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Integr8's Advice To Music Programmers: Use Retention Rate To 'Know What Streaming Can't Tell You.'

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Giving radio programmers a better handle on which songs will endure vs. fizzle quickly was the thought behind retention rate, which Integr8 Research President Matt Bailey refers to as a “magic metric” for determining which streaming songs are hit-worthy.

“We're used to looking at different metrics over the years that don't always match what we see in callout research,” Bailey said in Integr8's recent webinar focused on how to use the retention rate formula. “Streaming has really been a very confusing metric for many programmers, because it oftentimes looks dramatically different than what you're seeing in other research tools. Yet at the same time, we know that it's the closest we've ever come to see how people are actually consuming music when they are in control of their music.”

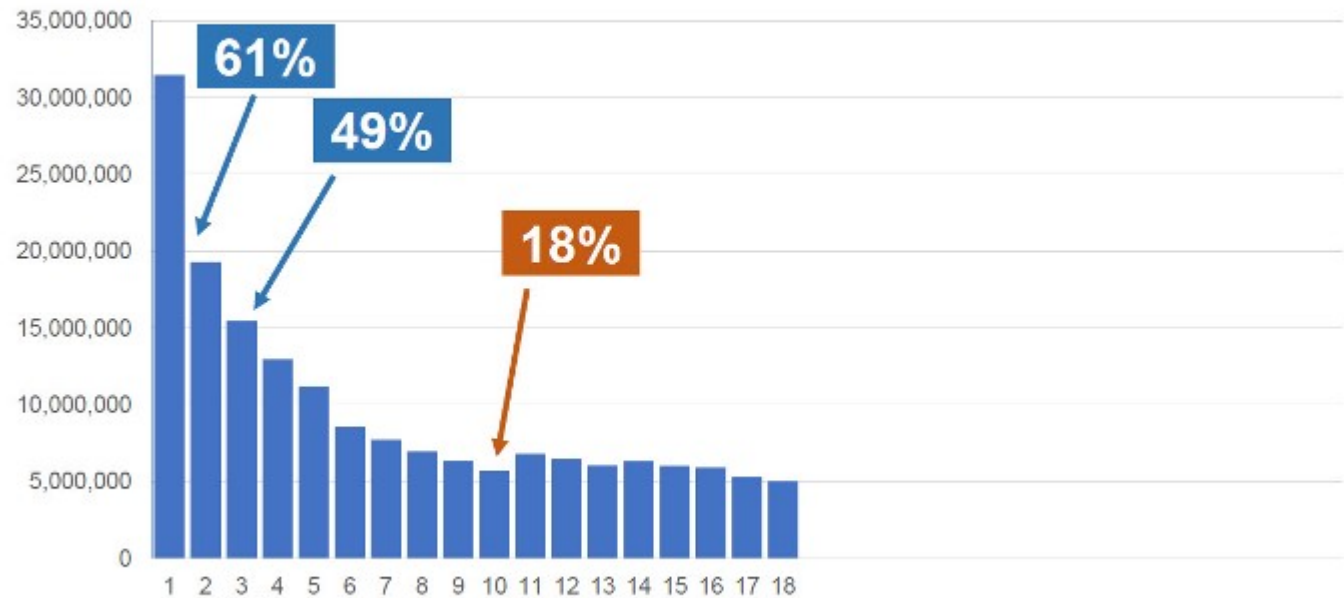
Retention rate, computed by dividing a song's weekly streams in its 10th week after peaking on Spotify by those weekly streams in its peak week, is, Bailey says, the best way to see which songs are “real hits” in streaming. “10 weeks is about when a song is reaching its stride on CHR. Don't simply look at what is big this week, look at which songs stay big - or grow - week after week.”

Key to understanding the effectiveness of retention rate, Bailey says, is understanding the difference between active and passive consumption. “Song sales back in the day were always a representation of active consumption - people who knew about the music [and] wanted to go out and buy it. It showcased people who were active fans of music. In the streaming era, we're capturing not only if you're a fan [but] how many times a song gets played. If you listen to a song over and over, or the whole album over and over, you're amplifying that act of consumption.”

It's when taking into account the degree of passive familiarity and passion for a song – whether or not a listener ever actively plays that song, or is a fan of the artist – that its hit potential more clearly comes into focus. “There are songs that are going to be huge because people are sampling them, but ultimately, they don't like them, and the number of streams are going to go down,” Bailey says, “but if you look at what's streaming from week to week, or perhaps building, in the case of songs people are still discovering, that'll give you a much better sense of which songs are going to be hits with your audience than simply looking at what's big this week.”

Taylor Swift – Anti-Hero

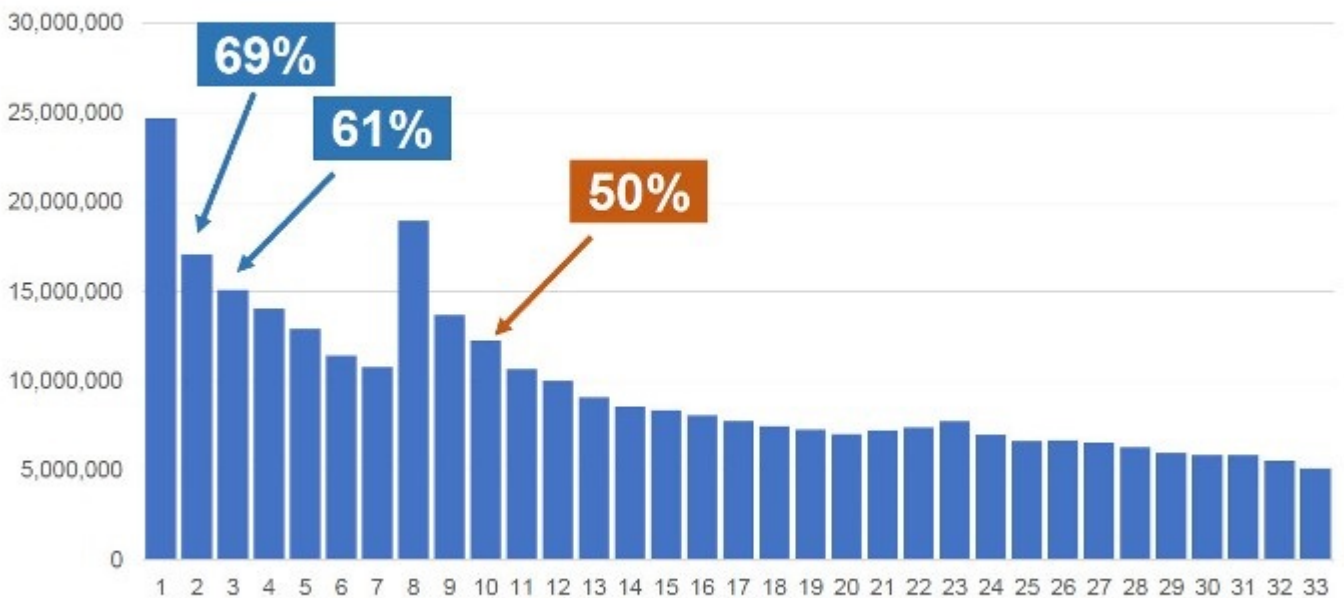
Spotify U.S. Streams by Week



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Harry Styles – As It Was

Spotify U.S. Streams by Week



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During the webinar, Bailey showed how retention rate shows how two songs with big opening weeks on Spotify – Taylor Swift's "Anti-Hero," and Harry Styles' "As It Was," in each case the lead track for each artist's forthcoming album release – took different paths in the weeks that followed. While "Anti-Hero" had a much larger debut week on Spotify, in the 10 weeks that followed, its retention rate dropped from 61% to 18%. Over the same period, the rate for "As It Was" showed a far less sharp decline, from 69% to 50%, helping to explain why nine months after its release it was still a major radio hit and in the top 10 of Billboard's Hot 100.

When using the retention rate formula, Bailey says, “Remember that streaming data measures plays, not people, which amplifies active music consumption. Know what streaming can’t tell you: listeners' level of familiarity [with a song], [whether listeners] love, like or dislike [a song], and the differences in demographics.”