

BRIDGE REPORT

April 2026

Main challenges facing independent music businesses in the digital space

This report is a qualitative assessment to identify the pain points, barriers, and challenges faced by independent music companies in the countries examined as part of the BRIDGE project. The results help inform other aspects of the project, including capacity-building activities and resources, as well as WIN policy priorities more generally.

Key takeaways:

- Low subscription prices in emerging markets and reliance on ad-supported models result in reduced streaming payouts;
- Record labels have limited financial capacity to engage in digital marketing, invest in artist development, and scale their operations;
- Local digital distributors cannot compete with major-owned ones in an increasingly concentrated market.

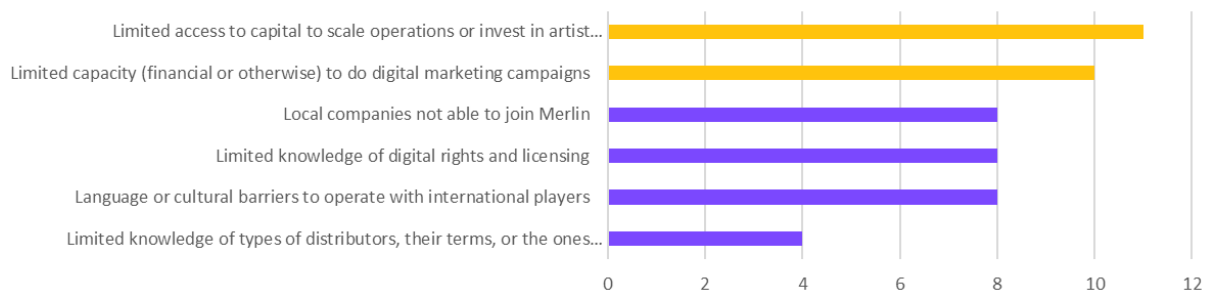
Sample: Market experts including from WIN trade associations and regional networks covering 14 markets (Japan, South Korea, India, Pakistan, Brazil, Argentina, Mexico, Colombia, Chile, Paraguay, Turkey, Saudi Arabia, Lebanon, Algeria).

General trends

- **Main challenges in relation to knowledge and/or access to the digital market**

Limited capacity (financial or otherwise) to conduct digital marketing campaigns is the main barrier in terms of access to the digital market across regions. Emerging markets also highlight limited access to capital to scale operations or invest in artist development, a challenge not mentioned by more mature markets such as Japan and South Korea.

Language barriers, limited knowledge, and companies not able to join Merlin are also cited.



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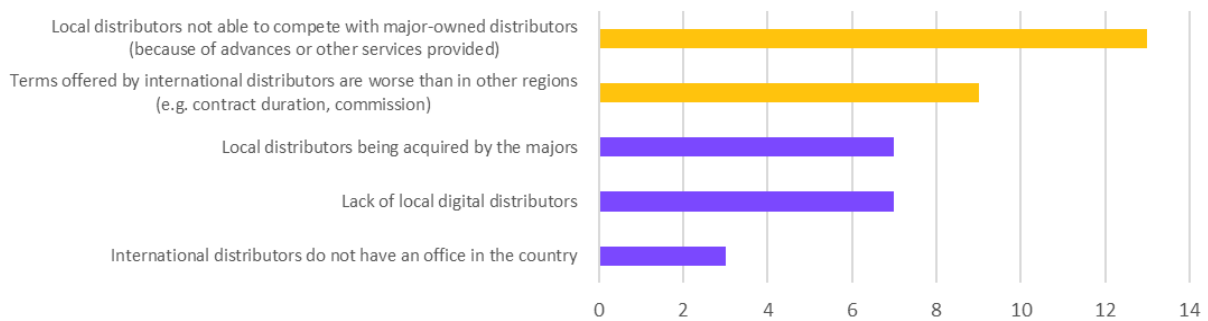
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- **Main challenges of digital distribution**

The difficulties for local digital distributors to compete with major-owned ones is flagged across regions.

Emerging markets also highlight that the terms offered by international distributors are worse compared to other regions, a challenge not cited by more mature markets, such as Japan, South Korea, and Brazil.

Local distributors being acquired by the major record companies is cited by some territories (Algeria, Argentina, Colombia, India, Lebanon, Pakistan, Saudi Arabia).

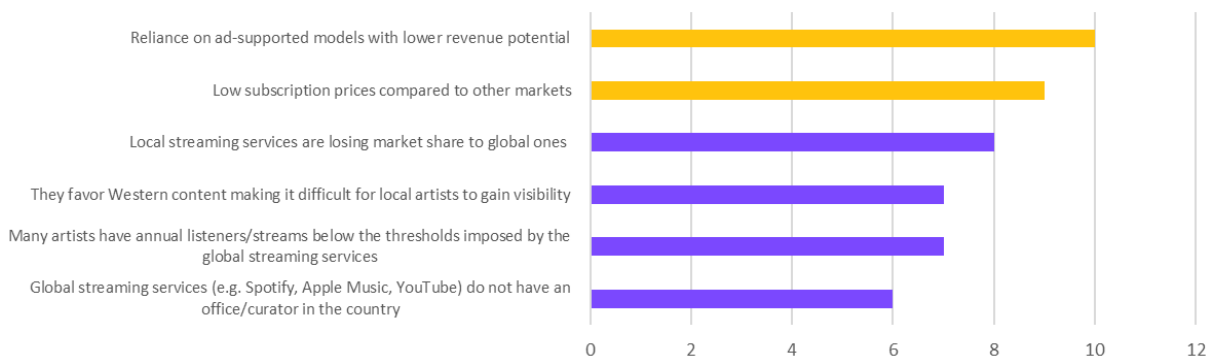


- **Main challenges in relation to streaming platforms**

Subscription models and payouts are the main challenges related to DSPs across regions, with most markets highlighting the reliance on ad-supported models.

Lower subscription prices compared to other markets is also a general concern (not mentioned by more mature markets, such as Japan and South Korea).

Many artists being below the remuneration thresholds imposed by DSPs is cited by some territories (Chile, Colombia, India, Lebanon, Mexico, Pakistan, South Korea).

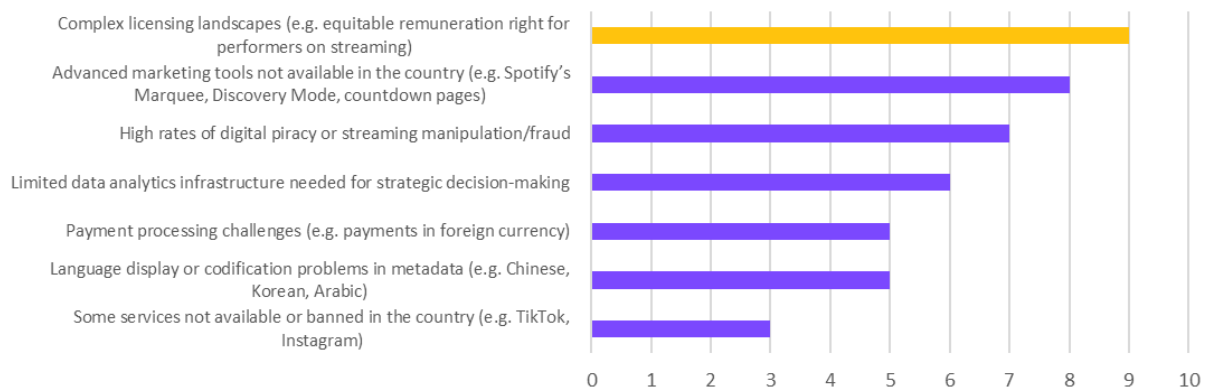


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- **Other challenges**

There is no unified picture in terms of other challenges across territories. Asian countries highlight the lack of advanced marketing tools (such as Marquee or Discovery Mode). Latin American countries underline the complexity of the local licensing landscapes (with the introduction of equitable remuneration rights on streaming in some countries). WANA companies mention both. Piracy is raised across Latin America, WANA and Pakistan.



Regional trends

- **Asia**

The limitations of local distributors to compete with major-owned ones and local streaming services losing market share to global ones are the main concerns in the region. Language or cultural barriers to operating with international players and limited capacity to carry out marketing campaigns are the main barriers to accessing the digital market. The lack of advanced marketing tools in the region is also highlighted, with Spotify's Discovery Mode being cited as an example. When it comes to streaming platforms, the main problems relate to geographic access, as global DSPs favor Western content.

- **South America**

Financing is the main barrier for accessing the digital market, with companies citing limited access to capital to expand operations, invest in artist development, or do digital marketing. Pricing is the main challenge in relation to streaming platforms, with an excessive reliance on ad-supported models and lower subscription prices compared to other markets. The inability of local distributors to compete with major-owned ones is noted, as well as the fact that the terms offered by international distributors are worse than in other regions.

- **West Asia & North Africa**

Limited access to capital and advanced marketing tools, lack of local distributors and difficulties for the existing ones to compete with major-owned competitors or being acquired by them, local streaming platforms losing market share to global ones, and complex licensing landscapes are mentioned by all the surveyed countries.

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Country-specific issues

- **Algeria:** The independent sector faces a structural knowledge and access gap, with most players lacking training on rights, licensing, and distribution models. Local companies are not part of global networks or Merlin and this isolation limits growth and competitiveness. With minimal financial capacity and access to capital, independent businesses struggle to scale.
- **Argentina:** The pricing of DSP subscriptions is a key concern, along with the problem that global distribution services have standardized their offerings without considering the diverse business cultures and financial realities of the country.
- **Brazil:** The music market is well developed, with a strong domestic scene, sophisticated infrastructure, and relatively well-funded local distributors. However, they struggle to compete with international players, and gaining traction abroad remains a major challenge.
- **Chile:** Limited industry knowledge and the lack of local distributors are main challenges. Cultural barriers hinder direct relationships with global players, while the absence of local DSPs offices limits editorial support. Other issues include the reliance on ad-supported models, persistent digital piracy, and delayed access to useful tools.
- **Colombia:** The lack of reliable local distributors, financial barriers, and limited skilled personnel are major obstacles. Streaming revenues are too low to support artist growth, fans tend to favor ad-supported platforms, useful tools often arrive later than in other regions, and marketing efforts are rarely worth the investment.
- **India:** Distribution is the key challenge. Major-owned distributors offer full support, while non-major international ones lack local presence and charge for basic tools. Some independents have been acquired by majors, and many labels remain unaware of the long-term impact of market consolidation.
- **Japan:** Language is a significant barrier for commercial partnerships and access to metadata. Management companies with successful master rights are losing autonomy as they are absorbed into major distribution platforms, which now provide label services and financial backing.
- **Lebanon:** Major labels are acquiring local distributors while international ones compete aggressively offering poor commercial terms. Payouts remain very low, and most Middle Eastern countries face restrictions on revenue from external distributors/DSPs. Only one DSP has a regional office, and issues with non-Latin characters in metadata persist.
- **Mexico:** Communication with international distributors is often challenging and deals come with unfavorable terms. DSP pricing is unsatisfactory, and it is nearly impossible to gain visibility without a strong budget, especially considering the lack oversight over AI-generated content. Chart manipulation is another concern.

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- **Pakistan:** Digital growth faces multiple interconnected systemic barriers, ranging from limited local expertise and inadequate infrastructure to inability to join Merlin, cultural barriers, dominance of international players, geographic access, and remuneration challenges.
- **Saudi Arabia:** Despite local DSP Anghami offering better terms than Spotify, its poor tech and marketing mean artists get more exposure on the latter, while boycotts and regional platform fragmentation prevent audience discovery.
- **South Korea:** Digital geo-fencing and global streaming services failing to adequately promote local music to international audiences are the main issues flagged.
- **Turkey:** Independents are sidelined by major labels and their affiliated digital distributors, who dominate the market through better access to DSPs. Local players lack financial support.