European Commission

Music Moves Europe

EU support to innovative online & offline music distribution

Music moves Europe

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Directorate-General for Education, Youth, Sport and Culture
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EU support to innovative online & offline music distribution

Contribution of EU funded projects to promoting music diversity

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Creative Europe

2021

EN

Luxembourg: Publications Office of the European Union, 2021

PDF NC-03-20-387-EN-N ISBN 978-92-76-19722-5 doi:10.2766/680192

INTRODUCTION

In the frame of the European Commission's Music Moves Europe initiative (MME), the 2018 Preparatory Action: "Music Moves Europe: Boosting European music diversity and talent", comprised of four different calls to test suitable actions with a view to more targeted EU support for music post-2020.

This MME Offline and Online Distribution call for proposals was designed to identify and support up to 10 online or offline distribution projects, initiatives and start-ups to promote diversity and increase the circulation of European music repertoire across Member States and to address existing obstacles, such as national fragmentation along with language barriers, which hamper promotion and visibility of music repertoire across national borders within Europe.

Music distribution is a strategic component of the music sector's vitality across Europe and beyond as well as one the most challenged aspect in the music value chain.

With the ability for musicians to make their work available globally in the blink of an eye and the advent of on-demand streaming platforms offering millions of songs instantly at fans' fingertips, music distribution seems to become seamless, through the magic of technology.

The reality, behind the scenes or under the surface of the ocean of content, is obviously more complex. Considering distribution as the circulation of music repertoires across borders and linguistic barriers, key challenges surface across the music sector: how to reach a larger audience, emerge and generate sustainable value to be shared fairly among creators and all intermediaries involved in the process?

As part as MME initiative to strengthen further creativity, diversity and competitiveness in the European music sector, this call was conducted as a sectorial transversal approach with a great diversity of stakeholders involved.

This report aims to provide an overview of the outputs and results, as well as some valuable insights and recommendations to guide MME actions for and with the music ecosystem moving forward.

It is necessary to point out that this call's objectives have been designed and conducted in a pre-COVID19 period. Nevertheless, the outputs of this call remain valuable for the beneficiaries and the sector at large in the current context and beyond, and they provide useful information also from an MME perspective. This is explained in a section of the report, which is dedicated to the impact of the pandemic on the current music distribution landscape.

METHODOLOGY

This report is based on own resources from the author, literature review including the references listed on page 39 as well as a series of qualitative interviews with the awarded project owners of the Offline and online distribution call, various stakeholders of the sector, as well as representatives from the European Commission's Music Moves Europe team.

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CONTEXT

The Online and offline music distribution 2018 call was one of the forerunners, with projects being implemented mostly in 2019, and with activities completed in 2020. This report will summarise the results of this call and put them into a wider context of music distribution.

1. MUSIC MOVES EUROPE INITIATIVE

1.1 EU support for music

Music Moves Europe (MME) is the overarching framework for the European Commission's initiatives and actions in support of the European music sector. Developed from a series of meetings with representatives of the music sector starting in 2015, MME was launched as a strategic initiative by the Commission, it has since developed further as a framework for discussions and today it stands for the EU support for music.

Music constitutes an important pillar of European culture and is probably the cultural and creative sector with the largest audience reach. It is an essential component of Europe's cultural diversity and it has the power to bring positive changes to many levels of society. It also has a strong economic significance: before the crisis, the music sector, based on small and medium businesses, employed 24% more people (1.7 million jobs) than the European audiovisual sector and contributed with €66.3 billion GVA to the GDP of the EU27.[1]

Over the past decade, Europe's music sector has been heavily influenced by the digital shift and increased competition from global players, in particular from the US and the UK. It has been experiencing a severe crisis that has led to fundamental changes in the way music is created, produced, distributed, consumed and monetized. Most analysts consider that it was saved by the emergence of streaming. The music industry is in constant adaptation (new business models, extending audience reach, new way of interacting), thus paving the way for other content industries. However, important challenges remain, for instance, the repartition of revenue and the fair remuneration of artists in this new digital environment. Naturally, the negative impact of COVID-19 has added many more challenges to the sustainability and recovery of the sector.

1.2 MME Objectives and its four pillars

The main objectives of the Commission's Music Moves Europe initiative (MME) are to safeguard and further strengthen the sector's strong assets: creativity, diversity and competitiveness through four main pillars:

- **Funding**

The Culture sub-programme of the Creative Europe programme has provided support to more than 136 music projects, with an approximate total budget of 98 million EUR. Music-related projects competed for funding provided to cooperation projects, networks and platforms, with the many other cultural sectors. Recognising the importance of the

[1] Oxford Economics, The economic impact of music in Europe. November 2020

music sector, the Commission will introduce sector-specific support to the new Creative Europe programme 2021-2027 in effort to better target the specific needs of the European music ecosystem. The programme also supports an annual EU Prize for popular and contemporary music, the Music Moves Europe Talent Awards.

In order to test potential new instruments that could be introduced in the new Creative Europe programme, the European Parliament secured a three-year budget (2018-2020) for a Preparatory Action "Music Moves Europe: Boosting European music diversity and talent" (total amount: 7m EUR). The Commission launched 7 calls for proposals and 5 calls for tenders to implement this special budget line, with the aim to address the sector's challenges, and to promote offline and online distribution, capacity building through training, music education for all, cooperation of small music venues, and organisation of co-creation and co-production schemes. The EU studies, conducted or ongoing, help to deepen the collective knowledge on the latest trends of the music industry prior to the COVID-19 pandemics, explore possibilities to improve data collection, investigate the health challenges musicians are prone to, and to elaborate an EU-level export strategy for European music. The last year of the Preparatory Actions in 2020 was quickly redesigned to respond to the new realities of the COVID-19 and support the just, resilient and green recovery of the music sector after the pandemics (with a budget of 2.5m EUR).

- **Policy**

EU actions in support of Europe's Cultural and Creative Industries (CCI) are cross-sectoral, covering also the music sector. This cross-sectoral approach to EU collaboration on culture remains a feature of the New European Agenda for Culture adopted by the Commission in May 2018, but the Commission acknowledged the impossibility of having a one-size-fits-all approach for all CCI and announced sector-specific initiatives in the most mature cultural sectors, especially music. Member States in the Council decided that Music Moves Europe should become part of their cooperation on culture at EU level; and therefore an action on the diversity and competitiveness of Europe's music sector forms part of the Council Work Plan for Culture 2019-22.

- **Regulatory framework**

The broader legislative environment is another element of a more coherent sectorial policy on music. While the EU has no direct legislative competence in the field of culture, EU legislation in related policy fields directly affects the music sector, in terms of funding, working conditions, remuneration, mobility, etc. The recently adopted Copyright Directive is a good example, as it addresses a key concern for the music sector by making the marketplace for copyright fairer and more transparent. With Music Moves Europe, the Commission aims at ensuring that the interests of the sector are reflected in other policy fields where the EU has legislative powers.

- **Dialogue**

The dialogue with the sector commenced in late 2015 to identify the main challenges facing the sector. The outcomes of this dialogue were summarised in the AB Music Working Group report in 2016. Since then, the Commission has regularly attended European showcases, music fairs and festival to exchange information with the music sector. The Commission strengthened further the Music Moves Europe dialogue with the sector in the spring 2019 to discuss the most topical issues related to musical diversity in Europe and the competitiveness of the industry. The meeting of the project leaders of the Online and offline music distribution call in December 2019 provided networking opportunities to the supported projects and discuss the challenges and emerging trends in music distribution.

2 EUROPEAN MUSIC DISTRIBUTION KEY TRENDS

The music distribution landscape is fairly heterogeneous across Europe, but there are common market trends. The growing use of internet for listening to music – from web radio to audio or video streaming - continue to reshape the market in terms of infrastructure, business models and ways to approach music discovery & prescription, including for concerts.

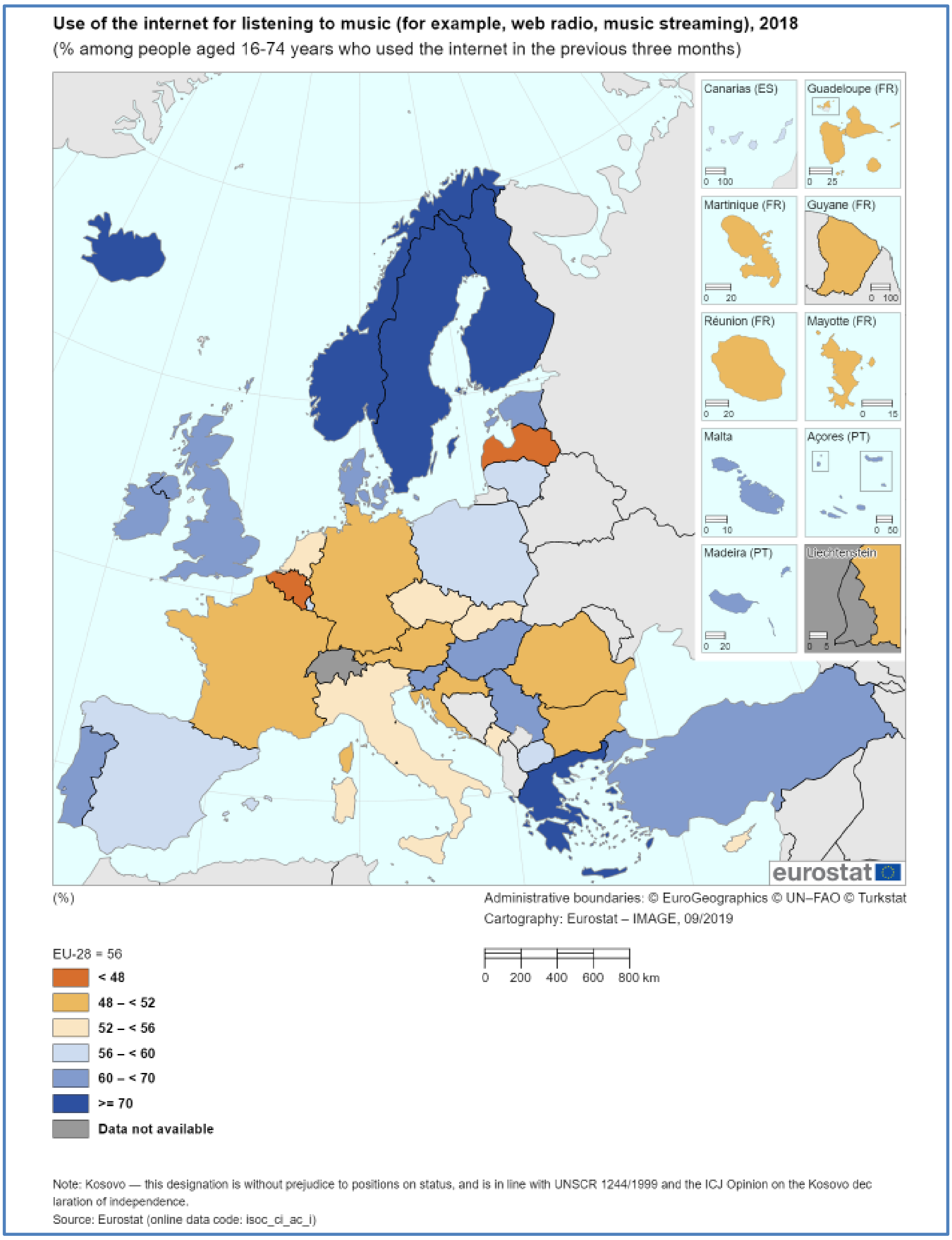


Figure 1: Use of the Internet for Listening Music, 2018 Source : Eurostat

2.1 Digital music distribution on the rise

The ACCESS era: discovering and listening to music online has become the new normal with streaming representing in 2019 more than 56% of the global recorded music market.

According to 2019 Global Music Report by IFPI, Europe, the world's second largest region for recorded music revenue, grew by 7.2%, a marked increase on the prior year when the market was almost flat (+0.2%). This was due to a variety of factors, including strong growth in some of the region's biggest markets – including UK (+7.2%), Germany (+5.1%), Italy (8.2%) and Spain (16.3%) – and gains in streaming revenue across a number of countries (up 24.1%) overall.

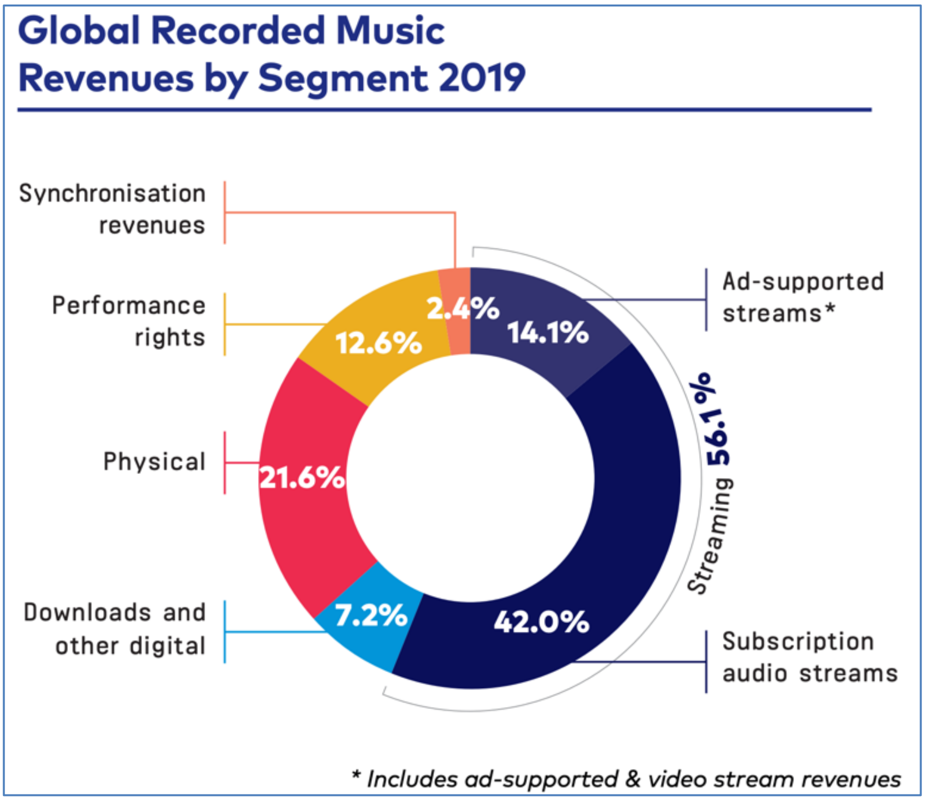


Figure 2: Global Recorded Music Revenues 2019 - Source: IFPI Global Music Report 2019

Digital's share of the market in Europe crossed 50% for the first time (55.0%).

In 2019, 18 markets posted more than 20% growth in overall digital, with paid streaming in Europe growing by 22.4%. In contrast, physical revenues dropped by 8.3%. The region experienced a decline in performance rights revenue, which fell by 1.2% while synchronisation revenues climbed by 5.2%

This key trend is confirmed by the figures published in the Member Report of digital rights agency for independent label sector MERLIN, stating that half (54%) of their members report that digital income currently accounts for more than 75% of their overall business revenues. In their 2018 survey, only 39% reported this was the case.

In terms of music distribution practices, the scope is clearly international for most of the players in the market. For independent record labels, the figures hereunder from a WIN report confirms such international dimension and the importance of EXPORT revenues representing more than a third of the total.

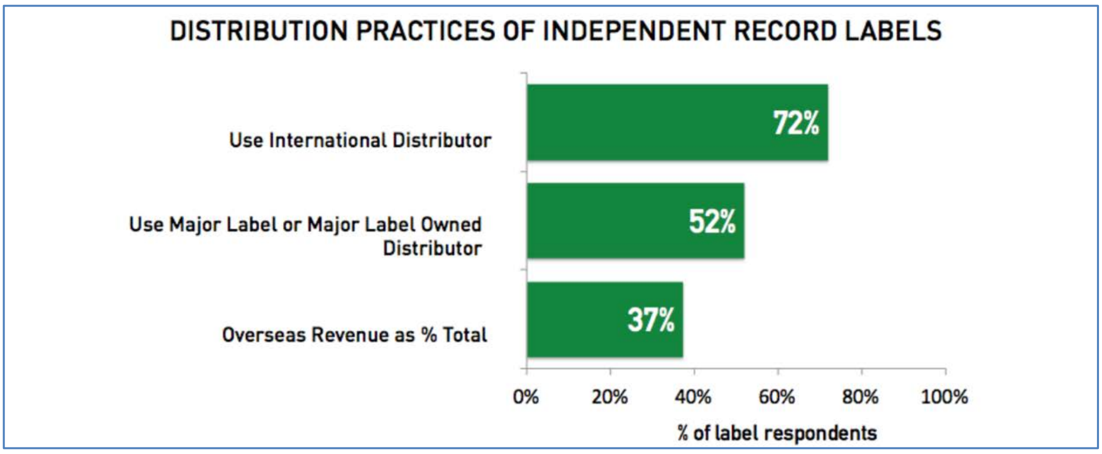


Figure 3: Distribution Practices of Independent Record Labels - Source: WIN / MIDiA Global Independent Label Survey

Digital music distribution as a service can be considered itself as a market: according to a recent report released by Qyresearch in September 2020, Music Distribution Services market size is projected to reach US$ 1236.5 million by 2026 globally.

Map of digital music distributors founded in Europe
MME Offline and online distribution call - winning projects are outlined in blue

Figure 4: Map of Digital Music Distributors in Europe - Source: TheLynk

2.2 The evolution of the radio landscape

According to IFPI Music Listening Report 2019, across the world, radio remains an important part of people's music listening experience. 5.4hrs each week spent listening to radio globally. The global average time spent listening to music on broadcast radio is 5.4 hrs per week. Radio is a particularly strong medium in some European countries like Netherlands (10,5 hrs / week), Poland (9 hrs), and Germany (8,3 hrs).

Digital can be challenging for such passive distribution channel like radio. However, it also opens new frontiers with the growth of online radio and the evolution of usage on connected devices as it is showed in this other extract from IFPI Music Listening Report.

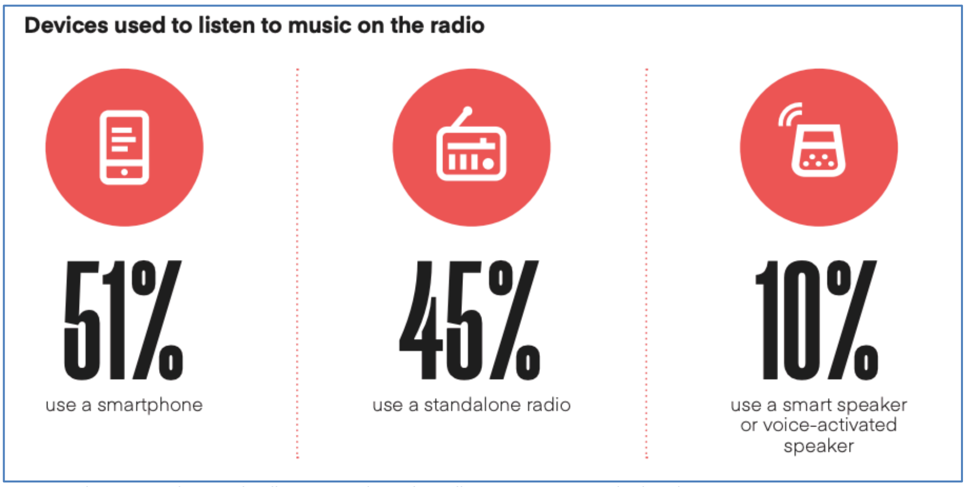


Figure 5: Devices used to listen to music on the radio - Source: IFPI Music Listening Report 2019

In terms of circulation of European repertoire, the recent EU study on Developing a European Music Export Strategy (2018 Preparatory action on music) showed that repertoire from the United States remains far ahead of the other categories; the spread between local, EU-27 and United Kingdom listening shares is narrower, but the EU-27 category remains stable.

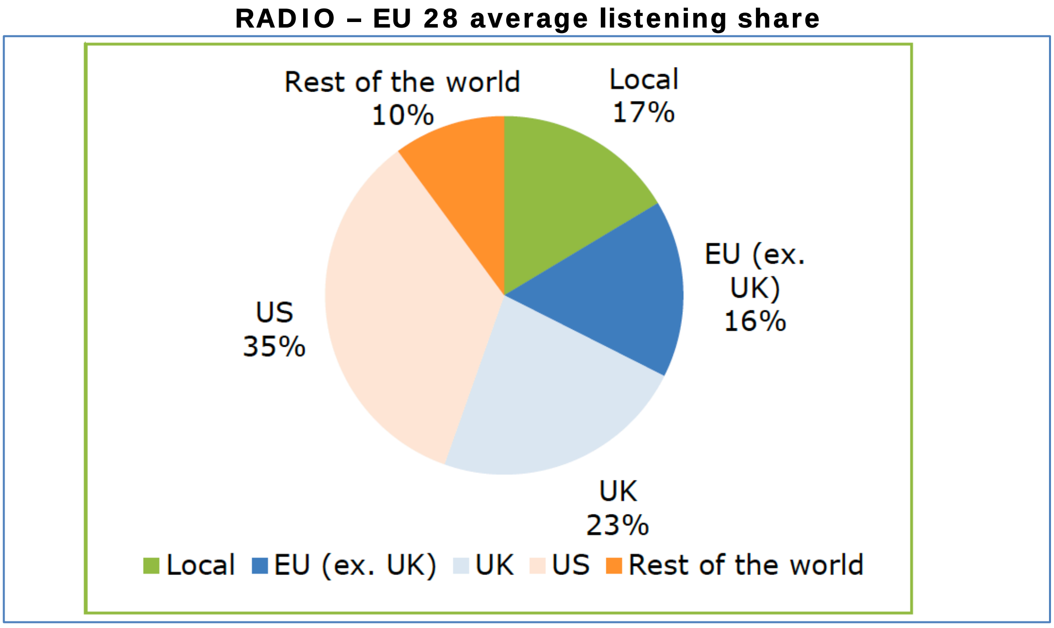
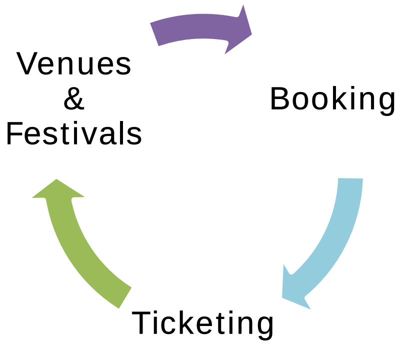


Figure 6: EU 28 average listening share - Source: Music Moves Europe – A European Music Export Strategy

2.3 Local scenes vs global touring: Europe as a multi-faceted stage for music diversity

The live music distribution ecosystem is the combination of multiple networks and activities throughout the live cycle of concert organisation.



- **VENUES & FESTIVALS**

Europe is obviously one of the most diverse and dense ecosystems of music venues and festivals in the world. There is currently no full picture of the landscape. Data from international platforms like GIGMIT could help to map such vital network with local granularity and transnational segmentation of players by size or aesthetics.

As an example, LiveDMA counts 2597 live music venues and clubs in its European network with more than 400 000 music events organised per year.

- **BOOKING**

The ecosystem of live music is diverse with different type and size of stakeholders involved in the process of artists and shows booking from booking agents, promoters to venues' and festivals' programmers. It is essentially a matter of artistic choices which is a key component of the circulation of artists and music repertoires across Europe.

The landscape in each European country is made up of a great diversity of small and medium size players as well as national or international "leading" operators who are growing their market share.

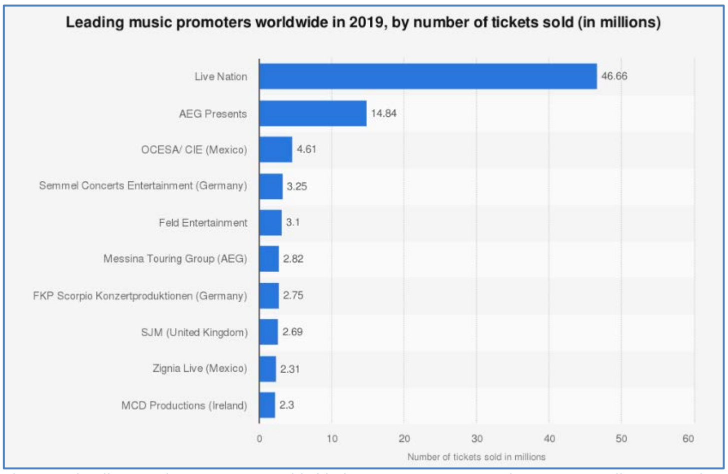


Figure 7: leading music promoters worldwide in 2019 - Source: Statista 2020 – Pollstar - Statista

From a booking service provider and marketplace perspective, some local BOOKING platforms like GIGMIT from Germany or BOBBOOKING from France are trying to expand beyond their domestic market. A new breed of digital tools is also being developed by both established players and brand-new start-ups with a growing number of "Matching" platforms which have emerged over the past 5 years in Europe like Gigscene (FR / HUN), Artist.live (FR), Cooncert (SP), Acqustic (SP), ABOSS (NL) or APPLAUD.LIVE (IRL)

A data-driven approach becomes central to enable a new level of smart "recommendation" and monitoring capacities in the booking process.

Also, the addition of Key Performance Indicators from the artist activities on social media and streaming platforms brings a convergent approach of booking across distribution channels.

See example from GIGMIT Fan Charts.

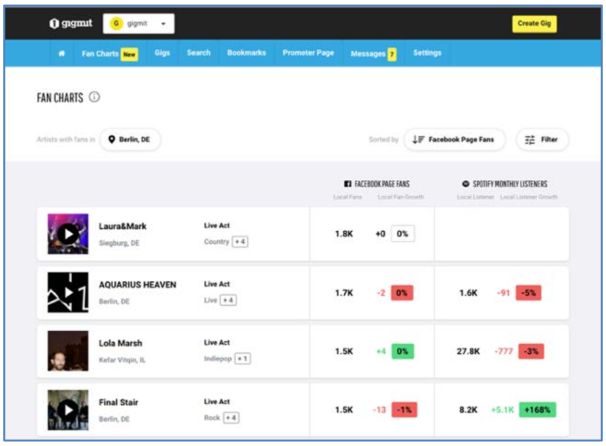


Figure 8: Gigmit Fan Charts Source: Gigmit

- **TICKETING**

Ticketing is a form of transactional distribution; its digital transformation has taken place over the past 20 years with massive adoption from customers as well as from the live sector.

According to French Live Music Association PRODISS "Baromètre du Live 2019" Study, 75% of concert goers are buying tickets ONLINE (+12% compared to 2014).

New technologies deployed by ticketing companies along with a profound evolution of the way to approach audiences and data within the live music sector are leading to a better understanding about who is attending concerts.

Online ticketing, combined with a new breed of digital marketing and fan engagement tools opens up new prospects for concert promoters, venues, festivals and artists.

Some issues also arise at national and European level with the critical development of online ticketing "secondary market" which is commonly understood as the ecosystem in which ticket holders including ticket brokers and scalpers intentionally buy tickets to resell them at a higher price for profit.

The ticketing market is also fairly heterogeneous with a strong presence of global players like Ticketmaster, SeeTicket (Vivendi) or CTS Eventim that are growing their market share both organically and through a series of acquisition of local platforms. For example, operators with local footprint including Oeticket (Austria), Billetlugen (Denmark) or TicketOne (Italy) are part of CTS Eventim group.

Besides those international groups, the competitive landscape at European level is made up of established local operators and emerging platforms / start-ups including the like of TTS (Belgium), Ticket Gretchen (Austria), Ticket Pro (Hungary) or Weezevent (France).

In terms of value and market size, live concert ticketing represents a significant economic contribution to the music sector in Europe. See figures below.

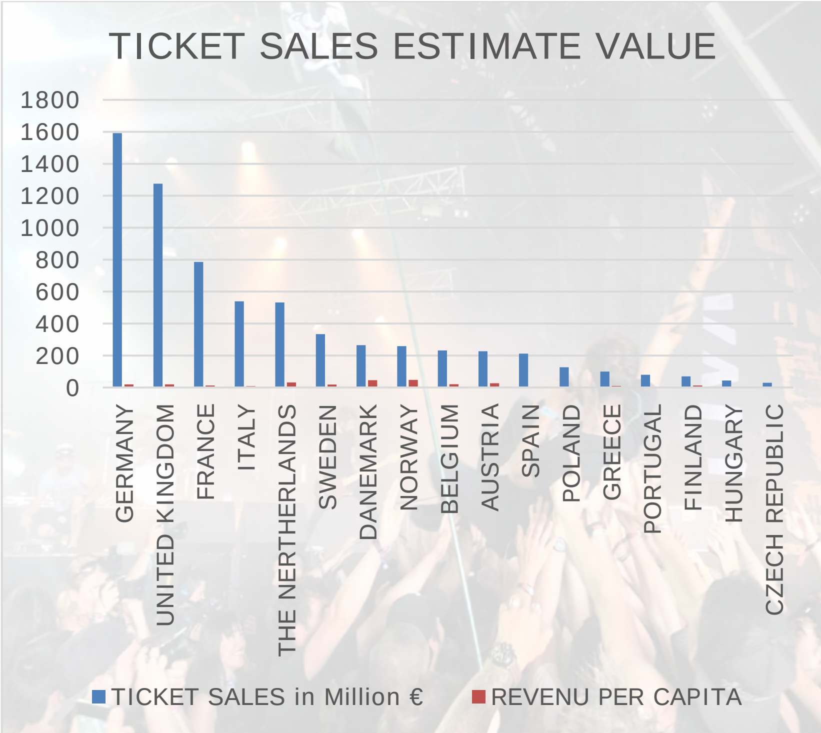


Figure 9: Ticket Sales Estimate Value per Country 2019 - Source: TheLynk based on IQ International Yearbook 2019

Looking at the estimated 2019 live ticketing sales across Europe, it can be acknowledged that the market is mature but also quite heterogeneous in terms of value with the 1st country generated more than 10x times more than the 12th in the ranking.

However, if one considers this value compared to the population of each country, it brings a slightly different perspective. See graph hereafter: Norway, Denmark and Austria have the highest ticketing sales value per capita.

Ticketing Sales Value per Capita

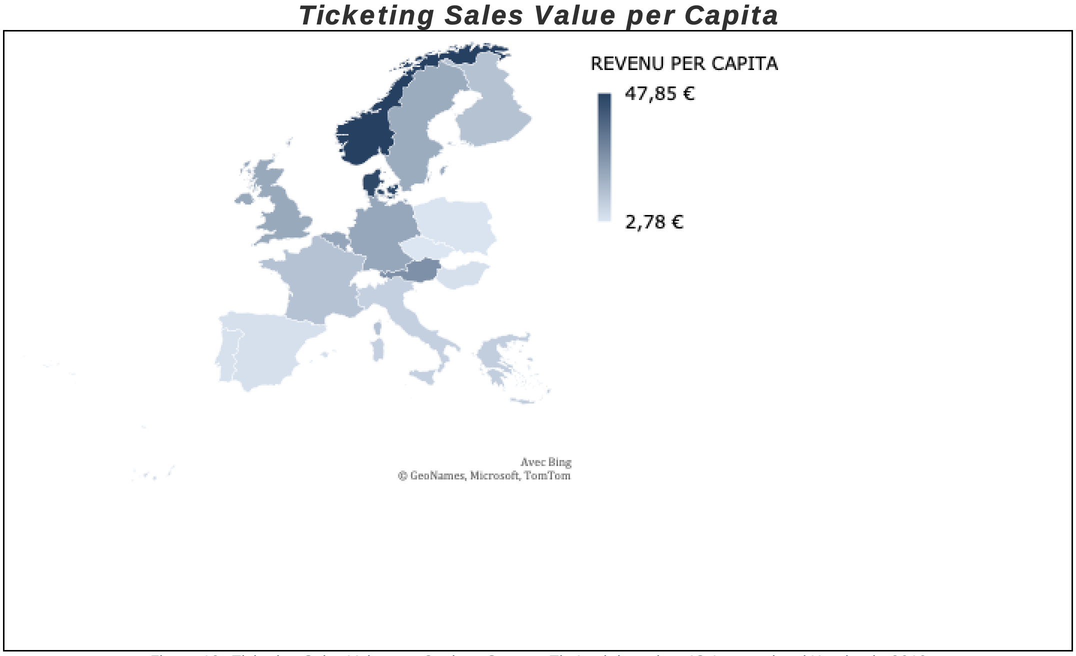


Figure 10: Ticketing Sales Value per Capita - Source: TheLynk based on IQ International Yearbook 2019

2.4 Rise of Independent & Do-It-Yourself Artists

Artists not signed to a record label generated $873 million in 2019, (+32% compared to 2018) representing the fastest growing segment of the global recorded music business.

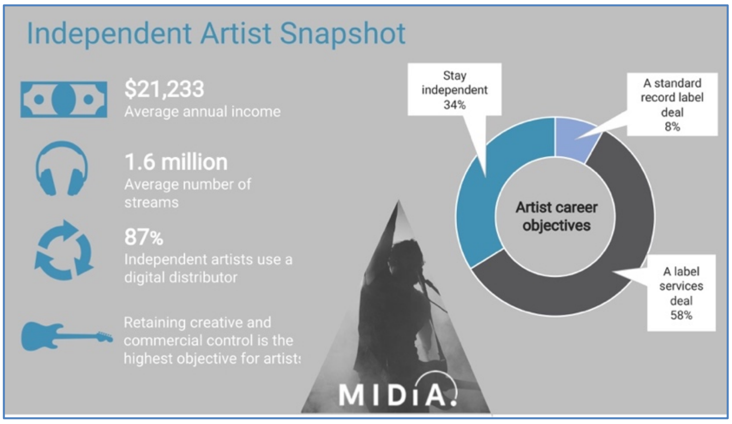


Figure 11: Independent Artist Snapshot - Source: MIDiA Research

From an artist perspective, DISTRIBUTION can be now considered as part of *Artist Services* along with other “A la Carte” tools and solutions including music production & mastering, press relation (radio plugging, influencer…), digital marketing or Customer relationship management.

“Artist Services” has become a terminology to qualify the range of solutions, tools, expertise offered to professional musicians to manage their creative work, including music distribution and build up their carrier. See graph hereunder.

ARTIST SERVICES FEATURES

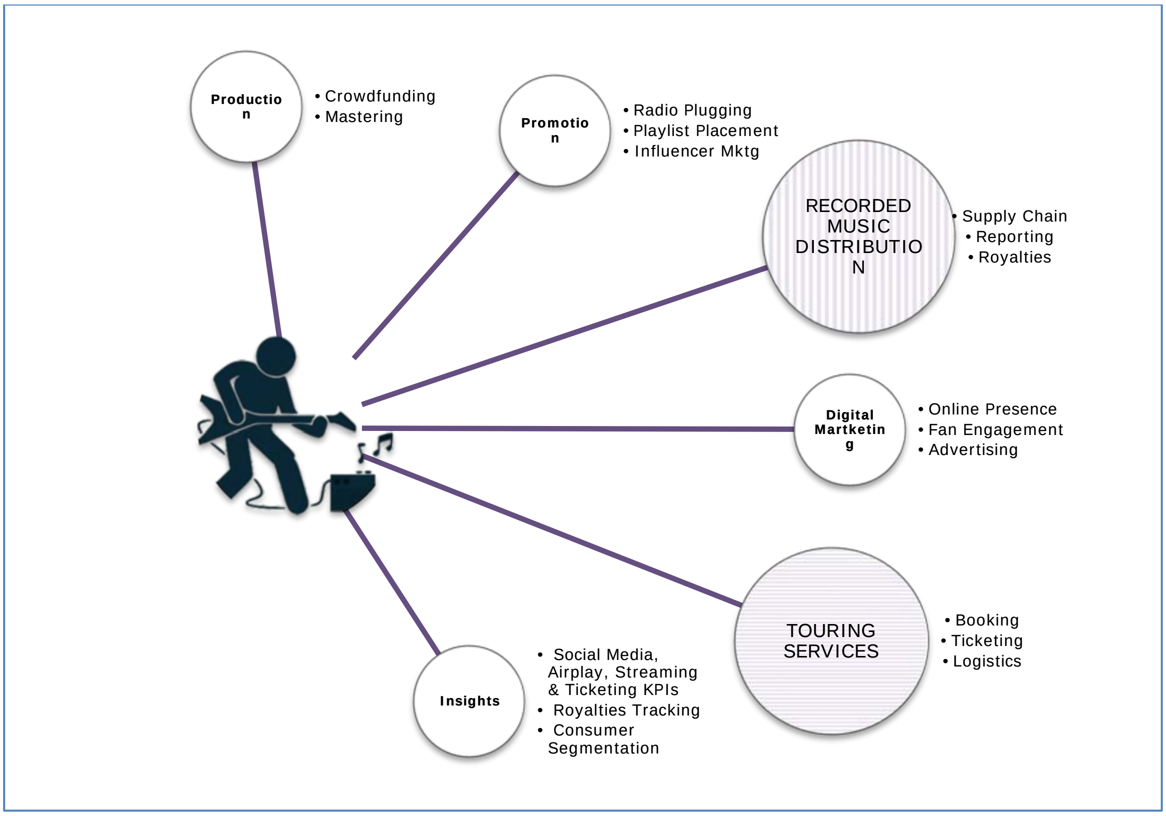


Figure 12: Artist Services Features - Source: TheLynk

2.5 User Centric Paradigm

The major shift in the way recorded music is distributed with unlimited on-demand access to all repertoire at users' fingertips has also changed dramatically the music economy. The user becomes central not only in terms of usage and impact on music recommendation and discovery, but also in terms of business model.

The **Recorded music distribution paradigm** has moved from a product based to an access based business model. Price per download vs price per subscriber.

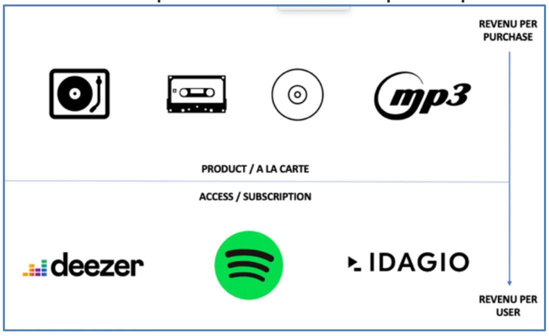


Figure 13: music revenue paradigm shift - Source: TheLynk

Basically, the current music streaming revenue sharing model is a pro-rata-based method calculated from a licensing pool which aggregates all streams for the period.

Music Streaming Royalty System

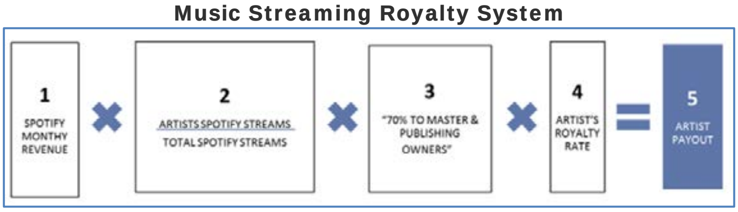


Figure 14: Music Streaming Royalty System - Source: Goldman Sachs, Music in the Air Report 2016

As the streaming model becomes "mature", the fairness and relevance of the current pro-rata-based revenue sharing method is questioned and challenged.

In short: In the current "pro-rata" model, if a single artist got 5% of all the streams in June, then basically 5% of the royalty pool goes to its rights' holders. This 'royalties count' is based on every individual subscriber even if they did not listen to this artist's music.

Some researchers as well as several stakeholders of the music ecosystem are calling for a change in the way to approach the distribution of streaming revenue. One of the most debated alternatives is the USER CENTRIC PAYMENT SYSTEM or USER CENTRIC DISTRIBUTION.

The principle is the following: a music streaming service splits each user's subscription or ad-supported revenue to the right owners of the songs actually played and reported from the user's account. See diagram for illustration.

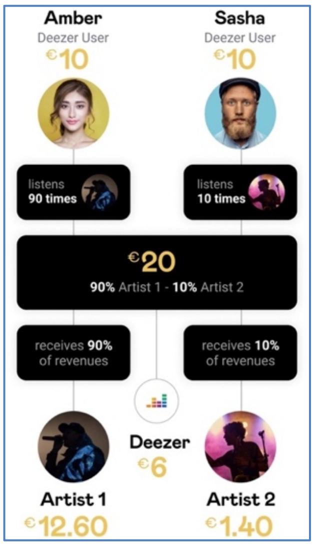


Figure 15: UCPS Model - Source: Deezer

Jari Muikku who led in 2017 a study commissioned by Digital Media Finland said: "In the user-centric model, the consumer has a better chance of influencing whom the money (s)he is paying for will be allocated to. This is a benefit for the entire music industry as it can, because of transparency, encourage more users to order the paid service”. This model is still being analysed and debated as the sustainability of the approach as well as the impact on diversity and some niche repertoire has not been effectively demonstrated.

2.6 Data-driven prescription & the filter bubble

The digitalisation of music distribution which led to a profound transformation of the sector in the past 20 years can be associated with several major shifts in terms of usage including the unlimited simultaneous accessibility of music repertoires and the personalisation of prescription at user level.

Online platforms, from a-la-carte download to audio and video streaming contributed to expand dramatically the choice of available catalogues which can be now accessible on-demand 24/7 at users’ fingertips.

Besides music availability and exponential choice, the role of algorithms and data in music recommendation becomes more and more integrated into daily usage. From concert discovery applications to contextual or hyper-personalized playlists on audio streaming platforms, **data-driven prescription** becomes the new normal in parallel to human or social based curation.

One the most debated “side” effect of the digitalisation of content and information is known as the concept of the “Filter bubble”. It can be associated as a result from personalised searches when a website algorithm selectively guesses what information a user would like to see based on information about the user, such as location, past click-behaviour and search history.

Considering those macro trends, several questions need to be raised:

- What to expect in terms of diversity at local and transnational level from the unlimited availability of music by artists from all music genres, origins and stages of development?

- Beyond the understanding of the role of data and algorithm in the recommendation mechanisms deployed by each platform, how to measure and assess the effective impact of those new forms of music distribution on discovery and diversity?

The answers to those questions may vary from a country to another. Also, diversity may be appreciated differently when it is considered within a country compared to across countries.

3 OFFLINE AND ONLINE DISTRIBUTION CALL

The 2018 call for proposals and the selected projects have to be seen against the background.

3.1 RELEVANCE OF THE CALL

The music sector has been strongly influenced by the digital shift. It is characterised by emerging powerful digital players, the development of new business models and new consumption patterns, and most specifically, by the rise of music streaming.

Digital music distribution is continuously shifting from models based on ownership to models based on access. Streaming is close to become the primary digital revenue stream over downloads. The European music sector faces a great deal of national fragmentation along with language barriers, which hamper promotion and visibility of music repertoire across national borders within Europe and beyond. Non-Anglo-Saxon music repertoire from Europe, as showed in a past study[2], struggles to cross European borders and obstacles to internationalising the careers of artists. In this context, language barriers seem to remain a great obstacle when it comes to circulation of European music, regardless the genre or the type of work (live performances or recorded works).

Due to digitisation there is a much greater amount of content available. However, due to the concentration on the market, especially in distribution, brought about by digitization, the challenge is to ensure the visibility and promotion of marginal cultural works. The availability of diverse music on online music streaming platforms does not necessarily lead to more diverse consumption. A crucial point is to ensure that all European music is not only available but that it is also promoted in a visible way.

This call for proposals has been designed to identify and support up to 10 online or offline distribution projects, initiatives and start-ups to promote diversity and increase the circulation of European music repertoire across Member States and to address existing obstacles, such as national fragmentation along with language barriers, which hamper promotion and visibility of music repertoire across national borders within Europe.

3.2 CALL BACKGROUND & SELECTION PROCESS

The Commission has received 51 proposals submitted to this call. The proposals were first checked against the admissibility, eligibility, exclusion and selection criteria. 47 projects passed this first check successfully and were subject to the assessment of the quality criteria. These award criteria assessed the relevance of the project and its expected contribution to the objectives of the call, the quality of the overall design of the activities proposed and methodology for achieving the objectives, and the ability of the applicants to organise, coordinate and implement the proposed activities.
The first 10 proposals were offered financial support up to 30.000 EUR to implement their actions. Finally, 9 projects confirmed their availabilities to launch their activities. With an EU support of 270.000 EUR, the nine projects mobilised in total an investment worth of 855.000 EUR.

[2] https://www.musicaustria.at/sites/default/files/emo_report_european_repertoire.pdf

4 KEY OUTCOMES & TAKE-AWAYS FROM THE CALL

4.1 PROJECTS LEVEL OUTCOMES

Even if each selected beneficiary approached this call with specific objectives and expectations, we see that a set of instrumental outcomes emerges across the projects:

- Acceleration of developments phase and time-to-market thanks to funding
- Financial support helping developing projects to innovate, pivot and take risk in a challenging context
- Recognition reinforcing brand liability for project holders and facilitating their international market development
- Better understanding of the market and positioning for each project as part of a knowledge sharing process among the selected beneficiaries.

4.2 ECOSYSTEM LEVEL OUTCOMES

Beyond the financial and visibility support to each individual project, this call proved to generate valuable collective intelligence. It gave very useful indication for relevant future areas of development and cooperation in the music sector, as follows:

- Encourage a new breed of “local to global” digital music distribution with players like **SONOSUITE** and **EEVERA** who pursue efforts to develop a distribution ecosystem driven by transparency, fairness, efficiency and accessibility;
- Forster cooperation between Musictech / IT players like the joint effort of **DETAILS, WECONVERT** and **PRO AGENCY (Berlin 3 services)** with an industry level goal to develop music data interoperability across the different existing siloes;
- Use technology and data like **GIGMIT** to develop accessible and actionable insights for the live sector. Such data-driven complementary approach of live music distribution could be beneficial for small and mid-size players as it can help, with their efforts, to identify emerging trends and reach new audiences internationally;
- Explore new ways to enable prescription and artist discovery across borders with an artist-to-artist curation approach like **BANDING**, as an alternative or complement to the existing algorithm-based recommendation trends;
- Use radio as a powerful medium, with the like of **WARM** bringing granular and international radio airplay monitoring to the level of artists and independent music stakeholders. Another noticeable effort related to radio is led by **RADIOMUSE** who facilitates local artists promotion through human selection of music;
- Augment distribution perspectives for diverse genres including Classical Music with new innovative, immersive and interactive streaming platform like the concept developed by NOMADPLAY with a focus on vocal repertoire;

- Develop curation bridges and dialog between European music and repertoires from other continents via the contribution from local diaspora like the original editorial approach led by IDOL.

4.2.1 Knowledge Sharing & Best Practices

The Music Moves Europe dialogue meeting dedicated to music distribution on 12-13 December 2019, organised by the Commission in the course of the call, was not only an opportunity to catch-up with the progress of each project, but also to bring together active and innovative players of the offline and online distribution of music in Europe to share with their peers their experience, challenges and visions for the future.

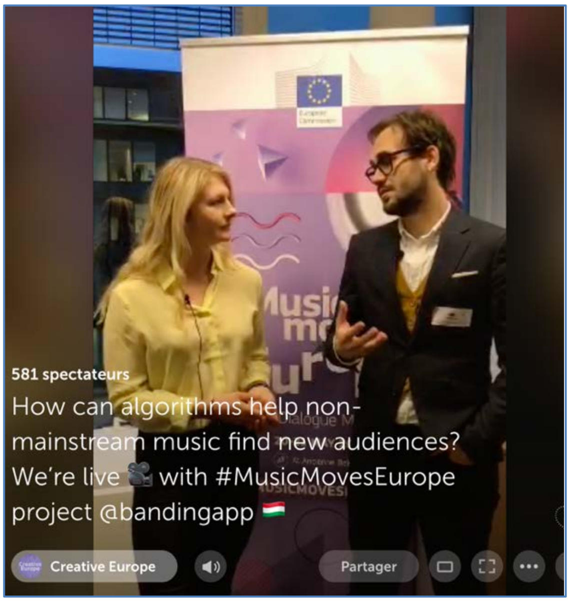


Figure 16: Dialogue Meeting in Brussels, Dec 2019 - Source: Creative Europe

The meeting helped to create networking opportunities for the project holders, discuss trends and challenges in music distribution as well as identify possible policy measures and funding needs to tackle the challenges.

The key learnings from this meeting have contributed to structure and fuel the reflection leading to this report.

During this event, participants were able to present their work to the group but also to a broader audience through Creative Europe digital communication.

One of the greatest challenges identified was the access to the right information, which would enable the music actors to have a good understanding of the trends and evolution of the entire music environment. As a solution to the problem, the project beneficiaries highlighted the need for a common platform or dialogue where information about the sectors can better circulate.

The session concluded with the identification of the main needs for policy interventions at the national level. There was consensus that existing projects, platforms and initiatives need to be scaled-up instead of constantly creating new initiatives. The project owners also called for more guidance and business support for companies in the music industry. Finally, all participants agreed that market accelerating events, organised by the Commission at various showcases and music industry events, would significantly improve the possibilities of independent and small-scale music businesses to network, find new markets and grow international. A right mix of top-down and bottom-up approaches are essential to create a conducive environment to the European music sector.

On the policy side, a key and remaining challenge to be addressed relates to data: access to data, understanding of data, possible European standards for data collection.

4.2.2 Potential synergies and cooperation

In addition to the fruitful knowledge sharing process, the call enabled some valuable connections within the group of participants leading to potential cooperation or business development as mentioned in the outputs from the project holders.

Music distribution is obviously a competitive landscape. However, the dialogue process enabled to identify some remarkable complementarities among the selected participants which could be appreciated from different perspectives:

- Functional: combining complementary services and features to gain time-to-market efficiency, productivity and relevance
- Transnational: using cooperation and potential commercial or affiliation agreements to facilitate penetration in new markets, overcoming linguistic and adoption[3] barriers
- Visibility: strengthening communication as a group to reach to new potential audiences, partners and investors internationally
- Scalability: sharing resources, and networking to grow faster internationally in a fast-moving market which is already saturated and led by global players
- Community: keeping the momentum of the interactions and dialog within the group as a European network of music entrepreneurs and organisations who share the same values and engagement towards diversity and fairness in music distribution

4.3 CHALLENGES AHEAD TO BE ADDRESSED WITH EU SUPPORT

Feedback from selected projects holders is not only useful to appreciate the impact of the call but also to reveal concrete bottlenecks and challenges in the market including the following:

4.3.1 Market penetration across borders in Europe

Europe as a market remains quite fragmented when it comes to develop some music distribution alternatives to the established local distribution services or to the global platforms.

Linguistic specificities can be considered as one of the barriers to entry, but some other factors should also be pointed out including patchy network of stakeholders which is hard to target and approach, varied local policies as well as some kind of resistance to change.

All in all, project holders shared their need for *"better tools/help to promote the projects/products more across the countries within the EU".*

4.3.2 Access to capital and financial support

Capital is not only needed in order to invest in infrastructures, technologies and teams but also becomes an essential mean to develop projects at scale internationally and on the long run. Financial support provided by EU should be considered as a complementary approach to capital risk for new innovative music distribution service providers.

[3] By adoption we mean here the potential of solutions developed by European service providers to reach and convince local stakeholders who are used to working mainly with locally established players in a closed network.

Another key area of investment that would be instrumental for the sector is **experimentation** with music sector stakeholders. This is about facilitating the development of pilots and labs as mentioned in the “Open Innovation” section on page 33 of this report.

A recent EU study [4](also launched under the Preparatory action 2018)- Analysis of market trends and gaps in funding needs for the music sector - investigates possible EU action to address current gaps and calls for more appropriate funding and support mechanisms by proposing concrete proposals for actions.

4.3.3 Global Competition

As already described, the current competitive landscape of music distribution in Europe is quite contrasted with a great diversity of local and national players, alongside global actors and platforms. While linguistic barriers in Europe are an acknowledged constraint for transnational growth, competitiveness is currently being challenged by structural bottlenecks which are tackled in this section: market fragmentation, access to capital and access to data.

As shown by this call, EU funding instruments and programmes can be oriented to support the development of initiatives and projects which are designed to transcend those bottlenecks and foster competitiveness. Regulation is another means at the service of the same objectives: “open” markets, facilitate transnational growth, and guarantee fair competition.

It is worth recalling here that Europe has seen the birth of global champions in the field of music distribution. One angle for a reflection on the way ahead is indeed about the strength of the European market and European culture(s) which is rooted in cooperation compared to other models based on disruption. A leading question is then how to create value out of a rich diversity of stakeholders that can redistributed fairly and benefit the entire ecosystem. Also in this regard the approach of Music Moves Europe as a “dialog facilitator” is valuable.

4.3.4 Access to usage data & market intelligence

From the different interviews conducted for this report as well as through further research by the author, a recurring topic emerged as a transversal challenge to the whole sector and it is tied with one word: DATA.

Most of the stakeholders in the music sector may admit that they are overloaded with data. Moreover, some few players might be in the capacity at this stage to turn data into actionable or valuable insights or tools. From an operational perspective, such qualified source of intelligence could of course be critical in the decision-making process when it comes to marketing, business or even creative inputs in the management of a music project.

From a governance and policy perspective, there is an

[4]https://op.europa.eu/en/publication-detail/-/publication/ffea2387-249a-11eb-9d7e-01aa75ed71a1/language-en/format-PDF/source-171308158

unprecedented opportunity to tackle the market evolution with up-to-date granular and dynamic sources of intelligence about usage from music discovery to music consumption, covering the whole consumer journey.

This very aspect is also covered in a recent EU study [5]on the feasibility of establishing a European Music Observatory.

Actually, the key findings of the research conducted in the context of this study confirmed the fragmented, scarce and poorly harmonised nature of the data collection landscape in the field of music.

An advanced collection and analysis of usage data at European level, should be complementary to existing “qualitative” approaches which are usually based on data declared by the industry. One main challenge ahead is to be able to convince relevant stakeholders to share some of their proprietary data, then build up the capacity to aggregate them and define a methodology to turn those combined assets into meaningful outputs.

4.4 SYNERGIES WITH MME AND CREATIVE EUROPE ACTIONS

This distribution call is also strongly connected with other initiatives and calls already conducted with the support of Music Moves Europe including the “Export of European music” and the “Cooperation of small music venues” calls.

The learnings and best practices that emerged during this distribution call could also become a valuable resource for the “Professionalization and Training” efforts already supported by Music Moves Europe.

Offline and online music distribution is ultimately instrumental to the promotion and sustainable development of European music talents. The Music Moves Europe Talent Awards, for instance, contributes to this effort to highlight and foster the diversity of European emerging artists. It goes along with continuous efforts to support innovative, transparent and fair distribution solutions for artists and the different stakeholders involved in the life cycle of their artistic project.

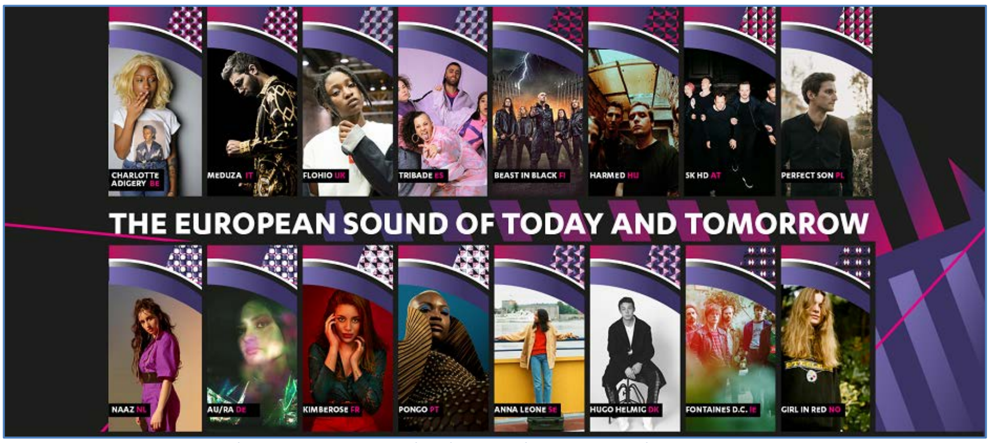


Figure 17: European Music Talent Awards - Source: Music Moves Europe

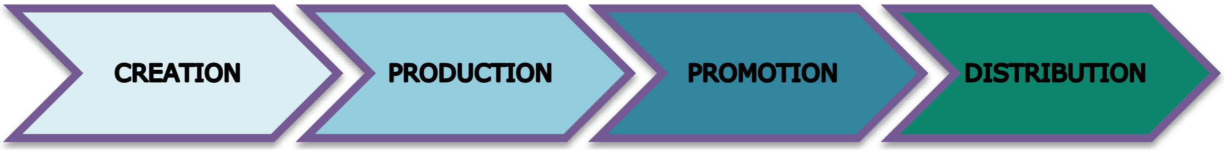
[5]https://op.europa.eu/en/publication-detail/-/publication/a756542a-249d-11eb-9d7e-01aa75ed71a1/language-en/format-PDF/source-171307257

5 A LOOK TO THE FUTURE OF MUSIC DISTRIBUTION: NEW PERSPECTIVES IN A MOVING VALUE CHAIN

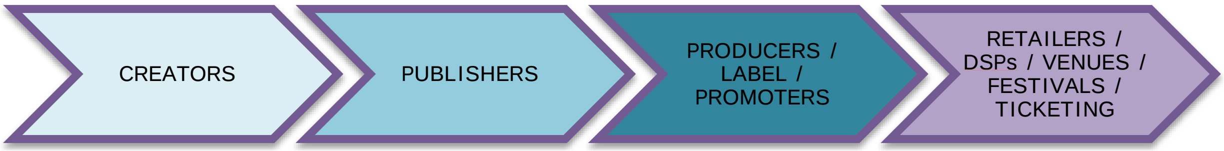
5.1 DISTRIBUTION AS PART OF THE "ARTIST TO FAN" JOURNEY

In order to analyse what is at stake in terms of interactions between stakeholders and foresee the economic and cultural challenges of music distribution, let us finally have a look at the evolution of MUSIC VALUE CHAIN.

LINEAR MUSIC VALUE CHAIN



MUSIC INDUSTRY PERSPECTIVE



MUSIC SUPPLY CHAIN PERSPECTIVE

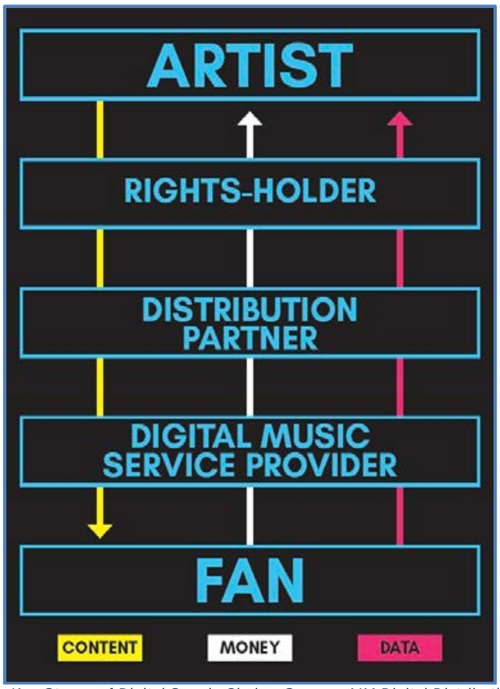


Figure 18: Key Stages of Digital Supply Chain - Source: AIM Digital Distribution Report

Technology has been instrumental in the transformation of the music industry as we know it. An unprecedented range of advanced and affordable digital tools and services are now accessible for creators and artists, breaking down barriers to music market entries. A new generation of emerging songwriters-producers is undeniably growing in Europe as the “Do-it-Yourself” movement has now become an economic reality – even if fragile - with significant market share.

On the other hand, accessibility to music on-demand 24/7 has never been so simple and widespread across territories and music markets with a growing choice of legal platforms to discover, listen and share music seamlessly.

This combination of unbound “supply” and unlimited “demand” contributes to reshape the music value chain with PROMOTION (RECOMMANDATON / CURATION) becoming a core driving force as well as the main source of friction.

THE ACCESS-ERA MUSIC VALUE CHAIN

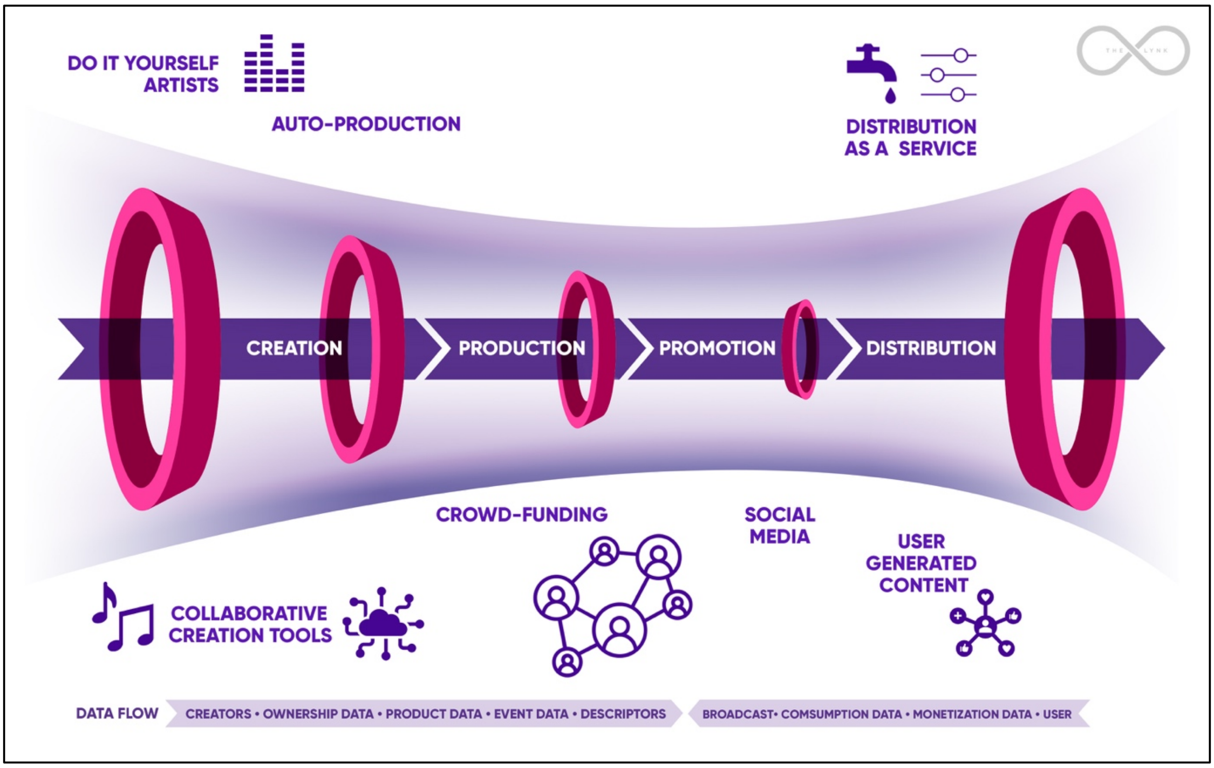


Figure 19: The Access-Era Music Value Chain - Source: TheLynk

Looking at the intersection of this augmented music creation capacity and the limitless on-demand music consumption, there is a key phenomenon which represents a fast-growing usage trend in the creative content space: USER GENERATED CONTENT (UGC). UGC is the “product” but also the fuel of global online video & social media platforms.

UGC is a potential opportunity in terms of exposure and rapid circulation for European repertoire as well as a predicted area of growth in terms of revenues for right owners.

However, this “digital native” form of content is associated with some critical challenges including licensing models, copyrighted works identification via advanced technologies like fingerprinting and the level of monetisation via ad-supported models.

5.2 DISTRIBUTION AS A COMMODITY

As pointed earlier in this report, music distribution now appears as an accessible and affordable step in the lifecycle of a music project.

Some platforms are even offering distribution for free as part of their business model. Distribution is becoming the entry point for some artist services platforms, and a way to generate leads and capture valuable data.

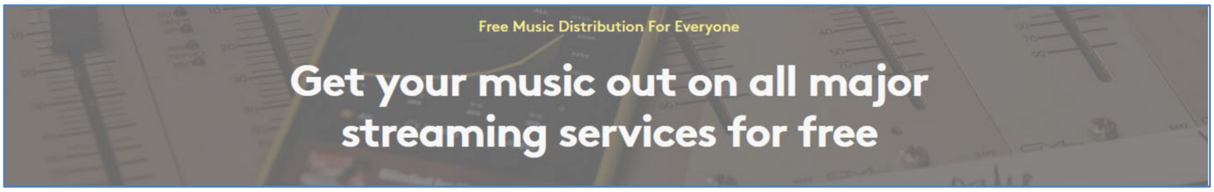


Figure 20: Amuse.io Free Music Distribution Model - Source: Amuse.io

From a music project life-cycle perspective, distribution now potentially occurs straight after the creation and production process.

While, from an artist perspective, it may appear as simple as pressing a button, digital distribution actually requires in the backend versatile and scalable infrastructure as well as a complex workflow due to the growing granularity of data and integration constraints with local and global digital service providers.

From an artist perspective though, the added value of distribution tends to rely on additional "Artist Services" including placements and digital marketing beyond supply chain and logistics.

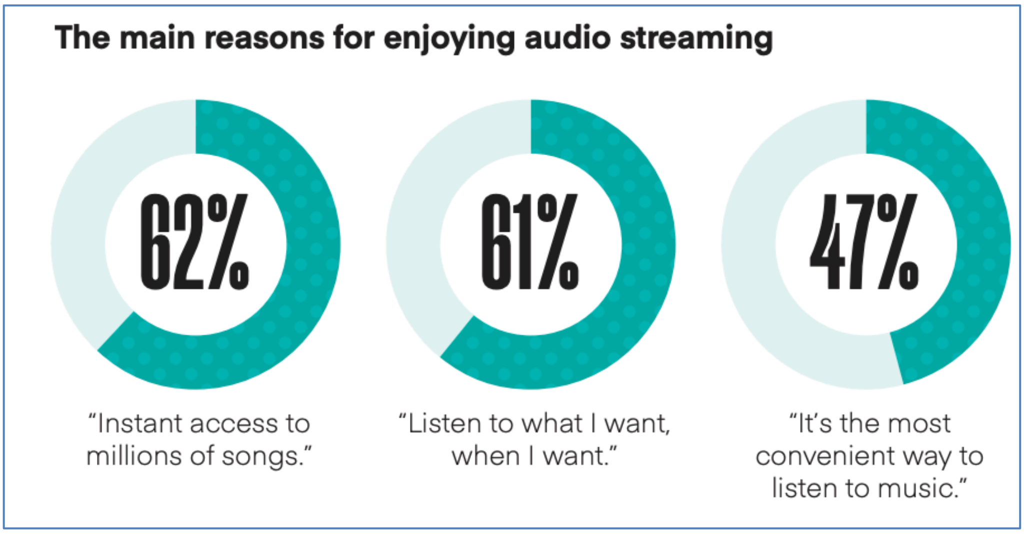


Figure 21: the main reasons for enjoying audio streaming - Source: IFPI Music Listening Report 2019

From an audience perspective, we can observe a similar trend associated with the undisputable convenience and ACCESSIBILITY of music via audio and video streaming as well as online radio and online ticketing, which are accessible at user's fingertips 24/7.

5.3 DISTRIBUTION IS ABOUT CURATION

Curation has become a generic term applied to a "digital media and content" world over the past years which embraces a mix of notions from prescription, recommendation to what one used to know as editorial or programming.

What are the new levers for discoverability?

- Social media / user generated content becomes increasingly influential, looking at the current charts in most of the countries where hit songs started up on social platforms like TikTok;
- "Searchability" which is strongly connected with a proper set of metadata;
- Cross-genre and transdisciplinary approach: artists may become influencers themselves beyond their music or a specific genre and get to reach an audience through alternative medium like gaming.

Back to the future of promotion across offline and online distribution

There is no single path of development for an artist's new project or a music repertoire. However, there are clear indications that it will become more and more difficult for new emerging artists as well as for heritage music to stand out if they only rely on "distribution" in a sense of making a piece of music available or accessible.

Beyond visibility, the new driver for promotion is engagement.

The question is not only how to reach an audience, but also to get people to connect with your music in various moments and forms: passive radio listening, active play listing on audio-streaming, user-generated content on social media, a livestreaming on a dedicated platform, a concert in a festival leading to the purchase of a vinyl on the official artist online store. At artist level, it is about audience relationship management.

At music sector level, there is the complementarity and interdependence of the different stakeholders involved in the process of building up an artist profile, across offline and online distribution. But how then to manage cross-promotion in a seamless and economically viable way? Here is where the leading platforms come with a competitive advantage as they manage to aggregate all assets available from an artist (albums, news, ticketing) as well as user data.

Regarding music usage, further research is needed to **measure the changing roles and influence of prescribers:**

- People to People: how to assess the social dimension of curation through social sharing, play listing, user-generated content and the collaborative filtering?

- Human vs machine-based recommendation: what are the main differentiators in terms of diversity and influence on the actual music "trends"?

- How traditional and hybrid media remain influential (print, radio, TV)?

- What is the impact of local venues and festivals programming on artist development and how does it translate into actual consumption on streaming platforms?

- Who are the new influencers from video creators to e-sport trusted streamers? What does it mean for a potential cross-sectorial approach of music curation?

5.4 DISTRIBUTION IS ABOUT DATA

From offline to online music distribution, data plays a growing role at all levels of the life cycle of a music project or product from its origination to its interactions with the audience through the different connected touchpoints, up to revenue sharing based on complex multi-factors business models.

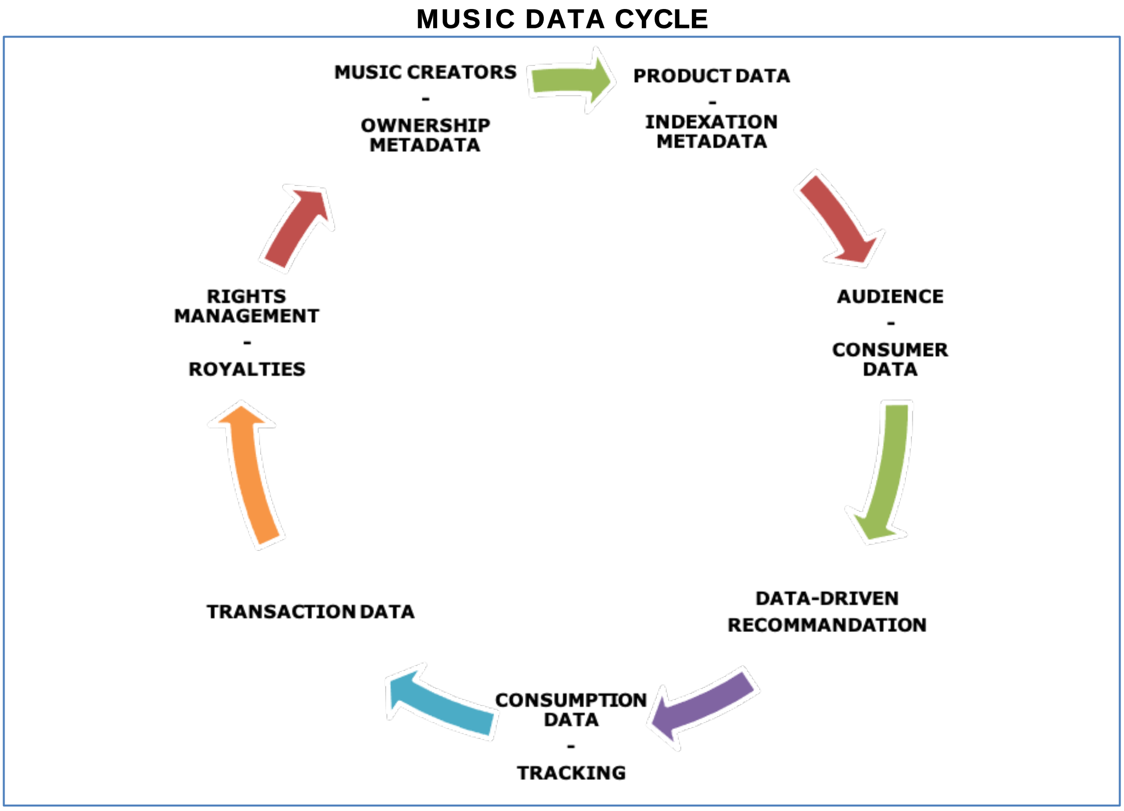


Figure 22: Music Data Cycle - Source: TheLynk

There are some transversal issues related to data surface:

- The quality of data is heterogeneous and often not compatible,
- Music data workflow is highly fragmented,
- The property of data across the value chain and music life cycle is questionable,
- The interoperability of databases is poor.

From an industry level approach, it appears that a collective approach would be needed to **define applicable industry STANDARDS and PROTOCOLS, which will improve interoperability, traceability, and ultimately transparency**, across the different layers of music distribution.

Such an approach has to be global and transcend siloes. However, the European music sector as a whole can play a prominent role in this effort, with the contribution of the vibrant MusicTech Startup ecosystem and the research community.

Also, aside from the technology and resources needed to cope with the exponential growth of data to manage, a new set of expertise and specific skills would be required at all levels within the sector. This means that **education and the adaptation of training schemes is key** to better understand and keep up with the impact of data.

Finally, **data is a source of intelligence**. As already addressed in section C. of this report, there could be an opportunity to build, at European level, a new approach of music market analysis based on actual & dynamic usage data.

5.5 DISTRIBUTION AS A DRIVER OF DIVERSITY

As digital distribution becomes the new standard and on-demand audio streaming is profoundly reshaping the way to approach the music value chain, one essential question remains to be explored: what is the impact of online distribution on diversity?

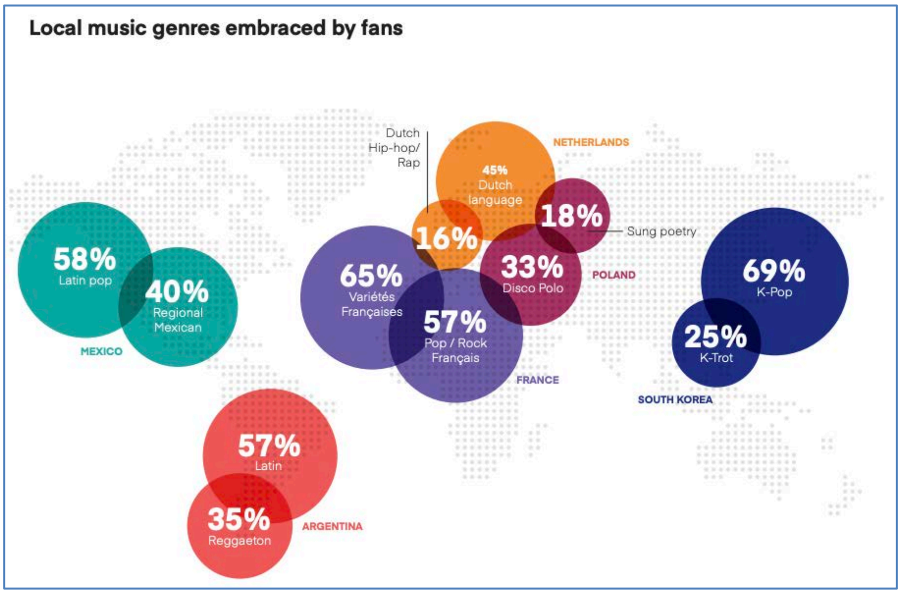


Figure 23: local music genres embraced by fans - Source: IFPI Music Listening Report 2019

Currently, it appears to be quite difficult to assess the impact of the new models of distribution on “diversity”.

First of all because of the lack of public data available but also because structural elements are missing to conduct such analysis starting with the definition of and criteria for music diversity.

To go further, some questions would need to be debated and collectively answered:

How to qualify and measure diversity?

- Linguistic specificities?
- Local versus international?
- Emerging versus established artist?
- Independent versus signed artist?
- Heritage versus popular music?
- Music genres?

How to support and foster diversity?

- Top-down: transnational editorial campaigns
- Bottom-up: amplify local trends
- Quotas?
- Education

So, while many questions on music diversity remain, there is a series of indicators that are already available and reinforce the utility of a renewed approach of the analysis of music consumption empowered by Data.

5.6 BEYOND THE VALUE GAP

While the need to accelerate and frame the transition to a more effective and fairer way to share the value generated by online music distribution remains pressing, some complementary strategic considerations are also emerging from the present analysis.

5.6.1 The need for Scale vs the need for Diversity of Players

There is a need to preserve diversity of players at local and niche levels while supporting the emergence of European champions at global level. According to figures published by IMPALA there are more than 230 digital music services available across the EU, providing access to more than 40 million tracks. That being said, if one considers the market share of audio streaming platforms ranked by the numbers of active users and subscribers, there is a large dominance from global platforms on most of the territories where their services are available.

As already described in this report, the role of Digital Service Providers like Spotify or Deezer is essential in a new paradigm of music distribution as a component of a diverse and complex value chain.

When calling for music diversity, vigilance is important when it comes to the diversity of players in that moving value chain. Indeed, players formerly focused on online distribution and music content aggregation tend to expand their “value proposition” to services associated with creation, production or promotion.

The potential acceleration of both vertical and horizontal integrations in the sector should also be looked at carefully with that “Diversity” dimension in mind.

5.6.2 Transparency by design

Transparency should be rewarding for the different players involved in the value chain. In a competitive landscape, transparency to artists as well as to consumers, becomes a differentiator.

5.6.3 From a fragmented industry to an interconnected ecosystem

The need for interoperability in terms of data standards and APIs to enable connectivity of platforms and systems across borders and industry silos.

Cooperation between live and recording to build up synergies when it comes to expose and connect an artist with engaged fans, using data & digital marketing as well as coordination with offline distribution.

Facilitating traceability of consumption data across different types of usage and platforms.

5.6.4 Open innovation

This call also illustrated the need to foster offline and online distribution through cooperation with the start-up ecosystem, by supporting hubs dedicated to music innovation.

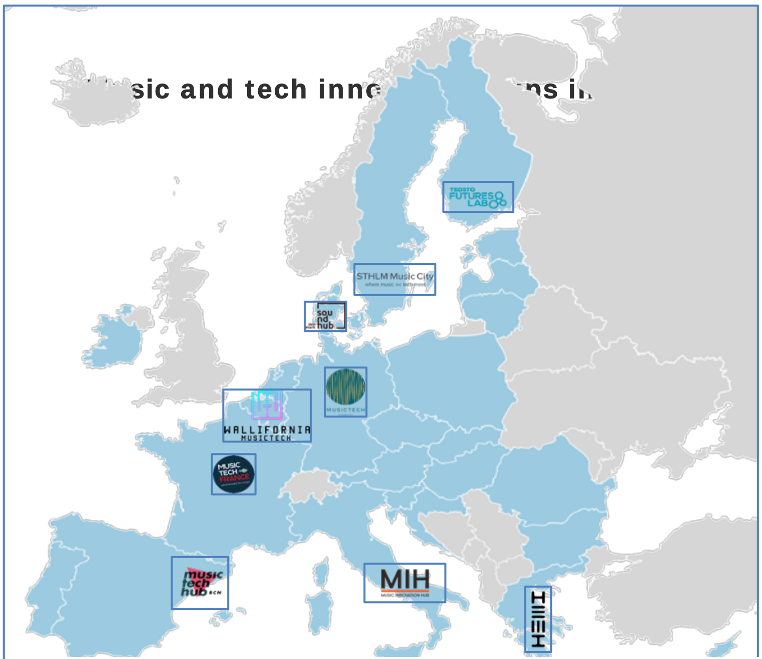
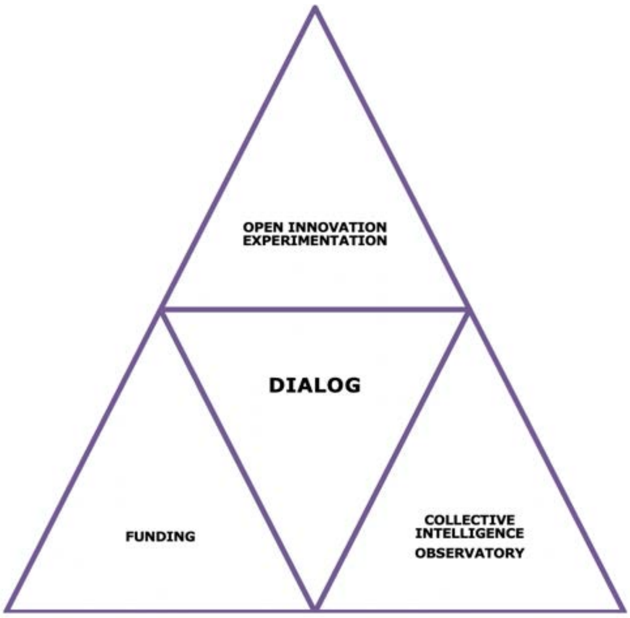


Figure 24: MusicTech Hubs in Europe - Source: TheLynk

> *"A key takeaway for the project for us is that there is that collaboration between companies pushing for innovation in the music technology industry can be greatly improved."*
>
> Jose-Luis Zagazeta, SonoSuite

Music Moves Europe could play an instrumental role in driving **dialog** across the ecosystem as well as facilitating **Open Innovation** and **Collective Intelligence** via new funding schemes dedicated to support experimentation and initiatives like a European Music Observatory.



6 COVID-19 IMPACT

6.1 A SEVERELY AFFECTED SECTOR

The music sector has been severely impacted by the COVID-19 crisis with a different level and nature of repercussions depending on whether music distribution is offline or online. The live sector is clearly suffering the most with the shut-down or drastic reduction in activities due to safety measures and social distancing restrictions.

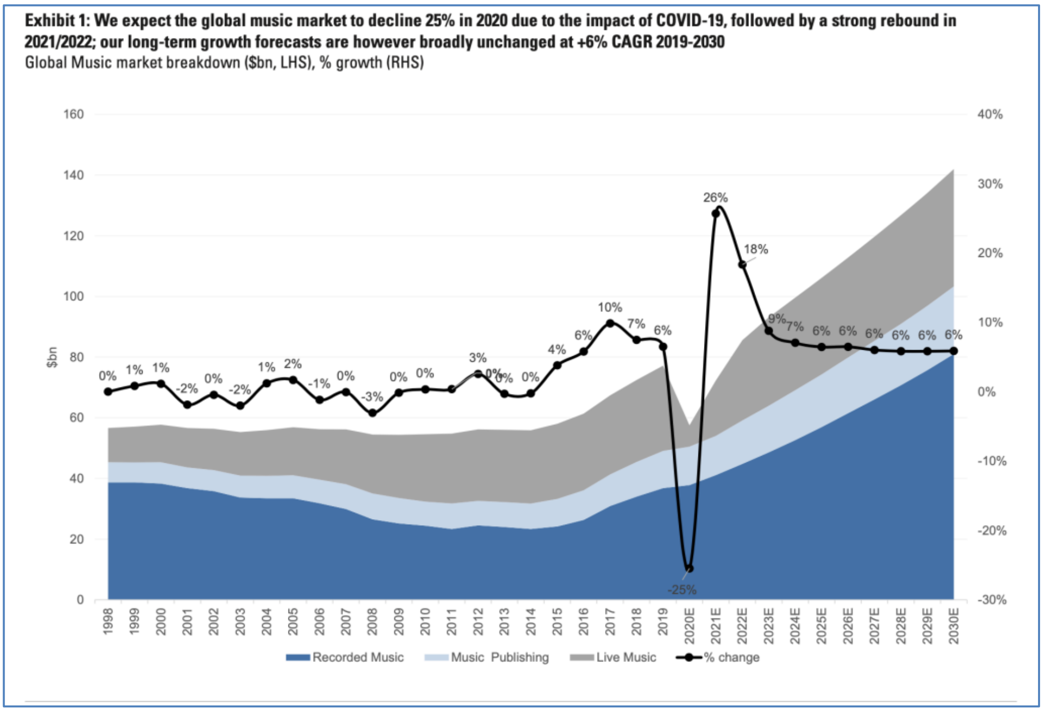


Figure 25: Goldman Sachs Music Market Projections -Source: IFPI Global Music Report 2020, Music & Copyright, OMDIA, PWC, Company Data, Goldman Sachs Investment Research

Among the 2600 music venues represented by LiveDMA, the measured impact [6] is representative of the crisis that the sector is going through: 70% decline of music events and artist performances, 76% decline of audience visits.

According to the latest figures published in the EY report commissioned by GESAC (European Grouping of Societies of Authors and Composers)[7], music is the second most impacted sector of the cultural and creative industries (after the performing arts), with a revenue loss of 76%, compared to the average economic loss of 31% of the entire sector. Before the crisis, the music sector employed in the EU 1.2 million people (more than 15% of the entire jobs in the entire cultural and creative sector), but appetite for careers in culture, including music, could diminish considerably. In the Netherlands, live performance unions estimate that around 40% of their members are looking for work outside of CCIs. According to the annual Global Collections Report[8] published

[6] Live DMA Survey: Covid-19 impact – key numbers. https://www.live-dma.eu/the-survey/

[7] https://www.rebuilding-europe.eu/

[8] https://www.cisac.org/fr/Actus-Media/global-collections/rapport-sur-les-collectes-mondiales-2020

by CISAC (International Confederation of Societies of Authors and Composers), cancellation of events and social distancing measures are expected to lead to a 60-80% decline of Live and background collections in 2020. This follows an increase of 5.6% in 2019. Collections from broadcast, radio and cable are expected to decline by 10-20% in 2020 due to advertising cutbacks. This is the largest music collections source, accounting for 37% of collections in 2019. TV and radio collections grew 5.6% globally in 2019.

6.2 NEW SOLUTIONS FOR NEW USAGE

The pandemic context has led to develop or accelerate the adoption of new types of usage and behaviour towards music experience.

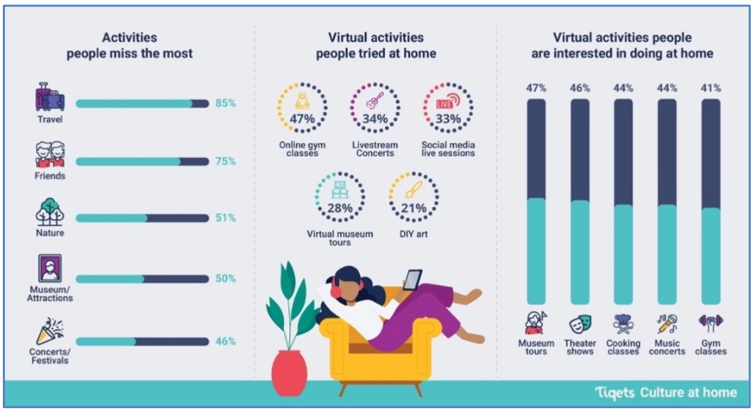


Figure 26: Culture at Home Practices - Source: Tiqets Survey

Livestream concerts become an alternative to cancelled live events, with potential sustainable perspectives of a hybrid music distribution mode.

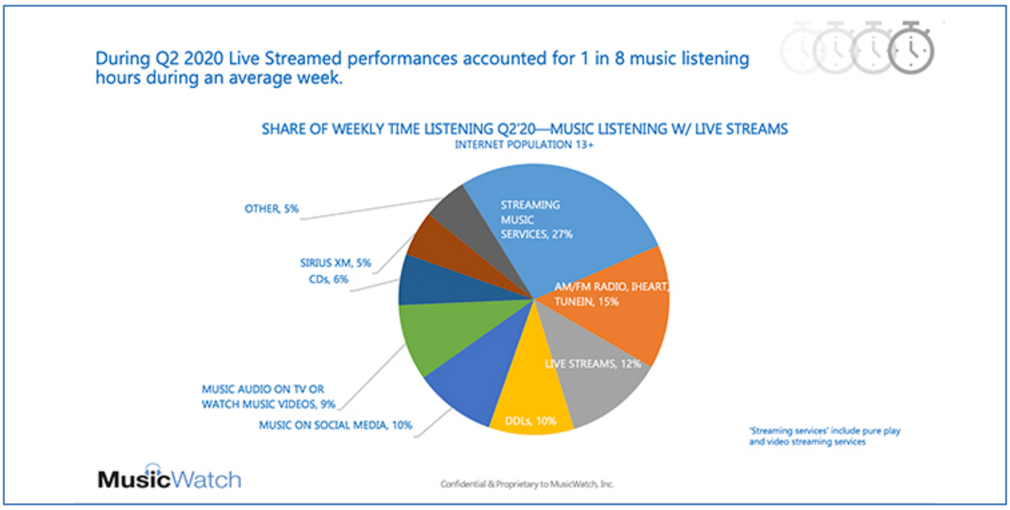


Figure 27: Share of Weekly Time Music Listening Q2 2020 - Source: MusicWatch

While some technology providers were already positioned on the Event Livestream market, a growing number of new Concert Livestream services emerged in Europe as a positive response to the current crisis. Those new solutions are both add-ons of existing players like FESTICKET, SHOTGUN, OMNILIVE and new stand-alone livestreaming platforms like RQSTIVAL, DOORS.LIVE, NOKITUMI or ALISSIA SPACES.

As this form of virtual live experience is going through a “hype” cycle, which can turn to be over time a sustainable complement to in real life concerts, some key question marks remain:

- What is the legal & right management framework of Livestream Concerts?
- Who is going to invest in the production of those Virtual Live Events: Artist direct, Labels, Live Promoters, Digital Platforms or all the above?
- What is the economic impact of Livestreaming and the potential market size?
- How about curation of livestreaming show and discoverability for European artists in such environment where leading global video & social platforms are dominant?

7 CONCLUSION

7.1 MAIN ACHIEVEMENTS OF THE CALL

- Beneficial support and visibility to innovative and promising projects in line with MME objectives to promote diversity and increase the circulation of European music repertoire across Member States;

- Fruitful dialog and knowledge sharing among participants, creating an unprecedented space for collective intelligence about music distribution, cyclical and structural challenges as well as possible areas of development and cooperation at European level: discoverability, curation, data;

- Integration of a great diversity of players in the call including cutting-edge start-ups showing the complementary and convergence between offline and online distribution.

7.2 RECOMMANDATIONS FOR FUTURE ACTION AT EU LEVEL

- ***MUSIC MOVES EUROPE could be developed to become a platform for dialog, collective intelligence and go-to-market acceleration***

- Build capacity to understand and anticipate key usage trends, from a consumer journey perspective as well as from an artist development standpoint. **A European level music observatory based on usage of data would be beneficial for the sector and for policy makers** to guide action towards music.

- The European Commission could facilitate go-to-market by becoming a “cooperation enabler” where music industry needs meet solutions across borders.

- Foster innovation by enabling experimentation in a form of pilots or labs dedicated to address the key challenges identified during this call.

- Contribute to define industry and market proof standards with a focus on data with the objective to facilitate interoperability, discoverability, traceability and transparency. It could take the form of working groups with the various music industry stakeholders involved including artists, start-ups and research.

- Open dialogue to other creative industries to discuss the common challenges and share best practices regarding strategic topics like metadata, discoverability, monetization and traceability of cultural works in a digital landscape.

8 LIST OF ILLUSTRATIONS

REFERENCES

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IFPI Global Music Report 2019

CISAC Global Collection Report 2019

LIVE DMA Live Music Venues & Clubs Report 2020

IMS Business Report 2019

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MIDIA – IDAGIO Classical Music Market Report 2019

IQ International Ticketing Yearbook 2019

MIDEM Independence and Music Evolution Report

AIM presents Distribution Revolution

HARRIS Copyrights & Tech Giants Report February 2019

Cross-border circulation of European music repertoire within the EU, by EMO & Eurosonic

Central European Music Industry Report 2020

APPENDIX – Overview of the awarded projects

In this section of the report, we describe each winning project with key elements of context, achievements, as well as project holder's perspectives about ecosystem level outcomes and key challenges ahead to be addressed with EU support.
This section is based on the contribution of the projects holders who were asked to provide a short overview of their project. Thus, this section does not represent the opinion or the judgement of the author.

Banding

BENEFICIARY NAME: Eastaste Group Bt (Banding)	COUNTRY: Hungary
DESCRIPTION: The concept behind our action was to find similar bands/artists for each other and to help them to organize exchange concerts to allow them to reach their potential fan base in new territories and boost cultural diversity along the exchanges.	**WHY APPLYING TO THIS CALL?** Because the call was a good fit to our planned action and according to our research the concept of Banding was viable and worth the effort.
ACHIEVEMENTS: We were able to gather more than 400 subscribers and managed to organize 20+ live concerts excluding the 15+ additional ones that needed to be cancelled due to the pandemic. The range of the organized concerts are really wide. We had events with 50 people audiences, but we were also able to offer bigger opportunities for bands for example a big arena shows in St. Petersburg with 7000 people in the audience.	

1/ What is the outcome of MME Offline & Online Distribution from your project's perspective?

We were able to gather more than 400 subscribers and managed to organize 20+ live concerts excluding the 15+ additional ones that needed to be cancelled due to the pandemic. The range of the organized concerts are really wide. We had events with 50 people audiences, but we were also able to offer bigger opportunities for bands for example a big arena shows in St. Petersburg with 7000 people in the audience.
We needed to pivot from live concerts for an uncertain time, but we managed to move quickly enough with our current technological opportunities and offer our users an opportunity to co-create songs with like- minded artists to be able to have a grip on each other's audiences digitally. We are releasing our third co-written song in September.

2/ According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

In the current state of the European economy, it is extremely difficult to raise money for music related projects. Arts have always been too big of a risk for venture capitalists and angel investors. Creating a platform (MME) and backing up projects like ours or any other that's involved in the call is a cultural necessity. When it comes to the ecosystem, I would say that the personal meetings in Brussels was a key part of the call. It enabled the projects and the very people behind them to get to know, connect with each other and actually get more involved in the European music ecosystem through these connections.

3/ What are the key challenges ahead to be addressed and how Music Moves Europe could play a supporting role moving forward?

The program is designed to support projects that aim to have certain cultural benefits. Having a sustainable business model is not a requirement, in fact they are aimed at projects that operate against current market forces (e.g. dominance of Anglo-Saxon distribution channels). Therefore, it's very challenging to sustain such projects in the long run. Without long term support, project owners either have to find ways to incorporate them into their (or other's) existing profitable activities or come up with business models to monetize the new project. In the music industry landscape creating business models for mainly culturally beneficial projects is very challenging, especially for ones that go against reigning market forces. Consequently, most of these projects are meant to fail once the support is cut.

BENEFICIARY NAME: Eveara	COUNTRY: IRELAND
DESCRIPTION: EVEARA is a One-Stop Direct Artist/Do-It-Yourself Artist Service Business To Business Enterprise White Label Software As A Service, inclusive of Distribution, Music Identification, Fingerprinting, Analytics, Marketing Tools, Reporting, Payout, and Support. WHITE LABELING ALSO AVAILABLE AS NATIVE ANDROID AND iOS. HIGH QUALITY AUDIO CAPABILITIES UP TO 192kHz 24bit, INCLUDING FULL SURROUND SOUND SUPPORT.	**WHY APPLYING TO THIS CALL?** To better understand our segment, but also to contribute, participate, partner, network, and access support and funding. To create a better (transparent, efficient, fair, artist friendly, artistic) music industry. To strengthen our segment as well as the music industry overall.
ACHIEVEMENTS: Established on of the best Business To Business Enterprise White Label Software As A Service Solution, inclusive of Distribution, Music Identification, Fingerprinting, Analytics, Marketing Tools, Reporting, Payout, and Support. EVEARA's technology is being used by more and more international companies such as e.g. Avid, Dolby, etc.	

1/ What is the outcome of MME Offline & Online Distribution from your project's perspectives?

A better understanding of our segment, that it is very fragmented, and that there still is a lot to do in regard to working towards a more transparent, more efficient, more artist friendly, and artistic music industry.

2/ According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

Improved networking, analytics, a better understanding of our individual and common challenges.

3/ What are the key challenges ahead to be addressed and how Music Moves Europe could play a supporting role moving forward?

Strengthen our sector by facilitating more efficient networking, accessing analytics, access to international companies and organizations, but most important access to sufficient funding.

BENEFICIARY NAME: **GET a GIG GmbH (Gigmit)**	**COUNTRY: Germany**
DESCRIPTION: GIGMIT initiated the project "LASER" (Live Artist Search Engine & Recommendations) which increases the availability of European music by improving the algorithmic curation of live music programming and boosting the discoverability of European artists. LASER allows artists and promoters to access their fan and listener data on the Gigmit platform. This will promote a brand-new discovery approach and the visibility of otherwise-undiscovered artists seeking live music performance opportunities across Europe.	**WHY APPLYING TO THIS CALL?** This data is yet not accessible and highly important for the live music sector. However, data connections and software development contain high risk and a new business whose success is unclear. The funding allows Gigmit to launch the Live-Artist-Search Engine and develop the data connections that mine data from digital music streaming services and social media to assist live music promoters in discovering and booking European artists. It further allows Gigmit to offer the service free of charge at first to support the music industry in exploring the data.

ACHIEVEMENTS:

(1) Venue bookers can find artists that have a growing fan base in their location and match their programming requirements. For the first time, their booking decisions can be based on facts rather than guesswork.
(2) Artists can find venues in locations where their songs are frequently streamed
(3) It also allows users to see which musicians are popular in a specific geographic area, based on streams and social media interaction.
(4) Gigmit has successfully developed and launched the MVP (the first version to demonstrate viability). This algorithm-based software service allows users to find data about their popularity on multiple online platforms (streaming services, social media) all in one place.

1/ What is the outcome of MME Offline & Online Distribution from your project's perspectives?

We were able to build something completely new in the market that is helpful for the whole sector in many ways. Without that support we wouldn't have been able to do it.

2/ According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

There are many prototypes and new ideas released. To me they mainly allow new takes and thoughts on the future of the distribution aspect in the music industry.
However, those are only the first steps and ideas that have been shown. Real change needs higher budgets.

3/ What are the key challenges ahead to be addressed and how Music Moves Europe could play a supporting role moving forward?

Scaling. How do you make an impact releasing free or low-key accessible products on an MVP level?

US investors fund Series A or Seed rounds after the MVP with 1-5M$. We need equivalents to create a huge impact.

<table>
<tr><td>BENEFICIARY NAME:
Idol Media / Getup</td><td>COUNTRY: France</td></tr>
<tr><td rowspan="2">DESCRIPTION:
Getup is a website for playlists, a curated source that brings together quality, eclectic musical suggestions, with a brand-new approach and an internationally diverse dimension.

Since the introduction of streaming music, the transition to digital has accelerated at an exponential rate. In this new digital world, independent labels risk being left to the side, a situation that would significantly impact the rich tapestry that music has to offer.

As an independent distributor, IDOL seeks to diversify and find new, radical ideas to reduce these missed opportunities and ensure real diversity in the world of streaming, in particular through the creation of new digital media sources. Helping to support the roster of independent artists and labels, in particular in Europe, to increase their visibility and revenue streams. Beyond the economic gains, this media would convey and support common values in IDOL's brand image and its impact on the music industry.

Based on our first conclusive experiences with Pan African Music, an online media dedicated to music from Africa and its diaspora, which has become a vital reference journal and resource dedicated to the genre, with Getup we aim to complete our offering through a website that champions the spirit of the streaming era, offering contextualized playlists with additional featured content.

Today, musical playlists are mainly shaped by the majors and there are only a handful of counter-offerings, often from knowledgeable individuals who struggle to make their voice heard. This makes Getup a pioneering player in this industry, within an independent community where there is currently little competition</td><td>WHY APPLYING TO THIS CALL?
-> Extend our network and better understand the inner workings of the European institutions

-> The setting-up of the file allowed us to better define the framework of our project and confirmed our choice to support a strong approach based on musical diversity and the circulation of works within the EU member countries. We have adapted the project to fit this approach, reinforcing our will to contribute to building a strong European cultural ecosystem, and enhance its international visibility and reputation.</td></tr>
<tr><td>ACHIEVEMENTS:
After 2 years of work, combining artistic direction, technical development, content strategy and partnership marketing, coupled with 4 years of experience with the online medium Pan African Music – one of Europe's most influential publications dedicated to music from Africa and its diaspora – we released a beta version of the getup.radio website on April 17th, 2020. The online launch was followed by a privately conducted two-month test phase, with the support of our parent company's international network (music distributor IDOL).

With over 100 playlists made available to stream via the website and highly encouraging feedback towards both the project's relevance and its concept from users and figures within the music industry, we have been busy preparing the next steps to implement from as early as September this year, maintaining our objective to support musical diversity and to celebrate new independent artistry</td></tr>
</table>

1 / What is the outcome of MME Offline & Online Distribution from your project's perspectives?

Beyond the financial aspect which obviously contributed to the achievement of the project, the close contact with the Parisian teams of the Relais Culture Europe allowed us to extend our network and better understand the inner workings of the European institutions – e.g. the schedules of the various institutional aids. Indeed, the close relation we have nurtured with the Relais Culture Europe desk during the setting-up of the file has allowed us to put into perspective the various opportunities that we could benefit from the European Commission and understand which ones are more suited to our needs. The Paris-based desk has also invited me to take part in several panels to talk about MME during Europe Creative Day in Paris, and introduced us to different players in the European cultural industry – audiovisual producers, book publishers, etc. These were very rewarding meetings that led to new projects, currently in progress, in particular with Claire Leproust (FabLab Channel).
This networking extended with the 'granted' projects of the MME label during various meetings in Brussels (MME Dialogue on December 12-13), offering us the opportunity to meet face to face with the people in charge of the projects, and better understand their professional environment and expectations.

2 / According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

The setting-up of the file allowed us to better define the framework of our project and confirmed our choice to support a strong approach based on musical diversity and the circulation of works within the EU member countries. We have adapted the project to fit this approach, reinforcing our will to contribute to building a strong European cultural ecosystem, and enhance its international visibility and reputation. Media platforms, digital distribution, music curation, and cooperation with players in the music industry are all initiatives that together can pave the way for the European collaborative network to gain influence, and ultimately become a model in the industry.

3 / What are the key challenges ahead to be addressed and how Music Moves Europe could play a supporting role moving forward?

It is rare to see a project come to realization in just one or two years, and this is why we think it is essential today not only to support new projects, but also to follow the projects currently successful, and the ones with a strong potential for success, offering them support and a better project monitoring and follow-up, and helping them find their way into the various Europe Creative calls for applications.
We think it is important to rely on the desks, as they are intermediates between the players in the field and the European institutions, and to build bridges with all the teams involved.
On this specific point, wouldn't it be more productive and helpful to go further in helping projects realize? For example, once a project is supported with a financial aid and once the key stages of the project have been completed and meet the required objectives, it could be granted another financial aid, allowing the teams to better anticipate the next few months, or to find the resources to apply for the next aid.

NOMADPLAY

BENEFICIARY NAME: Digital Music Solutions / NomadPlay	COUNTRY: France
DESCRIPTION: Digital Music Solutions develops a play-along app called NomadPlay, based on an innovative IA algorithm which can filter any instrument from a recording.	**WHY APPLYING TO THIS CALL?** We applied to this call to develop a new specific branch to our R&D program (NomadVoice), dedicated to singing voice separation from other audio sources. The project was to start including vocal repertoire in our catalogue, sung in various European languages.

ACHIEVEMENTS:

We released a first batch of 35 vocal tracks in our catalogue, recorded with professional classical choirs, available in French, German, Spanish, Italian, English, Latin and Russian. It is the start of a growing repertoire.
First tech results are very promising, and we will keep working on that project with a bigger R&D team, since we hired a new R&D researcher in June 2020.

1/ What is the outcome of MME Offline & Online Distribution from your project's perspectives?

The outcome of this program is promising, though it is the very start of our project that aims at adapting our source separation algorithm to singing voice.
It is a long-term R&D project, so we would definitely need potentially bigger grants to pursue our project. Beyond the technical and financial dimension of the project, a quite satisfying outcome is definitely the labelling by the European Commission of our project, and how it helps reaching out new European partners.

2/ According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

To be truly honest, I am not sure to see that from such a perspective since we have too little connections with other beneficiaries from the MME Call.

3/ What are the key challenges ahead to be addressed and how Music Moves Europe could play a supporting role moving forward?

The key challenges for us now is to succeed into fully industrialize our R&D processes and commercialize the app on an international level.
Music Moves Europe could play a supporting role in 3 ways:

> Financial support
> Connection with European partners at both an artistic and political level
> Communication

<table>
<tr><td>BENEFICIARY NAME:
Radio Študent Institute</td><td>COUNTRY:
Slovenia</td></tr>
<tr><td>DESCRIPTION:
RadioMuse project goal was to establish a music broadcast exchange network in order to promote local European artists, to emphasize the human factor behind music selection and to improve competency of music journalists through best practice exchange. Based on regular content exchange among partners in the form of weekly “Featured Songs”, bi-monthly “RadioMuse broadcasts” and by organizing a festival in Ljubljana with foreign acts from partnering countries, the project successfully brought together some of Europe’s important music oriented independent radio stations with a tradition of bringing new, urban, alternative and local music to its listeners: Radio Študent (Ljubljana, Slovenia) as the lead partner, together with Radio Student Zagreb (Croatia), Radio ORANGE (Vienna, Austria) and a radio network Radio Campus France.</td><td>WHY APPLYING TO THIS CALL?
By applying to this call partnering European independent/community radios received support to create a RadioMuse broadcast exchange network intended to provide an alternative to the Anglo-Saxon AI-powered distribution platforms (iTunes, Spotify…) by promoting the importance of human selection of local, urban, alternative and underground artists in music promotion and distribution. Not only did the partners promote local EU artists by exchanging music content, but they also exchanged different approaches in music selection and various work methods. Thereby the support granted through the call helped to facilitate broadcasts exchange, promote local EU artists and improve the capacities of culture and music industry workers.</td></tr>
<tr><td colspan="2">ACHIEVEMENTS:
Each partnering radio taking different approaches but all of them basing on journalism in their music selection proved the importance of human selection in distribution of music. Exchange of these approaches enriched our work in terms of selected artists, music genres and methods. Regardless of four different countries being included in the action, we successfully overcame the language barrier. Successful implementation of activities showed to all of us that “it can be done” and also demonstrated a need for this kind of cause as some partners did not join the network only because of the funding (low budget) but mainly because of the content of the project and opportunities of networking and experience exchange for their young journalists which are not likely to be found anywhere else.</td></tr>
</table>

1/ What is the outcome of MME Offline & Online Distribution from your project's perspectives?

- RadioMuse network providing an alternative to the Anglo-Saxon AI distribution platforms by promoting local artists through human selection of music
- “How do you do it?” - exchange of content, selection criteria, approaches and work methods in music selection and distribution
- Improved capacities of culture and music industry workers

2 / According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

- Emphasized importance of human selection - need for intermediaries in the music distribution
- Offline promotion and distribution still matter
- Independent and community radios have proved to be the main catalysers of human selection
- Networking

3 / What are the key challenges ahead to be addressed:

- Lack of funding - running an exchange network with live artist concerts requires additional resources
- Lack of common offline and online exchange and distribution platforms - independent media networks
- Lack of understanding for the emerging musician - entrepreneur profile of artist in mainstream music promotion business.

and how Music Moves Europe could play a supporting role moving forward?

- Provide support for this type of exchange platforms and therefore facilitate better promotion of local and urban EU musicians - entrepreneurs.

BENEFICIARY NAME: SonoSuite	COUNTRY : Spain
DESCRIPTION: Suite is a white-label Digital Music Supply Chain SaaS (Software as a Service) through which all actors in the digital music ecosystem can create, exchange and access music content assets and related data. At the heart of SonoSuite is a Global Repertoire Database to which creators can upload digital assets (recordings, compositions and artworks) to distribute, promote, track the use and monetize these assets globally. All contributors to each asset has access to this database so the registration, licensing and tracking of assets and the payout of related royalties is completely streamlined. We bring this powerful tool to a massive, worldwide market of independents using a white-label strategy, so that local music industries can establish their own distribution services in order to cater for the specific needs of their region.	**WHY APPLYING TO THIS CALL?** The digital music sector has an endemic problem of transparency and fairness in royalties and rights payments. The high fragmentation of the European music sector due to national and language barriers, which in turn are also the cause of the territory's cultural diversity, causes the market to be fuelled by micro- and small businesses with a limited financial capacity but an important economic impact. Without a technological solution that helps not only to access the digital market but also compete in equal terms, the discoverability of the European music creators lacks the necessary tools to compete on equal terms.
ACHIEVEMENTS: The Locals project has allowed us to provide an independent digital distribution and royalties' management solution specifically designed for the local and regional independents sectors, which includes an editorial toolset designed to enable local artists and labels to successfully create their promotional strategies in order to boost their visibility and discoverability. The solution has been designed with accessibility and data-driven decision support in mind, in order to provide a powerful independent DIY platform which helps artists and labels to become competitive in a global ecosystem.	

1/ What is the outcome of MME Offline & Online Distribution from your project's perspectives?

The Locals project has been primarily a validator of our local-first approach to the music sector, providing solution to local and regional communities to establish their own distribution service. Knowing we are fully aligned with the MME agenda and the European priorities regarding music gives us a stronger foundation. The project has also helped us prioritize long overdue initiatives in our product proposal, such as rights management, editorial strategy definition and a better accessibility, which are now deeply rooted in our roadmap so they can be central in our future development.

2/ According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

One of the most interesting aspects of the Locals project has been the opportunity to meet with colleagues of the industry, public entities and policy makers, thanks to the

Music Moves Europe round tables and discussions. A key takeaway for the project for us is that there is that **collaboration between companies pushing for innovation in the music technology industry can be greatly improved.** Despite we may be tackling similar problems in our own regions or local industries, there is few knowledge of what other companies are doing and how we can collaborate to tackle problems that affect us all.
We believe this is a major challenge for the European music tech ecosystem and, as a result, we are already part of the European music tech hub initiative, founding members of the Barcelona Music Tech Hub, as well as active full members of international digital distribution consortia such as DDEX, in order to bring together companies and entities working on improving the distribution and reporting standards and processes.

3/ What are the key challenges ahead to be addressed and how Music Moves Europe could play a supporting role moving forward?

Fairness and transparency is probably the most important challenge since it affects the livelihood and future of music creators and, in the end, of the cultural diversity both in Europe and the rest of the world. It is essential to tackle the opacity and inequality problem in the digital music sector by sponsoring a coordinated effort towards a **unified reporting standard** that can be maintained and audited by entities independent to both the industry and the PROs.

This is a long overdue initiative. Multiple companies and PROs have attempted to work towards what has is currently known as Global Repertoire Database, a repeatedly failing initiative that has cost millions of euros without producing effective results.
We firmly believe that the EU is in a privileged position to bring together the music scene so that not only the industry but also the public entities, music associations and policy makers are involved in this effort.

BENEFICIARY NAME: **World Airplay Radio Monitor**	**COUNTRY: Denmark**
DESCRIPTION: WARMCHARTS A new set of detailed radio airplay charts has been developed and launched. The radio charts are public and free for all, and accessible on this domain: www.warmcharts.com WARM charts show what music has been playing on the radio during the past week.	**WHY APPLYING TO THIS CALL?** The motivation for applying for this call was to create a unique service for all layers of the music industry, by using the data we already had available. The charts can be seen as a tool for musicians and managers, to be informed and thereby enhance their promotion efforts. Furthermore, we wanted to grow as a start-up company for ourselves and subsequently create more jobs in the music-tech industry.
ACHIEVEMENTS: We created 27 different charts and can be filtered down into different segmentations, territories, and styles (E.g. Nordic or European college radio). As part of the project we developed a fully functional API structure and a thoroughly testedUX and front-end design. The project is a new way of thinking and using airplay charts. The idea behind covering larger territories and more niche music on college radios is to highlight more independent music and let more upcoming music spread across borders. One of the specific outcomes is to promote visibility of diverse genres of European music on the radio.	

1/ What is the outcome of MME Offline & Online Distribution from your project's perspectives?
We are a music/tech start-up and we are used to working agile and managing on short projects. This project helped us develop as a team and work more structured over a longer period of time. The grant helped us expand our business by having funds to create a valuable product that we might not could afford to develop at this point in time.
The product we got to make during the project boosted our brand liability and our position in the market, which subsequently will give us an advantage towards our competitors.

2/ According to you, what are the main outcomes from this MME Call from an Ecosystem / Collective perspective?

Funding for projects with an international perspective and out-reach. Development of cultural projects which creates cultural value, and not just fast "return of investment", that might be the main focus in other types of investments.

3/ What are the key challenges ahead to be addressed and how Music Moves Europe could play a supporting role moving forward?

Better accessibility for new applicants.
Better guidance during the process of final reporting.

Better tools/help to promote the projects/products more across the countries within the EU.

BENEFICIARY NAMES: Details, WeConvert, Pro Agency	COUNTRY: Germany
DESCRIPTION: **"Connecting the tools"** The participants DETAILS, WECONVERT and PRO AGENCY - all SME software and IT service providers that organize the daily work of music businesses in Europe -, initiated a proof of concept to connect IT systems and promote efficient data exchange throughout the music industry in Europe through Open APIs for existing and new IT solutions. For our clients, the music companies, these interfaces mean high efficiency gains by avoiding multiple entries and faster availability of usage and market data. Connecting the tools" is a blueprint for an independent, multi-faceted IT ecosystem, which must, of course, be expanded to create a truly powerful network of IT solutions for the European music business, where fragmentation is no longer a weakness but a strength and where best practice will succeed. During the project, the participants developed and implemented solutions for data exchange and promoted the idea on music conferences in Europe.	**WHY APPLYING TO THIS CALL?** As IT service providers for many of Europe's micro, small and medium-sized music companies, the parties involved in this application provide sustainable solutions for the independent music industry. The high number of SME companies in the European music industry is both characteristic and symptomatic, as the fragmented, diverse and complex landscape makes the job of many companies very difficult. Simplifying the work of the small and smallest companies must be the key objective for any economic development in this sector. Monolithic approaches are doomed to failure in this sector for many reasons, but especially in the face of the dominant US-American competitors. From our point of view, the interconnection of a variety of versatile and flexible IT systems is a key success factor for industry-wide growth. We see this program as an opportunity to look beyond individual company constellations and create connections that can benefit the entire European music industry.
ACHIEVEMENTS: Within the framework of this project, we implemented and deepened the outlined cooperation of existing providers of IT solutions. The mutual customers now benefit from the simplified workflows and the time saved by reducing obsolete work steps in the administration of identical data. In addition to the three project participants, connections to two further music tech providers were established (IDOL and ForTunes). Unfortunately, the project period was not sufficient to implement further connections, but the positive effect of the cooperation already within the time of this project has motivated all project partners to push further cooperation.	

Testimonial: we are in contact with multiple other IT systems that we want to connect to, including tech service providers and distributors like IDOL (FR), DITTO (UK), KUDOS (UK), analytic data providers like ForTunes (AT) and WARM (DK), promotion services like PromoJukeBox (DE), Fat Drop (UK), Inflyte (IE) and many other existing and new IT

projects …A “swarm dynamic” of an ecosystem of independent music industry IT specialists will generate positive stimuli for the entire industry.”
Where available, existing API interfaces will be used. If new interfaces need to be designed, public funding would be a great help.

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NC-03-20-387-EN-N

Publications Office
of the European Union