

Workshop/Symposium

Digital Environment in Music

Organised by

Panteion University

**in the frame of MINSTREL project
co-financed by the EU**

**Ionian University
Corfu 19.07.2015**

Program

- “[Agents and processes in the production of culture](#)”, Dr Martha Michailidou, Department of Communication, Media and Culture, Panteion University
- “[Music Making, Music Industry and the digital environment: Trends and prospects](#)”, Dr George Michael Klimis, MBA, PhD, Panteion University, Department of Media, Communications and Culture
- “[Music industry and social networking – A web-based experiment](#)”, Dr Kasaras Konstantinos. PhD, Panteion University, Department of Media, Communications and Culture
- “[Copyright and music](#)”, Dr Evangelia Vagena, Lawyer, PhD, Counselor at Law at the Hellenic Copyright Organization/ Ministry of Culture



Agents and processes in the production of culture

Dr Martha Michailidou
Department of Communication, Media and Culture
Panteion University
Summer Music Academy, Corfu 19.07.2015
MINSTREL project

Structure of presentation

- **Conceptual issues**
- **Cultural production as social activity**
- **Structure of art world and systems of cultural production**
- **Forms of organisation and agents**
- **Cultural work**
- **Issues in classification & mapping**
- **Relevance for cultural policy**



Conceptual issues in recent debates about cultural work

- Establishing criteria for identifying cultural work and workers / differentiating them from amateur activity / amateurs
- Informality, precarity & uncertainty of cultural labour
- Seeming 'Irrationality' of choices (Menger, 1999)
- The 'triple game' of contemporary art (Heinich, 1998)
- Conflicts between notions of
 - career (regularities, patterns)
 - artistic recognition (singularities, unique, break with past)



The role of institutions and the market in establishing canons

BBC4 Punk Britannia

- establishing “cannons” through testimony of “experts” (ex. critics, “stars”, academics, fans)
- Introducing new agents in the field
- Lending visibility to new forms of cultural work
- Establishing new art forms



Cultural production as a social activity

- Destabilisation of narrative of uniqueness of Artist/Author
- Walter Benjamin: “work of art in the age of mechanical reproduction”
- Destabilisation of aura
- Importance of social processes and technologies in the production of art
- Value of artwork separated from “aura” of author



Arts professionals

- Theories about cultural careers and professions
 - **labor of love** (Friedson 1983)
 - de-emphasizes income
 - Intellectual work as a vocation
 - **Artistic workers as risk-lovers and takers** (Menger 1999, 2006)
 - satisfaction proportionate to degree of uncertainty of success
 - **“Dual reward system”**
 - monetary & non-monetary gratification



Entry to labour market

- Informality of initiation processes and entry routes into cultural/artistic professions
 - dependence on skills not easily transmitted or certified by formal training systems (impact of schooling on earnings smaller than other professional groups)
 - mentoring
 - job matching
 - occupational risk diversification
- (Alper and Wassall, 2006, Menger 1999, 2006)



Irregular employment and income

- Self employment
- Irregular patterns of employment
- seasonal variations
- Bulimic patterns of work (Pratt 2002)
- Strategies and tactics
 - Mobilisation of subsidies, commissions, sponsorship
 - privatization and individuation
 - multiple job holding and income supplementation
 - Mobilisation of personal resources and social networking



Cultural labour, risk management, precarity

- high income inequality
- high chance of “failure”
- impermanence of artistic work, self-employment
- Project based work
- Precarity (Gill and Pratt 2008)
- careers advance through recurrent & nonrecurrent work (non-routine work)



Art worlds

- *Arts worlds* include all the people involved in the social production of art (Becker 1982)
- Networks of shared conventions (see also Wittel, 2001 on network sociality)
- Participation in art worlds
 - Delineates what may count as art and artistic work
 - Pools and mobilises resources (material resources, training personnel, networks, organizations)
 - Develops distribution systems
 - Develops award systems and hierarchies



Agents and Structures in Art Worlds

Arts Occupations, Institutions, Networks & Mediation

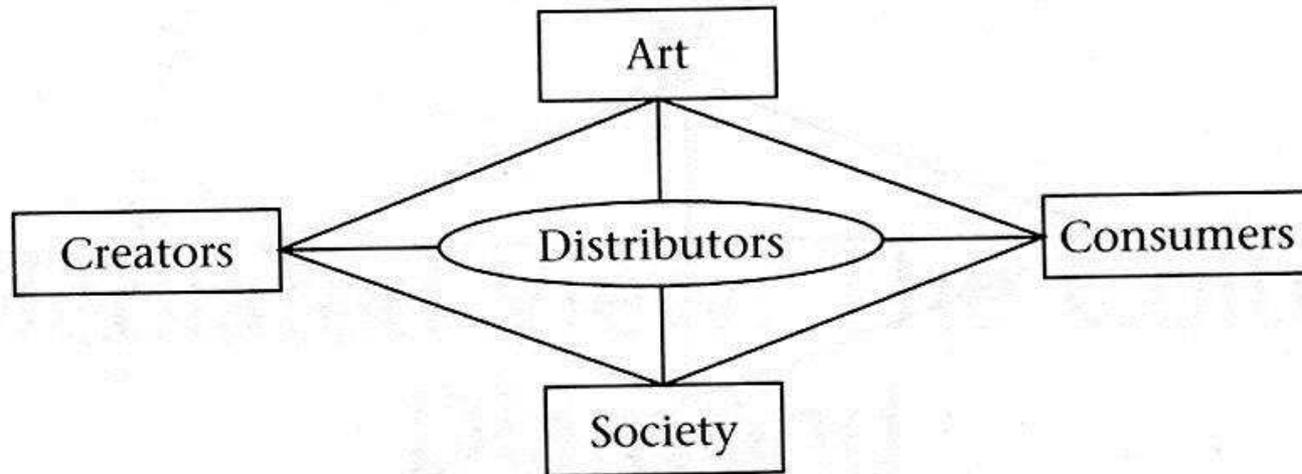


Figure 4.2 Modified Cultural Diamond

Wendy Griswold, V. D. Alexander

Production of Culture Perspective (Peterson 1976, Peterson & Anand 2004)

- Culture as “shaped by the systems in which it is created, distributed, evaluated, taught, preserved”
- Focus on
 - Expressive aspects of culture
 - Processes of production
 - Role of organizations, occupations, networks, communities
 - Meso perspective

Empirically situated studies of specific cultural forms and processes of stability and change
(see also Hirsch, 1972)

Six Facets of the Production of Culture

- Technology
- Law and regulation
- Industry structure or field
- Organizational structure of dominating organizations
- Occupational careers
- Markets

Applications of the perspective

- Organizational Research
 - theories of management
 - institutional decision-making processes/logics
 - Networks of production
 - Resource partitioning patterns
- Studies of Practices
 - Links between class, status, and cultural consumption (ex. univore/omnivore)
 - Uses and appropriation
 - Fabricating authenticity



Social production

- How law, technology, careers, markets, organizational structure shape
- - the social production of culture (shared values, practices etc.)
- - allow the emergence of differentiated roles in the field of cultural production (manager, talent agent etc.)



The Case of Country Music

- Peterson 1997, *Creating Country Music: Fabricating Authenticity*
- How do mediators (record producers) choose which artists to promote?
 - Authenticity, originality, distinctiveness
 - Transformation of field of country music from 1923-1953
 - Process of institutionalization
 - Construction of audience

Mediation, recognition, status

- Mediation as status conferring mechanism
 - The role of critics and other gatekeepers in recognition processes:
 - Shrum (1996)– emergence of Fringe Festivals as a performing arts *genre* when critics begin to review it
 - Change in status of Graffiti and recognition by artists
 - Institutional forms & legitimation practices
 - Status of “Venues”, status of artists
 - Not-for-profit and for-profit models & differences in socio-cultural status (DiMaggio 2006)

Agents in Mediation Processes

- Gatekeepers vs. facilitators
- Function depending on type of art world, genre, institutional tradition etc.
- Diana Crane (1987) on proponents of Avant-Garde Art

Digitisation and the production of music culture

- Impact of digital technologies on the facets which make up the music industry
 - Production of music
 - Distribution and consumption
 - Organisation of the music industry
- Process and impact of digitisation an uneven process (tensions, co-optation, innovation)

Sexton, 2009

- Boyd (2007)
- Three stages through which digitisation affects production of culture
- Translation
- Localization
- Co-option

- Established institutions strategies of localisation, attempting to use the internet as a ‘traditional’ broadcast medium
- Attempt to retain institutional advantage and control audiences
- Online audiences at the forefront of co-option
- Music prosumption
- New institutional strategies (battles over copyright, distribution, fair use etc.)

Music Making, Music Industry and the digital environment: Trends and prospects

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19 July, 2015

Corfu, Greece

Assumptions and realities

A definition of the creative/cultural industries

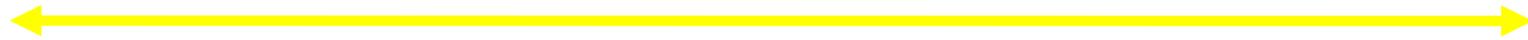
- Kretschmer, Klimis and Choi (1999) have proposed that an industry is cultural when:
 - there is oversupply of goods candidate for commercialization
 - the quality of goods is unclear
 - consumers of these goods form specific networks
 - the demand for goods is reversed in a cyclical manner

The Quality Continuum

Search
Qualities

Experience
Qualities

Credence
Qualities



Easy to evaluate

Difficult to evaluate

Quality is in the eye of the beholder



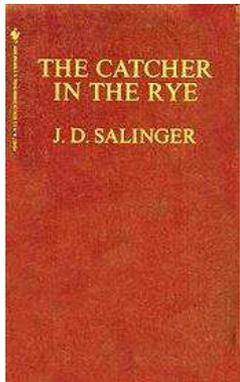
Marcel Duchamp
The Fountain (1917)



W.A. Mozart



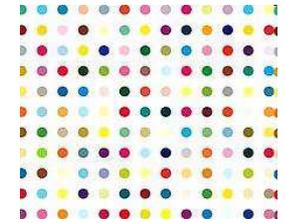
Antonio Salieri



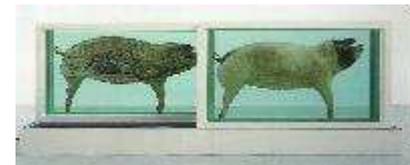
J. D. Salinger
The Catcher in the Rye (1951)
65 mn copies



Damien Hirst



LSD (2000)



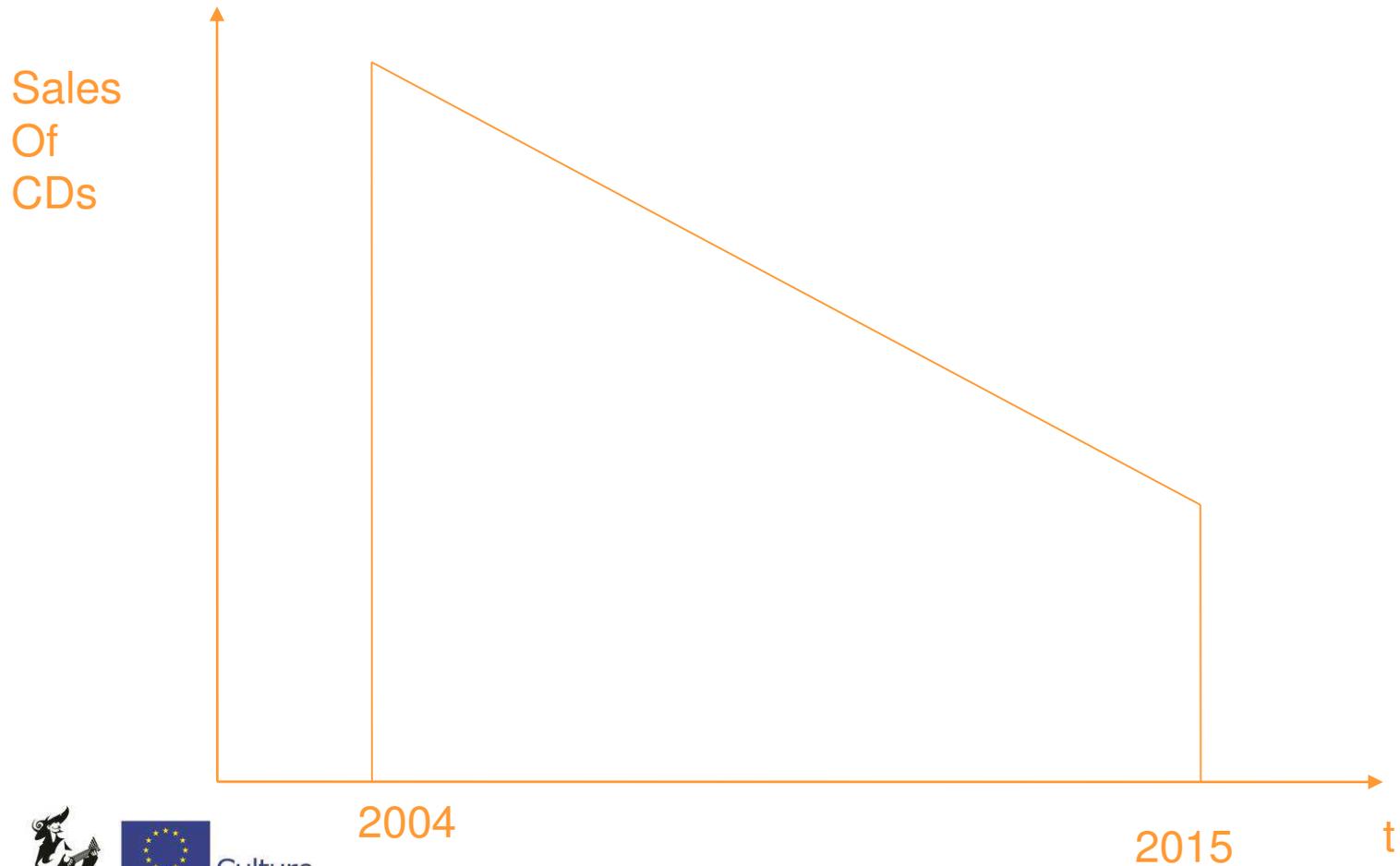
*This little piggy went to market,
this little piggy stayed at home (1996)*

The facts

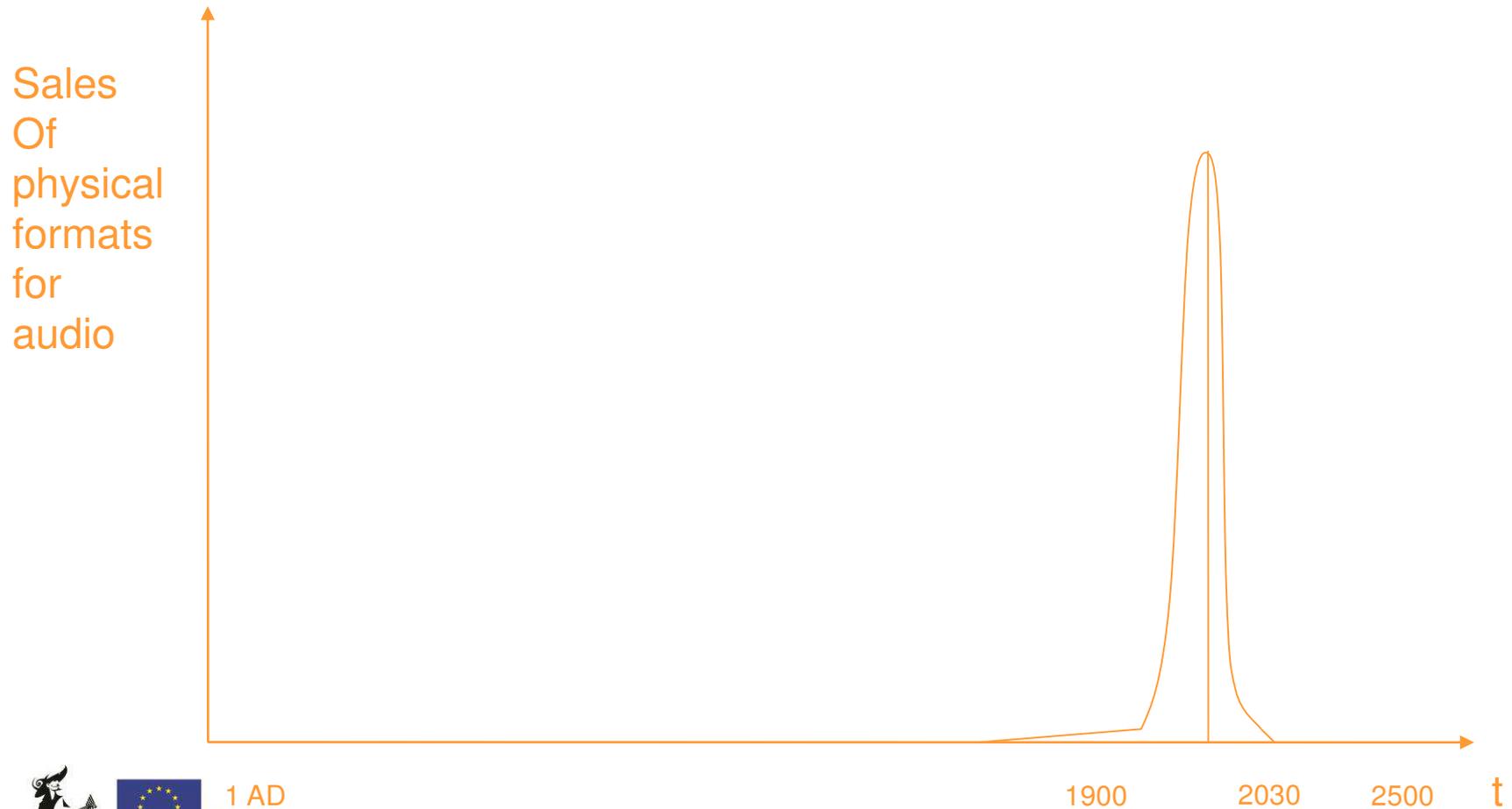
Numbers Recording industry 2014

- Digital Revenues \$6.85bn (growth of 6.9%)
- Physical Revenues the same!!!! (decline of - 8.1%)
- Music subscription revenues \$1.57bn
- 41mn paying subscribers
- But:
 - Apple controls around 75% of the digital music space
 - Youtube has > 1bn users.....

RIAA/IFPI rhetoric



A bleep in history....



The Value System



The Value System (revisited)



The Value System (revisited)



The Value System (revisited)



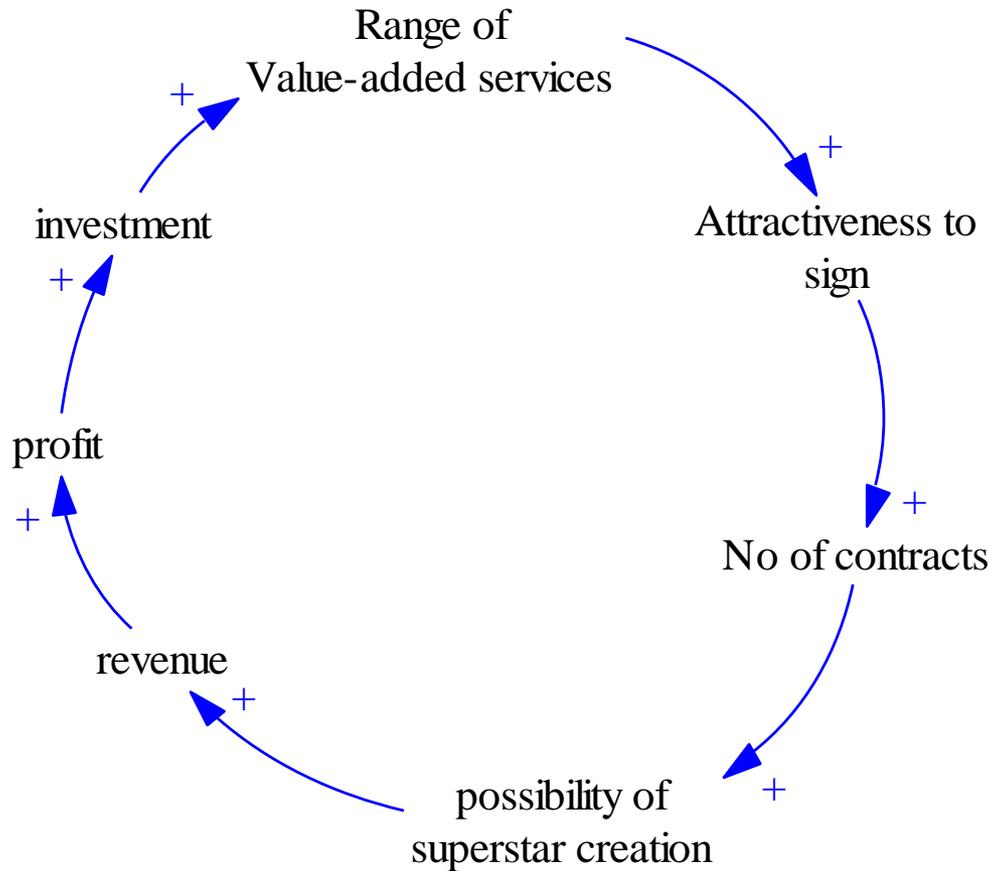
The Value System (revisited)



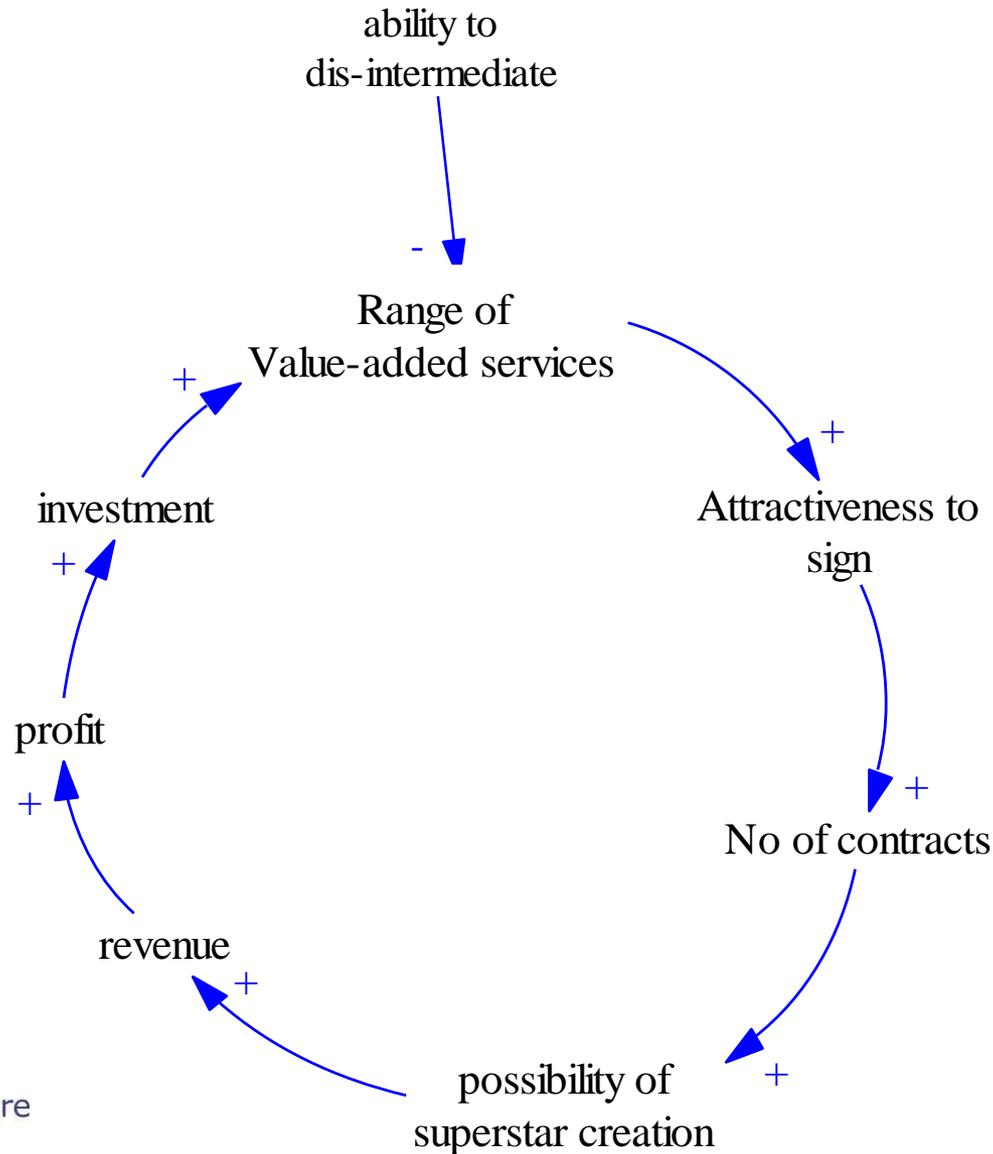
The Value System (revisited)



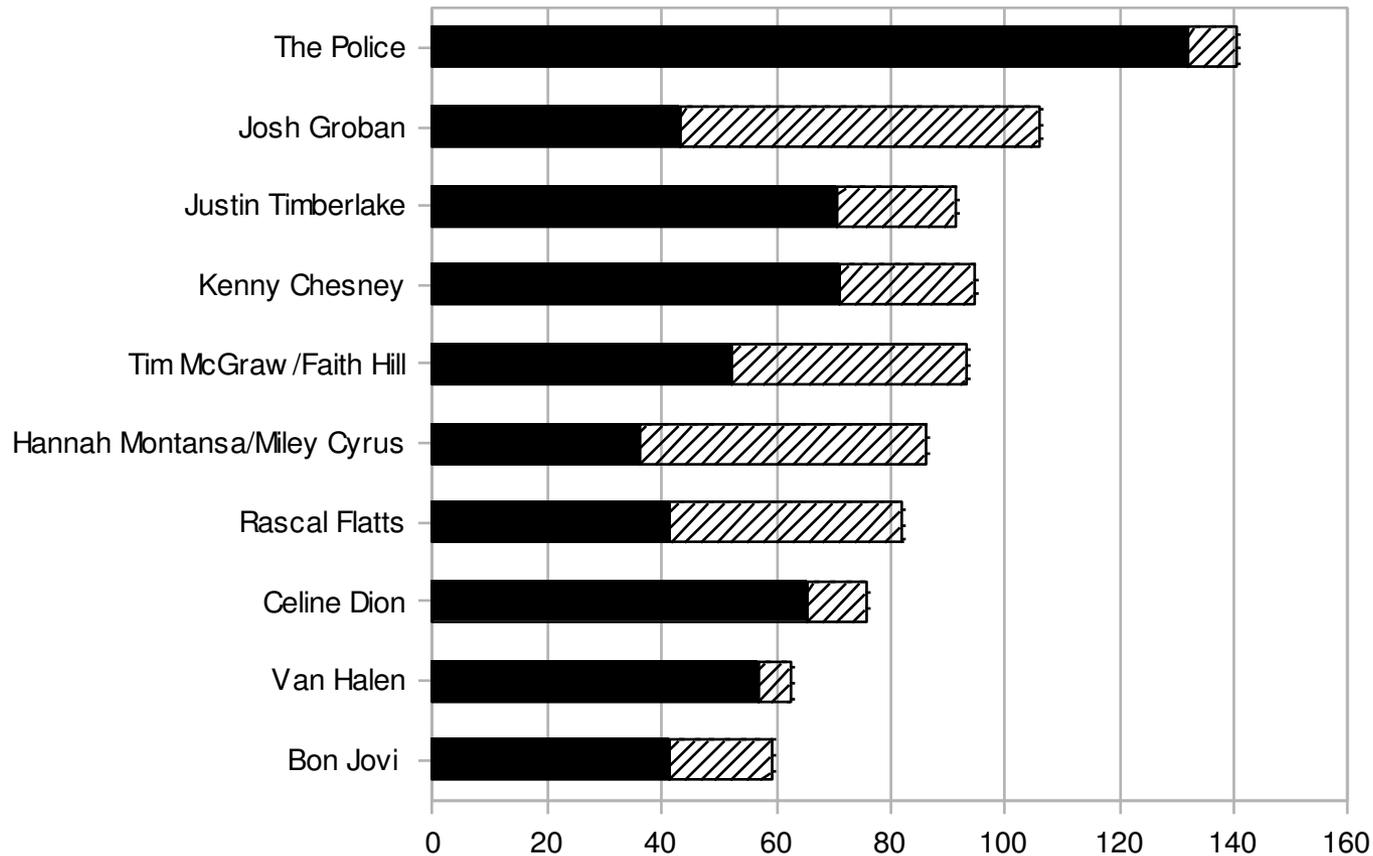
The Virtuous cycle



....becomes vicious



Shift of gravity to live performances



New Contracts

- *Digital Licensing*
- *Synchronisation Licensing*
- *Product Licensing*
- *Performance Licensing*
- *Multiple rights income / “360 degree income”*

New kids on the block threaten traditional collecting societies

- ***KOBALT publisher***

- ***AMRA Collecting Society***

- The privately held Kobalt claims that it is collecting royalties two to three years faster with a 30% higher cash return on average than traditional collection methods for its roster of artists, which includes Beck, Foo Fighters, Kelly Clarkson, Paul McCartney, Thom Yorke, Trent Reznor and Pitbull.
- Unlike traditional music publishing companies, which share copyright ownership with artists, Kobalt operates on a service model: Artists pay Kobalt a flat rate to collect royalties and report, via computer and smartphone, where their music is selling and how much they're owed. That means more money in the artists' and songwriters' pockets.
- Kobalt is doing a “fantastic job” drumming up royalty payments for its artists without demanding partial ownership of their works. (FORBES MAGAZINE)



The theory

Prophets and predictions

- Information and knowledge economy replaces the industrial economy of modernity.
- For Tapscott (2006) mass collaboration is the new form of organization (actually self-organization), with knowledge as the critical resource.
- Benkler, (2001) peer production will outperform market-based production in some information production activities.
- Long tail makes scale economies obsolete (Anderson, 2007)



The new buzzwords

- Mass Collaboration
- Peer production (Benkler)
- Social production
- Peering
- Prosumers (Tofler)
- Wisdom of crowds (Surowiecki)
- Crowdsourcing
- Crowdfunding



Old buzzwords (or what's the bloody difference?)

- Gift Economy
- Guilds
- Transaction costs
- Markets
- Hierarchies
- Networks

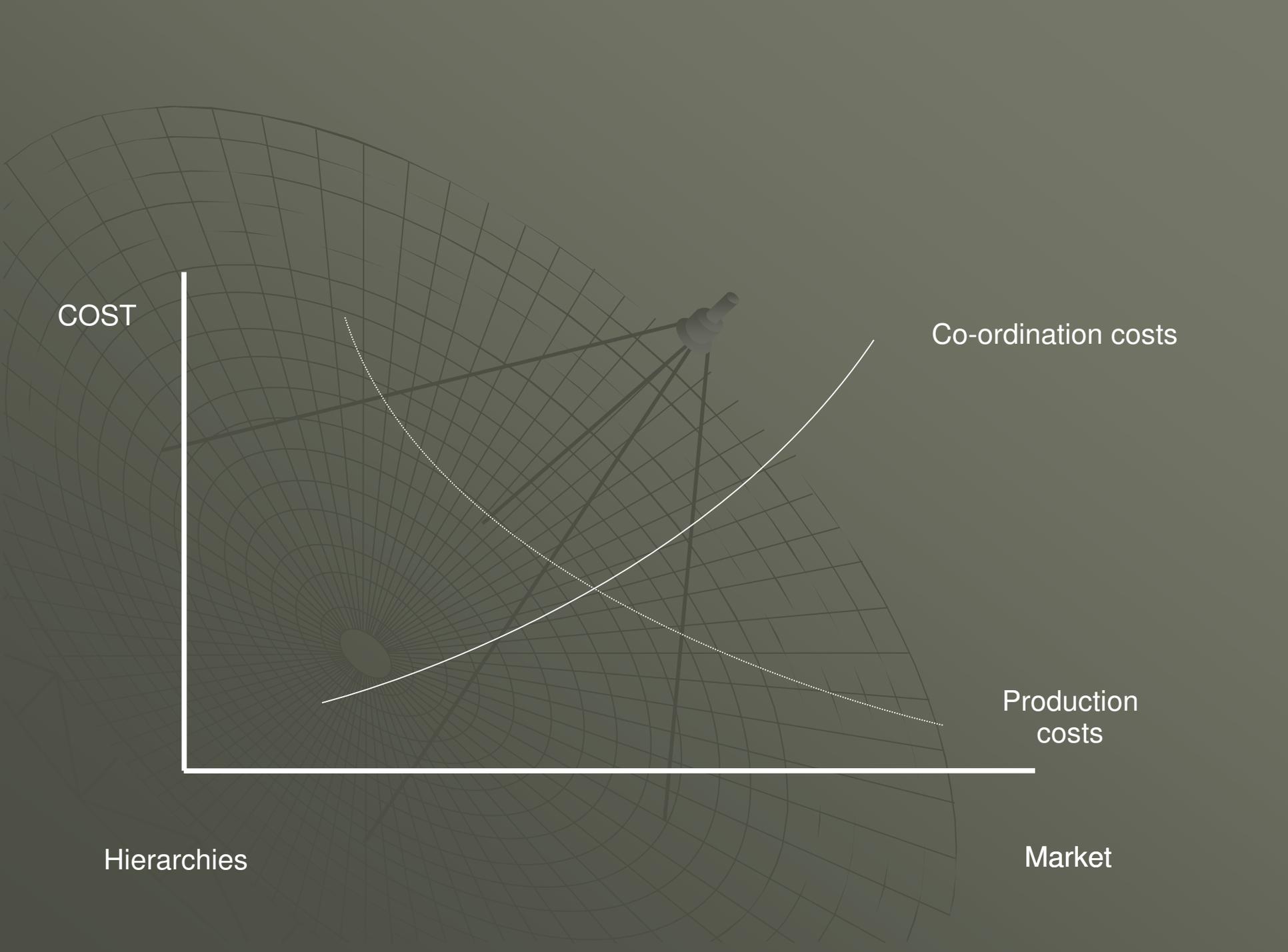
One common thread

- co-ordination

Transaction Cost Economics (TCE).

- Neo-institutional and evolutionary tradition.
- Two assumptions:
 - Bounded rationality
 - Self interest with guile
- Coase (1937) postulated that there are transaction, co-ordination and contracting costs of using the price mechanism and these can explain the extent of vertical integration of a firm.
- Economic organization in a spectrum: From markets to hierarchies
- Includes also hybrid forms of organisations such as networks





COST

Co-ordination costs

Production costs

Hierarchies

Market

The promise

- *‘By reducing the costs of coordination, IT will lead to an overall shift toward proportionately more use of markets - rather than hierarchies - to coordinate economic activity’*
- *(Electronic market hypothesis, Malone)*

Proposed effects of ICT on cultural industries

- Economic organization changes dramatically due to the 3 technologies made possible by ICT:
 - *technologies of production*
 - *technologies of distribution - diffusion*
 - *technologies of influence*
- Effects include:
 - The replacement of decreasing returns to scale, proposed by Ricardo, by increasing returns (Kretschmer, Klimis and Choi, 1999).
 - The eclipse of agglomeration economies which created the industrial clusters like Silicon Valley and Hollywood.
Network externalities and increasing returns give rise to competing networks searching to establish a critical mass of participants (e.g. MySpace vs. Facebook, Last.fm vs. Pandora)



Technologies of production

A shift from creating a customer to seeking finance or an investor

- Crowd funding
 - Mozart 1783 (K413, K414 και K415)
 - Einstürzende Neubauten
 - Marillion
 - ArtistShare (Maria Schneider)
 - Honey Ryder

19th-20th century Greek Operas and Symphonic Works



Athens, Greece



Music

Story

Updates 1

Comments 1

Funders 32



Email



Embed



Link



Follow



An attempt to gather like-minded individuals from around the world, hungry for unknown repertoire of operatic and symphonic music, and make premiere recordings.

€1,736 EUR

raised in 2 months

3% funded

No time left

€62,000 EUR goal

Fixed Funding

CAMPAIGN CLOSED

This campaign ended on June 15, 2014

SELECT A PERK

€5 EUR

A Taste of Greek Music

From the Fidetzis's campaign

- **The complete symphonic works by Georgios Axiotis (1875-1924)**
- **a hardcover book with the libretti of 5 Greek operas by Spyros Samaras and the CDs**
- **We wish to make the following world premiere recordings:**
- **The one-act opera “Il ciarlatano preso per principe”, the overture to the opera “Dirce, figlia di Aristodemo”, and the Sinfonia in C major, by Domenicos Padovas (1817-1892)**
- **Prelude to the opera “Conte Guliano”, by Spyridon Xyndas (1814-1896)**
- **Overture to the opera “Aretoussa of Athens”, by Alexander Katakouzinis (1824-1892)**
- **These are the only surviving works by those three composers, Padovas, Xyndas, Katakouzinis, all three connected with Spyros Samaras and his work.**

John Luther Adams

United States

Classical, Minimalist music

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This project is now released. Be sure to follow [John Luther Adams](#) to be the first to know next time a project is launched!

Become Ocean

Join us to create an immersive surround-sound experience with the Seattle Symphony and conductor Ludovic Morlot.



 Album

Closed



of goal

Featured Items

Private stream +
AccessPass



\$20

*technologies of distribution -
diffusion
technologies of influence*

Some Contenders for music distribution

- Spotify
- Deezer
- Rdio

- Each with a catalogue of 30 mn songs

- Streaming offers are basically similar
- Spotify offers
 - Freemium and Premium services
 - Payment of royalties to the artist
 - music recommendation and algorithms
 - Social network connections through playlists and followers.

SPOTIFY data

- Paying subscribers: Over 20 million
- Active users: Over 75 million*
- Ratio of paying subscribers to active free users: Over 20%
- Revenue paid to rights holders since launch: \$3bn
- Number of songs: Over 30 million
- Number of songs added per day: Over 20,000
- Number of playlists: Over 1.5 billion created so far
- Available in 58 markets – Andorra, Argentina, Austria, Australia, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, Finland, France, Germany, Greece, Guatemala, Honduras, Hong Kong, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Monaco, New Zealand, Netherlands, Nicaragua, Norway, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Singapore, Slovakia, Spain, Sweden, Switzerland, Taiwan, Turkey, UK, Uruguay and USA.
- Collaborations with Uber, Starbucks etc...

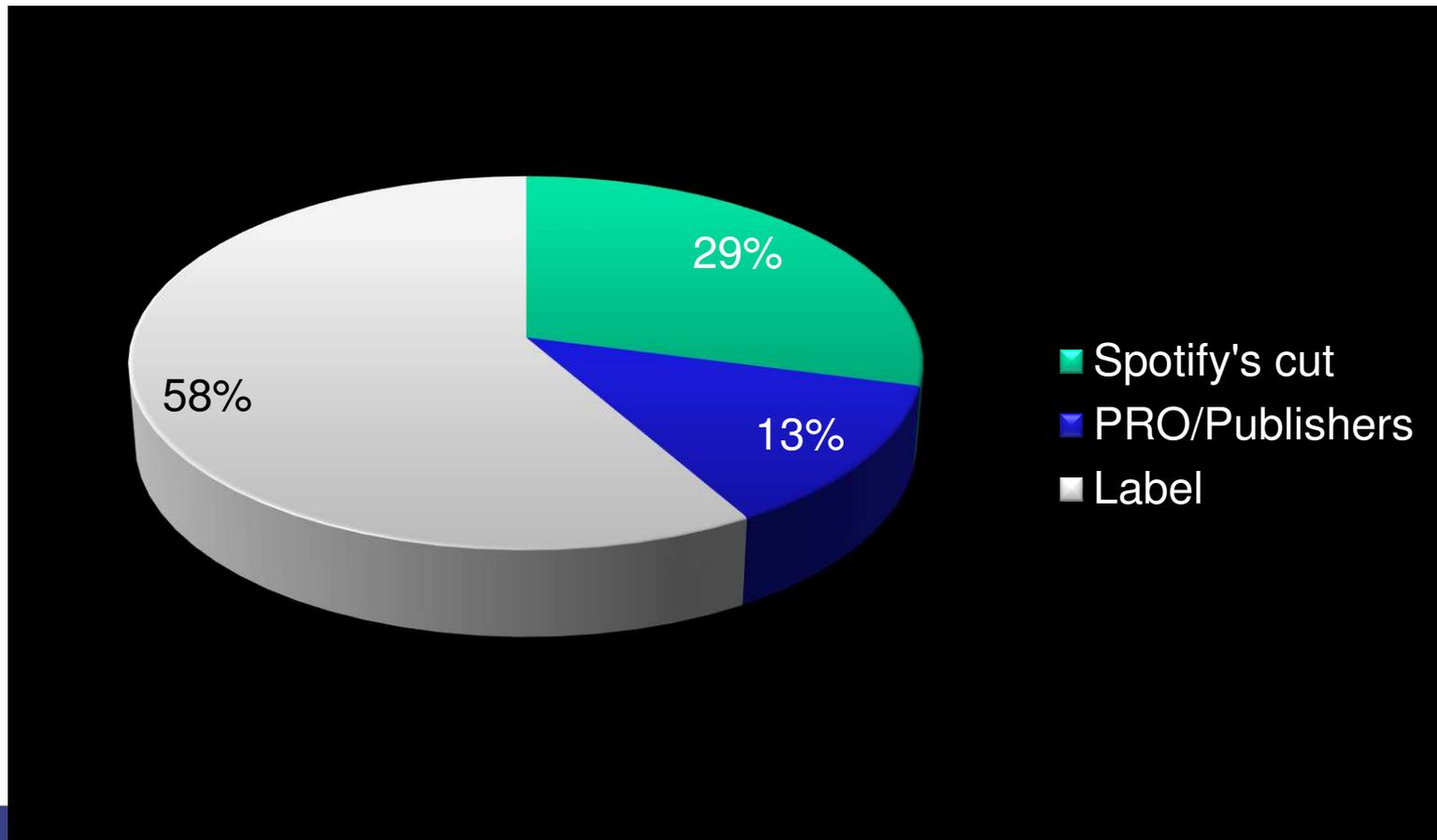


Spotify revenue model

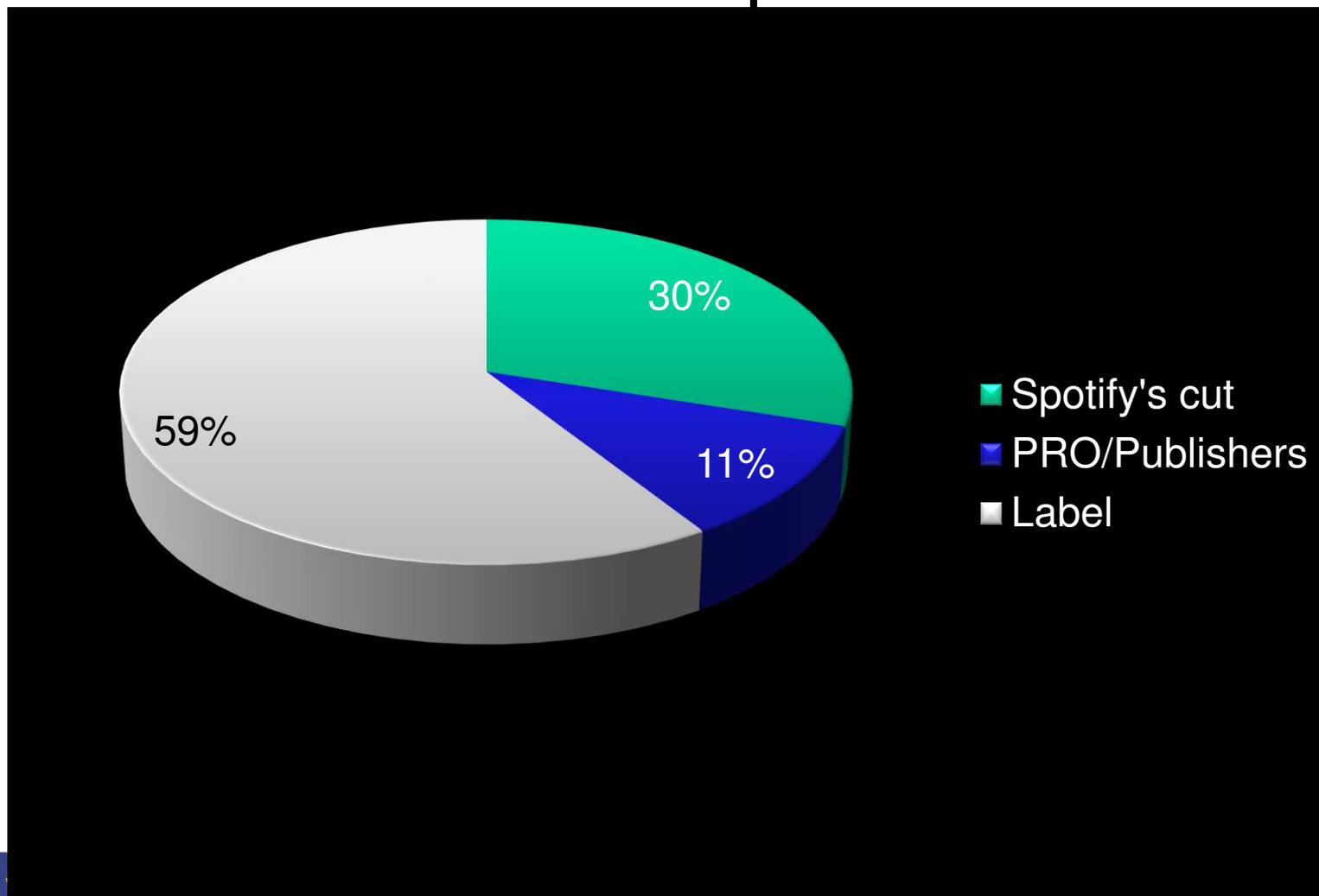
	FREEMIUM	PREMIUM
Revenue per stream	0,21	1,00
Spotify's cut	0,06	0,30
Left to distribute	0,15	0,70
PRO/Publishers	0,03	0,11
Label	0,12	0,59



Spotify's Freemium model revenue split



Spotify's Premium model revenue split



Accounting for revenue

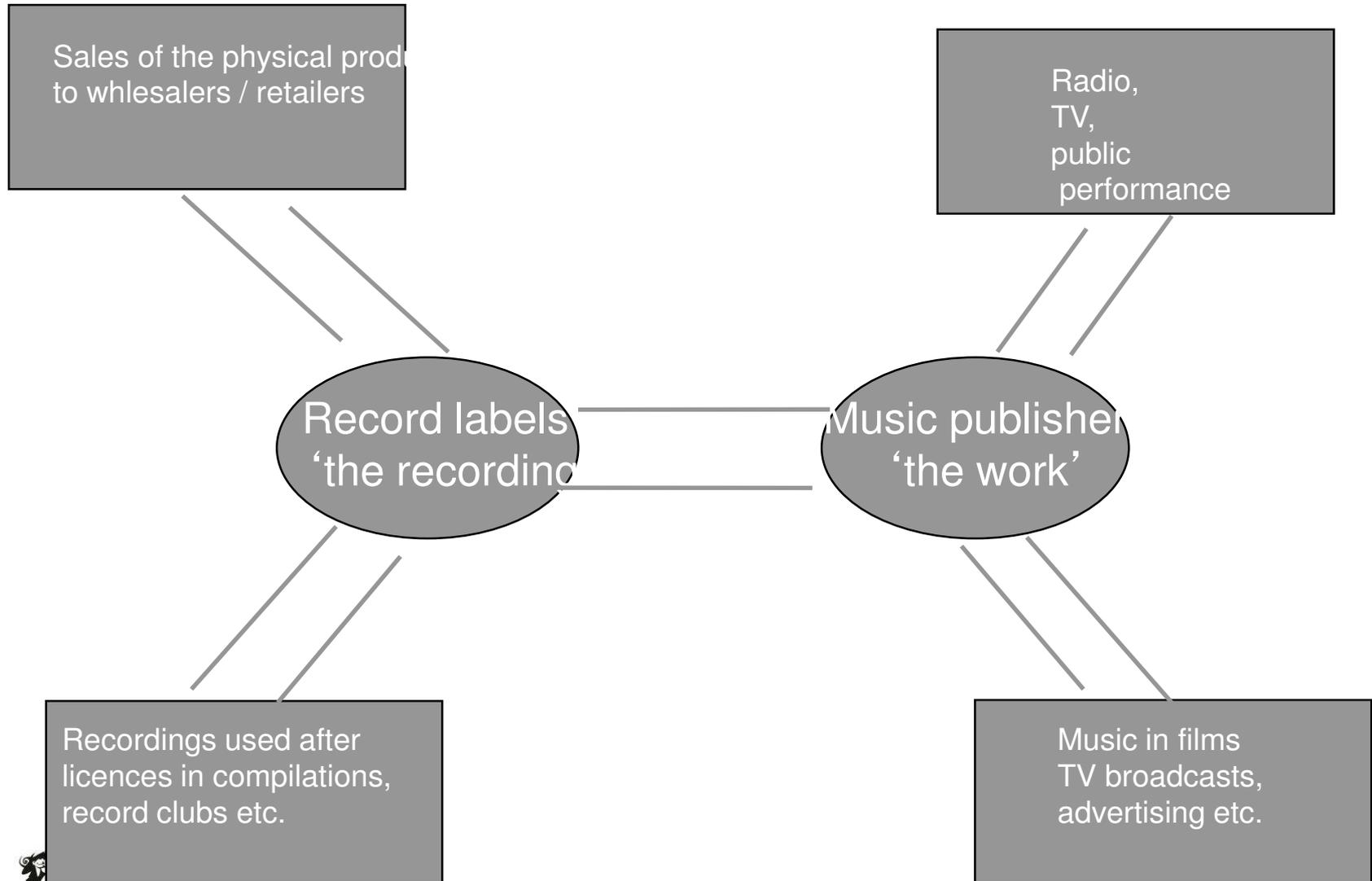
- Assuming that all streams are split 20% Premium and 80% Freemium then:
- 44 streams account for the value of a CD (\$16)
- A 100 streams generate \$37:
 - \$17 from Freemium
 - \$20 from Premium
 - Of which almost \$11 is Spotify's cut
 - Left to distribute \$26

The question:

- Why do I get so little when I get 1.000.000 streams?
- Kaija Saariaho

	Users Percentage	\$ /mn streams	<i>Spotify</i>	<i>PRO / Publisher</i>	<i>Label</i>
Freemium	80%	168.000,00	48.000,00	20.800,00	96.000,00
Premium	20%	200.000,00	60.000,00	22.000,00	118.000,00
	Total	368.000,00	108.000,00	42.800,00	214.000,00

The DNA of the music industry

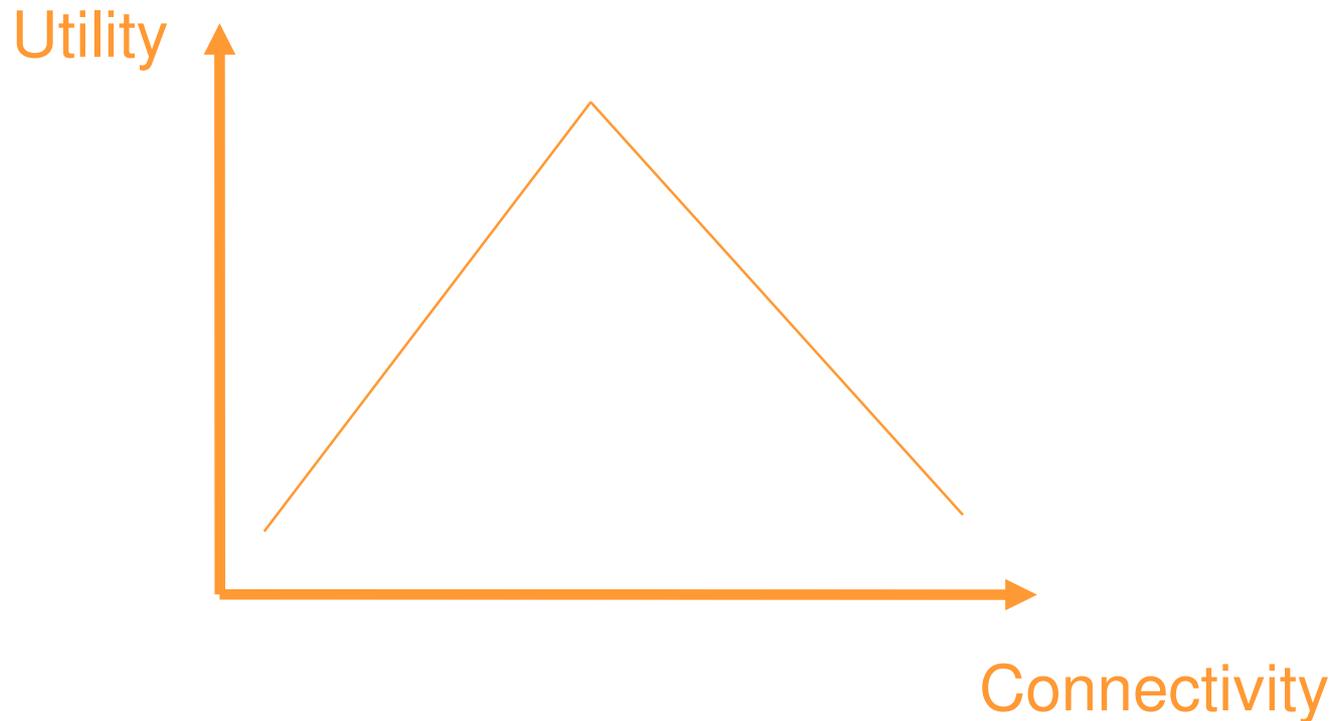


Democracy

- Remember Ford's vision: Democratize the automobile Ford
- Spotify: Democratization of access to music
- Levels the playing field?
 - Tidal - walled garden-curator model
 - Spotify – have all or don't count

- Access is easy available to anyone
- No structural barriers

The connectivity paradox



Numbers don't add in a lifetime

- 30 mn songs in Spotify
- Listen to 100 songs a day
- 1000 songs in 10 days
- 3000 songs in a month
- 36000 songs in a year
- 360000 songs in 10 years
- 3600000 songs in 100 years

The long tail?



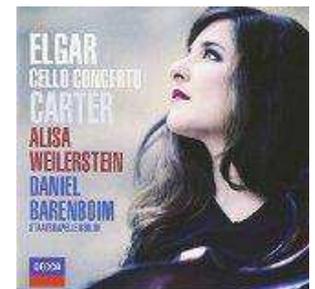
Case: Hyperion records

- “If we had to rely on income from streaming services only, we would shut within a couple of months,” admits Simon Perry, head of the leading classical label [Hyperion](#). “Services like Spotify and YouTube are great for the consumer, but they’re training an audience into thinking that classical music has no intrinsic value in terms of money. And the Spotify model does not work for classical because as a proportion of listeners, there is not enough traffic for it to generate the sort of income a label needs to invest in a performer and recording.”
- Perry does not license Hyperion records through Spotify, although he has embraced digital technology elsewhere. “Physical sales are down 25% on last year, so we have to find other ways of generating income. Digital downloads, which we make available through our own website at a very high quality and with loads of metadata like artwork, commentaries, texts and translations, are on the rise. Although not enough to make up the shortfall from physical sales.”
- “These are interesting times,” he adds. “And we’ve got to find ways to adapt. I’m generally an optimist, and without wishing to sound naive, we’ve got 80 new recordings being made this year alone. There is still a healthy market for what we produce.”
- <http://www.bbc.com/culture/story/20130710-is-spotify-good-for-classical>

Alisa Weilerstein case

- 31-year-old American cellist signed exclusively to Decca
- “Anyone who records classical music now is reconciled to the fact that you don’t do it to make money, you record for artistic reasons; to make a record you are proud ofAnd you are just lucky and incredibly grateful if you can get the projects you want recorded and distributed well. So if it’s on Spotify: great. Any artist of my generation who hasn’t got used to ‘the way things were before’ – we are just happy if we know people are listening to our music by any means.”
- Her debut CD, Elgar and Carter cello concertos, sold over 23,000 copies
-”maybe the digital thing took away from some sales, maybe it added to sales. But I think mostly it helps because it increases accessibility and awareness, and that has to be a good thing.”

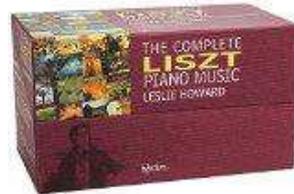
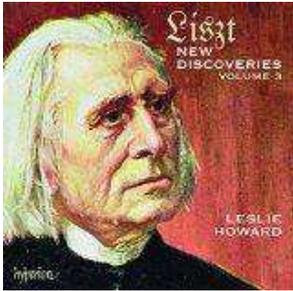
<http://www.bbc.com/culture/story/20130710-is-spotify-good-for-classical>



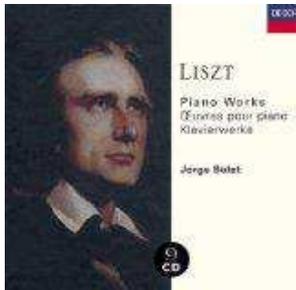
Can you afford not to be on Spotify?

- Hyperion Records (many versions of the same classical work)

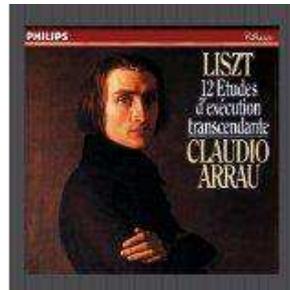
Leslie Howard vs. the others



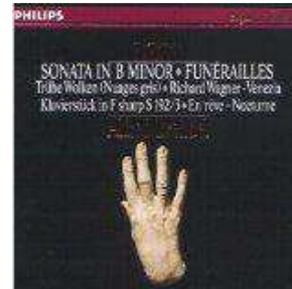
Leslie Howard



Jorge Bolet



Claudio Arrau



Alfred Brendel

Can you afford not to be on Spotify?

- Hyperion Records (many versions of the same classical work)
- Taylor Swift (unique)
- Combine with Teece's framework

Appropriation of rents from innovation

Imitability	High	Difficult profitability	Profitability to asset holder
	Low	Profitability to innovator	Profitability to one who has the Bargaining power
		Available to all	Scarce
		Complementary Assets	

Thank you!!!



Email: gmklimis@panteion.gr

“Music industry and social networking - A web-based experiment”

Corfu, 19 July 2015

Kasaras Konstantinos

PhD, Panteion University, Department of Media, Communications and Culture

The sub-sectors of music industry according to Throsby (2002)

- creative artists such as composers, songwriters and musical performers;
- agents, managers, promoters etc. who act on behalf of artists;
- music publishers who publish original works in various forms;
- record companies which make and distribute records (LPs, cassettes, CDs, music videos, DVDs);
- copyright collecting societies which administer the rights of artists, publishers and record companies;

- a variety of other service providers including studio owners, manufacturers, distributors, retailers, broadcasters, venue operators, ticket agents, etc.;
- users of music such as film-makers, multi-media producers, advertisers, etc.;
and
- individual consumers, who purchase a musical good or service (buying a record, attending a live performance, subscribing to a “pay” diffusion service) or consume it for free (listening to broadcasts, background music, etc.).

New digital technologies transform radically the music industry

- Music recording industry has changed radically during the last decade not only in sales and the production volume of products but also in consumer habits and uses of music
- The mass explosion of internet users around the world has brought stormy consequences to traditional industries and markets

- By the end of the 1990s, the impetus to the recorded music in physical formats from the introduction of the CD in the early 1980s expired and the recording sector entered a prolonged recession.
- The value of the recorded music trade declined from a total of \$28.6bn in 1999 to \$14.97bn in 2014 (IFPI, 2012; IFPI, 2015).
- Since 2004, however, the value of the *digital* trade increased from \$0.4bn to \$6.85bn in 2014, i.e. by 94%.
- In 2014, the share of digital equaled the share of physical sales for the first time (46%).
- From 2010 to 2014, revenues from subscription services rose from \$0.32bn to \$1.57bn (80%) and paying subscribers reached 41 million (IFPI, 2015).

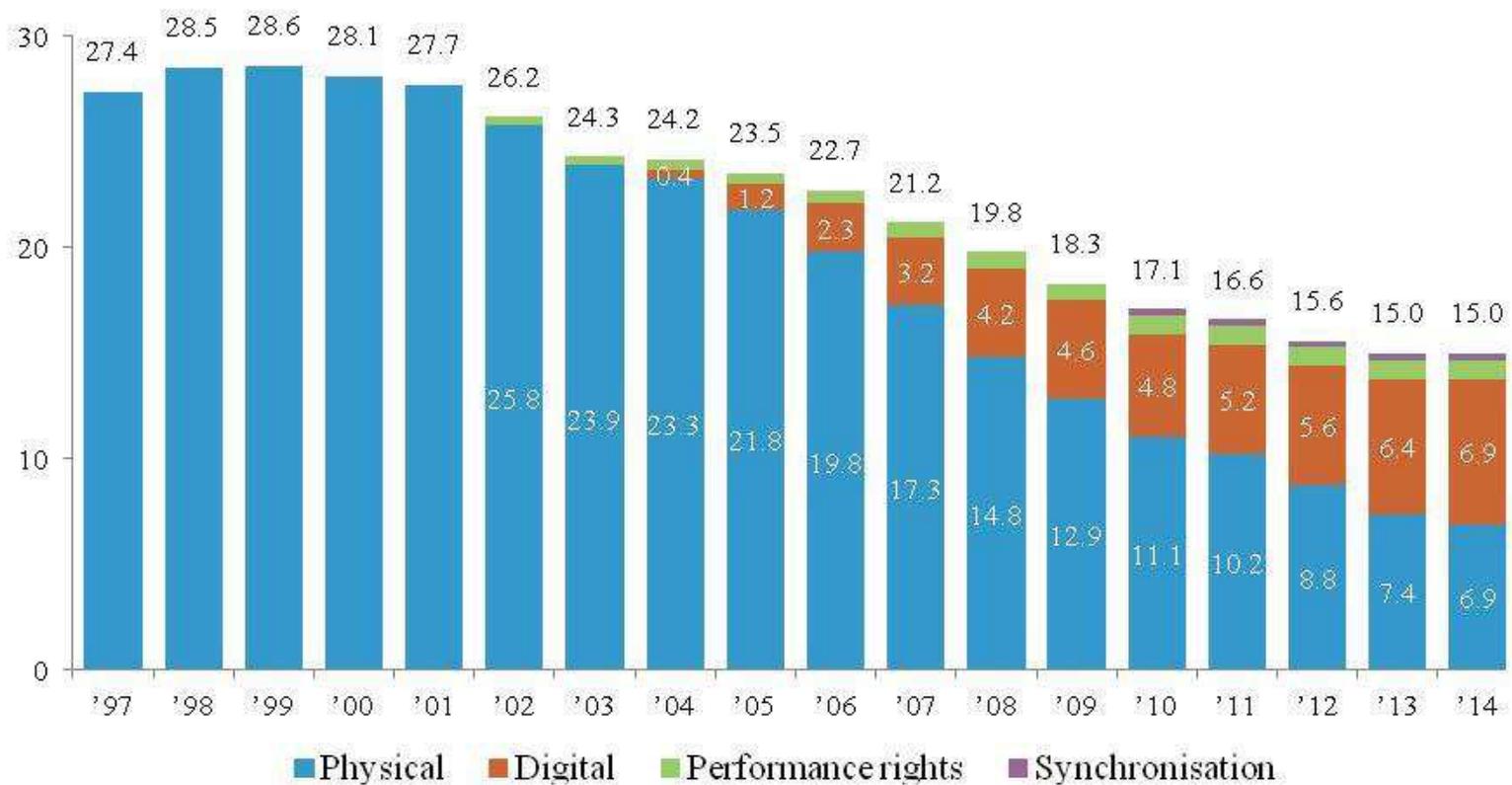
The new music economy is based on services rather, than on producing and distributing physical goods

- These figures reveal only part of the picture because the recording business represents roughly 10% of the *global music industry*
- It is noteworthy that according to the IFPI, from 2005 to 2010 the value of the music industry increased from \$132bn to \$168bn (Masnick & Ho, 2012).
- During the last years, the total revenues from live performances have exceeded the revenues from recorded music (Anderton, Dubber, & James, 2013).
- In 2011 the value of the global live music sector was almost 1.5 times the value of the recorded music trade (Wikström, 2013).

New business models emerge

- Musicians release albums to promote their concerts, instead of organizing concerts to promote their albums.
- The biggest company in the music industry is no longer a recording company, but *Live Nation Entertainment* that operates in 33 countries.
- In 2014 the revenues of *Live Nation Entertainment* were \$6.9bn while the revenues of the biggest recording company – *Universal Music Group* – were \$4.6bn (Resnikoff, 2014; Vivendi, 2015).

Global recorded music sales 1997-2014 (trade value in US\$ billions).
Source: IFPI.



The electronic markets hypotheses

In their Electronic Market Hypothesis Malone *et al.* (1987) state that: By reducing the costs of coordination, IT will lead to an overall shift toward proportionately more use of markets – rather than hierarchies – to coordinate economic activity.

In 1999, Kretschmer, Klimis and Choi proposed the following definition. An industry is cultural when:

- There is oversupply of goods candidate for commercialization
- The quality of goods is unclear
- Consumers of these goods form specific networks
- The demand for goods is reversed in a cyclical manner

Exchanging knowledge through social networks

- Today, consumers participate in one or more networks that distribute and diffuse cultural goods as well as information
- Consumer networking creates phenomena of social contagion and increasing returns
- This leads to “winner takes all” markets (Frank and Cook, 1995), where an endogenous and dynamic self-reinforcing feedback cycle realizes a “success breeds success” trajectory for the product and/or the artist

According to the latest Nielsen report (April 2012) on trust in advertising and brand messages:

- The voice of fellow consumers continues to be strongly heard when it comes to the most trusted forms of advertising.
- ‘Ninety-two percent of consumers around the world say they trust earned media, such as word-of-mouth or recommendations from friends and family, above all other forms of advertising – an increase of 18 percent since 2007’.
- Online consumer reviews are the second most trusted source of brand information and messaging, with 70 percent of global consumers surveyed online indicating they trust messages on this platform, an increase of 15 percent in four years

An experimental study on inequality and unpredictability in an artificial cultural market

- Between 2006 and 2009, Salganik and Watts carried out a number of web-based experiments for the study of collective social dynamics in cultural markets
- They experimented with a whole “army” in a laboratory by using facilities that only new technologies and the Web2.0 could provide. 2,930 participants listened, rated and downloaded 48 songs by upcoming bands in three different web-based experiments
- Salganik and Watts succeeded in demonstrating a fascinating approach to all theories that support the idea of the non-rationality of choice in cultural products while manifesting the applicability of social influence
- The experiment demonstrated that in cultural industries and markets, the quality is uncertain and phenomena such as that of herd behaviour or fad and fashion are more prevalent than in other industries

Herding and cultural consumption

- Herding behavior in marketing literature is described as purchase decisions being influenced by signals of others that purchased a certain good previously.
- Herding behavior is based on a signal of quality that arises when preceding consumers make their purchase decisions.
- For example, Best-seller lists publications create herding effects that influences book purchase decisions to converge to popular books (Bonabeau, 2004).

- Goel et al. (2010) showed that online search counts on cultural products, are highly predictive of their future outcomes.
- Anand and Peterson (2000) showed that Billboard and charts provide regular cues and connections about market activity which is vital to sense making in competitive fields. In other words they are reliable predictors of future sales

- Noah (1998) argued that musical forms consume people. People develop musical tastes similar to those of the people with whom they interact.
- Grandon (2012) showed that as the underlying complexity of the environment grows, nearby agents – when available – become a better informing source than either the expert or the environment itself.
- Granovetter (1974) showed that interpersonal ties are more likely to be activated for the flow of information and they are also more influential in consumers' decision making process

www.panteionmusicexperiment.com

- We conducted an experiment that took place at Panteion University of Athens (Greece) from October 2012 until April 2013.
- For the operationalization purposes of the experiment, a web site was constructed (www.panteionmusicexperiment.com) that hosted 12 songs from unknown artists, while 196 students participated.
- The main research question is related to how we decide to consume or decline a cultural product, after getting information about the decisions of the previous participants.
- Namely, to what extent each successive actor complies with the group behavior after observing their preceding choices and possibly abandons his own private selection.

panteionmusicexperiment.com

Kostas
Kasaras

[log out](#)

[change personal info](#)

Artist:

Title: Live it up

0:00 3:48

 **Basket**
- Live it up

Favorites

 - Live it up [remove](#)

 Live It up	 Leave Him Alone	 I' m onto you	 With or Without Me	 Come Away With Me	 Free! Free FM	 I want you	 Popprn bootles	 C'est la vie	 He don't even know me	 Please sound the alarm	 Comfort Zone
--	---	---	--	---	---	--	--	--	---	--	--



MINSTREL project
www.minstrel.eu



Culture

- In order to estimate whether this imitation tendency can cause mass consumption phenomena, we used the Cross-Sectional Absolute Deviation, (Chang, et al. 2000), which measure the existence of herding.
- The decisions of the previous participants in the first experimental group were presented as the impersonal choice of users and in the second as the preferences of the opinion leaders in a network of participants.
- According to the outcomes of the research the influence of the impersonal mass choice is stronger compared to that of the opinion leaders (who failed to cause a phenomenon with high statistical value).

Our main conclusion

- According to the outcomes of the research the influence of the impersonal mass choice is stronger compared to that of the opinion leaders (who failed to cause a phenomenon with high statistical value).
- In order to place this result in the real environment of the music industry market, someone could argue that only charts and hit parades can produce efficient phenomena of mass consumption, counter to the produced effects of opinion leaders and critics.

Copyright and music

Evangelia Vagena

Lawyer, PhD

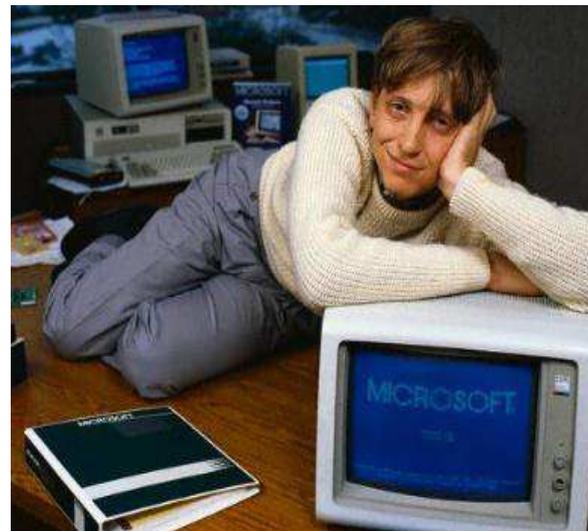
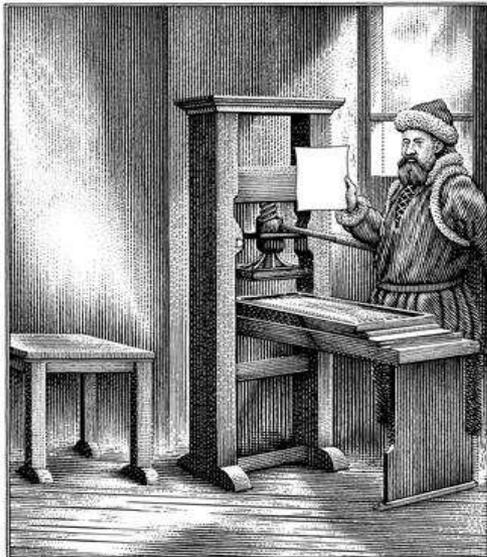
Summer Music Academy, Corfu 19.07.2015

Panteion University- IEMA/ MINSTREL
project

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COPYRIGHT JUSTIFICATION

- ❖ necessary way of incentivising the creation of new creative works
- ❖ Copyright and technology: a history of reaction



Two basic copyright systems

   Droit d'auteur ≠ Copyright  

↓
Greece 

- ✓ International protection system
- ✓ European union legislation

Basic International Treaties

- ❖ The Berne Convention for the Protection of Literary and Artistic Works (1886- as amended in 1971)
- ❖ The Phonograms Convention (1971)
- ❖ Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms (1971)
- ❖ The Rome Convention Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961)
- ❖ The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (1994)
- ❖ WIPO Copyright Treaty (WCT) (1996)
- ❖ WIPO Performances and Phonograms Treaty (WPPT) (1996)
- ❖ Beijing Treaty on Audiovisual Performances (2012)
- ❖ Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled (2013)

The EU legal framework (“acquis”)

- ❖ Management of Copyright and Related Rights
- ❖ Copyright in the Information Society
- ❖ Orphan works
- ❖ Rental and lending rights
- ❖ Term of Protection
- ❖ Satellite and Cable
- ❖ Resale right
- ❖ Protection of Computer Programs
- ❖ Protection of Databases
- ❖ Protection of semiconductor topographies
- ❖ Enforcement

Copyright and neighboring rights

- Right holders = copyright
(e.g. composer, lyricists etc.)
 - Absolute and exclusive rights
 - Economical and moral rights
- Neighboring rights or related rights= performers
(musicians, singers, chorus singers, publishers of music scores etc) :
 - Absolute rights
 - Mainly remuneration rights

Economical rights

- a) the *fixation* of their work/performance
- b) the direct or indirect, temporary or permanent *reproduction* by any means and in any form, in whole or in part, concerning the fixation of their work/performance
- c) the *distribution to the public* of the fixation of their work/performance, by sale or other means.
- d) the *rental and public lending* of the fixation of their work/performance. Such rights are not exhausted by any sale or other act of distribution of the said recordings
- e) the *radio and television broadcasting* of the illegal fixation by any means, such as wireless waves, satellites, or cable as well as the communication to the public of a recording with an illegal fixation of their music works or their live performances
- f) the radio and television broadcasting by any means, such as wireless waves, satellites, or *cable*, of their works or live performance, except where the said broadcasting is rebroadcasting of a legitimate broadcasting
- g) the *communication to the public* of their works or live performances made by any means other than radio or television transmission
- h) the *making available to the public* of their works or the fixations of their performances, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them=
internet



Mechanical –synchronization- performing rights

- *The “*mechanical*” right is the right to reproduce a piece of music onto CDs, DVDs, records or tapes. (Non-mechanical reproduction includes such things as making sheet music, for which royalties are paid by the publisher to the composer.)
- When reproduction of music is made onto a soundtrack of a film or TV show, the reproduction is called “*synchronization*,” and the license that the TV or film producer needs to obtain is called a synchronization, or “sync,” license.
- *see at <http://www.bmi.com/>
- *Performing rights* royalties are paid to a songwriter, composer or publisher whenever their music is played or performed in any public space or place.
- This includes TV, radio, online, in a shop, an office, pub or restaurant, at a concert, a sporting event and thousands of other places.
- *See at <http://www.prsformusic.com/>

Limitations- exceptions

- Mainly for:
- Private copying
- Teaching purposes
- Public information purposes
- Public archives purposes for maintenance reasons
- Reproduction for visually impaired persons

Moral rights

- The moral rights shall confer upon the author notably the following rights:
 - a) to decide on the time, place and manner in which the work shall be made accessible to the public (*publication*)
 - b) to demand that his status as the author of the work be acknowledged and, in particular, to the extent that it is possible, that his name be indicated on the copies of his work and noted whenever his work is used publicly, or, on the contrary, if he so wishes, that his work be presented anonymously or under a pseudonym (*paternity*)
 - c) to prohibit any distortion, mutilation or other modification of his work and any offence to the author due to the circumstances of the presentation of the work in public (*integrity*)
 - d) to have *access* to his work, even when the economic right in the work or the physical embodiment of the work belongs to another person; in those latter cases, the access shall be effected with minimum possible nuisance to the right holder
 - e) in the case of a literary or scientific work, to rescind a contract transferring the economic right or an exploitation contract or license of which his work is the object, subject to payment of material damages to the other contracting party, for the pecuniary loss he has sustained, when the author considers such action to be necessary for the protection of his personality because of changes in his beliefs or in the circumstances. (*rescission*)



Moral rights of performers

- During their lifetime, performers have the right to *full acknowledgment and credit of their status* as such in relation to their performances and to the right to prohibit any *form of alteration* of their performances.
- =paternity & integrity right

Management of rights

- Individual
- Or
- Collective

**In some cases obligatory collective management e.g. levies for private copying*

❖ Directive on collective management of copyright (2014/26/EU)

“Member States shall ensure that collective management organisations established in their territory comply with the requirements of this Title when granting multi-territorial licences for online rights in musical works.”

- Armonia (Universal, PEER Latino & SONY)
- CELAS (EMI)
- PEDL (Warner/Chapel)
- PAECOL (SONY)
- DEAL (Universal)



Internet enforcement issues

❖ P2P

- ❖ Downloading (maybe excused because of the private copy exception)
- ❖ Uploading= making available of a work

- ❖ Three strikes test to deal with users
- ❖ ISPs involvement
- ❖ DRM – technological protection?

Technological measures of Protection-TMP

=

«any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject-matter, which are not authorised by the rightholder of any copyright or any right related to copyright as well as the sui generis right of the data base maker»

❑ European legislation prohibits the :

- I) the circumvention, without the permission of the right holder, of any effective technological measure when such act is made in the knowledge or with reasonable grounds to know that the one performing it is pursuing that objective and
- II) the manufacture & distribution of devices, products or components or the provision of services aiming at the technical measures circumvention

Civil Sanctions + penal sanctions (imprisonment and a fine) + possible interim measures



Digital Rights Management-DRM

ή Electronic Copyright Management Systems, ECMS

Facilitate online licensing

-personal data issues

-issues about collective management

- In relation to *rights-management information* (information which identifies the author or any other rightholder, or information about the terms and conditions of use of the work or other subject-matter, and any numbers or codes that represent such information) it is prohibited :
 - a) to remove or alter any electronic rights-management information,
 - b) to distribute, import for distribution, broadcast, communicate or make available to the public works from which electronic rights management information has been removed or altered without authority

global repertoire database

<http://www.globalrepertoiredatabase.com/>



MINSTREL project
www.minstrel.eu

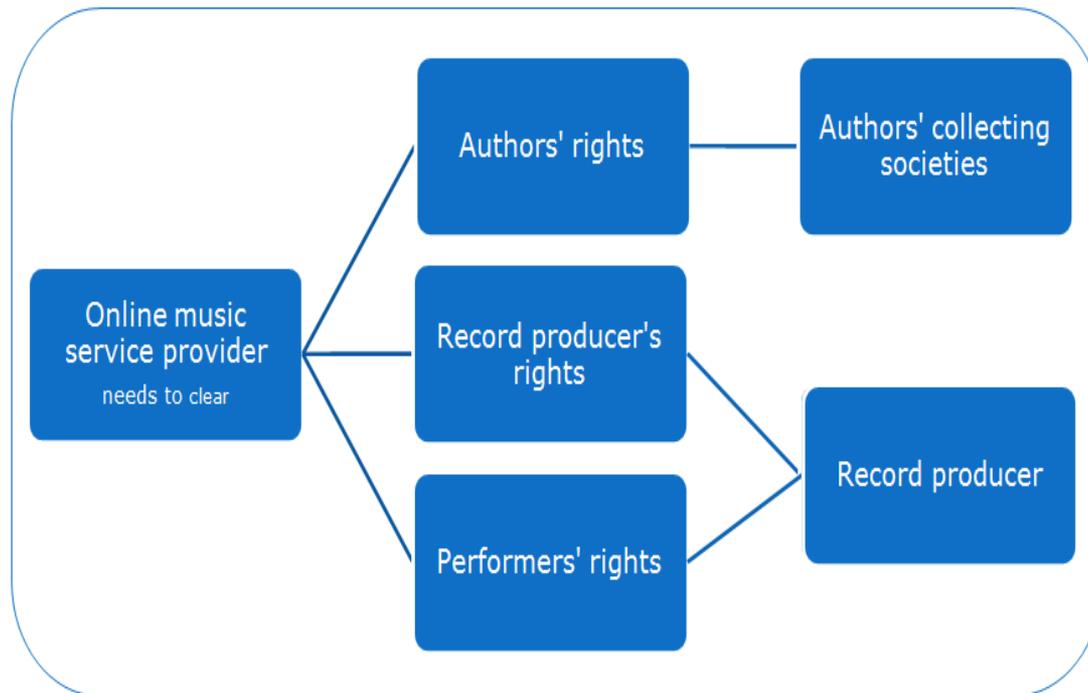


Culture

Possible solutions

- ❖ Raise public awareness about the consequences of digital piracy
- ❖ Promote legal online content
- ❖ multi territorial licensing
- ❖ Free music? Creative commons

Example of licensing of music rights for online uses



Not projects of licensing music works with creative commons licences for non commercial purposes

- Dutch Buma/Stemra for music authors (2007)
- Danish collecting society [KODA](#) (2008),
- Swedish STIM (2012)
- French collective management SACEM (2012)

Reactions of GEMA- C3S ('Cultural Commons Collecting Society') –management of works for open use

EU legislation future policy

“modernize EU copyright law to make it fit for the digital age”

- ❖ Public Consultation on the review of the EU copyright rules (from 05.12.2013 to 05.03.2014)
- ❖ Commission announcement on 6.05.2015: A Digital Single Market for Europe- Commission sets out 16 initiatives to make it happen
 - “*The Commission will make legislative proposals before the end of 2015 to reduce the differences between national copyright regimes and allow for wider online access to works by users across the EU, including through further harmonisation measures. The proposals will include:*
 - (i) *portability* of legally acquired content,
 - (ii) ensuring *cross-border access* to legally purchased online services while respecting the value of rights in the audiovisual sector,
 - (iii) greater legal certainty for the cross-border use of content for specific purposes (e.g. research, education, text and data mining, etc.) through *harmonised exceptions*,
 - (iv) clarifying the rules on the *activities of intermediaries* in relation to copyright-protected content and, in 2016,
 - (v) modernising *enforcement of intellectual property rights*, focusing on commercial-scale infringements (the ‘follow the money’ approach) as well as its cross-border applicability”.
 - http://europa.eu/rapid/press-release_IP-15-4919_en.htm



- Thank you!

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