuperBowl in Miami. It ended with Bad Bunny's Spotify topper.

In the middle, songs entirely in Spanish – Maluma's "Hawái" and Bad Bunny and Jhay Cortez's "Dákiti" – topped Billboard's Global charts. And in the United States, more than 30 songs predominantly in Spanish entered the Billboard Hot 100, up from just 19 in 2019.

All told, it was a year of accelerated expansion for Latin music at a global scale, with Latin artists emerging as the big ambassadors worldwide of Latin culture and content, which has long been sidelined.

Lin Manuel Miranda, the charismatic creator of "Hamilton" and "In the Heights," noted the abysmal statistics of Latinos in film, where, according to a 2019 University of Southern California Annenberg study, they represented only 4.5% of speaking roles in major films.

But while Hollywood does not take chances on Latinos or Latin content, music, says Miranda, “Is something that breaks through barriers through exposure, and the internet has democratized exposure in such a way that many of the biggest Latin stars in the world are music stars. Bad Bunny can reach No. 1 on Billboard [with an all-Spanish album] which is an amazing thing, and there is no talk of crossing over. He doesn’t need to. Busting up those cycles is really important.”

Today’s Latin music scene is about busting cycles, erasing invisibility and yes, generating thriving economies worldwide.

II. LATIN MUSIC ON THE CHARTS

The United States Charts

In the United States, consumption of Latin music grew faster than that of any other genre in 2020.

According to Nielsen Music, through November 19, Latin music had registered 39.75 billion on-demand audio streams, a 26.4% gain compared to the previous year, far higher than the gains registered for R&B/hip-hop (up 15.3%), rock (up 10.7%) or country (up 21.8%). And according to the Recording Industry Association of America (RIAA), Latin consumption grew faster than the overall market at midyear by a wide margin: 18.6% vs 5.6%.

Because the United States is by far the biggest music market in the world and home to the headquarters of all major music labels, the acceleration of Latin music consumption within its boundaries is of particular importance.

In 2017, J Balvin –who since then has often been the most streamed artist in the world—told me that his personal quest was to become a global star singing only in Spanish.

“I want to erase the stereotype that Latin acts don’t have the international scope to conquer global music markets and demonstrate that we have all the potential to become true international products.”

By “International,” Balvin meant artists who appealed to people from all over the world, not just Spanish-speakers.

“We’ve been breaking the barriers for a while, thanks to what other Latinos have done in film and music,” added Balvin. “But the perception, especially in the United States, was still incorrect. Now we’ve been able to tell the world that our music can really be mainstream. We Latinos are many and our continent is gigantic. We represent a very strong and interesting mass of people.”

The Global Charts

Latin music’s influence is clearly discernible on the global charts as well.

Spanish was the second most represented language on Billboard’s newly launched (September 2020) Global 200 and Global Excl. U.S. chart, as measured during a five-week period from Jan. 9 – Feb. 6, 2021.

According to MRC data, all-Spanish songs make up 12.9% of the Global 200 and 16.3% of the Global Excl. U.S. chart. Additionally, 2.7% of both charts were comprised of English/Spanish

multilingual songs. Another 0.1% of entries on the Global Excl. U.S. chart were French/Spanish multilingual songs. In total, 15.6% of songs on the Global 200 (about 31 songs each week) over these five weeks included Spanish lyrics, and 19.1% on the Global Excl. U.S. chart (about 38 songs each week).

Combined, Spanish-language songs and Portuguese-language songs accounted for 16.7% of the Global 200 (about 33 songs each week) and 23.4% of the Global Excl. U.S. chart (about 47 songs each week).

The domination of Latin music worldwide is evident to artists themselves.

“I just want to be known around the world as a Colombian,” says superstar Maluma. “I have Latin culture. Everybody is always saying, ‘When are you going to start singing in English.’ And I say, ‘Why should I do it if I’m doing concerts in Rumania, Israel, Morocco and the States, and they’re singing in Spanish? So why should I start singing in English. I don’t feel like that’s my essence. I want to bring my essence around the world. And my essence is singing in Spanish and doing urban music and things that represent us.”

Maluma started his career, and first became famous in his native Colombia. His ascent in a digital era is emblematic of Latin music at large.

Because the real story of Latin music’s globalization does not start in the United States, or in Europe or Asia. It starts in Latin America, the breeding ground for most Latin music stars and, for the past five straight years, the fastest-growing region in the world in terms of music consumption.

Here are the market trends that are defining Latin music today and busting cycles.

III. LATIN AMERICAN MARKET TRENDS

A. THE FASTEST GROWING REGION IN THE WORLD, BUT PLAGUED BY DEVALUATION AND ECONOMIC DISPARITY IN MUSIC REVENUE

While in the United States Latin music still fights to get noticed, the rest of the world tells a different story.

According to the International Federation of the Phonographic Industry (IFPI), the non-profit members organization that represents the interests of the recording industry worldwide, the Latin America region has generated 11 years of consecutive growth (2010-2020) in terms of music-derived revenue and it was also the fastest growing region in those years (for IFPI purposes, the Latin American region is comprised of Argentina, Bolivia, Brazil, the Caribbean, Central America, Chile, Colombia, Paraguay, Peru, Ecuador, Mexico and Uruguay).

To fully appreciate the growth consider this: In 2010, Latin America’s music-derived revenues represented a mere 1.8% of the global market. Today, the region accounts for nearly 4% of the total global market.

This, despite rampant inflation and accelerated devaluation of local currencies against the dollar that highly impact revenue.

According to the IFPI’s 2021 report, which is in the only in-depth tally that details music-derived revenues in every country, in 2020, global recorded music revenues totaled US\$21.6 billion.

That is a 7.2% increase over 2019 and the “sixth consecutive year of growth, fueled by growth in paid subscription streaming.”

Growth was registered in all the world regions tracked by IFPI: Asia, Australasia, Europe, US & Canada and Latin America.

Among them, Latin America was, by far, the area with biggest growth, 15.9%, the only area in the world to register double-digit growth.

The region’s good fortunes were driven by the highest digital growth rate in the world -24.6%- with every single market “seeing double digit growth in this area.” The upward trend was reflected by the region’s biggest markets: Brazil (+13.1%), Mexico (+17.1%), and Argentina (+40.9%).

“After ‘Despacito’ [in 2017] the game changed,” says Jesús López, chairman/CEO of Universal Music Latin America/Iberian Peninsula. “The Latinos, before, we were a small part of the business and it was difficult to get the attention of the ‘big brothers.’ In the last few years, for the first time, we are sitting at the same table and eating the same meal.”

Beyond streaming, which in 2020 accounted for 84.1% of its revenues, Latin America also registered impressive growth in performance rights revenue (+10.6%) and synchronization revenues (+9.4%). In comparison, global performance rights revenues *declined* by 3.6%. Global synchronization revenue – meaning revenue from the use of music in advertising, film, games and TV – grew 5.8%. In other words, Latin America saw growth in all sources of revenue with the exception of physical sales, which dropped by 28.7%.

Brazil was again Latin America’s largest recorded music market. Revenues in the country increased 24.5% in 2020. Growth was driven by an increase in streaming revenues of 37.1% and a strong rise in subscription streaming (28.3%).

The rise in streaming numbers goes hand in hand with an explosion of new signings across the entire continent. Never in recent memory have so many artists been signed simultaneously in the region.

All told, the region now represents 3.6% of global music-derived revenue, up from 3.3% in 2019, behind the United States & Canada (39.1%), Europe (30.8%) and Asia (23.1%).

Despite the positive numbers, it is important to note that the phenomenal percentual growth of revenue in the Latin America region is indicative of the profound downfall that preceded it.

Pre digital era, the retail value of recorded music sales in Latin America grew steadily in the 1990s to reach a high of \$1.743 billion in 1999. Then, the region saw five years of steady decline in sales and market value, reaching a low of \$840 million for 2003.

While the recorded music market globally saw a downturn, Latin America was particularly impacted by physical piracy and by the fact that, unlike Europe, the United States and Canada, the region never developed a healthy digital download market, in part due to low Internet penetration at the time and lack of credit card adoption.

Streaming and Internet penetration opened up a totally different avenue of consumption, and therefore, revenue.

And yet, says Javier Asensio, Regional Director for IFPI Latin America, “We still have a long way to go to recuperate to where we were in terms of revenue. The losses during the first decade of the century were brutal.”

That is one of the reasons why revenue in the region has still to reach its historic heights of 2000, when retail value reached \$1.7 billion, according to IFPI reports. The other is devaluation is so great in many Latin markets, that it overcomes revenue.

Still, the volume – which is directly tied to the advent of streaming a decade ago – is so large, that it continues to lift all boats.

“Of course we’re signing many more artists. But the quality is also improving at a creative level,” says Sony Music’s Gallardo. “Everything is connected. Streaming capitalized us again, quality improves and today we’re reaping what we’ve sowed for the past decade.”

B. A REGION BIG ON STREAMING VOLUME, LOW ON PAYOUTS

Devaluation, in turn, directly affects the revenue from streaming subscriptions. A premium Spotify monthly subscription in the United States, for example, is \$9.99. Throughout most of Latin America, because of devalued currencies, it hovers between \$5 and \$5.50 when translated to dollars.

This, in turn, means that the pay-out to creators per stream is lower in Latin America than in other territories like Europe.

Ironically, even performance rights and synchronization revenues –which grew more percentage-wise in Latin America than in other regions—are negatively impacted by market conditions that most decidedly do not affect Europe or Canada and the United States.

“It pains me to say it, but collection [of public performance royalties] in most of our countries is very precarious,” says Roberto Cantoral Zucchi, General Director of Mexico’s powerful Society of Authors and Composers (SACM). “Few of our countries has really substantial collection, so any increase represents a big percentual increase. It should be far more.”

Latin America’s biggest music revenue markets –Mexico, Brazil, Argentina, Chile, Colombia and Peru—all boast mature markets with strong and efficient collection management operations. More to the point, Brazil, Mexico and Argentina –the region’s biggest markets– “contributed 74.3% of industry revenues and 70.9% of growth across the region,” in 2019, according to the IFPI’s annual report.

But many of Latin America’s smaller markets including Central American countries like Nicaragua, El Salvador and even Panama, are simply not as developed when it comes to rights managements or an overall music industry.

As a result, where an artist comes from and who he signs his rights managements with are key factors in determining his future fortunes. If a new artist, for example, breaks out with a big hit in a country where collection is not streamlined or effective, or where there is not an organized music business structure that will allow him to get compensated by both label and collection societies, he will get paid much less than if he were affiliated to an ASCAP a BMI or a SESAC in the United States.

“An author, in addition to being talented, has to have the good fortune of being born in a country with a strong collection society,” says Cantoral.

Mexico's Society of Authors and Composers (SACM) is one of the oldest societies in the world and in Latin America, and one of the most respected globally and best at collecting for its authors. Long led by composers –at the time of his death, Armando Manzanero was its president and prior to that, it was Cantoral Zucchi's composer father, Roberto Cantoral—it is known as one of the world's most efficient societies, and its treasure-throve of administered compositions includes some of the world's most beloved and most played songs, including *Bésame mucho*, *La cucaracha*, *Cielito lindo*, *La bamba* and *El reloj*.

SACM is zealous in its protection of author's rights and was key in establishing a united voice for Mexican creators through its "Coalition for Legal Access to Culture," which brought together 38 copyright organizations. As a result, according to the International Confederation of Societies of Authors and Composers (CISAC), Mexico has the longest term of protection for copyright in the world: 100 years after the author's death.

And, the society collects approximately 80-85% of its revenue, according to SACM, an extremely high rate.

But those levels of collection are not the case for many other smaller, or less developed Latin American countries that simply do not have a collection infrastructure and where music lives in a more informal economy.

Additional extraneous factors, like organized crime, also have an impact on collection, even in a country as highly efficient as Mexico. There, one of the most popular forms of entertainment are massive bailes or dances, that feature live entertainment. Some 3,000 bailes are held on a normal, non-pandemic year, a number that is astronomical in comparison to other countries around the world of similar size.

But the presence of organized crime factions in many localities prevents collection of performance royalties, a situation replicated in many countries in the continent.

"It makes me very proud to see Latin music competing today at a global scale," says Cantoral. "But that success should be proportionately reflected in collection revenue."

C. RIGHTS COLLECTIONS IN BRAZIL: A UNIQUE MARKET

Mexico and Brazil are the biggest music business markets in Latin America. Brazil, in particular, is unique in many regards compared to other Latin American markets. When it comes to rights collections in the field of music, instead of having a single collective management organization (CMO), Brazil has seven.

Among them, the Brazilian Union of Composers (UBC) is the biggest, representing approximately 60% of the market, according to its CEO and Executive Director, Marcelo Castello Branco.

Brazil benefits from a collection system where public performance rights and neighboring rights (the rights paid out to the artist that performs a composition and to the record label that owns it) are paid through a single collection agency, Escritório Central de Arrecadação e Distribuição (ECAD), that then distributes to the country's seven affiliated CMOs.

UBC alone collects around \$1 billion of reales per year in both performance and neighboring rights, the rough equivalent of \$182 million United States dollars.

“This is really important,” says Castello Branco. “If it weren’t for the devaluation of the real, today Brazil would be the sixth or seventh biggest music market in the world.”

As it is, however, Brazil was the seventh largest generator of performance rights globally in 2019 with \$70.5 million reported, a 2.8% of the global total.

And in terms of public performance revenue, Latin America had a tremendous year, posting 10.8 growth for 2019 in comparison to 2018. This placed it second only to Europe for total public performance revenue.

The numbers, however, do not tell the entire story of Latin music. The IFPI’s numbers for Latin music do not include Spain, Portugal or the United States, which is the biggest market for Latin music in the world right now. In other words, Latin music’s footprint is far bigger than even the official stats indicate.

This would begin to explain why Latin music over-indexes on the global streaming chart. Individual market figures only tell part of the story. If Latin music numbers were truly, globally counted, they would likely represent over 10% of the global market.

Regardless of total numbers, however, and regardless of the United States Latin market’s clout, the overall growth of Latin music is driven not just by an increase on consumption, but also, by an increase in musical output. And that creative process is overwhelmingly born and bred in Latin America.

D. A REGION RULED BY STREAMING: PROPORTIONALLY, LATIN AMERICA STREAMS MORE THAN ANY OTHER REGION IN THE WORLD

Streaming has been the saving grace of the music industry. Globally, streaming revenues accounted for 56.1% of music revenues in 2019, a 22.9% increase over 2018. Within this picture, paid audio streaming was the key driver, with an increase of 24.1%.

All told the number of paid streaming accounts globally rose to 341 million by the end of 2019.

But streaming in Latin America is outsized in comparison. In 2019 and in 2020, Latin America was the region with the highest proportion of revenues generated by streaming worldwide, according to IFPI.

In 2020, according to the IFPI, revenues in Latin America remained dominated by streaming, which grew 30.2% over 2019, and accounted for 84.1% of the region’s revenues.

“It’s night and day,” Andrew Kronfeld, Executive Vice President of Marketing for Universal Music Group, said during a panel at Billboard Latin Music Week last October. “We always had an audience. We just didn’t know how big the audience was [because] we just looked at CD sales. Once access became easier and any fan of Latin music was able to engage, it skyrocketed. It’s not that the audience has changed, but we’ve realized how big it is.”

Latin America’s fondness for streaming is reflected in the disproportionate presence of Latin music on the global charts.

On any given week, Latin tracks –that is, tracks that are predominantly in Spanish or Portuguese—make up roughly 15-20% of Spotify’s Global top 50 chart.

During a five-week (January 9-February 6 2021) snapshot of the Billboard Global 200 chart, which includes the United States, the combined sum of Spanish-language songs and Portuguese-language songs accounted for 16.7% of the Global 200, or about 33 songs each week on the chart. For the same time period on the Global Excluding U.S. chart, that number goes up to about 47 songs each week, a grand 23.4% of the chart, according to MRC data.

On YouTube, the preferred streaming platform in Latin America, videos of tracks featuring Portuguese or Spanish, on average, represent 30% of the platform's weekly global music charts. And Latin artists make up 30% of all entries on YouTube's famed Billion-view club; 65 videos featuring Latin artists have achieved billion-view status.

In fact, the most-viewed music video of all time is "Despacito" by Luis Fonsi, featuring Daddy Yankee. As of March 2021, it had been viewed 7.3 *billion* times on YouTube.

To understand how a music video of a song that is entirely in Spanish (because the bilingual version of "Despacito" featuring Justin Bieber never had a music video) achieves such views, one has to understand the history of streaming in Latin America.

When the market for physical album sales began to decline globally at the end of the 1990's, the repercussions in Latin America were more serious than in much of the rest of the world. On the one hand, the region was plagued by CD piracy, which quickly overtook legal music sales. And while the United States and Europe had a burgeoning digital download music market (digital piracy aside), Latin America did not.

That is because most of Latin America did not have substantial broadband penetration at the time. In addition, there was not a region-wide, dynamic, functional online music store to help offset the decline in physical sales. A few countries, namely Brazil and Argentina, had online music stores offering digital downloads, but their reach was not massive and in no way came close to making up what physical sales had been.

In addition, credit card use was not – and still –is not widespread in Latin America. This was a cash economy that was not conducive to digital music purchases.

As a result, Latin America largely skipped the digital download boom entirely. Local online music stores did not have user-friendly interfaces. And the Apple iTunes store, while available in Latin America, initially could only be used if one had broadband access, of course, but also, an American credit card. In other words, only a tiny fraction of the population could use the service.

That market reality is reflected to this day. According to the IFPI Global Music report, in 2019, revenues from downloads and other digital consumption in Latin America were a mere 1.5% of the region's total, compared to 7.2% of the total global revenues. Physical sales were only 2.5% of revenue in Latin America, compared to 21.6% globally. Conversely, streaming, including subscriptions and ad-supported streaming (video and audio) were 84.1% of Latin America's music revenues, compared to 62.1% globally. That is a more than 20% difference.

The explosion of streaming in the region was made possible by the advent of smartphones. By 2016, according to GSMA (or Global System for Mobile Communications, the international association of mobile service providers), Latin America was the world's second-fastest growing mobile region, with smartphone adoption rising sharply, from less than 10% in 2012 to over 50% in July 2016.

Most recently, according to GSMA's 2020 Mobile Economy Latin America Report, smartphone adoption in the region continues to rise rapidly, rising to 72% in 2020.

In Latin America's three largest markets (Brazil, Mexico and Argentina) the penetration rate for internet users was over 75% in 2020, compared to less than 50% in 2015, according to IFPI.

GSMA estimates that by the end of 2020, 360 million people in the region, representing 57% of the population, will be connected to the mobile internet. By 2025, an additional 80 million will start using the mobile internet.

And all those people, even those who are connected to the mobile internet, over-consume music on their phones.

"Latam is a mobile-first market," says Deborah Jourdan, head of North & Central Americas for Deezer, which has seen a 31% increase in streams from 2018 to 2020. "It's also a younger generation compared to other markets. The average age is 31 years old, which means it's a generation that is familiar and comfortable with new technology [...] Overall, we see high engagement from users in Latin America with more streams per user than in other regions and that trend will only continue."

That sentiment is replicated across streaming services.

According to Mia Nygern, managing director of Latin America for Spotify, the region had the fastest growing user base for the platform in the world in 2019 and is a "key" market for Spotify.

"In 2020, Spotify closed with 345 million monthly active users worldwide, out of which 22% are users in Latin America. When it comes to Spotify Premium subscribers, Spotify had 155 million subs in 2020, out of which 21% were in Latin America."

In other words, fully one fifth of all Spotify Premium subscribers are in Latin America.

And those premium subscribers, despite devaluation, were key to Latin America's recovery. According to Nygern, "Over 45% of all Latin American recorded music label revenue in 2019 came directly from Spotify, based on IFPI reported revenue from 2019. In Latin America, we've helped restore a rapidly shrinking industry to growth."

However, Nygern points out, "It's not only about the last months. It is a journey that started in 2014 and exploded in 2017. Of course, we have to recognize the enormous effort and the incredible adaptation to the new normal in terms of creating and distributing content. What we are seeing is the Latin content is growing in terms of our global footprint. The stickiness of the Latin content is in its natural habitat, but also beyond. Our global footprint has helped this."

But for that "stickiness" of the Latin content to grow beyond its borders, it needed to over saturate within them. In this sense, streaming was the perfect vehicle for a Latin marketplace eager for music but whose access was limited before: Initially by record labels which decided what and how much was released, and by radio stations who decided what and how much to play. Then, by lack of Internet access, smartphones and credit cards. Once streaming was widely available, free of charge (more on that later), the world was able to see and measure the full consumption of music in Latin America. And the scope was breathtaking.

On the different platform charts –YouTube, Spotify, Deezer, for example-- those are the numbers that are visible to the world, and astronomical.

"The culture of Latin music and the rich heritage of Latin music should have traveled a long time ago. It probably did, but under the radar," Lyor Cohen, global head of music for YouTube/Google, said in a fireside chat with Billboard last October. "I think what happened was that many, many artists turned to this platform [YouTube] that had global reach. They said to

themselves, ‘Wow. We don’t have to be constrained by local radio or TV show. This is a global platform and we have the ability to ring the bell on a global scale. And of course they started first by ringing the bell in Latin American and Spanish streaming countries. What I consider the Latin explosion that happened a long time ago but is now being recognized is, Latin artists understood this global platform, took advantage of it and became PhDs in the platform.’

Revenues do not match volume, but subscriptions are steadily rising

The downside? While video streaming services, especially YouTube, accounted for the majority of on-demand listening in Latin America’s top markets, their revenue return was lower than for audio sites. And of course, audio sites in Latin America already pay out lower than those in the United States and most of Europe.

“Across Latin America, in every country we measure, more than 50% of people’s time listening to streaming or watching music on streaming services is done on video platforms rather than audio streaming services like Spotify or Apple Music,” according to IFPI Director of Insight and Analysis David Price.

During a presentation at Midem in Cannes in June 2019, Price gave Brazil’s streaming patterns as an example. At the time (2018), he noted that while 50% of on-demand streaming time in Brazil is on video sites, only 18% of revenues from streaming platforms come from the video side.

“The vast majority [of revenue] comes from the audio side. We’re seeing much less return for time viewing on the video sites than the audio sites (Watch the full presentation [here](#).)

Paid subscriptions continue to be the top revenue driver in Latin America, even though in sheer number of streams, they still represent a smaller percentage of overall streaming than ad supported audio and video streaming do.

This, however, could be changing around. According to Spotify, the platform continued to see healthy double-digit growth in 2020 versus 2019 in all regions, including Latin America.

E. THE PASSIONATE LATIN AMERICAN MUSIC FAN

More than entertainment, music is a way of life in Latin America.

“Latinos feel very connected to where they’re from. There’s something that runs inside your blood that makes you who you are, that gives you that fire, that gives you that passion,” says Jennifer López. “Those are cliché things related to Latinos, but the truth is, it’s a real thing.”

In most Latin countries, music overwhelmingly permeates daily life, beyond being a mere pastime. Music is truly the soundtrack of day-to-day existence, a fixture at work, at play, in the car, in restaurants, in public spaces and public transportation, in the very streets. This is not an exaggeration nor a casual observation. Latin America’s music obsession has been a key determinant in the rise of consumption and musical production coming from the region. Had attitudes about music not been so dearly held and enthusiastic, the region, with its myriad problems and limitations, would have grown far less in every respect.

Beyond cellphones and broadband, the Latin American music consumer is far more likely to stream music than any other music consumer in the world, it is because that consumer is more passionate and engaged than any other music consumer in the world.

Those were the findings derived from IFPI's Music Consumer Insight Report and presented by David Price, IFPI's Director of Insight and Analysis, at Midem in Cannes in June 2019 (<https://www.youtube.com/watch?v=2EOEidxFDJ0>).

Price's presentation was based on an IFPI Music Consumer study of 23,000 people in 20 countries, including Argentina, Mexico and Brazil. Those three countries, the biggest in terms of music consumption and revenue in Latin America, accounted for 85% of the region's revenue in 2018. The people interviewed were Internet users, ages 16-64.

While the results jibe with other reports of Latin music consumption in different territories, they are surprising by their sheer scale and also offer an unusual and enlightening side-by-side comparison of music consumption in different territories, with Latin American's self-described passion for music equaling the voraciousness with which it is consumed.

Latin American fans, for example, are music "passionates," with 10.4% of them consuming 25.9 weekly hours of music, compared with 8.1% in Asia, 5.4% in North America and 2.2% in Europe. Fully 47.1% classify as "Actives," consuming 23.7 hours of music per week compared to Asia (37.2%), North America (31.1%) and Europe (24.2%). On average, the Latin American fan spent 22.4 hours per week listening to music, compared to the 17.8 hours the average global user spent.

On the lower end of the scale, when it comes to "Passives" that consume an average of 11.3 hours of music per week, the positions are reversed: Only 11.1% of Latin Americans fall under that category while 30.3% of Europeans are "passive."

When it came to very specific questions on the importance of music for listeners, the replies were even more dramatic.

When asked "Do you agree that music is important to your self-identity?", 82% of Brazilians agreed, ranking first among the 20 countries surveyed. Mexico, where 79% of respondents agreed, ranked third, and Argentina (70%) fifth.

To the statement "I am passionate about discovering new music," Mexico ranked Number one, followed by Brazil and Argentina.

Beyond total consumption, Latin Americans, as we stated in the previous chapter, over index in streaming.

Almost across every age group, Latin America has a higher rate of people engaging in streaming, with 83% of 16-23% saying they use audio streaming.

All told, music fans in Latin America (or at least, in the three countries surveyed) average 22.4 hours a week, or over three hours a day, listening to music. In comparison, the global listening average is 17.8 hours per week. In other words, fans spend 25% more time listening to music in Latin America than they do globally.

The study's findings mirror Nielsen's older Music 360 Latam Study, released in 2016 with data culled in 2015 from over 2,000 interviews, also in each of Latin America's biggest music markets: Mexico, Brazil and Argentina.

That study found that music is "a key emotional touchpoint in Latin America," with 90% of respondents saying music is important to them.

Those surveyed, said they spent even more time per week listening to music: 30 hours per week, compared to the 26.6 hours per week United States listeners said they devoted to music.

The bottom line, says Juan Paz, managing director of ADA's new Latin division, "We've always been the region with the highest consumption ever. And now that we have the streaming services, that's being monetized."

F. EMERGING MARKETS WITH DISTINCT SUCCESSES

1. PARAGUAY: AN EXAMPLE OF DIGITAL GROWTH

While the growth of the Latin American region is driven in large part by its biggest markets - Brazil, Mexico and Argentina—which rank among the top 20 music markets in the world—the parallel growth of its many smaller countries and music markets acts as a powerful multiplier. "Latin acts almost as a single territory," says Alex Gallardo, president of Sony Music U.S. Latin. "Increasingly, what you hear in Argentina is similar to what you hear in Mexico."

Take Paraguay. According to MRC Data's 2020 year-end music report, the tiny South American country saw the most accelerated weekly audio streaming growth in the world in 2020 since the start of the pandemic.

In terms of sheer percentual growth, Paraguay was followed by Greece, Cyprus, Thailand, Czech Republic, Lithuania, Slovakia and Guatemala. Those countries together were responsible for only 1.4% of total global audio streams in 2020. It is a small number, but in the Latin American ecosystem, it is impactful.

Paraguay has a population of only 7.3 million, but it has 4.9 million Internet users. Their music consumption moves the needle.

According to "Así somos los paraguayos digitales (Digital Paraguayans)," a June 2020 study by Paraguayan market study firm Nauta and marketing consultant firm Next, seven out of every 10 Paraguayans *pay* for streaming services and online gaming. According to the study, music, films, series and games are mostly consumed via paid subscriptions.

The shift from free to paid models is good news in a continent where much music consumption still happens in ad-supported platforms. But Paraguay benefits not just from high penetration rates, but also from low subscription prices.

The streaming leaders in the country, unsurprisingly, are Netflix and Spotify, with subscription plans that start at approximately \$7.99 and \$5.99 respectively.

2. CHILE: A THRIVING LIVE MUSIC MARKET EXPECTED TO RECOVER IN 2022

Chile, with a population of 18.3 million, falls outside the "big three" Latin American markets of Brazil, Mexico and Argentina. And although its music-derived revenue is actually higher than Colombia's or the Dominican Republic's, its recent output in terms of widely-recognized international artists has been less.

And yet, Chile is a hotbed of music activity at every level, from artist development and digital adoption to live performances.

The live scene, in particular, has benefitted from infrastructure and know-how as well as the good will brought by international events like Lollapalooza Chile.

In a continent where social unrest and currency fluctuations can heavily influence the live concert business, especially in terms of bringing international acts, Chile was, until very recently, an oasis.

“We’ve always been, perhaps due to geo-cultural reasons, very proper,” Carlos Lara, CEO of concert promoter Swing Music, recently told *Billboard Magazine*. “We are a country where people obey government norms.”

The country’s stability no doubt was a major factor in the growth of the live music and entertainment sector, which was thriving pre-pandemic, according to a study on live music put together by Chile’s Digital Music Observatory (Observatorio Digital de la Música Chilena - ODMC) and Chile Creativo (Creative Chile), the country’s national strategic plan for Creative Economies.

According to figures from Chile’s Ministry of Cultures, Arts and Heritage, between 2015 and 2019 there were 23,436 music events in Chile, each seen by an average of 4,687 people. That number had seen steady growth and peaked in 2018 with 5,073 events.

All told, over 15.5 million people saw live music between 2015 and 2019, an increase of 14.5% between 2015 and 2018. At its peak in 2018, live concerts in Chile saw ticket sales of roughly \$127 million (over 90,000,000,000 Chilean Pesos).

The growth in revenue and shows came hand in hand with the growth of the sector overall. According to the study, approximately a third of Chile’s live music production companies launched between 1990 and 2006. But the vast majority launched between 2006 and 2018, reflecting a nascent industry that, in the past two decades, found its foothold in a strengthening economy.

Lotus Producciones, for example, the company that produces Lollapalooza Chile, was created 15 years ago. The Chilean edition of the music festival, first produced in 2011, was the brand’s first ex-United States event and instrumental in the subsequent launch of Lollapalooza Brazil and Lollapalooza Argentina.

In addition to Lollapalooza, which brings together international and local acts, Chile is also known for its annual Viña del Mar music festival, the longest-running Latin music festival and song competition in the world. Held every year (except for 2021) in the seaside resort city of Viña del Mar, the multi-day fest is produced by local promoters Bizarro Entertainment and televised internationally, guaranteeing an audience of over 200 million people.

Beyond the revenue derived from ticket sales and sponsorships, Chile’s live music scene also contributed significantly to author’s rights. Under the country’s copyright laws, producers must pay 5% of all their ticket sale revenue to the local author’s society, which then distributes to its authors and composers.

The growth of Chile’s live music industry was challenged toward the end of 2019 during what is now called the “Estallido Social” or “Social Explosion,” a series of nationwide protests against governmental policies asking for a change in the constitution.

Beginning in October 2019, many live music events were canceled due to protests and security concerns, and by the end of 2019, the number of live music events declined by 20% compared to 2018.

Then, of course, came the pandemic, with devastating effects. However, Chile's immediate prospects in terms of live music were, by May of 2021, more positive than those for the region and for most of the world.

The country boasts the third vaccination rate in the world (38.94 per 100 people, behind only Israel and the United Kingdom), according to data published by Oxford University. And on top of that, concert promoters have actively contributed to vaccination efforts. Since February of 2021, concert promoter Bizarro worked under contract with local governments across Chile to use its crowd management and production know-how to coordinate vaccination efforts at four sites. Averaging 15,000 shots a day across all four sites, by April Bizarro had helped vaccinate nearly 1 million people — roughly 5% of the country's population.

Now, there is light at the end of the tunnel, with new dates announced for both Lollapalooza and Viña del Mar.

3. DOMINICAN REPUBLIC: BEYOND MERENGUE

Like Cuba and Puerto Rico, the Dominican Republic, in the Caribbean has always enjoyed a reputation as an outsized producer of musical talent. The country shares the island of Hispaniola with Haiti, a factor that is contributed to a rich musical legacy with heavy African and Spanish influences. But while merengue and bachata were long the rhythms the Dominican Republic was most known for, with Juan Luis Guerra as its premiere export, today a new class of acts representing multiple genres is emerging in the international scene.

Beyond the New York born raised stars like Romeo Santos, Prince Royce and Aventura —who all blend traditional bachata with contemporary beats- local standouts with international appeal and success include reggaetón and rap act El Alfa, who in 2020 gained new relevance by collaborating with the Black Eyed Peas. By the same token, female teen rapper La Ross María in April 2021 inked a deal with Sony Music Mexico after bachata star Santos appeared on the remix of her single “Tu Vas a Tener Que Explicarme.”

Alt tropical singer/songwriter Vicente García won the Latin Grammy for Best New Artist in 2017, and Tchy Fatule is exploring pop and alt sounds. And of course, there's female reggaeton/pop star Natti Natasha, one of the most streamed Latin female artists in the world, perhaps best known for her saucy hit “Sin Pijama” alongside Mexican American Becky G.

Like other territories, the Dominican Republic has also made a push to improve infrastructure and lure music events to the island in a bid to increase tourism. The country has the advantage of already being a tourist hub with a vast hotel offering; it is considered safe and free of political turmoil; and it is centrally located, with many airlines offering direct flights from around the world. Since 2015, Premios Heat, or the Heat Latin Music Awards, presented by music cable channel HTV, have taken place in the Dominican Republic, with musical guests from around the world.

Since 2017, The Paradise —a two-day music festival that blends EDM, reggaetón, pop and Latin music—has been hosted in the beaches of Cap Cana, featuring talent like Bad Bunny and Maluma and integration local food and culture into its set up.

Paradise takes its cues from the longstanding Presidente Festival (so named after the Dominican Republic's Presidente beer) which has been hosted on the island every three years since 1995.

G. A REGION THAT SHIFTED FROM INTERNATIONAL TO LOCAL REPERTOIRE

Something funny happened to music in Latin America in the last five years.

While for years music in English from countries like the United States and the U.K. had coexisted on the charts with music in Spanish, in the last three years or so, music in Spanish, often local to each country, dominates charts in Latin America.

While this may sound like a logical development, it was not for years. Latin America, with its decimated music markets, saw investment in local repertoire dip dramatically with the fall in music revenues from the region. By the same token, many markets, which had not fully developed their music business, stalled.

But even as sales and revenue dipped, labels continued to quietly invest. And some countries which traditionally had not been players in the music market at a large scale, began to organically build their music business infrastructure.

Colombia, for example, which had only occasionally been an international music player with artists like Shakira, Carlos Vives and Juanes, began to nurture a new generation of musicians. In the past two decades, music departments have launched in universities across the country, which train not only budding artists, but also recording engineers, producers, arrangers and more. In 2016, there were 64 registered professional music schools registered with the country's Ministry of Education.

Gaining excellence has been key to international success, says Colombia's Maluma.

"It's not a secret that it's been difficult for us as the Latin community to get into the American market," he says. "We're making history right now as a Latin community and I feel very proud of being part of this big, big movement that we're having right now."

Today, the quality of the music being made in Latin America competes with any major mainstream pop hit on the charts. And increasingly, the music is made by, and for, a younger audience that as recently as ten years ago, had to seek out its artists and pop idols elsewhere because there were so few of them to be had at home.

Pride plays a huge role in this development.

"Everybody knows that I'm a Puerto Rican girl from the Bronx," says Jennifer López, talking about her roots. "It's not something I ever tried to hide or ever thought that I should hide so I can get ahead. I'm proud of it. I always felt that that individuality is what made me different from every other actress that was out there when I first started. And even before I started making music, because I started acting before I started making music. So it's super important to me. There's no reason for me to ever hide that part of myself to be successful. To the contrary, I feel it's the secret to my success."

Maluma, who shares the screen with López in the upcoming rom-com "Marry Me," is equally proud of his Colombian roots.

"Imagine how important it is for me that I got a tattoo. It says "Medellín," he says showing the tattoo across his chest with the name of his birth city.

Latin American Countries on the Global Charts

The rise of regional artists is now reflected globally.

Since the launch of the Billboard Global 200 chart September 19 2020, and up until February 27, Puerto Rico was the second-most represented territory (behind the United States) on the chart, with an average of 34 mentions per week. That placed it behind only the United States and the United Kingdom on the Global Excl. U.S. chart, it had an average of 40 mentions per week but placed third, behind the United Kingdom and the United States.

This is not surprising, however. Bad Bunny, Spotify's most-streamed artist of 2020, is Puerto Rican. Further, reggaetón has become the most-consumed genre of Latin music, and Puerto Rico is the genre's most important development arena, with most of its other big names – including Ozuna, Anuel, Daddy Yankee, Myke Towers, Wisin & Yandel—hailing from the island.

But following Puerto Rico, Colombia was the fifth-most represented territory (behind the United States, Puerto Rico, the United Kingdom, and Canada) on the Global 200 with an average of 16 mentions per week. It was the fourth-most represented territory on the Global Excl. U.S. chart with an average of 22 mentions per week.

Spain, Panama, and Brazil follow on the Global 200, each with an average 2-2.5 mentions per week. Notably, Brazil had a much stronger presence on the Global Excl. U.S. chart, with an average of nine mentions per week, followed by Argentina (4.3, versus 1.7 on the Global 200), Spain (3.5), and Panama (2.7).

Local Charts Ruled by Local Repertoire

The appearance of so many Latin names on the global charts is remarkable because for so many years, even at the advent of streaming platforms like Spotify, there were none. That began to shift in 2017, when Spotify and YouTube entered Latin America in earnest.

But beyond what the world hears, is what countries hear locally. And for years, it was not just that English was played along with Spanish, but that big English-language hits by the likes of Beyonce, Ed Sheeran or Bruno Mars dominated the charts.

That changed dramatically in the past two years, as more local talent emerged in the region, particularly in Mexico, Colombia, Argentina and Brazil. Equally important, much of this talent is young, and appeals to a young fan whose favorite vehicle to consume music is streaming.

“The offer of Latin music for that young, highly passionate fan is such, that they no longer need to look for hits in English,” says Alex Gallardo, president of Sony Music U.S. Latin.

“That’s what the charts are telling us. It’s now difficult to find songs in English that compete with hits in Spanish.”

It is not just sheer volume. The quality of music made in Latin America has increased dramatically in the past decade. While top artists before would strive to travel to top studios in London, New York and Los Angeles to work with Grammy-winning mainstream music producers, they have now found success with local production teams. The craft of A&R, production and engineering has been perfected and professionalized in many Latin American markets. And so has the craft of managing and promoting.

“Now, an artist like Nicky Jam can work with producers like Sky and Bull Nene, and he doesn’t need other names to have a hit,” says Gallardo. “There is a lot of exciting music in our language, for young people to consume.”

As the quality of music made in Latin America rises, so does its capacity to travel. Increasingly, artists who are local to one country or territory, quickly and easily travel to the next. Whereas it used to take months, if not years, for music and artists to migrate from Puerto Rico or Colombia to Argentina in the South, now that trajectory is instantaneous. And increasingly, the same artists will cross-populate charts simultaneously in multiple countries.

Before, only major, multinational priorities could ever aspire to become multi-country hits. Now, its routine to find new names like Camilo, Sech, Myke Towers or Rauw Alejandro simultaneously populate the top 10 of multiple countries. This phenomenon, in turn, pushes Latin names onto the upper echelons of the global charts.

For the week of March 27, for example, nearly a dozen Spanish speaking artists placed tracks (several of them collaborations) on the top 30 positions of the Billboard Global Excl. U.S. chart: Myke Towers, Juhn, Bad Bunny, Jhay Cortez, Rosalía, Nicki Nicole, Rochy RD, Rauw Alejandro, Maluma and Karol G.

They were all under 30 years old (with the exception of Karol G, who turned 30 in February) and hailed from different countries: Colombia, Puerto Rico, Spain and Argentina. Most of them had never had a major hit until last year. They now command millions of streams.

IV. ARTIST CASE STUDIES

These Artists Took Their Local Sound and Became Global Stars

1. **Bad Bunny** (Rimas): The Puerto Rican rapper was a complete unknown until 2017, when he appeared as a guest on several reggaeton and rap tracks, boasting a catchy name and flaunting a provocative look that defied conventions, including the use of nail polish and dresses, even though Bad Bunny doesn’t identify as trans. This year, he became the first Spanish-only artist to ever end up on the IFPI’s list of top 20 artists in the world. And In 2020, his album *El Último Tour del Mundo* (The Last Tour In The World), became the first all-Spanish album to ever reach No. 1 in the 64-year history of the Billboard 200 chart. Signed to Puerto Rican indie Rimas Entertainment and distributed via The Orchard, Bad Bunny was, from the onset, worked aggressively on YouTube, via Rimas’ own YouTube channel, rather than on conventional radio. Thanks to YouTube’s vast appeal in Latin America, he quickly amassed millions of views. Instead of working with established producers or video directors, Bad Bunny tapped young creators to craft music and videos that were starkly different to anything else in the market. He also bucked trends, releasing albums on Sundays instead of Fridays, often completely unannounced. That independent-minded approach has served Bad Bunny well at a time when gatekeepers no longer control access or distribution. “I think people want creativity and honesty,” says Bad Bunny.

“They want music done from the heart. Maybe trends change, beats change, colors. But people still want the same thing: music made with creativity, with passion, not something recycled but with something new. I obsess about that. When I make a new song I’m not thinking about what’s playing or what people want. I do my thing and I do it from the heart. If they like it, great, thank you. And if they don’t, well, someone’s going to like it.”

2. **Camilo** – (Sony Music U.S. Latin): Although the 26-year-old Camilo only signed to Sony Latin in 2019, he already came from traction earned as an erstwhile child star, and later, as a songwriter for many contemporary Latin hits. “He was a new act, but had pockets of followers,” says Sony Music Latin president Alex Gallardo. And Camilo broke the mold. In a saturated urban Latin world, he was a young act who sang uplifting pop music, and whose lifestyle very closely reflected his music. He chronicled his engagement, and ultimately his wedding, to Evaluna Montaner on his social media and in his songs. His single “Vida de Rico,” for example, is about the couple’s new home and humble aspirations; the video was filmed by Montaner on her iPhone.

Camilo is also the most-followed Latin artist on Tik Tok (18.5 million followers) and on Instagram, he has 18.1 million followers. Both platforms have been key to success, highlighting just how important social media is in Latin America (And, at a time when new deals with Facebook and Tik Tok allow monetization, Latin America is also at the forefront of that movement).

While collaborations, with the likes of Shakira and Ozuna, were important in Camilo’s success, a key move was his remix of “Tattoo” alongside urban up and comer Rauw Alejandro, opening the door for more urban collabs.

3. **Karol G** – (Universal Music Latin Entertainment)

Latin music’s most successful female act today scored her first No. 1 on Billboard's Top Latin Albums chart in April with KG0516. With 24,000 equivalent album units earned in the United States in the week ending April 1, the set was the biggest week by a female act in nearly four years.

It is also only the fifth No. 1 by a female act since 2016, highlighting the troubling lack of significant female present on the Billboard United States charts. So, how did Karol G break the jinx? For the past five years, the Colombian star has been strategically releasing hits, alternating between collaborations and solo hits that ultimately, allowed her to stand on her own. Karol G has often said that male artists have been her allies instead of foes, especially in her early days, when big or rising stars like Nicky Jam, Ozuna and Bad Bunny recorded with her. In recent years, she’s been returning the favor. While she’s had major collaborations with superstars like Nicki Minaj (in “Tusa”), she’s also very proactively reached out to up and coming female acts like Mariah Angelique (whom she features in single “El Makinón”) and Nathy Peluso.

It’s an attitude that is increasingly being emulated by other up and coming female acts, who are showing a willingness to collaborate with each other that was not the norm a decade ago. In a realm in which male collaborations rule the current charts, this newfound female camaraderie may be the element needed for more women to make strong breakthroughs in Latin music.

4. **Maluma** (Sony Music U.S. Latin): The Colombian superstar over indexes given his sheer global appeal. “Maluma is a brand. He’s not even a pop star, he’s a star. Everything he does is news,” says manager Walter Kolm, who scooped him up in 2013 when Maluma was an 18-year-old signed to Sony Colombia. Even then, he saw the potential. “He was very charismatic, had tons of attitude. He sang, danced, rapped, wrote. I thought, ‘Wow, this kid. Not since Ricky Martin had I seen an artist like that.’” Maluma has seen his potential fulfilled with his upcoming starring role alongside Jennifer Lopez and Owen Wilson in the feature film “Marry Me.” He also topped the Global ex U.S. chart with his single “Hawái.” The track was propelled by a connection with global soccer (Brazilian star Neymar played it in the locker room) and by a social media ploy that involved deactivating his Instagram account, both examples of the way his music crosses boundaries. A remix of the track with The Weekend followed, reaffirming the high level of production now available to Latin American artists.

5. **J Balvin** (Universal Music Latin Entertainment): Like Maluma, Balvin is a global star by definition, but he’s made a point of singing only in Spanish. In the 2019, he was among the top five most streamed acts on Spotify and the second most streamed on YouTube. In 2020, he’s the third most streamed on Spotify with 60 million followers. This year, Balvin got yet another push when Universal made him one of a very small number of artists to enter a Universal program to develop global priorities. The program, launched with Billie Eilish in 2019, made Balvin a global priority for Universal overall.

“Balvin is inside a marketing and promotion system that is very groundbreaking and he’s the first Latin artist to be there,” Jesús López, Chairman/CEO of Universal Music Latin America/Iberian Peninsula, told Billboard in 2020. “There are very clear economic objectives in every country in the world and very clear targets. It’s very important to me that a Latin artist be able to compete economically with any [mainstream] act.”

Add to that his performance at Fortnitmares and his global deal with McDonald’s—where he even has his own Balvin meal—and it’s no wonder the Colombian star over indexes.

6. **Sech** (Rich Music): Panama’s Sech broke the mold for current Latin stars by virtue of his home country alone. It had been at least a decade since the Central American country produced a major star. Rich Music focused initial efforts for Sech, a Black Latin artist, on Tik Tok. “Our team is data driven, so we hit hard on Tik Tok campaigns and influencer marketing,” says Rich Music President/COO Josh Méndez. But the goal was always global, he adds, with an initial focus on key territories, notably Mexico, Spain, Argentina and Chile, where Sech also got heavy radio airplay. Key drivers for the Panamanian singer, who fuses R&B with reggaeton, have been all-star remixes. “Otro Trago,” initially successful in 2019 alongside another newcomer, Darrell, reached new heights with a remix that featured Ozuna, Anuel and Nicky Jam. The 2020 follow-up, “Relación,” also got an all-star remix with J Balvin, Daddy Yankee, Farruko and Rosalía and at one point was Tik Tok’s top track during the summer.

7. **Rauw Alejandro** (Sony Music Latin): Another newcomer, Rauw Alejandro began releasing music with “small scale” success in 2018, according to manager Eric Duars, who originally signed Rauw Alejandro to his Duars Entertainment, but keeping close tabs to what fans wanted. “That included alternate or remix versions as well as featurings and collabs,” says Duars. The turning point was “Que Le De,” released in 2019 with Nicky Jam, and “Fantasías” alongside Farruko. The backing of two major reggaetón names gave Rauw Alejandro credibility in the urban world while subsequent pairings with the likes of Camilo also landed him on the pop fan radar. Most recently, Rauw Alejandro was featured on Selena Gomez’s Spanish-language EP, *Revelación*.

8. **Nicki Nicole** (Dale Play/Sony): Nicki Nicole is part of a very new generation of female acts topping charts in Argentina with a mix of trap and reggaetón combined with elements of pop. Her quick rise through the charts –her first single goes back only to 2019—highlights the velocity with which a new generation of Latin acts is able to gain local traction, followed by international success. Nicole is also one of the most prominent in a slew of female Argentine artists –others include Cazzu, Lali, María Becerra and Nathy Peluso-- who are dominating that country’s charts. In Nicole’s case, she was first “discovered” by another Argentine trap act, Duki, who posted about her freestyling prowess. Before long, indie label Dale Play Records signed her, first promoting her locally as a solo act, and then pairing her with other rising and established Latin urban acts. Her breakout, at 18 years old, was a collaboration with local Argentina producer Bizarrap which placed her at No. 1 on Spotify’s Argentina charts. By November of 2020, Nicole had a Latin Grammy nomination as Best New Artist and in 2021, she numbered over 14 million monthly listeners on Spotify.

Generating streams at home and abroad has been fundamental both for Nicole’s success and others like her.

“I see it not only as streaming numbers, but as the construction of an artist’s career,” says Dale Play president Federico Lauria. “Everything we develop in Argentina, we also develop at the same time in Mexico and Spain.”

V. THE RISE OF LOCAL GENRES

While the Latin music world appears dominated by urban music and reggaetón, underneath that landscape is a thriving landscape of very local, regional music that is growing by finding new listeners as well as dedicated fans.

“One common thing we have noticed across all our markets is that local artists appeal the most to local users,” says Deborah Jourdan, Head of North & Central Americas for Deezer.

But in the past year, many of those very local artists and very local genres have begun to bleed outside their borders. This is thanks to streaming. Before, genres that were considered too localized would not receive airplay outside very specific areas, nor would they commercialized, as they’d be considered way local. This is particularly true of non-pop genres that use traditional instrumentation.

But the advent of streaming, along with editorial playlists that highlight music from different countries, has laid bare the fact that there are listeners willing to not just try out radically

“different” music but also embrace it. From Argentine trap to Mexican trap corridos, these genres are nurtured locally but are increasingly finding ears internationally.

1. Mexico - Banda, corrido, norteño and its contemporary subgenres

Mexico is a treasure-throve of very distinct musical genres that are as different in their instrumentation as they are in their precedence and regions of popularity. Inside the United States, they have long been grouped under the umbrella term “Regional Mexican.” In Mexico, they are known as “Música popular.” The most popular among the many subgenres are banda, mariachi, norteño and corridos. Banda, the music played with big brass bands with European influence, is also known as Banda sinaloense because the music hails from the state of Sinaloa. Norteño music uses the accordion and the bajo sexto to create pulsating, exciting beats. And corridos are the tales of heroes and anti-heroes that rose from the Mexican revolution and that can be sung to different accompaniments, though norteño is usually preferred. These three genres, considered highly localized, have seen listenership grow exponentially in the past two years, with an appetite for more traditional groups as well as groups that fuse different genres in their music. Banda MS, for example, was recognized as the most streamed Mexican act in Spotify and Pandora in 2018. The group, which plays traditional banda music, has expanded its horizons and recently recorded a hit song with Snoop Dogg. “Qué Maldición” became a hit and the first top 10 debut on Billboard’s Hot Latin Songs on both charts.

Also fusing genres is Christian Nodal, who performs a mix of mariachi, pop and norteño known as mariacheño. And perhaps the most talked-about genre fusion coming out of Mexico and the United States Mexico border is corridos tumbados or trap corridos, which blend traditional corridos with trap elements, and, strangely enough, lovelorn lyrics.

“Regional Mexican music genres have their roots in tradition. That pride in identity is one of the reasons for the renewed notoriety of these regional genres,” writes Francisco Toscano, A&R Research Manager at Sony Music Mexico/U.S. Latin, in a Chartmetric essay titled “The Rise of Regional Latin Music, Part 1.”

“In the midst of today’s cultural movements celebrating diversity, millennial and Gen Z descendants of Mexican immigrants can now openly embrace their heritage [...] As the Trap Corrido movement shows in the US and Mariacheño shows in Mexico, this new generation is putting their own imprint on the music they’re releasing, reflecting their current reality while incorporating their heritage — and with great results so far.”

2. Argentina: Trap

Argentina was long a rock n’ roll market; not just a preferred destination for British and American rock bands, but also, largely recognized as the birthplace of Latin rock or rock en español. And while a rock tradition still lives in the country –it is, after all, the site of Lollapalooza Argentina— the last three years have seen the rise of a powerful, youth-driven trap movement that has bled into the global charts. Artists like Duki, Khea, Paulo Londra and producer Bizarrap are leading the charge with a sound anchored in freestyling. And while success has largely eluded women in reggaetón, in Argentina, female artists have found a foothold unprecedented for Latin urban music anywhere in the world. Nicki Nicole, Cazzu and Maria Becerra are staples who, borrowing from the reggaetón tradition, collaborate frequently with other artists, but also amongst themselves, something female reggaetón acts are only starting to do. Roberta Pate, Spotify’s head of artist and label marketing, Latin America, told Billboard the artists’ DIY attitude has been a major factor to their success. “The artists started [out] 100% indie, since they understood technology and music distributors,” she says. “They partnered directly with Spotify and used Spotify for Artists to gather analytics, knowing and understanding their audience better for digital promotion.”

3. Colombia – Música popular

Not quite vallenato, not quite mariachi, not quite norteño, the subgenre known in Colombia as “Música popular” is a hard-to-define mix that is quickly gaining adepts. Yeison Jiménez, perhaps the best-known name in the genre, describes the music as “A derivation of regional Mexican music because we also use trumpets, accordion and violins. But we also add the famous requintos and guitars.” Collaborations from within and out of the genre are helping propel the music forward.

4. Brazil – Sertanejo

To be the biggest musical genre in the biggest music market in Latin America is nothing to scoff at. Brazil’s accordion and guitar driven genre, developed in the countryside and extremely popular in the South and Southwest of the country, has expanded its popular appeal (think country music) to appear regularly in global charts.

“When the shift to digital started, the [local] market had become very international,” says Marcelo Castello Branco, CEO of collecting society UBC. “But now, the market has returned to its tradition of 75-80% local music. And sertanejo leads the way because it’s mixed with all Brazilian genres.” Sertanejo duos (last year’s most streamed track was Henrique and Juliano’s “Liberdade Provisória”) and female sertaneja singers, who have a very feminist approach, are particularly appealing.

5. Every territory – New Cumbia

Although born in Colombia, cumbia has migrated to every Latin country, and in each one, it has developed its own particular style. Colombia’s is laced with pop and electronica, Mexico leans more traditional, and Argentine cumbia, perhaps lesser known outside the country, is rising quickly on local charts. Migrantes and Alico’s “Si me tomo una cerveza,” topped Billboard’s Argentina chart and now has a pop/urban remix.

CONCLUSIONS

Latin America is the region with the fastest and highest growth in terms of music-derived revenue. It is also the region with the fastest growth in streaming rates and Spanish-singing artists are disproportionately represented on streaming and YouTube charts.

Latin music’s momentum is not expected to abate. On the contrary, the region is producing successful acts at a much quicker rate than ever before, and they are coming from all corners of the region, ranging from Mexico and Central America, through the Caribbean and Argentina. Despite the danger of unstable economies and socio-political turmoil, the growth of Internet access and mobile phone adoption, coupled with the increase of new artist signings and revenue collection signal continued growth for the foreseeable future.

Or, as J Balvin says, “We are here to stay.”

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