

Muru Music

The AI Music Brain™ to categorise and connect music

Muru is an AI Music Technology company. The team comprises Musicologists, Data Scientists, Engineers and DJ's who have combined their diverse knowledge to create the AI Music Brain™ that will drive the future of personalised music experiences. At its very core, the AI Music Brain™ powers song categorization and a hyper-personalized music experience. It automatically categorises and tags any digital song in seconds, allowing 100% of those new songs to be instantly ready for recommendation and discovery. This also provides a unique music personalization experience.

The Challenge

At least 300,000 new songs are uploaded to the web every day. This music is uploaded to YouTube and streaming services such as Spotify, Apple Music and, Soundcloud in the hopes of being discovered. Less than 1% of that music is classified with the right genre – leaving the other 99% without the necessary information for recommendation algorithms, making it difficult for the music to be discovered.

The Music Streaming Industry

The global recorded music industry reported its third year of positive revenue growth (up 8.1% in 2018) thanks to the rapid growth in streaming music services. Apple Music and Spotify have become the music industry's biggest source of revenue overtaking physical sales of CD's and digital downloads. Streaming subscription growth is considered to be early stage and is expected to reach +1 billion users by 2030 (+890% growth). Positive indicators for the future of music streaming include the NYSE float of Spotify and a possible listing of Tencent Music Entertainment which attracts three quarters of China's music streaming market. This mass market of music consumers is expected to be addressed by a range of companies for whom music is an adjunct to their main business and who are threatened by current players. Connected Devices such as smart speakers (worth \$17B by 2022) are changing the way music is consumed and are fuelling music streaming consumption.

Muru's Business Model

Muru is a B2B and B2B2C business, licensing its proprietary technology through a SaaS model. Muru white labels its music experiences to integrate into existing consumer products and brands for whom music is an adjunct to their main business. It is also looking to address the mass market of music streaming consumers. Key sectors include smart speakers, automotive and music streaming. Muru estimates that its total addressable market will be worth more than \$50b by 2022 and it aiming to capture from 0.5% to 1% of this market within five years.

Share details

Seed funding	\$0.4m
No of shareholders	<10

Size of market

Global market expected to reach US\$14.7b by 2022. Australian music streaming segment US\$179m in 2018 growing at CAGR of 5.3% with user penetration at 27% (6.7m users). US market \$6,427m in 2018.

Upside Case

- Provides benefits for streaming services, artists, labels and users
- Supports the creation of playlists which are estimated to comprise 94% of the digital music ecosystem
- Strong growth expected for streaming services

Downside Case

- Early stage development
- User appeal may be confined to the more "professional user"
- Fast moving space

Company contacts

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