

# Transformation in cultural industries: in search for data

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# Research project

- What is the impact of digital platforms on the balance of the flow of exchanges between the local and global cultural ecosystem of cultural contents?
- In order to try to answer this question we developed two projects:
  - The construction of a discoverability index to measure the placement of local contents on streaming platforms.
  - A qualitative research on challenges presented to local producers and artists.

# A discoverability index

- (Index  $D = \text{indicateurs}P + \text{indicateurs}V + \text{indicateurs}R$ )
- P is the presence of an artwork on streamings platforms
- V is the visibility of an artwork, defined as what is pushed to subscribers no matter their preferences
- R is the recommandation, defined as the offer of the platforms related to preferences of subscribers

# What is done

- We measured the presence of Quebec's cultural content on Netflix, iTunes, Apple Music, Spotify and Google Play Music

Audio-visuel	Profil CANADA - P1CA	Profil FRANCE - P1FR
Netflix	0/29 3 films (toutes périodes)	0/29 2 films (toutes périodes)
iTunes Movie	18/29	10/29
YouTube (films)	Beaucoup de films : 2972 entrées à coder Catégories « Movies » peu utilisée en streaming gratuit / « Film payant » : films québécois presque tous présents	
Musique	Profil CANADA - P1CA	Profil FRANCE - P1FR
iTunes Music	393/497 albums québécois (79%)	366/497 albums (74%)
Spotify	435/497 albums, (88%)	400/497 albums, (80%)
Google Play Music	432/497 albums, (87%)	409/497 albums, (82%)
YouTube (musique)	Peu de nouveautés 2016 sont disponibles en intégralité de l'album original. Un complément aux autres plateformes musicales dédiées.	

## What is done (2)

- We created two personas who have adopted different listening behaviors. We measure what is the share of Quebec new titles presented to them by online streaming platforms.
- It is still too early to draw conclusions from this experience

# Circumscribe the problems caused by online streaming

- Literature review on cultural diversity and online streaming platforms
- Business model analysis
- Survey and interviews

# Literature review main conclusions

- Research is USA industry-centered
- Music industry is generally analysed as a whole
- Conclusions of the research on the long tail are varied
- The effects of online streaming on regional markets are not studied



# Business model analysis

- Significant gains for music lovers
- Network effects and increasing returns
- A high concentration of income among artists and producers
- More restrictive barriers to entry
- Silo ecosystem development and cross-subsidization
- The growth of the value of the control of personal data
- The dilution effect
- Distinctive regional impacts

# Three surveys

- ADISQ Interviews (12 music producers)
- LATICCE survey (55 respondents from the cultural sector)
- TELUQ Interviews (9 culture industry related professionals)

# Surveys main conclusions

- **The will to adapt:** the producers told us about the difficulties they encounter, but they all work in a spirit of adaptation to digital transformation despite these difficulties.
- **The rapidity of the transformations:** the frequent and rapid transformations of the functioning of the PNELs make it difficult to develop long-term strategies.
- **Difficulties of data analysis:** the mass of data transmitted to the producers is enormous and it is difficult to manage to obtain an intelligence that would allow to make better choices of production. In addition, PNELs keep for themselves data that would be very useful to producers.

## Surveys main conclusions (2)

- **Increasing tasks and transformations in their nature:** the digital world has been added to the traditional way of working and not replacing it. Some staff are now working on many PNEl-related tasks without the producers having additional resources. PNEls are unavoidable and require sustained efforts, but generate very little revenue in return.
- **Low revenues from PNEls:** Online listening revenues are growing, but they remain marginal compared to the losses generated by digital transformation. Producers who have an important catalog with successes from past decades see a revaluation of these productions. PNEls are generally difficult to access and the correctness of the income redistribution mechanisms is not verifiable.

# Next steps

- Refine the conceptual definitions of visibility and recommendations and launch of automated V testing of visibility of Quebec weekly news in the editorial lists of platforms
- Winter 2020 - Availability of the index through a database and visualization interface
- Develop links with foreign universities to analyse the streaming platforms workings from abroad.
- Work with Quebec's cultural industry to identify forms of regulation that would better integrate innovations in its social context, help regional producers to adapt to the transformations and find ways to recreate the economic link between music lovers and artists.