

# Background Information On The CEEMID Music Professional Survey 2019

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## 1 Overview

We are asking music professionals about their market knowledge. The term music professional refers to that fact that professional musicians often perform educational, managerial, engineering or other duties besides their artistic expression. Since most music professional work in microenterprises, or as freelancers, they usually do not participate in economic statistical surveys, and their problems remain hidden from government officials and the general public. This is why we designed a complicated, boring, but necessary individual-level survey. We want to show the economic and social conditions of music professionals. Our methodology follows US standards, first adopted by the EU for Europe, and then further adopted by CEEMID for less developed markets. You can read about our data model and methodology in the end of this document.

In the survey we are asking music professionals about their concert budgets, audience sizes, recorded repertoire, royalty income and tour destinations. The questionnaire requires attention, and a thorough reflection on the respondents' professional activities. It should not be filled out in a hurry. The answers will help collective management societies to justify higher royalties, to justify higher compensation for free home copying, and new compensation for media platforms that do not pay adequate royalties in your country in 2019.

In Hungary and Czechia, they will also help local granting agencies to provide grants that serve musicians better in the future. Hopefully other countries will join this initiative, too.

Music professionals can decide to fill out the survey anonymously or semi-anonymously. In either case, the individual answer will never be shared with anybody except with the respondent. Any statistical reports created for collective management societies, granting agencies and music export offices will not contain individual answers or any answer elements that could identify the music professional personally.

CEEMID is an independent research project which never shares your data files with ministries, collective management societies or other organizations.

You can download this information brochure in pdf, epub or Word format. The information is updated several times a week.

## 2 Examples And Preliminary Results

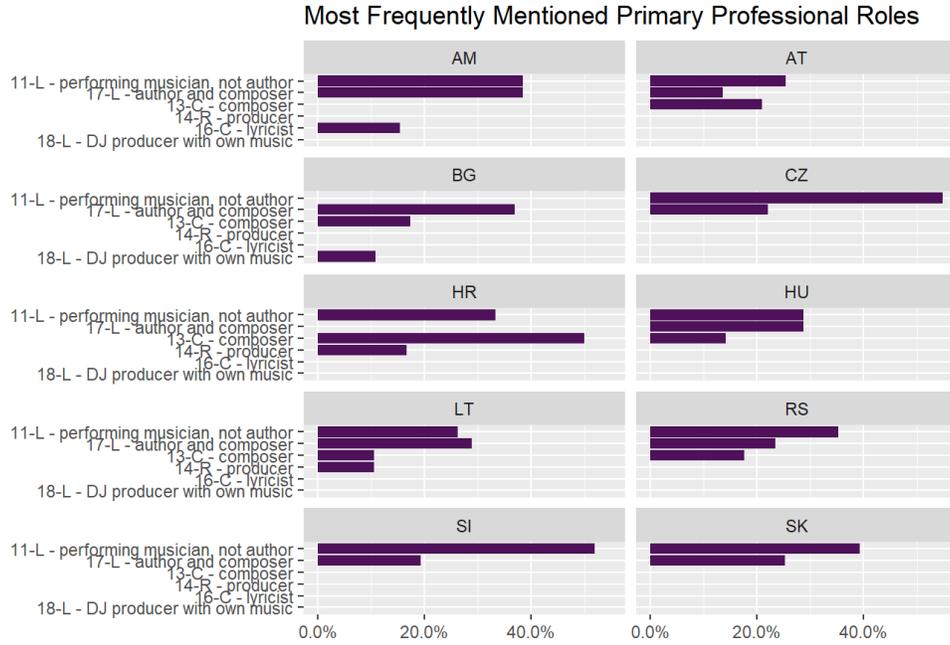
We want to avoid influencing the ongoing survey, so we are not showing important preliminary results. The aim of this chapter is to show examples of the survey's capabilities. The preliminary results are based on about 900 answers.

CEEMID mainly works with nationally representative data, and financial indicators of authors', producers' and performers' national organizations. CEEMID currently uses about 1000 indicators to help evaluate the value of rights, compensation for private copying or the value transfer, or to prepare more realistic grant calls and export promotion targets.

Our musician surveys are aimed to fill in the gaps of other existing data sources. In some countries, for example, in Hungary and Slovakia we have managed to create verified representative market surveys. In some countries it is likely that our surveys will not be fully representative, nevertheless, we believe that they provide the best information available on these markets. You can read more about our methodology

here. The first Hungarian music industry report and the Slovak music industry report contains a detailed methodology overview.

While each year we make efforts to include technicians, educators, journalists and managers in our panel, the primary targets are musicians. The composition of the most frequently mentioned primary roles in 8 countries is shown below.



CEEMID Music Professionals Survey 2019.

## 2.1 Market Data

In the 2010s very few artists can make a living from recordings or compositions. Both in the popular and the classical music scene, the most important breadwinner for musicians is the live performance.

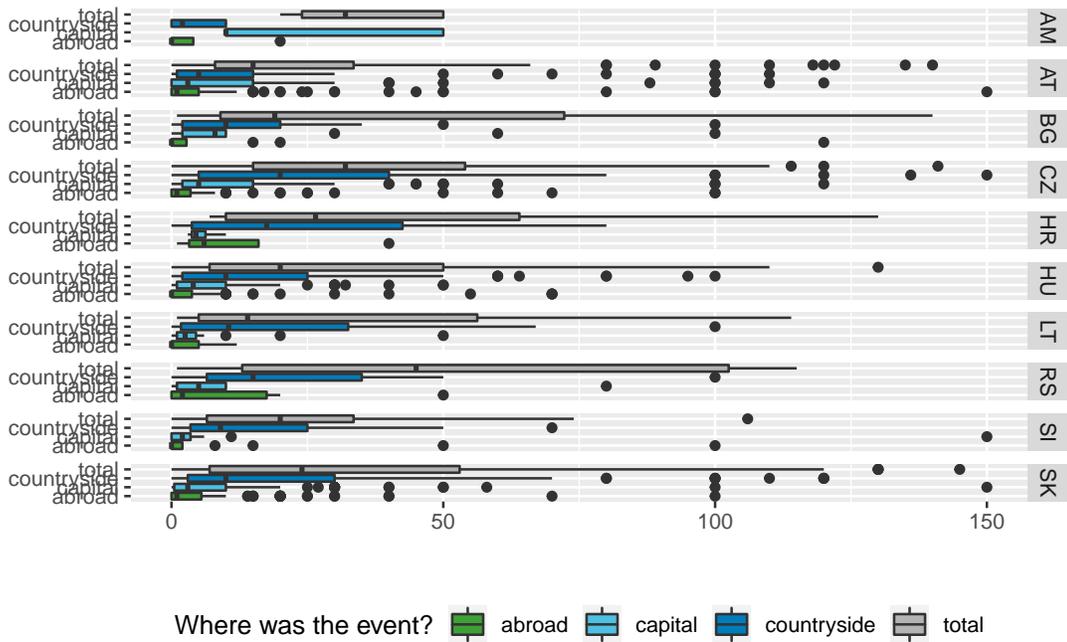
The live music business is very much labour-oriented. On small venues, 5-35 people operate a stage, in larger venues this can go up to several hundred people. As a result, organizing concerts and DJ events in high labor cost countries is getting very expensive. Small venues, typically categorized with an audience capacity of less than 500 visitors are suffering from the UK and Australia to Slovakia and Hungary.

Unlike some centralized markets, for example, the Netherlands, the CEE countries do not have a centralized ticket sale, and there is very little information available on the live music market.

### 2.1.1 Concert Opportunities

We are asking musicians, DJs, technicians and managers about the conditions of their music event markets in their capital cities, in the countryside and abroad. Some regional capitals, like Wien and Budapest dominate their national music markets, so we collect separately capital city data. In other countries, for example, in Croatia, the capital city has a less dominant role.

## Annual Paid Concert or DJ Events By Artist



The dots show artists who reported many events,  
The box shows the typical range of annual events for each country. CEEMID 2019.

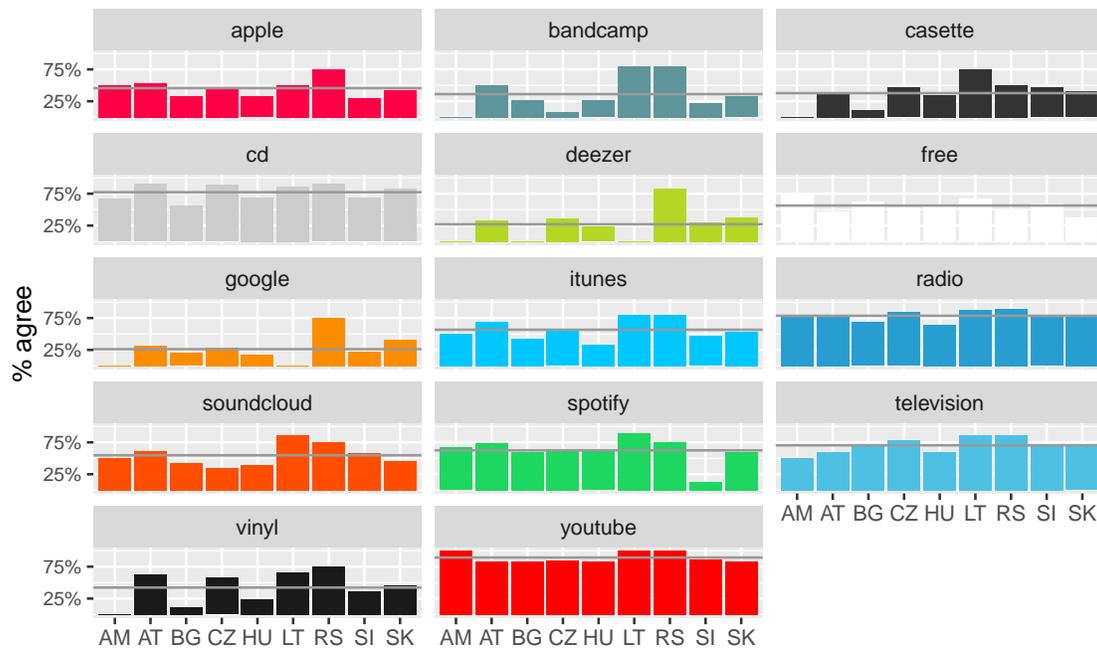
In our sample, Armenia, Bulgaria and Serbia are characterized by high number of concerts. Musicians in Austria, Hungary, Slovakia and Croatia usually play far less shows. In these countries, expected revenues and expected costs are both higher.

We will analyze concert revenues, costs, number of events in the final report.

### 2.1.2 Meeting The Audience

Musicians need to find the audience of the recording on literally hundreds of channels. Some of these channels, such a radio and television are regional or national, and they have an important local cultural gatekeeper role. Others, like YouTube, Spotify or Google Play are global.

## Where Did Your Recordings Find Their Audience Well?



CEEMID Music Professionals Survey, 2019.

While payouts on YouTube are deemed as problematic in Europe, because of its cheap and global platform, it is in every surveyed country the best channel to meet the audience. In emerging markets, where Spotify and Apple Music is not present, niche players like Bandcamp or smaller platforms like Deezer or Google Play have an important role.

Physical formats, especially vinyl and cassettes are making a comeback as high-value products. In genres where this configuration is excepted, they can contribute very significantly to the sales. However, in some countries their sales infrastructure must be rebuilt.

### 2.1.3 Other Market Data

We are collecting market information about music promotion, tour routes, recording and publishing royalties across the region. This information will be presented in the Central European Music Industry Report, and the national Slovak, Czech, Hungarian, Lithuanian reports.

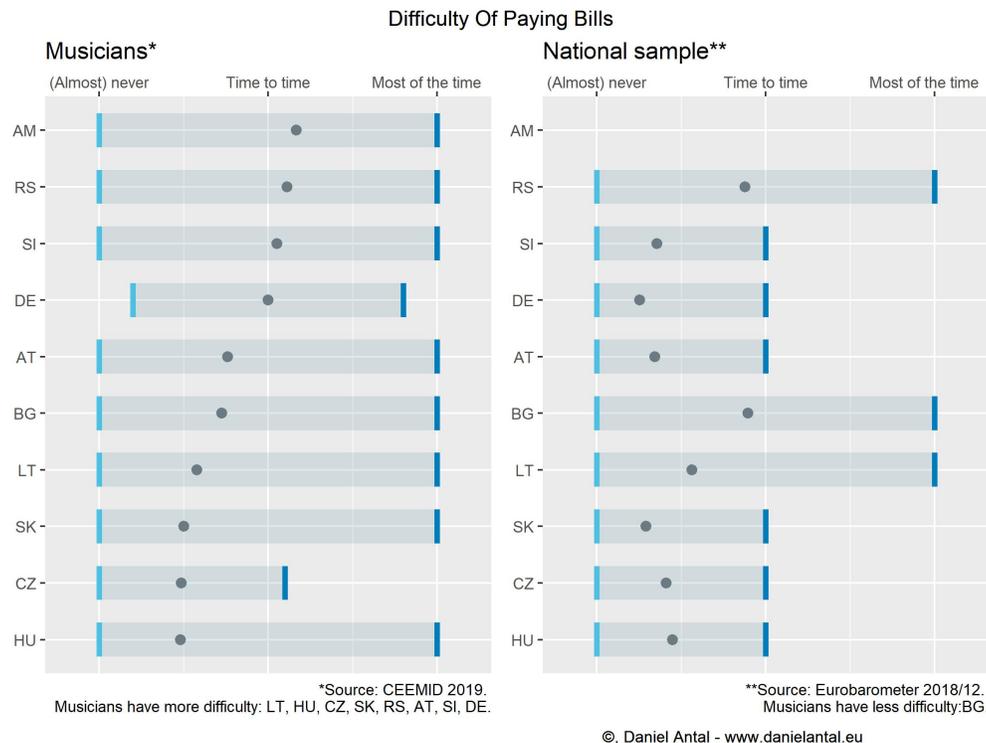
### 2.1.4 Living conditions

We are asking standard attitude questions from the musicians. These questions are asked at least twice on nationally representative samples in all EU countries, and occasionally in neighborhood countries like Serbia.

This allows us to gauge the sentiment of musicians in comparison with their colleagues in other countries, and also with other professional groups, such as office workers, doctors, managers in their own countries.

In order to get a high-level comparison among the living standards of musicians, we use the standard survey question used in Eurobarometer surveys for decades: how often have had the respondent difficulties with paying bills in the past year? This is a very good starting point because it makes comparable the rough material standards of musicians and other professional groups in the EU, irrespective of local earnings and living costs.

Musicians everywhere, including rich countries like Germany, Austria and Slovenia have more problems with paying their bills than the general population in their countries. The only seemingly different country is Bulgaria, but in this case, the self-reported difference is small, and generally Bulgarian musicians and other Bulgarian people have similarly frequent difficulties with paying their bills.



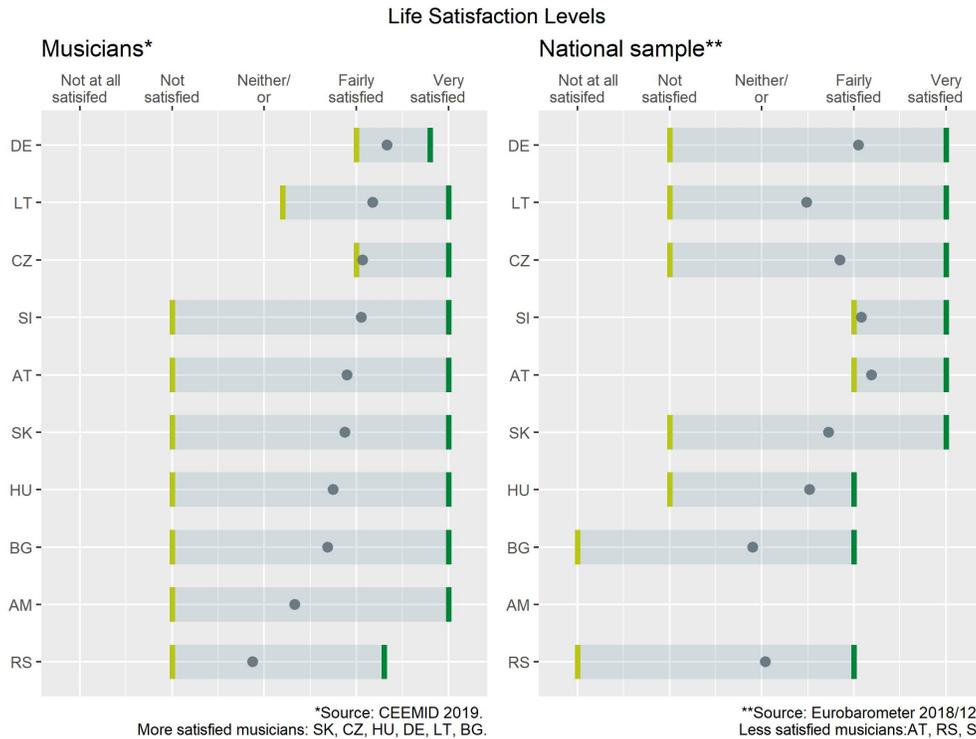
Working in an emerging economy is more stressful than in a mature economy – making ends is more difficult, risks are greater and usually rules change faster. No wonder that people generally report higher level of life satisfaction in countries where the living standards are also higher: average life satisfaction in a country is greatly influenced by national income and general health level, measured by life expectancy. However, it is also recorded since the 1970s that after reaching a certain level of living standards, life satisfaction does not increase further with economic conditions. Other factors, such as vocation, work-life balance and political factors play a role, too. Working in an emerging economy is more stressful than in a mature economy – making ends is more difficult, risks are greater and usually rules change faster.

In the emerging music business countries, it is very important to see that the musicians not only earn little money, but as freelancers their income is mainly based on live performances, peaking in the festival season and in December. This income is usually taxed at far higher rates in the CEE region than in Western Europe or in non-creative industries. Royalties, which should balance variable live performance earnings are

far lower both as a percentage of total musician income and in euro terms than in advanced markets. This is often coupled with higher taxation, too.

To avoid the bias of higher satisfaction levels in richer environments, we measure musician’s self-reported life satisfaction levels against the national averages from the 2018/11 Eurobarometer sample, scaled between the numerical values of -2 (not at all satisfied) to 2 (very satisfied).

Our comparison shows that in most of our surveyed countries, musicians are more satisfied with their lives than the average person, despite having more material difficulties. Of course, age, and other factors can contribute to this, but a vocational calling is certainly an important aspect, too. The exceptions are, interestingly, Austria and Slovenia, where the general population has a very high level of life satisfaction, and where both musicians and the general public are generally more satisfied with their lives than in the other countries. In these cases, compared to the general population, music professional are less satisfied with their lives. In Serbia our sample is too small to draw real conclusions.



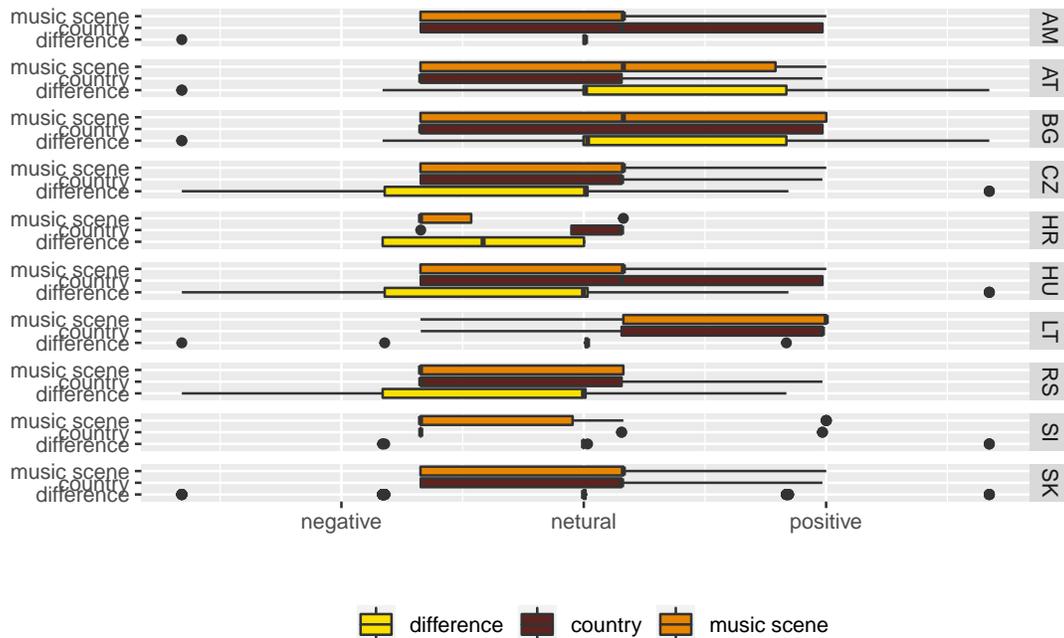
Career in music can lead to higher life satisfaction than other similarly paid jobs in Europe. However, music market stakeholders should focus on increasing the level of music professional earnings and reducing its variance within the year and over the years, because the material living conditions of musicians is significantly worse than the conditions of the general population.

*You can read a lot more about this research here.*

### 2.1.5 How Are Things Going ... ?

We asked musicians about how things are going in their country in general and in their country’s music scene. We ask both questions, because people who do not fill good in their country usually do not feel good about their professional position, either.

## How Are Things Going...?



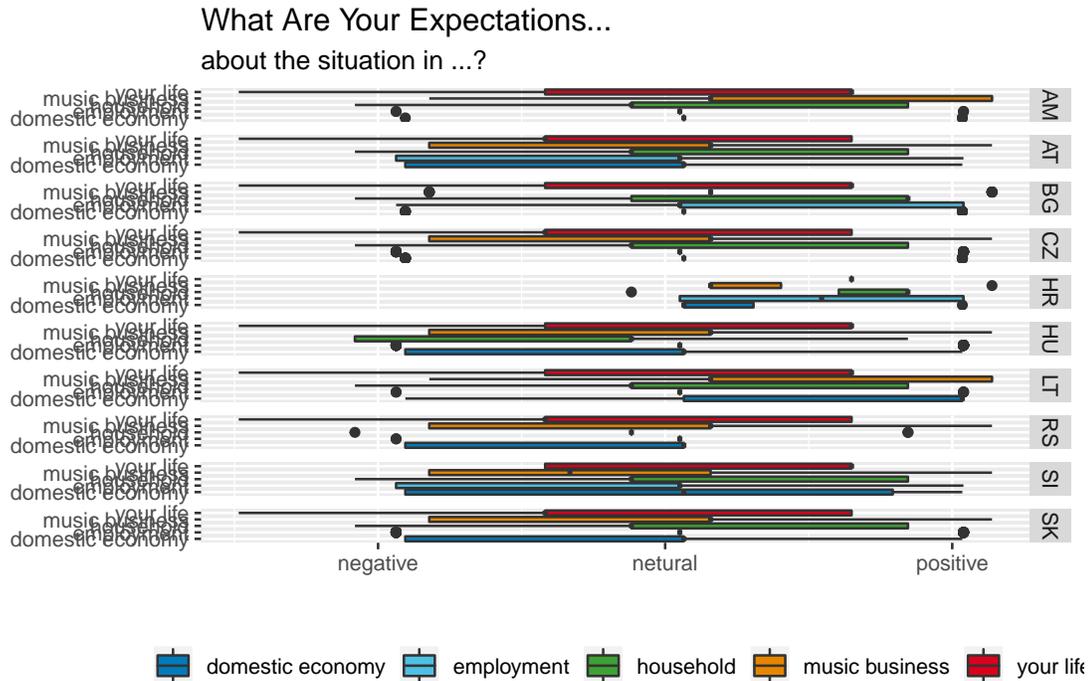
The dots show artists who reported many events.  
The box shows the typical range of annual events for each country. CEEMID 2019.

In Austria musicians usually have a more positive view about the music scene than the country in general. Our survey was conducted during a political crisis, which may negatively affect the view on the country itself – but nevertheless, Austria is the country where at least half of the musicians have a positive view about their music scene. In most countries, the musicians believe that the things in the music scene are going worse than in the country in general, except for Czechia and Slovakia, where generally musicians have a negative view on both the country and the music scene.

In Hungary, views are more polarized, firstly, because the country is extremely polarized politically, which is represented in our survey: one half of the respondent have a very positive, the others a very negative view on the country. A minority of the musicians has a positive, the majority a slightly negative view on the music scene.

In Croatia, Serbia and Armenia the musicians' view on their music scene is significantly worse than their view on their country. Armenia is a curious country, because even though this is the country where musicians are the poorest, they are significantly more optimistic than the other countries. And while in Hungary and Slovakia, at least a minority of the musicians have a positive view, Croatian and Serbian artists have a very negative view.

## 2.1.6 Expectations



The dots show artists who reported many events,  
The box shows the typical range of annual events for each country. CEEMID 2019.

The future expectations are somewhat different. While Croatian see the present rather gloomy, their expectations are positive. Armenian musicians are also very optimistic about the future. In the other countries, a minority of the musicians have positive, a majority have negative expectations about the music business. On the household, employment and domestic economic conditions views very by country. For example, Austrians and Slovaks believe that their household's position will improve, but they have a negative expectation about the music business. The Czechs seem to be most concerned about their music business, which, in the light of the political success of the Pirate Party in the country is not surprising. This is the country where musicians are the most threatened politically. In Hungary, people have negative expectations about their household situation.

## 3 When Do We See The Results?

There are three types of results that will be distributed. The results will be distributed later than originally indicated, because several countries joined the project later, and in some countries the data collection is still ongoing.

### 3.1 Individuals who asked for personal feedback

Individuals who asked for personalized feedback will receive their results as soon as the surveying is completed. Because several countries joined during the process of survey distribution, we will only distribute the results in late September.

### 3.2 Public summary data

- The first public release of a comprehensive result will be on Waves Vienna on 26-28 September where there will be room to discuss the regional results.

- In Germany on the Reeperbahn 18-21 September 2019 a special introduction about CEEMID and Germany where all interested parties are welcome for consultation.
- In Poland, on 1-2 October on the 4th Music Export Poland Conference the Polish data will be presented with some regional comparison.
- In Czechia, on Nouvelle Prague, 8-9 November the Czech data will be presented and we will demonstrate the use of data for individual artist.
- In Hungary, on the Budapest Showcase Hub, 15 November 2019, the Hungarian data will be compared with the region.
- In Armenia, on the next Yerevan Music Week, we will release the data with the first Armenian Music Report.

### 3.3 Institutional data

Institutions do not receive full datasets, only data that do not contain individual institution and is necessary for their granting, collective management, music export promotion or other relevant work. Partners receive data for their countries as necessary.

## 4 Artists released on Spotify

Artists who have at least one commercially released recording on Spotify may ask a personal assessment about their potential strength and weaknesses as a recorded artist. In this case we will connect your anonymous survey answers via a unique identifier to your Spotify Artist ID, at least one of your songs unique Spotify identifier, and create an artificial intelligence based, personalized report automatically that will be sent to the contact email address you provided.

During the survey you will be directed to this little app, where you can select how your music is called in Spotify: Musician App

For example, if your band is called “Flames”, there are many similarly named bands around the world. You can choose which is your music with a mouse click.

In the end, you will receive a code that you have to copy back to the questionnaire, something like this: `57ylwQTnFnIhJh4nu4rxCs:26fcf873-0cb6-1111-a6f6-b701aeacabbf`

You must provide us an e-mail address without your full name, something like `my.name@myband.eu`.

We will not try not to identify you, and we will not keep a copy of your report after we are sending it to you. We will use this identifier, together with your answers, and we will send back the analysis in June 2019 to `my.name@myband.eu`. Make sure that you have access to this email address, or you save the `57ylwQTnFnIhJh4nu4rxCs:26fcf873-0cb6-1111-a6f6-b701aeacabbf`. Without these details we will never be able to identify your data, or send a copy of the analysis.

## 5 Artists Not On Spotify

There may be many reasons why you are not on Spotify with your recordings, but the most likely case is that you have not yet commercially released a recording, or you have not released a recording for a long time. If you already have a self-published or a *very good quality demo recording* that you see fit for a larger audience, you may participate in our experiment with your music. Please carefully read this section **several days** before *filling out the questionnaire*.

If you are not on Spotify but you would like to assess the quality and likely markets of your recordings, you can participate in our program for free, but without guarantee that we can provide you results. In this case, we can try to publish one of your recordings, or an EP up to 4 songs, or even an album, if it meets the quality criteria of Spotify, and you provide all necessary information required for publication.

Our partners in the research will try to publish your song or EP within 5 days. Our main distribution partner is state51, a music distribution company that serves many independent labels and self-published artists in the region directly, or via national organizations. Our other distribution partner in the region is amadea music. They also provide ‘white label services’ in the region, which means that you can release your future recordings under your own label and they will do all the work for you and your label.

We will analyze your song and its performance throughout the duration of our experiment (about a month.) For the publication you must meet the quality criteria required by Spotify. You and your co-creators must own all rights related to the recordings. In case you are only testing one song, we will publish it in a compilation together with similar artists in the region. You will get instructions how to promote the songs among your fans, friends and supporters if you want to test how loyal your fans are compared to others.

1. You and your co-creators will remain in total control of your recordings. In the future, you may decide to take down the song, or *keep the song published* and receive the net royalties after distribution fees.
2. We are more than happy if this experiment and our quantitative feedback helps you or your management to find a suitable recording or publishing agreement for you. If in the future you make an exclusive recording or publishing agreement with any record label, publisher or distributor who wants to take control of your distribution process *you can transfer your recording without any financial or whatsoever conditions.*
3. If your recording is not successful, and the results do not meet your expectations, you can *decide to remove your recording from Spotify.* On the other hand, our experiments’ distribution partners do not guarantee that they will distribute any more of your recordings in the future.

*This opportunity is not intended for pre-mature recordings, demos, or ideas simply recorded live with a smartphone or small recorder. Unless your recording is professionally recorded, it is unlikely to meet the requirements and will probably not be released.*

**##Live Recordings** Sometimes live recordings can be released, but this is more of an exception than a rule. Recording acoustic or amplified music in a good quality requires a well-trained sound engineer who understands where to place microphones and how to mix the sound.

For classical music ensembles, live recordings are not rare, but they must be made in a suitable room by a trained sound engineer.

Musicians using amplifiers usually need a well-trained sound team to create a live recording that can be commercially released

**##Studio Recordings** Most recordings that meet the quality requirements are recorded in a studio. Both the recording and the mastering is done by an experienced sound engineer and producer. If your sound engineer and producer has already created commercially released recordings, your music will likely meet the engineering requirements.

The quality of the music must fit the requirements of the audience of your genre. Generally, the instruments, the vocals must not be out of tune, the tempo must be punctual, and your recording should be interesting for your intended audience.

**##Explicit lyrics** If your lyrics do not meet the general requirements to be played in the radios, and contain obscenity, you must mark this explicitly. In extreme cases your music may be rejected. Even if they do not explicitly prohibit by the terms of music distributions sites, we generally reject lyrics that explicitly promote violence against women, ethnic, sexual or religious minorities. These restrictions do not apply to obscene words used in various subcultures, and generally poetic lyrics about violence in society, but we do not want to associate our research and our partners with lyrics that incite hatred itself.

**##Rights And Plagiarism** You must not participate in the experiment with a recording that was not created by you, your band or ensemble. You must have all rights related to the fixation of the recording, which means that all credited musicians and the producer must approve the release of the recording.

You can play somebody else’s music, and you can sing somebody else’s lyrics, but you must explicitly name

the authors. Do not claim authorship for any music or lyrics that was not created by you or your musician partners under any circumstances.

If you have an exclusive recording agreement with a record label, you must not participate in this program. It is your record label's exclusive right to distribute your music on any platform.

##Specific technical requirements You will have to apply for an account at [www.amadeamusic.com](http://www.amadeamusic.com) and fill out all your details. Once your account is approved, you must upload at least two files:

You must upload your audio files in a stereo WAV format, at least one recording. Any of the following specification is sufficient \* WAV, 16 bit, 44.1 kHz [lowest allowed quality, smallest file] \* WAV, 16 bit, 48 kHz \* WAV, 24 bit, 44.1 kHz \* WAV, 24 bit, 48 kHz \* WAV, 24 bit, 88.2 kHz \* WAV, 24 bit, 96 kHz \* WAV, 24 bit, 192 kHz [highest quality, biggest file]

You must provide an artwork for your single or EP in 4000x4000 pixels, JPEG format and RGB color space. The aspect ration must be 1:1.

You should fill out the questionnaire once you got notification of the release of your recordings on Spotify.

##Prepare For Releasing

You need to go to [www.amadeamusic.com](http://www.amadeamusic.com) and apply for an account there. Once you are filling the application form please make sure that you provide a link where we can hear the track you are about to deliver to Spotify so we can make sure it meets all the requirements and enter "CEEMID" in the "How did you hear about us?" field.

Once you do that we will review your application and approve your account in case that you meet the audio quality requirements.

The next step is to go through the *Create Product* process in your account. There you will need to fill in all the required metadata for your product, upload the audio file and the cover art. Please note that while we suggest a release date of one month ahead in the website you should select a release date of tomorrow. This does not mean that the product will be live on the next day but that way the product will be live as soon as it is delivered and processed from Spotify. This usually takes from 2-7 days.

In the *Distribution Options* tab please make sure you have **Spotify** selected so that the product is delivered there all other services are optional. Once all that is ready you should submit the product for distribution using our *Free Plan*.

Your product will appear on Spotify in the next few days and we will be able to get the information we need from there. If you want to remove your product from Spotify we will let you do that regardless of our non-cancellation period as participant of this project. You should just request that via the *Help Center* in your Amadea Music account.

If you however decide that you want to keep your product on all delivered services you can do that as well.

Regardless of what you chose you will be reported and paid all generated revenue according to our agreement. *You will receive 90% from the net revenue.*

You can send inquiries to [info \[ at \] amadeamusic.com](mailto:info@amadeamusic.com)

##Advice to promote your music You are participating in this experiment because you want to find out where could people be interested in your music. Every successful sound recording will spread if your fans love it. The career of a track starts with the people who already care for your music. Once your music is released, make sure that you share it on social media, bring it to the attention of your friends, and refer to its release in your concert announcements.

Use social media to encourage your fans to follow you on Spotify. Spotify will notify them when you release new music and when you are touring in their area. You will also be featured in the personalized sections of their app.

You can embed a Spotify player to your website with your music.

## 6 Avoiding the use of personal data, data protection guidelines

The survey and the following data processing and analysis will be provided by two data scientist researchers, Daniel Antal and Sanne de Roever. The researchers will not record any personal information about you. They will record and process data about you in a way that minimizes the risk of you being personally identified. They will create national statistical data from your answers that will be made public in a way that it is impossible to find out whose data was used for this.

We are asking you to participate in a research that is mainly intended to be used in a statistically aggregated way. We do not want to find out about your earnings – we want to see the average earnings in your country. We are not interested in your song – we want to analyze the average earning potential of a song from your country compared to an average song from another country.

For avoidance of doubt, our survey data collection does not fall under the scope of the data handling rules of the GDPR regulation, because *we want to avoid recording any personal data about you*. If you optionally give us a contact address for feedback, that falls under GDPR rules [see 6.1].

However, if you ask a personal feedback, there is a risk that you *may be accidentally identified*. The following subsections describe how we try to avoid this.

The researchers are making a pledge to make an effort to avoid you being accidentally identified. For full transparency, they describe the steps made to ensure that your personal data will not accidentally come to their possession.

### 6.1 Optional Addresses And Personal Feedback On Survey

In case you would like to receive a personalized feedback, you will have to provide the researchers an email address where we can send back to personalized feedback.

The email address may contain personal information, for example, if your email address contains your name in a *jane.doe@provider.com* format. In order to prevent such information leaking to the analysis, the contact details are handled in a separate file. The email addresses will never be given to anybody, the feedback sent to you will never be sent to anybody else, and the contents will not be stored after being sent to you. The personal feedback is intended as a one-time useful, courtesy report for the time you invest into answering in our survey, and not as a basis of a commercial relationship between the researchers and you.

The purpose of storing the email addresses are the following.

- If you asked for personal feedback you will get it to this address.
- We will send you a website address where you can download the national or regional report, which does not contain your personal data.
- If you do not ask the email address to be deleted, we will invite you to the next survey in 2020 in a non-personalized email sent to the same address. We are running the surveys once a year (in some countries, in two years).

we will not give your address to any third party for promotion, and we will not send you any other e-mails.

### 6.2 Optional Identifying Your Artist ID and Recording

In case you want to have your recording analyzed, we must identify your recording for this purpose. In this case, we still do not want to record or store any personal data about you, such as your name.

We will use your Spotify Artist ID and the recordings Spotify ID to make the analysis, using only data that is currently publicly available on Spotify's media platforms and API connected with your survey answers. While we want to avoid storing personal data about you, we know the Spotify Artist ID and the Spotify ID may reveal information about you. For this reason, we will only connect this information with your survey answers only while we are creating your personalized report to you. We will create a PDF file and sent it

to your email address. We will not keep any copies of the machine generated PDF files in our systems and provide anybody another copy.

If you decide to give us the Spotify Artist ID and the Spotify ID of songs to be analyzed, we will store it separated from your survey data, and together with your contact information. We will not give access to third parties to this information.

To avoid any doubt, even with this identification *we will not receive any information that is private to you on Spotify*, such as your royalty statements, your address or any personal information. We will only access information that is *publicly available* on the Spotify platform about your music, which will include your artist name.

###Newly released artists

In case you want to have your recording analyzed, but it is not released yet on Spotify, our distribution partner will try to release it in 5 days.

You will make a distribution contract with our distribution partner and give personal data *to them*. Once your recording is successfully released, they will provide us with your recordings Spotify ID and Artist ID and use it exactly as the IDs of already released artists.

**We will not receive any personal information from the distributor.**

##Risk Of Accidental Personal Identification Our aim is avoid connecting any personalized feedback to your name, and we want to avoid that your personal data is combined with non-personal and non-individual data. However, the report that is generated may be completely personal, for example, if you are a singer-songwriter, and your recording in the analysis is released under you name.

For full transparency, we provide you with two examples.

In the case your recording is released as *'Jane Doe – My Life'* and you filled out our questionnaire, you will get a report that will show what are Jane Doe's career and financial success factors compared to other musicians in your country. Your Spotify Artist ID will be recorded on your survey answer, and it is also available in the Spotify API. Our program will connect your data with the data available via the Spotify API and generate a report for you that will be sent to the email address you provided. However, we will not store the survey answers and the Spotify API data together. We will create a PDF document for you that we will delete after sending to you.

If your recording is made with many artists as a band, and it is released as *'Anonymous Band – Our Song'*, we may never find out which band members data was connected to the properties of the song. After creating and sending the PDF report, we will delete the PDF file and the two data files will be stored separately.

##No commercial agreement In the last two years CEEMID was designing better ways to reward the many quarter hours or more time devoted by musicians to our surveys. If you decide to fill out the survey semi-anonymously, you can personally benefit in two ways from the survey.

First, you will receive a personal feedback detailing your performance opportunities, incomes in comparison with your colleagues in your country and internationally. For this, you do not have to provide us a real name, but at least a working email address where you can receive results.

Second, if you have at least one published song on Spotify, you will compare your song's engineering and musical qualities, audience with more than a hundred thousand songs' complete royalty payment history. This way we believe that we can give you a good assessment about the songs' strength and weaknesses and give you guidance where it may find new audiences in your country and in the wider Central and Eastern European region. For artists who are not yet published or not yet distributed on Spotify, we offer a possibility to release 1-4 recordings in this experiment to gain experience how would they compare with their competitors. All information will be prompted in the survey, but you can read it on our website before filling out the questions if you want to.

For avoidance of doubt, we do not enter into a commercial agreement with you. As a courtesy for the effort that you make to fill out our long questionnaire, we are trying to give back some of your data in a useful

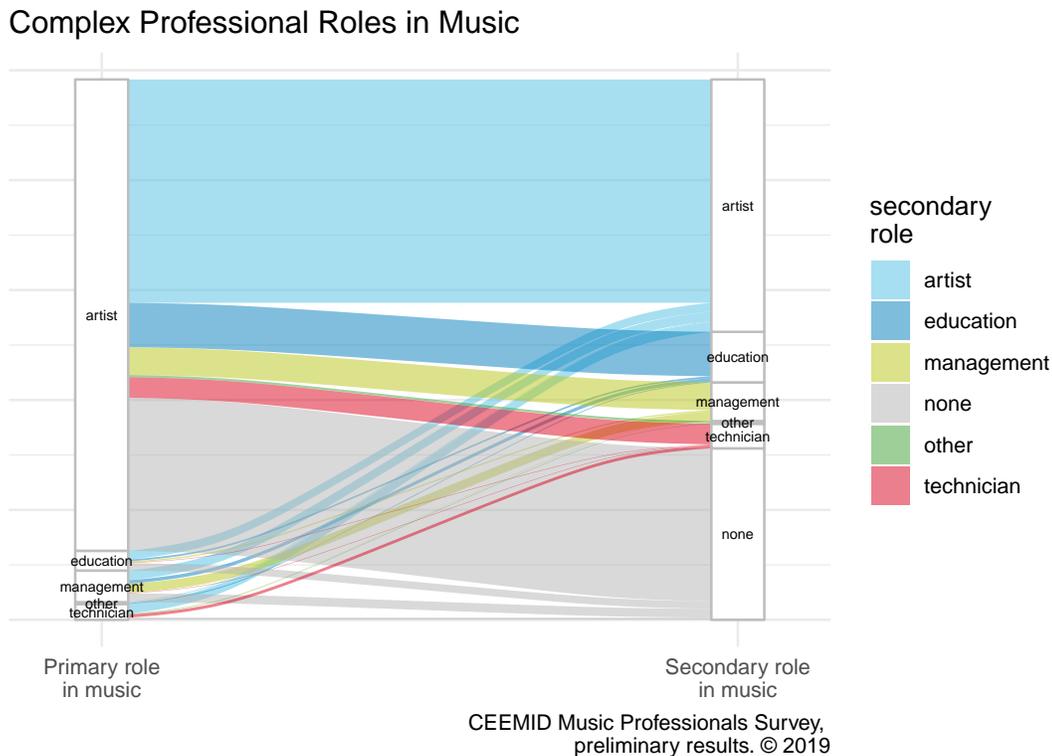
way to. Our promise is to send a copy of your data to an email address that you provide for this reason. We will not try to identify you and we will not give your contact details to anybody. You do not have to pay for the report that is sent back to the address provided to you.

**If you believe that you want to build a relationship with CEEMID, you are always welcome to contact us. For the safety of the information provided to us, we do not want to take contact with you in connection with our anonymous research.**

## 7 Methodology

### 7.1 Who Is A Music Professional?

The fragmentation of the music business into microenterprises and freelance carriers make the work of a musician very complex. Most musicians do not only fulfill the artistic role of a performer, composer, lyricist or composer. In most cases, artists perform two artistic roles, but it is equally frequent that they perform a different, but still music related engineering, educator or managerial role. Given that that average size of creative enterprises in Europe is less than two people, musicians are forced to do several very different things. In the 20th century, larger companies, especially record labels had the necessary marketing, management, engineering staff to take care of this issues, but in the 21st century most musicians need to master all of these skills to a certain extent – at least to the extent that they can hire other, mainly freelance music professionals to help them out.



The reason why official labor statistics and economic statistics do not capture the performance of the music business well is that the classification of economic statistics dates to the 1960s. Two key elements of a popular musician’s work, live performances and sound recordings are in different economic classes. Composer-performers, the typical musicians of popular music do not fit into this categorization. Adding to this complexity the frequent presence of other artistic, technical, managerial or educational functions makes a musician’s work hard to categorize.

The complexity of musician’s work makes professional training very challenging, too. Popular music through-

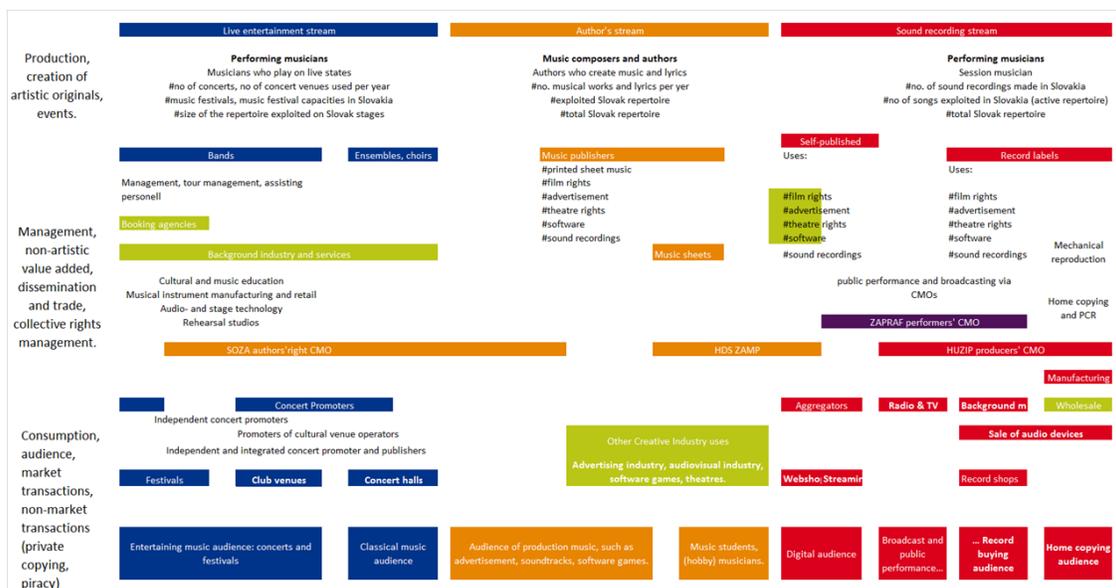


Figure 1: The Three Income Streams

out the world is mainly learned in informal settings. However, this is not the ideal setting to learn the necessary managerial, economic, legal and other skills that are necessary to fulfil the freelance job of a professional musician.

## 7.2 The Three Income Stream Model of the Music Industry

The three income streams model is essentially a value chain based model that was developed in the United States (Hull et al., 2011) and adopted by the European Commission's Joint Research Center for European CCI policy purposes (Leurdijk and Otilie, 2012). We made minor adaptations in the three income model for applicability in less developed markets in Central and Eastern Europe.

While in the original American model sound recordings are the "main" income stream, currently, especially in Central Europe the live performance stream earns the most income for a typical musician. The author's stream is the oldest, traditionally and analytically first part of the music industry that includes revenue streams based on musical works exploited by music publishers and via author's CMO societies such as SOZA in Slovakia, OSA in Czechia or Artisjus in Hungary. In the US it is called the publishing stream, but in Central Europe it is dominated by authors' societies, so we modified the label.

The music industry became divided in 1909 when the U.S. Supreme Court denied copyright protection for phonographic rolls. The phonographic industry which changed from rolls to record plates and later to CDs and digital albums sought intellectual property protection in the form of neighbouring rights. The exploitation of neighbouring rights creates separate revenue streams for record publishes and self-published musicians. From the 1930s the recording industry far surpassed the music publishing business worldwide and became the dominant revenue source for the whole industry till the 2000s.

In the 2010s the live performance stream creates the most revenues in many developed and emerging markets, and it is especially important in Central Europe. The live performance stream has an exceptionally strong input to employment, given that live performances create jobs in transportation, in the venues and the connecting accommodation, food and beverages industries, where many enterprises cannot serve their clients without live or recorded music. Food and beverage services are itself second largest European employer after construction and its tourism-related segment is also a large service exporter. Unlike the other two streams, live performances do not receive but pay musical royalties to the authors. Neighbouring rights are

not involved unless the live performances are recorded and published in audio or audiovisual recordings.

### 7.3 What is CEEMID

CEEMID (Central and Eastern European Music Industry Databases) was created out of necessity following a CISAC Good Governance Seminar for European Societies in 2013. The adoption of European single market and copyright rules, and the increased activity of competition authority and regulators required a more structured approach to set collective royalty and compensations tariffs in the region.

In 2014 three societies, SOZA, Artisjus and HDS realized that need to make further efforts to modernize the way they measure their own economic impact, the economic value of their licenses to remain competitive in advocating the interests Vis-à-vis domestic governments, international organizations like CISAC and GESAC and the European Union. They signed a Memorandum of Understanding with their consultant to set up the CEEMID databases and to harmonize their efforts (Artisjus et al., 2014).

CEEMID by designed aimed to follow the best European practices on statistical harmonization and was already featured as an innovative best practice in the 40th anniversary of Pan European Surveying seminar in 2015. As an initiative born out of necessity, it aimed fill in the gaps of underdeveloped official cultural statics by following the guidelines of Eurostat’s ESSNet (Antal, 2015).

From the originally envisioned, centralized, permission-based data structure, due to practical considerations, CEEMID switched to a more flexible, decentralized approach. This approach is based on continuous data integration, which requires permissions to use business confidential information only in use. This allowed a rapid extension of CEEMID to the whole of Europe and go even beyond. As a result of continuous data integration it already includes hundreds of indicators foreseen in all pillars of the planned European Music Observatory.

CEEMID works together with music granting agencies, music export offices and collective management societies to reach a representative segment of all professional, semi-professional and amateur artists in the countries covered: Hungary, Slovakia and Croatia, which will be extended this year to Armenia, Austria, Bulgaria, Czechia, Estonia, Lithuania, Poland, Serbia and Slovenia.

#### 7.3.1 Data sources of CEEMID

- Nationally representative Cultural Access and Participation surveys of music users and film viewers.
- Anonymous CEEMID Music Professional Surveys and CEEMID Audiovisual Professional Surveys about their work, incomes and costs. See example blog post.
- Big data sources from various geolocational applications about events and location visits small video.
- Automatic data retrieval from open data sources, including statistical data and EU-funded research. See example blog post.

While CEEMID is aware of and uses the metadata of CISAC’s, IFPI’s, EAO’s, and other industry sources’ data, it does not contain this data, only when a user with permission for the use of these industry sources requires the integration of such data with other CEEMID data, or user-specific data. While this approach makes sharing results more cumbersome, it provided a path to increase the number of useful indicators from a few dozens to around a thousand. Furthermore, it exponentially increases the value of CISAC’s, IFPI’s or EAO’s data, especially when designing better royalty rates, or creating economic evidence for litigation. Take a look at a simple, non-confidential example blog post.

## 8 National Partners

Our national partners helped translating, testing the surveys, and distributing it among their partners, clients, members. The list is updated daily.

## 8.1 Armenia

- “Art-Media” LLC
- Music of Armenia

Special thanks in Armenia for Lilit Bleyan.

## 8.2 Albania

- runda, Regionalna udruga nezavisnih diskografa, independent labels association.

## 8.3 Austria

- AKM AUME - author’s society
- Music Austria - national music development agency, export office, and partner of music businesses in the country.

There will some further partners added later in Austria.

## 8.4 Bosnia-Herzegovina

- runda, Regionalna udruga nezavisnih diskografa, independent labels association.

We asked AMUS, Fonogram and AIS to distribute the survey but have not received answers yet.

## 8.5 Bulgaria

- Amadea Music - online music distributor
- Bulgarian Music Association - professional organizations helping professional musicians in Bulgaria
- Musikautor - author’s society in Bulgaria
- Sonic B.A.N.G. - online musician forum

## 8.6 Croatia

- Geenger Records - Awesome new music from the vukojebina
- runda, Regionalna udruga nezavisnih diskografa, independent labels association.
- Unison, Unison Hrvatski Glazbeni Savez

## 8.7 Czechia

- INTERGRAM - collective management society of performers and producers
- OSA - collective management society of authors
- SAI Association of composers and music performers.
- Sound Czech - national music export office

## 8.8 Estonia

- Music Estonia - national music support institute

We are going to add further partners soon ...

## 8.9 Hungary

- Artisjus - Hungarian author’s society
- BUSH - Budapest Showcase Hub
- EJI - performer’s society
- Hangfoglaló - national popular music support programme

- Magyar Jazz Szövetség - Hungarian Jazz Federation
- MHRS - *Majdnem Híres Rocksuli*, the first music management school in Hungary
- Zeneipari Hivatal - music management school in Budapest.

## 8.10 Georgia

We will add partners soon.

## 8.11 Kosovo

- runda, Regionalna udruga nezavisnih diskografa, independent labels association.

## 8.12 Lithuania

- AGATA - Lithuanian Neighbouring Rights Association
- LATGA - Lithuanian Authors' society
- MXF Music Export Fund

## 8.13 Macedonia

- runda, Regionalna udruga nezavisnih diskografa, independent labels association.

## 8.14 Montenegro

- runda, Regionalna udruga nezavisnih diskografa, independent labels association.

## 8.15 Moldova

- AsDAC - authors' collective management society

## 8.16 United Kingdom

- state51 - music distribution and music technical services

## 8.17 Poland

In Poland, the participants of the 4th Warsaw Music Export conference will receive the Polish version of the survey. We want to encourage that they also distribute it among their members.

## 8.18 Romania

- Roton Music - market leading record label

## 8.19 Serbia

- Mascom - market leading record label
- Sokoje - authors' collective management society
- state51 - music distribution and music technical services
- runda, Regionalna udruga nezavisnih diskografa, independent labels association.

## 8.20 Slovakia

- Hudobny Fond - music fund
- Hudobné Centrum - music centre of Slovakia
- LALA - music export agency

- Real Something - concert and booking, label in Bratislava.
- SOZA - author's society
- state51 - music distribution and music technical services
- Womusk - World Music Slovakia
- ZAI - Zväz autorov a interpretov populárnej hudby, Union of Authors and Performers in Slovakia for popular music.

## 8.21 Slovenia

- IPF - Music producer society
- NIKA records - NIKA records
- SAZAS - Society of Composers, Authors and Publishers for Copyright Protection in Slovenia
- runda, Regionalna udruga nezavisnih diskografa, independent labels association.

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