

## SAR Insight & Consulting

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### **Rapid Growth Forecast for High Resolution Audio**

High resolution audio is the music industry's next focus, with a continued drive towards improving audio source material, the technologies used to access it and equipment used to play it. 'Lossless' streaming subscriptions are expected to account for almost 25% of all music subscriptions by 2020, according to a new industry report available now.

"Amazingly, the MP3 music format is 25 years old, and it still has an important part to play in today's music landscape," Peter Cooney, Principal Analyst & Director of SAR Insight & Consulting, said. "However, because it compresses the music file for easier storage and internet transfer, the music quality invariably suffers."

Relentless technological advances have seen storage media capacity continue to increase rapidly as price per GB falls, while broadband/cellular speed and coverage has increased supporting higher bandwidth and faster download speeds; paving the way for higher resolution audio.

According to the latest report from [SAR Insight & Consulting](#) ('High Resolution Audio: Creating Opportunities Across the Audio Ecosystem; State of the Industry Today and Future Market Growth') the music industry as a whole has been a little slow to embrace HRA, but the link up between the Consumer Electronics Association, The Digital Entertainment Group, Japan Audio Society and major music labels, such as Sony Music Entertainment, Universal Music Group and Warner Music Group in 2014 to define and promote high resolution audio formats through formal definitions for master quality sources, was a major step forward.

"There is a strong incentive for the music industry to drive consumer awareness and, therefore, increase interest in HRA music as this can be used to reinvigorate the download market, help increase prices for a premium product, and help to drive premium streaming services," Peter said. "Each has the potential to increase margins for the music industry."

HRA also has the support of major artists, such as the Foo Fighters who, earlier this year, teamed up with Sony Music to promote the lossless format.

However, Peter Cooney explained that the concept is not without its barriers to market.

"Consumers, particularly younger people, have become increasingly accustomed to or have grown up only listening to compressed audio," he said. "This is perhaps the most difficult hurdle to overcome for the music industry as a whole if it is to drive HRA to the mass market. It is not insurmountable but will require a big push by all parties."

These are findings from SAR Insight & Consulting's recently published study on "Multi-room Home Audio Devices and Streaming Technologies" which is published as part of its [Audio Devices, Technologies & Components Service](#).

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**Notes to editors:** SAR Insight & Consulting provides detailed quantitative and qualitative research on established and emerging technology markets across multiple end applications. [www.sarinsight.com](http://www.sarinsight.com)