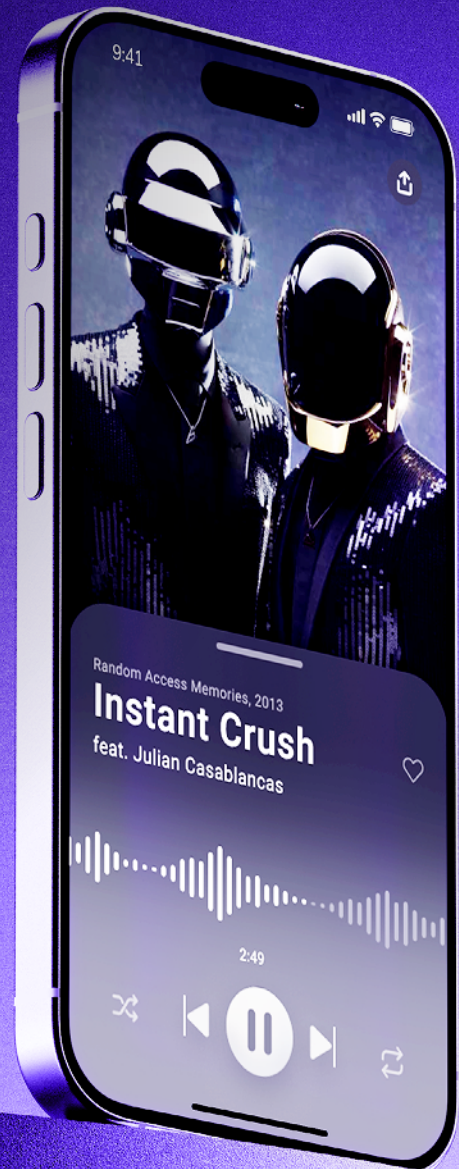


Soundscapes of 2026

Music market
reshuffles
and the
opportunities
they bring



A concise guide to the trends
redefining the music industry

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About Miquido

Miquido is a **Google Certified Agency** specializing in **AI, mobile application, and music software development**. For over **12 years**, Miquido has successfully created over **250 digital products** for top names like **Warner Recorded Music, Dolby, and Abbey Road Studios**, demonstrating profound expertise and commitment to pushing the boundaries of technology and creativity.

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Soundscape fracture: Navigating the music industry's paradigm shift

The music industry is going through a massive change. We are moving past the simple, passive streaming era. User loyalty is dissolving. Traditional royalty streams are unstable.

A crucial shift is happening in how listeners think about music. Old monopolies are breaking down, and the entire market is being reshuffled.

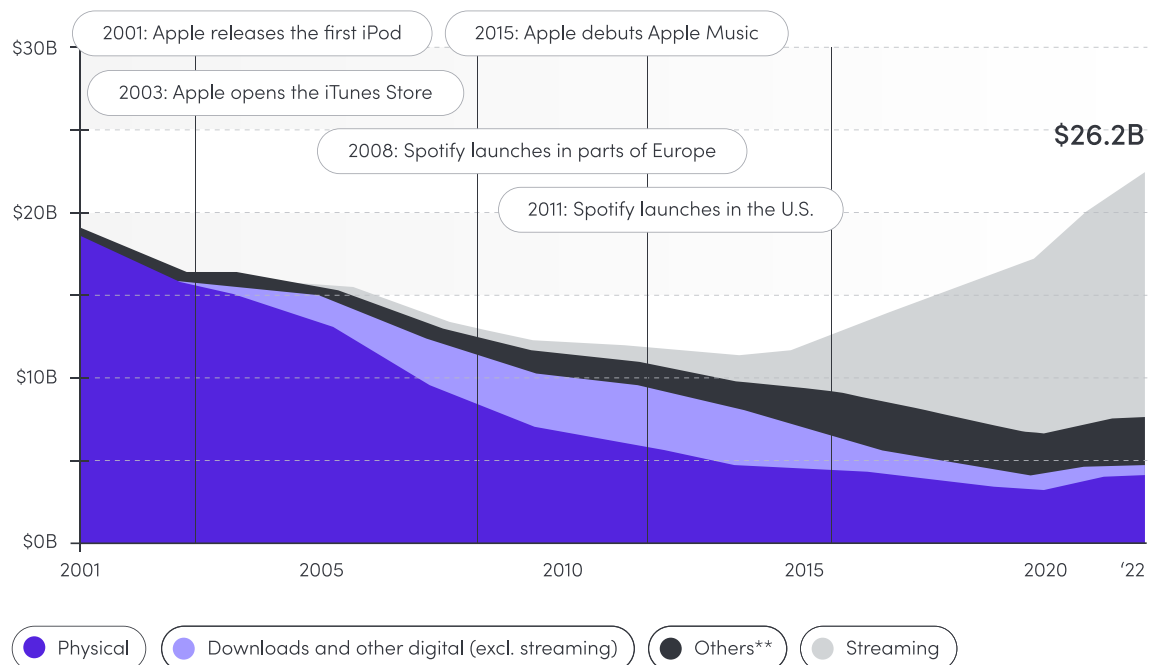
While it may feel like a shaky ground, it's also a huge opportunity. This is the time to rewrite the soundscape, finally ready for real innovation after years of steady course. It will reward visionaries who dare to build a more equitable and engaging future for artists and fans alike.

Are users and artists demanding change? **Absolutely.**

Is your idea ready for this spotlight?

Streaming drives global music industry resurgence

Global recorded music industry revenues (in billion U.S. dollars)*



* not adjusted for inflation ** includes performance rights and synchronization revenues

Source: IFPI



Trend: Subscriber attrition risk

A 2021 YouGov survey for the #BrokenRecord campaign showed that 77% of UK music fans believe artists are underpaid by streaming. This proves the public widely supports fairer models.

(Source: YouGov/The Guardian, 2021) ¹¹



Hegemon under scrutiny

Spotify still leads the world, holding a 31.7% share of subscribers. But this dominance is starting to shake. Many users are now actively looking for something else.

Two factors fuel this exodus:

- **Investment criticism:** Hegemons' capital is being spent on ventures that many feel don't add core value to music.
- **Artist criticism:** There is increasingly strong and vocal pushback against the opaque and unfair pro-rata payment model.

Rising price vs. perceived value conflict

Streaming giants will continue to raise subscription prices due to rising licensing costs and the mandate for profitability. But this business necessity creates a critical weakness: Subscription Fatigue.

The core industry challenge is simple: how do you justify price hikes while keeping quality and value high? Consumers are already juggling many subscriptions. They will quickly cancel services that don't offer clear, superior, and personalized value.

Subscription fatigue leads to the super app horizon

We are also seeing fatigue from too many separate apps. **Super-apps are gaining momentum.** Right now, this trend is strongest in e-commerce and fintech, but it will reach music soon. Spotify is already a mix of entertainment hub and social media. It includes video, lyrics, concert planning, commenting features, and, most recently, even audiobooks.



Trend: The synthetic influx

The proportion of fully AI-generated tracks has tripled since January 2025, reaching a staggering 34% of all daily music uploads to streaming platforms (according to Deezer data).

(Source: Sky News / Deezer, November 2025) ^[2]



AI content dilution crisis in artist payouts

The problem is compounded by AI. The traditional “side-hustle” for smaller artists—creating commissioned music for platform-curated background playlists—is no longer viable. Platforms are now generating this music internally using AI tools.

The Impact:

- This AI music (from which only the platforms profit) enters the overall royalty pool.
- It further **dilutes and disperses legitimate artists’ income** under the pro rata model, making meaningful earnings nearly impossible for emerging acts.

By 2028:

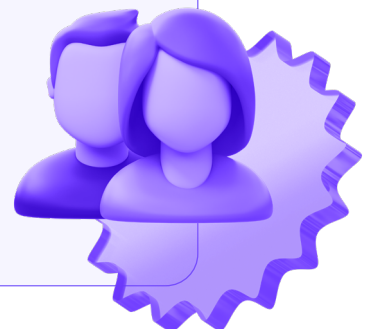
20% of music streaming platforms’ revenues will come from AI music	~60% of music libraries’ revenues will come from AI music	24% income loss for music sector workers due to AI	top-40 pop songs will be AI generated
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Source: [CISAC, 2024](#) ^[3], McKinsey’s Creative Disruption report, 2018 ^[4]

Trend: Consumer-driven ethics

Research shows that 44% of music superfans (the most valuable segment) report having taken out a streaming subscription purely to support their favorite artists, confirming that ethics drive monetization.

(Source: Luminare / Goldman Sachs, 2023) ^[5]



Conscious listener: Hyper-segmentation and the rise of ethical platforms

Listeners are no longer passive consumers. They are increasingly aware that the monetization model multiplies the income of the biggest players while **preventing smaller artists from earning meaningfully**. For many, this is motivation enough to abandon established platforms.

In consequence, we see the rise of niche competition:

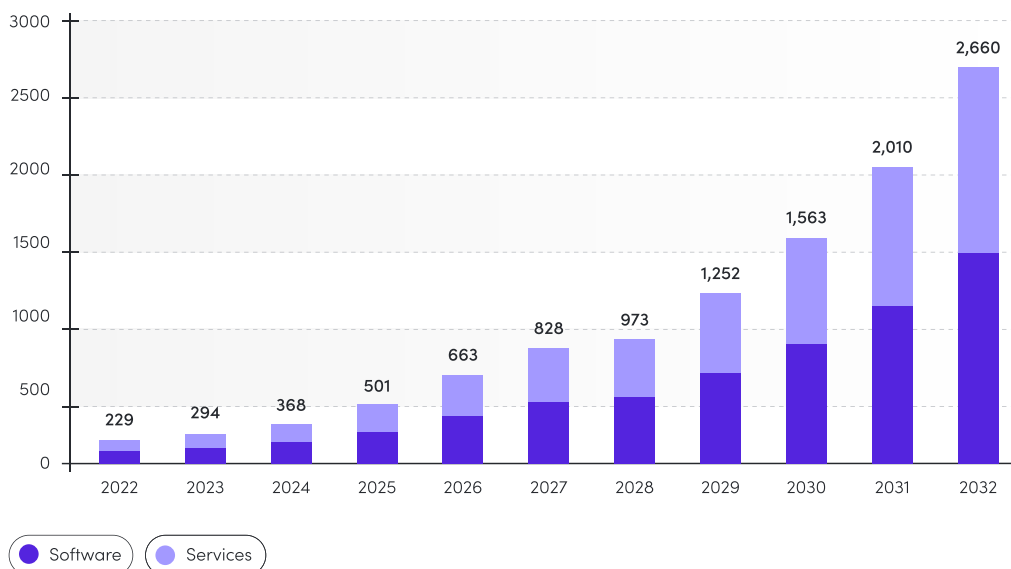
- **Deezer, Qobuz:** Gaining strength by positioning themselves as ethical alternatives.
- **Subvert:** Pioneering new concepts like collective ownership and cooperative streaming models.

The market's center of gravity is shifting. The old model of a centralized, winner-take-all monopoly is failing. This means the barrier to entry for new, ethical, and innovative platforms is lower than it has been in a decade.

The time to build is now.

Global Generative AI in music market

Size, by component, 2022-2032 (USD Million)



The market will grow at the CAGR of:

28.6%

The forecasted market size for 2032 in USD:

\$2660M

Source: Market US (2023)



Opportunity spotlights

New product concepts

The decentralization of the market creates space for highly targeted tools and alternative streaming services.

1. **Direct payout engine (B2B SaaS):** A white-label back-end module for UCPS/ACPS royalty distribution. This allows any new player to launch an ethical platform without building the complex payment logic from scratch
2. **Hybrid experience app (B2C):** A mobile app that integrates streaming history with **local event discovery** and **NFT/tokenized fan perks**, seamlessly blending online listening data with offline engagement (e.g., automatically unlocking VIP access based on listening loyalty).
3. **Authenticity validator (B2B API):** An API that provides human-made music verification (Non-AI Streaming Guarantee), crucial for niche platforms focusing on indie/organic content.

The music super app

Such an app would expand on what Spotify currently offers and truly integrate experiences. Imagine a single app that combines integrated ticketing and merch, a community hub and educational content like masterclasses,

1. **Integrated ticketing & Merch:** Buying concert tickets, vinyl, and exclusive drops right from the artist's profile.
2. **Community hub:** Full social media functionality (stories, direct messaging with artists, fan groups) that is directly linked to the music library.
3. **Educational content:** Access to masterclasses, behind-the-scenes documentaries, and production tutorials from top artists (similar to a MasterClass integration).

The unified, high-value package does not exist so far. Users would value a single destination that manages their listening, social connection, and fan transactions without forcing them to jump between 5 different apps (Spotify, Instagram, Ticketmaster, Patreon, Discord). This integrated experience is the gap.



Player reshuffle: Spotify's pivot to profitability amidst structural weakness

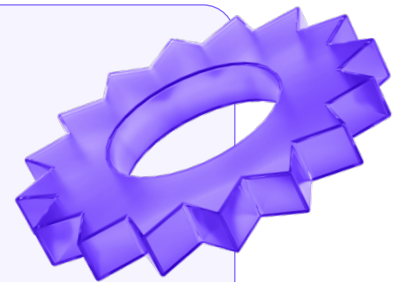
Spotify recently achieved a major milestone: its first-ever annual net profit in 2024. This, alongside internal restructuring, proves it is a mature, profitable public company. Numerically, Spotify's market lead is stronger than ever. However, the cracks in market sentiment towards it are becoming more and more visible.

While financially successful, Spotify has prioritized **operational efficiency over community goodwill**, creating a vacuum for competitors focusing on artist-first values.

Trend: Efficiency vs. sentiment

In Q2 2024, Spotify reported an Operating Income of €266 million, achieving a 7.0% operating margin. This marked a significant shift toward record profitability, validating the focus on efficiency measures.

(Source: Spotify Q2 2024 Shareholder Deck) ^[6]



Asset devaluation: The erosion of niche platform independence (Bandcamp & Tidal)

Key niche platforms, once champions of independent artists, have lost their autonomy, leading to a crisis in their original models:

- **Bandcamp (Pivot to B2B):** After two acquisitions in 18 months and a 50% staff reduction, it is transforming from a D2F (Direct-to-Fan) community platform into a B2B music licensing tool.
- **Tidal (Pivot to FinTech):** Following its acquisition, it is being deliberately restructured from a Hi-Fi streaming service into an artist FinTech platform, eliminating key B2C marketing functions.
- **Deezer's counter-strategy:** As a marginal player (1.3%), Deezer wisely avoids direct conflict. It positioned itself as the "ethical" alternative by pioneering the ACPS (Artist-Centric Payment System) and is on track for operational profitability in 2025.

According to Forbes' 2026 music industry analysis, indie-focused streaming services are emerging to fill the void left by compromised platforms. New entrants like Vocana offering artists direct access to fan email data and user-centric royalty models—capabilities the major streaming services deliberately withhold – validating the market gap created by the erosion of independent platforms like Bandcamp (Forbes, 2026) ^[7].



Trend: Niche market erosion

The acquisition and restructuring of Bandcamp resulted in a 50% staff reduction. This signals the collapse of its independent D2F model under corporate pressure and confirms a market consolidation risk.

(Source: Music Business Worldwide / WIN, 2023-2024) ^[8]



Loyalty multiplier: Unlocking the Superfan Monetization engine

The concept of Superfan Monetization is not new, but the mechanisms are evolving rapidly. Soon, every dedicated fan may play a vital part in the artist's financial score.

- Twenty years ago, a music subscription was unthinkable.
- Ten years ago, a journalist supported solely by fan donations was niche.
- **Today, Superfan Monetization is moving from a niche concept to a mainstream reality.**

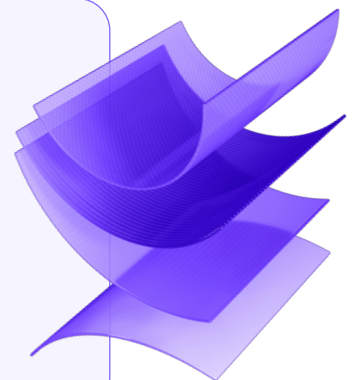
Why? Because with the dilution of streaming revenue, direct fan support is becoming the most reliable path to sustainability for artists.

In IFPI's Global Music Report 2026 ^[9], IFPI CEO Victoria Oakley explicitly stated: 'Superfans have really cemented their position as a key component of the global music landscape', directly linking physical format resurgence (+8% YoY, vinyl +13.7%) to superfan demand for tangible experiences.

Trend: Engagement-driven pricing power

A Duke University empirical study on music streaming loyalty found that users are willing to pay at least \$14.40/month – 44% above the then-standard \$9.99 price – for platforms offering superior personalization, social, and algorithmic features, demonstrating that high-engagement 'superfans' assign measurable premium value to user-centric platform experiences.

(Source: Duke Journal of Economics – User Loyalty and Willingness to Pay for Music Streaming) ^[10]



Opportunity spotlight

High-value fan tools

The decentralization of the market creates space for highly targeted tools and alternative streaming services.

1. **Artist loyalty SaaS (B2B):** A comprehensive platform enabling artists to launch multi-tiered subscriptions, exclusive content vaults, and personalized reward pathways (similar to Weverse, but white-label for Western artists).
2. **Digital/physical merch platform (B2C/D2C):** A dynamic e-commerce integration that links digital purchases (NFTs, digital albums) to physical fan experiences, merchandise drops, and private event access using token-gating technology.
3. **Fan-powered discovery engine (B2C/B2B):** A recommendation engine that ranks music based on direct financial support (purchases, tips) rather than just stream volume, rewarding true loyalty

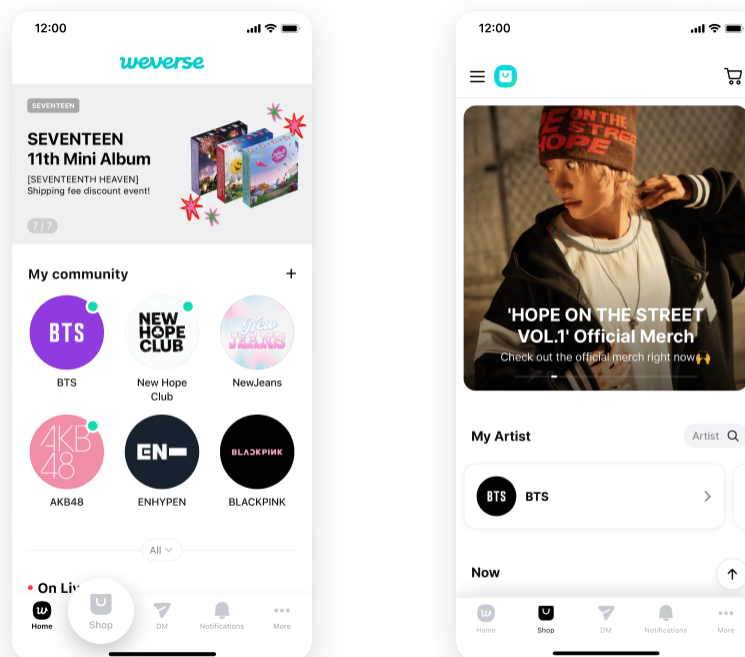


Weverse and the gated community model: Blueprint for hyper-engagement

K-Pop has perfected Superfan Monetization. The Weverse application is a prime example of a successful, closed-loop loyalty economy.

The model:

- **Gated community:** Offers direct communication channels between artists (e.g., BTS) and fans.
- **Exclusive access:** Provides exclusive merch drops, early ticket access, and paid “Membership Kits” that fans renew annually.
- **Result:** It transforms passive listening into active, measurable, and highly profitable engagement.



Source: Weverse [1]

Potential market gap

There is no universal, white-label SaaS tool that allows non-K-Pop artists and labels to easily build and manage similar, high-value gated communities and hyper-engagement models.



Authenticity deficit: Listener backlash against synthetic music

Users have been listening to AI-generated tracks, often without knowing it. Music absorption moved from albums to platform-curated playlists, making it even easier to sneak synthetic tracks. But this has created a growing feeling of being cheated.

The consumer demand is clear: listeners want transparency. They want to know which content is human-made and which is synthetic to make conscious choices. Most mainstream platforms currently do not provide this critical distinction.

Cringe threshold: When AI music breaks immersion

The novelty of AI-generated content is fading. It's being replaced by fatigue and skepticism.

- **The velvet sundown:** This fictional, AI-created band was subtly placed on streaming platforms. It highlighted how easily listeners can be deceived, fueling public distrust.
- **The cringe factor:** Just like farms of generic content are tiring users on social media, the same fatigue is hitting the music world. When global superstars speak out, the shift is undeniable.
- **Manifesto:** Superstar Rosalia publicly spoke out against the rise of AI music, lending major cultural weight to the anti-synthetic movement.



The Velvet Sundown's visual identity before and after the AI controversy storm,
Source: Euronews



Trend: The demand for human verification

An IFPI report found that 79% of music fans believe human creativity remains the key to music creation, and 73% support the need for clear information about the music used by AI systems.

(Source: IFPI Engaging with Music Report, 2023) ^[2]



Opportunity spotlight

Trust and transparency tech

The need for verifiable authenticity creates a demand for specialized content identification and verification services.

1. **AI watermark detector (B2B API):** A specialized tool/API for streaming services and distributors that automatically scans new uploads to detect AI-generated elements and flag them, offering a “Verified Human” badge option.
2. **Artist rights registry (Blockchain/Database):** A secure, transparent ledger allowing creators to register their voice and style profiles, instantly flagging unauthorized AI cloning attempts across distribution channels.
3. **Audience-powered curation platform (B2C):** A new streaming experience where listeners can filter content based on “Human Verification Score” and contribute to community-driven moderation of questionable synthetic content.
4. **Causal attribution royalty engine (B2B Platform):** A system that traces a generated track back to its specific copyrighted training data, calculating a **fractional royalty** for the original rights holders for every stream or commercial use of the AI-generated output.



Soundscape reimaged: Immersive audio & 5G as the next premium gap

While the industry debates business models, a powerful, consumer-driven technical trend is redefining the listening experience: Immersive Audio. This is no longer a niche for audiophiles; it could be the next standard for premium consumption, made possible by next-generation connectivity.

Spatial audio and 3D sound technologies, like Dolby Atmos Music and Sony 360 Reality Audio, are changing the way we perceive music. Traditional stereo audio confines sound to a two-dimensional plane, but spatial audio breaks these boundaries, creating a three-dimensional soundscape.

Patrycja Pałucka

Music & Entertainment Delivery Manager @Miquido

Trend: Immersive audio scaling curve

Spatial Audio AI revenues are forecast to jump from ~\$1.9 billion in 2025 to over \$5.5 billion by 2029 – a 29% CAGR – with GPU acceleration cutting render latency below 10 milliseconds and 150+ car models already shipping with Dolby spatial systems.

(Source: ResearchAndMarkets data cited by AI CERTs, 2026) ^[1]



This shift creates a crucial, untapped market for hardware, software, and content creation tools.

Enabler	Impact in 2026	Opportunity Gap
5G Connectivity	Provides the high bandwidth and low latency required for lossless , interruption-free streaming of massive spatial audio files and high-definition virtual concerts.	5G is up to 100x faster than 4G. This opens gaps for live, real-time spatial mixing tools and streaming infrastructure optimized for near-instant data transfer.
Spatial Computing	Devices like the Apple Vision Pro are proving that the listening experience is moving beyond the screen, using dynamic head tracking and audio ray tracing to create a captivating 360-degree auditory environment.	A massive gap exists for Spatial Audio Content Management Systems (CMS) and development tools that help artists and labels produce and manage immersive-native content outside of proprietary platform ecosystems.
Voice Command	Seamless integration of voice-activated systems (smart speakers, car consoles) is making consumption highly contextual, playing music to match mood, time, or specific activities.	AI-driven contextual playlist APIs that leverage time, location, and weather data to create dynamic "lifestyle soundscapes" for B2B integrators (e.g., smart home companies, fitness apps).



Pro-rata inequity: deconstructing the flawed royalty distribution mechanism

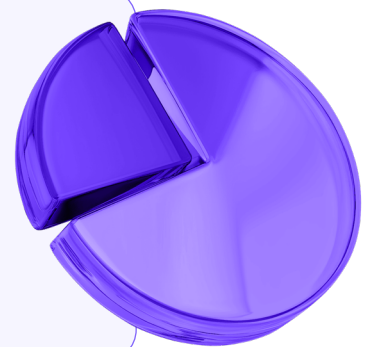
The Pro-Rata model is no longer seen as the only viable option. Listeners understand its fundamental flaw and want to support the artists who suffer because of it.

The mechanism of inequality? All subscription money goes into one large pool. The total pool is then distributed proportionally based on the overall stream count across the entire platform. This mechanism inherently multiplies the income of the biggest artists and massively dilutes the income for smaller, independent creators.

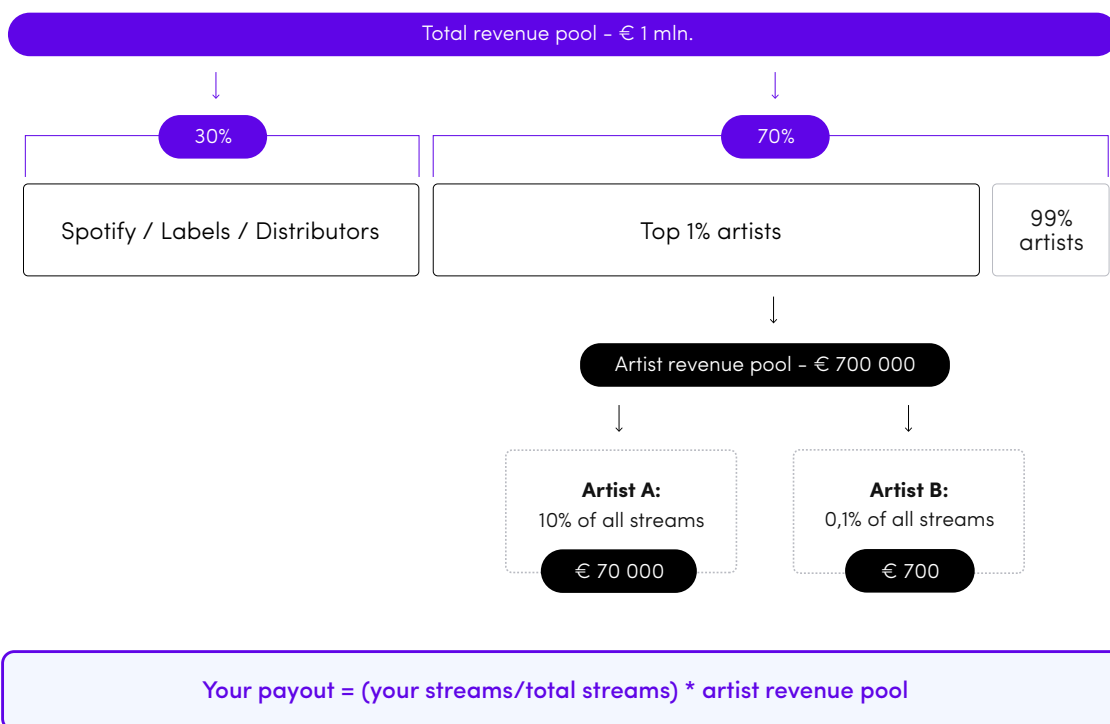
Trend: wealth concentration

The average payout on dominant streaming platforms is roughly \$0.00318 per stream. This minuscule figure illustrates how the Pro-Rata model concentrates massive earnings among the few high-volume artists, making meaningful returns impossible for the majority.

(Source: VIRPP/Industry Average Payouts, 2024) [14]



Spotify pro-rata payout system explained



A ScienceDirect-published study (2024) ^[15] analyzed 890 million streams from 154,505 users on a leading French platform and found that the dominant pro-rata payment model systematically disadvantages niche and independent artists, while user-centric and artist-centric alternatives would materially redistribute revenues – validating the structural inequity subscribers are reacting to.

Future model: Activating user-centric payouts for ecosystem health

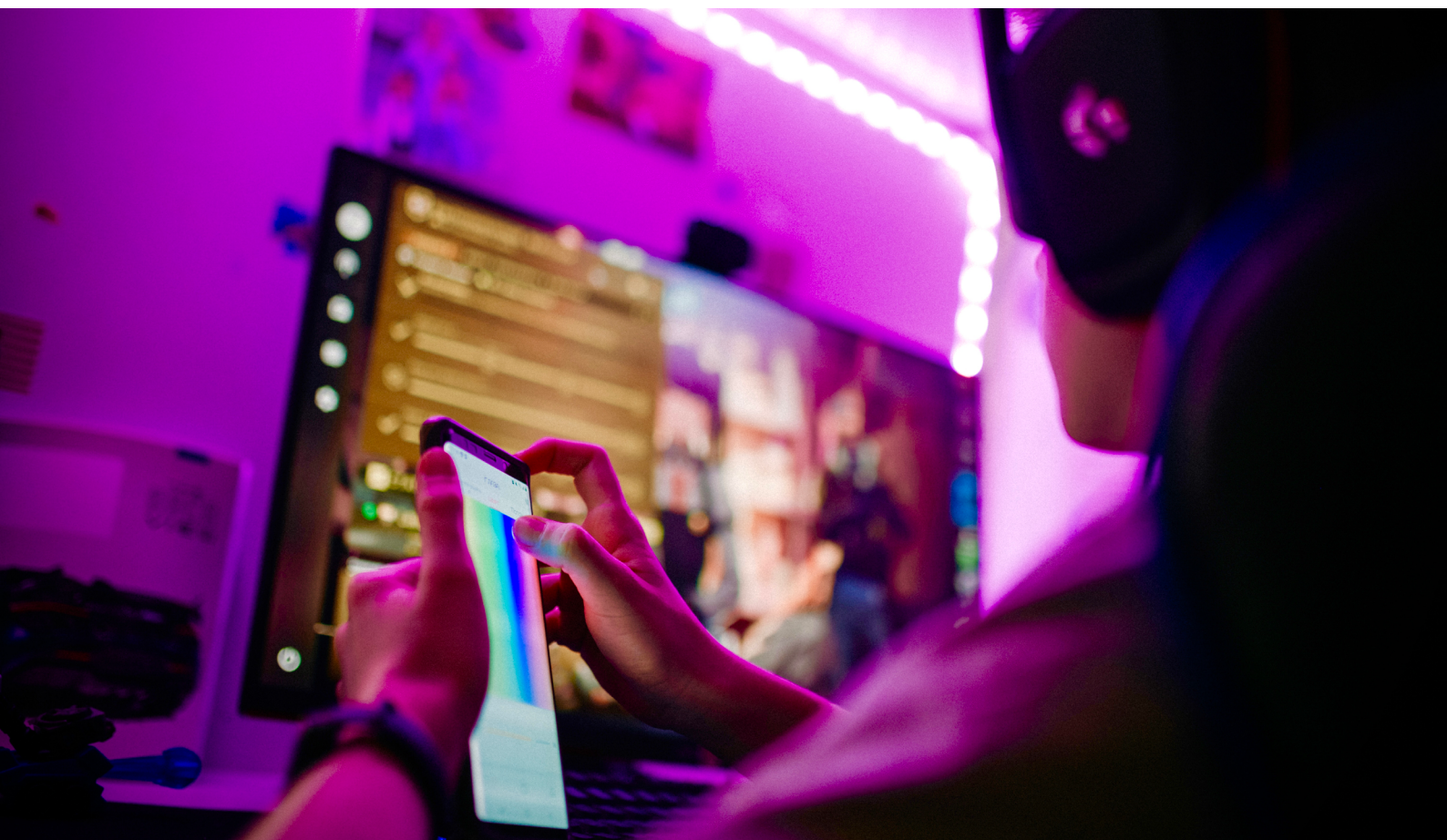
The solution is the User-Centric Payment System (UCPS), where:

- **Your subscription money goes only to the artists you actually listened to that month.**
- This model is fundamentally fairer, transparent, and directly supports the communities listeners care about.
- It is not just an ethical choice; it is a strategy for creating a more sustainable and diverse music ecosystem.

Trend: Payout improvement

Under Deezer's ACPS, streams from "professional" artists (meeting the 1,000 streams/500 unique listeners threshold) receive double the remuneration per stream, directly benefiting mid-tier creators with engaged fanbases.

(Source: Deezer Artist Compensation, 2025) ^[16]



Opportunity spotlight

FinTech for artists

The shift to UCPS/ACPS creates demand for new financial and accounting infrastructure for streaming businesses.

1. **UCPS analytics dashboard (B2B SaaS):** A detailed analytics platform for labels/artists to visualize revenue distribution under a UCPS model, showing which individual fans generated their income—a crucial feature lacking in the Pro-Rata era.
2. **Micro-payout wallet (FinTech):** A secure, multi-currency digital wallet solution for artists designed to handle the high volume of micro-pay-outs generated by the UCPS system, minimizing transaction fees and complexity.
3. **Cooperative streaming platform (B2C):** A fully developed, user-centric streaming application built on the co-operative/collective ownership model (like Subvert), ready to scale and challenge the major players.



Final act: Capitalizing on market instability and visionary strategy

The music industry is undergoing a necessary and irreversible transformation. It is shifting toward ethics, authenticity, and direct artist-fan connection. The volatility you see today is a green light, setting the tempo for true innovation in your niche.

Your moment is now.

Inspiration is just the start. Let's talk about how to convert these industry trends into your new operational and monetization model.

Contact us →



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