

Supplementary written evidence submitted by Amazon

Mr Julian Knight MP, Digital, Culture, Media and Sport Committee
House of Commons
SW1A 0AA

29 March 2021

Dear Mr Knight,

Thank you for inviting Amazon to provide evidence as part of your Committee's ongoing inquiry into the economics of music streaming. Amazon Music's Director of International Paul Firth has asked that I follow up on his behalf.

We hope you found our evidence useful and informative and we are keen to watch how the inquiry progresses. During the session Paul agreed to follow up on a couple of specific questions in writing.

Customers across our music services

Amazon provides a number of different subscription options that music fans can choose from. Our customers can enjoy access to Prime Music as part of their Prime subscription, which provides access to over 2 million songs; and subscribe to Amazon Music Unlimited, which provides customers with unlimited access to over 70 million songs.

That said, our Amazon Music Unlimited subscriber base and number of active Prime Music listeners' changes constantly throughout the year. One example of this is that we tend to see greater levels of engagement from our Prime Music customers across holidays such as Christmas.

Amazon Music also provides an ad-supported free service, which arrived in the UK in 2019. The majority of our customers haven't reached a full year in the service yet, so it is difficult to provide an accurate number for how many of our customers upgrade to a paid-for subscription within the first year.

Revenue across subscriptions

Both Amazon Music Unlimited and the Amazon Music ad-supported service are primarily licensed via a revenue share model. Prime Music is a unique service, with no direct comparison within the UK Market segment. Due to its unique nature we consider the licensing model behind Prime Music to be confidential, although we can confirm that it is a different licensing model to Amazon Music Unlimited. Prime Music supports the overall music market segment and helps bring new users, and additional revenue, into the music streaming industry.

We hope this information is helpful to your ongoing inquiry. The inquiry has raised a number of important issues and we are keen to continue to build a constructive dialogue on these issues with your Committee. We also wanted to extend an invitation for you and the other members to visit Amazon's UK Head Office in Shoreditch, home to our UK music team, so you can meet more of our team in person. We would be delighted to arrange a tour over the coming months (COVID circumstances permitting).

Best wishes, Anna

Anna Hatfield | Public Policy UK & Ireland | Amazon