Investigation into the Victorian Music Industry

BY: BENJAMIN WIESNER, WITH SUPPORT FROM **CHARTMETRIC**

MAY 2023

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Introduction

It should come as no surprise that music is vitally important to Victoria.

Its significance has been qualified economically, with live music adding $1.7 billion in GDP to the Victorian economy and the national recorded music industry having an estimated worth of $566 million in 2021 (Music Victoria, 2022). It has also been valued for social and cultural importance, with 37% of surveyed Australians agreeing that music is their number one passion (Victorian Music Development Office, 2022).

Despite these statistics, data on the Victorian music industry at a micro-level is challenging to quantify and assess. Limited localised research and the lack of available, complete, and reliable location-specific data sources make it difficult to realise and quantify the full scale and inner workings of the Victorian music industry.

Following the Victorian Music Development Office (VMDO)'s Scoping Study (Ryan, 2020) conducted by Dr Ben Eltham and Ms Catherine Ryan from Monash University in 2019, VMDO invited independent researcher Benjamin Wiesner to investigate the state and scale of the Victorian music industry using different data sources and methodology in 2022.

This research project aims to begin the process of breaking down some of the more unknown complexities of the Victorian music industry. With previous research starting with Census data (Ryan, 2020), perhaps considered a top-down approach, this research begins with creating a database of Victorian artists that can be linked to reliable, current, and updatable statistics.

Photo Credit: Josh Brnjac

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The data collected for this report should be considered a starting point. It is data that we do not believe has ever been collated together before, and a data set that can be grown and continually improved upon and re-assessed over time to be used to better inform industry and government. It provides an opportunity for further research into the artist, as well as the creative and business teams that work around them (building the picture from the grassroots up). If anything, **we have erred on the side of caution with all stated figures by being conservative** and look forward to the opportunity to continue what we have started in identifying, defining and understanding the full size, reach, impact, and value of the Victorian music industry. In turn, we look forward to tracking and supporting its growth over time.

So, if you are part of the Victorian music industry, we encourage you to make contact with us at VMDO on info@vmdo.com.au to add your voice to future reports.

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Methodology & Process

Victorian artists are the lifeblood of the Victorian music industry. Without them, there is no music industry. As such , it made sense to make them the primary focus of this report and to begin the process of discovery around artists.

This research, commissioned by VMDO and undertaken by Benjamin Wiesner, presents an analysis on Victorian artists based on access to worldwide streaming data. The report then begins to explore the supply chain immediately surrounding the artist.

This report was compiled using a combination of desktop research and the supply of data from external stakeholders, including Music Victoria, Chartmetric, the Association of Artist Managers (AAM), Phonographic Performance Company of Australia Limited (PPCA), and the Australasian Performing Rights Association & Australasian Mechanical Copyright Owners Society (APRA AMCOS).

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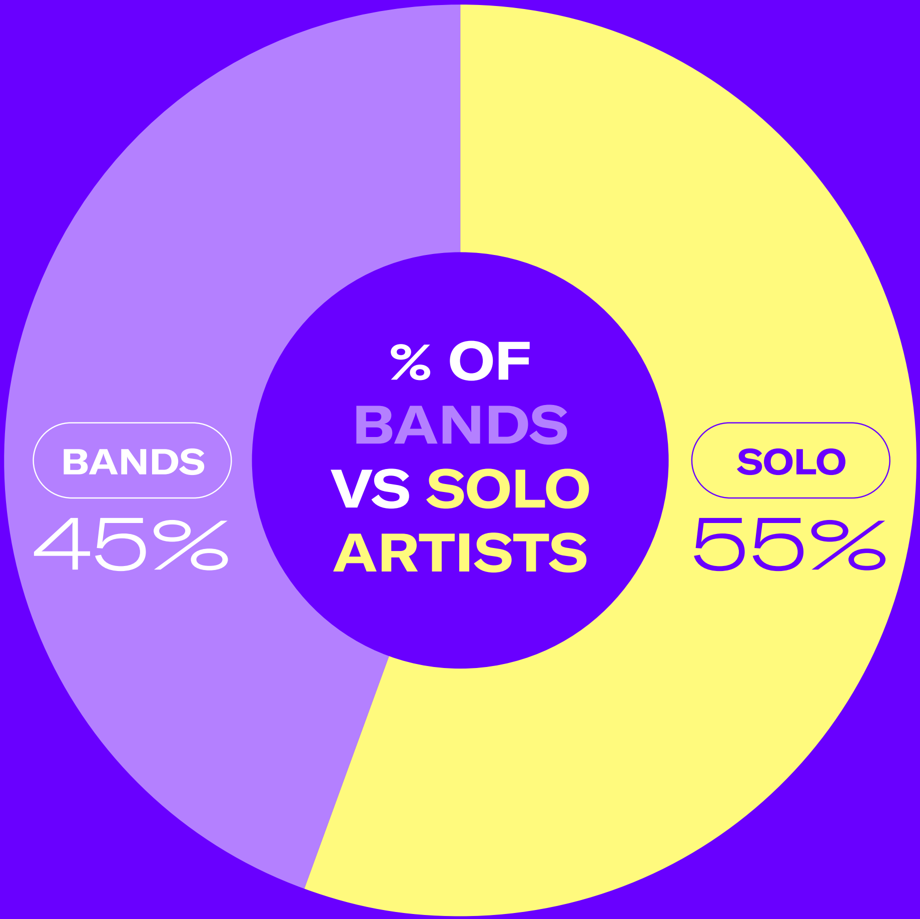
Photo Credit: Pierre Lemos



Source: Chartmetric.com, based on 3,200 Artists that identified themselves as a Band or Solo Artist.

We identified that there are at least **14,000 Victorian artists** that are actively releasing/selling/getting airplay of their original recorded music (in 2022).

This was achieved by sourcing and triangulating artists and their location data from four primary sources: Chartmetric[1], Bandcamp[2], Australian Music Radio Airplay Project (AMRAP)[3] and the Music Victoria[4] Database.

It is important to note that the list of artists (individual and bands) identified is not exhaustive and that further work is required to fill gaps in the data. These findings do however provide a significant dataset to begin to evaluate and make insights into the size and scope of the Victorian music industry.

[1] Chartmetric integrates data from digital services, socials, radio and sync to provide insight on trends in the global marketplace for the music industry and artists.

[2] Bandcamp is an online music store where artists can sell physical and digital copies of their music, as well as merchandise.

[3] AMRAP collects data on independent artist radio plays in Australia.

[4] Music Victoria is a not-for-profit organisation supporting and advocating for the Victorian music industry.

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By identifying artists' unique Spotify URLs, Chartmetric were able to find data matches for around **9,000** of these artists, which represents around **64%** of the **14,000** discrete artists.

Reasons that artists could not be matched included; multiple artists with the same name, not being able to clearly identify the artist's location as being Victorian, or Chartmetric's algorithms not matching the artist on Spotify. Of the ~ 9,000 artists with data matches, not all data that Chartmetric can supply is available for each artist[5]. For example, of the ~9,000 artists, Spotify data was matched for 7,485 artists, Soundcloud data was matched for 793 artists, and Facebook data was matched for 1,262.

As a result, Spotify streaming statistics were used as the primary data source for the purposes of analysis. This is due to the large Spotify data set of Victorian artists (7,485) and Spotify's large market share (31%) of all streaming.[6] (Dredge, 2022)

For clarity, it is also worth pointing out that statistics on followers, fans and listeners are cumulative across artists. Subsequently, the sum of followers is greater than the number of individual people listening to music. One individual who follows multiple artists will be counted for each artist as a follower. Likewise for listeners/fans.

Photo Credit: Josh Brnjac

[5] Once a unique identifier is provided to Chartmetric (in this case a Spotify URL), connecting other data sources (YouTube, Apple Music etc.) to an artist's profile requires manual linking.

[6] Spotify's market share is a global statistic that may vary between territories.

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Exclusions

The creative supply chain: this includes all the creative professionals required to create and perform an artist's music; musicians, producers, and engineers. Although explored, limited data, as well as a lack of individual identifiers meant it was not feasible to include these roles within the scope of this report.

Elements of the business supply chain: this includes, but is not limited to; managers, publicists, marketers, and merch companies. Although explored, these were left out due to insufficient reliable data.

Photo Credit: Josh Brnjac

MUSIC VIDEO STREAMING

The available data on music video streaming statistics of artists is limited. TikTok data was available for 150 artists, YouTube for 62 artists and Twitch data for 21 artists. A larger sample size is required to make industry-wide assumptions and comparisons.

SOCIAL MEDIA

Social media data available was available for ~1,500 of the ~7,000 artists. Given the small sample size, the data has not been used in this report as there is a risk that it is not representative of the wider industry.

LIVE MUSIC

Live music was not the focus of this report as at the time of undertaking the research, Music Victoria was already underway with a Statewide Live Music Census.

MUSIC IN OTHER INDUSTRIES

The scope of this research does not include music as a component of other industries such as Media, Gaming, and Health.

CENSUS DATA

At the time of writing this report, 2021 Census data at a granular level had not been released.

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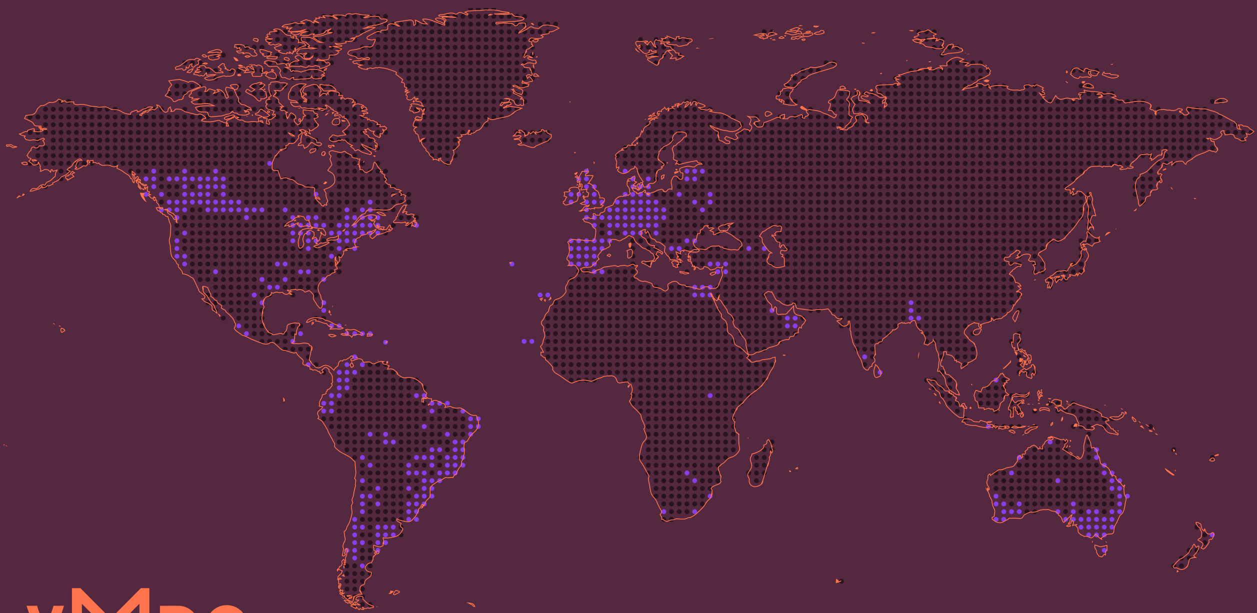
Key Findings

REACH: VICTORIAN ARTISTS REACH OVER **200 MILLION LISTENERS EACH MONTH!**

In a 30-day period (8/10/22-7/11/22), **7,485** Victorian Artists had a combined **201 million** Spotify listeners at an average of **22,849 listeners** per artist across **6,458 cities** around the world.



More than **23.4 million** of these listeners were based in Australia.

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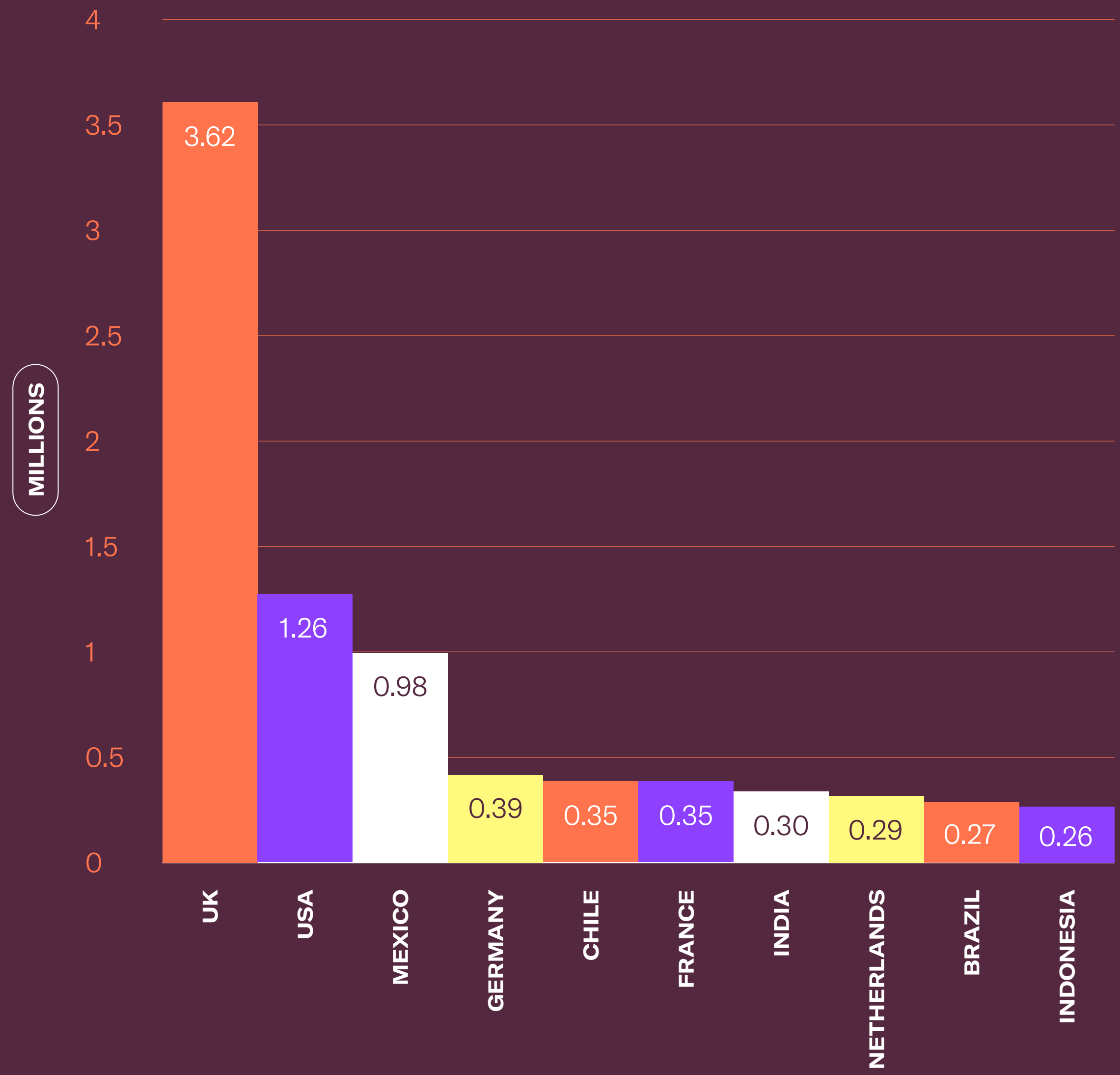
Source: Chartmetric.com, based on Spotify streaming data of 7,485 Victorian Artists

LOCATION:

VICTORIAN ARTISTS ARE GLOBAL – **88% OF LISTENERS ARE OUTSIDE OF AUSTRALIA.**

- **Mexico, Chile, India, Indonesia, & Brazil** are all in the **top 10** Spotify listeners of Victorian music.
- **Mexico** has the **3rd** biggest Spotify listenership, not far behind the USA.

TOP 10 COUNTRIES FOR LISTENERS OF VICTORIAN MUSIC (EXCLUDING AUSTRALIA)



Source: Chartmetric.com, based on Spotify streaming data of 7,485 Victorian Artists

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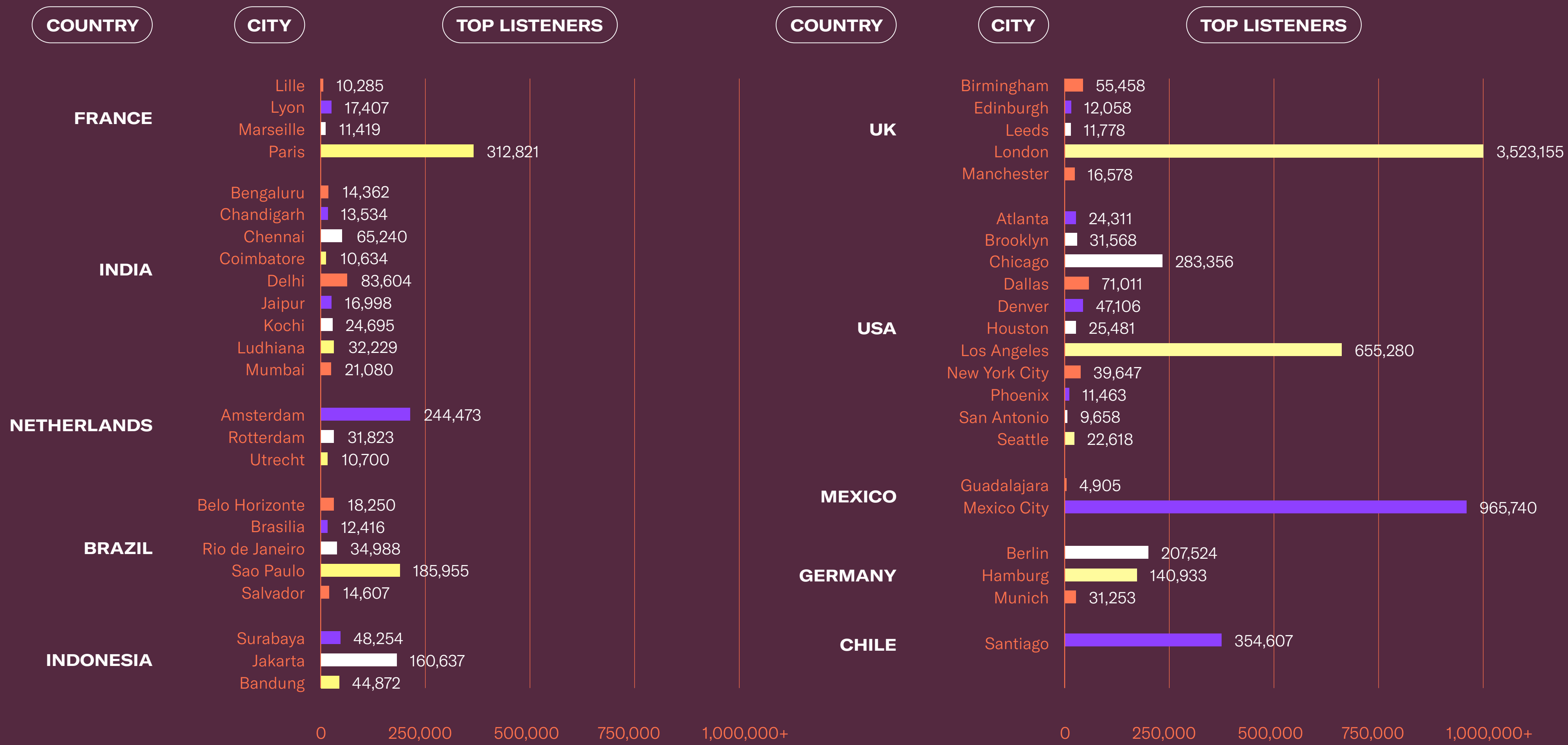
The following chart breaks down these countries into the cities where most of the listeners are based.

London has significantly more Spotify listeners than all other cities, with Mexico City having the 2nd most.



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Source: Chartmetric.com, based on Spotify streaming data of 7,485 Victorian Artists

ACTIVITY:

VICTORIAN ARTISTS ARE ACTIVELY RELEASING – **WITH 41% SHARING NEW MATERIAL IN THE PAST 12 MONTHS.**

In the 12 months from 8th November, 2021 to 7th November 2022, **3,112 Victorian artists** released music on Spotify

Photo Credit: Josh Brnjac

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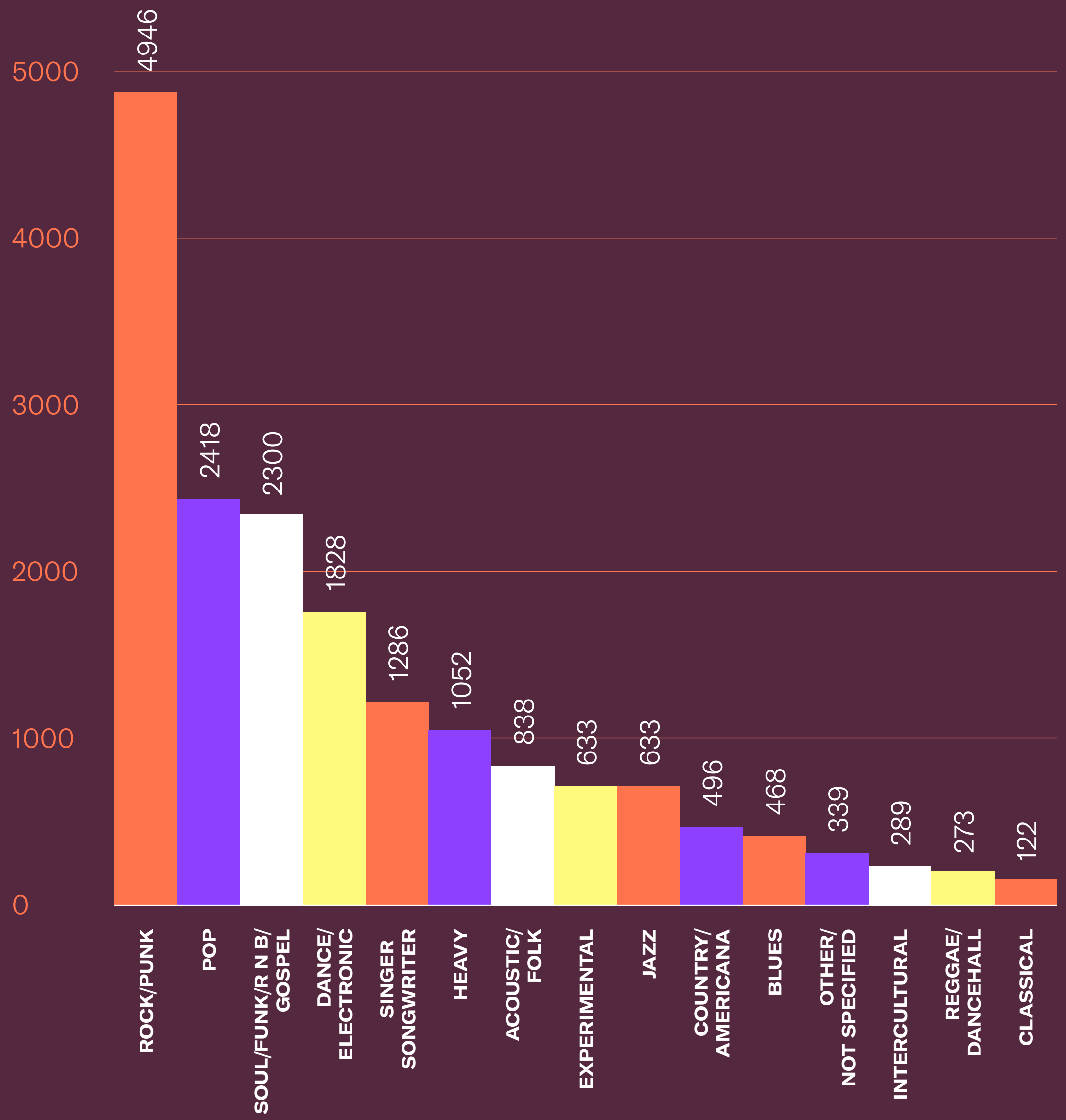
NUMBER OF ARTISTS BY GENRE



Source: Chartmetric.com, based on Spotify streaming data of 7,485 Victorian Artists

CREATORS – WE ROCK!

- There are more **Rock/Punk** artists in Victoria than any other genre; at least **twice as many** as any other genre.
- Pop, Soul/Funk/R'n'B/Gospel, Dance/Electronic, and singer-songwriters come in at numbers **two to five**.

With the fluidity in boundaries between genres, it is becoming increasingly difficult to place an artist within a specific genre. In the available dataset, 3,200 artists categorised their own music as belonging to up to 18 different genres. Therefore, artists can be counted against numerous genres. Other/Not Specified means the artist either didn't specify a genre or the number of artists in a category was too small to compare. These genres include children's music, spoken word, Christian music, musicals, and comedy.

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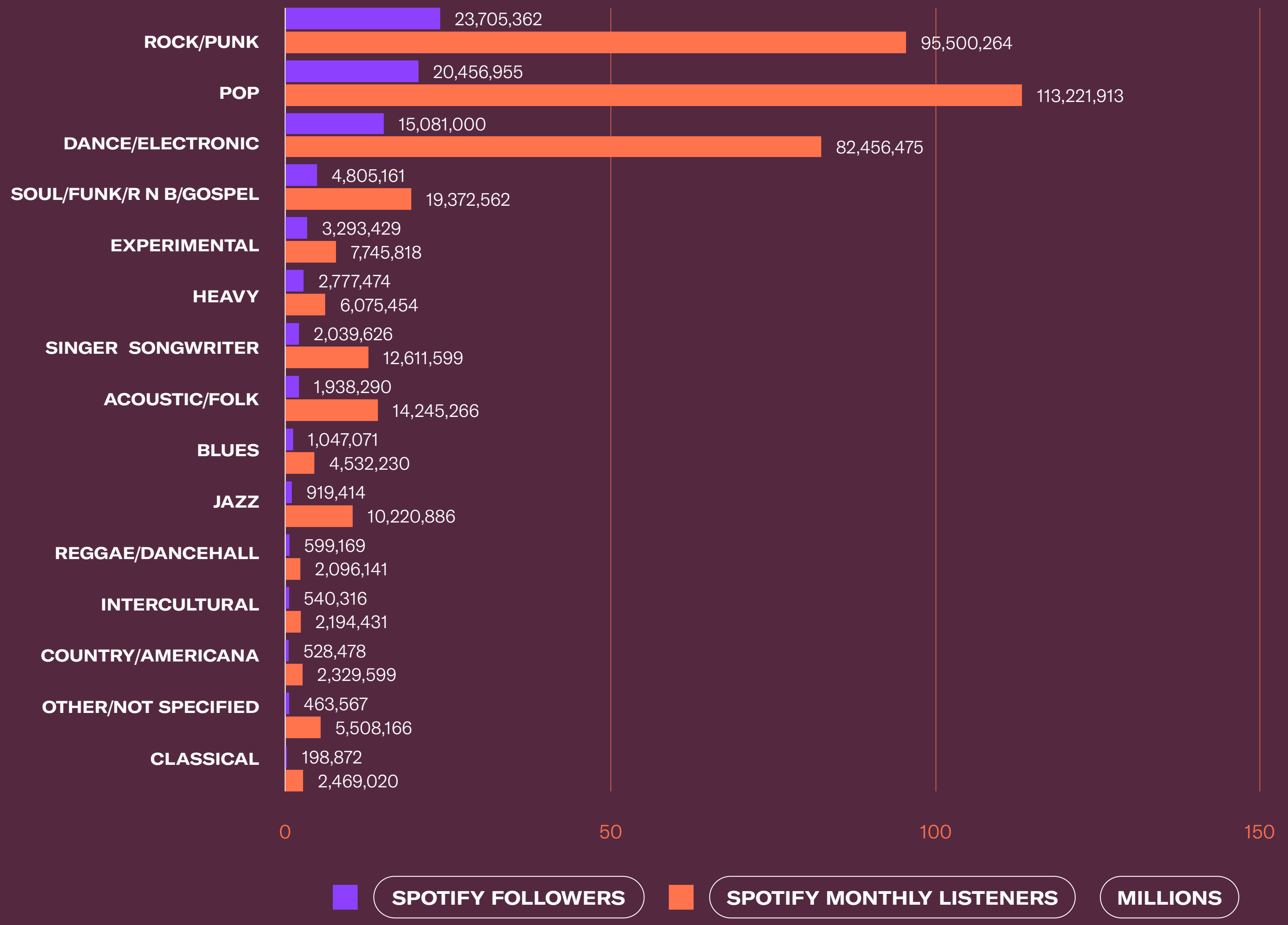
CONSUMERS: POP MUSIC IS **POPULAR**

Pop music lives up to its name having significantly **more monthly listeners** than Rock/Punk, despite having less than half the number of artists.



Despite there being 500 less Dance/Electronic artists than Soul/Funk/R&B/Gospel (see previous section on Creators), it is significantly more popular, with Dance having 4 times the followers and monthly listeners of Soul/Funk/R&B/Gospel.

Source: Chartmetric.com, based on Spotify streaming data of 7,485 Victorian Artists

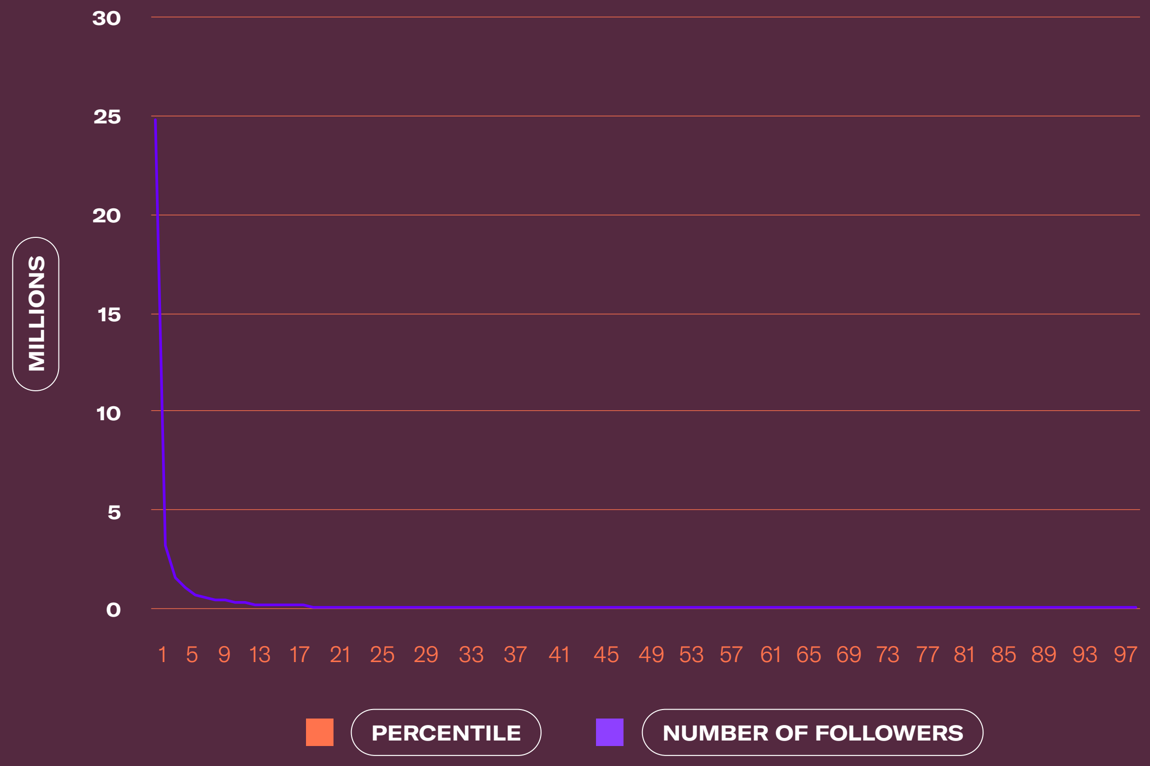
REALITY CHECK:

JUST **20 VICTORIAN ARTISTS** CURRENTLY HOLD **OVER HALF OF THE TOTAL AUDIENCE.**

The number of followers per artist is highly skewed to a few successful artists, as the following frequency plot demonstrates.

- Just **20 artists** have over **50% of followers**.
- These artists include, **Gotye**, **Vance Joy**, **Tones And I**, and **Tash Sultana**.
- If you are **big**, you are **huge**.

PERCENTILE OF SPOTIFY FOLLOWERS PER ARTIST



A similar distribution is also true for Spotify listeners. This highly skewed statistic is in line with similar national trends in other industry reports (Deloitte. Access Economics, 2017).

Source: Chartmetric.com, based on Spotify streaming data of 7,485 Victorian Artists

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FANS: SOUNDCLOUD HAS A DEDICATED FAN BASE, PARTICULARLY FOR DANCE/ELECTRONIC MUSIC.

The SoundCloud sample size is too small to present any conclusive data, however, when compared to streaming services Spotify and Deezer, there is enough evidence to suggest that SoundCloud listeners could more likely be followers of an artist than listeners on Spotify.

- From the small sample size, **SoundCloud** artists average **10 times more** followers per artist than **Spotify**.

- Only **7** of the top 20 followed Victorian **Spotify** artists are in the top 20 followed Victorian **SoundCloud** artists.

The SoundCloud top 20 includes artists such as The Bamboos and Teddy Cream. Deezer, a streaming platform offering cd quality streaming, is the lowest performing with the smallest number, average and median fans/followers of the three platforms used for comparison.

Photo Credit: Martin Philbey

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Photo Credit: Josh Brnjac

SPOTIFY, DEEZER AND SOUNDCLOUD ARTISTS AND FANS/FOLLOWERS COMPARISON, 8TH OCTOBER TO THE 7TH NOVEMBER 2022.

	SPOTIFY	DEEZER	SOUND CLOUD
NUMBER OF ARTISTS	7,485	3,980	793
FANS/FOLLOWERS	35,198,816	5,117,073	11,403,356
AVERAGE FANS PER ARTIST	4,702	1,285	14,380
MEDIAN FANS PER ARTIST	84	16	964

Source: Chartmetric.com, based on streaming data of 7,485 Victorian Artists

There are also signs that some genres have significantly higher fan bases than others on SoundCloud, with Dance/Electronica, Reggae/Dancehall, Intercultural, Experimental and Jazz median fans/followers per artist being 1500-2000% greater on SoundCloud than Spotify. Whether this makes a difference to an artist's revenue is unknown.

SoundCloud is anecdotally considered more of a community platform. A future research direction could be identifying the true economic value of a SoundCloud fan versus a Spotify follower. Would a SoundCloud fan be more likely to buy an artist's merchandise or attend their concert than a Spotify follower?

✱ PLAYLISTS: **20% OF VICTORIAN ARTISTS** HAD BEEN **EDITORIALLY PLAYLISTED,** RESULTING IN A **36-FOLD INCREASE IN LISTENERS.**

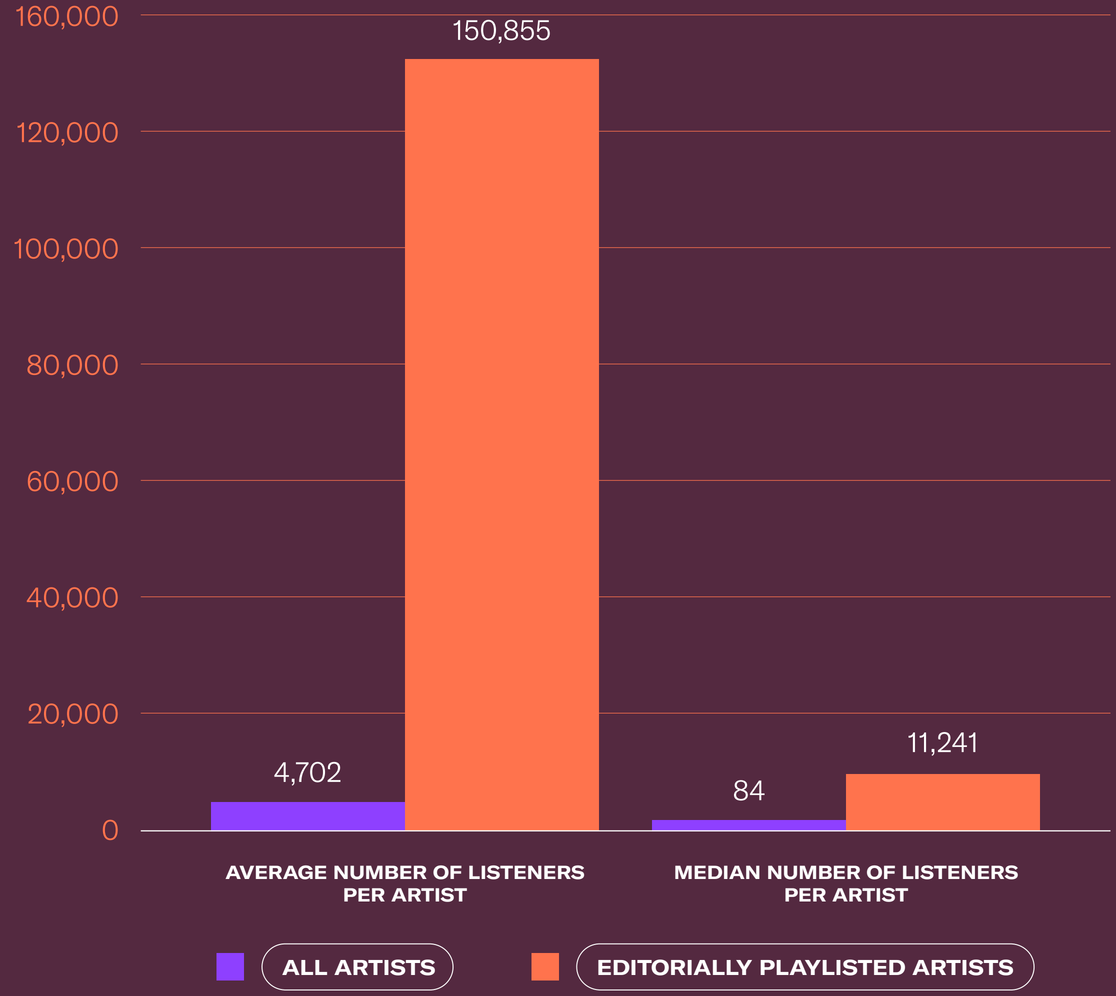
Playlists are curated selections of songs available for listening on streaming platforms. Being playlisted is an important vehicle that can increase an artist's followers, listeners, and reach. Editorial playlists are those that are endorsed or curated by a specific streaming platform. Editorial playlists are widely recognised as an important way to significantly increase followers, listeners, and overall streams.

✱ Of the **7,485** Victorian artists we were able to track on Spotify, nearly all of them **(7,422)** had been playlisted and **1,459** had been editorially playlisted.

For this statistic, an artist is only counted once regardless of how many times they have been playlisted.

By comparing the average and median monthly listeners of the entire artist base against those who have been editorially playlisted, the impact of an artist being editorially playlisted to their popularity is quite clear.

NUMBER OF MONTHLY LISTENERS, EDITORIALLY PLAYLISTED ARTISTS VS ALL ARTISTS



Source: Chartmetric.com, based on Spotify streaming data of 7,485 Victorian Artists

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PHYSICAL RETAILERS:

Physical music sales make up **19.2%** of global recorded music revenue. (IFPI, 2022)

The ARIA (Australian Recording Industry Association) Charts are calculated on a combination of physical and digital sales, and streaming data is subject to conversion factors that convert plays into an equivalent value of sales. (Australian Recording Industry Association, 2022)

A desktop audit identified **101** independent Vinyl, CD and Cassette retail stores operating in Victoria.[7]

Anecdotally, these stores are predominately local, individually owned, small businesses that broadly support the music needs of a specific set of genres, independent artists, and their local community. Record stores are a vital part of the independent music ecosystem. This is evident through the worldwide success of the annual Record Store Day event.

ARIA chart position is an important indicator for artists. A higher chart position (or even charting at all) can support an artist in negotiating higher performance fees, can give an artist increased visibility nationally and internationally, and increases the chances of playlisting and radio play.

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Photo Credit: Josh Brnjac


Photo Credit: David Menidrey

ARIA receives chart data on physical sales from only 12 Victorian music retailers.

At the time of this research, this included three chain outlets, **Sanity** (since closed)[8], **Big W** (28 stores) and **JB HIFI** (59 stores). This leaves **92** independent music stores that are not reporting physical sales to ARIA.

ARIA mediates this issue by conducting a comparison against major label wholesale data. The final results are an estimation only and exclude some small labels, distributors and self-releasing artists that manage their own physical distribution. It would be interesting to know the percentages of physical sales that aren't reported to ARIA and the effect this would have on chart position.

[7] Sources; www.recordstoreday.com.au, www.digginmelbourne.com and Google retail search

[8] Sanity closed their last 50 Australian stores in March 2023.

LABELS:

THERE ARE AT LEAST **93 RECORD LABELS IN VICTORIA,** AND **WE'RE STILL COUNTING.**

As mentioned in the introduction, a major challenge for any research into the size and scope of the Victorian music industry is that there are no definitive sources, lists, or location-specific data sets.

When it comes to record labels, ARIA's membership includes **17 Victorian labels**, and **7 overseas labels**, including the **3 majors** with offices in Victoria.

The Australian Independent Record Labels Association's (AIR) membership comprises of 34 independent record labels based in Victoria. Bandcamp were unable to provide a full list of Victorian-based record labels, however, a quick surface search of their website uncovered 54 labels across just two genres of music.


Photo Credit: Josh Brnjac

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Photo Credit: Martin Philbey

Taking into account some labels appearing across more than one source, the total label count of Victorian-based labels found was 93. This is likely to be a small fraction of the true number of labels releasing music. At the time of writing this report, PPCA (Phonographic Performance Company of Australia), who collects broadcast revenue from music sound recordings and redistributes this to labels and artists had 1186 Victorian-based licensors on their books. This is a combination of labels, artists, and distributors.

There is no definitive statistic in this data to quantify the amount and size of labels in Victoria, but it suggests significantly **more than 93**.

SONGWRITERS AND PUBLISHERS:

Unlike other parts of this research, getting a basic idea of how many songwriters and publishers are operating in Victoria was a simpler task. APRA AMCOS pay out royalties to songwriters and publishers and have a record of all songwriters and publishers to whom they account.

- APRA AMCOS confirmed there are **27,308 active[9] songwriters** in Australia, of which **5,940** are based in Victoria **(22%)**.
- There are also **300 active publishers** in Australia, with **70 (23%)** based in Victoria.
- Combined, there are **6,010 active** songwriters and publishers in Victoria.

Photo Credit: Dustin Tray

This is significantly less than the 14,000 artists that were uncovered for this research. Reasons for this could include; songwriters that are working across more than one band/artist/ensemble; the songwriting royalties for an artist/bands songwriter/s being below $10 per year therefore not being classed as active; the songwriters may not be APRA AMCOS members.

[9] To be classed as an active songwriter or publisher, APRA AMCOS require the songwriter or publisher to receive royalties of at least $10 in a 12 month period.

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Conclusion

What this research and the resulting report has found is ultimately what many of us in the Victorian music industry had already suspected (see key insights). It is, however, nice to finally have our hunches backed up by baseline data that can continue to be built upon.

We acknowledge that there are still many parts and contributors to the industry that have not been captured within this report. This includes, but is not limited to, music industry professionals such as artist managers, publicists, promoters, publishers, producers, recording engineers and bookers. While there are peak bodies and organisations such as AAM, Music Producer & Engineers Guild of Australia (MPEG) and Music Victoria that advocate for and support industry workers within their remit, all acknowledge that their membership is only ever a sample of the true number of workers.

In undertaking this research, we have also identified a number of opportunities for VMDO and the broader industry to consider and explore that would:

- make future **scoping** on the size and impact of the Victorian music industry easier,
- contribute to **fleshing out** the picture more fully,
- grow the **viability** of the Victorian music industry.

VMDO thanks Benjamin Wiesner for accepting what did at times feel like an impossible task and for all the manual labour hours that he and his team invested in getting to where we are and what we know today. Future research will be so much easier next time thanks to the systems that Benjamin has set up.

Photo Credit: Martin Philbey

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Recommenda-tions

✱ That **music streaming** and **social media** data for Victorian artists continue to be **sourced** and **matched** over time, forming a significant and usable dataset.

VMDO is looking into ways to complete and maintain these data sets.

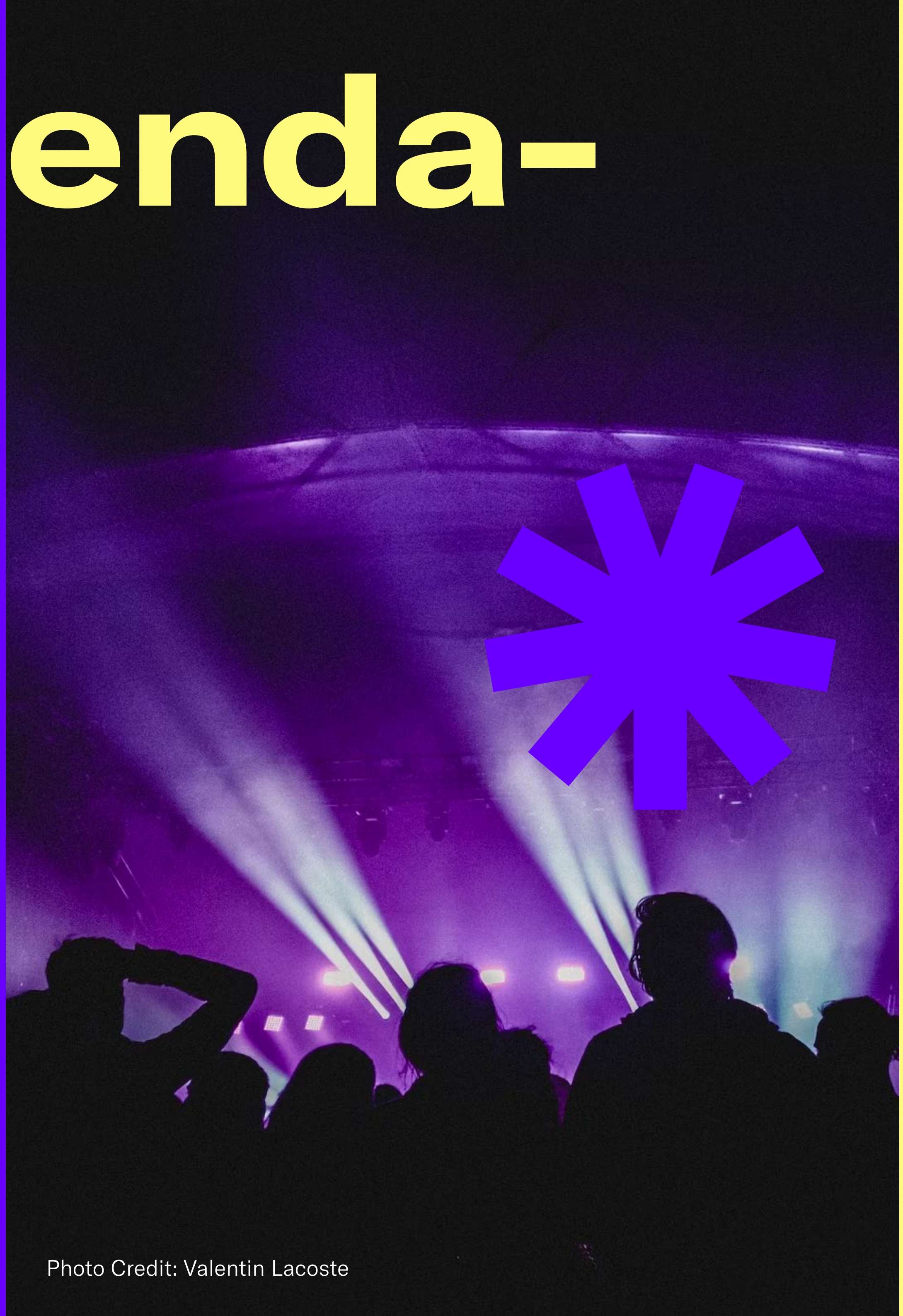

Photo Credit: Valentin Lacoste

Photo Credit: Josh Brnjac

- Further investigation into international **listening hotspots** of Victorian artists to help inform export investment opportunities for Victorian music, including **genre-specific** insights and **trends** over time.

- Investigation into the **size**, **workings** and **value** of the creative supply chain (musicians, producers and engineers).

- **Understand**, **educate** and **facilitate** ways for emerging and mid-tier artists to get onto editorial playlists.

- Further investigation into what **percentage** of physical sales are not being reported to ARIA, the **impact** this difference would have on the ARIA charts, and the **barriers** independent record stores face in reporting physical sales to ARIA.

- An investigation into the **broader economic** and **community benefit** of local music stores and record labels in Victoria.

- **Expand on the scope** of this research to include recording studios, rehearsal studios, publicists, managers, publishers, producers, recording engineers, bookers, and promoters.

- To better **support** the accuracy of data in the recorded music creative supply chain, an **investigation** into the use and **implementation of smart contracts** for all recording sessions as standard industry practice is recommended.

Photo Credit: Martin Philbey

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