

Support for good art, and good taste



IMMF General Assembly at Reeperbahn Festival 2015

f.l.t.r.: *Nathan Brenner* (Chair of MMF Australia, IMMF Treasurer), *Graham Stairs* (International Representative of MMF Canada), *Oliver Toth* (Chair of MMF Luxembourg), *Raitis Zgirsks* (International Representative of MMF Latvia), *Per Kviman* (Chair of MMF Sweden), *Natalia Talayero* (Co-Chair of MMF Spain), *Andy Edwards* (International Representative of MMF UK), *Patricia Hermida* (Co-Chair of MMF Spain, IMMF Vice-Chair), *Kari Karjalainen* (Member of MMF Finland, Head of the IMMF Copyright Committee), *Christoph Storbeck* (Chair of MMF Italy), *Volker May* (International Representative of IMUC Germany, IMMF Chair), *Jake Beaumont-Nesbitt* (IMMF Policy Advisor), *Virpi Immonen* (Chair of MMF Finland), *Marcel Albers* (International Representative of MMF Netherlands), *Katia Giampaolo* (Member of MMF Italy, Member of the Live Committee), *Laszlo Kelemen* (International Representative of MMF Hungary), *Daria Wabnitz* (IMMF Project and Member Manager), *Jorge Bizarro* (International Representative of MMF Portugal), *Leelo Lehtla* (Member of MMF Estonia, Head of the IMMF Classical Committee), *Cecilie Torp-Holte* (Chair of NEMAA Norway), *Danel Padre* (International Representative of MMF Estonia), *Sibusiso Tshabalala* (MMF South Africa), *Yvette Myhill* (AAM Australia) // Not in the picture, but also attending: *Didier Zerath* (AMA France), *Maarten Quaghebeur* (MMaF Belgium), *Nuno Saraiva* (MMF Portugal)

Local ideas international scale

IMMF board elections were held over the weekend at Hamburg's Reeperbahn conference, new members joined, and we expanded our executive team to embrace more countries and languages. IMMF officials were appointed **by manager representatives of 17 IMMF member organisations from 16 countries** with a new chair Volker May from **Germany**, and vice chairs Patricia Hermida from **Spain** and Gabriel Turielle from **Uruguay**. We represent artists in 5 continents, our strength is in local talent, and global markets.

Artists want to reach international audiences, they want to share and network internationally. The Reeperbahn conference is based in Europe's strongest national market, and hosts international talent. At Reeperbahn we discussed new opportunities for artists, including how to mine the digital gold that is data. With more, and more opportunities for distribution, **the data that inspires music curation and recommendation has never been a more powerful tool for surfacing local talent internationally.**

Policy makers working with creators

Discussing ideas that support local talent is essential, blunt legislative or technical manoeuvres driven by large companies don't always deliver for artist SME's (small and medium enterprises). Politicians are increasingly engaging directly with creators and their representatives; for example at the Reeperbahn conference, IMMF members spoke with the European Commission (DG-EAC); and Finnish Ministerial

Advisor Kimmo Aulake, and French MEP Virginie Rozière. We appreciate these closer links between creators and policy makers. Bridges to Brussels, Washington, Helsinki, and Paris.

Policy makers have to be careful not to be pulled in multiple directions as the digital single market crystallizes. We want to avoid extreme reactions, and nurture the new business model. At one extreme media groups are promoting the circumvention of technical protection measures, and at another extreme policy makers are considering extending language quotas. Artist SME's need more dialogue with policy makers, and **we need more market data that analyses the artist SME role in music.**

Barriers or diversions?

Yesterday (Sept 29) the Finnish newspaper "Helsingin Sanomat" ran a front page advertisement from software company "F-Secure" which was offering readers free VPN functionality, specifically to allow consumers to "watch your favourite series, on the net without any country limits". This week in Paris discussions are taking place to set cultural quotas for content at radio and online, restrictions on curation and recommendation.

Many consumers already use VPN's to get around geo-blocking, so we are not surprised by F-Secure offering a work-around for watching TV shows. Going off the grid, is the same response consumers had to the lack of availability of licensed music online before the streaming services emerged. We have seen time-and-time again that. If services are not responding to demand, then consumers leave licensed platforms, and go off the grid.

We think that in terms of the music industry creators and consumers needs are paramount, we hope policy makers agree.

We do not endorse consumers going off the grid. We think that when they do, everything is lost. Artists need to make a living, so we need consumers to be able to access relevant legal choices conveniently. Geo-blocking, and Cultural-blocking are simple concepts, the idea of controlling consumers does have a superficial allure to it. However, experience proves music is no different from any other industry; it needs to give the customer what the customer wants.

Cultural diversity, consumer choice

The IMMF represents artists from many countries. Our council members represent local talent from markets both small, and large. Our members do not want to trade within a global monoculture where only Hollywood films, or singers are available. Artists and their teams (including our US members) want choice, and diversity. That does not conflict with what consumers want. We have to keep repeating that if consumers are restricted; the twin values that are consumer data, and consumer payments are lost to the artists.

Simplifying music licensing has been more effective at monetising music than bluntly punishing consumers for downloading unlicensed files. Putting quotas on playlists, or limits on recommendations is another blunt instrument, that is not attuned to consumer demand, so carries risks for artists. Quotas are not a magic bullet.

Curation and recommendation are evolving, and are being used by artists to reach wider audiences. **Artists are learning how to use these tools to break out of silos to connect with audiences.**

The principle of ensuring a more diverse and plural availability of music is one we support with all our hearts. In recent years French TV shows like *Spiral* (viewed in 70+ countries), and Nordic hits like *The Killing* have been unprecedented international hits. The success of these shows is based on many factors, including creative quality, financial investment, and connected international audiences sharing recommendations. A statement like: "If you liked *that* gritty noir cop show, you may also enjoy *this* edgy

noir cop show”, is a more sophisticated approach to supporting diversity than a statement like: “If you liked a French series you may like a Danish series”. Discovery is driven by tastes not by quotas.

Like Geo-blocking, which can benefit release strategies cultural music quotas should be improved, change is necessary where legislation is wrongly applied. Broadcasters are accused of using short playlists and focusing on a few songs to satisfy quotas. But it is hard for broadcasters to comply given language and cultural trends. How artists think about singing in their national language or a foreign language is different today from how it was 30 years ago.

Quotas for audiovisual content often touch on production not only on distribution, and so may be a better approach to supporting local creators across the world, than the quotas on usage that music services are often working under. Quotas are a contentious topic, so ensuring the broadcasters and platforms are included in the formulation of policies to support local talent, and finding ways to secure more production of local talent would be progressive for all stakeholders.

There are real concerns about cultural quotas based on the concepts of the old business model. Some governments use quotas in order to promote a language rather than as a tool to promote national artists. Because a lot of artists around the world sing in English they don't fit into language quotas, therefore radio and other services working under quotas have problems maintaining their musical profile, and their audiences.

Quotas sometimes drive volume (and income) to aggregators of large catalogues. Multi-national companies may benefit through quotas that focus on language, artist led SME's may benefit from rules that focus on the location of production. **Rules to consolidate market share for a “category” of music are not the same thing as rules to support and promote new talent.**

Where to focus policy

Policy makers should be speaking to creators and looking at access to finance, tax incentives, transparency in record and publishing deals, and other factors that are hurdles to the development of local artists and to artists breaking borders. The artists business model, in terms of recordings, has switched from being driven by large advances from record labels (based on CD sales), to digital era artists needing to raise investment based on micropayments (radio and streaming royalties). It is hard for policy makers to disagree with multi-national companies whose success is reliant upon scale and volume. However there are barriers to the development of new artists, and to cross-border success that are inherited from the old business model.

Recommendations and curation need to be market tested, flexible, and delivered with the cooperation and inclusion of the broadcasters and services who deploy them. A shared agenda of surfacing new talent should be encouraged. Restrictions and controls, as the front page in Helsinki shows, are literally yesterday's news. Not only are they circumventable but they drive consumers off the grid. We come back to the lesson of the digital market: **we need to spend less time restricting and directing consumers, and more time stimulating growth, and supporting creator led SME's.**

We welcome Fleur Pellerin, Minister of Culture and Communications, encouraging consensus in France. We expect that debate to be led by artists and their representatives. Supporting artists at the local level is the key to delivering great music to the international consumer.

We now head to the MaMA conference in France where our French members AMA will lead a discussion (16th Oct) of the artists business in 2025. We look forward to meeting policy makers, broadcasters, and digital services as we collectively evolve the artist's business.

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International Music Managers Forum