

16 December 2016

# Is stream ripping 2017's biggest music piracy threat?

With the birth of the CD, widespread ownership of the home PC, continued by the arrival of the mp3 format, music 'ripping' became a part of the daily lexicon for music fans. Before Apple launched the iTunes Store in the UK in 2004, there wasn't a convenient way to get music onto an iPod without ripping CDs.

In 2016 ripping is back in vogue, with the prominent rise of 'stream ripping', a fast growing method of piracy that is deeply impacting the recorded music industry. MUSO has monitored the emergence of this fast-growing and potentially highly engaged stream ripping piracy audience, and with a 60% increase in visits to stream ripping sites since the same time last year (January - September 2015 compared to January - September 2016) the perceived threat to the global recorded music industry is fast becoming a reality.

## A future dependant on Streaming

You tube mp.

• Video successfully converted to mp3

Title: Developers

Length: 3 minutes

[Download](#)

<http://www.youtube.com/watch?v=KMU>

## The popularity of ripping websites is exploding

With the music industry becoming increasingly more digital (according to the IFPI Global Music Report



2016, digital sales contributed 45% of industry revenues, overtaking physical revenues for the first time) due to the popularity of streaming services such as Spotify, Apple Music and Deezer, the use of stream ripping platforms is a potentially massive roadblock for the - predominantly streaming specific - predicted recorded music growth forecasted to continue to build momentum over the next five years into 2021. But what differentiates stream ripping usage from other piracy delivery types - P2P/torrents, web download, web streaming - and other than consistent, strong growth, what other metrics are cause for concern?

## The next wave of music fans

One in particular stands out; demographics. Stream ripping is attracting a predominantly younger audience, with half of 16 to 24 year olds using stream ripping websites to acquire music. With streaming now the industry's fastest growing and most internationally scalable revenue source (revenues have increased 45.2% to US\$2.9bn and over the five-year period up to 2015, have grown more than four-fold) the twin axis of traditional digital infringement

threats (P2P/Torrents and web downloads) are now joined by a third, which looks to become a keenly contested battle ground in ensuring younger audiences are able to engage with the plethora of legal, convenient and often free local streaming services, rather than the simple to use stream-ripping tools.

### Tech giants - a difficult relationship

An equal at this piracy table however are heavyweight technology companies like Google providing the key vehicle for driving these infringements, namely the legal UGC platforms like YouTube and SoundCloud

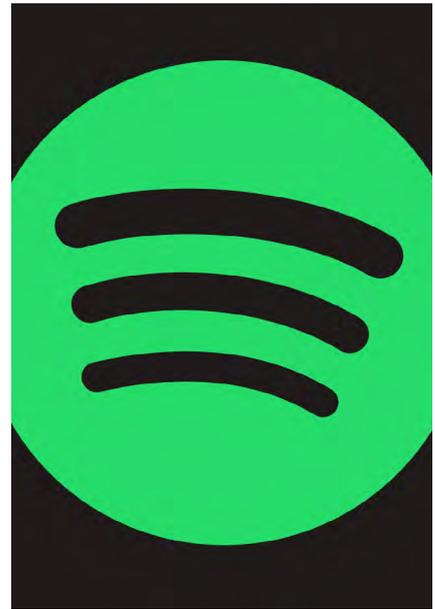
Defined as the act of extracting copyrighted materials from streaming services via stream ripping websites, ripping allows users to create a downloadable file from any media that is available to stream online (it's often done with music videos to create copies of tracks.) YouTube carries the largest selection of licensed music and the most popular destination for 'rippers' using incredibly popular stream ripping sites such as YouTube-mp3.org acting as the main tool for creating the illegal file. Stream ripping on YouTube-mp3.org is a simple process; input a YouTube music video on the site, hit "convert video," and minutes later you have a download of the music ready to store on your computer, or your phone. The site, which has gained a massive influx in visits in the past year (according

to SimilarWeb, it currently has 303.80M total visits and is 141st in the global rank), is the subject of legal action by industry trade bodies and will act as a watermark case.

Even though YouTube-Mp3.org's life may now be finite due to pressing legal action, other sites such as tubeninja.net are gaining momentum (the site has had a 63.78% total increase of visits) and will undoubtedly take its place.

### 13% increase for mobile in six months

According to MUSO's Music Global Piracy Insight Reports, stream ripping comes in as the third most popular way of accessing illegal music after streaming (35.1%) and torrenting (28.3%) in 2015, claiming 17.70% of the total music piracy market – one point ahead of direct-downloading. Visits to ripper sites have seen an increase, especially in mobile usage. With the device split nearly equal (49.95% for desktop and 50.05% for mobile), the change from the first 6 month's visits to the last 6 month's visits for mobile saw an increase of 13.11%, resulting in an overall 285.35m visits by the end of December 2015. Overall, ripper trends witnessed a usage change of +5.8% from the first 6 months to the last 6 months, emphasising the steady rise of stream ripping throughout 2015.



**Spotify maintained global market share for music streaming in 2016 but faced stiff competition from Apple Music, which grew to over 30m subscribers**

### Mobile device users a key growth sector for piracy

The growth in mobile ripping is a key insight into the longer-term stream ripping trend. MUSO's geo-data total global stream ripping visits has identified the top 10 countries where stream ripping is the most popular. Amongst them - where mobile stream ripping is the strongest - are Brazil, Turkey and Mexico. All these countries are on the cusp of achieving 50% internet penetration, alongside a quickly expanding smartphone market, and show engaged audiences. Yet due to an insufficient internet infrastructure, which may not fully support a consistent legal streaming ability and increasingly consistent 4G coverage, audiences may choose to download via ripper sites which offer them a permanent copy of their music to listen to offline.

### Telcos, YouTube key to millennial audience engagement

According to a report done by the IFPI nearly half of millennials in countries around the world are engaging with stream ripping. So creating engagement by offering even lower streaming prices of telco bundle plans may work in countries with strong 4G infrastructure as opposed to countries lacking it. After all, one of the reasons a younger audience may be attracted to ripper sites is their accessible mobile interface, giving young people the portability they desire for their music.

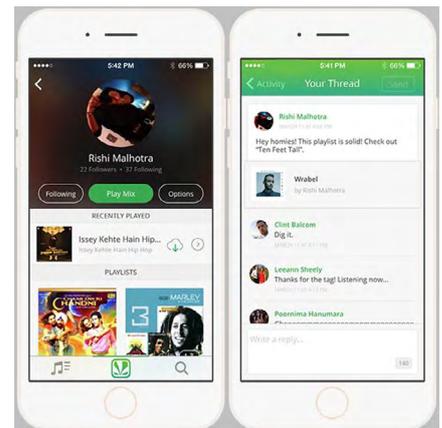
YouTube are also being lobbied. The IFPI claims that 82% of YouTube's 1.3bn users use the

service to listen to music, with only 2% of revenue being paid to the recording industry since 2008. "YouTube consistently plays down its significance as a music service, arguing among other things that the service is primarily promotional," argues David Price, from The IFPI. YouTube retorts by saying that "the average YouTube user spends an average of an hour a month consuming music, far less than a music-only platform." The European Commissions is reviewing YouTube's 'safe harbour' classification, which would open the UGC giant up to paying closer attention to its DRM.

### A bright future for (innovative) streaming platforms

As improving regional music streaming services remove limitations around choice and genre, into something imaginably new and global, the recorded music industry will be required to innovate harder and better to capture the biggest and most engaged audience it can.

Data from MUSO's Retune platform indicates music audiences are willing to engage, with up to 10% of the piracy market on average reconnecting to licensed content available on legal platforms locally, once disrupted. Retune's remarketing solution is also building lasting relationships with this audience, and what is absolutely certain is that this engagement with new generations of music fans will give a reborn music industry the greatest long term advantage ahead of the next piracy evolution.



**Much is expected from digital platform Saavn, with over 15m subscribers already using its Bollywood focused platform**

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