

## Sound recording and music publishing activities

*31th Voorburg group meeting on services statistics*

---



*« You do not sell music.  
You share it »*

---

*Leonard Bernstein, 1993*



## Introduction

---

59.20 SPPI was developed by Insee in 2009 and has been published since 2010.

- only B to All was calculated

Renewal of the sample of companies and transactions in 2014-2015

- effort to distinguish B to B and B to C, and to add B to E

Characteristics :

- diversity of the industry

- complex layers of institutional actors (especially in France)

- strong evolutions of consumption modes



## Guideline

---

1. Classification and definition of services

2. Market conditions

3. National accounts measurement

4. Pricing methods

5. Evolution of 59.20 B to All index



# 1. Classification and definition of services

---

## 59.20 Sound recording and music publishing services

### 59.20.1 Sound recording and live recording services; original sound master recordings

59.20.11 Sound recording services

59.20.12 Live recording services

59.20.13 Original sound master recordings

### 59.20.2 Radio programs production; original master recordings of radio programs

59.20.21 Radio programs production

59.20.22 Original master recordings of radio programs

### 59.20.3 Music publishing

59.20.31 Printed music scores

59.20.32 Electronic music scores

59.20.33 Musical audio recordings on discs, tapes or other physical support

59.20.34 Other audio recordings on discs or tapes

59.20.35 Musical files to download

59.20.36 Audio streaming media

### 59.20.4 Licenses for the use of original audio

59.20.40 Licenses for the use of original audio

5



# 1. Classification and definition of services

---

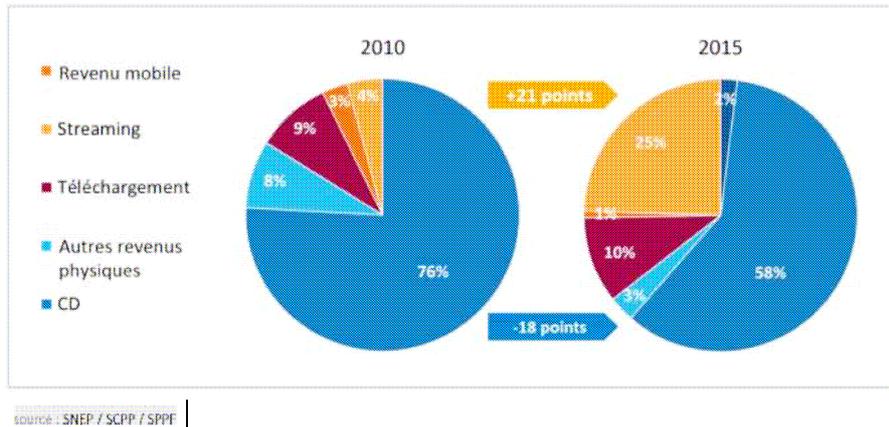
- **Recording services** (studio or assimilated); live recordings services in the area of an event; live recordings of radio shows; non-live production of radio programs.
- **Sound master recordings**: master records resulting of the services above mentioned, protected by copyrights
- **Music publishing in all kinds of forms**: physical products such as music score books, records, music to download or streaming media. Internet sites which sell music to download legally, but not Internet sites where most songs are posted by the users
- **Advertisement** on Internet sites that are offering file downloading or streaming media.
- **Licenses**: products of exploitation of the music copyrights: promotion, authorization, reproduction in all kind of forms or medias

6



## 2. Market conditions

- The changes of consumption modes accelerate



## 2. Market conditions

- The changes of consumption modes accelerate

- According to SNEP, the sales of records / digital files in year 2015 show a decrease (-4,7%):

Decline of physical sales (-15,9%)

And of music files downloading (-20,5%)

Vigorous growth of streaming media (+45%)

- Physical products still represent 64% of the French market.

- Streaming media rises up to 69% of the digital market; file downloading 28%.

Streaming is mostly financed by consumers' subscriptions (79%; streaming financed by advertisement = 21%).

source : SNEP / SCPP / SPPF

## 2. Market conditions

Many actors coexist to collect royalties and redistribute them among producers and artists :

- SACEM (société des auteurs, compositeurs et éditeurs de musique) collects royalties each time a work of music is played live
- SPRE (société pour la perception de la rémunération équitable) collects royalties relating to broadcasting on radio, television or other music broadcasters.
- COPIE FRANCE has the responsibility for collecting and redistributing the "remuneration for private copy". This tax is collected on each sale of data support.

## 3. National accounts measurement

- Positive growth for four years (+3,6% in 2014), when many other publishing activities are in decrease
- Rising of enterprises consumption (+8,5%)
- Disaffection of households consumption (-4,9%)

### Sound recording and musical publishing in national accounts

	2010	2011	2012	2013*	2014*
Production (M€)	1 063	1 060	1 065	1 076	1 086
Growth rate of production in volume (%)	6,8	2,4	2,0	3,2	3,6
Price evolution rate (%)	-2,2	-2,7	-1,5	-2,1	-2,6
Intermediate consumption (M€)	603	639	699	739	801
Growth rate of intermediate consumption in volume (%)	34,8	9,0	9,4	7,6	8,5
Households' final consumption (M€)	738	684	685	656	601
Growth rate of households' final consumption in volume (%)	-9,2	-6,1	1,8	-2,2	-4,9

Source : Insee

### 3. National accounts measurement

---

First detailed results for the year 2015 :

- fifth year of positive growth in volume (+3,3%),
- the consumption of firms would remain sustained (+5,8%)
- the decrease of consumption of households might even take a break (-0,1%).

### 4. Pricing methods

---

#### Recording services

Measurable components and non-measurable (and/or non-reproducible) components:

- measurable : technical components of the price, such as studio hours, engineer hours,
- non-measurable: fame of the performers for instance.

Only measurable components were integrated in our pricing method.

#### Radio programming

Number of enterprises in our sample too small to draw conclusions.

#### Music scores

We checked the prices of durable music scores (standards).

## 4. Pricing methods

---

### Physical audio records

Prices excluding tax, specifying the distribution channel and the range of product (standard, new issue, second edition...).

Products differentiated by using a generic criteria (full price, mid price, low price for instance).

### Digital files to download (excluding streaming)

Because the prices are very steady and similar from an artist to another, we tend to follow average quarterly prices.

In order to follow the price of digital files imported from abroad sites, we also decided to check the prices on the Internet sites.

## 4. Pricing methods

---

### Streaming media

B to C : several ways of subscription to the sites (gold, silver...).

Not really appropriated to our purpose, because they cannot measure consumer utility as they ignore the number of songs listened ("streams").

We tried to get unit value prices from the publishers, when possible.

B to B : sales to Internet sites / telephone companies

Publishers and Internet sites share the turnover created by the subscriptions of users and/or the volume of advertisement,

in accordance with the terms of their contracts,

that can be different from one to another.

## 4. Pricing methods

---

### Licenses

Copyrights sales by the publisher themselves :

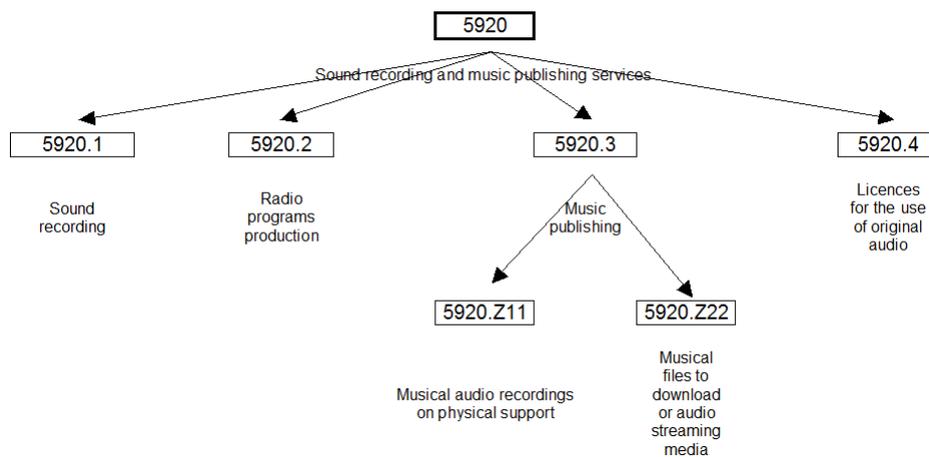
- value prices or list prices established by the publishers.

Royalties collected by institutionals:

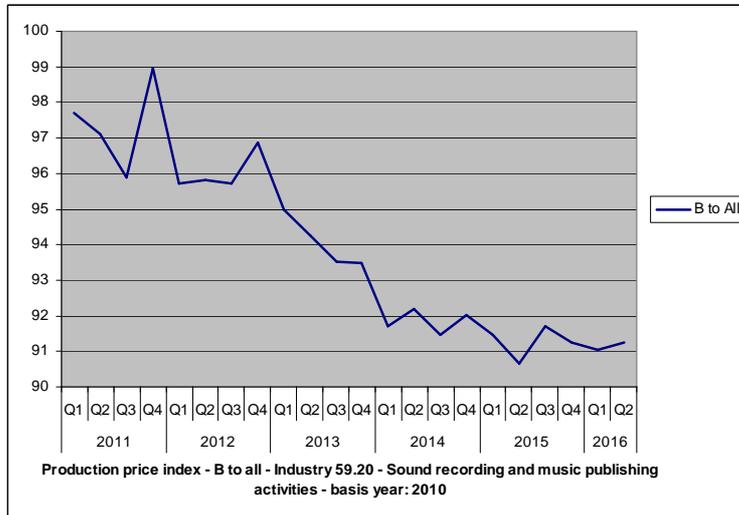
- percentage fee for the radios,
- annual subscription for shops like hairdressers,
- price per gigabyte for the private copy tax on a USB drive...

## 4. Pricing methods

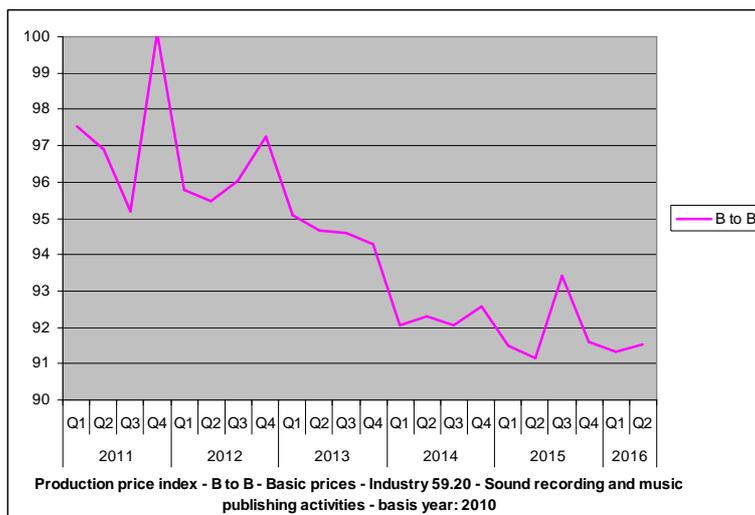
---



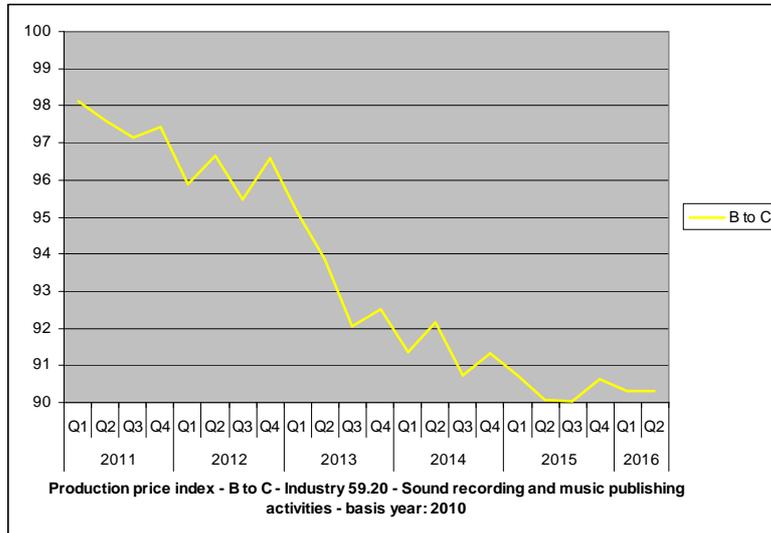
## 5. Evolution of 59.20 B to All Index



## 5. Evolution of 59.20 B to B Index



## 5. Evolution of 59.20 B to C Index



**Thanks for your attention !**

### Insee

18 bd Adolphe-Pinard  
75675 Paris Cedex 14

[www.insee.fr](http://www.insee.fr)



Informations statistiques :  
[www.insee.fr](http://www.insee.fr) / Contacter l'Insee  
09 72 72 4000

(coût d'un appel local)  
du lundi au vendredi de 9h00 à 17h00