Setting the Scene: the music industry (example)

Andra Leurdijk, Brussels 26th October 2012
Strengths
Large variety of national artists and vibrant popular music culture

Opportunities
Lower costs, lower market barriers
Involvement of users in distribution and marketing of music
Lots of experimentation with new business models

Digital

Weaknesses
Small markets, restricted by language and culture
Majors slow to respond to digital innovations

Threats
Piracy
Uncertainty about business models
Decline of investment in local music production
Trends
- Digital sales outgrow sales of physical music
- 360 degree deals
- Increasing importance of other revenue streams (concerts, extra services)
- Music as a service
- Increased willingness to pay

Legacy players
- Control over value chain
- High production, marketing & distribution costs
- Professional skills and standards

New players
- New intermediaries
- Alternative business models, (advertising, crowdfunding, micropayments, subscription…)
- DIY
Pending policy questions

- How to stimulate new copyright & licencing models?

- How to create a market in which (new) music revenues flow back into music creation?