

One page summary – view the full blog/deeper dive at: <http://www.cleardigitaluk.com/blog/discogs-the-digital-success-story-of-the-vinyl-revival>

Part 1: The UK music market

- 2019 was a strong year for UK music consumption, with 153.5m Album Equivalent Sales (AES), +7.5% on the prior year, and the highest this decade.
- Streaming drove this increase, with 114.2m AES streams (+26% YOY), while 28m physical albums were sold (-23% YOY).
- Despite the physical albums decline, vinyl unit sales of 4.3m continued to grow YOY (+4% in 2019) albeit growth has slowed during the last 3 years.
- Overall music industry revenues grew in line with the increased consumption, up to £1.09bn, the highest such figure since 2006, with streaming's £629m accounting for 59% of record label revenue. Physical sales now account for just 20% of music industry sales: CDs £142m and vinyl £66m.
- However, the widely reported sales of 4.3m vinyl units in 2019 hugely understates how many records customers actually bought, as it doesn't include the increasingly popular second-hand market.
- With eBay and specialist music marketplace bolstering sales from traditional vintage record shops, a further 7.7m vinyl records were bought second hand in 2019, meaning that 12m vinyl records were sold, significantly above the 4.3m reported by the BPI.
- Used records generated an additional £94m sales in 2019 above the £208m reported by the BPI, with second-hand vinyl revenue of £90m far exceeding the £66m spent on new vinyl records.

Part 2: Reviewing Discogs' recent success

- A potent mixture of Wikipedia, IMDB, eBay and Pokemon for music fans, Discogs was originally established in 2000 by Kevin Lewandoski purely to catalogue dance records but now describes itself as *“the world's foremost Database, Marketplace, and Community for music”*.
- From an initial 2200 users in its first year, Discogs now has over 7m active users and a database of over 12.6m releases listed. 400m records have been added to users' record collections, and the COVID19 lockdown has seen this spiral further, with 11.6m records added in April 2020, 65% above the usual monthly average of 7m.
- Discogs Marketplace was launched in late 2005 after customer demand and has expanded since to become a key player in the used records market, selling 14.6m records in 2019, up 34% year on year.
- Launched in 2016, the Discogs App has helped to drive user uptake and increased price visibility within the second hand record market.
- Discogs' sense of community is crucial to its success, with 500K contributors producing and editing all content for its significant database. Discogs' sense of usefulness, fun and sustainable credentials have also helped fuel its growth in recent years as an ever growing number of users move from intrigued “lurkers” to more committed collectors, buyers and sellers.